

COLUMBUS COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2019

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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



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, 2019, 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 99.67 percent, 99.55 percent, and 99.80 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, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the 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 12 and 65 through 71, 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 December 19, 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.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 19, 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, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

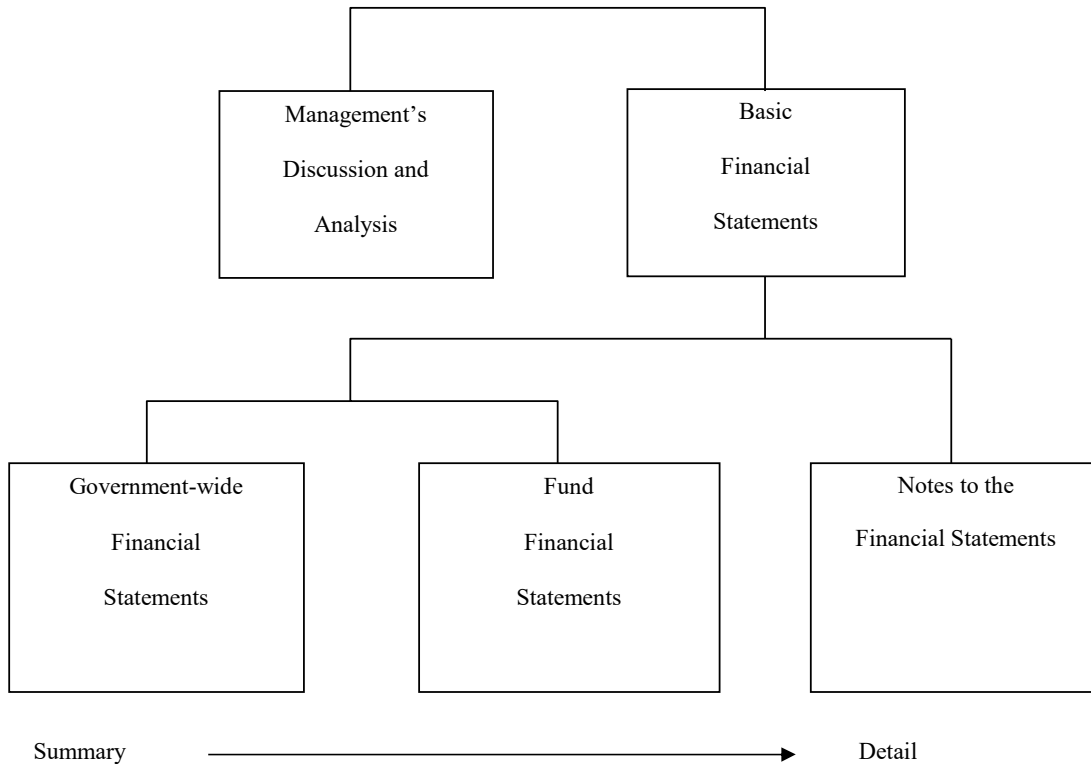
- The assets and deferred outflows of resources of Columbus County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$42,375,953 (net position).
- The government's total net position increased by \$4,466,662 primarily due to an increased net position both the Governmental Activities and the Business-Type Activities.
- As of the close of the current fiscal year, Columbus County's governmental funds reported combined ending fund balances of \$37,401,898, a decrease of \$1,113,664 in comparison with the prior year. Approximately 26.54 percent of this total amount, or \$9,925,411, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$26,479,587 or 47.10 percent of total general fund expenditures for the fiscal year.
- Columbus County's total debt decreased by \$2,121,889 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 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.

COLUMBUS COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

Government-Wide Financial Analysis

COLUMBUS COUNTY'S NET POSITION

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 41,770,830	\$ 44,433,022	\$ 14,387,557	\$ 11,148,751	\$ 56,158,387	\$ 55,581,773
Capital assets	36,756,242	35,173,897	33,323,052	33,881,634	70,079,294	69,055,531
Total assets	<u>78,527,072</u>	<u>79,606,919</u>	<u>47,710,609</u>	<u>45,030,385</u>	<u>126,237,681</u>	<u>124,637,304</u>
Total deferred outflows of resources	5,914,725	4,211,145	369,036	319,238	6,283,761	4,530,383
Long-term liabilities outstanding	53,626,515	56,021,881	20,593,688	21,096,734	74,220,203	77,118,615
Other liabilities	9,078,045	8,825,332	1,041,975	1,007,461	10,120,020	9,832,793
Total liabilities	<u>62,704,560</u>	<u>64,847,213</u>	<u>21,635,663</u>	<u>22,104,195</u>	<u>84,340,223</u>	<u>86,951,408</u>
Total deferred inflows of resources	5,596,614	4,151,285	208,652	155,703	5,805,266	4,306,988
Net position:						
Net investment in capital assets	28,997,989	25,774,501	14,462,355	14,540,193	43,460,344	40,314,694
Restricted	9,840,322	7,286,818	-	-	9,840,322	7,286,818
Unrestricted	(22,697,688)	(18,241,753)	11,772,975	8,549,532	(10,924,713)	(9,692,221)
Total net position	<u>\$ 16,140,623</u>	<u>\$ 14,819,566</u>	<u>\$ 26,235,330</u>	<u>\$ 23,089,725</u>	<u>\$ 42,375,953</u>	<u>\$ 37,909,291</u>

COLUMBUS COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$42,375,951 as of June 30, 2019. The County's net position increased by \$4,466,662 for the fiscal year ended June 30, 2019. One of the largest portions, \$43,460,344 (102.56) 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 \$9,840,322 (23.22%) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$10,924,713 (-25.78%) is unrestricted.

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

- Increases in overall expenditures and overall revenue in the Governmental Activities
- Various projects that are under construction that are financed with loans or grant proceeds.

COLUMBUS COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 4,113,007	\$ 3,509,928	\$ 9,325,354	\$ 8,299,551	\$ 13,438,361	\$ 11,809,479
Operating grants and contributions	11,834,839	12,712,399	1,955,229	1,835,606	13,790,068	14,548,005
Capital grants and contributions	2,025,170	2,019,806	20,000	-	2,045,170	2,019,806
General revenues:						
Property taxes	33,275,452	32,469,348	-	-	33,275,452	32,469,348
Other taxes	10,426,031	10,045,445	-	-	10,426,031	10,045,445
Grants and contributions not restricted to specific programs	130,918	83,252	-	-	130,918	83,252
Other	997,509	1,082,333	2,963	10,013	1,000,472	1,092,346
Total revenues	<u>62,802,926</u>	<u>61,922,511</u>	<u>11,303,546</u>	<u>10,145,170</u>	<u>74,106,472</u>	<u>72,067,681</u>
Expenses:						
General government	8,251,122	7,887,867	-	-	8,251,122	7,887,867
Public safety	16,852,987	14,802,402	-	-	16,852,987	14,802,402
Transportation	548,331	556,489	-	-	548,331	556,489
Economic and physical development	3,102,073	3,143,744	-	-	3,102,073	3,143,744
Human services	16,607,229	17,060,921	-	-	16,607,229	17,060,921
Cultural and recreation	2,182,793	2,015,839	-	-	2,182,793	2,015,839
Education	12,332,402	13,531,568	-	-	12,332,402	13,531,568
Interest on long-term debt	238,279	286,918	-	-	238,279	286,918
Landfill	-	-	4,211,457	4,651,494	4,211,457	4,651,494
Water and sewer	-	-	3,572,500	3,472,291	3,572,500	3,472,291
Section 8 Housing	-	-	1,740,637	1,688,853	1,740,637	1,688,853
Total expenses	<u>60,115,216</u>	<u>59,285,748</u>	<u>9,524,594</u>	<u>9,812,638</u>	<u>69,639,810</u>	<u>69,098,386</u>
Increase in net position before transfers and special items	2,687,710	2,636,763	1,778,952	332,532	4,466,662	2,969,295
Transfers and special items	(1,366,653)	-	1,366,653	-	-	-
Increase in net position after transfers and special items	1,321,057	2,636,763	3,145,605	332,532	4,466,662	2,969,295
Net position, beginning	14,819,566	39,485,258	23,089,725	23,884,943	37,909,291	63,370,201
Net position, beginning, restated	14,819,566	12,182,803	23,089,725	22,757,193	37,909,291	34,939,996
Net position, ending	<u>\$ 16,140,623</u>	<u>\$ 41,818,016</u>	<u>\$ 26,235,330</u>	<u>\$ 24,117,525</u>	<u>\$ 42,375,953</u>	<u>\$ 37,909,291</u>

COLUMBUS COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities. Governmental activities increased the County's net position by \$1,321,057 thereby accounting for 29.58% 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
- Several ongoing projects including school construction that are capitalized

Business-type activities. Business-type activities increased Columbus County's net position by \$3,145,605, accounting for 70.42% of the total increase in the government's net position. Key elements of this increase are as follows:

- Collected revenues in excess of expenditures
- Overall decrease in expenditures

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 \$31,324,780, while total fund balance reached \$39,722,453. The County currently has an available fund balance of 55.71 percent of total General Fund expenditures, while total fund balance represents 70.65 percent of that same amount.

At June 30, 2019, the governmental funds of Columbus County reported a combined fund balance of \$37,401,898, a 2.89% percent decrease from the previous year. The primary reason for this decrease was the school construction projects which had not been funded as of June 30, 2019.

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 \$8,796,217.

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 \$7,847,581, and those for the Water Funds equaled \$17,735,270. The County also reports a fund balance of \$652,479 in the Section 8 Housing fund. The total change in net position for these funds was \$1,726,902, \$1,303,881, and \$114,822, 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, 2019, totals \$70,076,509 (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	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,261,321	\$ 1,261,321	\$ 613,439	\$ 613,439	\$ 1,874,760	\$ 1,874,760
Construction in Progress	8,588,539	5,410,000	1,681,850	1,051,539	10,270,389	6,461,539
Buildings and improvements	24,538,933	26,181,346	82,114	88,329	24,621,047	26,269,675
Vehicles	1,477,282	1,304,587	362,769	203,702	1,840,051	1,508,289
Furniture, fixtures and equipment	890,167	1,016,643	118,839	78,461	1,009,006	1,095,104
Distributions systems	-	-	30,455,352	31,846,164	30,455,352	31,846,164
Other	-	-	8,689	-	8,689	-
Total	\$ 36,756,242	\$ 35,173,897	\$ 33,323,052	\$ 33,881,634	\$ 70,079,294	\$ 69,055,531

Major capital asset transactions during the year include:

- Purchased new vehicles for Sheriff's Department and Transportation Department
- Various equipment for the health department
- Various airport projects, courthouse renovation, and school capital projects

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, 2019, Columbus County had total bonded debt outstanding of \$18,110,000, all but \$1,917,000 (Revenue Bonds) of which is debt backed by the full faith and credit of the County. The County also has installment obligations of \$7,758,253, limited obligation bonds of \$12,480,000, and revolving loan fund obligations of \$241,217.

COLUMBUS COUNTY'S OUTSTANDING DEBT
General Obligation and Installment Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ -	\$ -	\$ 16,193,000	\$ 16,586,000	\$ 16,193,000	\$ 16,586,000
Unamortized Bond Premium	-	-	509,478	531,921	509,478	531,921
Limited Obligation Bonds	-	-	12,480,000	12,810,000	12,480,000	12,810,000
Revenue Bonds	-	-	1,917,000	1,955,500	1,917,000	1,955,500
Revolving Loan Funds	-	-	241,217	268,020	241,217	268,020
Installment Purchases	7,758,253	9,399,396	-	-	7,758,253	9,399,396
Total	\$ 7,758,253	\$ 9,399,396	\$ 31,340,695	\$ 32,151,441	\$ 39,098,948	\$ 41,550,837

Columbus County's total debt decreased by \$2,451,889 (5.90 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 \$301,219,884.

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, Whiteville Fabrics, and Brower Brothers employing over 300 citizens in the Whiteville area and Filtec Precise employing approximately 50 in the Tabor City area. Whiteville Fabrics has positioned itself for further growth through the purchase of the former Tortimex facility in the Southeastern Regional Park this year. The sale of the former Tortimex Building leaves the county with only one vacant industrial building with desirable ceiling heights and square footage – the former Nice Blends building, also located in the SERP. The Timber Industry continues to be a major employer as well. International Paper continues to employ over 750, while the West Fraser Sawmill continues to employ nearly 200. Employment in the logging and trucking sectors to supply both mills is significant as well. We continue to have success with our economic development efforts as we have seen expansions with Black's Tire Service (\$3 MM Warehouse expansion) and the previously mentioned expansion at Whiteville Fabrics. We have been successful in recruiting Carolina Botanicals to locate their start-up operations in Tabor City (\$3.5 MM investment) and have seen Vulcan Materials locate a new facility in partnership with the RJ Corman Railroad Company on the site of the former Georgia Pacific sawmill site. Expansions have also occurred at Atlantic Corporation and Direct Market Access in Tabor City as well. On a less positive note, Kroy Manufacturing closed their manufacturing operations in Fair Bluff resulting in the loss of 65 jobs. Access to skilled labor continues to be a challenge for all employers within the county as our unemployment rate hovers just below the 5.5% rate that economists consider to be "full employment". Workforce development has become a major focus of both the Workforce Development Board for the Cape Fear COG and of our local community college (Southeastern Community College). While we have seen overall growth in employment opportunities this year, there continues to be a need for more and better quality jobs throughout the County. With over 600 high school graduates each year, and with only one third of that number choosing to continue their education following graduation, there will always be a need for new jobs in Columbus County, even with the annual retirements that take place. We continue to focus on job creation through recruiting, supporting existing industry, and by getting needed infrastructure in place at potential industrial sites and existing industrial parks.

Budget Highlights for Fiscal Year Ending June 30, 2020

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 increased from the prior year amounts.

Business Type Activities:

Rates for landfill user services will remain the same as the fiscal year ended June 30, 2019. 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 or send an email to bfaircloth@columbusco.org for more information.

BASIC
FINANCIAL STATEMENTS

Columbus County, North Carolina
Statement of Net Position
June 30, 2019

	Primary Government			Component Unit		
	Governmental Activities	Business-type Activities	Total	Columbus Tourism Authority	Columbus Regional Healthcare System	Total Reporting Unit
ASSETS						
Cash and cash investments	\$ 37,453,250	\$ 12,740,272	\$ 50,193,522	\$ 369,581	\$ 4,622,018	\$ 55,185,121
Taxes receivable (net)	963,988	772,992	1,736,980	-	-	1,736,980
Accounts receivables (net)	446,596	505,862	952,458	36,279	9,083,502	10,072,239
Due from other governments	4,112,184	22,074	4,134,258	-	-	4,134,258
Due from other funds	(1,689,940)	-	(1,689,940)	-	-	(1,689,940)
Net pension asset	73,937	-	73,937	-	4,249,479	4,323,416
Other assets	-	-	-	-	2,224,811	2,224,811
Inventories	85,089	-	85,089	-	2,163,970	2,249,059
Prepaid items	-	-	-	-	907,327	907,327
Restricted cash and cash equivalents	325,726	346,357	672,083	-	-	672,083
Assets limited as to use	-	-	-	-	52,490,309	52,490,309
Capital assets:						
Land, improvements, and construction in progress	9,849,860	2,295,289	12,145,149	-	5,039,509	17,184,658
Other capital assets, net of depreciation	26,906,382	31,027,763	57,934,145	-	40,067,343	98,001,488
Total capital assets	36,756,242	33,323,052	70,079,294	-	45,106,852	115,186,146
Total assets	\$ 78,527,072	\$ 47,710,609	\$ 126,237,681	\$ 405,860	\$ 120,848,268	\$ 247,491,809
DEFERRED OUTFLOWS OF RESOURCES	\$ 5,914,725	\$ 369,036	\$ 6,283,761	\$ -	\$ 3,130,027	\$ 9,413,788
LIABILITIES						
Accounts payable and accrued expenses	\$ 3,331,521	\$ 512,769	\$ 3,844,290	\$ 1,650	\$ 7,753,733	\$ 11,599,673
Accrued interest payable	45,946	59,451	105,397	-	-	105,397
Customer deposits	-	285,027	285,027	-	-	285,027
Estimated third party payer settlements	-	-	-	-	3,538,760	3,538,760
Long-term liabilities:						
Due within one year	1,587,566	500,744	2,088,310	-	530,000	2,618,310
Net pension liability	5,700,578	184,728	5,885,306	-	-	5,885,306
Due in more than one year	52,038,949	20,092,944	72,131,893	-	21,504,136	93,636,029
Total long-term liabilities	59,327,093	20,778,416	80,105,509	-	22,034,136	102,139,645
Total liabilities	\$ 62,704,560	\$ 21,635,663	\$ 84,340,223	\$ 1,650	\$ 33,326,629	\$ 117,668,502
DEFERRED INFLOWS OF RESOURCES	\$ 5,596,614	\$ 208,652	\$ 5,805,266	\$ -	\$ 1,199,659	\$ 7,004,925
NET POSITION						
Net investment in capital assets	\$ 28,997,989	\$ 14,462,355	\$ 43,460,344	\$ -	\$ 23,072,716	\$ 66,533,060
Restricted for:						
State Statute	6,622,644	-	6,622,644	36,279	-	6,658,923
Public Safety	1,015,281	-	1,015,281	-	-	1,015,281
Transportation	107,363	-	107,363	-	-	107,363
Cultural & Recreational	100,000	-	100,000	-	-	100,000
Economic & Physical Development	215,057	-	215,057	367,931	-	582,988
Airport Improvements	90,037	-	90,037	-	-	90,037
Specific Activities and Capital	-	-	-	-	2,340,104	2,340,104
Net Pension	-	-	-	-	4,249,479	4,249,479
Unrestricted (deficit)	(21,007,748)	11,772,975	(9,234,773)	-	59,789,708	57,244,518
Total net position	\$ 16,140,623	\$ 26,235,330	\$ 42,375,953	\$ 404,210	\$ 89,452,007	\$ 132,232,170

