

COLUMBUS COUNTY, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2018

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COUNTY MANAGER

Michael Stephens

BOARD OF COUNTY COMMISSIONERS

Trent Burroughs - Chairman

Charles McDowell	Jerome McMillan
James Prevatte	Ricky Bullard
Giles E. Byrd	Edwin Russ

COUNTY OFFICIALS

Bobbie Faircloth Finance Officer	Needom Hughes Tax Administrator
Amanda Prince County Attorney	June B. Hall Clerk to Board

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## FINANCIAL SECTION



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Columbus County  
Whiteville, North Carolina

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Columbus County, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise Columbus 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 bases on our audit. We did not audit the financial statements of Columbus Regional Healthcare System, which represents 99.75 percent, 99.66 percent, and 99.87 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Columbus Regional Healthcare System, 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 Columbus Regional Healthcare System and Columbus County Tourism Development Authority 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.

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

### ***Opinions***

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presents component units, each major fund, and the aggregate remaining fund information Columbus County, North Carolina as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, on pages 4 through 13 and 66 through 72, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Columbus 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 January 11, 2019 on our consideration of Columbus 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 Columbus County's internal control over financial reporting and compliance.

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 11, 2019

## COLUMBUS COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Columbus County, we offer readers of Columbus County's financial statements this narrative overview and analysis of the financial activities of Columbus County for the fiscal year ended June 30, 2018. 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**

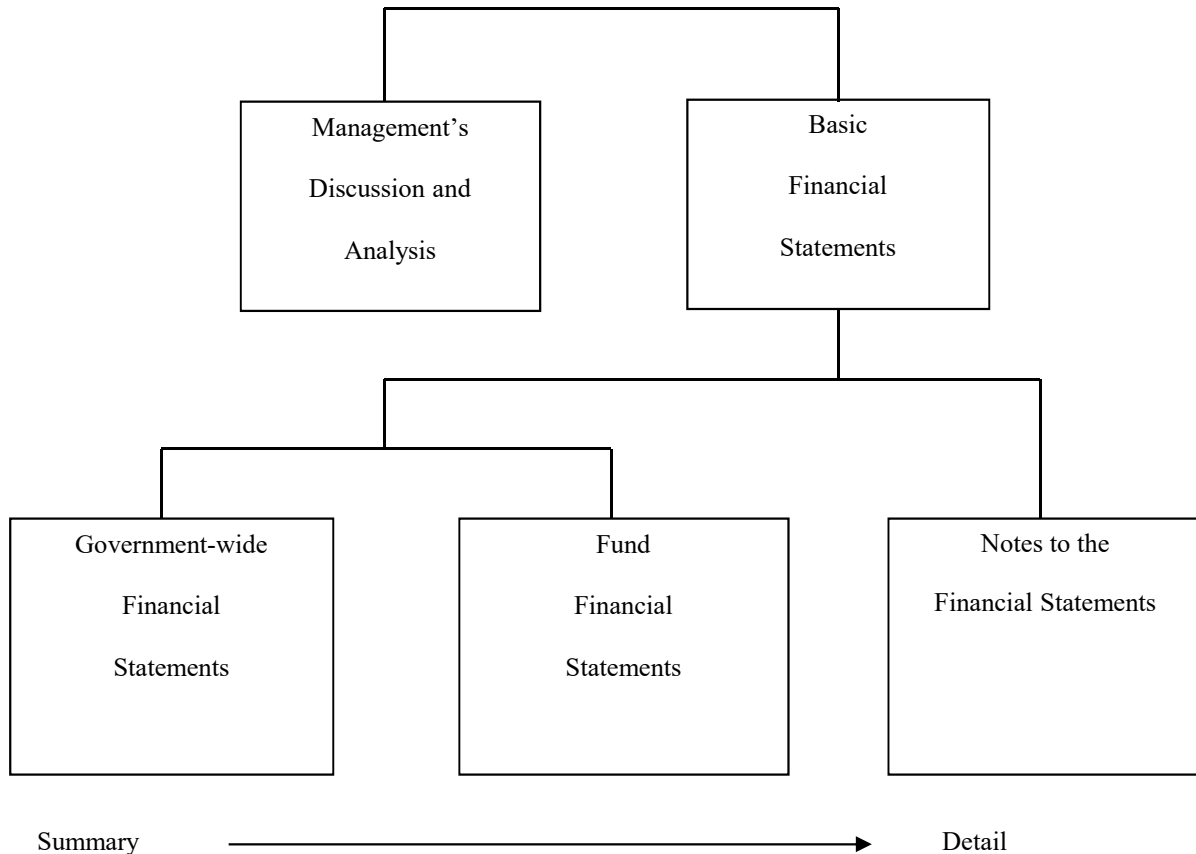
- The assets and deferred outflows of resources of Columbus County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$37,909,291 (net position).
- The government's total net position increased by \$2,969,295 primarily due to an increased net position both the Governmental Activities and the Business-Type Activities. Additionally, the County recorded a restatement of beginning net position as a result of the implementation of GASB 75 that decreased beginning net position by \$28,984,043. A prior period adjustment was also recorded that increased beginning net position by \$553,838.
- As of the close of the current fiscal year, Columbus County's governmental funds reported combined ending fund balances of \$38,515,562, an increase of \$2,256,233 in comparison with the prior year. Approximately 19.12 percent of this total amount, or \$7,364,177, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$29,854,100 or 55.33 percent of total general fund expenditures for the fiscal year.
- Columbus County's total debt decreased by \$2,114,388 during the current fiscal year. The decrease was primarily due to the payment of debt service obligations.
- Columbus County's latest evaluations resulted in an Aa3 rating from Moody's and A from Standard and Poor's.

### **Overview of the Financial Statements**

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

**Required Components of Annual Financial Report**

Figure 1



**Basic Financial Statements**

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

The next statements (Exhibits 3 through 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 proprietary fund statements; and 4) the fiduciary fund statements.

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

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

## COLUMBUS COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

### **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 basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Columbus County. The final category is the component units. Columbus Regional Healthcare System is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County. The County appoints the board of trustees for the Hospital and has issued debt on its behalf. The County also reports the Tourism Development Authority as a component unit.

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. Columbus County, like all other governmental entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Columbus County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Proprietary Funds** – Columbus County has one kind of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Columbus County uses enterprise funds to account for its water and sewer activity and for its landfill operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Columbus County has seven fiduciary funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start after Exhibit 9.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Columbus County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning at Exhibit A-1, directly after the notes.



COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Government-Wide Financial Analysis**

**COLUMBUS COUNTY'S NET POSITION**

**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 44,433,022	\$ 40,487,142	\$ 11,148,751	\$ 10,577,623	\$ 55,581,773	\$ 51,064,765
Capital assets	35,173,897	34,415,110	33,881,634	34,152,978	69,055,531	68,568,088
Total assets	<u>79,606,919</u>	<u>74,902,252</u>	<u>45,030,385</u>	<u>44,730,601</u>	<u>124,637,304</u>	<u>119,632,853</u>
Total deferred outflows of resources	4,211,145	4,993,292	319,238	341,804	4,530,383	5,335,096
Long-term liabilities outstanding	56,021,881	31,613,339	21,096,734	20,543,001	77,118,615	52,156,340
Other liabilities	8,825,332	8,537,814	1,007,461	638,154	9,832,793	9,175,968
Total liabilities	<u>64,847,213</u>	<u>40,151,153</u>	<u>22,104,195</u>	<u>21,181,155</u>	<u>86,951,408</u>	<u>61,332,308</u>
Total deferred inflows of resources	4,151,285	259,133	155,703	6,307	4,306,988	265,440
Net position:						
Net investment in capital assets	25,774,501	23,374,570	14,540,193	14,338,294	40,314,694	37,712,864
Restricted	7,286,818	8,022,777	-	-	7,286,818	8,022,777
Unrestricted	(18,241,753)	8,087,911	8,549,532	9,546,649	(9,692,221)	17,634,560
Total net position	<u>\$ 14,819,566</u>	<u>\$ 39,485,258</u>	<u>\$ 23,089,725</u>	<u>\$ 23,884,943</u>	<u>\$ 37,909,291</u>	<u>\$ 63,370,201</u>

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 \$37,909,291 as of June 30, 2018. The County's net position increased by \$2,969,295 for the fiscal year ended June 30, 2018. However, the County recorded a restatement of net position that resulted in a decrease of \$28,984,043 as a result of the implementation of GASB 75. The County also reported a prior period adjustment that increased net position by \$553,838. One of the largest portions, \$40,314,694 (106.35) reflects the County's net investment in capital assets. Columbus County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Columbus 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 Columbus County's net position \$7,286,818 (19.22%) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$9,692,221 (-25.57%) is unrestricted.

Several particular aspects of the County's financial operations contributed to the increase in the total unrestricted governmental net position:

- Decreases in overall expenditures and overall revenue in the Governmental Activities
- Sale of GP Property

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

COLUMBUS COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 3,509,928	\$ 4,191,570	\$ 8,299,551	\$ 8,289,205	\$ 11,809,479	\$ 12,480,775
Operating grants and contributions	12,712,399	14,624,209	1,835,606	1,901,058	14,548,005	16,525,267
Capital grants and contributions	2,019,806	555,036	-	64,578	2,019,806	619,614
General revenues:					-	-
Property taxes	32,469,348	31,914,377	-	-	32,469,348	31,914,377
Other taxes	10,045,445	9,290,719	-	-	10,045,445	9,290,719
Grants and contributions not restricted to specific programs	83,252	84,422	-	-	83,252	84,422
Other	1,082,333	3,869,900	10,013	10,295	1,092,346	3,880,195
Total revenues	61,922,511	64,530,233	10,145,170	10,265,136	72,067,681	74,795,369
Expenses:						
General government	7,887,867	7,549,458	-	-	7,887,867	7,549,458
Public safety	14,802,402	15,338,344	-	-	14,802,402	15,338,344
Transportation	556,489	584,353	-	-	556,489	584,353
Economic and physical development	3,143,744	2,251,866	-	-	3,143,744	2,251,866
Human services	17,060,921	19,940,846	-	-	17,060,921	19,940,846
Cultural and recreation	2,015,839	1,918,461	-	-	2,015,839	1,918,461
Education	13,531,568	12,495,549	-	-	13,531,568	12,495,549
Interest on long-term debt	286,918	337,150	-	-	286,918	337,150
Landfill	-	-	4,651,494	4,147,889	4,651,494	4,147,889
Water and sewer	-	-	3,472,291	3,492,311	3,472,291	3,492,311
Section 8 Housing	-	-	1,688,853	1,702,405	1,688,853	1,702,405
Total expenses	59,285,748	60,416,027	9,812,638	9,342,605	69,098,386	69,758,632
Increase in net position before transfers and special items	2,636,763	4,114,206	332,532	922,531	2,969,295	5,036,737
Transfers and special items	-	(152,308)	-	152,308	-	-
Increase in net position after transfers and special items	2,636,763	3,961,898	332,532	1,074,839	2,969,295	5,036,737
Net position, beginning	39,485,258	36,218,900	23,884,943	22,810,103	63,370,201	59,029,003
Net position, beginning, restated	12,182,803	35,523,360	22,757,193	22,810,103	34,939,996	58,333,463
Net position, ending	\$ 14,819,566	\$ 39,485,258	\$ 23,089,725	\$ 23,884,942	\$ 37,909,291	\$ 63,370,200

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Governmental activities.** Governmental activities increased the County's net position by \$2,636,763 thereby accounting for 88.80% of the total increase in the net position of Columbus County. Key elements of this increase are as follows:

- Increase in taxes and license revenues
- Decrease in expenditures of the governmental activities
- Sale of the GP Property

**Business-type activities.** Business-type activities increased Columbus County's net position by \$332,532, accounting for 11.20% of the total increase in the government's net position. Key elements of this increase are as follows:

- Collected revenues in excess of expenditures, even though expenditures increased significantly

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

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

**Governmental Funds.** The focus of Columbus County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Columbus 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 Columbus County. At the end of the current fiscal year, Columbus County's fund balance available in the General Fund was \$33,731,079, while total fund balance reached \$39,528,533. The County currently has an available fund balance of 62.52 percent of total General Fund expenditures, while total fund balance represents 73.26 percent of that same amount.

At June 30, 2018, the governmental funds of Columbus County reported a combined fund balance of \$38,515,562, a 6.32% percent increase from the previous year. The primary reason for this increase was the sale of the GP Property.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,655,899.

**Proprietary Funds.** Columbus County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net position of the Solid Waste Fund at the end of the fiscal year amounted to \$6,120,679, and those for the Water Funds equaled \$16,431,389. The County also reports a fund balance of \$537,657 in the Section 8 Housing fund. The total change in net position for these funds was \$497,993, (\$213,389), and \$47,928, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Columbus County's business-type activities.

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Capital Asset and Debt Administration**

**Capital Assets.** Columbus County's capital assets for its governmental and business – type activities as of June 30, 2018, totals \$69,055,531 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

**COLUMBUS COUNTY'S CAPITAL ASSETS**

(net of depreciation)

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,261,321	\$ 1,622,835	\$ 613,439	\$ 613,439	\$ 1,874,760	\$ 2,236,274
Construction in Progress	5,410,000	1,479,126	1,051,539	-	6,461,539	1,479,126
Buildings and improvements	26,181,346	29,168,406	88,328	6,699	26,269,674	29,175,105
Vehicles	1,304,587	1,164,917	203,702	209,453	1,508,289	1,374,370
Furniture, fixtures and equipment	1,016,643	979,826	78,460	92,882	1,095,103	1,072,708
Distributions systems	-	-	31,846,164	33,230,502	31,846,164	33,230,502
Other	-	-	2	3	2	3
<b>Total</b>	<b>\$ 35,173,897</b>	<b>\$ 34,415,110</b>	<b>\$ 33,881,634</b>	<b>\$ 34,152,978</b>	<b>\$ 69,055,531</b>	<b>\$ 68,568,088</b>

Major capital asset transactions during the year include:

- Purchased new vehicles for Sheriff's Department and Transportation Department
- Equipment for jail
- Sold property that was formerly Georgia Pacific
- Various airport projects, courthouse renovation, and E911 center remodeling

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

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term Debt.** As of June 30, 2018, Columbus County had total bonded debt outstanding of \$18,541,500, all but \$1,955,500 (Revenue Bonds) of which is debt backed by the full faith and credit of the County. The County also has installment obligations of \$9,399,396, limited obligation bonds of \$12,810,000, and revolving loan fund obligations of \$268,020.

**COLUMBUS COUNTY'S OUTSTANDING DEBT**  
**General Obligation and Installment Debt**

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ -	\$ -	\$16,586,000	\$16,972,000	\$16,586,000	\$16,972,000
Unamortized Bond Premium	-	-	531,921	554,363	531,921	554,363
Limited Obligation Bonds	-	-	12,810,000	13,135,000	12,810,000	13,135,000
Revenue Bonds	-	-	1,955,500	1,993,500	1,955,500	1,993,500
Revolving Loan Funds	-	-	268,020	294,822	268,020	294,822
Installment Purchases	9,399,396	11,040,540	-	-	9,399,396	11,040,540
<b>Total</b>	<b>\$ 9,399,396</b>	<b>\$11,040,540</b>	<b>\$32,151,441</b>	<b>\$32,949,685</b>	<b>\$41,550,837</b>	<b>\$43,990,225</b>

Columbus County's total debt decreased by \$2,439,388 (5.55 percent) during the past fiscal year, primarily due scheduled debt service payments.

As mentioned in the financial highlights section of this document, Columbus County received an Aa3 bond rating from Moody's Investor Service and A rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of Columbus County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Columbus County is \$297,212,490.

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

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Columbus County continues to be involved in multiple sectors that work together to form a stable economic base. The County continues to play a strong role in the textile sector with facilities such as National Spinning and Whiteville Fabrics employing approximately 300 citizens in the Whiteville area and Filtec Precise employing over 50 in the Tabor City area. Brower Brothers has also joined this group and have recently purchased an additional warehouse to serve as a distribution facility for their company in Whiteville. The Timber Industry continues to play a huge economic role as well, driven primarily by the International Paper plant in Riegelwood with over 750 employees and having undergone \$160 million expansion last year. West Fraser Timber also is a huge player with their ultra-modern mill which employs nearly 200 workers and which also undertook expansions that totaled over \$30 million in recent years, making it one of the top 3 yellow pine dimensional lumber mills in the world. We continue to find success in our efforts to move the County forward in the food processing sector. The recent sale of the former Nice Blends facility to become a Regional Food Processing Center (Project Chess), the planned re-start of the idled Tortimex Tortilla factory and the multiple RFPs that have been submitted recently for food processors interested in our "Triple – Certified" Food and Beverage Park – the Southeastern Regional Park all bode well for success in the sector. The County also sold the former Georgia-Pacific site to the RJ Corman Railroad Company this year, and upgrades are underway to convert the site to a rail served industrial park with multiple sites available to lease. We feel that the RJ Corman Railroad Company will move that former wood processing facility into a new era which can include multiple rail served manufactures on site as well as being the site for a regional trans-load facility. Both of these efforts will move Columbus County into playing a larger role in the logistics and transportation sector. The future of economic growth in Columbus County looks promising moving forward, but if there are weaknesses we are facing, it is our lack of product (i.e. lack of available buildings) and available workforce. Many prospective clients are searching for an existing building, and we simply are nearly out of available industrial buildings. Our success in recent years has led to our current position wherein there is only one small industrial building (30,000 sq. ft.) that could be immediately occupied left on the market, and one older mid-sized building (50,000 sq.ft.) with low ceilings and in need of extensive renovation that can actually be shown to those clients in search of industrial buildings. Availability of labor is also an issue. With an unemployment rate at a level approaching what most economists consider being the "full employment" level of 5.5%, finding qualified and available workers has become a challenge for existing industries as well as for those considering the county for an expansion.

**Budget Highlights for Fiscal Year Ending June 30, 2019**

**Government Activities:**

The property tax rate remained steady at .805. Revenues from permits and fees are expected to be the same as the current year.

Budget expenditures in the General Fund have decreased from the prior year amounts.

**Business Type Activities:**

Rates for landfill user services will decrease by \$3 from the fiscal year ended June 30, 2018. Water rates will increase based on consumption.

**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, Columbus County, 111 Washington Street, Whiteville, NC 28472. You can also call (910)-642-6825, visit our website [www.columbusco.org](http://www.columbusco.org) or send an email to [bfaircloth@columbusco.org](mailto:bfaircloth@columbusco.org) for more information.

BASIC  
FINANCIAL STATEMENTS

**Columbus County, North Carolina**  
**Statement of Net Position**  
**June 30, 2018**

	Primary Government			Component Unit		
	Governmental Activities	Business-type Activities	Total	Columbus Tourism Authority	Columbus Regional Healthcare System	Total Reporting Unit
<b>ASSETS</b>						
Cash and cash investments	\$ 37,878,947	\$ 9,877,109	\$ 47,756,056	\$ 297,182	\$ 8,437,321	\$ 56,490,559
Taxes receivable (net)	1,158,211	691,103	1,849,314	-	-	1,849,314
Accounts receivables (net)	579,784	403,850	983,634	11,601	11,134,591	12,129,826
Due from other governments	4,032,471	36,009	4,068,480	-	-	4,068,480
Due from other funds	199,964	(199,964)	-	-	-	-
Net pension asset	72,140	-	72,140	-	1,959,345	2,031,485
Other assets	-	-	-	-	2,417,983	2,417,983
Inventories	77,359	-	77,359	-	2,126,958	2,204,317
Prepaid items	-	-	-	-	914,402	914,402
Restricted cash and cash equivalents	434,146	340,644	774,790	-	-	774,790
Assets limited as to use	-	-	-	-	50,737,867	50,737,867
Capital assets:						
Land, improvements, and construction in progress	6,671,321	1,664,978	8,336,299	-	1,930,803	10,267,102
Other capital assets, net of depreciation	28,502,576	32,216,656	60,719,232	-	42,236,602	102,955,834
Total capital assets	35,173,897	33,881,634	69,055,531	-	44,167,405	113,222,936
Total assets	\$ 79,606,919	\$ 45,030,385	\$ 124,637,304	\$ 308,783	\$ 121,895,872	\$ 246,841,959
<b>DEFERRED OUTFLOWS OF RESOURCE</b>	\$ 4,211,145	\$ 319,238	\$ 4,530,383	\$ -	\$ 1,522,682	\$ 6,053,065
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 4,792,476	\$ 538,325	\$ 5,330,801	\$ -	\$ 7,253,237	\$ 12,584,038
Accrued interest payable	53,604	60,860	114,464	-	-	114,464
Customer deposits	-	279,327	279,327	-	-	279,327
Estimated third party payer settlements	-	-	-	-	2,574,133	2,574,133
Long-term liabilities:						
Due within one year	1,641,144	473,244	2,114,388	-	515,000	2,629,388
Net pension liability	3,979,252	128,949	4,108,201	-	-	4,108,201
Due in more than one year	54,380,737	20,623,490	75,004,227	-	22,046,654	97,050,881
Total long-term liabilities	60,001,133	21,225,683	81,226,816	-	22,561,654	103,788,470
Total liabilities	\$ 64,847,213	\$ 22,104,195	\$ 86,951,408	\$ -	\$ 32,389,024	\$ 119,340,432
<b>DEFERRED INFLOWS OF RESOURCES</b>	\$ 4,151,285	\$ 155,703	\$ 4,306,988	\$ -	\$ 381,515	\$ 4,688,503
<b>NET POSITION</b>						
Net investment in capital assets	\$ 25,774,501	\$ 14,540,193	\$ 40,314,694	\$ -	\$ 21,605,751	\$ 61,920,445
Restricted for:						
State Statute	5,720,095	-	5,720,095	11,601	-	5,731,696
Public Safety	1,041,675	-	1,041,675	-	-	1,041,675
Transportation	156,266	-	156,266	-	-	156,266
Cultural & Recreational	156,500	-	156,500	-	-	156,500
Economic & Physical Development	212,282	-	212,282	297,182	-	509,464
Specific Activities and Capital	-	-	-	-	2,367,555	2,367,555
Net Pension	-	-	-	-	1,959,345	1,959,345
Unrestricted (deficit)	(18,241,753)	8,549,532	(9,692,221)	-	64,715,364	59,506,543
Total net position	\$ 14,819,566	\$ 23,089,725	\$ 37,909,291	\$ 308,783	\$ 90,648,015	\$ 128,866,089

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



**Columbus County, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit		Total Reporting Unit
					Governmental Activities	Business-type Activities	Total	Columbus Tourism Authority	Columbus Regional Healthcare System	
<b>Primary government:</b>										
Governmental Activities:										
General government	\$ 7,887,867	\$ 435,200	\$ -	\$ -	\$ (7,452,667)	\$ -	\$ (7,452,667)	\$ -	\$ -	\$ (7,452,667)
Public safety	14,802,402	1,909,325	542,176	-	(12,350,901)	-	(12,350,901)	-	-	(12,350,901)
Transportation	556,489	150,055	417,789	-	11,355	-	11,355	-	-	11,355
Economic and physical development	3,143,744	468,352	972,450	1,759,806	56,864	-	56,864	-	-	56,864
Human services	17,060,921	474,827	10,455,777	-	(6,130,317)	-	(6,130,317)	-	-	(6,130,317)
Cultural and recreation	2,015,839	72,169	324,207	-	(1,619,463)	-	(1,619,463)	-	-	(1,619,463)
Education	13,531,568	-	-	260,000	(13,271,568)	-	(13,271,568)	-	-	(13,271,568)
Interest on long-term debt	286,918	-	-	-	(286,918)	-	(286,918)	-	-	(286,918)
Total governmental activities	<u>59,285,748</u>	<u>3,509,928</u>	<u>12,712,399</u>	<u>2,019,806</u>	<u>(41,043,615)</u>	<u>-</u>	<u>(41,043,615)</u>	<u>-</u>	<u>-</u>	<u>(41,043,615)</u>
Business-type activities:										
Solid Waste	4,651,494	5,040,728	102,281	-	-	491,515	491,515	-	-	491,515
Water District I	472,760	628,495	-	-	-	155,735	155,735	-	-	155,735
Water District II	1,085,488	871,208	-	-	-	(214,280)	(214,280)	-	-	(214,280)
Water District III	588,936	559,949	-	-	-	(28,987)	(28,987)	-	-	(28,987)
Water District IV	812,073	442,776	-	-	-	(369,297)	(369,297)	-	-	(369,297)
Water District V	513,034	756,395	-	-	-	243,361	243,361	-	-	243,361
Section 8 Housing	1,688,853	-	1,733,325	-	-	44,472	44,472	-	-	44,472
Total business-type activities	<u>9,812,638</u>	<u>8,299,551</u>	<u>1,835,606</u>	<u>-</u>	<u>-</u>	<u>322,519</u>	<u>322,519</u>	<u>-</u>	<u>-</u>	<u>322,519</u>
Total primary government	<u>69,098,386</u>	<u>11,809,479</u>	<u>14,548,005</u>	<u>2,019,806</u>	<u>(41,043,615)</u>	<u>322,519</u>	<u>(40,721,096)</u>	<u>-</u>	<u>-</u>	<u>(40,721,096)</u>
<b>Component Units:</b>										
Columbus Tourism Authority	76,111	-	-	-	-	-	-	(76,111)	-	(76,111)
Columbus Regional Healthcare System	89,509,556	88,550,367	674,145	-	-	-	-	-	(285,044)	(285,044)
Total component units	<u>\$ 89,585,667</u>	<u>\$ 88,550,367</u>	<u>\$ 674,145</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,111)</u>	<u>(285,044)</u>	<u>(361,155)</u>
General revenues:										
Taxes:										
Property taxes, levied for general purpose					32,469,348	-	32,469,348	-	-	32,469,348
Local option sales tax					9,861,260	-	9,861,260	-	-	9,861,260
Other taxes and licenses					184,185	-	184,185	120,210	-	304,395
Unrestricted Intergovernmental					83,252	-	83,252	-	-	83,252
Investment earnings, unrestricted					382,755	-	382,755	-	3,018,271	3,401,026
Special Item - Sale of GP Property					285,202	-	285,202	-	23,677	308,879
Miscellaneous, unrestricted					414,376	10,013	424,389	-	-	424,389
Transfers					-	-	-	-	-	-
Total general revenues, special items, and transfers					<u>43,680,378</u>	<u>10,013</u>	<u>43,690,391</u>	<u>120,210</u>	<u>3,041,948</u>	<u>46,852,549</u>
Change in net position					2,636,763	332,532	2,969,295	44,099	2,756,904	5,770,298
Net position-beginning					39,485,258	23,884,943	63,370,201	264,684	87,891,111	151,525,996
Prior Period Adjustment					553,838	-	553,838	-	-	553,838
Restatement					(27,856,293)	(1,127,750)	(28,984,043)	-	-	(28,984,043)
Net position-beginning, restated					<u>12,182,803</u>	<u>22,757,193</u>	<u>34,939,996</u>	<u>264,684</u>	<u>87,891,111</u>	<u>123,095,791</u>
Net position-ending					<u>\$ 14,819,566</u>	<u>\$ 23,089,725</u>	<u>\$ 37,909,291</u>	<u>\$ 308,783</u>	<u>\$ 90,648,015</u>	<u>\$ 128,866,089</u>

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

**Columbus County, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2018**

	<u>Major Governmental Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Other Governmental Funds</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 36,031,294	\$ 2,001,389	\$ 38,032,683
Cash and cash equivalents-Restricted	434,146	-	434,146
Receivables, net	754,939	304,618	1,059,557
Other Receivables	392,948	186,836	579,784
Due from other governments	3,847,922	184,549	4,032,471
Due from other funds	1,479,225	-	1,479,225
Inventories	77,359	-	77,359
Prepaid Expenses	-	-	-
Total assets	<u>\$ 43,017,833</u>	<u>\$ 2,677,392</u>	<u>\$ 45,695,225</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,685,992	\$ 2,106,484	\$ 4,792,476
Due to other funds	-	1,279,261	1,279,261
Total liabilities	<u>\$ 2,685,992</u>	<u>\$ 3,385,745</u>	<u>\$ 6,071,737</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid Taxes	\$ 48,369	\$ -	\$ 48,369
Taxes Receivable	754,939	304,618	1,059,557
Total deferred inflows of resources	<u>\$ 803,308</u>	<u>\$ 304,618</u>	<u>\$ 1,107,926</u>
Fund balances:			
Nonspendable:			
Inventories	\$ 77,359	\$ -	\$ 77,359
Prepaid Expenses	-	-	-
Restricted:			
State statue	5,720,095	-	5,720,095
Public Safety	-	1,041,675	1,041,675
Transportation	-	156,266	156,266
Cultural and recreational	-	156,500	156,500
Economic & Physical Development	-	212,282	212,282
Committed:			
Tax Revaluation	198,939	-	198,939
Reserve No Till Drill	23,948	-	23,948
ROD Automation enhancement	125,876	-	125,876
Health department	59,803	-	59,803
Home Health	150,019	-	150,019
Capital Outlay	14,771	-	14,771
Fall soccer league	1,002	-	1,002
Various	1,622,725	-	1,622,725
Assigned:			
Designated for subsequent year's expenditures	1,679,896	-	1,679,896
Unassigned:	29,854,100	(2,579,694)	27,274,406
Total fund balances	<u>\$ 39,528,533</u>	<u>\$ (1,012,971)</u>	<u>\$ 38,515,562</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,017,833</u>	<u>\$ 2,677,392</u>	<u>\$ 45,695,225</u>

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

**Columbus County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

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

Total Fund Balance - Governmental Funds	\$ 38,515,562
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	35,173,897
Amounts by which the investment balances differ (cost is recorded on the fund statements and market is recorded on the government-wide statements)	(153,736)
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	98,654
Net Pension Asset	72,140
Deferred outflows of resources:	
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	
LGERS	1,304,364
ROD	5,550
Pension related deferrals	
LGERS	1,797,543
ROD	23,091
LEOSSA	87,407
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	29,712
Benefit payments for the OPEB plan paid subsequent to the measurement date	963,478
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide.	1,059,557
Pension Related Deferrals	
LGERS	(115,979)
ROD	(1,215)
LEOSSA	(93,232)
OPEB related deferrals	(3,892,490)
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	(9,399,396)
Compensated absences	(1,427,678)
Net OPEB Liability	(43,707,611)
Net Pension Liability	(3,979,252)
Total Pension Liability	(1,487,196)
Accrued interest payable	(53,604)
Net position of governmental activities	<u>\$ 14,819,566</u>

**Columbus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	<u>Major Governmental</u>		<u>Non-Major</u>		<u>Total</u>
	<u>Fund</u>		<u>Governmental Funds</u>		
	<u>General Fund</u>		<u>Other Governmental</u>		<u>Funds</u>
<b>REVENUES</b>					
Ad valorem taxes	\$	30,749,279	\$	2,498,777	\$ 33,248,056
Other taxes and licenses		9,861,260		108,296	9,969,556
Unrestricted intergovernmental		96,571		-	96,571
Restricted intergovernmental		10,816,820		3,902,065	14,718,885
Permits and fees		1,299,166		-	1,299,166
Sales and services		2,213,895		41,759	2,255,654
Investment earnings		457,611		14	457,625
Miscellaneous		401,026		44,348	445,374
Total revenues	\$	<u>55,895,628</u>	\$	<u>6,595,259</u>	\$ <u>62,490,887</u>
<b>EXPENDITURES</b>					
Current:					
General government	\$	7,155,074	\$	-	\$ 7,155,074
Public safety		10,692,425		2,741,370	13,433,795
Transportation		-		575,870	575,870
Economic and physical development		1,525,913		976,932	2,502,845
Human services		16,518,324		-	16,518,324
Cultural and recreational		1,846,455		50,000	1,896,455
Education		13,271,568		260,000	13,531,568
Special Appropriations		939,638		-	939,638
Capital project		-		3,878,686	3,878,686
Debt service:					
Principal		672,308		968,836	1,641,144
Interest and other charges		73,972		220,604	294,576
Total expenditures		<u>52,695,677</u>		<u>9,672,298</u>	<u>62,367,975</u>
Excess (deficiency) of revenues over expenditures	\$	<u>3,199,951</u>	\$	<u>(3,077,039)</u>	\$ <u>122,912</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$	17,255	\$	1,241,997	\$ 1,259,252
Transfers (out)		(1,259,252)		-	(1,259,252)
Sale of property		2,133,321		-	2,133,321
Total other financing sources and uses	\$	<u>891,324</u>	\$	<u>1,241,997</u>	\$ <u>2,133,321</u>
Net change in fund balance	\$	4,091,275	\$	(1,835,042)	\$ 2,256,233
Fund balances-beginning		34,883,420		822,071	35,705,491
Prior Period Adjustment		553,838		-	553,838
Fund balances-ending	\$	<u><u>39,528,533</u></u>	\$	<u><u>(1,012,971)</u></u>	\$ <u><u>38,515,562</u></u>

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

**Columbus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

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

Net changes in fund balances - total governmental funds	\$ 2,256,233
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	4,972,508
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.	(2,365,602)
Gain (Loss) on Disposals - amount by which cost exceeded accumulated	(1,848,119)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,309,914
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	29,712
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.	963,478
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.	-
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.	1,641,144
Unrealized Gains (Losses) on Investments (difference between cost and market value)	(74,870)
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).	7,658
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	16,438
County's portion of collective pension expense	(1,476,085)
OPEB Expense	(2,016,938)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (decrease) in deferred revenue	(543,822)
Increase (decrease) in accrued taxes receivable	(234,886)
Total changes in net position of governmental activities	<u>\$ 2,636,763</u>

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

**Columbus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 30,266,598	\$ 30,930,526	\$ 30,749,279	\$ (181,247)
Other taxes and licenses	8,865,883	9,034,546	9,861,260	826,714
Unrestricted intergovernmental	122,500	119,000	96,571	(22,429)
Restricted intergovernmental	11,001,661	14,125,133	10,816,820	(3,308,313)
Permits and fees	577,725	1,309,836	1,299,166	(10,670)
Sales and services	4,901,398	2,548,038	2,213,895	(334,143)
Investment earnings	-	329,330	457,611	128,281
Miscellaneous	774,097	247,836	401,026	153,190
<b>Total revenues</b>	<b>\$ 56,509,862</b>	<b>\$ 58,644,245</b>	<b>\$ 55,895,628</b>	<b>\$ (2,748,617)</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	\$ 7,325,910	\$ 7,825,562	\$ 7,155,074	\$ 670,488
Public safety	11,834,137	11,609,426	10,692,425	917,001
Economic and physical development	1,757,312	2,063,128	1,525,913	537,215
Human services	20,052,827	20,502,201	16,518,324	3,983,877
Cultural and recreational	1,836,604	1,879,949	1,846,455	33,494
<b>Intergovernmental:</b>				
Education	12,874,626	13,530,183	13,271,568	258,615
Special appropriations	1,056,321	1,189,061	939,638	249,423
<b>Debt service:</b>				
Principal retirement	-	672,308	672,308	-
Interest and other charges	-	76,153	73,972	2,181
<b>Total expenditures</b>	<b>\$ 56,737,737</b>	<b>\$ 59,347,971</b>	<b>\$ 52,695,677</b>	<b>\$ 6,652,294</b>
Revenues over (under) expenditures	\$ (227,875)	\$ (703,726)	\$ 3,199,951	\$ 3,903,677
<b>Other financing sources (uses):</b>				
Transfer - Out	\$ (1,237,039)	\$ (1,282,704)	\$ (1,279,252)	\$ 3,452
Transfer - In	184,958	384,922	17,255	(367,667)
Sale of Home Health	-	2,133,321	2,133,321	-
Fund balance appropriated	1,279,956	(531,813)	-	531,813
<b>Total other financing sources (uses)</b>	<b>\$ 227,875</b>	<b>\$ 703,726</b>	<b>\$ 871,324</b>	<b>\$ 167,598</b>
Net Change in Fund Balance	\$ -	\$ -	4,071,275	\$ 4,071,275
<b>Fund balances:</b>				
Beginning of year, July 1			34,704,481	
Prior Period Adjustment			553,838	
End of year, June 30			<u>\$ 39,329,594</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			-	
Transfer from General Fund			20,000	
Expenditures			-	
Fund balance, beginning of year			<u>178,939</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 39,528,533</u>	

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

**Columbus County, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	MAJOR					NON-MAJOR		Totals
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 5,146,565	\$ 962,738	\$ 839,492	\$ 584,333	\$ 587,618	\$ 1,199,299	\$ 557,064	\$ 9,877,109
Taxes receivable (net)	691,103	-	-	-	-	-	-	691,103
Accounts receivable (net)	116,987	72,617	43,774	32,541	85,771	52,160	-	403,850
Due from other governments	11,259	849	(333)	651	23,127	67	389	36,009
Due from other funds	-	-	-	-	-	-	-	-
Total current assets	<u>5,965,914</u>	<u>1,036,204</u>	<u>882,933</u>	<u>617,525</u>	<u>696,516</u>	<u>1,251,526</u>	<u>557,453</u>	<u>11,008,071</u>
Noncurrent assets:								
Restricted - cash and cash equivalents	-	101,450	65,827	99,617	31,125	42,625	-	340,644
Capital assets:								
Land, improvements and construction in progress	488,139	-	-	125,300	1,051,539	-	-	1,664,978
Other capital assets, net of depreciation	1,189,609	6,502,717	4,604,154	11,252,124	6,782,993	1,885,059	-	32,216,656
Total capital assets	<u>1,677,748</u>	<u>6,502,717</u>	<u>4,604,154</u>	<u>11,377,424</u>	<u>7,834,532</u>	<u>1,885,059</u>	<u>-</u>	<u>33,881,634</u>
Total noncurrent assets	<u>1,677,748</u>	<u>6,604,167</u>	<u>4,669,981</u>	<u>11,477,041</u>	<u>7,865,657</u>	<u>1,927,684</u>	<u>-</u>	<u>34,222,278</u>
Total assets	<u>7,643,662</u>	<u>7,640,371</u>	<u>5,552,914</u>	<u>12,094,566</u>	<u>8,562,173</u>	<u>3,179,210</u>	<u>557,453</u>	<u>45,230,349</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Pension deferrals	24,547	20,083	12,178	9,422	5,957	13,441	14,889	100,517
Deferred charge on refunding	-	71,313	57,804	-	51,995	-	-	181,112
OPEB deferrals	22,911	4,873	3,288	2,556	1,231	2,750	-	37,609
Total deferred outflows of resources	<u>47,458</u>	<u>96,269</u>	<u>73,270</u>	<u>11,978</u>	<u>59,183</u>	<u>16,191</u>	<u>14,889</u>	<u>319,238</u>
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable and accrued liabilities	395,837	19,668	11,926	9,227	68,145	24,518	9,004	538,325
Accrued interest	-	19,318	13,605	14,635	13,302	-	-	60,860
Due to other funds	-	-	-	199,964	-	-	-	199,964
Limited Obligation Bonds	-	135,000	110,000	-	80,000	-	-	325,000
Bonds, notes, and leases payable	-	54,054	8,253	82,000	3,937	-	-	148,244
Total current liabilities	<u>395,837</u>	<u>228,040</u>	<u>143,784</u>	<u>305,826</u>	<u>165,384</u>	<u>24,518</u>	<u>9,004</u>	<u>1,272,393</u>
Noncurrent liabilities:								
Customer deposits	-	101,450	65,827	38,300	31,125	42,625	-	279,327
OPEB liability	1,039,330	221,054	149,175	115,962	55,857	124,746	-	1,706,124
Compensated absences	10,306	8,476	8,034	10,333	3,803	2,194	6,023	49,169
Net pension liability	31,490	25,763	15,623	12,087	7,642	17,243	19,101	128,949
Limited Obligation Bonds	-	4,755,000	3,845,000	-	3,885,000	-	-	12,485,000
Bonds, notes, and leases payable	-	1,109,268	181,564	4,990,000	102,365	-	-	6,383,197
Total noncurrent liabilities	<u>1,081,126</u>	<u>6,221,011</u>	<u>4,265,223</u>	<u>5,166,682</u>	<u>4,085,792</u>	<u>186,808</u>	<u>25,124</u>	<u>21,031,766</u>
Total liabilities	<u>1,476,963</u>	<u>6,449,051</u>	<u>4,409,007</u>	<u>5,472,508</u>	<u>4,251,176</u>	<u>211,326</u>	<u>34,128</u>	<u>22,304,159</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
	<u>93,478</u>	<u>20,438</u>	<u>13,740</u>	<u>10,679</u>	<u>5,198</u>	<u>11,613</u>	<u>557</u>	<u>155,703</u>
<b>NET POSITION</b>								
Net investment in capital assets	1,677,748	449,395	459,337	6,305,424	3,763,230	1,885,059	-	14,540,193
Restricted for capital projects	-	-	-	-	-	-	-	-
Unrestricted	4,442,931	817,756	744,100	317,933	601,752	1,087,403	537,657	8,549,532
Total net position	<u>\$ 6,120,679</u>	<u>\$ 1,267,151</u>	<u>\$ 1,203,437</u>	<u>\$ 6,623,357</u>	<u>\$ 4,364,982</u>	<u>\$ 2,972,462</u>	<u>\$ 537,657</u>	<u>\$ 23,089,725</u>

**Columbus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2018**

	MAJOR					NON-MAJOR		Totals
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>Revenues:</b>								
<b>Operating Revenues:</b>								
Charges for Services	\$ 5,001,478	\$ 846,955	\$ 551,440	\$ 431,668	\$ 711,272	\$ 610,018	\$ -	\$ 8,152,831
Water Taps & Reconnection Fees	-	9,873	935	7,114	5,083	13,004	-	36,009
Sewer Sales	-	-	-	-	16,705	-	-	16,705
Special District Tax	-	(3,224)	2,620	-	-	-	-	(604)
Miscellaneous Revenue	-	17,604	4,954	3,994	23,335	5,473	-	55,360
Total Operating Revenues	<u>5,001,478</u>	<u>871,208</u>	<u>559,949</u>	<u>442,776</u>	<u>756,395</u>	<u>628,495</u>	<u>-</u>	<u>8,260,301</u>
<b>Expenditures:</b>								
<b>Operating Expenses:</b>								
Salaries and employee benefits	326,503	155,800	97,983	75,834	43,900	98,816	116,286	915,122
Contract Services	3,970,121	9,417	9,238	6,384	2,794	6,303	-	4,004,257
Advertising	-	-	-	-	-	-	-	-
Supplies	26,077	60,190	41,680	31,827	21,262	57,481	-	238,517
Maintenance and repairs/service	62,177	40,116	20,466	34,398	3,930	19,037	-	180,124
Gas plant operations	917	-	-	-	-	-	-	917
Utilities	-	28,624	17,356	13,427	8,492	19,159	-	87,058
Water purchases	-	-	-	-	-	125,656	-	125,656
Travel	-	-	-	-	31,286	-	-	31,286
Depreciation	57,945	492,188	205,133	383,421	219,873	101,631	-	1,460,191
Indirect cost to general fund	52,353	20,184	14,422	13,931	11,190	19,797	16,623	148,500
Housing assistance payments	-	-	-	-	-	-	1,536,967	1,536,967
Other departmental expenditures	155,401	42,301	17,365	16,698	2,708	21,648	18,977	275,098
Capital outlay (noncapitalized)	-	4,848	3,738	57,931	7,218	3,232	-	76,967
Contingency	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,651,494</u>	<u>853,668</u>	<u>427,381</u>	<u>633,851</u>	<u>352,653</u>	<u>472,760</u>	<u>1,688,853</u>	<u>9,080,660</u>
Operating income (loss)	<u>349,984</u>	<u>17,540</u>	<u>132,568</u>	<u>(191,075)</u>	<u>403,742</u>	<u>155,735</u>	<u>(1,688,853)</u>	<u>(820,359)</u>
<b>Nonoperating Revenues (Expenses)</b>								
Interest Earned on Investments	-	-	-	-	-	-	-	-
White Goods Sales Recycles	39,250	-	-	-	-	-	-	39,250
State Aid	102,281	-	-	-	-	-	-	102,281
Operating subsidy - HUD	-	-	-	-	-	-	1,733,325	1,733,325
Interest Expense	-	(231,820)	(161,555)	(178,222)	(160,381)	-	-	(731,978)
Miscellaneous Revenue	6,478	-	-	79	-	-	3,456	10,013
Total Nonoperating Revenues (Expenses)	<u>148,009</u>	<u>(231,820)</u>	<u>(161,555)</u>	<u>(178,143)</u>	<u>(160,381)</u>	<u>-</u>	<u>1,736,781</u>	<u>1,152,891</u>
Income (Loss) before contributions and transfers	497,993	(214,280)	(28,987)	(369,218)	243,361	155,735	47,928	332,532
Transfers in (out)	-	-	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-
Change in net position	<u>497,993</u>	<u>(214,280)</u>	<u>(28,987)</u>	<u>(369,218)</u>	<u>243,361</u>	<u>155,735</u>	<u>47,928</u>	<u>332,532</u>
Total net position, beginning	6,535,810	1,627,227	1,316,606	7,056,659	4,151,748	2,857,327	339,566	23,884,943
Restatement	(913,124)	(145,796)	(84,182)	(64,084)	(30,127)	(40,600)	150,163	(1,127,750)
Total net position, ending	<u>\$ 6,120,679</u>	<u>\$ 1,267,151</u>	<u>\$ 1,203,437</u>	<u>\$ 6,623,357</u>	<u>\$ 4,364,982</u>	<u>\$ 2,972,462</u>	<u>\$ 537,657</u>	<u>\$ 23,089,725</u>

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



**Columbus County, North Carolina**  
**Enterprise Fund**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2018**

	MAJOR					NON-MAJOR		Totals
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	June 30, 2018
<b>Cash flows from operating activities:</b>								
Cash received from customers	\$ 5,357,224	\$ 899,867	\$ 574,053	\$ 484,513	\$ 752,640	\$ 649,879	\$ (55)	\$ 8,718,121
Cash paid for goods and services	(3,916,725)	(209,352)	(126,661)	(176,867)	(27,817)	(263,484)	(1,572,555)	(6,293,461)
Cash paid to employees for services	(301,617)	(156,069)	(94,633)	(73,210)	(46,298)	(104,460)	(121,668)	(897,954)
Customer deposits received	-	4,650	650	(2,600)	1,400	1,350	-	5,450
Net cash provided (used) by operating activities	<u>1,138,882</u>	<u>539,096</u>	<u>353,409</u>	<u>231,836</u>	<u>679,925</u>	<u>283,285</u>	<u>(1,694,278)</u>	<u>1,532,156</u>
<b>Cash flows from noncapital financing activities:</b>								
Transfers in (out)	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	79	-	-	3,456	3,535
Due from other funds	-	-	-	-	-	-	-	-
Operating subsidy - HUD	-	-	-	-	-	-	1,733,325	1,733,325
Net cash provided (used) by noncapital financial activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>79</u>	<u>-</u>	<u>-</u>	<u>1,736,781</u>	<u>1,736,860</u>
<b>Cash flows from capital and related financing activities:</b>								
Acquisition and construction of capital assets	(83,993)	(10,663)	(10,663)	(10,663)	(1,062,202)	(10,663)	-	(1,188,847)
Miscellaneous revenue	6,478	-	-	-	-	-	-	6,478
Principal paid on bond maturities and equipment contracts	-	(178,802)	(110,000)	(82,000)	(80,000)	-	-	(450,802)
Interest paid on bond maturities and equipment contracts	-	(239,486)	(163,933)	(178,459)	(162,825)	-	-	(744,703)
Capital contributions	141,531	-	-	-	-	-	-	141,531
Net cash provided (used) by capital and related financing activities	<u>64,016</u>	<u>(428,951)</u>	<u>(284,596)</u>	<u>(271,122)</u>	<u>(1,305,027)</u>	<u>(10,663)</u>	<u>-</u>	<u>(2,236,343)</u>
<b>Cash flows from investing activities:</b>								
Interest on investments	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	1,202,898	110,145	68,813	(39,207)	(625,102)	272,622	42,503	1,032,673
Cash and cash equivalents, July 1	3,943,667	954,043	836,506	723,157	1,243,845	969,302	514,561	9,185,081
Cash and cash equivalents, June 30	<u>\$ 5,146,565</u>	<u>\$ 1,064,188</u>	<u>\$ 905,319</u>	<u>\$ 683,950</u>	<u>\$ 618,743</u>	<u>\$ 1,241,924</u>	<u>\$ 557,064</u>	<u>\$ 10,217,754</u>

(continued)

**Columbus County, North Carolina**  
**Enterprise Fund**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2018**

	MAJOR					NON-MAJOR		June 30, 2018
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>Reconciliation of operating income to net cash provided by operating activities:</b>								
Operating income (loss)	\$ 349,984	\$ 17,540	\$ 132,568	\$ (191,075)	\$ 403,742	\$ 155,735	\$ (1,688,853)	\$ (820,359)
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation	\$ 57,945	\$ 492,188	\$ 205,133	\$ 383,421	\$ 219,873	\$ 101,631	\$ -	\$ 1,460,191
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	355,746	28,659	14,104	41,737	(3,755)	21,384	(55)	457,820
(Increase) decrease in deferred outflows of resources for pensions	16,025	9,291	5,847	5,048	2,955	6,303	7,164	52,635
(Increase) decrease in deferred outflows of resources - OPEB	(22,911)	(4,873)	(3,288)	(2,556)	(1,231)	(2,750)	-	(37,609)
Increase (decrease) in accounts payable and accrued liabilities	350,321	(3,672)	(2,396)	(2,271)	61,063	8,829	12	411,886
Increase (decrease) in deposits	-	4,650	650	(2,600)	1,400	1,350	-	5,450
Increase (decrease) in OPEB	(44,599)	(9,486)	(6,402)	(4,977)	(2,397)	(5,353)	0	(73,213)
Increase (decrease) in deferred inflows - pensions	(753)	(459)	(287)	(244)	(144)	(311)	(352)	(2,550)
Increase (decrease) in deferred inflows - OPEB	92,560	19,687	13,285	10,327	4,975	11,110	-	151,943
Increase (decrease) in net pension liability	(14,983)	(7,883)	(5,024)	(4,488)	(2,567)	(5,373)	(6,160)	(46,478)
Increase (decrease) in compensated absences	(453)	(6,546)	(781)	(487)	(3,989)	(9,270)	(6,034)	(27,560)
Total adjustments	<u>788,898</u>	<u>521,556</u>	<u>220,841</u>	<u>422,911</u>	<u>276,183</u>	<u>127,550</u>	<u>(5,425)</u>	<u>2,352,515</u>
Net cash provided (used) by operating activities	<u>\$ 1,138,882</u>	<u>\$ 539,096</u>	<u>\$ 353,409</u>	<u>\$ 231,836</u>	<u>\$ 679,925</u>	<u>\$ 283,285</u>	<u>\$ (1,694,278)</u>	<u>\$ 1,532,156</u>

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

**Columbus County, North Carolina**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2018**

		Agency Funds
<b>Assets</b>		
Cash and investments	\$	359,710
Due from other governments		-
		-
Total Assets	\$	359,710
<b>Liabilities and Net Position</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$	-
Due to other funds		359,710
		359,710
Total liabilities		359,710
Net position:		
Held in trust (Fiduciary net assets)	\$	-

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2018

NOTE I: Summary of Significant Accounting Policies

The accounting policies of Columbus County and its component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

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

Blended Component Unit

The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

Columbus County Water Districts

Columbus County Water District (the "District") exists to provide and maintain a water system for the county residents within the district. Under State law (G.S. 162A-89), the County's board of commissioners also serve as the governing board for the District. Therefore, the District is reported as enterprise funds in the County's financial statements. The District does not issue separate financial statements. There are five water districts.