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, 2019**

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	
Primary government:										
Governmental Activities:										
General government	\$ 8,251,122	\$ 950,201	\$ -	\$ -	\$ (7,300,921)	\$ -	\$ (7,300,921)	\$ -	\$ -	\$ (7,300,921)
Public safety	16,852,987	2,030,369	716,190	-	(14,106,428)	-	(14,106,428)	-	-	(14,106,428)
Transportation	548,331	73,813	406,640	-	(67,878)	-	(67,878)	-	-	(67,878)
Economic and physical development	3,102,073	555,530	597,018	2,018,148	68,623	-	68,623	-	-	68,623
Human services	16,607,229	404,993	9,878,419	-	(6,323,817)	-	(6,323,817)	-	-	(6,323,817)
Cultural and recreation	2,182,793	98,101	236,572	-	(1,848,120)	-	(1,848,120)	-	-	(1,848,120)
Education	12,332,402	-	-	7,022	(12,325,380)	-	(12,325,380)	-	-	(12,325,380)
Interest on long-term debt	238,279	-	-	-	(238,279)	-	(238,279)	-	-	(238,279)
Total governmental activities	<u>60,115,216</u>	<u>4,113,007</u>	<u>11,834,839</u>	<u>2,025,170</u>	<u>(42,142,200)</u>	<u>-</u>	<u>(42,142,200)</u>	<u>-</u>	<u>-</u>	<u>(42,142,200)</u>
Business-type activities:										
Solid Waste	4,211,457	5,835,626	100,833	-	-	1,725,002	1,725,002	-	-	1,725,002
Water District I	468,439	676,802	-	-	-	208,363	208,363	-	-	208,363
Water District II	1,157,338	814,502	-	20,000	-	(322,836)	(322,836)	-	-	(322,836)
Water District III	574,255	471,951	-	-	-	(102,304)	(102,304)	-	-	(102,304)
Water District IV	826,382	827,827	-	-	-	1,445	1,445	-	-	1,445
Water District V	546,086	698,646	-	-	-	152,560	152,560	-	-	152,560
Section 8 Housing	1,740,637	-	1,854,396	-	-	113,759	113,759	-	-	113,759
Total business-type activities	<u>9,524,594</u>	<u>9,325,354</u>	<u>1,955,229</u>	<u>20,000</u>	<u>-</u>	<u>1,775,989</u>	<u>1,775,989</u>	<u>-</u>	<u>-</u>	<u>1,775,989</u>
Total primary government	<u>69,639,810</u>	<u>13,438,361</u>	<u>13,790,068</u>	<u>2,045,170</u>	<u>(42,142,200)</u>	<u>1,775,989</u>	<u>(40,366,211)</u>	<u>-</u>	<u>-</u>	<u>(40,366,211)</u>
Component Units:										
Columbus Tourism Authority	92,232	-	-	-	-	-	-	(92,232)	-	(92,232)
Columbus Regional Healthcare System	94,190,563	91,107,555	2,913	-	-	-	-	-	(3,080,095)	(3,080,095)
Total component units	<u>\$ 94,282,795</u>	<u>\$ 91,107,555</u>	<u>\$ 2,913</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,232)</u>	<u>(3,080,095)</u>	<u>(3,172,327)</u>
General revenues:										
Taxes:										
Property taxes, levied for general purpose					33,275,452	-	33,275,452	-	-	33,275,452
Local option sales tax					10,161,919	-	10,161,919	-	-	10,161,919
Other taxes and licenses					264,112	-	264,112	187,659	-	451,771
Unrestricted Intergovernmental					130,918	-	130,918	-	-	130,918
Investment earnings, unrestricted					678,367	310	678,677	-	1,880,407	2,559,084
Miscellaneous, unrestricted					319,142	2,653	321,795	-	3,680	325,475
Transfers					(1,366,653)	1,366,653	-	-	-	-
Total general revenues, special items, and transfers					<u>43,463,257</u>	<u>1,369,616</u>	<u>44,832,873</u>	<u>187,659</u>	<u>1,884,087</u>	<u>46,904,619</u>
Change in net position					1,321,057	3,145,605	4,466,662	95,427	(1,196,008)	3,366,081
Net position-beginning					14,819,566	23,089,725	37,909,291	308,783	90,648,015	128,866,089
Net position-ending					<u>\$ 16,140,623</u>	<u>\$ 26,235,330</u>	<u>\$ 42,375,953</u>	<u>\$ 404,210</u>	<u>\$ 89,452,007</u>	<u>\$ 132,232,170</u>

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

Columbus County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

	<u>Major Governmental Funds</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Other Governmental Funds</u>	
ASSETS			
Cash and cash equivalents	\$ 35,436,388	\$ 2,037,406	\$ 37,473,794
Cash and cash equivalents-Restricted	325,726	-	325,726
Receivables, net	617,019	295,978	912,997
Other Receivables	359,372	87,224	446,596
Due from other governments	4,029,480	82,704	4,112,184
Due from other funds	2,233,792	-	2,233,792
Inventories	85,089	-	85,089
Prepaid Expenses	-	-	-
Total assets	<u>\$ 43,086,866</u>	<u>\$ 2,503,312</u>	<u>\$ 45,590,178</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,727,364	\$ 604,157	\$ 3,331,521
Due to other funds	-	2,233,792	3,923,732
Total liabilities	<u>\$ 2,727,364</u>	<u>\$ 2,837,949</u>	<u>\$ 7,255,253</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid Taxes	\$ 20,030	\$ -	\$ 20,030
Taxes Receivable	617,019	295,978	912,997
Total deferred inflows of resources	<u>\$ 637,049</u>	<u>\$ 295,978</u>	<u>\$ 933,027</u>
Fund balances:			
Nonspendable:			
Inventories	\$ 85,089	\$ -	\$ 85,089
Prepaid Expenses	-	-	-
Restricted:			
State statue	6,622,644	-	6,622,644
Public Safety	-	1,015,281	1,015,281
Transportation	-	107,363	107,363
Cultural and recreational	-	100,000	100,000
Economic & Physical Development	-	215,057	215,057
Airport Improvements	-	90,037	90,037
Committed:			
Tax Revaluation	109,518	-	109,518
Reserve No Till Drill	23,948	-	23,948
ROD Automation enhancement	125,876	-	125,876
Health department	59,803	-	59,803
Home Health	150,034	-	150,034
Fall soccer league	1,002	-	1,002
Various	1,622,725	-	1,622,725
Assigned:			
Designated for subsequent year's expenditures	2,752,287	-	2,752,287
Unassigned:	28,169,527	(2,158,353)	24,321,234
Total fund balances	<u>\$ 39,722,453</u>	<u>\$ (630,615)</u>	<u>\$ 37,401,898</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,086,866</u>	<u>\$ 2,503,312</u>	<u>\$ 45,590,178</u>

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

Columbus County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

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

Total Fund Balance - Governmental Funds	\$ 37,401,898
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	36,756,242
Amounts by which the investment balances differ (cost is recorded on the fund statements and market is recorded on the government-wide statements)	(20,544)
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	50,991
Net Pension Asset	73,937
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	1,468,350
ROD	6,264
Pension related deferrals	
LGERS	3,188,445
ROD	16,846
LEOSSA	70,468
OPEB related deferrals	89,412
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	23,832
Benefit payments for the OPEB plan paid subsequent to the measurement date	1,051,108
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide.	912,997
Pension Related Deferrals	
LGERS	(83,579)
ROD	(7,293)
LEOSSA	(214,465)
OPEB related deferrals	(5,271,247)
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	(7,758,253)
Compensated absences	(1,447,540)
Net OPEB Liability	(43,033,211)
Net Pension Liability	(5,700,578)
Total Pension Liability	(1,387,511)
Accrued interest payable	(45,946)
Net position of governmental activities	<u>\$ 16,140,623</u>

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

	<u>Major Governmental Fund</u>	<u>Non-Major Governmental Funds</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>		<u>Total Governmental Funds</u>
REVENUES				
Ad valorem taxes	\$ 30,929,690	\$ 2,539,986	\$	33,469,676
Other taxes and licenses	10,048,813	377,218		10,426,031
Unrestricted intergovernmental	130,918	-		130,918
Restricted intergovernmental	10,257,601	3,602,408		13,860,009
Permits and fees	1,162,087	-		1,162,087
Sales and services	2,875,987	73,813		2,949,800
Investment earnings	545,161	14		545,175
Miscellaneous	284,485	35,779		320,264
Total revenues	<u>\$ 56,234,742</u>	<u>\$ 6,629,218</u>	<u>\$</u>	<u>62,863,960</u>
EXPENDITURES				
Current:				
General government	\$ 7,389,161	\$ -	\$	7,389,161
Public safety	12,478,156	2,922,214		15,400,370
Transportation	-	602,084		602,084
Economic and physical development	1,530,338	1,047,170		2,577,508
Human services	16,403,904	-		16,403,904
Cultural and recreational	1,935,324	-		1,935,324
Education	12,325,380	2,553,128		14,878,508
Special Appropriations	904,598	-		904,598
Capital project	-	632,433		632,433
Debt service:				
Principal	672,308	968,836		1,641,144
Interest and other charges	48,538	197,399		245,937
Total expenditures	<u>53,687,707</u>	<u>8,923,264</u>		<u>62,610,971</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,547,035</u>	<u>\$ (2,294,046)</u>	<u>\$</u>	<u>252,989</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 184,957	\$ 986,462	\$	1,171,419
Transfers (out)	<u>(2,538,072)</u>	<u>-</u>		<u>(2,538,072)</u>
Total other financing sources and uses	<u>\$ (2,353,115)</u>	<u>\$ 986,462</u>	<u>\$</u>	<u>(1,366,653)</u>
Net change in fund balance	\$ 193,920	\$ (1,307,584)	\$	(1,113,664)
Fund balances-beginning	39,528,533	(1,012,971)		38,515,562
Fund balances-ending	<u>\$ 39,722,453</u>	<u>\$ (2,320,555)</u>	<u>\$</u>	<u>37,401,898</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, 2019

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

Net changes in fund balances - total governmental funds	\$ (1,113,664)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	3,956,756
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.	(2,374,411)
Gain (Loss) on Disposals - amount by which cost exceeded accumulated	-
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,474,614
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	23,832
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.	1,051,108
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.	1,641,143
Unrealized Gains (Losses) on Investments (difference between cost and market value)	133,192
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.	(19,862)
County's portion of collective pension expense	(1,686,664)
OPEB Expense	(1,578,423)
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	(146,561)
Increase (decrease) in accrued taxes receivable	(47,663)
Total changes in net position of governmental activities	<u>\$ 1,321,055</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, 2019

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 30,618,484	\$ 31,505,345	\$ 30,929,690	\$ (575,655)
Other taxes and licenses	9,244,845	10,036,633	10,048,813	12,180
Unrestricted intergovernmental	119,000	141,500	130,918	(10,582)
Restricted intergovernmental	10,992,462	12,944,747	10,257,601	(2,687,146)
Permits and fees	2,256,103	1,189,147	1,162,087	(27,060)
Sales and services	1,382,756	2,837,884	2,875,987	38,103
Investment earnings	285,000	560,560	545,161	(15,399)
Miscellaneous	250,000	434,645	284,485	(150,160)
Total revenues	<u>\$ 55,148,650</u>	<u>\$ 59,650,461</u>	<u>\$ 56,234,742</u>	<u>\$ (3,415,719)</u>
Expenditures				
Current:				
General government	\$ 7,246,918	\$ 7,832,067	\$ 7,279,740	\$ 552,327
Public safety	11,913,228	13,065,080	12,478,156	586,924
Economic and physical development	1,678,821	1,756,227	1,530,338	225,889
Human services	18,520,189	19,186,799	16,403,904	2,782,895
Cultural and recreational	1,946,105	1,983,247	1,935,324	47,923
Intergovernmental:				
Education	13,190,597	14,310,274	12,325,380	1,984,894
Special appropriations	1,048,096	1,262,227	904,598	357,629
Debt service:				
Principal retirement	-	672,308	672,308	-
Interest and other charges	-	49,455	48,538	917
Total expenditures	<u>\$ 55,543,954</u>	<u>\$ 60,117,684</u>	<u>\$ 53,578,286</u>	<u>\$ 6,539,398</u>
Revenues over (under) expenditures	<u>\$ (395,304)</u>	<u>\$ (467,223)</u>	<u>\$ 2,656,456</u>	<u>\$ 3,123,679</u>
Other financing sources (uses):				
Transfer - Out	\$ (1,469,556)	\$ (5,692,043)	\$ (2,558,072)	\$ 3,133,971
Transfer - In	184,964	184,964	184,957	(7)
Sale of Home Health	-	-	-	-
Fund balance appropriated	1,679,896	5,974,302	-	(5,974,302)
Total other financing sources (uses)	<u>\$ 395,304</u>	<u>\$ 467,223</u>	<u>\$ (2,373,115)</u>	<u>\$ (2,840,338)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,341</u>	<u>\$ 283,341</u>
Fund balances:				
Beginning of year, July 1			39,329,594	
Prior Period Adjustment			<u>-</u>	
End of year, June 30			<u>\$ 39,612,935</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			(109,421)	
Fund balance, beginning of year			<u>198,939</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 39,722,453</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, 2019

	MAJOR					NON-MAJOR		Totals
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 6,607,821	\$ 563,158	\$ 763,428	\$ 692,305	\$ 1,982,406	\$ 1,454,002	\$ 677,152	\$ 12,740,272
Taxes receivable (net)	772,992	-	-	-	-	-	-	772,992
Accounts receivable (net)	153,536	110,909	13,489	113,835	7,809	103,638	2,646	505,862
Due from other governments	2,442	6,281	2,931	3,229	3,142	3,544	505	22,074
Due from other funds	-	-	-	-	-	-	-	-
Total current assets	<u>7,536,791</u>	<u>680,348</u>	<u>779,848</u>	<u>809,369</u>	<u>1,993,357</u>	<u>1,561,184</u>	<u>680,303</u>	<u>14,041,200</u>
Noncurrent assets:								
Restricted - cash and cash equivalents	-	104,250	66,627	101,030	30,825	43,625	-	346,357
Capital assets:								
Land, improvements and construction in progress	488,139	240,016	-	235,800	1,331,334	-	-	2,295,289
Other capital assets, net of depreciation	1,346,961	6,028,138	4,410,667	10,877,422	6,568,641	1,795,934	-	31,027,763
Total capital assets	<u>1,835,100</u>	<u>6,268,154</u>	<u>4,410,667</u>	<u>11,113,222</u>	<u>7,899,975</u>	<u>1,795,934</u>	<u>-</u>	<u>33,323,052</u>
Total noncurrent assets	<u>1,835,100</u>	<u>6,372,404</u>	<u>4,477,294</u>	<u>11,214,252</u>	<u>7,930,800</u>	<u>1,839,559</u>	<u>-</u>	<u>33,669,409</u>
Total assets	<u>9,371,891</u>	<u>7,052,752</u>	<u>5,257,142</u>	<u>12,023,621</u>	<u>9,924,157</u>	<u>3,400,743</u>	<u>680,303</u>	<u>47,710,609</u>
DEFERRED OUTFLOWS OF RESOURCES								
Pension deferrals	39,164	28,104	17,041	13,182	8,338	18,811	26,264	150,904
Deferred charge on refunding	-	68,213	55,291	-	50,069	-	-	173,573
OPEB deferrals	27,138	5,807	3,911	3,081	1,422	3,200	-	44,559
Total deferred outflows of resources	<u>66,302</u>	<u>102,124</u>	<u>76,243</u>	<u>16,263</u>	<u>59,829</u>	<u>22,011</u>	<u>26,264</u>	<u>369,036</u>
LIABILITIES								
Current liabilities:								
Accounts payable and accrued liabilities	380,068	23,554	11,548	10,619	37,512	35,940	13,528	512,769
Accrued interest	-	18,802	13,222	14,392	13,035	-	-	59,451
Due to other funds	-	-	-	-	-	-	-	-
Limited Obligation Bonds	-	145,000	115,000	-	85,000	-	-	345,000
Bonds, notes, and leases payable	-	55,554	8,253	88,000	3,937	-	-	155,744
Total current liabilities	<u>380,068</u>	<u>242,910</u>	<u>148,023</u>	<u>113,011</u>	<u>139,484</u>	<u>35,940</u>	<u>13,528</u>	<u>1,072,964</u>
Noncurrent liabilities:								
Customer deposits	-	104,250	66,627	39,700	30,825	43,625	-	285,027
OPEB liability	1,023,961	219,101	147,558	116,258	53,657	120,729	-	1,681,264
Compensated absences	12,509	9,177	8,721	5,968	3,931	3,482	7,939	51,727
Net pension liability	47,943	34,404	20,860	16,137	10,207	23,027	32,150	184,728
Limited Obligation Bonds	-	4,610,000	3,725,000	-	3,800,000	-	-	12,135,000
Bonds, notes, and leases payable	-	1,053,214	173,311	4,900,000	98,428	-	-	6,224,953
Total noncurrent liabilities	<u>1,084,413</u>	<u>6,030,146</u>	<u>4,142,077</u>	<u>5,078,063</u>	<u>3,997,048</u>	<u>190,863</u>	<u>40,089</u>	<u>20,562,699</u>
Total liabilities	<u>1,464,481</u>	<u>6,273,056</u>	<u>4,290,100</u>	<u>5,191,074</u>	<u>4,136,532</u>	<u>226,803</u>	<u>53,617</u>	<u>21,635,663</u>
DEFERRED INFLOWS OF RESOURCES	<u>126,131</u>	<u>27,342</u>	<u>18,381</u>	<u>14,478</u>	<u>6,723</u>	<u>15,126</u>	<u>471</u>	<u>208,652</u>
NET POSITION								
Net investment in capital assets	1,835,100	404,386	389,103	6,125,222	3,912,610	1,795,934	-	14,462,355
Restricted for capital projects	-	-	-	-	-	-	-	-
Unrestricted	6,012,481	450,092	635,801	709,110	1,928,121	1,384,891	652,479	11,772,975
Total net position	<u>\$ 7,847,581</u>	<u>\$ 854,478</u>	<u>\$ 1,024,904</u>	<u>\$ 6,834,332</u>	<u>\$ 5,840,731</u>	<u>\$ 3,180,825</u>	<u>\$ 652,479</u>	<u>\$ 26,235,330</u>

Columbus County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For The Fiscal Year Ended June 30, 2019

	MAJOR					NON-MAJOR		Totals
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
Revenues:								
Operating Revenues:								
Charges for Services	\$ 5,805,308	\$ 749,275	\$ 425,183	\$ 789,226	\$ 656,477	\$ 639,991	\$ -	\$ 9,065,460
Water Taps & Reconnection Fees	-	42,930	22,604	24,809	12,983	36,135	-	139,461
Sewer Sales	-	-	-	-	29,800	-	-	29,800
Special District Tax	-	10,323	1,900	-	-	-	-	12,223
Miscellaneous Revenue	-	11,974	22,264	13,792	(614)	676	-	48,092
Total Operating Revenues	5,805,308	814,502	471,951	827,827	698,646	676,802	-	9,295,036
Expenditures:								
Operating Expenses:								
Salaries and employee benefits	339,854	153,052	93,027	68,754	43,279	99,611	149,751	947,328
Contract Services	3,568,239	10,206	7,803	8,079	2,221	7,290	-	3,603,838
Advertising	-	-	-	-	-	-	-	-
Supplies	456	63,861	39,997	30,991	20,983	44,456	-	200,744
Maintenance and repairs/service	35,647	39,898	18,587	29,184	13,595	16,461	-	153,372
Gas plant operations	1,048	-	-	-	-	-	-	1,048
Utilities	-	56,518	16,219	28,389	1,285	3,571	-	105,982
Water purchases	-	-	-	-	-	148,039	-	148,039
Travel	-	-	-	-	32,846	-	-	32,846
Depreciation	68,095	494,952	205,833	383,961	220,526	102,708	-	1,476,075
Indirect cost to general fund	47,400	21,150	15,726	17,178	14,578	24,033	15,280	155,345
Housing assistance payments	-	-	-	-	-	-	1,560,024	1,560,024
Other departmental expenditures	144,253	36,687	17,216	45,135	7,442	22,270	15,582	288,585
Capital outlay (noncapitalized)	6,465	55,406	2,708	39,334	31,984	-	-	135,897
Contingency	-	-	-	-	-	-	-	-
Total Expenditures	4,211,457	931,730	417,116	651,005	388,739	468,439	1,740,637	8,809,123
Operating income (loss)	1,593,851	(117,228)	54,835	176,822	309,907	208,363	(1,740,637)	485,913
Nonoperating Revenues (Expenses)								
Interest Earned on Investments	-	-	-	-	-	-	310	310
White Goods Sales Recycles	30,318	-	-	-	-	-	-	30,318
State Aid	100,833	-	-	-	-	-	-	100,833
Operating subsidy - HUD	-	-	-	-	-	-	1,854,396	1,854,396
Interest Expense	-	(225,608)	(157,139)	(175,377)	(157,347)	-	-	(715,471)
Miscellaneous Revenue	1,900	-	-	-	-	-	753	2,653
Total Nonoperating Revenues (Expenses)	133,051	(225,608)	(157,139)	(175,377)	(157,347)	-	1,855,459	1,273,039
Income (Loss) before contributions and transfers	1,726,902	(342,836)	(102,304)	1,445	152,560	208,363	114,822	1,758,952
Transfers in (out)	-	(89,837)	(76,229)	209,530	1,323,189	-	-	1,366,653
Capital contributions	-	20,000	-	-	-	-	-	20,000
Change in net position	1,726,902	(412,673)	(178,533)	210,975	1,475,749	208,363	114,822	3,145,605
Total net position, beginning	6,120,679	1,267,151	1,203,437	6,623,357	4,364,982	2,972,462	537,657	23,089,725
Restatement	-	-	-	-	-	-	-	-
Total net position, ending	\$ 7,847,581	\$ 854,478	\$ 1,024,904	\$ 6,834,332	\$ 5,840,731	\$ 3,180,825	\$ 652,479	\$ 26,235,330

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, 2019

	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, 2019
Cash flows from operating activities:								
Cash received from customers	\$ 5,695,689	\$ 770,777	\$ 495,244	\$ 743,958	\$ 796,593	\$ 621,844	\$ (2,764)	\$ 9,121,341
Cash paid for goods and services	(3,819,277)	(279,840)	(118,634)	(196,898)	(155,567)	(254,698)	(1,586,362)	(6,411,276)
Cash paid to employees for services	(322,759)	(147,714)	(89,565)	(69,261)	(43,833)	(98,861)	(146,245)	(918,238)
Customer deposits received	-	2,800	800	1,400	(300)	1,000	-	5,700
Net cash provided (used) by operating activities	<u>1,553,652</u>	<u>346,023</u>	<u>287,845</u>	<u>479,199</u>	<u>596,893</u>	<u>269,285</u>	<u>(1,735,371)</u>	<u>1,797,527</u>
Cash flows from noncapital financing activities:								
Transfers in (out)	-	(89,837)	(76,229)	209,530	1,323,189	-	-	1,366,653
Miscellaneous	-	-	-	-	-	-	753	753
Due from other funds	-	-	-	(199,964)	-	-	-	(199,964)
Operating subsidy - HUD	-	-	-	-	-	-	1,854,396	1,854,396
Net cash provided (used) by noncapital financial activities	<u>-</u>	<u>(89,837)</u>	<u>(76,229)</u>	<u>9,566</u>	<u>1,323,189</u>	<u>-</u>	<u>1,855,149</u>	<u>3,021,838</u>
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(225,447)	(260,388)	(12,347)	(119,760)	(285,969)	(13,582)	-	(917,493)
Miscellaneous revenue	1,900	-	-	-	-	-	-	1,900
Principal paid on bond maturities and equipment contracts	-	(179,302)	(115,000)	(84,000)	(80,000)	-	-	(458,302)
Interest paid on bond maturities and equipment contracts	-	(233,276)	(159,533)	(175,620)	(159,625)	-	-	(728,054)
Capital contributions	131,151	20,000	-	-	-	-	-	151,151
Net cash provided (used) by capital and related financing activities	<u>(92,396)</u>	<u>(652,966)</u>	<u>(286,880)</u>	<u>(379,380)</u>	<u>(525,594)</u>	<u>(13,582)</u>	<u>-</u>	<u>(1,950,798)</u>
Cash flows from investing activities:								
Interest on investments	-	-	-	-	-	-	310	310
Net increase (decrease) in cash and cash equivalents	1,461,256	(396,780)	(75,264)	109,385	1,394,488	255,703	120,088	2,868,877
Cash and cash equivalents, July 1	5,146,565	1,064,188	905,319	683,950	618,743	1,241,924	557,064	10,217,753
Cash and cash equivalents, June 30	<u>\$ 6,607,821</u>	<u>\$ 667,408</u>	<u>\$ 830,055</u>	<u>\$ 793,335</u>	<u>\$ 2,013,231</u>	<u>\$ 1,497,627</u>	<u>\$ 677,152</u>	<u>\$ 13,086,630</u>

(continued)

Columbus County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2019

	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	
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ 1,593,851	\$ (117,228)	\$ 54,835	\$ 176,822	\$ 309,907	\$ 208,363	\$ (1,740,637)	\$ 485,913
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation	\$ 68,095	\$ 494,952	\$ 205,833	\$ 383,961	\$ 220,526	\$ 102,708	\$ -	\$ 1,476,075
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(109,619)	(43,725)	23,293	(83,869)	97,947	(54,958)	(2,764)	(173,695)
(Increase) decrease in deferred outflows of resources for pensions	(14,617)	(8,021)	(4,863)	(3,760)	(2,381)	(5,370)	(11,374)	(50,386)
(Increase) decrease in deferred outflows of resources - OPEB	(4,228)	(934)	(622)	(525)	(191)	(450)	-	(6,950)
Increase (decrease) in accounts payable and accrued liabilities	(15,769)	3,886	(378)	1,392	(30,633)	11,422	4,524	(25,556)
Increase (decrease) in deposits	-	2,800	800	1,400	(300)	1,000	-	5,700
Increase (decrease) in OPEB	(15,369)	(1,953)	(1,618)	296	(2,200)	(4,017)	-	(24,861)
Increase (decrease) in deferred inflows - pensions	(215)	(246)	(149)	(116)	(73)	(165)	(85)	(1,050)
Increase (decrease) in deferred inflows - OPEB	32,867	7,152	4,790	3,913	1,598	3,679	-	53,999
Increase (decrease) in net pension liability	16,453	8,640	5,238	4,050	2,565	5,785	13,050	55,780
Increase (decrease) in compensated absences	2,203	701	687	(4,365)	128	1,288	1,916	2,558
Total adjustments	(40,198)	463,251	233,010	302,377	286,986	60,922	5,266	1,311,615
Net cash provided (used) by operating activities	\$ 1,553,652	\$ 346,023	\$ 287,845	\$ 479,199	\$ 596,893	\$ 269,285	\$ (1,735,371)	\$ 1,797,527

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, 2019

		Agency Funds
Assets		
Cash and investments	\$	382,594
Due from other governments		-
Total Assets	\$	382,594
Liabilities and Net Position		
Liabilities:		
Accounts payable and accrued liabilities	\$	-
Due to other funds		382,594
Total liabilities		382,594
Net position:		
Held in trust (Fiduciary net assets)	\$	-

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

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.

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

Basis of Presentation, Measurement Focus - Basis of Accounting

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies 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 funds:

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

School Capital Project Fund (CCS) - This is a capital project fund for the building and improvements for Columbus County School System.

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.

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.

Non-major Funds. The County maintains 26 legally budgeted funds. The Special Service District Fund, Rescue Tax Fund, Emergency Telephone fund, Transportation Fund, Tourism Revolving Loan Fund, Walking Trail Equipment Grant Fund, NCHFA URP 1703 Grant Fund, Tabor City Incubator Project Fund, 2013 Single Family Rehab Grant, 2016 Single Family & Disaster Recovery Grant, NCHFA 2017 ESFRLP Fund, Brownfield Assessment Grant Fund, NCDNCR Library Grant, Storm Debris Removal Project, Hazard Mitigation Fund, 2017 State Disaster recovery Fund, and 2018 Urgent Repair Program Fund are reported as non-major special revenue funds. The Airport Improvements Fund, Courthouse Construction Project Fund, Courthouse Renovation Capital Project Fund, E911 Project - Radio Fund, E911 Project - Aging Fund, Public School Bonds Capital Project Fund, and School Project Fund (WCS) are reported as capital project funds. Water District I and Section 8 Housing are reported as non-major proprietary funds.

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as 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. Since September 1, 2013, the State of North Carolina has been responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. These property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which they are received. Uncollected taxes that were billed by the County for periods prior to September 1, 2013 or those for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

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 departmental level for the General Fund, the Special Revenue Funds, 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 Manager 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 of Resources, 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 deposit accounts, and certificates of deposit.

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

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 North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Government Portfolio is a 2a-7 fund maintaining an AAAm rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating, and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

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 considered cash and cash equivalents. Columbus Regional Healthcare System considers demand deposits and investments purchased with a maturity date of 90 days or less at time of purchase 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. The following table illustrates the breakdown of Columbus County restricted cash.

Governmental Activities

General Fund	Tax Revaluation	\$ 107,483
General Fund	Unexpended grant proceeds / restricted for purpose	218,243
Total Governmental Activities		<u>\$ 325,726</u>

Business-Type Activities

Water District I	Customer deposits	\$ 43,625
Water District II	Customer deposits	104,250
Water District III	Customer deposits	66,627
Water District IV	Customer deposits	39,700
Water District IV	Restricted per USDA	61,330
Water District V	Customer deposits	30,825
Total Business-Type Activities		<u>\$ 346,357</u>

Total Restricted Cash	<u>\$ 672,083</u>
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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 on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2018. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

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.

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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 on the statements of net position.

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

10. Compensated Absences

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

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, 2019

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

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

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.

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

Home Health Department - portion of fund balance that is committed from the sale of the Home 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.

12. Defined Benefit Pension and OPEB Plans

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

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

The Rescue Tax Fund, Walking Trail Equipment Grant, 2016 Single Family Rehab Grant Fund, NCHFA 2017 ESFRLP Fund, Storm Debris Removal Project, Hazard Mitigation Funds, and 2017 State Disaster Recovery Fund had a deficit fund balance of \$3,133, \$27,023, \$32,795, \$10,479, \$15,000, \$58,270 and \$7,506, respectively at June 30, 2019. In addition, the Courthouse Renovation Capital Project, the E911 Project Radio Fund, the E911 Project - Aging Fund, School Project Fund (WCS), and School Project Fund (CCS) had a deficit fund balance of \$305,491, \$379,845, \$26,597, \$856,166, and \$1,689,940, respectively, at June 30, 2019. 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. The ratio was met with current year net revenues as defined by the bond orders for the debt service requirement, but not for the annual debt service obligation ratio.

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.

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

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

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, Hospital, and Tourism Authority 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, the Hospital, and the Tourism Authority do not have formal policies regarding custodial credit risk for deposits.

At June 30, 2019 the County's deposits had a carrying amount of \$12,765,985 and a bank balance of \$13,859,365. 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 \$12,859,365 was covered by collateral held under the Pooling Method.

At June 30, 2019, the Tourism Authority's deposits had a carrying amount of \$369,581 and a bank balance of \$377,844. Of the bank balance, \$250,000 is covered by federal depository insurance. The remaining \$119,581 is collateralized under the pooling method.

At September 30, 2018, the Hospital's deposits had a carrying amount of \$5,166,287 and a bank balance of \$5,364,731. Of the carrying amount, \$5,974 was cash on hand. Of the bank balance, \$440,676 was covered by federal depository insurance.

2. Investments

At June 30, 2019, 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	\$ 14,160,019	\$ 5,166,046	\$ 7,308,306	\$ 1,685,667
Ameritrade - Deposit Account	Cost	\$ 54,582	N/A	N/A	N/A
Commercial Paper	FairValue-Level II	748,202	-	-	-
NC Capital Management Trust - Government Portfolio	FairValue-Level I	16,517,549	N/A	N/A	N/A
NC Capital Management Trust - Term Portfolio *	FairValue-Level I	5,256,017	5,256,017	-	-
Interest Receivable	FairValue-Level I	55,905	55,905	-	-
TOTAL		\$ 36,792,274	\$ 10,422,063	\$ 7,308,306	\$ 1,685,667

* As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because of the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

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 2: debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment 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, 2019. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General 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.

At September 30, 2018, 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	\$ 168,052	\$ 168,052	\$ -	\$ -
U.S. Treasury obligations and agency obligations	33,491,315	-	1,325,748	32,165,567
Pooled investment funds	15,514,953	15,514,953	-	-
Interest receivable	19,467	19,467	-	-
	<u>\$ 49,193,787</u>	<u>\$ 15,702,472</u>	<u>\$ 1,325,748</u>	<u>\$ 32,165,567</u>
Debt service funds held by Trustee:				
Cash and short-term investments	\$ 2,326,142	\$ 2,326,142	\$ -	\$ -
Restricted by donors or grantors for specific purposes:				
Cash and short-term investments	\$ 957,754	\$ 957,754	\$ -	\$ -
Escrow held by agent for workers compensation:				
Cash and short-term investments	\$ 12,626	\$ 12,626	\$ -	\$ -
Total:	<u><u>\$ 52,490,309</u></u>	<u><u>\$ 18,998,994</u></u>	<u><u>\$ 1,325,748</u></u>	<u><u>\$ 32,165,567</u></u>

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

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
2016	\$ 1,371,300	\$ 274,260	\$ 1,645,560
2017	1,352,446	148,769	1,501,215
2018	1,335,332	126,856	1,462,188
Total	<u>\$ 4,059,078</u>	<u>\$ 549,885</u>	<u>\$ 4,608,963</u>

4. Receivables

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

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Due From Other Governments	Total
Governmental Activities:					
General	\$ 359,372	\$ 2,648,410	\$ -	\$ 4,029,480	\$ 7,037,262
Other Governmental	87,224	295,978	-	82,704	465,906
Total Receivables	<u>\$ 446,596</u>	<u>\$ 2,944,388</u>	<u>\$ -</u>	<u>\$ 4,112,184</u>	<u>\$ 7,503,168</u>
Allowance for Doubtful Accts.	-	(1,980,400)	-	-	(1,980,400)
Total Gov't Activities	<u>\$ 446,596</u>	<u>\$ 963,988</u>	<u>\$ -</u>	<u>\$ 4,112,184</u>	<u>\$ 5,522,768</u>
Business-type Activities:					
Solid Waste	\$ 169,468	\$ 2,439,355	\$ -	\$ 2,442	\$ 2,611,266
Water District I	186,833	-	-	3,544	190,377
Water District II	223,338	21,430	-	6,281	251,049
Water District III	44,195	12,631	-	2,931	59,757
Water District IV	205,852	-	-	3,229	209,081
Water District V	108,944	-	-	3,142	112,086
Section 8 Housing	2,646	-	-	505	3,151
Total Receivables	<u>\$ 941,276</u>	<u>\$ 2,473,416</u>	<u>\$ -</u>	<u>\$ 22,074</u>	<u>\$ 3,436,767</u>
Allowance for Doubtful Accts.	(435,414)	(1,700,424)	-	-	(2,135,839)
Total Business-type	<u>\$ 505,862</u>	<u>\$ 772,992</u>	<u>\$ -</u>	<u>\$ 22,074</u>	<u>\$ 1,300,928</u>

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

Governmental Activities:	
Local Option Sales Tax	\$ 2,699,245
Sales and Use Tax	176,738
Video Programming Refund	20,061
NCVTS	354,742
Various Grants	861,398
Total	<u>\$ 4,112,184</u>
Business-Type Activities:	
Sales and Use Tax	\$ 22,074
Total	<u>\$ 22,074</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$12,167,000.