Discretely Presented Component Unit

Columbus County Industrial Facility and Pollution Control Financing Authority (The "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board of commissioners, all of whom are appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

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

Columbus Regional Healthcare System, Inc. (The "Hospital") is a public hospital operated by a not-for-profit corporation, which has leased the land on which the Hospital is located. The County appoints the board of trustees for the Hospital. The County has also borrowed funds for the improvement of the Hospital's facilities. The Hospital, which has a September 30 year-end, is presented as if it were a proprietary fund.

Complete financial statements for the Hospital may be obtained at the administrative offices of Columbus Regional Healthcare System at:

Columbus Regional Healthcare System  
500 Jefferson Street  
Whiteville, N.C. 28472

B. Basis of Presentation – Basis of Accounting

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

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

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

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

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

*Solid Waste Fund* - accounts for the solid waste operations of the County.

*Water District II* - accounts for the operations of Water District II within the County.

*Water District III* - accounts for the operations of Water District III within the County.

*Water District IV* - accounts for the operations of Water District IV within the County.

*Water District V* - accounts for the operations of Water District V within the County.

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2018

The County reports the following fund types:

*Agency Funds.* Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following Agency Funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Columbus County 4-H Fund which accounts for funds of the County's 4-H Chapters, the Sheriff's Civil Division Fund which accounts for money received and paid out during legal collection proceedings; the Inmates Trust Fund which accounts for inmates personal funds received and disbursed; the Home Loan Trust Fund, which accounts for money collected from insurance to rebuild a home that was owned by the CHAF program; and the Explorer Post 513 fund, which accounts for the money for the Post 113 activities.

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.

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

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2018

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

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

C. Budgetary Data

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the Special Revenue and the Enterprise Funds, and at the object level for the Capital Project Funds. The balances in the Capital Reserve Fund will be appropriated when transferred to a Capital Projects Fund in accordance with the project ordinance adopted for the Reserve fund. The County Administrator is authorized by the budget ordinance to transfer any appropriations between functional areas within a fund; however, any revisions that alter total expenditures of any fund 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.

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

1. Deposits and Investments

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

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

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

The County, Tourism Authority, and the Hospital's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, an 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.

2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Columbus Regional Healthcare System considers 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 bond proceeds of the District's Serial Bonds are classified as restricted with the Water District Funds because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

Governmental Activities

General Fund	Tax Revaluation	\$ 197,135
General Fund	Unexpended grant proceeds / restricted for purpose	237,011
Total Governmental Activities		<u>\$ 434,146</u>

Business-Type Activities

Water District I	Customer deposits	\$ 42,625
Water District II	Customer deposits	101,450
Water District III	Customer deposits	65,827
Water District IV	Customer deposits	38,300
Water District IV	Restricted per USDA	61,317
Water District V	Customer deposits	<u>31,125</u>
Total Business-Type Activities		<u>\$ 340,644</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, 2017. As allowed by State law, the County has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.



COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

5. Allowance for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the County and the Hospital are valued at cost (first in, first out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased.

The inventory of the County's enterprise funds as well as those of the Hospital consists of materials and supplies held for consumption. The cost of the inventory carried in the County's enterprise funds and that of the Hospital is recorded as an expense as it is consumed.

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, 2016 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2016 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are \$5,000 for all classes of assets. 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 Columbus County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as fixed assets in the financial statements of the Columbus County Board of Education.

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

	<u>Years</u>
Buildings	30
Improvements	20
Furniture and Equipment	15
Vehicles	5
Computer Equipment	3

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

	<u>Useful Life</u>
Land Improvements	10-25 Years
Buildings and Improvements	10-40 Years
Equipment:	
Fixed	10-25 Years
Major Moveable	5-15 Years
Major Office	3-20 Years
Major Furnishings	5-20 Years
Major Food Service and Housekeeping	5-15 Years

8. Deferred outflows/inflows of resources

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

9. Long-Term Obligations

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

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

10. Compensated Absences

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

The sick leave policies of the County and the Hospital 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 nor the Hospital have any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

11. Net Position/Fund Balances

Net Position

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

**Fund Balances**

In the governmental fund financial statements, fund balance is composed of five 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:

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2018

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

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

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

Restricted for Transportation - portion of fund balance that is restricted for Transportation services.

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

Cultural and Recreational - portion of fund balance that is restricted by revenue source cultural and recreational projects.

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

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

No Till Drill - portion of fund balance that is committed for repairs and replacement of the No Till Drill that is rented out by the County.

ROD Automation Enhancement - portion of fund balance that is committed for automation enhancement.

Health Department - portion of fund balance that is committed for the Health Department.

Fall soccer league - portion of fund balance that is committed for Fall Soccer League.

Various - portion of fund balance that is committed for other purposes.

Assigned Fund Balance - portion of fund balance that the Columbus County governing board has budgeted.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

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

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

Columbus County has not adopted a minimum fund balance policy for the General Fund.

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2018

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

The Rescue Tax Fund, 2013 Single Family Rehab Grant Fund, and 2016 Single Family Rehab Grant Fund had a deficit fund balance of \$3,162, \$9,594, and \$134,255 respectively at June 30, 2018. In addition, the Airport Improvements Capital Project, Courthouse Renovation Capital Project, the E911 Project Radio Fund, and the E911 Project - Aging Fund had a deficit fund balance of \$1,424,284, \$304,591, \$330,660, and \$26,597, respectively, at June 30, 2018. This is mainly a result of timing differences between expending money for the project and receiving the grant money and the local match from the County. The General Fund covers the deficits.

**Significant Violations of Finance-Related Legal and Contractual Provisions**

**Contractual Violations**

The Authority defaulted on its debt covenant in Section 5.01 of the Bond Orders authorizing the issuances of the Water District IV Revenue Bonds.

The Authority agreed that the net revenues for the fiscal year be no less than 110% of the debt service requirement for the fiscal year and not less than 100% of the amount necessary to meet annual debt service obligation bonds and installment financing obligations, if any. These ratios were not met with current year net revenues as defined by the bond orders.

The County will review billings and collections for the Water District and make changes with rate structures as necessary to ensure that they are in compliance in the future.

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's and the Hospital's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's and the Hospital's agent in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the Hospital, 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 Hospital or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the Hospital under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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

At June 30, 2018 the County's deposits had a carrying amount of \$5,585,709 and a bank balance of \$6,381,158. Of the carrying amount \$3,277 was cash on hand. Of the bank balance, \$1,000,000 was covered by federal depository insurance; the remaining \$5,381,158 was covered by collateral held under the Pooling Method.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

At June 30, 2018, the Tourism Authority's deposits had a carrying amount of \$297,182 and a bank balance of \$291,785. Of the bank balance, \$250,000 is covered by federal depository insurance. The remaining \$41,785 is collateralized under the pooling method.

At September 30, 2018, the Hospital's deposits had a carrying amount of \$9,099,863 and a bank balance of \$9,934,327. Of the carrying amount, \$7,000 was cash on hand. Of the bank balance, \$946,826 was covered by federal depository insurance; the remaining \$8,987,501 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2018, the County had the following investments and maturities.

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	<u>Over 5 Years</u>
U.S. Government Agencies	FairValue-Level I	\$ 11,666,111	\$ 6,451,323	\$ 3,460,541	\$ 1,754,247
Ameritrade - Deposit Account	Cost	\$ 2,879,293	N/A	N/A	N/A
Commercial Paper	FairValue-Level II	1,969,861	-	-	-
NC Capital Management Trust - Government Portfolio	Amortized Cost	21,583,172	N/A	N/A	N/A
NC Capital Management Trust - Term Portfolio **	FairValue-Level I	5,163,960	5,163,960	-	-
Interest Receivable	FairValue-Level I	42,451	42,451	-	-
<b>TOTAL</b>		<b>\$ 43,304,848</b>	<b>\$ 11,615,283</b>	<b>\$ 3,460,541</b>	<b>\$ 1,754,247</b>

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

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2018. 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 Statutes 159-30 as amended.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no policy on custodial credit risk.

*Concentration of Credit Risk.* The County places no limit on the amount that the County may invest in any one issuer.

COLUMBUS COUNTY, NORTH CAROLINA  
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 For the Year Ended June 30, 2018

At September 30, 2017, the Hospital's investments consisted of the following:

Investment Type	Fair Value	Less Than One Year	1 - 5 Years	Over 5 Years
Designated as funded depreciation:				
Cash and short-term investments	\$ 2,270,113	\$ 2,270,113	\$ -	\$ -
U.S. Treasury obligations and agency obligations	27,713,381	-	2,819,453	24,893,928
Pooled investment funds	17,292,021	17,292,021	-	-
Interest receivable	145,663	145,663	-	-
	<u>\$ 47,421,178</u>	<u>\$ 19,707,797</u>	<u>\$ 2,819,453</u>	<u>\$ 24,893,928</u>
Debt service funds held by Trustee:				
Cash and short-term investments	\$ 2,319,346	\$ 2,319,346	\$ -	\$ -
Restricted by donors or grantors for specific purposes:				
Cash and short-term investments	\$ 984,717	\$ 984,717	\$ -	\$ -
Escrow held by agent for workers compensation:				
Cash and short-term investments	\$ 12,626	\$ 12,626	\$ -	\$ -
Total:	<u>\$ 50,737,867</u>	<u>\$ 23,024,486</u>	<u>\$ 2,819,453</u>	<u>\$ 24,893,928</u>

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
2015	\$ 1,363,020	\$ 395,276	\$ 1,758,296
2016	1,371,300	274,260	1,645,560
2017	1,352,446	148,769	1,501,215
Total	<u>\$ 4,086,766</u>	<u>\$ 818,305</u>	<u>\$ 4,905,071</u>

COLUMBUS COUNTY, NORTH CAROLINA  
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4. Receivables

Receivables at the government-wide level at June 30, 2018, were as follows:

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Due From Other Governments	Total
<b>Governmental Activities:</b>					
General	\$ 392,948	\$ 2,747,193	\$ -	\$ 3,847,922	\$ 6,988,063
Other Governmental	186,836	304,618	-	184,549	676,003
Total Receivables	\$ 579,784	\$ 3,051,811	\$ -	\$ 4,032,471	\$ 7,664,066
Allowance for Doubtful Accts.	-	(1,893,600)	-	-	(1,893,600)
Total Gov't Activities	\$ 579,784	\$ 1,158,211	\$ -	\$ 4,032,471	\$ 5,770,466
<b>Business-type Activities:</b>					
Solid Waste	\$ 132,670	\$ 2,412,109	\$ -	\$ 11,259	\$ 2,556,038
Water District I	105,885	-	-	67	105,952
Water District II	144,163	25,846	-	849	170,858
Water District III	62,888	13,851	-	(333)	76,407
Water District IV	102,398	-	-	651	103,049
Water District V	175,664	-	-	23,127	198,791
Section 8 Housing	-	-	-	389	389
Total Receivables	\$ 723,668	\$ 2,451,806	\$ -	\$ 36,009	\$ 3,211,483
Allowance for Doubtful Accts.	(319,818)	(1,760,703)	-	-	(2,080,521)
Total Business-type	\$ 403,850	\$ 691,103	\$ -	\$ 36,009	\$ 1,130,962

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

<b>Governmental Activities:</b>	
Local Option Sales Tax	\$ 2,529,547
Sales and Use Tax	424,699
Video Programming Refund	20,997
NCVTS	350,431
Various Grants	706,797
Total	\$ <u>4,032,471</u>
<b>Business-Type Activities:</b>	
Sales and Use Tax	\$ 36,009
Total	\$ <u>36,009</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$12,410,000.

COLUMBUS COUNTY, NORTH CAROLINA  
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5. Capital Assets

Capital asset activity for the year ended June 30, 2018, were as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 1,622,835	\$ -	\$ (361,514)	\$ 1,261,321
Construction in Progress	1,479,126	3,930,874	-	5,410,000
Total capital assets not being depreciated	<u>3,101,961</u>	<u>3,930,874</u>	<u>(361,514)</u>	<u>6,671,321</u>
Other capital assets:				
Buildings & Improvements	43,119,295	197,259	(1,541,189)	41,775,365
Vehicles	6,109,375	621,560	-	6,730,935
Other	4,245,158	222,815	-	4,467,973
Total other capital assets at historical cost	<u>53,473,828</u>	<u>1,041,634</u>	<u>(1,541,189)</u>	<u>52,974,273</u>
Less accumulated depreciation for:				
Buildings & Improvements	13,950,889	1,697,714	(54,584)	15,594,019
Vehicles	4,944,458	481,890	-	5,426,348
Other	3,265,332	185,998	-	3,451,330
Total other capital assets at historical cost	<u>22,160,679</u>	<u>2,365,602</u>	<u>(54,584)</u>	<u>24,471,697</u>
Other capital assets, net	<u>31,313,149</u>	<u>(1,323,968)</u>	<u>(1,486,605)</u>	<u>28,502,576</u>
Governmental activities capital assets, net	<u>\$ 34,415,110</u>	<u>\$ 2,606,906</u>	<u>\$ (1,848,119)</u>	<u>\$ 35,173,897</u>

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

Governmental Activities	
General government	\$ 721,035
Public Safety	1,018,799
Human Services	22,446
Economic and Physical Development	480,430
Transportation	98,203
Cultural and Recreational	24,689
	<u>\$ 2,365,602</u>



COLUMBUS COUNTY, NORTH CAROLINA  
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Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Solid Waste Fund</b>				
Capital assets not being depreciated:				
Land	\$ 488,139	\$ -	\$ -	\$ 488,139
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	488,139	-	-	488,139
Other capital assets:				
Landfill Gas Collection System	1,001,309	-	-	1,001,309
Buildings	193,581	83,993	-	277,574
Automobiles	443,568	-	-	443,568
Tools & Machinery	11,500	-	-	11,500
Heavy Equipment	154,391	-	-	154,391
Other	102,254	-	-	102,254
Total other capital assets	1,906,603	83,993	-	1,990,596
Less accumulated depreciation for:				
Landfill Gas Collection System	75,202	25,033	-	100,235
Buildings	186,881	2,364	-	189,245
Automobiles	298,653	20,026	-	318,679
Tools & Machinery	11,500	-	-	11,500
Heavy Equipment	68,552	10,522	-	79,074
Other	102,254	-	-	102,254
Total accumulated depreciation	743,042	57,945	-	800,987
Total Solid Waste capital assets, net	\$ 1,651,700	\$ 26,048	\$ -	\$ 1,677,748

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District I</b>				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated:	-	-	-	-
Other capital assets:				
Distribution System & Other	3,859,208	-	-	3,859,208
Automobiles	71,481	10,663	-	82,144
Total other capital assets	3,930,689	10,663	-	3,941,352
Less accumulated depreciation for:				
Distribution System	1,894,534	87,330	-	1,981,864
Automobiles	60,128	14,301	-	74,429
Total accumulated depreciation	1,954,662	101,631	-	2,056,293
Total Water District capital assets, net	\$ 1,976,027	\$ (90,968)	\$ -	\$ 1,885,059

COLUMBUS COUNTY, NORTH CAROLINA  
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	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District II</b>				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Other capital assets				
Office Equipment	13,239	-	-	13,239
Distribution System	12,149,386	-	-	12,149,386
Heavy Equipment	32,024	-	-	32,024
Automobiles	112,386	10,663	-	123,049
Other	54,837	-	-	54,837
Total other capital assets	12,361,872	10,663	-	12,372,535
Less accumulated depreciation for:				
Office Equipment	13,239	-	-	13,239
Distribution System	5,180,738	485,975	-	5,666,713
Heavy Equipment	31,183	546	-	31,729
Automobiles	97,634	5,666	-	103,300
Other	54,836	1	-	54,837
Total accumulated depreciation	5,377,630	492,188	-	5,869,818
Total Water District II Capital Assets, net	\$ 6,984,242	\$ (481,525)	\$ -	\$ 6,502,717
<b>Water District III</b>				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Other capital assets:				
Office Equipment	-	-	-	-
Distribution System	7,018,971	-	-	7,018,971
Heavy Equipment	4,569	-	-	4,569
Automobiles	40,374	10,663	-	51,037
Other	3,704	-	-	3,704
Total other capital assets	7,067,618	10,663	-	7,078,281
Less accumulated depreciation for:				
Office Equipment	-	-	-	-
Distribution System	2,232,179	199,215	-	2,431,394
Heavy Equipment	3,960	396	-	4,356
Automobiles	29,152	5,522	-	34,674
Other	3,703	-	-	3,703
Total accumulated depreciation	2,268,994	205,133	-	2,474,127
Total Water District III capital assets, net	\$ 4,798,624	\$ (194,470)	\$ -	\$ 4,604,154

COLUMBUS COUNTY, NORTH CAROLINA  
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	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District IV</b>				
Capital assets not being depreciated:				
Construction In Progress	\$ -	\$ -	\$ -	\$ -
Land	125,300	-	-	125,300
Total capital assets not being depreciated	<u>125,300</u>	<u>-</u>	<u>-</u>	<u>125,300</u>
Other capital assets:				
Distribution System & Other	13,651,864	-	-	13,651,864
Automobiles	83,540	10,663	-	94,203
Heavy Equipment	52,177	-	-	52,177
Other	4,960	-	-	4,960
Total other capital assets	<u>13,792,541</u>	<u>10,663</u>	<u>-</u>	<u>13,803,204</u>
Less accumulated depreciation for:				
Distribution System & Other	2,054,400	370,505	-	2,424,905
Automobiles	61,425	10,146	-	71,571
Heavy Equipment	46,874	2,770	-	49,644
Other	4,960	-	-	4,960
Total accumulated depreciation	<u>2,167,659</u>	<u>383,421</u>	<u>-</u>	<u>2,551,080</u>
Total Water District IV capital assets, net	<u>\$ 11,750,182</u>	<u>\$ (372,758)</u>	<u>\$ -</u>	<u>\$ 11,377,424</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District V</b>				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ 1,051,539	\$ -	\$ 1,051,539
Total capital assets not being depreciated	<u>-</u>	<u>1,051,539</u>	<u>-</u>	<u>1,051,539</u>
Other capital assets:				
Distribution System & Other	8,651,195	-	-	8,651,195
Automobiles	18,948	10,663	-	29,611
Heavy Equipment	942	-	-	942
Other	2,670	-	-	2,670
Total other capital assets	<u>8,673,755</u>	<u>10,663</u>	<u>-</u>	<u>8,684,418</u>
Less accumulated depreciation for:				
Distribution System & Other	1,664,378	216,280	-	1,880,658
Automobiles	13,852	3,405	-	17,257
Heavy Equipment	652	188	-	840
Other	2,670	-	-	2,670
Total accumulated depreciation	<u>1,681,552</u>	<u>219,873</u>	<u>-</u>	<u>1,901,425</u>
Total Water District V capital assets, net	<u>\$ 6,992,203</u>	<u>\$ 842,329</u>	<u>\$ -</u>	<u>\$ 7,834,532</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Section 8 Housing</b>				
Other capital assets:				
Structure and Equipment	\$ 23,572	\$ -	\$ -	\$ 23,572
Total other capital assets	<u>23,572</u>	<u>-</u>	<u>-</u>	<u>23,572</u>
Less accumulated depreciation for:				
Structure and Equipment	23,572	-	-	23,572
Total accumulated depreciation	<u>23,572</u>	<u>-</u>	<u>-</u>	<u>23,572</u>
Total Section 8 Housing Capital Assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type activities capital assets, net	<u>\$ 34,152,978</u>			<u>\$ 33,881,634</u>

COLUMBUS COUNTY, NORTH CAROLINA  
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Construction Commitments

The government has active construction projects as of June 30, 2018. The projects include the airport projects and water improvement projects. At June 30, 2018, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining commitment</u>
Columbus County Fitness Park Grant	\$ -	\$ 286,623
Old Dock Water & Sewer Project	1,051,538	2,098,515
NC 911 Radio System Project	742,238	2,023,874
Airport Improvements	1,368,806	2,076,596
Total	<u>\$ 3,162,582</u>	<u>\$ 6,485,608</u>

Discretely presented component unit

Activity for Columbus Regional Healthcare System for the year ended September 30, 2017 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Transfers/ Retirements</u>	<u>Ending Balances</u>
Land	\$ 1,145,423	\$ 201,500	\$ -	\$ 1,346,923
Land improvements	410,996	-	-	410,996
Buildings and fixed equipment	45,323,693	298,390	2,099,176	47,721,259
Equipment	61,694,808	2,787,437	739,044	65,221,289
Construction in progress	2,828,864	-	(2,244,984)	583,880
Totals at historical cost	<u>\$ 111,403,784</u>	<u>\$ 3,287,327</u>	<u>\$ 593,236</u>	<u>\$ 115,284,347</u>
Less accumulated depreciation for:				
Land improvements	\$ 248,583	\$ 19,213	\$ -	\$ 267,796
Buildings and fixed equipment	22,604,819	1,677,748	-	24,282,567
Equipment	41,688,474	5,098,418	(220,313)	46,566,579
Total accumulated depreciation	<u>\$ (64,541,876)</u>	<u>\$ 6,795,379</u>	<u>\$ (220,313)</u>	<u>\$ 71,116,942</u>
Capital assets, net	<u>\$ 46,861,908</u>	<u>\$ 10,082,706</u>	<u>\$ 372,923</u>	<u>\$ 44,167,405</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2018, were as follows :

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,592,360	\$ 1,093,632	\$ 2,685,992
Other Governmental	2,106,484	-	2,106,484
Total Governmental Activities	<u>\$ 3,698,844</u>	<u>\$ 1,093,632</u>	<u>\$ 4,792,476</u>
Business-Type Activities			
Solid Waste	\$ 395,837	\$ -	\$ 395,837
Water District I	24,518	-	24,518
Water District II	19,668	-	19,668
Water District III	11,926	-	11,926
Water District IV	9,227	-	9,227
Water District V	68,145	-	68,145
Section 8 Housing	9,004	-	9,004
Total Business-Type Activities	<u>\$ 538,325</u>	<u>\$ -</u>	<u>\$ 538,325</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial 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, 2018, was 8.23% of compensation for law enforcement officers and 7.60% 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 \$1,346,632 for the year ended June 30, 2018.

*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***

At June 30, 2018, the County reported a liability of \$4,108,200 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the County's proportion was 0.689%, which was a decrease of 0.0056% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$1,423,015. At June 30, 2018, 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	\$ 236,670	\$ 116,290
Changes of assumptions	586,708	-
Net difference between projected and actual earnings on pension plan investments	997,476	-
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	34,938	3,448
	<u>1,346,632</u>	<u>-</u>
Total	<u>\$ 3,202,424</u>	<u>\$ 119,738</u>

\$1,346,632 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 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	\$ 237,405
2019	1,195,069
2020	605,208
2021	(301,628)
2022	-
Thereafter	-
Total	<u>\$ 1,736,054</u>

At September 30, 2016, the Hospital reported a net pension asset of approximately \$1,959,000. The net pension asset was measured as of October 1, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2016. The most recent annual actuarial valuation reports are as of October 1, 2016. The net pension liability of the defined benefit pension plan was therefore determined based on the October 1, 2016 actuarial valuations, using membership data as of October 1, 2016, projected forward to the end of the fiscal year, and financial information of the pension funds as of October 1, 2016, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by the System's consulting actuary, Transamerica Retirement Solutions.

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For the year ended September 30, 2017, the System recognized pension expense of approximately \$177,000. At September 30, 2017, the Hospital 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 in assumptions	\$ 359,137	\$ 333,441
Difference between expected and actual experience	175,243	48,074
Difference between expected and actual return on plan assets	388,302	-
Contributions	600,000	-
Total	<u>\$ 1,522,682</u>	<u>\$ 381,515</u>

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

**Year Ended June 30:**

2017	\$ 234,586
2018	234,584
2019	187,162
2020	(115,165)
2021	-
Total	<u>\$ 541,167</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 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	7.20 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, 2016 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.

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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, 2017 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%	1.4%
Global Equity	42%	5.3%
Real Estate	8%	4.3%
Alternatives	8%	8.9%
Credit	7%	6.0%
Inflation Protection	6%	4.0%
	<u>100%</u>	

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

*Discount rate.* The discount rate used to measure the total pension liability was 7.20%. 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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease <u>(6.20%)</u>	Discount Rate <u>(7.20%)</u>	1% Increase <u>(8.20%)</u>
County's proportionate share of the net pension liability (asset)	\$ 12,332,909	\$ 4,108,200	\$ (2,756,836)

*Hospital's Sensitivity of the Total Pension Liability and the Net Pension Liability (Asset) to changes in interest rate*

	1% Decrease <u>(6.50%)</u>	Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Total Pension Liability	\$ 20,467,340	\$ 18,266,498	\$ 16,443,522
Net Fiduciary Position	<u>(20,225,843)</u>	<u>(20,225,843)</u>	<u>(20,225,843)</u>
Total pension liability (asset)	<u>\$ 241,497</u>	<u>\$ (1,959,345)</u>	<u>\$ (3,782,321)</u>
Funded %	98.82%	110.73%	123.00%

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



b. Law Enforcement Officers' Special Separation Allowance

1 *Plan Description*

Columbus County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed 5 or more years of creditable service. The Separation allowance is equal to 0.85% 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	6
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>75</u>
Total	<u><u>81</u></u>

A separate report was not issued for the plan.

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 criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent including inflation and productivity factor
Discount rate	3.16 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2016.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are financed through investment earnings. The County paid \$67,790 as benefits came due for the reporting period.

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

At June 30, 2018, the County reported a total pension liability of \$1,487,196. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$85,003.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 65,506
Changes of assumptions	87,407	27,726
County benefit payments and plan administrative expense made subsequent to the measurement date	29,712	-
Total	<u>\$ 117,119</u>	<u>\$ 93,232</u>

\$29,712 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ (1,876)
2020	(1,876)
2021	(1,876)
2022	(1,876)
2023	998
Thereafter	681

\$29,712 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.16%, 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 (2.16%) and 1-percentage point higher (4.16%) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	\$ 1,635,365	\$ 1,487,196	\$ 1,352,873

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

	<b>2018</b>
Beginning balance	\$ 1,401,812
Service Cost	74,227
Interest on the total pension liability	52,802
Changes of benefit terms	-
Differences between expected and actual experience	(78,201)
Changes in assumptions or other inputs	104,346
Benefit payments	(67,790)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,487,196</u>

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

The actuarial assumptions used in the December 31, 2016 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. Contributions for the year ended June 30, 2018 were \$176,804 which consisted of \$139,074 from the County and \$37,730 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Columbus County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://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 \$3,820 for the year ended June 30, 2018.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related***

At June 30, 2018, the County reported an asset of \$72,140 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2017, the County's proportion was 0.4226%, which was an increase of 0.0063% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$13,947. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,238	\$ 232
Changes of assumptions	12,172	-
Net difference between projected and actual earnings on pension plan	6,133	-
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	3,548	983
	5,550	-
Total	<u>\$ 28,641</u>	<u>\$ 1,215</u>

\$5,550 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2019	\$ 13,299
2020	6,310
2021	702
2022	1,564
2023	-
Thereafter	-
Total	<u>\$ 21,875</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.5 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, 2016 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.

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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, 2017 is 1.4%.

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

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

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

	1% Decrease <u>(2.75%)</u>	Discount Rate <u>(3.75%)</u>	1% Increase <u>(4.75%)</u>
County's proportionate share of the net pension liability (asset)	(56,701)	(72,140)	(85,124)

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.

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

Following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of the Net Pension Liability (Asset) \$	4,108,200	\$ (72,140)	\$ -	\$ 4,036,060
Proportionate of the Net Pension Liability (Asset)	0.2689%	0.4226%	n/a	
Total Pension Liability	-	-	1,487,196	1,487,196
Pension Expense	1,593,640	13,947	85,003	1,692,590

**Deferred Outflows of Resources**

Differences between expected and actual experience	236,670	1,238	-	237,908
Changes of assumptions	586,708	12,172	87,407	686,287
Net difference between project and actual earnings on plan investments	997,476	6,133	-	1,003,609
Changes in proportion and differences between contributions and proportionate share of contributions	34,938	3,548	-	38,486
Benefit payments and administrative costs paid subsequent to the measurement date	1,346,632	5,550	29,712	1,381,894

**Deferred Inflows of Resources**

Difference between expected and actual experience	116,290	232	65,506	182,028
Changes of assumptions	-	-	27,726	27,726
Net difference between projected and actual earnings on plan investments	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,448	983	-	4,431

e. Other Postemployment Benefits

*Plan Description.* According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan). Prior to October 6, 2009, this plan provided postemployment healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty consecutive years of service or who through disability retirement has five years of creditable service with the County. The County pays the full cost of coverage for these benefits until age 65, at which time the County offers a Medicare Supplement. Also, retirees can purchase coverage for their dependents at the County's group rates. Effective October 6, 2009, an employee who retires from the County with thirty (30) consecutive years of service with the County and age Sixty (60) may continue his/her medical coverage through the County until age sixty-five (65) at his/her own expense. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

	<u>2017</u>
Inactive plan members or beneficiaries currently receiving benefit payments	116
Inactive plan members entitled to but not yet receiving benefit payments	-
Active Plan members	496
Total	<u>612</u>

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**Total OPEB Liability**

The County's total OPEB liability of \$45,413,736 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Law Enforcement	3.50% - 7.35%
Municipal Bond Index Rate	
Prior Measurement Date	3.01%
Measurement Date	3.56%
Health Care Cost Trends	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023
Medicare	5.50% for 2017 decreasing to an ultimate rate of 5.00% by 2020

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

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2016</b>	\$ 48,084,641
<b>Changes for the year</b>	
Service Cost	1,339,990
Interest	1,436,560
Changes of benefit terms	-
Difference between expected and actual experience	(229,747)
Changes in assumptions or other inputs	(4,495,568)
Benefit payments	(722,140)
<b>Net changes</b>	<u>(2,670,905)</u>
<b>Balance at June 30, 2017</b>	<u>\$ 45,413,736</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate:

	<u>1% Decrease (2.56%)</u>	<u>Discount Rate (3.56%)</u>	<u>1% Increase (4.56%)</u>
Total OPEB Liability	\$ 54,082,263	\$ 45,413,736	\$ 38,635,799

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 38,030,666	\$ 45,413,736	\$ 54,993,055

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$2,095,669. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 196,642
Changes of assumptions	-	3,847,792
Benefit payments and administrative costs made subsequent to the measurement date	1,001,087	-
Total	<u>\$ 1,001,087</u>	<u>\$ 4,044,434</u>

\$1,001,087 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ (680,881)
2020	(680,881)
2021	(680,881)
2022	(680,881)
2023	(680,881)
Thereafter	(640,029)

f. 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.



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g. Columbus Regional Healthcare System Pension Plan

The Pension Plan of the Columbus Regional Healthcare System, Inc. is a noncontributory defined benefit plan that covers substantially all employees. The contributions of the System are made in amounts sufficient to fund the plan's current service cost.

Net Pension Liability (Asset)

The following represents the changes in the net pension liability (asset) as of September 30, 2017 and 2016:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at September 30, 2016	\$ 18,120,438	\$ 19,243,715	\$ (1,123,277)
Changes for the year:			
Interest	1,321,555	-	1,321,555
Differences between expected and actual experience	(63,336)	-	(63,336)
Changes of assumptions	(183,508)	-	(183,508)
Net investment income (loss)	-	1,937,029	(1,937,029)
Benefits paid	(928,651)	(928,651)	-
Administrative expenses	-	(26,250)	26,250
Net changes	146,060	982,128	(836,068)
Balances at September 30, 2017	\$ 18,266,498	\$ 20,225,843	\$ (1,959,345)

Please see the separately issued financial report of Columbus Regional Healthcare Center for a complete description of the Hospital pension plan.

3. Closure and Post closure Care Costs - Columbus County Landfill

State and Federal laws and regulations require the County to place a final cover on its Columbus County Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County paid \$0 as landfill closure and post closure care liability during the year ended June 30, 2018; representing the balance outstanding on the contract the County had entered into with a private contractor to close and monitor the landfill. The County did close the Columbus County Landfill at the end of 1997. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and post closure care requirements.

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4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ 236,670	\$ 116,290
Register of Deeds	1,238	232
LEOSSA	-	65,506
OPEB	-	196,642
Changes of Assumptions		
LGERS	586,708	-
Register of Deeds	12,172	-
LEOSSA	87,407	27,726
OPEB	-	3,847,792
Pensions - difference between projected and actual investment		
LGERS	997,476	-
Register of Deeds	6,133	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	34,938	3,448
Register of Deeds	3,548	983
Contributions to pension plan in current fiscal year		
LGERS	1,346,632	-
Register of Deeds	5,550	-
Benefit payments/administration costs paid subsequent to the measurement date		
LEOSSA	29,712	-
OPEB	1,001,087	-
Deferred Charges on Refunding	181,112	-
Prepaid taxes (General)	-	48,369
Taxes receivable, net (General)	-	754,939
Taxes receivable, net (Special Revenue)	-	304,618
	<u>\$ 4,530,383</u>	<u>\$ 5,366,545</u>

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three 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 limit of \$48.3 million for any one occurrence, general liability coverage of \$2 million per occurrence, and workers compensation coverage. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The County also has flood insurance through the pool with a \$25,000 limit per occurrence.

In accordance with G.S. 159-29, the County's employees that access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance director is bonded for \$50,000, the Sheriff is bonded for \$50,000, and the tax collector, deputy tax collector, and public housing director are individually bonded for \$25,000 each. The Register of Deeds is also individually bonded for \$10,000. The remaining employees that have access to funds are bonded under a blanket bond of \$250,000.

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

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

Columbus Regional Healthcare System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical malpractice. The Hospital carries commercial insurance for these risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

6. Contingent Liabilities

At June 30, 2018, the County was a defendant to various lawsuits. In the opinion of management and the County management and the County's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Installment Purchases

Serviced by the General Fund:

\$2,500,000 Note payable to PNC Bank, N.A. for the completion of the Columbus County Jail; due in annual installments of \$192,308 plus interest at 3.93 %; a deed of trust is listed as collateral.	\$ 331,038
\$9,000,000 Note payable to Suntrust Bank for the construction of the Columbus County Courthouse Annex; due in semi-annual installments of \$300,000 plus interest at 1.98 % through November 2027; a deed of trust is listed as collateral.	5,700,000
\$3,232,538 Note payable to Branch Banking & Trust for school construction -- Qualified School Construction Bond (QSCB); due in semi-annual installments of \$104,417 through January, 2028; interest at 3.77%.	2,088,358
\$9,600,000 Note payable to PNC Bank, N.A. for the construction of the Columbus County Jail and classroom facilities at Williams Township School; due in annual installments of \$978,880 through May, 2020; interest at 3.53%; a deed of trust is listed as collateral.	1,280,000
Total serviced by the General Fund	\$ 9,399,396

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 1,641,144	\$ 246,952
2020	1,587,566	197,049
2021	808,836	147,147
2022	808,836	127,394
2023	808,836	107,640
2024-2028	3,744,178	241,905
Total	\$ 9,399,396	\$ 1,068,087

b. General Obligation Indebtedness

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

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

The County's general obligation bonds payable at June 30, 2018 are comprised of the following individual issues:

Serviced by Water District Funds:

\$5,275,000 - Columbus County Water & Sewer District II Refunding, Series 2016 bonds, due in annual payments ranging from \$125,000 to \$260,000 plus interest ranging from 2 to 5% through June 2041.	\$ 4,890,000
\$4,270,000 - Columbus County Water & Sewer District III Refunding, Series 2016 bonds, due in annual payments ranging from \$100,000 to \$215,000 plus interest ranging from 2 to 5% through June 2041.	3,955,000
\$4,190,000 - Columbus County Water & Sewer District V Refunding, Series 2016 bonds, due in annual payments ranging from \$70,000 to \$210,000 plus interest ranging from 2 to 5% through June 2045.	3,965,000
\$4,113,000 - Columbus County Water & Sewer District IV Series 2010 bonds to U.S. Department of Rural Development, due in annual payments ranging from \$52,000 to \$191,000 plus interest at 3.75%.	3,776,000
Total Serviced by the Water Districts	<u>\$ 16,586,000</u>
Total General Obligation Bonds	<u>\$ 16,586,000</u>

Year Ending June 30	Business-type Activities	
	General Obligation Bonds	
	Principal	Interest
2019	\$ 393,000	\$ 666,438
2020	411,000	650,875
2021	428,000	634,600
2022	446,000	617,650
2023	468,000	596,238
2024-2028	2,670,000	2,634,375
2029-2033	3,327,000	1,974,563
2034-2038	3,757,000	1,298,150
2039-2043	3,037,000	606,105
2044-2048	1,276,000	192,188
2049-2050	373,000	20,811
Total	<u>\$ 16,586,000</u>	<u>\$ 9,891,993</u>

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

c. Revolving Loan

Serviced by the Enterprise Funds

\$375,227 - Columbus County Water & Sewer District II revolving loan to NC Department of Energy and Natural Resources, due in annual payments payments of \$26,902, interest at 0.00%.	\$ 268,020
Total Federal Revolving Loan	<u>\$ 268,020</u>

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

Year Ending June 30	Business-type Activities	
	Revolving Loans	
	Principal	Interest
2019	\$ 26,802	\$ -
2020	26,802	-
2021	26,802	-
2022	26,802	-
2023	26,802	-
2024-2028	134,010	-
Total	<u>\$ 268,020</u>	<u>\$ -</u>

d. Revenue Bonds

In January 2002, the County issued \$845,000 of Revenue Bonds to finance capital improvements for Water District II. At 4.75% interest, the interest on the bonds is payable annually on June 1. The revenue bonds mature through June 1, 2041. The principal and interest on the bonds are payable from the net revenues of Water District II. The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order.

The County has been in compliance with covenants as to rates, fees, rentals and charges in Section 5.01 of the Bond Order, authorizing the issuance of the Water Revenue Bonds since its adoption in 2002. Section 5.01(b) of the Bond Order requires the debt service coverage ratio to be no less than 110% of the revenue bond debt service and no less than 100% of the total district debt service obligations. The debt service coverage ratio calculation for the year ended June 30, 2018, is as follows:

Operating Revenues	\$ 874,432	
Operating Expenses*	361,480	
Operating income	<u>512,952</u>	
Nonoperating revenues (expenses)**	<u>(202,910)</u>	
Income available for debt service	310,042	
Debt service, principal and interest paid (Revenue Bond only)	\$ 49,134	
All debt service (excluding interest included in nonoperating expenditures above)		\$ 210,938
Debt service coverage ratio	631.01%	146.98%

\*Per rate covenants, this does not include depreciation expense of \$492,188.

\*\*Does not include revenue bond interest paid of \$32,134.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

On October 27, 2015, the County issued \$1,337,000 of Revenue Bonds to finance capital improvements for Water District IV. At 2.625% interest, the interest on the bonds is payable annually on June 1. The revenue bonds mature through June 1, 2055. The principal and interest on the bonds are payable from the net revenues of Water District IV. The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order.

Section 5.01(b) of the Bond Order requires the debt service coverage ratio to be no less than 110% of the revenue bond debt service and no less than 100% of the total district debt service obligations. The debt service coverage ratio calculation for the year ended June 30, 2018, is as follows:

Operating Revenues	\$ 442,776	
Operating Expenses*	<u>250,430</u>	
Operating income	192,346	
Nonoperating revenues (expenses)**	<u>(143,651)</u>	
Income available for debt service	48,695	
Debt service, principal and interest paid (Revenue Bond only)	\$ 55,571	
All debt service (excluding interest included in nonoperating expenditures above)		\$ 116,571
Debt service coverage ratio	87.63%	41.77%

\*Per rate covenants, this does not include depreciation expense of \$383,421.

\*\*Does not include revenue bond interest paid of \$34,571.

Year Ending June 30	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2019	\$ 38,500	\$ 65,346
2020	40,500	63,964
2021	41,500	62,508
2022	43,500	61,004
2023	44,500	59,427
2024-2028	249,000	271,408
2029-2033	297,000	222,143
2034-2038	344,000	162,815
2039-2043	294,000	99,011
2044-2048	213,000	63,053
2049-2053	242,000	33,574
2054-2055	108,000	4,277
Total	<u>\$ 1,955,500</u>	<u>\$ 1,168,530</u>

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

e. Limited Obligation Bonds

On September 23, 2016, the County Water Districts issued individual refunding bonds in the amount of \$13,735,000 for each of the USDA Bonds being refinanced. The County then issued Limited Obligation Bonds ("LOBS") to purchase these bonds; the County (and bondholders) have a security interest in the Water District's refunding bonds. When debt service is due, each water district will remit the debt service payments for their respective bonds to the County, who will then remit it to the bondholders. If a district does not pay, the County has the bonds (and the District's ad valorem taxing power for the general obligation bonds) as collateral. The Limited Obligation Bonds are appropriation-backed and require the Board to budget for the debt service annually. The payments will consists of an annual principal payment and bi-annual interest payments with a 3.68% average interest rate over the life of the term. As of June 30, 2018, the balance of the bonds was \$12,810,000. The reader should note that this debt issuance is entirely offset by the Water District's Refunding 2016 Bonds as detailed below under the General Obligation Indebtedness section.

The minimum payments for the Limited Obligation Bonds as of June 30, 2018 in the Business-Type Activities are as

Year Ending June 30	Business-type Activities	
	Limited Obligation Bonds	
	Principal	Interest
2019	\$ 330,000	524,838
2020	345,000	511,638
2021	360,000	497,838
2022	375,000	483,438
2023	395,000	464,688
2024-2028	2,260,000	2,019,938
2029-2033	2,835,000	1,442,888
2034-2038	3,165,000	866,000
2039-2043	2,325,000	292,500
2044-2045	420,000	23,622
Total	<u>\$ 12,810,000</u>	<u>\$ 7,127,388</u>

f. 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, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Purchase	11,040,540	-	1,641,144	9,399,396	1,641,144
Compensated Absences	1,444,116	-	16,438	1,427,678	-
Net OPEB Liability	42,654,151	2,016,938	963,478	43,707,611	-
Net Pension Liability (LGRS)	5,650,172	-	1,670,920	3,979,252	-
Total Pension Liability (LEOSSA)	1,401,812	85,384	-	1,487,196	-
Total	<u>\$ 62,190,791</u>	<u>\$ 2,016,938</u>	<u>\$ 4,291,980</u>	<u>\$ 60,001,133</u>	<u>\$ 1,641,144</u>
Business-type Activities:					
General Obligation Debt	\$ 16,972,000	\$ -	\$ 386,000	\$ 16,586,000	\$ 393,000
Unamortized Premium	554,363	-	22,442	531,921	22,442
Net General Obligation Debt	17,526,363	-	408,442	17,117,921	415,442
Limited Obligation Bonds	13,135,000	-	325,000	12,810,000	330,000
Revenue bonds	1,993,500	-	38,000	1,955,500	38,500
Revolving Loan	294,822	-	26,802	268,020	26,802
Net OPEB Liability	1,665,003	78,731	37,609	1,706,125	-
Compensated Absences	76,728	-	27,559	49,169	-
Net Pension Liability	175,425	-	46,477	128,948	-
Total	<u>\$ 34,866,841</u>	<u>\$ 78,731</u>	<u>\$ 909,889</u>	<u>\$ 34,035,683</u>	<u>\$ 810,744</u>

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

Debt Related to Capital Activities - Of the total Governmental Activities debt listed, \$7,055,038 relates to assets the County holds title.

The following is a summary of changes in the Columbus Regional Healthcare System's long-term obligations for the fiscal year ended September 30, 2017:

Long-term Debt	\$ 22,635,000	\$ -	\$ 605,000	\$ 22,030,000	\$ 515,000
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At June 30, 2018, Columbus County had a legal debt margin of approximately \$297,212,490.

C. Interfund Balances and Activity

Interfund receivables/payables at June 30, 2018, consist of the following:

Payable from the Water District IV project fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of grant funds.	\$ 199,964
Payable from the 2013 Single Family Rehab fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	9,594
Payable from the 2016 Single Family Rehab fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	123,655
Payable from the Debt Service Fund to the General Fund for debt payments that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	509,416
Payable from the Courthouse Renovation Fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	304,591
Payable from the E911 - Aging Project Fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	1,576
Payable from the E911 Project Radio Fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	323,050
Total Interfund balances	<u>\$ 1,471,846</u>



COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

Transfers to/from other funds at June 30, 2018, consist of the following:

Transfer from General fund to Revaluation fund to provide additional resources.	\$ 20,000
Transfer from the General fund to the Debt Service fund to provide funds for debt service payments.	1,186,087
Transfer from the General fund to the Transportation Fund to provide matching funds.	27,500
Transfer from the Transportation Fund to the General Fund for admin costs.	17,255
Transfer from the General fund to the Airport Capital project fund to provide matching per grant requirements.	45,665
Total Transfers	<u><u>\$ 1,296,507</u></u>

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 35,173,897	\$ 33,881,634
less: long-term debt	(9,399,396)	(19,341,441)
add: unexpended debt proceeds	<u>-</u>	<u>-</u>
Net investment in capital assets	<u><u>\$ 25,774,501</u></u>	<u><u>\$ 14,540,193</u></u>

E. Fund Balance

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

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>	<u>\$ 39,528,533</u>
Less:	
Inventories	\$ 77,359
Prepaid Expenses	-
Stabilization by State Statute	5,720,095
Appropriated Fund Balance in 2019 Budget	1,679,896
Tax Revaluation	198,939
Reserve No Till Drill	23,948
ROD Automation enhancement	125,876
Health department	59,803
Home Health	150,019
Capital Outlay	14,771
Fall soccer league	1,002
Various	1,622,725
Working Capital / Fund Balance Policy	-
Remaining Fund Balance	<u>\$ 29,854,100</u>

The County had no outstanding encumbrances at June 30, 2018.

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2018

NOTE IV: Related Organizations

Waccamaw Siouan - Development Association, Inc. (WSDA)

The WSDA is a non-profit organization which is primarily funded through Administration for Native American Grants, Community Development Block Grants (CDBG) and other funding from private foundations, federal and State granting agencies. The association serves approximately 1500 Indian People in Bladen and Columbus Counties, North Carolina. It is governed by a Board of Directors elected annually by the people it serves.