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

5. Capital Assets

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

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 1,261,321	\$ -	\$ -	\$ 1,261,321
Construction in Progress	5,410,000	3,178,539	-	8,588,539
Total capital assets not being depreciated	<u>6,671,321</u>	<u>3,178,539</u>	<u>-</u>	<u>9,849,860</u>
Other capital assets:				
Buildings & Improvements	41,775,365	20,100	-	41,795,465
Vehicles	6,730,935	681,666	(351,935)	7,060,666
Other	4,467,973	76,451	-	4,544,424
Total other capital assets at historical cost	<u>52,974,273</u>	<u>778,217</u>	<u>(351,935)</u>	<u>53,400,555</u>
Less accumulated depreciation for:				
Buildings & Improvements	15,594,019	1,662,513	-	17,256,532
Vehicles	5,426,348	508,971	(351,935)	5,583,384
Other	3,451,330	202,927	-	3,654,257
Total other capital assets at historical cost	<u>24,471,697</u>	<u>2,374,411</u>	<u>(351,935)</u>	<u>26,494,173</u>
Other capital assets, net	<u>28,502,576</u>	<u>(1,596,194)</u>	<u>-</u>	<u>26,906,382</u>
Governmental activities capital assets, net	<u>\$ 35,173,897</u>	<u>\$ 1,582,345</u>	<u>\$ -</u>	<u>\$ 36,756,242</u>

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

Governmental Activities	
General government	\$ 696,880
Public Safety	1,026,956
Human Services	21,220
Economic and Physical Development	481,631
Transportation	121,824
Cultural and Recreational	25,900
	<u>\$ 2,374,411</u>

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Solid Waste Fund				
Capital assets not being depreciated:				
Land	\$ 488,139	\$ -	\$ -	\$ 488,139
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>488,139</u>	<u>-</u>	<u>-</u>	<u>488,139</u>
Other capital assets:				
Landfill Gas Collection System	1,001,309	-	-	1,001,309
Buildings	277,574	-	-	277,574
Automobiles	443,568	169,056	(87,151)	525,473
Tools & Machinery	11,500	-	-	11,500
Heavy Equipment	154,391	56,391	-	210,782
Other	102,254	-	-	102,254
Total other capital assets	<u>1,990,596</u>	<u>225,447</u>	<u>(87,151)</u>	<u>2,128,892</u>
Less accumulated depreciation for:				
Landfill Gas Collection System	100,235	25,033	-	125,268
Buildings	189,245	6,214	-	195,459
Automobiles	318,679	23,977	(87,151)	255,505
Tools & Machinery	11,500	-	-	11,500
Heavy Equipment	79,074	12,871	-	91,945
Other	102,254	-	-	102,254
Total accumulated depreciation	<u>800,987</u>	<u>68,095</u>	<u>(87,151)</u>	<u>781,931</u>
Total Solid Waste capital assets, net	<u>\$ 1,677,748</u>	<u>\$ 157,352</u>	<u>\$ -</u>	<u>\$ 1,835,100</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Water District I				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other capital assets:				
Distribution System & Other	3,859,208	2,723	-	3,861,931
Automobiles	82,144	10,859	-	93,003
Total other capital assets	<u>3,941,352</u>	<u>13,582</u>	<u>-</u>	<u>3,954,934</u>
Less accumulated depreciation for:				
Distribution System	1,981,864	96,528	-	2,078,392
Automobiles	74,429	6,179	-	80,608
Total accumulated depreciation	<u>2,056,293</u>	<u>102,707</u>	<u>-</u>	<u>2,159,000</u>
Total Water District capital assets, net	<u>\$ 1,885,059</u>	<u>\$ (89,125)</u>	<u>\$ -</u>	<u>\$ 1,795,934</u>

COLUMBUS COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

	Beginning Balances	Increases	Decreases	Ending Balances
Water District II				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	240,016	-	240,016
Total capital assets not being depreciated	-	240,016	-	240,016
Other capital assets				
Office Equipment	13,239	-	-	13,239
Distribution System	12,149,386	-	-	12,149,386
Heavy Equipment	32,024	-	-	32,024
Automobiles	123,049	16,288	-	139,337
Other	54,837	4,084	-	58,921
Total other capital assets	12,372,535	20,372	-	12,392,907
Less accumulated depreciation for:				
Office Equipment	13,239	-	-	13,239
Distribution System	5,666,713	485,975	-	6,152,688
Heavy Equipment	31,729	294	-	32,023
Automobiles	103,300	8,274	-	111,574
Other	54,837	408	-	55,245
Total accumulated depreciation	5,869,818	494,951	-	6,364,769
Total Water District II Capital Assets, net	\$ 6,502,717	\$ (234,563)	\$ -	\$ 6,268,154

	Beginning Balances	Increases	Decreases	Ending Balances
Water District III				
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	51,037	9,872	-	60,909
Other	3,704	2,475	-	6,179
Total other capital assets	7,078,281	12,347	-	7,090,628
Less accumulated depreciation for:				
Office Equipment	-	-	-	-
Distribution System	2,431,394	199,215	-	2,630,609
Heavy Equipment	4,356	213	-	4,569
Automobiles	34,674	6,158	-	40,832
Other	3,703	248	-	3,951
Total accumulated depreciation	2,474,127	205,834	-	2,679,961
Total Water District III capital assets, net	\$ 4,604,154	\$ (193,487)	\$ -	\$ 4,410,667

COLUMBUS COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

	Beginning Balances	Increases	Decreases	Ending Balances
Water District IV				
Capital assets not being depreciated:				
Construction In Progress	\$ -	\$ 110,500	\$ -	\$ 110,500
Land	125,300	-	-	125,300
Total capital assets not being depreciated	<u>125,300</u>	<u>110,500</u>	<u>-</u>	<u>235,800</u>
Other capital assets:				
Distribution System & Other	13,651,864	-	-	13,651,864
Automobiles	94,203	7,404	-	101,607
Heavy Equipment	52,177	-	-	52,177
Other	4,960	1,856	-	6,816
Total other capital assets	<u>13,803,204</u>	<u>9,260</u>	<u>-</u>	<u>13,812,464</u>
Less accumulated depreciation for:				
Distribution System & Other	2,424,905	370,504	-	2,795,409
Automobiles	71,571	10,739	-	82,310
Heavy Equipment	49,644	2,533	-	52,177
Other	4,960	186	-	5,146
Total accumulated depreciation	<u>2,551,080</u>	<u>383,962</u>	<u>-</u>	<u>2,935,042</u>
Total Water District IV capital assets, net	<u>\$ 11,377,424</u>	<u>\$ (264,202)</u>	<u>\$ -</u>	<u>\$ 11,113,222</u>
Water District V				
Capital assets not being depreciated:				
Construction in Progress	\$ 1,051,539	\$ 279,795	\$ -	\$ 1,331,334
Total capital assets not being depreciated	<u>1,051,539</u>	<u>279,795</u>	<u>-</u>	<u>1,331,334</u>
Other capital assets:				
Distribution System & Other	8,651,195	-	-	8,651,195
Automobiles	29,611	4,936	-	34,547
Heavy Equipment	942	-	-	942
Other	2,670	1,238	-	3,908
Total other capital assets	<u>8,684,418</u>	<u>6,174</u>	<u>-</u>	<u>8,690,592</u>
Less accumulated depreciation for:				
Distribution System & Other	1,880,658	216,280	-	2,096,938
Automobiles	17,257	4,021	-	21,278
Heavy Equipment	840	101	-	941
Other	2,670	124	-	2,794
Total accumulated depreciation	<u>1,901,425</u>	<u>220,526</u>	<u>-</u>	<u>2,121,951</u>
Total Water District V capital assets, net	<u>\$ 7,834,532</u>	<u>\$ 65,443</u>	<u>\$ -</u>	<u>\$ 7,899,975</u>
Section 8 Housing				
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>\$ 33,881,634</u>			<u>\$ 33,323,052</u>

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

Construction Commitments

The government has active construction projects as of June 30, 2019. The projects include the airport projects and water improvement projects. At June 30, 2019, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>		<u>Remaining commitment</u>	
Whiteville City School Capital Project	\$	856,166	\$	21,136,756
Columbus County Schools Capital Projects		1,689,940		55,704,138
Courthouse Annex Capital Project		9,847,643		359,308
Airport Improvements		4,183,434		292,788
Columbus County Fitness Park Grant		298,646		-
Old Dock Water and Sewer Project		1,331,333		1,862,953
Logistics Park Water and Sewer Project		24,016		895,146
Radio Project		547,559		1,637,836
Courthouse Renovation Project		304,491		-
Total	\$	19,083,228	\$	81,888,925

Discretely presented component unit

Activity for Columbus Regional Healthcare System for the year ended September 30, 2018 was as follows:

	<u>Beginning</u>		<u>Transfers/</u>		<u>Ending</u>	
	<u>Balances</u>	<u>Increases</u>	<u>Retirements</u>		<u>Balances</u>	
Land	\$ 1,346,923	\$ -	\$ -	\$ -	\$ 1,346,923	
Land improvements	410,996	38,400	13,259		462,655	
Buildings and fixed equipment	47,721,259	610,820	369,546		48,701,625	
Equipment	65,221,289	3,044,225	422,169		68,687,683	
Construction in progress	583,880	3,915,485	(806,779)		3,692,586	
Totals at historical cost	\$ 115,284,347	\$ 7,608,930	\$ (1,805)	\$ -	\$ 122,891,472	
Less accumulated depreciation for:						
Land improvements	\$ 267,796	\$ 22,160	\$ -	\$ -	\$ 289,956	
Buildings and fixed equipment	24,282,567	1,706,054	-	-	25,988,621	
Equipment	46,566,579	4,939,464	-	-	51,506,043	
Total accumulated depreciation	\$ 71,116,942	\$ 6,667,678	\$ -	\$ -	\$ 77,784,620	
Capital assets, net	\$ 44,167,405	\$ 14,276,608	\$ (1,805)	\$ -	\$ 45,106,852	

B. Liabilities

1. Payables

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

	<u>Vendors</u>	<u>Salaries and</u>	<u>Total</u>
		<u>Benefits</u>	
Governmental Activities:			
General	\$ 1,559,931	\$ 1,167,433	\$ 2,727,364
Other Governmental	604,157	-	604,157
Total Governmental Activities	\$ 2,164,088	\$ 1,167,433	\$ 3,331,521
Business-Type Activities			
Solid Waste	\$ 380,068	\$ -	\$ 380,068
Water District I	35,940	-	35,940
Water District II	23,554	-	23,554
Water District III	11,548	-	11,548
Water District IV	10,619	-	10,619
Water District V	37,512	-	37,512
Section 8 Housing	13,528	-	13,528

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.

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, 2019, was 8.48% of compensation for law enforcement officers and 7.85% 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 \$1,515,932 for the year ended June 30, 2019.

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

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

At June 30, 2019, the County reported a liability of \$5,885,306 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County's proportion was 0.2481%, which was a decrease of 0.0208% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$1,654,314. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 907,963	\$ 30,467
Changes of assumptions	1,561,733	-
Net difference between projected and actual earnings on pension plan investments	807,877	-
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	14,194	55,822
	<u>1,515,932</u>	<u>-</u>
Total	<u>\$ 4,807,699</u>	<u>\$ 86,289</u>

\$1,515,932 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2020	\$ 1,558,238
2021	1,014,181
2022	177,568
2023	455,491
2024	-
Thereafter	-
Total	<u>\$ 3,205,478</u>

At September 30, 2017, the Hospital reported a net pension asset of approximately \$4,249,000. The net pension asset was measured as of October 1, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2017. The most recent annual actuarial valuation reports are as of October 1, 2017. The net pension liability of the defined benefit pension plan was therefore determined based on the October 1, 2017 actuarial valuations, using membership data as of October 1, 2017, projected forward to the end of the fiscal year, and financial information of the pension funds as of October 1, 2017, 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.

COLUMBUS COUNTY, NORTH CAROLINA
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 For the Year Ended June 30, 2019

For the year ended September 30, 2018, the System recognized a pension benefit of approximately \$4,249,000. At September 30, 2018, 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	\$ 201,620	\$ 324,269
Difference between expected and actual experience	101,541	118,369
Difference between expected and actual return on plan assets	-	757,021
Contributions	480,000	-
Total	<u>\$ 783,161</u>	<u>\$ 1,199,659</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:

2019	\$ (84,213)
2020	(131,635)
2021	(428,009)
2022	(252,641)
2023	-
Total	<u>\$ (896,498)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

COLUMBUS COUNTY, NORTH CAROLINA
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<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 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 14,137,015	\$ 5,885,306	\$ (1,009,951)

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Total Pension Liability	\$ 20,537,219	\$ 18,388,872	\$ 16,602,049
Net Fiduciary Position	(22,638,351)	(22,638,251)	(22,638,351)
Total pension liability (asset)	<u>\$ (2,101,132)</u>	<u>\$ (4,249,379)</u>	<u>\$ (6,036,302)</u>
Funded %	110.23%	123.11%	136.36%

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, 2017, 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>71</u>
Total	<u><u>77</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, 2017 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	3.64 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, 2017.

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 \$57,509 as benefits came due for the reporting period.

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

At June 30, 2019, the County reported a total pension liability of \$1,387,511. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$68,199.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 140,586
Changes of assumptions	70,468	73,879
County benefit payments and plan administrative expense made subsequent to the measurement date	23,832	-
Total	<u>\$ 94,300</u>	<u>\$ 214,465</u>

The County paid \$23,832 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ (29,282)
2021	(29,282)
2022	(29,282)
2023	(26,408)
2024	(26,725)
Thereafter	(3,018)

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

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 1,521,126	\$ 1,387,511	\$ 1,266,577

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

	<u>2019</u>
Beginning balance	\$ 1,487,196
Service Cost	79,191
Interest on the total pension liability	46,087
Changes of benefit terms	-
Differences between expected and actual experience	(104,952)
Changes in assumptions or other inputs	(62,502)
Benefit payments	(57,509)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,387,511</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.16% at June 30, 2017 to 3.64% at June 30, 2018.

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

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description - The County contributes to the Supplemental Retirement Income Plan (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, 2019 were \$195,897 which consisted of \$153,394 from the County and \$42,503 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, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 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.

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 \$6,264 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$73,937 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on 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, 2018, the County's proportion was 0.4464%, which was an increase of 0.0238% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$16,076. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 652	\$ 3,375
Changes of assumptions	3,477	-
Net difference between projected and actual earnings on pension plan	11,785	-
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	932	3,918
	6,264	-
Total	<u>\$ 23,110</u>	<u>\$ 7,293</u>

\$6,264 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2020	\$ 5,074
2021	(825)
2022	3,473
2023	1,831
2024	-
Thereafter	-
Total	<u>\$ 9,553</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

COLUMBUS COUNTY, NORTH CAROLINA
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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, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	1% Decrease <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)	\$ (58,295)	\$ (73,937)	\$ (87,128)

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.

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2018, with an actuarial valuation date of December 31, 2017.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of the Net Pension Liability (Asset) \$	5,885,306	\$ (73,937)	\$ -	\$ 5,811,369
Proportionate of the Net Pension Liability (Asset)	0.2481%	0.4226%	n/a	
Total Pension Liability	-	-	1,387,511	1,387,511
Pension Expense	1,654,314	16,076	68,199	1,738,589

Deferred Outflows of Resources

Differences between expected and actual experience	907,963	652	-	908,615
Changes of assumptions	1,561,733	3,477	70,468	1,635,678
Net difference between project and actual earnings on plan investments	807,877	11,785	-	819,662
Changes in proportion and differences between contributions and proportionate share of contributions	14,194	932	-	15,126
Benefit payments and administrative costs paid subsequent to the measurement date	1,515,932	6,264	23,832	1,546,028

Deferred Inflows of Resources

Difference between expected and actual experience	30,467	3,375	140,586	174,428
Changes of assumptions	-	-	73,879	73,879
Net difference between projected and actual earnings on plan investments	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	55,822	3,918	-	59,740

f. 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, 2018, the date of the latest actuarial valuation:

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>

Total OPEB Liability

The County's total OPEB liability of \$44,714,475 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Law Enforcement	3.50% - 7.35%
Municipal Bond Index Rate	
Prior Measurement Date	3.56%
Measurement Date	3.89%
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

	Total OPEB Liability
Balance at July 1, 2017	\$ 45,413,736
Changes for the year	
Service Cost	1,184,630
Interest	1,596,968
Changes of benefit terms	-
Difference between expected and actual experience	108,546
Changes in assumptions or other inputs	(2,469,467)
Benefit payments	(1,119,938)
Net changes	<u>(699,261)</u>
Balance at June 30, 2018	<u>\$ 44,714,475</u>

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

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS Board.

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

	<u>1% Decrease (2.89%)</u>	<u>Discount Rate (3.89%)</u>	<u>1% Increase (4.89%)</u>
Total OPEB Liability	\$ 52,857,069	\$ 44,714,475	\$ 38,305,962

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	\$ 37,417,861	\$ 44,714,475	\$ 54,143,746

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$1,641,676. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 92,905	\$ 163,537
Changes of assumptions	-	5,313,652
Benefit payments and administrative costs made subsequent to the measurement date	1,092,174	-
Total	\$ 1,185,079	\$ 5,477,189

\$1,092,174 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ (1,021,071)
2021	(1,021,071)
2022	(1,021,071)
2023	(1,021,071)
2024	(980,219)
Thereafter	(319,781)

g. Other Employment Benefits

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

h. 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, 2018:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at September 30, 2017	\$ 18,266,498	\$ 20,225,843	\$ (1,959,345)
Changes for the year:			
Interest	1,327,966	-	1,327,966
Differences between expected and actual experience	(114,958)	-	(114,958)
Changes of assumptions	(143,709)	-	(143,709)
Net investment income (loss)	-	2,759,433	(2,759,433)
Benefits paid	(946,925)	(946,925)	-
Contributions - Employer	-	600,000	(600,000)
Net changes	<u>122,374</u>	<u>2,412,508</u>	<u>(2,290,134)</u>
Balances at September 30, 2018	<u>\$ 18,388,872</u>	<u>\$ 22,638,351</u>	<u>\$ (4,249,479)</u>

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, 2019; 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.