NOTE V: Joint Ventures

The County, in conjunction with the State of North Carolina and the Columbus County Board of Education, participates in a joint venture to operate Southeastern Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The county has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new restructured facilities. The County has an ongoing responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,344,951 and \$600,650 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2018. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2018. Complete financial statements for the community college may be obtained from the community college's administrative offices at Whiteville, NC 28472.

NOTE VI: Jointly Governed Organization

Columbus County appoints one member, out of a total of thirteen members, to the Lower Cape Fear Water and Sewer Authority Board (Authority). Four other counties and one municipality appoint the other board members. The Authority exists to provide water to various entities. Its revenues are derived from water sales. Columbus County has no ongoing financial interest or responsibility for the authority.

The County, in conjunction with four other counties and twenty-two municipalities, established the Cape Fear Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$25,089 to the Council during the fiscal year ended June 30, 2018. The County was the sub-recipient of various grants from the U.S. Department of Health and Human Services and the Division of Aging of the North Carolina Department of Human Resources, which was passed through the Council.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2018

NOTE VII: Benefit Payments Issued by the State

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

	<u>Federal</u>	<u>State</u>
Medicaid	\$ 75,692,573	\$ 39,933,007
State Children's Insurance Program	1,323,367	1,641
WIC	1,134,715	-
Food and Nutrition Services	15,908,003	-
IV-E Adopt & Vendor & Gua	232,582	56,095
Family Perservation	7,902	-
Special Children Adoption	72,000	-
TANF Payments and Penalties	431,612	-
CWS Adopt, Vendor, Guard	-	125,651
SAA / SAD HB 1030	-	22,270
SC / SA Domiciliary Care	-	450,962
Total	<u>\$ 94,802,754</u>	<u>\$ 40,589,626</u>

NOTE VIII: 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 monies.

NOTE IX: Related Party Transactions

Edwin Russ, a commissioner of Columbus County, also owns a business (Southern Tire and Muffler). The County paid this company \$8,607 for services during the year.

NOTE X: Subsequent Events

No items were noted to disclose.

NOTE XI: Prior Period Adjustment

The County recorded the following prior period adjustments:

General Fund to correct beginning balances that did not roll forward correctly. This adjustment resulted in an increase in beginning fund balance of \$553,838.

NOTE XII: Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Boards (GASB) No. Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the County related to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for the governmental activities decreased \$27,856,293 and \$1,127,750 for the business-type activities.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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- ~ Schedule of County's Proportionate Share of Net Pension Liability (LGERS)
- ~ Schedule of County Contributions (LGERS)
- ~ Schedule of County's Proportionate Share of Net Pension Asset (ROD)
- ~ Schedule of County Contributions (ROD)
- ~ Analysis of Funding Progress for the Law Enforcement Special Separation Allowance.
- ~ Schedule of Changes in the Total OPEB Liability

**COLUMBUS COUNTY**  
**Schedule of Proportionate Share of Net Pension Liability (Asset)**  
**Local Government Employees' Retirement System**  
**Last Five Fiscal Years\***

<b>Local Government Employees' Retirement System</b>					
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.26891%	0.27449%	0.27922%	0.28880%	0.28820%
County's proportion of the net pension liability (asset) (\$)	\$ 4,108,200	\$ 5,825,597	\$ 1,253,123	\$ (1,703,186)	\$ 3,473,917
County's covered-employee payroll	\$17,774,866	\$ 17,244,459	\$ 17,020,241	\$ 17,030,045	\$ 17,167,325
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.11%	33.78%	7.36%	-10.00%	20.24%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

**COLUMBUS COUNTY**  
**Schedule of County Contributions**  
**Local Government Employees' Retirement System**  
**Last Five Fiscal Years**

<b>Local Government Employees' Retirement System</b>					
	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Contractually required contribution	\$ 1,346,632	\$ 1,323,441	\$ 1,184,776	\$ 1,214,408	\$ 1,212,862
Contributions in relation to the contractually required contribution	1,346,632	1,323,441	1,184,776	1,214,408	1,212,862
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
County's covered-employee payroll	\$ 17,485,028	\$ 17,774,866	\$ 17,244,459	\$ 17,020,241	\$ 17,030,045
Contributions as a percentage of covered-employee payroll	7.70%	7.45%	6.87%	7.14%	7.12%

**COLUMBUS COUNTY**  
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Five Fiscal Years\***

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (asset) %	0.4226%	0.4164%	0.4516%	0.4586%	0.3290%
County's proportionate share of the net pension liability (asset) \$	\$ (72,140)	\$ (77,843)	\$(104,661)	\$ (103,946)	\$(70,204)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	197.29%	193.88%	190.50%

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

**COLUMBUS COUNTY**  
**Schedule of County Contributions**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Five Fiscal Years\***

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 5,550	\$ 5,345	\$ 4,893	\$ 5,080	\$ 3,744
Contributions in relation to contractually required contribution	<u>5,550</u>	<u>5,345</u>	<u>4,893</u>	<u>5,080</u>	<u>3,744</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**COLUMBUS COUNTY**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2018**

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	<b>2018</b>	<b>2017</b>
Beginning Balance	\$ 1,401,812	\$ 1,374,918
Service Cost	74,227	86,775
Interest on the total pension liability	52,802	47,875
Change in benefit terms	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability	(78,201)	-
Changes of assumptions and other inputs	104,346	(39,966)
Benefit payments	(67,790)	(67,790)
Other changes	-	-
Ending balance of total pension liability	<u>\$ 1,487,196</u>	<u>\$ 1,401,812</u>

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

**COLUMBUS COUNTY**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2018**

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	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 1,487,196	\$ 1,401,812
Covered payroll	2,945,019	3,081,651
Total pension liability as a percentage of covered payroll	50.50%	45.49%

Notes to the schedules:

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

**COLUMBUS COUNTY**  
**Schedule of Changes in Total OPEB Liability**  
**Other Postemployment Benefits**  
**For the Year Ended June 30, 2018**

	<b>2018</b>
<b>Total OPEB Liability</b>	
Service Cost	\$ 1,339,990
Interest on the total OPEB liability	1,436,560
Change in benefit terms	-
Differences between expected and actuarial experience in the measurement of the total pension liability	(229,747)
Changes of assumptions and other inputs	(4,495,568)
Benefit payments	(722,140)
Other changes	-
<b>Net change in total OPEB liability</b>	<b>(2,670,905)</b>
<b>Total OPEB liability - beginning</b>	<b>48,084,641</b>
<b>Total OPEB liability - ending</b>	<b>\$ 45,413,736</b>
<b>Covered payroll</b>	<b>\$ 16,316,999</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>278.32%</b>

**Notes to Schedule**

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

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%

## GENERAL FUND

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

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**Columbus County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem Taxes	\$ 30,930,526	\$ 30,749,279	\$ (181,247)
Other Taxes and Licenses	9,034,546	9,861,260	826,714
Unrestricted Intergovernmental Revenues	119,000	96,571	(22,429)
Restricted Intergovernmental Revenues	14,125,133	10,816,820	(3,308,313)
Permits and Fees	1,309,836	1,299,166	(10,670)
Sales and Services	2,548,038	2,213,895	(334,143)
Investment Earnings	329,330	457,611	128,281
Miscellaneous	247,836	401,026	153,190
Total Revenues	<u>58,644,245</u>	<u>55,895,628</u>	<u>(2,748,617)</u>
<b>Expenditures</b>			
General Government:			
Governing Body	249,732	240,253	9,479
County Administration	281,258	268,877	12,381
Personnel	151,081	140,047	11,034
Purchasing	127,099	115,174	11,925
County Garage	83,427	70,244	13,183
Elections	492,233	417,833	74,400
Finance	402,128	389,226	12,902
Tax Administration	1,201,472	1,053,877	147,595
Management Information Systems	372,449	374,568	(2,119)
Legal and Professional	340,995	272,972	68,023
Register of Deeds	471,391	460,470	10,921
Public Buildings	1,336,055	1,364,678	(28,623)
Nondepartmental	2,316,242	1,986,855	329,387
Total General Government	<u>7,825,562</u>	<u>7,155,074</u>	<u>670,488</u>
Public safety:			
Sheriff	5,954,449	5,441,335	513,114
Teen Court	70,518	68,588	1,930
Sheriff's Department Grant	28,133	12,513	15,620
Law Enforcement Center	3,119,690	2,950,046	169,644
Fire Marshall	133,051	130,835	2,216
Emergency Services	1,407,047	1,277,279	129,768
Fire, Rescue, EMS	13,250	12,221	1,029
Inspections	255,010	232,532	22,478
Animal Control	279,162	275,537	3,625
Local Law Enforcement Block Grant	1,000	920	80
Special Alcohol and Drug	70,000	12,507	57,493
Hurricane Matthew Expenses	278,116	278,112	4
Total Public Safety	<u>11,609,426</u>	<u>10,692,425</u>	<u>917,001</u>
Economic and Physical Development:			
Planning	-	140	(140)
Economic Development	477,827	351,827	126,000
Cooperative Extension	470,290	408,369	61,921
Soil Conservation	251,168	215,604	35,564
Airport	774,143	475,910	298,233
Minor Home Repairs	89,700	74,063	15,637
Total Economic and Physical Develop	<u>2,063,128</u>	<u>1,525,913</u>	<u>537,215</u>

**Columbus County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
Human services:			
Health	4,859,909	4,238,058	621,851
Senior Center	180,590	211,373	(30,783)
Coroner and Medical Examiner	80,576	49,104	31,472
Veteran Services	133,287	117,864	15,423
Social Services	8,584,352	7,804,638	779,714
Public Assistance Programs	3,948,673	1,695,307	2,253,366
Special Assistance to the Aging	2,714,814	2,401,980	312,834
Total Human Services	<u>20,502,201</u>	<u>16,518,324</u>	<u>3,983,877</u>
Cultural and recreational:			
Recreation	515,711	496,398	19,313
Library	1,364,238	1,350,057	14,181
Total Cultural and Recreational	<u>1,879,949</u>	<u>1,846,455</u>	<u>33,494</u>
Education:			
Public School			
Current Expense	7,471,391	7,471,391	-
Capital Outlay	689,159	689,159	-
Community College			
Current Expense	1,344,951	1,344,951	-
Capital Outlay	607,671	600,650	7,021
Fines and Forfeitures	231,122	213,062	18,060
1/2 Cents Sales Tax	3,127,889	2,911,366	216,523
ABC Profit Distributions	58,000	40,989	17,011
Total Education	<u>13,530,183</u>	<u>13,271,568</u>	<u>258,615</u>
Special Appropriations	<u>1,189,061</u>	<u>939,638</u>	<u>249,423</u>
Debt service:			
Principal	672,308	672,308	-
Interest and fees	76,153	73,972	2,181
Total debt service	<u>748,461</u>	<u>746,280</u>	<u>2,181</u>
Total expenditures	<u>59,347,971</u>	<u>52,695,677</u>	<u>6,652,294</u>
Revenue over (under) expenditures	<u>(703,726)</u>	<u>3,199,951</u>	<u>3,903,677</u>
Other financing sources (uses):			
Transfer - Out (Capital Project Fund)	(45,665)	(45,665)	-
Transfer - Out (Revaluation)	(20,000)	(20,000)	-
Transfer - Out (Debt Services Fund)	(1,189,539)	(1,186,087)	3,452
Transfer - Out (Transportation)	(27,500)	(27,500)	-
Transfer - In (Transportation)	18,891	17,255	(1,636)
Transfer - In (Water District II)	166,067	-	(166,067)
Transfer - In (Water Project Funds)	199,964	-	(199,964)
Sale of Capital Assets (Home Health)	2,133,321	2,133,321	-
Appropriated Fund Balance	(531,813)	-	531,813
Total other financing sources (uses)	<u>703,726</u>	<u>871,324</u>	<u>167,598</u>
Net change in fund balance	<u>\$ -</u>	4,071,275	<u>\$ 4,071,275</u>
Fund balance, beginning of year		34,704,481	
Prior Period Adjustment (see Note XI)		<u>553,838</u>	
Fund balance, end of year		<u>\$ 39,329,594</u>	

**Columbus County, North Carolina**  
**Revaluation Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
General government	20,000	-	20,000
Revenues over (under) expenditures	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
Other financing sources (uses):			
Transfer from General Fund	20,000	20,000	-
Appropriated Fund Balance	-	-	-
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	20,000	<u>\$ 20,000</u>
Fund balance, beginning		<u>178,939</u>	
Fund balance, ending		<u>\$ 198,939</u>	

## NON-MAJOR GOVERNMENTAL FUNDS

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Non-Major Governmental Funds are Special Revenue Funds, Capital Projects Funds, and Debt Services Fund

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**Columbus County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,149,640	\$ 851,749	\$ -	\$ 2,001,389
Restricted cash	-	-	-	-
Taxes receivable (net)	304,618	-	-	304,618
Accounts receivable (net)	186,836	-	-	186,836
Notes receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	94,953	16,228	73,368	184,549
Total assets	<u>\$ 1,736,047</u>	<u>\$ 867,977</u>	<u>\$ 73,368</u>	<u>\$ 2,677,392</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	245,888	1,860,596	-	2,106,484
Due to other funds	140,628	629,217	509,416	1,279,261
Total liabilities	<u>386,516</u>	<u>2,489,813</u>	<u>509,416</u>	<u>3,385,745</u>
DEFERRED INFLOWS OF RESOURCES	<u>304,618</u>	<u>-</u>	<u>-</u>	<u>304,618</u>
Fund balances:				
Restricted:				
Public Safety	591,738	449,937	-	1,041,675
Transportation	156,266	-	-	156,266
Economic and Physical Development	212,282	-	-	212,282
Cultural and recreational	156,500	-	-	156,500
Unassigned	(71,873)	(2,071,773)	(436,048)	(2,579,694)
Total fund balances	<u>1,044,913</u>	<u>(1,621,836)</u>	<u>(436,048)</u>	<u>(1,012,971)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,736,047</u>	<u>\$ 867,977</u>	<u>\$ 73,368</u>	<u>\$ 2,372,774</u>

**Columbus County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2018**

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenues:</b>				
Ad valorem taxes	\$ 2,498,777	\$ -	\$ -	\$ 2,498,777
Other taxes and license	108,296	-	-	108,296
Charges for services	41,759	-	-	41,759
Restricted intergovernmental	1,821,563	2,080,502	-	3,902,065
Investment earnings	14	-	-	14
Miscellaneous	30,998	13,350	-	44,348
Total revenues	<u>4,501,407</u>	<u>2,093,852</u>	<u>-</u>	<u>6,595,259</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	2,741,370	-	-	2,741,370
Transportation	575,870	-	-	575,870
Economic and physical development	976,932	-	-	976,932
Cultural and recreational	-	50,000	-	50,000
Education	-	260,000	-	260,000
Total current expenditures	<u>4,294,172</u>	<u>310,000</u>	<u>-</u>	<u>4,604,172</u>
Capital outlay	<u>-</u>	<u>3,878,686</u>	<u>-</u>	<u>3,878,686</u>
<b>Debt service:</b>				
Principal	-	-	968,836	968,836
Interest and fees	-	-	220,604	220,604
Total debt service	<u>-</u>	<u>-</u>	<u>1,189,440</u>	<u>1,189,440</u>
Total Expenditures	<u>4,294,172</u>	<u>4,188,686</u>	<u>1,189,440</u>	<u>9,672,298</u>
Revenues over (under) expenditures	<u>207,235</u>	<u>(2,094,834)</u>	<u>(1,189,440)</u>	<u>(3,077,039)</u>
<b>Other financing sources (uses):</b>				
Transfers in (out)	10,245	45,665	1,186,087	1,241,997
Total other financing sources (uses)	<u>10,245</u>	<u>45,665</u>	<u>1,186,087</u>	<u>1,241,997</u>
Net change in fund balance	217,480	(2,049,169)	(3,353)	(1,835,042)
Fund balances, beginning	827,433	427,333	(432,695)	822,071
Fund balances, ending	<u>\$ 1,044,913</u>	<u>\$ (1,621,836)</u>	<u>\$ (436,048)</u>	<u>\$ (1,012,971)</u>

**Columbus County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2018**

	Special Service District Fund	Rescue Tax Fund	Emergency Telephone	Transportation Fund	Tourism Revolving Loan Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 42,370	\$ 134,734	\$ 554,524	\$ 41,451	\$ 158,477
Taxes receivable (net)	230,574	74,044	-	-	-
Accounts receivable (net)	-	-	25,533	154,680	-
Notes receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	12,259	148	-
Total assets	<u>\$ 272,944</u>	<u>\$ 208,778</u>	<u>\$ 592,316</u>	<u>\$ 196,279</u>	<u>\$ 158,477</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 41,830	\$ 137,879	\$ 1,118	\$ 40,013	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>41,830</u>	<u>137,879</u>	<u>1,118</u>	<u>40,013</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>230,574</u>	<u>74,044</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted:					
Public Safety	540	-	591,198	-	-
Transportation	-	-	-	156,266	-
Economic and Physical Development	-	-	-	-	158,477
Cultural and Recreational	-	-	-	-	-
Unassigned	-	(3,145)	-	-	-
Total fund balances	<u>540</u>	<u>(3,145)</u>	<u>591,198</u>	<u>156,266</u>	<u>158,477</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 272,944</u>	<u>\$ 208,778</u>	<u>\$ 592,316</u>	<u>\$ 196,279</u>	<u>\$ 158,477</u>

**Columbus County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2018**

	Walking Trail Equipment Grant	NCHFA URP 1703 Grant	Tabor City Incubator Project	2013 Single Family Rehab Grant	2016 Single Family & Disaster Rec- overy Grant	NCHFA 2017 ESFRLP Fund	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 156,500	\$ 50,000	\$ 11,584	\$ -	\$ -	\$ -	\$ 1,149,640
Taxes receivable (net)	-	-	-	-	-	-	304,618
Accounts receivable (net)	-	-	6,623	-	-	-	186,836
Notes receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	46	-	82,500	-	94,953
Total assets	<u>\$ 156,500</u>	<u>\$ 50,000</u>	<u>\$ 18,253</u>	<u>\$ -</u>	<u>\$ 82,500</u>	<u>\$ -</u>	<u>\$ 1,736,047</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 14,448	\$ -	\$ 10,600	\$ -	\$ 245,888
Due to other funds	-	-	-	9,594	123,655	7,379	140,628
Total liabilities	<u>-</u>	<u>-</u>	<u>14,448</u>	<u>9,594</u>	<u>134,255</u>	<u>7,379</u>	<u>386,516</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>304,618</u>
<b>Fund Balances:</b>							
<b>Restricted:</b>							
Public Safety	-	-	-	-	-	-	591,738
Transportation	-	-	-	-	-	-	156,266
Economic and Physical Development	-	50,000	3,805	-	-	-	212,282
Cultural and Recreational	156,500	-	-	-	-	-	156,500
Unassigned	-	-	-	(9,594)	(51,755)	(7,379)	(71,873)
Total fund balances	<u>156,500</u>	<u>50,000</u>	<u>3,805</u>	<u>(9,594)</u>	<u>(51,755)</u>	<u>(7,379)</u>	<u>1,044,913</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 156,500</u>	<u>\$ 50,000</u>	<u>\$ 18,253</u>	<u>\$ -</u>	<u>\$ 82,500</u>	<u>\$ -</u>	<u>\$ 1,736,047</u>

**Columbus County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2018**

	Special Service District Fund	Rescue Tax Fund	Emergency Telephone	Transportation Fund	Tourism Revolving Loan Fund
Revenues:					
Ad valorem taxes	\$ 1,734,113	\$ 764,664	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	108,296	-
Charges for services	-	-	-	41,759	-
Restricted intergovernmental	-	-	306,396	417,789	-
Investment earnings	-	-	-	-	14
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,734,113</u>	<u>764,664</u>	<u>306,396</u>	<u>567,844</u>	<u>14</u>
Expenditures:					
Public safety	1,735,130	762,587	243,653	-	-
Human services	-	-	-	-	-
Transportation	-	-	-	575,870	-
Economic and physical development	-	-	-	-	-
Total expenditures	<u>1,735,130</u>	<u>762,587</u>	<u>243,653</u>	<u>575,870</u>	<u>-</u>
Revenues over (under) expenditures	(1,017)	2,077	62,743	(8,026)	14
Other financing sources (uses):					
Transfers in (out)	-	-	-	10,245	-
Loan proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,245</u>	<u>-</u>
Net change in fund balances	(1,017)	2,077	62,743	2,219	14
Fund balances, beginning	<u>1,557</u>	<u>(5,222)</u>	<u>528,455</u>	<u>154,047</u>	<u>158,463</u>
Fund balances, ending	<u>\$ 540</u>	<u>\$ (3,145)</u>	<u>\$ 591,198</u>	<u>\$ 156,266</u>	<u>\$ 158,477</u>

**Columbus County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2018**

	Walking Trail Equipment Grant	NCHFA URP 1703 Grant	Tabor City Incubator Project	2013 Single Family Rehab Grant	2016 Single Family & Disaster Rec- overy Grant	NCHFA 2017 ESFRLP Fund	Total
<b>Revenues:</b>							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,498,777
Other taxes and licenses	-	-	-	-	-	-	108,296
Charges for services	-	-	-	-	-	-	41,759
Restricted intergovernmental	156,500	50,000	-	-	749,963	140,915	1,821,563
Investment earnings	-	-	-	-	-	-	14
Miscellaneous	-	-	30,998	-	-	-	30,998
Total revenues	<u>156,500</u>	<u>50,000</u>	<u>30,998</u>	<u>-</u>	<u>749,963</u>	<u>140,915</u>	<u>4,501,407</u>
<b>Expenditures:</b>							
Public safety	-	-	-	-	-	-	2,741,370
Cultural and recreational	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	575,870
Economic and physical development	-	-	27,193	-	801,445	148,294	976,932
Total expenditures	<u>-</u>	<u>-</u>	<u>27,193</u>	<u>-</u>	<u>801,445</u>	<u>148,294</u>	<u>4,294,172</u>
Revenues over (under) expenditures	156,500	50,000	3,805	-	(51,482)	(7,379)	207,235
<b>Other financing sources (uses):</b>							
Transfers in (out)	-	-	-	-	-	-	10,245
Loan proceeds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,245</u>
Net change in fund balances	156,500	50,000	3,805	-	(51,482)	(7,379)	217,480
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,594)</u>	<u>(273)</u>	<u>-</u>	<u>827,433</u>
Fund balances, ending	<u>\$ 156,500</u>	<u>\$ 50,000</u>	<u>\$ 3,805</u>	<u>\$ (9,594)</u>	<u>\$ (51,755)</u>	<u>\$ (7,379)</u>	<u>\$ 1,044,913</u>

**Columbus County, North Carolina**  
**Special Service District Funds**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,741,339	\$ 1,734,113	\$ (7,226)
Total revenues	<u>1,741,339</u>	<u>1,734,113</u>	<u>(7,226)</u>
<b>Expenditures:</b>			
Public Safety:			
Acme Delco Fire District	374,859	371,834	3,025
Bolton Fire District	43,452	44,517	(1,065)
Brunswick Fire District	155,013	155,261	(248)
Buckhead Fire District	21,740	21,376	364
Cerro Gordo Fire District	84,517	84,256	261
Coles Service Fire District	67,337	67,246	91
East Columbus Fire District	13,146	13,107	39
Evergreen Fire District	70,041	69,782	259
Hallsboro Fire District	64,005	63,380	625
Klondyke Fire District	122,810	122,432	378
Nakina Fire District	102,737	102,179	558
North Whiteville Fire District	175,355	173,239	2,116
Old Dock/Cypress Creek Fire District	55,792	56,157	(365)
Roseland Fire District	85,243	85,867	(624)
St. James Fire District	21,958	21,588	370
Williams Township Fire District	102,928	102,718	210
White Marsh Fire District	51,575	51,443	132
Yam City Fire District	128,831	128,748	83
Total expenditures	<u>1,741,339</u>	<u>1,735,130</u>	<u>6,209</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>(1,017)</u>	<u>\$ (1,017)</u>
Fund balance, beginning		<u>1,557</u>	
Fund balance, ending		<u>\$ 540</u>	

**Columbus County, North Carolina**  
**Rescue Tax Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes	\$ 781,167	\$ 764,664	\$ (16,503)
Total revenues	<u>781,167</u>	<u>764,664</u>	<u>(16,503)</u>
<b>Expenditures:</b>			
Public Safety:			
Acme Delco Riegelwood Rescue	70,846	70,877	(31)
Buckhead Rescue	70,847	70,877	(30)
Cerro Gordo Rescue	70,846	70,877	(31)
Chadbourn Rescue	70,847	70,880	(33)
Fair Bluff Rescue	70,847	70,877	(30)
Lake Waccamaw Rescue	70,847	70,877	(30)
Nakina Rescue	70,847	70,877	(30)
Tabor City Rescue	70,847	70,877	(30)
Special Districts	214,393	195,568	18,825
Total expenditures	<u>781,167</u>	<u>762,587</u>	<u>18,580</u>
Revenues over (under) expenditures	<u>\$ -</u>	2,077	<u>\$ 2,077</u>
Fund balance, beginning		<u>(5,222)</u>	
Fund balance, ending		<u>\$ (3,145)</u>	



**Columbus County, North Carolina**  
**Emergency Telephone Systems**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
E911 Surcharge revenue	\$ 300,000	\$ 306,396	\$ 6,396
Total revenues	<u>300,000</u>	<u>306,396</u>	<u>6,396</u>
Expenditures:			
Contracted services	151,200	103,876	47,324
Operating expenses	<u>178,500</u>	<u>139,777</u>	<u>38,723</u>
Total Operating Expenditures	<u>329,700</u>	<u>243,653</u>	<u>86,047</u>
Capital Outlay	<u>49,000</u>	<u>-</u>	<u>49,000</u>
Total expenditures	<u>378,700</u>	<u>243,653</u>	<u>135,047</u>
Revenues over (under) expenditures	<u>(78,700)</u>	<u>62,743</u>	<u>141,443</u>
Other Financing Sources (Uses):			
Transfer in (out)	-	-	-
Appropriated Fund Balance	<u>78,700</u>	<u>-</u>	<u>(78,700)</u>
Total Other Financing Sources (Uses)	<u>78,700</u>	<u>-</u>	<u>(78,700)</u>
Net Change in Fund Balance	<u>\$ -</u>	62,743	<u>\$ 62,743</u>
Fund balance, beginning		<u>528,455</u>	
Fund balance, ending		<u>\$ 591,198</u>	

**Columbus County, North Carolina**  
**Transportation Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
NCDOT Interagency Grant	\$ 265,106	\$ 248,950	\$ (16,156)
NC Partnership for Children	3,000	2,421	(579)
NCDOT Rural Operating Assistance	163,180	166,418	3,238
Interagency transportation	43,000	41,759	(1,241)
CCIT - Gasoline reimbursement	120,000	108,296	(11,704)
Investment earnings	-	-	-
Total revenues	<u>594,286</u>	<u>567,844</u>	<u>(26,442)</u>
<b>Expenditures:</b>			
Transportation:			
Salaries and employee benefits	66,908	62,484	4,424
Management services	80,821	80,821	-
Special appropriations	189,871	179,766	10,105
Transportation services	15,806	15,396	410
Operating expenses	139,157	119,613	19,544
Capital outlay	121,400	117,790	3,610
Total expenditures	<u>613,963</u>	<u>575,870</u>	<u>38,093</u>
Revenues over (under) expenditures	<u>(19,677)</u>	<u>(8,026)</u>	<u>11,651</u>
<b>Other financing sources (uses):</b>			
Transfer from General fund	27,500	27,500	-
Transfer to General fund	(17,255)	(17,255)	-
Transfer from Reserve	9,432	-	(9,432)
Total other financing sources (uses)	<u>19,677</u>	<u>10,245</u>	<u>(9,432)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	2,219	<u>\$ 2,219</u>
Fund balance, beginning		<u>154,047</u>	
Fund balance, ending		<u>\$ 156,266</u>	

**Columbus County, North Carolina**  
**Tourism Revolving Loan Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Payments received	\$ 60,000	\$ -	\$ (60,000)
Investment earnings	21,672	14	(21,658)
Total revenues	<u>81,672</u>	<u>14</u>	<u>(81,658)</u>
Expenditures:			
Administration	-	-	-
Revolving Loan	60,000	-	60,000
Contribution	21,672	-	21,672
Total expenditures	<u>81,672</u>	<u>-</u>	<u>81,672</u>
Revenues over (under) expenditures	<u>\$ -</u>	14	<u>\$ 14</u>
Fund balance, beginning		158,463	
Prior Period Adjustment		<u>-</u>	
Fund balance, ending		<u>\$ 158,477</u>	

**Columbus County, North Carolina**  
**Walking Trail Equipment Grant Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Donations	\$ -	\$ -	\$ -	\$ -
Kate Reynolds Charitable Trust Grant	156,500	-	156,500	156,500
FIT Radio Parks and Recreation Funds	15,000	-	-	-
Total revenues	<u>171,500</u>	<u>-</u>	<u>156,500</u>	<u>156,500</u>
<b>Expenditures:</b>				
Engineer Design / Survey	31,000	-	-	-
Advertising	400	-	-	-
Bathroom Building	103,800	-	-	-
Outdoor Fitness Equipment	151,423	-	-	-
Total expenditures	<u>286,623</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(115,123)</u>	<u>-</u>	<u>156,500</u>	<u>156,500</u>
<b>Other Financing Sources (Uses):</b>				
Local Match	74,223	-	-	-
Transfers from General Fund	40,900	-	-	-
Appropriated Fund Balance	-	-	-	-
Total Other Financing Sources (Uses)	<u>115,123</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	156,500	<u>\$ 156,500</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ 156,500</u>	

**Columbus County, North Carolina**  
**NCHFA URP 1703 Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
NCHFA URP 1703	\$ 100,000	\$ -	\$ 50,000	\$ 50,000
Total revenues	<u>100,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Expenditures:				
Urgent repair expenditures	100,000	-	-	-
Total expenditures	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Other Financing Sources (Uses):				
Transfer to General Fund	-	-	-	-
Appropriated Fund Balance	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	50,000	<u>\$ 50,000</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ 50,000</u>	

**Columbus County, North Carolina**  
**Tabor City Incubator Project**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
<b>Revenues:</b>				
Rents	\$ 30,198	\$ -	\$ 30,998	\$ 30,998
Total revenues	<u>30,198</u>	<u>-</u>	<u>30,998</u>	<u>30,998</u>
<b>Expenditures:</b>				
Supplies	-	-	31	31
Utilities	11,805	-	13,366	13,366
Maintenance and Repairs	5,148	-	551	551
Capital Outlay	13,245	-	13,245	13,245
Total expenditures	<u>30,198</u>	<u>-</u>	<u>27,193</u>	<u>27,193</u>
Revenues over (under) expenditures	-	-	3,805	3,805
<b>Other Financing Sources (Uses):</b>				
Transfer from General Fund	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	3,805	<u>\$ 3,805</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ 3,805</u>	

**Columbus County, North Carolina**  
**2013 Single Family Rehabilitation Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues:				
NC Housing Finance funds	\$ 270,910	\$ 261,316	\$ -	\$ 261,316
Total revenues	<u>270,910</u>	<u>261,316</u>	<u>-</u>	<u>261,316</u>
Expenditures:				
Hard cost	216,440	216,440	-	216,440
Soft cost	54,470	54,470	-	54,470
Total expenditures	<u>270,910</u>	<u>270,910</u>	<u>-</u>	<u>270,910</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (9,594)</u>	-	<u>\$ (9,594)</u>
Fund balance, beginning			<u>(9,594)</u>	
Fund balance, ending			<u>\$ (9,594)</u>	

**Columbus County, North Carolina**  
**2016 Single Family Rehabilitation & Disaster Recovery Grants**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
<b>Revenues:</b>				
Single Family Rehabilitation Grant	\$ 175,000	\$ -	\$ 105,205	\$ 105,205
Disaster Recovery Act of 2016	<u>1,431,218</u>	<u>-</u>	<u>644,758</u>	<u>644,758</u>
Total revenues	<u>1,606,218</u>	<u>-</u>	<u>749,963</u>	<u>749,963</u>
<b>Expenditures:</b>				
Soft cost	50,000	-	42,000	-
Hard cost	125,000	273	124,687	124,960
Contracted services	<u>1,431,218</u>	<u>-</u>	<u>634,758</u>	<u>634,758</u>
Total expenditures	<u>1,606,218</u>	<u>273</u>	<u>801,445</u>	<u>759,718</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (273)</u>	(51,482)	<u>\$ (9,755)</u>
Fund balance, beginning			<u>(273)</u>	
Fund balance, ending			<u>\$ (51,755)</u>	



**Columbus County, North Carolina**  
**NCHFA 2017 ESFRLP Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
Revenues:				
Single Family Rehabilitation Grant	\$ 500,000	\$ -	\$ 140,915	\$ 140,915
Total revenues	<u>500,000</u>	<u>-</u>	<u>140,915</u>	<u>140,915</u>
Expenditures:				
Soft cost	100,000	-	57,179	-
Hard cost	400,000	-	91,115	91,115
Total expenditures	<u>500,000</u>	<u>-</u>	<u>148,294</u>	<u>91,115</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(7,379)	<u>\$ 49,800</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ (7,379)</u>	

**Columbus County, North Carolina**  
**Debt Service Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ -	\$ -	\$ -
Restricted Sales Tax	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Principal	968,836	968,836	-
Interest and fees	220,703	220,604	99
Total expenditures	<u>1,189,539</u>	<u>1,189,440</u>	<u>99</u>
Revenues over (under) expenditures	<u>(1,189,539)</u>	<u>(1,189,440)</u>	<u>99</u>
Other financing sources (uses):			
Transfer from General Fund	1,189,539	1,186,087	(3,452)
Total other financing sources (uses)	<u>1,189,539</u>	<u>1,186,087</u>	<u>(3,452)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	(3,353)	<u>\$ (3,353)</u>
Fund balance, beginning		<u>(432,695)</u>	
Fund balance, ending		<u>\$ (436,048)</u>	

## CAPITAL PROJECTS FUND

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

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**Columbus County, North Carolina**  
**Non-Major Capital Projects Fund**  
**Combining Balance Sheets**  
**June 30, 2018**

	Airport Improvements	Courthouse Construction Project	Courthouse Renovation Capital Project	E911 Project - Radio	E911 Project - Aging	Public School Bonds Capital Project	School Capital Fund	Fair Bluff Library Project	Total
<b>ASSETS</b>									
Cash and cash equivalents	\$ 90,895	\$ 385,259	\$ -	\$ -	\$ -	\$ 375,595	\$ -	\$ -	\$ 851,749
Restricted cash	-	-	-	-	-	-	-	-	-
Accounts receivable (net)	-	-	-	-	-	-	-	-	-
Due from other governments	14,359	1,231	-	-	638	-	-	-	16,228
Total assets	<u>\$ 105,254</u>	<u>\$ 386,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638</u>	<u>\$ 375,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 867,977</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and accrued liabilities	\$ 1,515,179	\$ 2,005	\$ -	\$ 7,610	\$ 25,659	\$ 310,143	\$ -	\$ -	\$ 1,860,596
Due to other funds	-	-	304,591	323,050	1,576	-	-	-	629,217
Total liabilities	<u>1,515,179</u>	<u>2,005</u>	<u>304,591</u>	<u>330,660</u>	<u>27,235</u>	<u>310,143</u>	<u>-</u>	<u>-</u>	<u>2,489,813</u>
Fund balances:									
Restricted:									
Airport improvements	-	-	-	-	-	-	-	-	-
Public Safety	-	384,485	-	-	-	65,452	-	-	449,937
Unassigned	(1,409,925)	-	(304,591)	(330,660)	(26,597)	-	-	-	(2,071,773)
Total fund balances	<u>(1,409,925)</u>	<u>384,485</u>	<u>(304,591)</u>	<u>(330,660)</u>	<u>(26,597)</u>	<u>65,452</u>	<u>-</u>	<u>-</u>	<u>(1,621,836)</u>
Total liabilities and fund balances	<u>\$ 105,254</u>	<u>\$ 386,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638</u>	<u>\$ 375,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 867,977</u>

**Columbus County, North Carolina**  
**Non-Major Capital Projects Fund**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Year Ended June 30, 2018**

	Airport Improvements	Courthouse Construction Project	Courthouse Renovation Capital Project	E911 Project - Radio	E911 Project - Aging	Public School Bonds Capital Project	School Capital Fund	Fair Bluff Library Project	Total
<b>Revenues:</b>									
Restricted intergovernmental	\$ 1,759,806	\$ -	\$ -	\$ 10,696	\$ -	\$ 260,000	\$ -	\$ 50,000	\$ 2,080,502
Investment earnings	-	-	-	-	-	-	-	-	-
Miscellaneous	13,350	-	-	-	-	-	-	-	13,350
Total revenues	<u>1,773,156</u>	<u>-</u>	<u>-</u>	<u>10,696</u>	<u>-</u>	<u>260,000</u>	<u>-</u>	<u>50,000</u>	<u>2,093,852</u>
<b>Expenditures:</b>									
Education	-	-	-	-	-	260,000	-	-	260,000
Cultural and recreational	-	-	-	-	-	-	-	50,000	50,000
Capital outlay	3,308,613	215,314	-	161,520	193,239	-	-	-	3,878,686
Total expenditures	<u>3,308,613</u>	<u>215,314</u>	<u>-</u>	<u>161,520</u>	<u>193,239</u>	<u>260,000</u>	<u>-</u>	<u>50,000</u>	<u>4,188,686</u>
Revenues over (under) expenditures	(1,535,457)	(215,314)	-	(150,824)	(193,239)	-	-	-	(2,094,834)
<b>Other financing sources (uses):</b>									
Transfers in (out)	45,665	-	-	-	-	-	-	-	45,665
Debt Proceeds	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>45,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,665</u>
Net change in fund balances	(1,489,792)	(215,314)	-	(150,824)	(193,239)	-	-	-	(2,049,169)
Fund balances, beginning	79,867	599,799	(304,591)	(179,836)	166,642	65,452	-	-	427,333
Fund balances, ending	<u><u>\$(1,409,925)</u></u>	<u><u>\$ 384,485</u></u>	<u><u>\$ (304,591)</u></u>	<u><u>\$ (330,660)</u></u>	<u><u>\$ (26,597)</u></u>	<u><u>\$ 65,452</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$(1,621,836)</u></u>

**Columbus County, North Carolina**  
**Airport Development - Capital Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Out Projects	
<b>Revenues:</b>					
NCDOT Airport Grant (36237.53.7.1)	\$ -	\$ 3,776	\$ -	\$ -	\$ 3,776
NCDOT Airport Grant (36244.18.7.1)	150,132	97,274	48,899	-	146,173
NCDOT Airport Grant (36244.18.7.2)	36,751	16,927	19,015	-	35,942
NCDOT Airport Grant (36237.53.12.1)	630,378	197,741	397,405	-	595,146
NCDOT Airport Grant (36237.53.13.1)	2,564,029	-	1,080,386	-	1,080,386
NCDOT Airport Grant (36244.18.6.1)	494,460	42,228	214,101	-	256,329
Miscellaneous	-	-	13,350	-	13,350
Total revenues	<u>3,875,750</u>	<u>357,946</u>	<u>1,773,156</u>	<u>-</u>	<u>2,131,102</u>
<b>Expenditures:</b>					
Airport improvements	3,727,958	163,174	3,058,412	-	3,221,586
Professional services	521,162	193,461	250,201	-	443,662
Administrative costs	2,332	-	-	-	-
Total expenditures	<u>4,251,452</u>	<u>356,635</u>	<u>3,308,613</u>	<u>-</u>	<u>3,665,248</u>
Revenues over (under) expenditures	<u>(375,702)</u>	<u>1,311</u>	<u>(1,535,457)</u>	<u>-</u>	<u>(1,534,146)</u>
<b>Other financing sources:</b>					
Transfers from General Fund	375,702	78,553	45,665	-	124,218
Transfer from Airport Improvements Fund	-	-	-	-	-
Total other financing sources	<u>375,702</u>	<u>78,553</u>	<u>45,665</u>	<u>-</u>	<u>124,218</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 79,864</u>	<u>\$ (1,489,792)</u>	<u>\$ -</u>	<u>\$ (1,409,928)</u>

**Columbus County, North Carolina**  
**Courthouse Construction Project - Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Out Project	
<b>Revenues:</b>					
Investment earnings	\$ 1,000	\$ 3,660	\$ -	\$ (3,660)	\$ -
Sales & Use Tax Refunds	184,319	184,319	-	(184,319)	-
Miscellaneous	27,862	31,218	-	(31,218)	-
Total revenues	<u>213,181</u>	<u>219,197</u>	<u>-</u>	<u>(219,197)</u>	<u>-</u>
<b>Expenditures:</b>					
Construction	8,456,700	8,103,403	122,072	(8,103,403)	122,072
Engineering/Architect fees	653,013	625,065	-	(625,065)	-
Contracts	326,987	326,939	-	(326,939)	-
Relocation expense	-	-	-	-	-
Furniture, Fixtures, Equipment	467,300	417,138	93,242	(417,138)	93,242
Contingency	302,951	95,624	-	(95,624)	-
Total expenditures	<u>10,206,951</u>	<u>9,568,169</u>	<u>215,314</u>	<u>(9,568,169)</u>	<u>215,314</u>
Revenues over (under) expenditures	<u>(9,993,770)</u>	<u>(9,348,972)</u>	<u>(215,314)</u>	<u>9,348,972</u>	<u>(215,314)</u>
<b>Other financing sources:</b>					
Debt proceeds	9,000,000	9,000,000	-	(9,000,000)	-
Transfer from general fund	993,770	948,770	-	(348,972)	599,798
Total other financing sources	<u>9,993,770</u>	<u>9,948,770</u>	<u>-</u>	<u>(9,348,972)</u>	<u>599,798</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 599,798</u>	<u>\$ (215,314)</u>	<u>\$ -</u>	<u>\$ 384,484</u>

**Columbus County, North Carolina**  
**Courthouse Renovation Capital Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Construction	-	-	-	-
Engineering/Architect fees	285,763	285,762	-	285,762
Contingency	545	544	-	544
Furniture, Fixtures, Equipment	18,285	18,285	-	18,285
Total expenditures	<u>304,593</u>	<u>304,591</u>	<u>-</u>	<u>304,591</u>
Revenues over (under) expenditures	<u>(304,593)</u>	<u>(304,591)</u>	<u>-</u>	<u>(304,591)</u>
<b>Other financing sources:</b>				
Debt proceeds	-	-	-	-
Transfer from Transportation Fund	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ (304,593)</u>	<u>\$ (304,591)</u>	<u>\$ -</u>	<u>\$ (304,591)</u>



**Columbus County, North Carolina**  
**Columbus County - E911 Project - Radio Communications - Capital Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed	
Revenues:					
NC 911 Board revenues	\$ 905,000	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenue	90,013	-	10,696	-	10,696
Total revenues	<u>995,013</u>	<u>-</u>	<u>10,696</u>	<u>-</u>	<u>10,696</u>
Expenditures:					
Capital outlay	<u>2,180,395</u>	<u>331,917</u>	<u>161,520</u>	<u>-</u>	<u>493,437</u>
Total expenditures	<u>2,180,395</u>	<u>331,917</u>	<u>161,520</u>	<u>-</u>	<u>493,437</u>
Revenues over (under) expenditures	<u>(1,185,382)</u>	<u>(331,917)</u>	<u>(150,824)</u>	<u>-</u>	<u>(482,741)</u>
Other financing sources:					
Transfer to (from)E-911 Fund	-	-	-	-	-
Transfer to (from) Transportation Fund	28,000	14,000	-	-	14,000
Transfer (to) from General Fund	844,445	138,081	-	-	138,081
Appropriated fund balance	<u>317,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>1,190,382</u>	<u>152,081</u>	<u>-</u>	<u>-</u>	<u>152,081</u>
Revenues and other sources over (under) expenditures	<u>\$ 5,000</u>	<u>\$ (179,836)</u>	<u>\$ (150,824)</u>	<u>\$ -</u>	<u>\$ (330,660)</u>

**Columbus County, North Carolina**  
**Columbus County - E911 Project - Aging - Capital Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed	
Revenues:					
NC 911 Board revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenue	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Capital outlay	543,938	105,327	193,239	-	298,566
Total expenditures	<u>543,938</u>	<u>105,327</u>	<u>193,239</u>	<u>-</u>	<u>298,566</u>
Revenues over (under) expenditures	<u>(543,938)</u>	<u>(105,327)</u>	<u>(193,239)</u>	<u>-</u>	<u>(298,566)</u>
Other financing sources:					
Transfer to (from) E-911 Fund	543,938	271,969	-	-	271,969
Appropriated fund balance	-	-	-	-	-
Total other financing sources	<u>543,938</u>	<u>271,969</u>	<u>-</u>	<u>-</u>	<u>271,969</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 166,642</u>	<u>\$ (193,239)</u>	<u>\$ -</u>	<u>\$ (26,597)</u>

**Columbus County, North Carolina**  
**Public Schools Bonds Capital Project Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues:				
Restricted intergovernmental:				
Public School Building	\$ -	\$ -	\$ -	\$ -
Lottery Distribution	500,000	446,647	260,000	706,647
Restricted Sales Tax	-	-	-	-
Total revenues	<u>500,000</u>	<u>446,647</u>	<u>260,000</u>	<u>706,647</u>
Expenditures:				
Lottery Disbursement	500,000	446,647	260,000	706,647
Capital Outlay - SCC	-	333,000	-	333,000
Capital Outlay - Public Schools	-	1,333,000	-	1,333,000
Total expenditures	<u>500,000</u>	<u>2,112,647</u>	<u>260,000</u>	<u>2,372,647</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$(1,666,000)</u>	<u>\$ -</u>	<u>\$(1,666,000)</u>
Other financing sources:				
Transfer from General Fund	-	1,666,000	-	1,666,000
Total other financing sources	<u>-</u>	<u>1,666,000</u>	<u>-</u>	<u>1,666,000</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Columbus County, North Carolina**  
**School Capital Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed	
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	990	-	(990)	-
Total revenues	-	990	-	(990)	-
<b>Expenditures</b>					
Construction Cost	-	3,133,528	-	(3,133,528)	-
Revenues over (under) expenditures	-	(3,132,538)	-	3,132,538	-
<b>Other financing sources:</b>					
Debt Proceeds	-	3,132,538	-	(3,132,538)	-
Total other financing sources	-	3,132,538	-	(3,132,538)	-
Revenues and other sources over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**Columbus County, North Carolina**  
**Fair Bluff Library Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed	
Revenues:					
Restricted intergovernmental	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000
Total revenues	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Expenditures					
Office Furniture and Equipment	13,000	-	13,000	-	13,000
Building, Structures, and Improvements	<u>37,000</u>	<u>-</u>	<u>37,000</u>	<u>-</u>	<u>37,000</u>
Total expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## ENTERPRISE FUND

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

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**Columbus County, North Carolina  
Proprietary Funds  
Combining Statement of Net Position  
June 30, 2018**