COLUMBUS COUNTY, NORTH CAROLINA
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4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Pensions - difference between expected and actual experience		
LGERS	\$ 907,963	\$ 30,467
Register of Deeds	652	3,375
LEOSSA	-	140,586
OPEB	92,905	163,537
Changes of Assumptions		
LGERS	1,561,733	-
Register of Deeds	3,477	-
LEOSSA	70,468	73,879
OPEB	-	5,313,652
Pensions - difference between projected and actual investment		
LGERS	807,877	-
Register of Deeds	11,785	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	14,194	55,822
Register of Deeds	932	3,918
Contributions to pension plan in current fiscal year		
LGERS	1,515,932	-
Register of Deeds	6,264	-
Benefit payments/administration costs paid subsequent to the measurement date		
LEOSSA	23,832	-
OPEB	1,092,174	-
Deferred Charges on Refunding	173,573	-
Prepaid taxes (General)	-	20,030
Taxes receivable, net (General)	-	617,019
Taxes receivable, net (Special Revenue)	-	295,978
	<u>\$ 6,283,761</u>	<u>\$ 6,718,263</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 \$87.1 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 \$2,000,000 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 \$25,000, 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 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, 2019, 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 direct placement agreement with 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. (a) declare the outstanding principal plus interest accrued to the date of such declaration to be immediately due and payable without notice to or demand on the County; (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of this contract or to recover for the breach thereof; (c) exercise all of the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State of North Carolina and the general laws of the State with respect to the enforcement of the security interest granted under the Deed of Trust; (d) terminate the contract as to all or any part of the project and use, operate, lease or hold any part of the property as the lender in its sole discretion may decide; (e) take possession of any proceeds of the property, including net proceeds; or (f) pursue any other remedy available at law or equity to the lender.

\$ 138,730

\$9,000,000 direct placement agreement with 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. On the occurrence of any event of default, the lender may: (a) declare the outstanding principal plus interest accrued to the date of such declaration to be immediately due and payable without notice to or demand on the County; (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of this contract or to recover for the breach thereof; (c) exercise all of the rights and remedies of a secured party or creditor under the general laws of the State with respect to the enforcement of the security interest granted under the Deed of Trust; or (d) enforce its security interest or direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust and sell the mortgaged property.

5,100,000

\$3,232,538 direct placement agreement with 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%. The property stands as collateral for the loan. On the occurrence of any event of default, the lender may: (a) declare the outstanding principal plus interest accrued to the date of such declaration to be immediately due and payable without notice to or demand on the County, (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of this contract or to recover for the breach thereof, (c) exercise all of the rights and remedies of a secured party or creditor under the general laws of the State with respect to the enforcement of the security interest granted under the Deed of Trust, or (d) enforce its security interest or direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust and sell the mortgaged property.

1,879,523

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

\$9,600,000 direct placement agreement with 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. On the occurrence of any event of default, the lender may: (a) declare the outstanding principal plus interest accrued to the date of such declaration to be immediately due and payable without notice to or demand on the County; (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of this contract or to recover for the breach thereof; (c) exercise all of the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State of North Carolina and the general laws of the State with respect to the enforcement of the security interest granted under the Deed of Trust; (d) terminate the contract as to all or any part of the project and use, operate, lease or hold any part of the property as the lender in its sole discretion may decide; (e) take possession of any proceeds of the property, including net proceeds; or (f) pursue any other remedy available at law or equity to the lender.

	640,000
Total serviced by the General Fund	\$ 7,758,253

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 1,587,566	\$ 197,049
2021	808,836	147,147
2022	808,836	127,394
2023	808,836	107,640
2024	808,836	87,888
2025-2028	2,935,343	154,017
Total	\$ 7,758,253	\$ 821,135

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, 2019

The County's general obligation bonds payable at June 30, 2019 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.	\$ 4,755,000
\$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.	3,840,000
\$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.	3,885,000
\$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%.	3,713,000

Total Serviced by the Water Districts	<u>\$ 16,193,000</u>
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Total General Obligation Bonds	<u><u>\$ 16,193,000</u></u>
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Year Ending June 30	<u>Business-type Activities</u>	
	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 411,000	\$ 650,875
2021	428,000	634,600
2022	446,000	617,650
2023	468,000	596,238
2024	491,000	573,750
2025-2029	2,785,000	2,513,500
2060-2034	3,461,000	1,835,138
2035-2039	3,784,000	1,160,425
2040-2044	2,639,000	491,138
2045-2049	1,098,000	144,338
2050	182,000	6,823
Total	<u>\$ 16,193,000</u>	<u>\$ 9,224,475</u>

c. Revolving Loan

Serviced by the Enterprise Funds

\$375,227 - Columbus County Water & Sewer District II direct borrowing revolving loan to NC Department of Energy and Natural Resources, due in annual payments payments of \$26,902, interest at 0.00%. The County agrees that any other monies due to the unit from the State may be withheld by the State and applied to the payment of this obligation whenever the unit fails to pay any payment of principal or interest on this note when due.

\$ 241,217

Total Federal Revolving Loan

\$ 241,217

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

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
2020	\$ 26,802	\$ -
2021	26,802	-
2022	26,802	-
2023	26,802	-
2024	26,802	-
2025-2028	107,207	-
Total	<u>\$ 241,217</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, 2019, is as follows:

Operating Revenues	\$ 804,179	
Operating Expenses*	<u>436,778</u>	
Operating income	367,401	
Nonoperating revenues (expenses)**	<u>(183,959)</u>	
Income available for debt service	183,442	
Debt service, principal and interest paid (Revenue Bond only)	\$ 48,826	
All debt service (excluding interest included in nonoperating expenditures above)		\$ 210,628
Debt service coverage ratio	375.71%	87.09%

*Per rate covenants, this does not include depreciation expense of \$494,952.

**Does not include revenue bond interest paid of \$31,326.

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.

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

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	\$	827,827	
Operating Expenses*		267,044	
Operating income		<u>560,783</u>	
Nonoperating revenues (expenses)**		<u>(141,357)</u>	
Income available for debt service		419,426	
Debt service, principal and interest paid (Revenue Bond only)	\$	55,020	
All debt service (excluding interest included in nonoperating expenditures above)			\$ 118,020
Debt service coverage ratio		762.32%	355.39%

*Per rate covenants, this does not include depreciation expense of \$383,961.

**Does not include revenue bond interest paid of \$34,020.

Year Ending June 30	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2020	\$ 40,500	\$ 63,964
2021	41,500	62,508
2022	43,500	61,004
2023	44,500	59,427
2024	46,500	57,801
2025-2029	257,500	262,279
2030-2034	308,000	211,095
2035-2039	350,000	149,981
2040-2044	262,000	88,999
2045-2049	219,000	57,461
2050-2054	249,000	27,221
2055	55,000	1,443
Total	<u>\$ 1,917,000</u>	<u>\$ 1,103,183</u>

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 consist 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, 2019, the balance of the bonds was \$12,480.00. The reader should note that this debt issuance is entirely offset by the Water District's Refunding 2015 Bonds as detailed below under the General Obligation Indebtedness section.

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

The minimum payments for the Limited Obligation Bonds as of June 30, 2019 in the Business-Type Activities are as follows:

Year Ending June 30	Business-type Activities	
	Limited Obligation Bonds	
	Principal	Interest
2020	\$ 345,000	511,638
2021	360,000	497,838
2022	375,000	483,438
2023	395,000	464,688
2024	415,000	444,938
2025-2029	2,360,000	1,914,438
2030-2034	2,950,000	1,321,913
2035-2039	3,170,000	750,475
2040-2044	1,900,000	205,513
2045	210,000	7,871
Total	<u>\$ 12,480,000</u>	<u>\$ 6,602,750</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, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
Direct Placement Installment Purchase	\$ 9,399,396	\$ -	\$ 1,641,143	\$ 7,758,253	\$ 1,587,566
Compensated Absences	1,427,678	19,862	-	1,447,540	-
Net OPEB Liability	43,707,611	-	674,400	43,033,211	-
Net Pension Liability (LGERS)	3,979,252	1,721,326	-	5,700,578	-
Total Pension Liability (LEOSSA)	1,487,196	-	99,685	1,387,511	-
Total	<u>\$ 60,001,133</u>	<u>\$ 1,741,188</u>	<u>\$ 2,315,543</u>	<u>\$ 59,327,093</u>	<u>\$ 1,587,566</u>
Business-type Activities:					
General Obligation Debt	\$ 16,586,000	\$ -	\$ 393,000	\$ 16,193,000	\$ 411,000
Unamortized Premium	531,921	-	22,443	509,478	22,442
Net General Obligation Debt	17,117,921	-	415,443	16,702,478	433,442
Limited Obligation Bonds	12,810,000	-	330,000	12,480,000	345,000
Revenue bonds	1,955,500	-	38,500	1,917,000	40,500
Direct Borrowing Installment	268,020	-	26,803	241,217	26,802
Compensated Absences	49,169	2,558	-	51,727	-
Net OPEB Liability	1,706,125	-	24,861	1,681,264	-
Net Pension Liability	128,948	55,780	-	184,728	-
Total	<u>\$ 34,035,683</u>	<u>\$ 58,338</u>	<u>\$ 835,607</u>	<u>\$ 33,258,414</u>	<u>\$ 845,744</u>

Debt Related to Capital Activities - Of the total Governmental Activities debt listed, \$5,750,730 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, 2018:

Long-term Debt	<u>\$ 22,030,000</u>	<u>\$ -</u>	<u>\$ 515,000</u>	<u>\$ 21,515,000</u>	<u>\$ 530,000</u>
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At June 30, 2019, Columbus County had a legal debt margin of approximately \$301,219,884.

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

C. Interfund Balances and Activity

Interfund receivables/payables at June 30, 2019, consist of the following:

Payable from the Walking Trail Equipment Grant fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of grant funds.	\$ 32,086
Payable from the NCHFA 2017 ESFRLP 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.	10,479
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.	22,795
Payable from the Storm Debris Removal 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.	25,000
Payable from the Hazard Mitigation 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.	58,270
Payable from the 2017 State Disaster Recovery 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.	7,206
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.	507,448
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.	305,491
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.	26,027
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.	382,295
Payable from the School Project Fund (WCS) to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	856,695
Payable from the School Project Fund (CCS) to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	1,689,940
Total Interfund balances	<u><u>\$ 3,923,732</u></u>

COLUMBUS COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

Transfers to/from other funds at June 30, 2019, 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.	880,636
Transfer from the Transportation Fund to the General Fund for admin costs.	18,891
Transfer from the General fund to the Walking Trail project fund to provide resources for the project.	115,123
Transfer from the General fund to the CDBG project fund to provide resources to close out the project.	9,594
Transfer from Water District II to the General Fund to provide funds for debt service payments.	89,837
Transfer from Water District III to the General Fund to provide funds for debt service payments.	76,229
Transfer from the General fund to the Water District IV project fund to provide resources to close out the project.	102,166
Transfer from the General fund to the International Logistics Sewer Project fund to provide resources to fund the project (local option sales tax).	107,364
Total Transfers	<u>\$ 1,419,840</u>

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 36,756,242	\$ 33,323,052
less: long-term debt	(7,758,253)	(18,860,697)
add: unexpended debt proceeds	-	-
Net investment in capital assets	<u>\$ 28,997,989</u>	<u>\$ 14,462,355</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>\$ 39,722,453</u>
Less:	
Inventories	\$ 85,089
Prepaid Expenses	-
Stabilization by State Statute	8,312,584
Appropriated Fund Balance in 2020 Budget	2,752,287
Tax Revaluation	109,518
Reserve No Till Drill	23,948
ROD Automation enhancement	125,876
Health department	59,803
Home Health	150,034
Capital Outlay	-
Fall soccer league	1,002
Various	1,622,725
Working Capital / Fund Balance Policy	-
<u>Remaining Fund Balance</u>	<u>\$ 26,479,587</u>

The County had no outstanding encumbrances at June 30, 2019.

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 \$1,385,300 and \$243,674 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2019. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the community college may be obtained from the community college's administrative offices at 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 \$24,847 to the Council during the fiscal year ended June 30, 2019. 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.

NOTE VII: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

NOTE VIII: Related Party Transactions

Edwin Russ, a commissioner of Columbus County, also owns a business (Southern Tire and Muffler). The County paid this company \$14,610 for services during the year. Additionally, the County paid \$5,000 to Byrd Family, LLC (partially owned by Buddy Byrd) and \$512 to the Cement Barn (owned by Ricky Bullard).

NOTE IX: Subsequent Events

No items were noted to disclose.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.24808%	0.26891%	0.27449%	0.27922%	0.28880%	0.28820%
County's proportion of the net pension liability (asset) (\$)	\$ 5,885,306	\$ 4,108,200	\$ 5,825,597	\$ 1,253,123	\$ (1,703,186)	\$ 3,473,917
County's covered-employee payroll	\$ 17,485,028	\$ 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 payroll	33.66%	23.11%	33.78%	7.36%	-10.00%	20.24%
Plan fiduciary net position as a percentage of the total pension liability**	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,515,932	\$ 1,346,632	\$ 1,323,441	\$ 1,184,776	\$ 1,214,408	\$ 1,212,862
Contributions in relation to the contractually required contribution	1,515,932	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>
County's covered payroll	\$ 19,040,403	\$ 17,485,028	\$ 17,774,866	\$ 17,244,459	\$ 17,020,241	\$ 17,030,045
Contributions as a percentage of covered-employee payroll	7.96%	7.70%	7.45%	6.87%	7.14%	7.12%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (asset) %	0.4464%	0.4226%	0.4164%	0.4516%	0.4586%	0.3290%
County's proportionate share of the net pension liability (asset) \$	\$ (73,937)	\$ (72,140)	\$ (77,843)	\$ (104,661)	\$ (103,946)	\$ (70,204)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 6,264	\$ 5,550	\$ 5,345	\$ 4,893	\$ 5,080	\$ 3,744
Contributions in relation to contractually required contribution	<u>6,264</u>	<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>	<u>\$ -</u>

Columbus County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 1,487,196	\$ 1,401,812	\$ 1,374,918
Service Cost	79,191	74,227	86,775
Interest on the total pension liability	46,087	52,802	47,875
Change in benefit terms	-	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability	(104,952)	(78,201)	-
Changes of assumptions and other inputs	(62,502)	104,346	(39,966)
Benefit payments	(57,509)	(67,790)	(67,790)
Other changes	-	-	-
Ending balance of total pension liability	<u>\$ 1,387,511</u>	<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, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,387,511	\$ 1,487,196	\$ 1,401,812
Covered payroll	2,786,459	2,945,019	3,081,651
Total pension liability as a percentage of covered payroll	49.79%	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, North Carolina
Schedule of Changes in Total OPEB Liability
Other Postemployment Benefits
For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 1,184,630	\$ 1,339,990
Interest on the total OPEB liability	1,596,968	1,436,560
Change in benefit terms	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability	108,546	(229,747)
Changes of assumptions and other inputs	(2,469,467)	(4,495,568)
Benefit payments	(1,119,938)	(722,140)
Other changes	-	-
Net change in total OPEB liability	<u>(699,261)</u>	<u>(2,670,905)</u>
Total OPEB liability - beginning	<u>45,413,736</u>	<u>48,084,641</u>
Total OPEB liability - ending	<u>\$ 44,714,475</u>	<u>\$ 45,413,736</u>
Covered payroll	\$ 16,316,999	\$ 16,316,999
Total OPEB liability as a percentage of covered payroll	274.04%	278.32%

Notes to Schedule

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

<u>Fiscal Year</u>	<u>Rate</u>
2019	3.89%
2018	3.56%

GENERAL FUND

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

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem Taxes	\$ 31,505,345	\$ 30,929,690	\$ (575,655)
Other Taxes and Licenses	10,036,633	10,048,813	12,180
Unrestricted Intergovernmental Revenues	141,500	130,918	(10,582)
Restricted Intergovernmental Revenues	12,944,747	10,257,601	(2,687,146)
Permits and Fees	1,189,147	1,162,087	(27,060)
Sales and Services	2,837,884	2,875,987	38,103
Investment Earnings	560,560	545,161	(15,399)
Miscellaneous	434,645	284,485	(150,160)
Total Revenues	59,650,461	56,234,742	(3,415,719)
Expenditures			
General Government:			
Governing Body	261,537	257,374	4,163
County Administration	272,253	267,804	4,449
Personnel	165,821	149,049	16,772
Purchasing	138,188	124,984	13,204
County Garage	72,217	56,876	15,341
Elections	488,608	451,716	36,892
Finance	394,803	372,037	22,766
Tax Administration	1,525,741	1,481,171	44,570
Management Information Systems	375,759	375,236	523
Legal and Professional	374,744	354,382	20,362
Register of Deeds	480,858	473,912	6,946
Public Buildings	1,424,648	1,312,508	112,140
Nondepartmental	1,856,890	1,602,691	254,199
Total General Government	7,832,067	7,279,740	552,327
Public safety:			
Sheriff	6,070,907	6,031,510	39,397
Teen Court	71,858	65,470	6,388
Sheriff's Department Grant	19,270	13,846	5,424
Law Enforcement Center	3,064,447	2,843,708	220,739
Fire Marshall	143,833	134,910	8,923
Emergency Services	1,471,893	1,335,220	136,673
Fire, Rescue, EMS	13,250	12,384	866
Inspections	261,518	252,477	9,041
Animal Control	328,943	309,485	19,458
Local Law Enforcement Block Grant	-	-	-
Special Alcohol and Drug	27,613	27,613	-
Hurricane Matthew Expenses	-	-	-
Hurricane Florence Expenses	1,591,548	1,451,533	140,015
Total Public Safety	13,065,080	12,478,156	446,909
Economic and Physical Development:			
Planning	152,260	94,829	57,431
Economic Development	178,155	168,792	9,363
Cooperative Extension	490,763	434,838	55,925
Soil Conservation	214,949	193,169	21,780
Airport	640,100	588,624	51,476
Minor Home Repairs	80,000	50,086	29,914
Total Economic and Physical Develop	1,756,227	1,530,338	225,889