	MAJOR					NON-MAJOR		Total
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>ASSETS</b>								
Current assets:								
Cash and Investments	\$ 5,146,565	\$ 962,738	\$ 839,492	\$ 584,333	\$ 587,618	\$ 1,199,299	\$ 557,064	\$ 9,877,109
Taxes Receivable	691,103	-	-	-	-	-	-	691,103
Accounts Receivable (net)	116,987	72,617	43,774	32,541	85,771	52,160	-	403,850
Due from other governments	11,259	849	(333)	651	23,127	67	389	36,009
Due from Districts - Current LOBS	-	-	-	-	-	-	-	-
Total	<u>5,965,914</u>	<u>1,036,204</u>	<u>882,933</u>	<u>617,525</u>	<u>696,516</u>	<u>1,251,526</u>	<u>557,453</u>	<u>11,008,071</u>
Noncurrent assets:								
Restricted - Cash	-	101,450	65,827	99,617	31,125	42,625	-	340,644
Capital assets:								
Land and construction in process	488,139	-	-	125,300	1,051,539	-	-	1,664,978
Other capital assets, net of depreciation	1,189,609	6,502,717	4,604,154	11,252,124	6,782,993	1,885,059	-	32,216,656
Total capital assets	<u>1,677,748</u>	<u>6,502,717</u>	<u>4,604,154</u>	<u>11,377,424</u>	<u>7,834,532</u>	<u>1,885,059</u>	<u>-</u>	<u>33,881,634</u>
Total noncurrent assets	<u>1,677,748</u>	<u>6,604,167</u>	<u>4,669,981</u>	<u>11,477,041</u>	<u>7,865,657</u>	<u>1,927,684</u>	<u>-</u>	<u>34,222,278</u>
Total Assets	<u>7,643,662</u>	<u>7,640,371</u>	<u>5,552,914</u>	<u>12,094,566</u>	<u>8,562,173</u>	<u>3,179,210</u>	<u>557,453</u>	<u>45,230,349</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Pension deferrals	24,547	20,083	12,178	9,422	5,957	13,441	14,889	100,517
Deferred charge on refunding	-	71,313	57,804	-	51,995	-	-	181,112
OPEB deferrals	22,911	4,873	3,288	2,556	1,231	2,750	-	37,609
Total deferred outflows of resources	<u>47,458</u>	<u>96,269</u>	<u>73,270</u>	<u>11,978</u>	<u>59,183</u>	<u>16,191</u>	<u>14,889</u>	<u>319,238</u>
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable and accrued liabilities	395,837	19,668	11,926	9,227	68,145	24,518	9,004	538,325
Accrued Interest	-	19,318	13,605	14,635	13,302	-	-	60,860
Due to other funds	-	-	-	199,964	-	-	-	199,964
Limited Obligation Bonds	-	135,000	110,000	-	80,000	-	-	325,000
Current Portion of Long-Term Debt	-	54,054	8,253	82,000	3,937	-	-	148,244
Total current liabilities	<u>395,837</u>	<u>228,040</u>	<u>143,784</u>	<u>305,826</u>	<u>165,384</u>	<u>24,518</u>	<u>9,004</u>	<u>1,272,393</u>
Noncurrent liabilities:								
Customer deposits	-	101,450	65,827	38,300	31,125	42,625	-	279,327
OPEB Liability	1,039,330	221,054	149,175	115,962	55,857	124,746	-	1,706,124
Compensated absences	10,306	8,476	8,034	10,333	3,803	2,194	6,023	49,169
Net pension liability	31,490	25,763	15,623	12,087	7,642	17,243	19,101	128,949
Limited Obligation Bonds	-	4,755,000	3,845,000	-	3,885,000	-	-	12,485,000
Bonds, notes and leases payable	-	1,109,268	181,564	4,990,000	102,365	-	-	6,383,197
Total noncurrent liabilities	<u>1,081,126</u>	<u>6,221,011</u>	<u>4,265,223</u>	<u>5,166,682</u>	<u>4,085,792</u>	<u>186,808</u>	<u>25,124</u>	<u>21,031,766</u>
Total Liabilities	<u>1,476,963</u>	<u>6,449,051</u>	<u>4,409,007</u>	<u>5,472,508</u>	<u>4,251,176</u>	<u>211,326</u>	<u>34,128</u>	<u>22,304,159</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Pension deferrals	918	751	455	352	223	503	557	3,759
OPEB deferrals	92,560	19,687	13,285	10,327	4,975	11,110	-	151,944
Total deferred inflows of resources	<u>93,478</u>	<u>20,438</u>	<u>13,740</u>	<u>10,679</u>	<u>5,198</u>	<u>11,613</u>	<u>557</u>	<u>155,703</u>
<b>NET POSITION</b>								
Net investment in capital assets	1,677,748	449,395	459,337	6,305,424	3,763,230	1,885,059	-	14,540,193
Restricted for Capital Projects	-	-	-	-	-	-	-	-
Unrestricted	4,442,931	817,756	744,100	317,933	601,752	1,087,403	537,657	8,549,532
Total Net Position	<u>\$ 6,120,679</u>	<u>\$ 1,267,151</u>	<u>\$ 1,203,437</u>	<u>\$ 6,623,357</u>	<u>\$ 4,364,982</u>	<u>\$ 2,972,462</u>	<u>\$ 537,657</u>	<u>\$ 23,089,725</u>

**Columbus County, North Carolina**  
**Proprietary Funds**  
**Combining Statement of Revenues and Expenditures**  
**For The Fiscal Year Ended June 30, 2018**

	MAJOR					NON-MAJOR		Total
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>Revenues:</b>								
<b>Operating Revenues:</b>								
Charges for Services	\$ 5,001,478	\$ 846,955	\$ 551,440	\$ 431,668	\$ 711,272	\$ 610,018	\$ -	\$ 8,152,831
Water Taps & Reconnection Fees	-	9,873	935	7,114	5,083	13,004	-	36,009
Sewer Sales	-	-	-	-	16,705	-	-	16,705
Special District Taxes	-	(3,224)	2,620	-	-	-	-	(604)
Miscellaneous Revenue	-	17,604	4,954	3,994	23,335	5,473	-	55,360
<b>Total Operating Revenues</b>	<b>5,001,478</b>	<b>871,208</b>	<b>559,949</b>	<b>442,776</b>	<b>756,395</b>	<b>628,495</b>	<b>-</b>	<b>8,260,301</b>
<b>Expenditures:</b>								
<b>Operating Expenses:</b>								
Salaries and employee benefits	326,503	155,800	97,983	75,834	43,900	98,816	116,286	915,122
Contract Services	3,970,121	9,417	9,238	6,384	2,794	6,303	-	4,004,257
Engineering Services	-	-	-	-	-	-	-	-
Supplies	26,077	60,190	41,680	31,827	21,262	57,481	-	238,517
Maintenance and repairs/service	62,177	40,116	20,466	34,398	3,930	19,037	-	180,124
Gas Plant Operations	917	-	-	-	-	-	-	917
Utilities	-	28,624	17,356	13,427	8,492	19,159	-	87,058
Water purchases	-	-	-	-	-	125,656	-	125,656
Contract sewer purchases	-	-	-	-	31,286	-	-	31,286
Depreciation	57,945	492,188	205,133	383,421	219,873	101,631	-	1,460,191
Indirect Cost to General Fund	52,353	20,184	14,422	13,931	11,190	19,797	16,623	148,500
Housing assistance payments	-	-	-	-	-	-	1,536,967	1,536,967
Other departmental expenditures	155,401	42,301	17,365	16,698	2,708	21,648	18,977	275,098
Capital Outlay (noncapitalized)	-	4,848	3,738	57,931	7,218	3,232	-	76,967
Contingency	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>4,651,494</b>	<b>853,668</b>	<b>427,381</b>	<b>633,851</b>	<b>352,653</b>	<b>472,760</b>	<b>1,688,853</b>	<b>9,080,660</b>
<b>Operating income (loss)</b>	<b>349,984</b>	<b>17,540</b>	<b>132,568</b>	<b>(191,075)</b>	<b>403,742</b>	<b>155,735</b>	<b>(1,688,853)</b>	<b>(820,359)</b>
<b>Nonoperating Revenues (Expenses)</b>								
Interest Earned on Investments	-	-	-	-	-	-	-	-
White Goods Sales Recycles	39,250	-	-	-	-	-	-	39,250
State Aid	102,281	-	-	-	-	-	-	102,281
Operating subsidy - HUD	-	-	-	-	-	-	1,733,325	1,733,325
Interest Expense and Bond Issuance Cost	-	(231,820)	(161,555)	(178,222)	(160,381)	-	-	(731,978)
Grant Proceeds	-	-	-	-	-	-	-	-
Miscellaneous Revenue	6,478	-	-	79	-	-	3,456	10,013
<b>Total Nonoperating Revenues (Expenses)</b>	<b>148,009</b>	<b>(231,820)</b>	<b>(161,555)</b>	<b>(178,143)</b>	<b>(160,381)</b>	<b>-</b>	<b>1,736,781</b>	<b>1,152,891</b>
<b>Income (Loss) before contributions and transfers</b>	<b>497,993</b>	<b>(214,280)</b>	<b>(28,987)</b>	<b>(369,218)</b>	<b>243,361</b>	<b>155,735</b>	<b>47,928</b>	<b>332,532</b>
Transfers in (out)	-	-	-	-	-	-	-	-
<b>Change in net position</b>	<b>497,993</b>	<b>(214,280)</b>	<b>(28,987)</b>	<b>(369,218)</b>	<b>243,361</b>	<b>155,735</b>	<b>47,928</b>	<b>332,532</b>
<b>Total net position, Beginning</b>	<b>6,535,810</b>	<b>1,627,227</b>	<b>1,316,606</b>	<b>7,056,659</b>	<b>4,151,748</b>	<b>2,857,327</b>	<b>339,566</b>	<b>23,884,943</b>
Restatement	(913,124)	(145,796)	(84,182)	(64,084)	(30,127)	(40,600)	150,163	(1,127,750)
<b>Net position, beginning, restated</b>	<b>5,622,686</b>	<b>1,481,431</b>	<b>1,232,424</b>	<b>6,992,575</b>	<b>4,121,621</b>	<b>2,816,727</b>	<b>489,729</b>	<b>22,757,193</b>
<b>Total net position, End of Year</b>	<b>\$ 6,120,679</b>	<b>\$ 1,267,151</b>	<b>\$ 1,203,437</b>	<b>\$ 6,623,357</b>	<b>\$ 4,364,982</b>	<b>\$ 2,972,462</b>	<b>\$ 537,657</b>	<b>\$ 23,089,725</b>



**Columbus County, North Carolina**  
**Solid Waste - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2018**

Exhibit E-3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Operating Revenues	\$ 4,844,579	\$ 5,001,478	\$ 156,899
Total operating revenues	<u>4,844,579</u>	<u>5,001,478</u>	<u>156,899</u>
<b>Nonoperating revenues:</b>			
Interest Earned on Investments	-	-	-
White Goods Sales Recycles	40,000	39,250	(750)
State Aid - Tire Disposal	57,500	76,375	18,875
State Aid - White Goods	27,500	25,906	(1,594)
NC ENR Recycling Grant	-	-	-
Miscellaneous Revenue	10,000	6,478	(3,522)
Total Nonoperating Revenues	<u>135,000</u>	<u>148,009</u>	<u>13,009</u>
Total Revenues	<u>4,979,579</u>	<u>5,149,487</u>	<u>169,908</u>
<b>Expenditures:</b>			
<b>Solid Waste Operations:</b>			
Salaries and employee benefits	311,140	351,842	(40,702)
Contract Services	3,843,404	3,970,121	(126,717)
Supplies	4,000	26,077	(22,077)
Maintenance and repairs	77,500	62,177	15,323
Solid Waste Disposal Fees	-	-	-
Gas Plant Operations	50,000	917	49,083
Contribution of Indirect Cost	52,353	52,353	-
Other departmental expenditures	314,900	155,401	159,499
Total solid waste operations	<u>4,653,297</u>	<u>4,618,888</u>	<u>34,409</u>
<b>Debt Service:</b>			
Interest and other charges	566	-	566
Principal on Lease	10,355	-	10,355
Total	<u>10,921</u>	<u>-</u>	<u>10,921</u>
Capital Outlay	<u>85,000</u>	<u>83,993</u>	<u>1,007</u>
Total Expenditures	<u>4,749,218</u>	<u>4,702,881</u>	<u>46,337</u>
Revenues over Expenditures	<u>230,361</u>	<u>446,605</u>	<u>216,244</u>
<b>Other Financing Sources (Uses):</b>			
Fund Balance Appropriated	(230,361)	-	230,361
Total Other Financing Sources (Uses)	<u>(230,361)</u>	<u>-</u>	<u>230,361</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<b>Reconciliation form budgetary basis (modified) accrual to full accrual:</b>			
Revenues over Expenditures and other financing sources		\$ <u>446,605</u>	
Principal on Lease		-	
Capital Outlay		83,993	
Depreciation		(57,945)	
(Increase) decrease in deferred outflows of resources - pensions		16,025	
(Increase) decrease in deferred outflows of resources - OPEB		(22,911)	
Increase (decrease) in net pension liability		(14,983)	
Increase (decrease) in net OPEB liability		(44,599)	
Increase (decrease) in deferred inflows of resources - pensions		(753)	
Increase (decrease) in deferred inflows of resources - OPEB		<u>92,560</u>	
Total reconciling items		<u>51,387</u>	
Change in net position		\$ <u>497,993</u>	

**Columbus County, North Carolina**  
**General Water Fund - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Payment from Districts - Investment Income	\$ 537,838	\$ 537,838	\$ -
Payment from Districts - Principal	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Total Revenues	<u>862,838</u>	<u>862,838</u>	<u>-</u>
Expenditures:			
Debt Service Payments:			
Principal	325,000	325,000	-
Interest	<u>537,838</u>	<u>537,838</u>	<u>-</u>
Total	<u>862,838</u>	<u>862,838</u>	<u>-</u>
Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	-	-	-
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Columbus County, North Carolina**  
**Water District I - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water Sales	\$ 591,858	\$ 608,448	\$ 16,590
Water Taps & Reconnection Fees	31,910	13,004	(18,906)
Penalties	13,204	1,570	(11,634)
Miscellaneous Revenue	6,822	5,473	(1,349)
Total Operating Revenues	<u>643,794</u>	<u>628,495</u>	<u>(15,299)</u>
Total Revenues	<u>643,794</u>	<u>628,495</u>	<u>(15,299)</u>
<b>Expenditures:</b>			
<b>Water Operations:</b>			
Salaries and employee benefits	109,429	102,442	6,987
Contract Services	9,903	6,303	3,600
Supplies	78,976	57,481	21,495
Utilities	17,055	19,159	(2,104)
Maintenance and repairs/service	33,968	19,037	14,931
Water purchases	330,000	125,656	204,344
Contribution of Indirect Costs	19,797	19,797	-
Other departmental expenditures	29,699	21,648	8,051
Total water operations expenditures	<u>628,827</u>	<u>371,523</u>	<u>257,304</u>
Capital Outlay	<u>14,967</u>	<u>13,895</u>	<u>1,072</u>
Total Expenditures	<u>643,794</u>	<u>385,418</u>	<u>258,376</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	243,077	\$ <u>243,077</u>
<b>Reconciliation form budgetary basis (modified) accrual to full accrual:</b>			
Revenues and other financing sources (uses) over expenditures		<u>243,077</u>	
Debt principal		-	
Capital Outlay		10,663	
Depreciation		(101,631)	
(Increase) decrease in deferred outflows of resources - pensions		6,303	
(Increase) decrease in deferred outflows of resources - OPEB		(2,750)	
Increase (decrease) in net pension liability		(5,373)	
Increase (decrease) in net OPEB liability		(5,353)	
Increase (decrease) in deferred inflows of resources - pensions		(311)	
Increase (decrease) in deferred inflows of resources - OPEB		<u>11,110</u>	
Total reconciling items		<u>(87,342)</u>	
Change in net position		\$ <u>155,735</u>	

**Columbus County, North Carolina**  
**Water District II - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water Sales	\$ 787,806	\$ 846,955	\$ 59,149
Water Taps & Reconnection Fees	47,676	9,873	(37,803)
Special District Taxes	19,728	(3,224)	(22,952)
Penalties	4,418	10,780	6,362
Miscellaneous Revenue	10,193	6,824	(3,369)
Total Operating Revenues	<u>869,821</u>	<u>871,208</u>	<u>1,387</u>
<b>Total Revenues</b>	<u>869,821</u>	<u>871,208</u>	<u>1,387</u>
<b>Expenditures:</b>			
<b>Water Operations:</b>			
Salaries and employee benefits	163,495	162,077	1,418
Contract Services	14,796	9,417	5,379
Supplies	117,996	60,190	57,806
Utilities	25,482	28,624	(3,142)
Maintenance and Repairs	61,999	40,116	21,883
Contribution of Indirect Costs	20,184	20,184	-
Other departmental expenditures	50,375	42,301	8,074
Total Expenditures	<u>454,327</u>	<u>362,909</u>	<u>91,418</u>
<b>Debt Service</b>			
Principal	178,804	178,804	-
Interest	253,383	238,970	14,413
Total	<u>432,187</u>	<u>417,774</u>	<u>14,413</u>
<b>Capital Outlay</b>	<u>22,381</u>	<u>15,511</u>	<u>6,870</u>
Total Expenditures	<u>908,895</u>	<u>796,194</u>	<u>112,701</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated Fund Balance	39,074	-	(39,074)
<b>Total Other Financing Sources (Uses)</b>	<u>39,074</u>	<u>-</u>	<u>(39,074)</u>
<b>Revenues and other financing sources (uses) over expenditures</b>	<u>\$ -</u>	<u>75,014</u>	<u>\$ 75,014</u>

**Columbus County, North Carolina**  
**Water District II - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Reconciliation form budgetary basis (modified) accrual to full accrual:</b>			
Revenues over Expenditures and other financing sources		<u>75,014</u>	
Debt principal		178,802	
Capital outlay		10,663	
Depreciation		(492,188)	
Amortize Bond Premiums and Deferred Charges		7,152	
(Increase) decrease in deferred outflows of resources - pensions		9,291	
(Increase) decrease in deferred outflows of resources - OPEB		(4,873)	
Increase (decrease) in net pension liability		(7,883)	
Increase (decrease) in net OPEB liability		(9,486)	
Increase (decrease) in deferred inflows of resources - pensions		(459)	
Increase (decrease) in deferred inflows of resources - OPEB		<u>19,687</u>	
Total reconciling items		<u>(289,294)</u>	
Change in net position		<u>\$ (214,280)</u>	

**Columbus County, North Carolina**  
**Water District III - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water Sales	\$ 599,597	\$ 551,440	\$ (48,157)
Water Taps & Reconnection Fees	28,908	935	(27,973)
Special District Tax	1,582	2,620	1,038
Penalties	11,962	1,150	(10,812)
Miscellaneous Revenue	6,180	3,804	(2,376)
Total Operating Revenues	<u>648,229</u>	<u>559,949</u>	<u>(88,280)</u>
Total Revenues	<u>648,229</u>	<u>559,949</u>	<u>(88,280)</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	99,135	102,114	(2,979)
Contract Services	18,471	9,238	9,233
Supplies	71,547	41,680	29,867
Utilities	15,451	17,356	(1,905)
Maintenance and repairs/service	34,038	20,466	13,572
Contribution of Indirect Costs	14,422	14,422	-
Other departmental expenditures	26,903	17,365	9,538
Total Operating Expenditures	<u>279,967</u>	<u>222,641</u>	<u>57,326</u>
Debt Service			
Principal	110,000	110,000	-
Interest	243,893	167,295	76,598
Total	<u>353,893</u>	<u>277,295</u>	<u>76,598</u>
Capital Outlay	<u>14,369</u>	<u>14,401</u>	<u>(32)</u>
Total Expenditures	<u>648,229</u>	<u>514,337</u>	<u>133,892</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	45,612	\$ <u>45,612</u>

**Columbus County, North Carolina**  
**Water District III - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2018**

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**Reconciliation from budgetary basis (modified)  
accrual to full accrual:**

Revenues over Expenditures and other financing sources	45,612
Capital outlay	10,663
Debt Principal	110,000
Depreciation	(205,133)
Amortize Bond Premiums and Deferred Charges	5,740
(Increase) decrease in deferred outflows of resources - pensions	5,847
(Increase) decrease in deferred outflows of resources - OPEB	(3,288)
Increase (decrease) in net pension liability	(5,024)
Increase (decrease) in net OPEB liability	(6,402)
Increase (decrease) in deferred inflows of resources - pensions	(287)
Increase (decrease) in deferred inflows of resources - OPEB	13,285
Total reconciling items	<u>(74,599)</u>
Change in net position	<u>\$ (28,987)</u>

**Columbus County, North Carolina**  
**Water District IV - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water Sales	\$ 530,148	\$ 431,668	\$ (98,480)
Water Taps & Reconnection Fees	22,363	7,114	(15,249)
Penalties	9,254	1,120	(8,134)
Miscellaneous Revenue	4,781	2,874	(1,907)
Total Operating Revenues	<u>566,546</u>	<u>442,776</u>	<u>(123,770)</u>
Total Revenues	<u>566,546</u>	<u>442,776</u>	<u>(123,770)</u>
<b>Expenditures:</b>			
<b>Water Operations:</b>			
Salaries and employee benefits	84,014	78,945	5,069
Contract Services	14,441	6,384	8,057
Utilities	11,953	13,427	(1,474)
Supplies	55,351	31,827	23,524
Maintenance and repairs	44,303	34,398	9,905
Indirect Cost	13,930	13,931	(1)
Other departmental expenditures	20,815	16,698	4,117
Total Expenditures	<u>244,807</u>	<u>195,610</u>	<u>49,197</u>
Capital Outlay	<u>56,637</u>	<u>68,594</u>	<u>(11,957)</u>
Debt Service			
Principal	108,802	82,000	26,802
Interest	178,459	178,222	237
Total	<u>287,261</u>	<u>260,222</u>	<u>27,039</u>
Total Expenditures	<u>588,705</u>	<u>524,426</u>	<u>64,279</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from (to) Other Funds			
Capital Projects	(29,489)	-	29,489
Capital contributions	51,648	-	(51,648)
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	<u>22,159</u>	<u>-</u>	<u>(22,159)</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>(81,650)</u>	<u>\$ (81,650)</u>



**Columbus County, North Carolina**  
**Water District IV - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2018**

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**Reconciliation from budgetary basis (modified)  
accrual to full accrual:**

Revenues over Expenditures and other financing sources	<u>(81,650)</u>
Principal Payments	82,000
Capital Outlay	10,663
Depreciation	(383,421)
(Increase) decrease in deferred outflows of resources - pensions	5,048
(Increase) decrease in deferred outflows of resources - OPEB	(2,556)
Increase (decrease) in net pension liability	(4,488)
Increase (decrease) in net OPEB liability	(4,977)
Increase (decrease) in deferred inflows of resources - pensions	(244)
Increase (decrease) in deferred inflows of resources - OPEB	10,327
Interest Income (WD IV Cap Project)	<u>79</u>
Total reconciling items	<u>(287,568)</u>
Change in net position	<u>\$ (369,218)</u>

**Columbus County, North Carolina**  
**Water District V - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Sales	\$ 356,908	\$ 710,652	\$ 353,744
Water Taps & Reconnection Fees	14,143	5,083	(9,060)
Sewer Sales	28,000	16,705	(11,295)
Penalties	5,852	620	(5,232)
Miscellaneous Revenue	3,024	1,609	(1,415)
Total Operating Revenues	<u>407,927</u>	<u>734,669</u>	<u>326,742</u>
Total Revenues	<u>407,927</u>	<u>734,669</u>	<u>326,742</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	41,181	45,491	(4,310)
Contract Services	4,389	2,794	1,595
Utilities	7,559	8,492	(933)
Bulk Water Purchases	-	-	-
Supplies	35,005	21,262	13,743
Maintenance and repairs	10,192	3,930	6,262
Contract Sewer Purchases	30,000	31,286	(1,286)
Contribution of Indirect Costs	11,191	11,190	1
Other departmental expenditures	13,166	2,708	10,458
Total Expenditures	<u>152,683</u>	<u>127,153</u>	<u>25,530</u>
Debt Service			
Principal	73,479	80,000	(6,521)
Interest	169,346	162,392	6,954
Total	<u>242,825</u>	<u>242,392</u>	<u>433</u>
Capital Outlay	<u>12,419</u>	<u>17,881</u>	<u>(5,462)</u>
Total Expenditures	<u>407,927</u>	<u>387,426</u>	<u>20,501</u>
Revenues over (under) expenditures	<u>-</u>	<u>347,243</u>	<u>347,243</u>
Revenues and other financing sources (uses)	<u>\$ -</u>	<u>347,243</u>	<u>\$ 347,243</u>

**Columbus County, North Carolina  
Water District V - Enterprise Fund  
Statement of Revenues and Expenditures  
Budget and Actual (Non GAAP)  
For The Fiscal Year Ended June 30, 2018**

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**Reconciliation from budgetary basis (modified)  
accrual to full accrual:**

Revenues over Expenditures and other financing sources	<u>347,243</u>
Principal on Debt	80,000
Capital Outlay	10,663
Depreciation	(219,873)
Amortize Bond Premiums and Deferred Charges	2,011
(Increase) decrease in deferred outflows of resources - pensions	2,955
(Increase) decrease in deferred outflows of resources - OPEB	(1,231)
Increase (decrease) in net pension liability	(2,567)
Increase (decrease) in net OPEB liability	(2,397)
Increase (decrease) in deferred inflows of resources - pensions	(144)
Increase (decrease) in deferred inflows of resources - OPEB	4,975
Sales tax refund (Ex E-9a)	21,726
Transfer (Ex E-9a)	<u>-</u>
Total reconciling items	<u>(103,882)</u>
Change in net position	<u>\$ 243,361</u>

**Columbus County, North Carolina**  
**Old Dock Water & Sewer Project (WD V) - Capital Project Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2018**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Out Project	
<b>Revenues:</b>					
CDBG Grant Revenue	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Sales and Use Tax	1,300,851	-	-	-	-
Golden Leaf Grant	536,952	-	-	-	-
Sales Tax Refund	-	-	21,726	-	21,726
Total Revenue	<u>2,837,803</u>	<u>-</u>	<u>21,726</u>	<u>-</u>	<u>21,726</u>
<b>Expenditures:</b>					
Contract 1 - Water Construction	1,018,898	-	826,940	-	826,940
Contract 3 - Sewer Construction	1,304,240	-	-	-	-
Easement Surveys	7,500	-	1,875	-	1,875
Inspections	120,000	-	50,837	-	50,837
Contract 2 - Well	270,000	-	17,275	-	17,275
Preliminary Design	174,758	-	115,823	-	115,823
GIS as Built Drawings	15,000	-	4,237	-	4,237
Administrative Cost	60,000	-	1,263	-	1,263
Assessment of Fair Housing	30,000	-	17,980	-	17,980
Contingency - Sewer Project	65,212	-	29	-	29
Land	20,000	-	15,026	-	15,026
Contingency - Water Project	64,445	-	254	-	254
Total Expenditures	<u>3,150,053</u>	<u>-</u>	<u>1,051,539</u>	<u>-</u>	<u>1,051,539</u>
Revenues Over (Under) Expenditures	<u>(312,250)</u>	<u>-</u>	<u>(1,029,813)</u>	<u>-</u>	<u>(1,029,813)</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from Water District	312,250	-	-	-	-
Total Other Financing Sources (Uses)	<u>312,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(1,029,813)</u>	\$ <u>-</u>	\$ <u>(1,029,813)</u>

**Columbus County, North Carolina**  
**Section 8 Housing Assistance Payments Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>			
Nonoperating revenues			
Operating subsidy - HUD	\$ 1,744,143	\$ 1,733,325	\$ (10,818)
Fraud Recovery	1,000	3,456	2,456
Miscellaneous	500	-	(500)
Total Revenues	<u>1,745,643</u>	<u>1,736,781</u>	<u>(8,862)</u>
<b>Expenditures</b>			
Administration			
Salaries and benefits	127,979	116,938	11,041
Indirect Cost	20,493	16,623	3,870
Operating expenditures	52,814	18,977	33,837
Total administration	<u>201,286</u>	<u>152,538</u>	<u>48,748</u>
Housing assistance payments	<u>1,544,357</u>	<u>1,536,967</u>	<u>7,390</u>
Total expenditures	<u>1,745,643</u>	<u>1,689,505</u>	<u>56,138</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	47,276	\$ <u>47,276</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
(Increase) decrease in deferred outflows of resources - pensions		7,164	
Increase (decrease) in net pension liability		(6,160)	
Increase (decrease) in deferred inflows of resources - pensions		<u>(352)</u>	
Total reconciling items		<u>652</u>	
Change in net position		<u>\$ 47,928</u>	

## AGENCY FUNDS

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Agency funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds.

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**Columbus County, North Carolina**  
**Agency Fund**  
**Combining Statement of Net Position**  
**June 30, 2018**

Exhibit F-1

	Columbus County 4-H Fund	Social Services Fund	Sheriff's Civil Division	Inmates Trust Fund	Home Loan Trust Fund	Explorer Post 513	Totals
<b>Assets</b>							
Cash and cash equivalents	\$ 6,598	\$ 73,889	\$ 200	\$ 276,874	\$ (2,010)	\$ 4,159	\$ 359,710
Due from other governments	-	-	-	-	-	-	-
Total Assets	<u>\$ 6,598</u>	<u>\$ 73,889</u>	<u>\$ 200</u>	<u>\$ 276,874</u>	<u>\$ (2,010)</u>	<u>\$ 4,159</u>	<u>\$ 359,710</u>
<b>Liabilities and Net Position</b>							
Liabilities	\$ 6,598	\$ 73,889	\$ 200	\$ 276,874	\$ (2,010)	\$ 4,159	\$ 359,710
Net Position	-	-	-	-	-	-	-
Total Liabilities and Net Position	<u>\$ 6,598</u>	<u>\$ 73,889</u>	<u>\$ 200</u>	<u>\$ 276,874</u>	<u>\$ (2,010)</u>	<u>\$ 4,159</u>	<u>\$ 359,710</u>

**Columbus County, North Carolina  
Agency Fund**

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended June 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
<b><u>COLUMBUS COUNTY 4-H FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>5,130</u>	\$ <u>3,806</u>	\$ <u>2,338</u>	\$ <u>6,598</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>5,130</u>	\$ <u>2,338</u>	\$ <u>3,806</u>	\$ <u>6,598</u>
<b><u>SOCIAL SERVICES FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>107,603</u>	\$ <u>388,320</u>	\$ <u>422,034</u>	\$ <u>73,889</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>107,603</u>	\$ <u>422,034</u>	\$ <u>388,320</u>	\$ <u>73,889</u>
<b><u>SHERIFF'S CIVIL DIVISION</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>2,700</u>	\$ <u>71,441</u>	\$ <u>73,941</u>	\$ <u>200</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>2,700</u>	\$ <u>73,941</u>	\$ <u>71,441</u>	\$ <u>200</u>
<b><u>INMATES TRUST FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>265,819</u>	\$ <u>426,105</u>	\$ <u>415,050</u>	\$ <u>276,874</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>265,819</u>	\$ <u>415,050</u>	\$ <u>426,105</u>	\$ <u>276,874</u>
<b><u>HOME LOAN TRUST FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>(2,010)</u>	\$ <u>4,042</u>	\$ <u>4,042</u>	\$ <u>(2,010)</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>(2,010)</u>	\$ <u>4,042</u>	\$ <u>4,042</u>	\$ <u>(2,010)</u>
<b><u>EXPLORER POST 513</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>4,007</u>	\$ <u>152</u>	\$ <u>-</u>	\$ <u>4,159</u>
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>4,007</u>	\$ <u>-</u>	\$ <u>152</u>	\$ <u>4,159</u>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>383,249</u>	\$ <u>893,866</u>	\$ <u>917,405</u>	\$ <u>359,710</u>
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>383,249</u>	\$ <u>917,405</u>	\$ <u>893,866</u>	\$ <u>359,710</u>



## OTHER SCHEDULES

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This section includes additional information on property taxes.

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**Columbus County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2018**

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2017</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2018</u>
2017-2018	\$ -	\$ 30,852,821	\$ 30,232,022	\$ 620,799
2016-2017	654,616	-	340,480	314,136
2015-2016	329,572	-	138,267	191,305
2014-2015	192,517	-	50,073	142,444
2013-2014	305,554	-	46,892	258,662
2012-2013	394,009	-	30,244	363,765
2011-2012	306,989	-	22,019	284,970
2010-2011	315,087	-	17,915	297,172
2009-2010	102,872	-	14,522	88,350
2008-2009	99,687	-	12,751	86,936
2007-2008	86,817	-	86,817	-
Totals	<u>\$ 2,787,720</u>	<u>\$ 30,852,821</u>	<u>\$ 30,992,002</u>	<u>\$ 2,648,539</u>
				<u>1,893,600</u>
				<u>\$ 754,939</u>
 <u>Reconciliation with revenues:</u>				
				\$ 30,749,279
				Reconciling items:
				Penalties and Interest (453,997)
				Discounts, Releases, Refunds 696,720
				<u>\$ 30,992,002</u>

**Columbus County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**For the Fiscal Year Ended June 30, 2018**

Exhibit G-2

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 3,832,648,571	0.805	\$ 30,852,821	\$ 27,534,391	\$ 3,318,430
Totals	<u>\$ 3,832,648,571</u>				
Net levy			30,852,821	27,534,391	3,318,430
Uncollected taxes at June 30, 2018			<u>620,799</u>	<u>619,500</u>	<u>1,299</u>
Current year's taxes collected			<u>\$ 30,232,022</u>	<u>\$ 26,914,891</u>	<u>\$ 3,317,131</u>
Current levy collection percentage			<u>97.99%</u>	<u>97.75%</u>	<u>99.96%</u>

## COMPLIANCE SECTION



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

Independent Auditors' Report

To the Board of County Commissioners  
Columbus County  
Whiteville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Columbus County, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises Columbus County's basic financial statements, and have issued our report thereon dated January 11, 2019. Our report includes a reference to other auditors who audited the financial statements of the Columbus Regional Healthcare System as described in our report on Columbus County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Columbus Regional Healthcare System and Columbus County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Columbus County's internal control over financial reporting (internal control) to determine the audit procedure 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 Columbus 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2018-01, 2018-02]

**Members**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbus 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*.

Columbus County's Response to Findings

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

Purpose of this Report

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

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 11, 2019



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  
Columbus County  
Whiteville, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Columbus 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 Columbus County's major federal programs for the year ended June 30, 2018. Columbus 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 Columbus 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. An audit includes examining, on a test basis, evidence about Columbus County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

## Opinion on Each Major Federal Program

In our opinion, Columbus 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, 2018.

## Report on Internal Control Over Compliance

Management of Columbus 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 Columbus County's 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 circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 11, 2019





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  
Columbus County  
Whiteville, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Columbus 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 Columbus County's major state programs for the year ended June 30, 2018. Columbus 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.

**Auditor's Responsibility**

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

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

## Opinion on Each Major State Program

In our opinion, Columbus 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, 2018.

## Report on Internal Control Over Compliance

Management of Columbus 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 Columbus County's internal control over compliance with the types of requirements that could have and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 11, 2019



COLUMBUS COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

State Awards

Internal control over major State programs:

- Material Weakness(es) identified?            \_\_\_yes            Xno
- Significant Deficiency(s) identified?        \_\_\_yes            Xnone reported
- Noncompliance material to State awards       \_\_\_yes            Xno

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            Xno

Identification of major State programs:

Program Name

School Nurse Funding Initiative  
Columbus County Airport  
Disaster Recovery Act of 2016

COLUMBUS COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

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Section II. Financial Statement Findings

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**Finding 2018-01\***                      **Prior Period Adjustments**

SIGNIFICANT DEFICIENCY

Criteria: AU-C 260 requires communication of certain matters related to internal control over financial reporting.

Condition: The Board recorded an adjustment to correct beginning balances that increased beginning fund balance by \$553,838.

Effect: This is an indicator of a control deficiency that is regarded as a significant deficiency.

Cause: Prior year balances were not properly adjusted, so an adjustment was made to correct the beginning balance. See Note XI for detailed descriptions of the adjustments.

Recommendation: The Board should implement internal control procedures that will require periodic reviews of balance sheet accounts to ensure that balances are correct.

Views of responsible officials and planned corrective actions: The County agrees with this finding. Efforts will be made to ensure timely reviews in the future.

\* Indicates repeat findings

SIGNIFICANT DEFICIENCY

**Finding 2018-02**    Non-Compliance with Bond Covenants

Criteria: Management should have a system in place to ensure compliance with bond

Condition: The County defaulted on its debt covenant as to rates and charges in Section 5.01 of the bond orders authorizing the issuance of the Water District IV Revenue Bonds.

Context: The County agreed that it would fix service charges in such manner that the net revenues for the fiscal year be no less than 110% of the debt service requirement for the fiscal year and not less than 100% of the amount necessary to meet annual debt service obligations due in the fiscal year with respect to the County's general obligation bond and installment financing obligations. The County did not meet the annual requirements.

Cause: Management was not able to attain compliance with the debt covenant.

COLUMBUS COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

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Section II. Financial Statement Findings

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**Finding 2018-02 (continued)**

Recommendation: The County should continue to be in communication with their bond consultants to seek advice of the situation. The County should obtain recommendations regarding revisions of the schedule of services charges and improvements in the operation of or services rendered by the system so that they may meet the required debt coverage amounts in the future.

Views of Responsible Officials and Planned Corrective Actions: The County agrees with this finding and will review billings and collections for the Water District and make changes with rate structures as necessary to ensure that they are in compliance in the future.

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Section III. Federal Award Findings and Questioned Costs

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None Reported.

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Section IV. State Award Findings and Questioned Costs

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None Reported.

COLUMBUS COUNTY, NORTH CAROLINA  
Corrective Action Plan  
For the Year Ended June 30, 2018

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Section II - Financial Statement Findings

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Finding: 2018-01          Prior Period Adjustment

Name of contact person: Bobbie Faircloth, Finance Officer

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

Proposed Completion Date: Immediately

Finding: 2018-02          Non-Compliance with Bond Covenants

Name of contact person: Bobbie Faircloth, Finance Officer

Corrective Action: The County will review billings and collections for the Water District and make changes with rate structures as necessary to ensure that they are in compliance in the future.

Proposed Completion Date: Immediately

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Section III - Federal Award Findings and Question Costs

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None Reported.

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Section IV - State Award Findings and Question Costs

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None Reported

COLUMBUS COUNTY, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2018

2017-01 Reconciliation of Records

Corrected

2017-02 Prior Period Adjustments

This finding was repeated as 2018-01.



**Columbus County, North Carolina  
Schedule of Expenditures of  
Federal and State Awards  
For The Fiscal Year Ended June 30, 2018**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Passed through to Sub- recipients</u>	<u>Local Expenditures</u>
<b>Federal Awards:</b>						
<u>U. S. Department of Agriculture</u>						
Passed-through N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
Supplemental Nutrition Assistance Program Cluster State Administrative Matching Grants	10.561		\$ 554,658	\$ -	\$ -	\$ 554,657
Passed-through N.C. Dept. of Health and Human Services						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		332,549	-	-	-
Total U. S. Department of Agriculture			887,207	-	-	554,657
<u>U.S. Dept. of Health and Human Services</u>						
Passed-through 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		38,319	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs						
	93.116		50	-	-	-
Family Planning Services						
	93.217		30,251	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds						
	93.539		18,560	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds						
	93.752		765	-	-	-
Grant funded solely with Prevention and Public Health Funds (PPHF)						
	93.758		39,984	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations Preventive Health Services Sexually Transmitted Diseases Control Grants						
	93.898		5,355	-	-	-
	93.977		692	-	-	-
	93.994		95,959	71,978	-	-
Division of Social Services:						
Temporary Assistance Needy Families Cluster						
TANF - Work First	93.558		379,054	-	-	780,160
Division of Public Health						
TANF - Work First	93.558		11,196	-	-	-
Total TANF Cluster			390,250	-	-	780,160
Low Income Energy Assistance						
Administration	93.568		58,014	-	-	-
Crisis Intervention Payments	93.568		318,636	-	-	-
Energy Assistance	93.568		331,654	-	-	-
Total Low-Income Energy Assistance			708,304	-	-	-

**Columbus County, North Carolina  
Schedule of Expenditures of  
Federal and State Awards  
For The Fiscal Year Ended June 30, 2018**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Passed through to Sub- recipients</u>	<u>Local Expenditures</u>
Stephanie Tubbs Jones Child Welfare Services Program						
- Permanency Planning - Families for Kids	93.645		40,393	-	-	13,464
Total Stephanie Tubbs Jones Child Welfare Services Program			<u>40,393</u>	<u>-</u>	<u>-</u>	<u>13,464</u>
AFDC Payments and Penalties	93.560		(44)	(12)	-	(12)
Foster Care and Adoption Cluster						
Foster Care - Title IV-E 4	93.658		241,469	83,265	-	105,624
Adoption Assistance	93.659		27	-	-	26
Foster Care	N/A		61,675	61,162	-	-
Total Foster Care and Adoption			<u>303,171</u>	<u>144,427</u>	<u>-</u>	<u>105,650</u>
Child Support Enforcement	93.563		538,818	-	-	277,574
Chafee Foster Care Independence Program	93.674		14,497	3,624	-	-
SSBG - Other Training & Services	93.667		378,446	-	-	126,148
Division of Aging and Adult Services						
Division of Social Services						
SSBG - State Adult Day Care	93.667		19,307	14,562	-	4,838
SSBG - State In Home Service Fund	93.667		11,064	-	-	1,581
CPS TANF to SSBG	93.667		39,694	-	-	-
Total Social Service Block Grant			<u>448,511</u>	<u>14,562</u>	<u>-</u>	<u>132,567</u>
Passed-through the N.C. Dept. of Health and Human Services						
Subsidized Child Care:						
Child Care Development Fund Cluster						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-Administration <sup>4</sup>	93.596		79,754	-	-	-
Division of Child Development						
Child Care and Development Fund-Discretionary	93.575		80,788	-	-	-
Child Care and Development Fund-Mandatory	93.596		10,645	-	-	-
Child Care and Development Fund-Match	93.596		40,292	19,953	-	-
Total Child Care Development Fund Cluster			<u>211,479</u>	<u>19,953</u>	<u>-</u>	<u>-</u>
Temporary Assistance for Needy Families	93.558		8,671	-	-	-
State Appropriation	N/A		-	10,106	-	-
TANF-MOE	N/A		-	7,198	-	-
Total Subsidized Child Care			<u>220,150</u>	<u>37,257</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance						
Division of Social Services						
Administration						
Medical Assistance Program	93.778		1,977,649	3,400	-	744,084
Total Medical Assistance Program			<u>1,977,649</u>	<u>3,400</u>	<u>-</u>	<u>744,084</u>

**Columbus County, North Carolina  
Schedule of Expenditures of  
Federal and State Awards  
For The Fiscal Year Ended June 30, 2018**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Passed through to Sub- recipients</u>	<u>Local Expenditures</u>
Division of Social Services Administration State Children's Insurance Program-N. C. Health Choice	93.767		151,416	14	-	-
Total State Children's Insurance Program- N.C. Health Choice			<u>151,416</u>	<u>14</u>	-	-
Passed-through Cape Fear Council of Government - Aging Cluster Division of Aging and Adult Services <u>Aging Cluster</u> Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044		26,708	1,571	-	-
Special Programs for the Aging - Title III C Nutrition Services	93.045		266,409	15,685	-	-
Nutrition Services Incentive Program	93.053		35,287	-	-	-
Total Aging Cluster			<u>328,404</u>	<u>17,256</u>	-	-
Special Programs for the Aging - EBHP	93.043		4,664	275	-	-
Family Caregiver Services	93.052		21,563	1,438	-	-
Total U. S. Department of Health and Human Services			<u>5,377,681</u>	<u>294,219</u>	-	<u>2,053,487</u>
<u>U.S. Dept. of Housing and Urban Development</u> Direct Program Section 8 Housing Low Income Housing Assistance Program	14.871		1,536,967	-	-	-
Passed-through North Carolina Housing Finance Agency Home Investment Partnership Program 2017 Single Family Rehabilitation Grant	14.239		140,915	-	-	-
Single Family Rehabilitation Grant	14.239		105,205	-	-	-
Total U.S. Dept. of Housing and Urban Development			<u>1,783,087</u>	-	-	-
<u>U.S. Dept. of Transportation</u> Passed through the N.C. Department of Transportation Nonurbanized Area Formula Program	20.509	36233.28.16.1	10,921	333	-	-
Nonurbanized Area Formula Program	20.509	36233.28.17.1	120,734	7,546	-	-
Airport Improvements	20.106	36237.53.12.1	397,405	-	-	-
Airport Improvements	20.106	36237.53.13.1	972,347	108,039	-	-
Total U.S. Dept. of Transportation			<u>1,501,407</u>	<u>115,918</u>	-	-
<u>U.S. Department of Homeland Security</u> Division of Emergency Management Emergency Mgt. Performance Grant	97.042		37,904	-	-	-
Total U.S. Department of Homeland Security			<u>37,904</u>	-	-	-

**Columbus County, North Carolina  
Schedule of Expenditures of  
Federal and State Awards  
For The Fiscal Year Ended June 30, 2018**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Passed through to Sub- recipients</u>	<u>Local Expenditures</u>
<b>U.S. Dept. of Justice</b>						
Passed through N.C. Dept. of Public Safety						
Edward Byrne Memorial Justice Assistance						
Grant Program	16.738		17,334	-	-	-
Total U.S. Dept. of Justice			<u>17,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total federal awards</b>			<u>\$ 9,604,620</u>	<u>\$ 410,137</u>	<u>\$ -</u>	<u>\$ 2,608,144</u>
<b>State Awards:</b>						
<b><u>N.C. Dept. of Health and Human Services</u></b>						
Division of Public Health:						
Food & Lodging Fees			\$ -	\$ 20,513	\$ -	\$ -
General Aid to County			-	115,930	-	-
Public Health Nursing			-	600	-	-
General Communicable Diseases Control			-	3,415	-	-
Child Health			-	23,319	-	-
HIV/STD STATE			-	12,500	-	-
Gonorrhea Partner Services			-	1,754	-	-
STD Drugs			-	351	-	-
Breast & Cervical Cancer Program			-	9,180	-	-
TPPI - Adol. Pregnancy Prevention Program			-	73,411	-	-
School Nursing Funding Initiative			-	400,000	-	-
Family Planning - State			-	2,791	-	-
Maternal Health			-	17,696	-	-
Women's Health Service Fund			-	8,023	-	-
TB Control			-	31,847	-	-
Total Division of Public Health			<u>-</u>	<u>721,330</u>	<u>-</u>	<u>-</u>
Division of Social Services:						
State Foster Home		N/A	-	110,532	-	97,317
County Funded Programs		N/A	-	-	-	876,636
Non-Allocating County Cost		N/A	-	-	-	(46,014)
State Child Welfare/CPS/CS LD		N/A	-	89,084	-	-
CP&L Energy Assistance		N/A	-	3,322	-	-
AFDC INCENT / Program Integrity		N/A	-	1,296	-	-
Total Division of Social Services			<u>-</u>	<u>204,234</u>	<u>-</u>	<u>927,939</u>
Division of Aging and Adult Services						
Senior Center -General Purpose			-	25,531	-	-
In Home Support Service			-	236,996	-	-
Fans			-	1,101	-	-
Total Division of Aging and Adult Services			<u>-</u>	<u>263,628</u>	<u>-</u>	<u>-</u>
Total N.C. Dept. of Health and Human Services			<u>-</u>	<u>1,189,192</u>	<u>-</u>	<u>927,939</u>
<b><u>N.C. Dept. of Veterans Affairs</u></b>						
Veteran Grant		N/A	-	2,175	-	-
<b><u>N.C. Dept. of Transportation</u></b>						
Rural Operating Assistance Program (ROAP)						
Cluster						
ROAP EDTAP		36220.10.7.1	-	62,279	-	-
ROAP WORKFIRST		36236.11.6.1	-	15,261	-	-
ROAP RGP		36228.22.7.1	-	88,878	-	-
Total ROAP Cluster			<u>-</u>	<u>166,418</u>	<u>-</u>	<u>-</u>

**Columbus County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2018**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Passed through to Sub- recipients</u>	<u>Local Expenditures</u>
Columbus County Airport		36244.18.7.1	-	48,900	-	-
Columbus County Airport		36244.18.7.2	-	19,015	-	-
Columbus County Airport		36244.18.6.1	-	214,101	-	-
Total Columbus County Airport			-	282,016	-	-
Total N.C. Department of Transportation			-	448,434	-	-
<u>N.C. Dept. of Natural and Cultural Resources</u>						
State Aid to Libraries			-	117,707	-	-
Fair Bluff Community Library Project			-	50,000	-	-
Total N.C. Dept. of Natural and Cultural Resources			-	167,707	-	-
<u>N.C. Department of Pubic Safety</u>						
Juvenile Crime Prevention Programs						
Teen Court			-	60,100	-	-
Juvenile Crime Prevention Admin			-	12,917	-	-
Ambassador Program			-	35,791	35,791	-
Youth and Family Counseling			-	46,800	46,800	-
Safe Haven Afterschool Program			-	45,100	45,100	-
Total N.C. Department of Pubic Safety			-	200,708	127,691	-
<u>N.C. Department of Environmental Quality</u>						
Soil & Water Conservation			-	30,150	-	-
Division of Waste Management						
White Goods			-	25,906	-	-
Tire Disposal			-	76,375	-	-
Total N.C. Dept. of Environmental Quality			-	132,431	-	-
<u>N.C. Department of Agriculture and Consumer Services</u>						
Disaster Recovery Act of 2016				634,758		
Total N.C. Department of Agriculture and Consumer Services			-	634,758	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	260,000	260,000	-
Total N.C. Department of Public Instruction			-	260,000	260,000	-
Total State Awards			\$ -	\$ 3,035,405	\$ 387,691	\$ 927,939
Total Federal and State Awards			\$ 9,604,620	\$ 3,445,542	\$ 387,691	\$ 3,536,083

**Columbus County, North Carolina  
Schedule of Expenditures of  
Federal and State Awards  
For The Fiscal Year Ended June 30, 2018**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Passed through to Sub- recipients</u>	<u>Local Expenditures</u>
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Notes to the Schedule 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 Columbus County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. 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 Columbus County, it is not intended to and does not present the financial position, change in net position or cash flows of Columbus County.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

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

**Note 4: Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption

**Note 5: Loans Outstanding**

Columbus County had the following loan balances outstanding at June 30, 2018 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The

Program Title	CFDA Number	Pass-through Grantor's Number	Amount Outstanding
Drinking Water State Revolving Loan	66.468		\$ 268,019