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, 2019

	Budget	Actual	Variance Positive (Negative)
Human services:			
Health	4,999,311	4,244,751	754,560
Senior Center	246,692	234,978	11,714
Coroner and Medical Examiner	55,600	53,330	2,270
Veteran Services	144,091	137,874	6,217
Social Services	8,909,033	7,976,203	932,830
Public Assistance Programs	2,047,464	1,481,612	565,852
Special Assistance to the Aging	2,784,608	2,275,156	509,452
Total Human Services	<u>19,186,799</u>	<u>16,403,904</u>	<u>2,782,895</u>
Cultural and recreational:			
Recreation	570,778	543,605	27,173
Library	1,412,469	1,391,719	20,750
Total Cultural and Recreational	<u>1,983,247</u>	<u>1,935,324</u>	<u>47,923</u>
Education:			
Public School			
Current Expense	8,174,391	7,471,391	703,000
Capital Outlay	709,834	709,834	-
Community College			
Current Expense	1,385,300	1,385,300	-
Capital Outlay	243,674	243,674	-
Fines and Forfeitures	195,000	177,122	17,878
1/2 Cents Sales Tax	3,519,792	2,254,258	1,265,534
ABC Profit Distributions	82,283	83,801	(1,518)
Total Education	<u>14,310,274</u>	<u>12,325,380</u>	<u>1,984,894</u>
Special Appropriations	<u>1,262,227</u>	<u>904,598</u>	<u>357,629</u>
Debt service:			
Principal	672,308	672,308	-
Interest and fees	49,455	48,538	917
Total debt service	<u>721,763</u>	<u>720,846</u>	<u>917</u>
Total expenditures	<u>60,117,684</u>	<u>53,578,286</u>	<u>6,399,383</u>
Revenue over (under) expenditures	<u>(467,223)</u>	<u>2,656,456</u>	<u>3,123,679</u>
Other financing sources (uses):			
Transfer - Out (Capital Project Fund)	(4,359,265)	(115,123)	4,244,142
Transfer - Out (Revaluation)	(20,000)	(20,000)	-
Transfer - Out (Debt Services Fund)	(1,177,914)	(880,636)	297,278
Transfer - Out (Transportation)	(27,500)	-	27,500
Transfer - Out (Water Project)	-	(1,323,189)	(1,323,189)
Transfer - Out (CDBG)	-	(9,594)	-
Transfer - Out (Water Districts)	(107,364)	(209,530)	(102,166)
Transfer - Out (Airport Projects)	-	-	-
Transfer - In (Transportation)	18,897	18,891	(6)
Transfer - In (Special Revenue Funds)	-	-	-
Transfer - In (Water District II)	166,067	166,066	(1)
Transfer - In (Water Project Funds)	-	-	-
Sale of Capital Assets (Home Health)	-	-	-
Appropriated Fund Balance	5,974,302	-	(5,974,302)
Total other financing sources (uses)	<u>467,223</u>	<u>(2,373,115)</u>	<u>(2,830,744)</u>
Net change in fund balance	<u>\$ -</u>	<u>283,341</u>	<u>\$ 283,341</u>
Fund balance, beginning of year		<u>39,329,594</u>	
Fund balance, end of year		<u>\$ 39,612,935</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
General government	170,760	109,421	61,339
Revenues over (under) expenditures	<u>(170,760)</u>	<u>(109,421)</u>	<u>61,339</u>
Other financing sources (uses):			
Transfer from General Fund	20,000	20,000	-
Appropriated Fund Balance	150,760	-	(150,760)
Total other financing sources (uses)	<u>170,760</u>	<u>20,000</u>	<u>(150,760)</u>
Net change in fund balance	<u>\$ -</u>	(89,421)	<u>\$ (89,421)</u>
Fund balance, beginning		<u>198,939</u>	
Fund balance, ending		<u>\$ 109,518</u>	

OTHER MAJOR FUNDS

School Construction Fund (CCS) - capital project fund for the building of the Columbus County School additions and improvements

Columbus County, North Carolina
School Construction Fund (CCS)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Contribution - Columbus Co Schools	\$ 3,000,000	\$ -	\$ -	\$ -	\$ (3,000,000)
Lottery Funding (Needs Based)	10,950,000	-	-	-	(10,950,000)
Total revenues	<u>13,950,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,950,000)</u>
Expenditures					
Engineer / Architect Fees	2,009,374	-	1,644,115	1,644,115	365,259
Appraisal & Survey	500,000	-	31,450	31,450	468,550
Permitting Fees	240,000	-	2,500	2,500	237,500
Administrative Cost	310,000	-	-	-	310,000
Contingency	2,629,088	-	11,875	11,875	2,617,213
Furniture, Fixtures, and Equipment	1,314,544	-	-	-	1,314,544
Construction	50,391,072	-	-	-	50,391,072
Total expenditures	<u>57,394,078</u>	<u>-</u>	<u>1,689,940</u>	<u>1,689,940</u>	<u>55,704,138</u>
Revenues over (under) expenditures	<u>(43,444,078)</u>	<u>-</u>	<u>(1,689,940)</u>	<u>(1,689,940)</u>	<u>(69,654,138)</u>
Other financing sources:					
Transfer from General Fund	9,000,000	-	-	-	-
Debt Proceeds	34,444,078	-	-	-	-
Total other financing sources	<u>43,444,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,689,940)</u>	<u>\$ (1,689,940)</u>	<u>\$ (69,654,138)</u>

NON-MAJOR GOVERNMENTAL FUNDS

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

Columbus County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,248,674	\$ 788,732	\$ -	\$ 2,037,406
Restricted cash	-	-	-	-
Taxes receivable (net)	295,978	-	-	295,978
Accounts receivable (net)	87,224	-	-	87,224
Notes receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	8,146	3,158	71,400	82,704
Total assets	<u>\$ 1,640,022</u>	<u>\$ 791,890</u>	<u>\$ 71,400</u>	<u>\$ 2,503,312</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	290,488	313,669	-	604,157
Due to other funds	155,836	1,570,508	507,448	2,233,792
Total liabilities	<u>446,324</u>	<u>1,884,177</u>	<u>507,448</u>	<u>2,837,949</u>
DEFERRED INFLOWS OF RESOURCES	<u>295,978</u>	<u>-</u>	<u>-</u>	<u>295,978</u>
Fund balances:				
Restricted:				
Public Safety	629,506	385,775	-	1,015,281
Transportation	107,363	-	-	107,363
Economic and Physical Development	215,057	-	-	215,057
Cultural and Recreational	100,000	-	-	100,000
Airport improvements	-	90,037	-	90,037
Unassigned	(154,206)	(1,568,099)	(436,048)	(2,158,353)
Total fund balances	<u>897,720</u>	<u>(1,092,287)</u>	<u>(436,048)</u>	<u>(630,615)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,640,022</u>	<u>\$ 791,890</u>	<u>\$ 71,400</u>	<u>\$ 2,207,334</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, 2019

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Ad valorem taxes	\$ 2,539,986	\$ -	\$ -	\$ 2,539,986
Other taxes and license	91,619	-	285,599	377,218
Charges for services	73,813	-	-	73,813
Restricted intergovernmental	1,577,238	2,025,170	-	3,602,408
Investment earnings	14	-	-	14
Miscellaneous	35,779	-	-	35,779
Total revenues	<u>4,318,449</u>	<u>2,025,170</u>	<u>285,599</u>	<u>6,629,218</u>
Expenditures:				
Current:				
Public safety	2,922,214	-	-	2,922,214
Transportation	602,084	-	-	602,084
Economic and physical development	1,047,170	-	-	1,047,170
Cultural and recreational	-	-	-	-
Education	-	863,188	-	863,188
Total current expenditures	<u>4,571,468</u>	<u>863,188</u>	<u>-</u>	<u>5,434,656</u>
Capital outlay	<u>-</u>	<u>632,433</u>	<u>-</u>	<u>632,433</u>
Debt service:				
Principal	-	-	968,836	968,836
Interest and fees	-	-	197,399	197,399
Total debt service	<u>-</u>	<u>-</u>	<u>1,166,235</u>	<u>1,166,235</u>
Total Expenditures	<u>4,571,468</u>	<u>1,495,621</u>	<u>1,166,235</u>	<u>7,233,324</u>
Revenues over (under) expenditures	<u>(253,019)</u>	<u>529,549</u>	<u>(880,636)</u>	<u>(604,106)</u>
Other financing sources (uses):				
Transfers in (out)	105,826	-	880,636	986,462
Debt Proceeds	-	-	-	-
Total other financing sources (uses)	<u>105,826</u>	<u>-</u>	<u>880,636</u>	<u>986,462</u>
Net change in fund balance	(147,193)	529,549	-	382,356
Fund balances, beginning	1,044,913	(1,621,836)	(436,048)	(1,012,971)
Fund balances, ending	<u>\$ 897,720</u>	<u>\$ (1,092,287)</u>	<u>\$ (436,048)</u>	<u>\$ (630,615)</u>

Columbus County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2019

	Special Service District Fund	Rescue Tax Fund	Emergency Telephone	Transportation Fund	Tourism Revolving Loan Fund	Walking Trail Equipment Grant	NCHFA URP 1703 Grant	Tabor City Incubator Project
ASSETS								
Cash and cash equivalents	\$ 42,339	\$ 208,467	\$ 602,548	\$ 79,258	\$ 158,491	\$ -	\$ -	\$ 19,691
Taxes receivable (net)	223,678	72,300	-	-	-	-	-	-
Accounts receivable (net)	-	-	23,006	64,218	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	2,789	260	-	5,063	-	34
Total assets	<u>\$ 266,017</u>	<u>\$ 280,767</u>	<u>\$ 628,343</u>	<u>\$ 143,736</u>	<u>\$ 158,491</u>	<u>\$ 5,063</u>	<u>\$ -</u>	<u>\$ 19,725</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 40,055	\$ 211,600	\$ 1,121	\$ 36,373	\$ -	\$ -	\$ -	\$ 1,039
Due to other funds	-	-	-	-	-	32,086	-	-
Total liabilities	<u>40,055</u>	<u>211,600</u>	<u>1,121</u>	<u>36,373</u>	<u>-</u>	<u>32,086</u>	<u>-</u>	<u>1,039</u>
DEFERRED INFLOWS OF RESOURCES	<u>223,678</u>	<u>72,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Restricted:								
Public Safety	2,284	-	627,222	-	-	-	-	-
Transportation	-	-	-	107,363	-	-	-	-
Economic and Physical Development	-	-	-	-	158,491	-	-	18,686
Cultural and Recreational	-	-	-	-	-	-	-	-
Unassigned	-	(3,133)	-	-	-	(27,023)	-	-
Total fund balances	<u>2,284</u>	<u>(3,133)</u>	<u>627,222</u>	<u>107,363</u>	<u>158,491</u>	<u>(27,023)</u>	<u>-</u>	<u>18,686</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 266,017</u>	<u>\$ 280,767</u>	<u>\$ 628,343</u>	<u>\$ 143,736</u>	<u>\$ 158,491</u>	<u>\$ 5,063</u>	<u>\$ -</u>	<u>\$ 19,725</u>

Columbus County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2019

	2013 Single Family Rehab Grant	2016 Single Family Rehab Grant	NCHFA 2017 ESFRLP Fund	Brownfield Assessment Grant	NCDNCR Library Grant	Storm Debris Removal Project	Hazard Mitigation Funds	2017 State Disaster Recovery	2018 Urgent Repair Program	Total
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 37,880	\$ 1,248,674
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	295,978
Accounts receivable (net)	-	-	-	-	-	-	-	-	-	87,224
Notes receivable	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	8,146
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,880</u>	<u>\$ 1,640,022</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ 290,488
Due to other funds	-	22,795	10,479	-	-	25,000	58,270	7,206	-	155,836
Total liabilities	<u>-</u>	<u>22,795</u>	<u>10,479</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>58,270</u>	<u>7,506</u>	<u>-</u>	<u>446,324</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,978</u>
Fund Balances:										
Restricted:										
Public Safety	-	-	-	-	-	-	-	-	-	629,506
Transportation	-	-	-	-	-	-	-	-	-	107,363
Economic and Physical Development	-	-	-	-	-	-	-	-	37,880	215,057
Cultural and Recreational	-	-	-	-	100,000	-	-	-	-	100,000
Unassigned	-	(22,795)	(10,479)	-	-	(25,000)	(58,270)	(7,506)	-	(154,206)
Total fund balances	<u>-</u>	<u>(22,795)</u>	<u>(10,479)</u>	<u>-</u>	<u>100,000</u>	<u>(25,000)</u>	<u>(58,270)</u>	<u>(7,506)</u>	<u>37,880</u>	<u>897,720</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,880</u>	<u>\$ 1,640,022</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, 2019

	Special Service District Fund	Rescue Tax Fund	Emergency Telephone	Transportation Fund	Tourism Revolving Loan Fund	Walking Trail Equipment Grant	NCHFA URP 1703 Grant	Tabor City Incubator Project
Revenues:								
Ad valorem taxes	\$ 1,773,114	\$ 766,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	91,619	-	-	-	-
Charges for services	-	-	-	73,813	-	-	-	-
Restricted intergovernmental	-	-	276,074	406,640	-	-	-	-
Investment earnings	-	-	-	-	14	-	-	-
Miscellaneous	-	-	-	-	-	-	-	35,779
Total revenues	<u>1,773,114</u>	<u>766,872</u>	<u>276,074</u>	<u>572,072</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>35,779</u>
Expenditures:								
Public safety	1,771,370	766,860	240,050	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Transportation	-	-	-	602,084	-	-	-	-
Economic and physical development	-	-	-	-	-	298,646	50,000	20,898
Total expenditures	<u>1,771,370</u>	<u>766,860</u>	<u>240,050</u>	<u>602,084</u>	<u>-</u>	<u>298,646</u>	<u>50,000</u>	<u>20,898</u>
Revenues over (under) expenditures	1,744	12	36,024	(30,012)	14	(298,646)	(50,000)	14,881
Other financing sources (uses):								
Transfers in (out)	-	-	-	(18,891)	-	115,123	-	-
Loan proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,891)</u>	<u>-</u>	<u>115,123</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,744	12	36,024	(48,903)	14	(183,523)	(50,000)	14,881
Fund balances, beginning	<u>540</u>	<u>(3,145)</u>	<u>591,198</u>	<u>156,266</u>	<u>158,477</u>	<u>156,500</u>	<u>50,000</u>	<u>3,805</u>
Fund balances, ending	<u>\$ 2,284</u>	<u>\$ (3,133)</u>	<u>\$ 627,222</u>	<u>\$ 107,363</u>	<u>\$ 158,491</u>	<u>\$ (27,023)</u>	<u>\$ -</u>	<u>\$ 18,686</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, 2019

	2013 Single Family Rehab Grant	2016 Single Family Rehab Grant	NCHFA 2017 ESFRLP Fund	Brownfield Assessment Grant	NCDNCR Library Grant	Storm Debris Removal Project	Hazard Mitigation Funds	2017 State Disaster Recovery	2018 Urgent Repair Program	Total
Revenues:										
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,539,986
Other taxes and licenses	-	-	-	-	-	-	-	-	-	91,619
Charges for services	-	-	-	-	-	-	-	-	-	73,813
Restricted intergovernmental	-	80,060	417,280	14,997	100,000	108,934	-	123,253	50,000	1,577,238
Investment earnings	-	-	-	-	-	-	-	-	-	14
Miscellaneous	-	-	-	-	-	-	-	-	-	35,779
Total revenues	-	80,060	417,280	14,997	100,000	108,934	-	123,253	50,000	4,318,449
Expenditures:										
Public safety	-	-	-	-	-	143,934	-	-	-	2,922,214
Cultural and recreational	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	602,084
Economic and physical development	-	41,100	420,380	14,997	-	-	58,270	130,759	12,120	1,047,170
Total expenditures	-	41,100	420,380	14,997	-	143,934	58,270	130,759	12,120	4,571,468
Revenues over (under) expenditures	-	38,960	(3,100)	-	100,000	(35,000)	(58,270)	(7,506)	37,880	(253,019)
Other financing sources (uses):										
Transfers in (out)	9,594	-	-	-	-	-	-	-	-	105,826
Loan proceeds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	9,594	-	-	-	-	-	-	-	-	105,826
Net change in fund balances	9,594	38,960	(3,100)	-	100,000	(35,000)	(58,270)	(7,506)	37,880	(147,193)
Fund balances, beginning	(9,594)	(61,755)	(7,379)	-	-	10,000	-	-	-	1,044,913
Fund balances, ending	\$ -	\$ (22,795)	\$ (10,479)	\$ -	\$ 100,000	\$ (25,000)	\$ (58,270)	\$ (7,506)	\$ 37,880	\$ 897,720

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, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad valorem taxes	\$ 1,745,917	\$ 1,773,114	\$ 27,197
Total revenues	<u>1,745,917</u>	<u>1,773,114</u>	<u>27,197</u>
Expenditures:			
Public Safety:			
Acme Delco Fire District	385,578	393,332	(7,754)
Bolton Fire District	43,452	42,414	1,038
Brunswick Fire District	149,626	152,948	(3,322)
Buckhead Fire District	21,213	22,474	(1,261)
Cerro Gordo Fire District	89,975	92,748	(2,773)
Coles Service Fire District	65,635	67,484	(1,849)
East Columbus Fire District	13,046	13,156	(110)
Evergreen Fire District	69,541	71,099	(1,558)
Hallsboro Fire District	64,005	64,098	(93)
Klondyke Fire District	122,810	120,866	1,944
Nakina Fire District	100,220	103,289	(3,069)
North Whiteville Fire District	175,355	173,591	1,764
Old Dock/Cypress Creek Fire District	55,383	55,986	(603)
Roseland Fire District	84,486	86,489	(2,003)
St. James Fire District	22,107	22,660	(553)
Williams Township Fire District	103,578	106,227	(2,649)
White Marsh Fire District	50,799	50,217	582
Yam City Fire District	129,108	132,292	(3,184)
Total expenditures	<u>1,745,917</u>	<u>1,771,370</u>	<u>(25,453)</u>
Revenues over (under) expenditures	<u>\$ -</u>	1,744	<u>\$ 1,744</u>
Fund balance, beginning		<u>540</u>	
Fund balance, ending		<u>\$ 2,284</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes	\$ 770,378	\$ 766,872	\$ (3,506)
Total revenues	<u>770,378</u>	<u>766,872</u>	<u>(3,506)</u>
Expenditures:			
Public Safety:			
Acme Delco Riegelwood Rescue	71,927	71,330	597
Buckhead Rescue	71,928	71,330	598
Cerro Gordo Rescue	71,927	71,330	597
Chadbourn Rescue	71,928	71,330	598
Fair Bluff Rescue	71,928	71,330	598
Lake Waccamaw Rescue	71,928	71,330	598
Nakina Rescue	71,928	71,330	598
Tabor City Rescue	71,928	71,330	598
Special Districts	194,956	196,220	(1,264)
Total expenditures	<u>770,378</u>	<u>766,860</u>	<u>3,518</u>
Revenues over (under) expenditures	<u>\$ -</u>	12	<u>\$ 12</u>
Fund balance, beginning		<u>(3,145)</u>	
Fund balance, ending		<u>\$ (3,133)</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
E911 Surcharge revenue	\$ 274,596	\$ 276,074	\$ 1,478
Total revenues	<u>274,596</u>	<u>276,074</u>	<u>1,478</u>
Expenditures:			
Contracted services	115,096	55,392	59,704
Operating expenses	<u>181,500</u>	<u>141,770</u>	<u>39,730</u>
Total Operating Expenditures	<u>296,596</u>	<u>197,162</u>	<u>99,434</u>
Capital Outlay	<u>43,000</u>	<u>42,888</u>	<u>112</u>
Total expenditures	<u>339,596</u>	<u>240,050</u>	<u>99,546</u>
Revenues over (under) expenditures	<u>(65,000)</u>	<u>36,024</u>	<u>101,024</u>
Other Financing Sources (Uses):			
Transfer in (out)	-	-	-
Appropriated Fund Balance	<u>65,000</u>	-	<u>(65,000)</u>
Total Other Financing Sources (Uses)	<u>65,000</u>	<u>-</u>	<u>(65,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	36,024	<u>\$ 36,024</u>
Fund balance, beginning		<u>591,198</u>	
Fund balance, ending		<u>\$ 627,222</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
NCDOT Interagency Grant	\$ 424,118	\$ 229,625	\$ (194,493)
NC Partnership for Children	3,000	2,300	(700)
NCDOT Rural Operating Assistance	180,235	174,715	(5,520)
Interagency transportation	73,389	73,813	424
CCIT - Gasoline reimbursement	120,000	91,619	(28,381)
Investment earnings	-	-	-
Total revenues	<u>800,742</u>	<u>572,072</u>	<u>(228,670)</u>
Expenditures:			
Transportation:			
Salaries and employee benefits	65,546	65,353	193
Management services	80,821	80,821	-
Special appropriations	189,429	152,972	36,457
Transportation services	15,806	14,936	870
Operating expenses	142,460	111,664	30,796
Capital outlay	373,358	176,338	197,020
Total expenditures	<u>867,420</u>	<u>602,084</u>	<u>265,336</u>
Revenues over (under) expenditures	<u>(66,678)</u>	<u>(30,012)</u>	<u>36,666</u>
Other financing sources (uses):			
Transfer from General fund	27,500	-	(27,500)
Transfer to General fund	(18,891)	(18,891)	-
Transfer from Reserve	58,069	-	(58,069)
Total other financing sources (uses)	<u>66,678</u>	<u>(18,891)</u>	<u>(85,569)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(48,903)</u>	<u>\$ (48,903)</u>
Fund balance, beginning		<u>156,266</u>	
Fund balance, ending		<u>\$ 107,363</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, 2019

	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		<u>158,477</u>	
Fund balance, ending		<u>\$ 158,491</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, 2019

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Kate Reynolds Charitable Trust Grant	156,500	156,500	-	156,500	-
FIT Radio Parks and Recreation Funds	15,000	-	-	-	(15,000)
Total revenues	<u>171,500</u>	<u>156,500</u>	<u>-</u>	<u>156,500</u>	<u>(15,000)</u>
Expenditures:					
Engineer Design / Survey	31,000	-	31,000	31,000	-
Advertising	400	-	302	302	98
Bathroom Building	103,800	-	144,153	144,153	(40,353)
Outdoor Fitness Equipment	151,423	-	123,191	123,191	28,232
Total expenditures	<u>286,623</u>	<u>-</u>	<u>298,646</u>	<u>298,646</u>	<u>(12,023)</u>
Revenues over (under) expenditures	<u>(115,123)</u>	<u>156,500</u>	<u>(298,646)</u>	<u>(142,146)</u>	<u>(27,023)</u>
Other Financing Sources (Uses):					
Transfers from General Fund	115,123	-	115,123	115,123	-
Appropriated Fund Balance	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>115,123</u>	<u>-</u>	<u>115,123</u>	<u>115,123</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 156,500</u>	<u>(183,523)</u>	<u>\$ (27,023)</u>	<u>\$ (27,023)</u>
Fund balance, beginning			<u>156,500</u>		
Fund balance, ending			<u>\$ (27,023)</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, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NCHFA URP 1703	\$ 100,000	\$ 50,000	\$ -	\$ 50,000	\$ (50,000)
Total revenues	<u>100,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>
Expenditures:					
Urgent repair expenditures	100,000	-	50,000	50,000	50,000
Total expenditures	<u>100,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Revenues over (under) expenditures	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>-</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>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 50,000</u>	<u>(50,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>50,000</u>		
Fund balance, ending			<u>\$ -</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Rents	\$ 51,900	\$ 33,750	\$ (18,150)
Reimbursements for Utilities	1,500	2,029	529
Total revenues	<u>53,400</u>	<u>35,779</u>	<u>(17,621)</u>
Expenditures:			
Supplies	1,000	-	1,000
Utilities	37,400	7,950	29,450
Maintenance and Repairs	15,000	12,948	2,052
Capital Outlay	-	-	-
Total expenditures	<u>53,400</u>	<u>20,898</u>	<u>32,502</u>
Revenues over (under) expenditures	-	14,881	14,881
Other Financing Sources (Uses):			
Transfer from General Fund	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	14,881	<u>\$ 14,881</u>
Fund balance, beginning		<u>3,805</u>	
Fund balance, ending		<u>\$ 18,686</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, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive Negative)
Revenues:					
NC Housing Finance funds	\$ 270,910	\$ 261,316	\$ -	\$ 261,316	\$ (9,594)
Total revenues	<u>270,910</u>	<u>261,316</u>	<u>-</u>	<u>261,316</u>	<u>(9,594)</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>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>(9,594)</u>	<u>-</u>	<u>(9,594)</u>	<u>(9,594)</u>
Other Financing Sources (Uses):					
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>9,594</u>	<u>9,594</u>	<u>9,594</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (9,594)</u>	<u>9,594</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>(9,594)</u>		
Fund balance, ending			<u>\$ -</u>		

Columbus County, North Carolina
2016 Single Family Rehabilitation Grant
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Single Family Rehabilitation Grant	\$ 175,000	\$ 105,205	\$ 80,060	\$ 185,265	\$ 10,265
Total revenues	<u>175,000</u>	<u>105,205</u>	<u>80,060</u>	<u>185,265</u>	<u>10,265</u>
Expenditures:					
Soft cost	50,000	42,000	14,100	56,100	(6,100)
Hard cost	125,000	124,960	27,000	151,960	(26,960)
Total expenditures	<u>175,000</u>	<u>166,960</u>	<u>41,100</u>	<u>208,060</u>	<u>(33,060)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (61,755)</u>	38,960	<u>\$ (22,795)</u>	<u>\$ (22,795)</u>
Fund balance, beginning			<u>(61,755)</u>		
Fund balance, ending			<u>\$ (22,795)</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, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Single Family Rehabilitation Grant	\$ 500,000	\$ 140,915	\$ 417,280	\$ 558,195	\$ 58,195
Total revenues	<u>500,000</u>	<u>140,915</u>	<u>417,280</u>	<u>558,195</u>	<u>58,195</u>
Expenditures:					
Soft cost	100,000	57,179	66,800	123,979	(23,979)
Hard cost	400,000	91,115	353,580	444,695	(44,695)
Total expenditures	<u>500,000</u>	<u>148,294</u>	<u>420,380</u>	<u>568,674</u>	<u>(68,674)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (7,379)</u>	(3,100)	<u>\$ (10,479)</u>	<u>\$ (10,479)</u>
Fund balance, beginning			<u>(7,379)</u>		
Fund balance, ending			<u>\$ (10,479)</u>		

Columbus County, North Carolina
Brownfield Assessment
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Brownfield Assessment Grant	\$ 300,000	\$ -	\$ 14,997	\$ 14,997	\$ (285,003)
Total revenues	<u>300,000</u>	<u>-</u>	<u>14,997</u>	<u>14,997</u>	<u>(285,003)</u>
Expenditures:					
Administration	5,000	-	-	-	5,000
Operations	289,750	-	13,127	13,127	276,623
Travel	5,250	-	1,192	1,192	4,058
Advertising	-	-	678	678	(678)
Total expenditures	<u>300,000</u>	<u>-</u>	<u>14,997</u>	<u>14,997</u>	<u>285,003</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ -</u>		

Columbus County, North Carolina
NC Department of Natural and Cultural Resources Grant
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NCDNCR Grant	\$ 150,000	\$ -	\$ 100,000	\$ 100,000	\$ (50,000)
Total revenues	<u>150,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>(50,000)</u>
Expenditures:					
Professional and Contracted services	150,000	-	-	-	150,000
Total expenditures	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	100,000	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 100,000</u>		

Columbus County, North Carolina
Storm Debris Removal Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Disaster Recovery Act of 2016	\$ 1,431,218	\$ 644,758	\$ 108,934	\$ 753,692	\$ (677,526)
Total revenues	<u>1,431,218</u>	<u>644,758</u>	<u>108,934</u>	<u>753,692</u>	<u>(677,526)</u>
Expenditures:					
Contracted services	1,431,218	634,758	143,934	778,692	652,526
Total expenditures	<u>1,431,218</u>	<u>634,758</u>	<u>143,934</u>	<u>778,692</u>	<u>652,526</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 10,000</u>	(35,000)	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>
Fund balance, beginning			<u>10,000</u>		
Fund balance, ending			<u>\$ (25,000)</u>		

Columbus County, North Carolina
Hazard Mitigation Funds
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
NC Dept of Emergency Mgmt (FEMA)	913,295	\$ -	\$ -	\$ -	\$ (913,295)
Total revenues	<u>913,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(913,295)</u>
Expenditures:					
Professional Engineering	57,500	-	-	-	57,500
Elevations	112,250	-	900	900	111,350
Acquisition Survey & Intake	4,700	-	675	675	4,025
Construction	468,420	-	-	-	468,420
Elevations Project Management	31,909	-	-	-	31,909
Acquisition Project Management	11,582	-	-	-	11,582
Acquisition Demo	16,625	-	-	-	16,625
Acquisition - Misc Cost	10,650	-	1,159	1,159	9,491
Acquisition Est Fair Market	199,659	-	55,536	55,536	144,123
Total expenditures	<u>913,295</u>	<u>-</u>	<u>58,270</u>	<u>58,270</u>	<u>855,025</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(58,270)	<u>\$ (58,270)</u>	<u>\$ (58,270)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ (58,270)</u>		

Columbus County, North Carolina
2017 State Disaster Recovery Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
2017 Disaster Recovery Assistance	\$ 1,000,000	\$ -	\$ 123,253	\$ 123,253	\$ (876,747)
Total revenues	<u>1,000,000</u>	<u>-</u>	<u>123,253</u>	<u>123,253</u>	<u>(876,747)</u>
Expenditures:					
Insurance - Homeowners	32,800	-	2,200	-	32,800
Basic Administrative Services	50,000	-	-	-	50,000
Technical Housing Services	130,000	-	-	-	130,000
Recon / Elev Manufactured Home	110,000	-	-	-	110,000
Rehabilitation	45,000	-	1,617	1,617	43,383
Reconstruction Single Family Home	105,000	-	1,389	1,389	103,611
Recon - Elev Single Family Home	424,200	-	124,753	124,753	299,447
Rehab - Elev Single Family Home	103,000	-	800	800	102,200
Total expenditures	<u>1,000,000</u>	<u>-</u>	<u>130,759</u>	<u>128,559</u>	<u>871,441</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(7,506)</u>	<u>\$ (5,306)</u>	<u>\$ (5,306)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ (7,506)</u>		

**Columbus County, North Carolina
2018 Urgent Repair Program
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Urgent Repairs Program	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ (50,000)
Total revenues	<u>100,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>(50,000)</u>
Expenditures:					
Urgent Repair Expenditures	100,000	-	12,120	12,120	87,880
Total expenditures	<u>100,000</u>	<u>-</u>	<u>12,120</u>	<u>12,120</u>	<u>87,880</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	37,880	<u>\$ 37,880</u>	<u>\$ 37,880</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 37,880</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ -	\$ -	\$ -
Restricted Sales Tax	285,299	285,599	300
Total revenues	<u>285,299</u>	<u>285,599</u>	<u>300</u>
Expenditures:			
Principal	968,536	968,836	(300)
Interest and fees	209,378	197,399	11,979
Total expenditures	<u>1,177,914</u>	<u>1,166,235</u>	<u>11,679</u>
Revenues over (under) expenditures	<u>(892,615)</u>	<u>(880,636)</u>	<u>11,979</u>
Other financing sources (uses):			
Transfer from General Fund	892,615	880,636	(11,979)
Total other financing sources (uses)	<u>892,615</u>	<u>880,636</u>	<u>(11,979)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u>(436,048)</u>	
Fund balance, ending		<u>\$ (436,048)</u>	

CAPITAL PROJECTS FUND

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

Columbus County, North Carolina
Non-Major Capital Projects Fund
Combining Balance Sheets
June 30, 2019

	Airport Improvements	Courthouse Construction Project	Courthouse Renovation Capital Project	E911 Project - Radio	E911 Project - Aging	Public School Bonds Capital Project	School Project Fund (WCS)	Total
ASSETS								
Cash and cash equivalents	\$ 90,037	\$ 323,100	\$ -	\$ -	\$ -	\$ 375,595	\$ -	\$ 788,732
Restricted cash	-	-	-	-	-	-	-	-
Accounts receivable (net)	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	2,450	-	-	708	3,158
Total assets	<u>\$ 90,037</u>	<u>\$ 323,100</u>	<u>\$ -</u>	<u>\$ 2,450</u>	<u>\$ -</u>	<u>\$ 375,595</u>	<u>\$ 708</u>	<u>\$ 791,890</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ 2,777	\$ -	\$ -	\$ 570	\$ 310,143	\$ 179	\$ 313,669
Due to other funds	-	-	305,491	382,295	26,027	-	856,695	1,570,508
Total liabilities	<u>-</u>	<u>2,777</u>	<u>305,491</u>	<u>382,295</u>	<u>26,597</u>	<u>310,143</u>	<u>856,874</u>	<u>1,884,177</u>
Fund balances:								
Restricted:								
Airport improvements	90,037	-	-	-	-	-	-	90,037
Public Safety	-	320,323	-	-	-	65,452	-	385,775
Unassigned	-	-	(305,491)	(379,845)	(26,597)	-	(856,166)	(1,568,099)
Total fund balances	<u>90,037</u>	<u>320,323</u>	<u>(305,491)</u>	<u>(379,845)</u>	<u>(26,597)</u>	<u>65,452</u>	<u>(856,166)</u>	<u>(1,092,287)</u>
Total liabilities and fund balances	<u>\$ 90,037</u>	<u>\$ 323,100</u>	<u>\$ -</u>	<u>\$ 2,450</u>	<u>\$ -</u>	<u>\$ 375,595</u>	<u>\$ (856,166)</u>	<u>\$ 791,890</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, 2019**

	Airport Improvements	Courthouse Construction Project	Courthouse Renovation Capital Project	E911 Project - Radio	E911 Project - Aging	Public School Bonds Capital Project	School Project Fund (WCS)	Total
Revenues:								
Restricted intergovernmental Contributions	\$ 2,018,148	\$ -	\$ -	\$ -	\$ -	\$ 7,022	\$ -	\$ 2,025,170
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>2,018,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,022</u>	<u>-</u>	<u>2,025,170</u>
Expenditures:								
Education	-	-	-	-	-	7,022	856,166	863,188
Cultural and recreational	-	-	-	-	-	-	-	-
Capital outlay	518,186	64,162	900	49,185	-	-	-	632,433
Total expenditures	<u>518,186</u>	<u>64,162</u>	<u>900</u>	<u>49,185</u>	<u>-</u>	<u>7,022</u>	<u>856,166</u>	<u>1,495,621</u>
Revenues over (under) expenditures	1,499,962	(64,162)	(900)	(49,185)	-	-	(856,166)	529,549
Other financing sources (uses):								
Transfers in (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,499,962	(64,162)	(900)	(49,185)	-	-	(856,166)	529,549
Fund balances, beginning	<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>(1,621,836)</u>
Fund balances, ending	<u>\$ 90,037</u>	<u>\$ 320,323</u>	<u>\$ (305,491)</u>	<u>\$ (379,845)</u>	<u>\$ (26,597)</u>	<u>\$ 65,452</u>	<u>\$ (856,166)</u>	<u>\$ (1,092,287)</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, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NCDOT Airport Grant (36237.53.7.1)	\$ 26,762	\$ 3,776	\$ -	\$ 3,776	\$ (22,986)
NCDOT Airport Grant (36244.18.7.1)	150,132	146,173	-	146,173	(3,959)
NCDOT Airport Grant (36244.18.7.2)	36,751	35,942	-	35,942	(809)
NCDOT Airport Grant (36244.18.8.2)	27,643	-	27,642	27,642	(1)
NCDOT Airport Grant (36237.53.12.1)	630,378	595,146	35,213	630,359	(19)
NCDOT Airport Grant (36237.53.13.1)	2,564,029	1,080,386	1,681,766	2,762,152	198,123
NCDOT Airport Grant (36244.18.6.1)	494,460	256,329	268,895	525,224	30,764
NCDOT Airport Grant (36244.18.8.1)	157,010	-	4,632	4,632	(152,378)
Miscellaneous	13,355	13,350	-	13,350	(5)
Total revenues	<u>4,100,520</u>	<u>2,131,102</u>	<u>2,018,148</u>	<u>4,149,250</u>	<u>48,730</u>
Expenditures:					
Airport improvements	3,952,728	3,221,586	458,408	3,679,994	272,734
Professional services	521,162	443,662	59,778	503,440	17,722
Administrative costs	2,332	-	-	-	2,332
Total expenditures	<u>4,476,222</u>	<u>3,665,248</u>	<u>518,186</u>	<u>4,183,434</u>	<u>292,788</u>
Revenues over (under) expenditures	<u>(375,702)</u>	<u>(1,534,146)</u>	<u>1,499,962</u>	<u>(34,184)</u>	<u>341,518</u>
Other financing sources:					
Transfers from General Fund	375,702	124,218	-	124,218	(251,484)
Total other financing sources	<u>375,702</u>	<u>124,218</u>	<u>-</u>	<u>124,218</u>	<u>(251,484)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (1,409,928)</u>	<u>\$ 1,499,962</u>	<u>\$ 90,034</u>	<u>\$ 90,034</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, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ 1,000	\$ -	\$ -	\$ -	\$ (1,000)
Sales & Use Tax Refunds	184,319	-	-	-	(184,319)
Miscellaneous	27,862	-	-	-	(27,862)
Total revenues	<u>213,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(213,181)</u>
Expenditures:					
Construction	8,456,700	122,072	64,162	186,234	8,270,466
Engineering/Architect fees	653,013	-	-	-	653,013
Contracts	326,987	-	-	-	326,987
Relocation expense	-	-	-	-	-
Furniture, Fixtures, Equipment	467,300	93,242	-	93,242	374,058
Contingency	302,951	-	-	-	302,951
Total expenditures	<u>10,206,951</u>	<u>215,314</u>	<u>64,162</u>	<u>279,476</u>	<u>9,927,475</u>
Revenues over (under) expenditures	<u>(9,993,770)</u>	<u>(215,314)</u>	<u>(64,162)</u>	<u>(279,476)</u>	<u>9,714,294</u>
Other financing sources:					
Debt proceeds	9,000,000	-	-	-	(9,000,000)
Transfer from general fund	993,770	599,798	-	599,798	(393,972)
Total other financing sources	<u>9,993,770</u>	<u>599,798</u>	<u>-</u>	<u>599,798</u>	<u>(9,393,972)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 384,484</u>	<u>\$ (64,162)</u>	<u>\$ 320,322</u>	<u>\$ 320,322</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, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Construction	-	-	-	-	-
Engineering/Architect fees	285,763	285,762	-	285,762	1
Contingency	545	544	900	1,444	(899)
Furniture, Fixtures, Equipment	18,285	18,285	-	18,285	-
Total expenditures	<u>304,593</u>	<u>304,591</u>	<u>900</u>	<u>305,491</u>	<u>(898)</u>
Revenues over (under) expenditures	<u>(304,593)</u>	<u>(304,591)</u>	<u>(900)</u>	<u>(305,491)</u>	<u>(898)</u>
Other financing sources:					
Debt proceeds	-	-	-	-	-
Transfer from Transportation Fund	304,593	-	-	-	304,593
Total other financing sources	<u>304,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>304,593</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (304,591)</u>	<u>\$ (900)</u>	<u>\$ (305,491)</u>	<u>\$ 303,695</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, 2019

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
NC 911 Board revenues	\$ 905,000	\$ -	\$ -	\$ -	\$ (905,000)
Miscellaneous revenue	90,013	10,696	-	10,696	(79,317)
Total revenues	<u>995,013</u>	<u>10,696</u>	<u>-</u>	<u>10,696</u>	<u>(984,317)</u>
Expenditures:					
Capital outlay	<u>2,180,395</u>	<u>493,437</u>	<u>49,185</u>	<u>542,622</u>	<u>1,637,773</u>
Total expenditures	<u>2,180,395</u>	<u>493,437</u>	<u>49,185</u>	<u>542,622</u>	<u>1,637,773</u>
Revenues over (under) expenditures	<u>(1,185,382)</u>	<u>(482,741)</u>	<u>(49,185)</u>	<u>(531,926)</u>	<u>653,456</u>
Other financing sources:					
Transfer to (from)E-911 Fund	-	-	-	-	-
Transfer to (from) Transportation Fund	28,000	14,000	-	14,000	(14,000)
Transfer (to) from General Fund	844,445	138,081	-	138,081	(706,364)
Appropriated fund balance	<u>317,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(317,937)</u>
Total other financing sources	<u>1,190,382</u>	<u>152,081</u>	<u>-</u>	<u>152,081</u>	<u>(1,038,301)</u>
Revenues and other sources over (under) expenditures	<u>\$ 5,000</u>	<u>\$ (330,660)</u>	<u>\$ (49,185)</u>	<u>\$ (379,845)</u>	<u>\$ (384,845)</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, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NC 911 Board revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenue	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures:					
Capital outlay	543,938	298,566	-	298,566	245,372
Total expenditures	543,938	298,566	-	298,566	245,372
Revenues over (under) expenditures	(543,938)	(298,566)	-	(298,566)	245,372
Other financing sources:					
Transfer to (from) E-911 Fund	543,938	271,969	-	271,969	(271,969)
Appropriated fund balance	-	-	-	-	-
Total other financing sources	543,938	271,969	-	271,969	(271,969)
Revenues and other sources over (under) expenditures	\$ -	\$ (26,597)	\$ -	\$ (26,597)	\$ (26,597)

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, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Public School Building	\$ -	\$ -	\$ -	\$ -	\$ -
Lottery Distribution	500,000	-	7,022	7,022	(492,978)
Restricted Sales Tax	-	-	-	-	-
Total revenues	<u>500,000</u>	<u>-</u>	<u>7,022</u>	<u>7,022</u>	<u>(492,978)</u>
Expenditures:					
Lottery Disbursement	500,000	-	7,022	7,022	492,978
Capital Outlay - SCC	-	-	-	-	-
Capital Outlay - Public Schools	<u>224,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,142</u>
Total expenditures	<u>724,142</u>	<u>-</u>	<u>7,022</u>	<u>7,022</u>	<u>717,120</u>
Revenues over (under) expenditures	<u>(224,142)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,142</u>
Other financing sources:					
Transfer from General Fund	<u>224,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(224,142)</u>
Total other financing sources	<u>224,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(224,142)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Columbus County, North Carolina
School Construction Fund (WCS)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Contribution - Whiteville City Schools	\$ 333,000	\$ -	\$ -	\$ -	\$ (333,000)
Lottery Funding (Needs Based)	4,050,000	-	-	-	(4,050,000)
Total revenues	<u>4,383,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,383,000)</u>
Expenditures					
Engineer / Architect Fees	1,202,279	-	755,502	755,502	446,777
Appraisal & Survey	100,000	-	37,938	37,938	62,062
Permitting Fees	32,400	-	3,150	3,150	29,250
Construction Cost	19,253,053	-	34,527	34,527	19,218,526
Administrative Cost	155,000	-	629	629	154,371
Contingency	1,240,190	-	24,420	24,420	1,215,770
Furniture, Fixtures, and Equipment	10,000	-	-	-	10,000
Total expenditures	<u>21,992,922</u>	<u>-</u>	<u>856,166</u>	<u>856,166</u>	<u>21,136,756</u>
Revenues over (under) expenditures	<u>(17,609,922)</u>	<u>-</u>	<u>(856,166)</u>	<u>(856,166)</u>	<u>(25,519,756)</u>
Other financing sources:					
Transfer from General Fund	3,000,000	-	-	-	-
Debt Proceeds	14,609,922	-	-	-	-
Total other financing sources	<u>17,609,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (856,166)</u>	<u>\$ (856,166)</u>	<u>\$ (25,519,756)</u>

ENTERPRISE FUND

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.

Columbus County, North Carolina
Proprietary Funds
Combining Statement of Net Position
June 30, 2019

	MAJOR					NON-MAJOR		Total
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
ASSETS								
Current assets:								
Cash and Investments	\$ 6,607,821	\$ 563,158	\$ 763,428	\$ 692,305	\$ 1,982,406	\$ 1,454,002	\$ 677,152	\$ 12,740,272
Taxes Receivable	772,992	-	-	-	-	-	-	772,992
Accounts Receivable (net)	153,536	110,909	13,489	113,835	7,809	103,638	2,646	505,862
Due from other governments	2,442	6,281	2,931	3,229	3,142	3,544	505	22,074
Due from Districts - Current LOBS	-	-	-	-	-	-	-	-
Total	<u>7,536,791</u>	<u>680,348</u>	<u>779,848</u>	<u>809,369</u>	<u>1,993,357</u>	<u>1,561,184</u>	<u>680,303</u>	<u>14,041,200</u>
Noncurrent assets:								
Restricted - Cash	-	104,250	66,627	101,030	30,825	43,625	-	346,357
Capital assets:								
Land and construction in process	488,139	240,016	-	235,800	1,331,334	-	-	2,295,289
Other capital assets, net of depreciation	1,346,961	6,028,138	4,410,667	10,877,422	6,568,641	1,795,934	-	31,027,763
Total capital assets	<u>1,835,100</u>	<u>6,268,154</u>	<u>4,410,667</u>	<u>11,113,222</u>	<u>7,899,975</u>	<u>1,795,934</u>	<u>-</u>	<u>33,323,052</u>
Total noncurrent assets	<u>1,835,100</u>	<u>6,372,404</u>	<u>4,477,294</u>	<u>11,214,252</u>	<u>7,930,800</u>	<u>1,839,559</u>	<u>-</u>	<u>33,669,409</u>
Total Assets	<u>9,371,891</u>	<u>7,052,752</u>	<u>5,257,142</u>	<u>12,023,621</u>	<u>9,924,157</u>	<u>3,400,743</u>	<u>680,303</u>	<u>47,710,609</u>
DEFERRED OUTFLOWS OF RESOURCES								
Pension deferrals	39,164	28,104	17,041	13,182	8,338	18,811	26,264	150,904
Deferred charge on refunding	-	68,213	55,291	-	50,069	-	-	173,573
OPEB deferrals	<u>27,138</u>	<u>5,807</u>	<u>3,911</u>	<u>3,081</u>	<u>1,422</u>	<u>3,200</u>	<u>-</u>	<u>44,559</u>
Total deferred outflows of resources	<u>66,302</u>	<u>102,124</u>	<u>76,243</u>	<u>16,263</u>	<u>59,829</u>	<u>22,011</u>	<u>26,264</u>	<u>369,036</u>
LIABILITIES								
Current liabilities:								
Accounts payable and accrued liabilities	380,068	23,554	11,548	10,619	37,512	35,940	13,528	512,769
Accrued Interest	-	18,802	13,222	14,392	13,035	-	-	59,451
Due to other funds	-	-	-	-	-	-	-	-
Limited Obligation Bonds	-	145,000	115,000	-	85,000	-	-	345,000
Current Portion of Long-Term Debt	-	55,554	8,253	88,000	3,937	-	-	155,744
Total current liabilities	<u>380,068</u>	<u>242,910</u>	<u>148,023</u>	<u>113,011</u>	<u>139,484</u>	<u>35,940</u>	<u>13,528</u>	<u>1,072,964</u>
Noncurrent liabilities:								
Customer deposits	-	104,250	66,627	39,700	30,825	43,625	-	285,027
OPEB Liability	1,023,961	219,101	147,558	116,258	53,657	120,729	-	1,681,264
Compensated absences	12,509	9,177	8,721	5,968	3,931	3,482	7,939	51,727
Net pension liability	47,943	34,404	20,860	16,137	10,207	23,027	32,150	184,728
Limited Obligation Bonds	-	4,610,000	3,725,000	-	3,800,000	-	-	12,135,000
Bonds, notes and leases payable	-	1,053,214	173,311	4,900,000	98,428	-	-	6,224,953
Total noncurrent liabilities	<u>1,084,413</u>	<u>6,030,146</u>	<u>4,142,077</u>	<u>5,078,063</u>	<u>3,997,048</u>	<u>190,863</u>	<u>40,089</u>	<u>20,562,699</u>
Total Liabilities	<u>1,464,481</u>	<u>6,273,056</u>	<u>4,290,100</u>	<u>5,191,074</u>	<u>4,136,532</u>	<u>226,803</u>	<u>53,617</u>	<u>21,635,663</u>
DEFERRED INFLOWS OF RESOURCES								
Pension deferrals	703	504	306	237	150	338	471	2,709
OPEB deferrals	<u>125,428</u>	<u>26,838</u>	<u>18,075</u>	<u>14,241</u>	<u>6,573</u>	<u>14,788</u>	<u>-</u>	<u>205,943</u>
Total deferred inflows of resources	<u>126,131</u>	<u>27,342</u>	<u>18,381</u>	<u>14,478</u>	<u>6,723</u>	<u>15,126</u>	<u>471</u>	<u>208,652</u>
NET POSITION								
Net investment in capital assets	1,835,100	404,386	389,103	6,125,222	3,912,610	1,795,934	-	14,462,355
Restricted for Capital Projects	-	-	-	-	-	-	-	-
Unrestricted	<u>6,012,481</u>	<u>450,092</u>	<u>635,801</u>	<u>709,110</u>	<u>1,928,121</u>	<u>1,384,891</u>	<u>652,479</u>	<u>11,772,975</u>
Total Net Position	<u>\$ 7,847,581</u>	<u>\$ 854,478</u>	<u>\$ 1,024,904</u>	<u>\$ 6,834,332</u>	<u>\$ 5,840,731</u>	<u>\$ 3,180,825</u>	<u>\$ 652,479</u>	<u>\$ 26,235,330</u>

Columbus County, North Carolina
Proprietary Funds
Combining Statement of Revenues and Expenditures
For The Fiscal Year Ended June 30, 2019

	MAJOR					NON-MAJOR		Total
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
Revenues:								
Operating Revenues:								
Charges for Services	\$ 5,805,308	\$ 749,275	\$ 425,183	\$ 789,226	\$ 656,477	\$ 639,991	\$ -	\$ 9,065,460
Water Taps & Reconnection Fees	-	42,930	22,604	24,809	12,983	36,135	-	139,461
Sewer Sales	-	-	-	-	29,800	-	-	29,800
Special District Taxes	-	10,323	1,900	-	-	-	-	12,223
Miscellaneous Revenue	-	11,974	22,264	13,792	(614)	676	-	48,092
Total Operating Revenues	5,805,308	814,502	471,951	827,827	698,646	676,802	-	9,295,036
Expenditures:								
Operating Expenses:								
Salaries and employee benefits	339,854	153,052	93,027	68,754	43,279	99,611	149,751	947,328
Contract Services	3,568,239	10,206	7,803	8,079	2,221	7,290	-	3,603,838
Supplies	456	63,861	39,997	30,991	20,983	44,456	-	200,744
Maintenance and repairs/service	35,647	39,898	18,587	29,184	13,595	16,461	-	153,372
Gas Plant Operations	1,048	-	-	-	-	-	-	1,048
Utilities	-	56,518	16,219	28,389	1,285	3,571	-	105,982
Water purchases	-	-	-	-	-	148,039	-	148,039
Contract sewer purchases	-	-	-	-	32,846	-	-	32,846
Depreciation	68,095	494,952	205,833	383,961	220,526	102,708	-	1,476,075
Indirect Cost to General Fund	47,400	21,150	15,726	17,178	14,578	24,033	15,280	155,345
Housing assistance payments	-	-	-	-	-	-	1,560,024	1,560,024
Other departmental expenditures	144,253	36,687	17,216	45,135	7,442	22,270	15,582	288,585
Capital Outlay (noncapitalized)	6,465	55,406	2,708	39,334	31,984	-	-	135,897
Total Expenditures	4,211,457	931,730	417,116	651,005	388,739	468,439	1,740,637	8,809,123
Operating income (loss)	1,593,851	(117,228)	54,835	176,822	309,907	208,363	(1,740,637)	485,913
Nonoperating Revenues (Expenses)								
Interest Earned on Investments	-	-	-	-	-	-	310	310
White Goods Sales Recycles	30,318	-	-	-	-	-	-	30,318
State Aid	100,833	-	-	-	-	-	-	100,833
Operating subsidy - HUD	-	-	-	-	-	-	1,854,396	1,854,396
Interest Expense and Bond Issuance Cost	-	(225,608)	(157,139)	(175,377)	(157,347)	-	-	(715,471)
Miscellaneous Revenue	1,900	-	-	-	-	-	753	2,653
Total Nonoperating Revenues (Expenses)	133,051	(225,608)	(157,139)	(175,377)	(157,347)	-	1,855,459	1,273,039
Income (Loss) before contributions and transfers	1,726,902	(342,836)	(102,304)	1,445	152,560	208,363	114,822	1,758,952
Transfers in (out)	-	(89,837)	(76,229)	209,530	1,323,189	-	-	1,366,653
Capital Contributions	-	20,000	-	-	-	-	-	20,000
Change in net position	1,726,902	(412,673)	(178,533)	210,975	1,475,749	208,363	114,822	3,145,605
Total net position, Beginning	6,120,679	1,267,151	1,203,437	6,623,357	4,364,982	2,972,462	537,657	23,089,725
Total net position, End of Year	\$ 7,847,581	\$ 854,478	\$ 1,024,904	\$ 6,834,332	\$ 5,840,731	\$ 3,180,825	\$ 652,479	\$ 26,235,330

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, 2019

Exhibit E-3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues	\$ 5,422,859	\$ 5,805,308	\$ 382,449
Total operating revenues	<u>5,422,859</u>	<u>5,805,308</u>	<u>382,449</u>
Nonoperating revenues:			
Interest Earned on Investments	-	-	-
White Goods Sales Recycles	27,500	30,318	2,818
State Aid - Tire Disposal	60,000	89,615	29,615
State Aid - White Goods	20,000	11,218	(8,782)
NC ENR Recycling Grant	-	-	-
Miscellaneous Revenue	500	1,900	1,400
Total Nonoperating Revenues	<u>108,000</u>	<u>133,051</u>	<u>25,051</u>
Total Revenues	<u>5,530,859</u>	<u>5,938,359</u>	<u>407,500</u>
Expenditures:			
Solid Waste Operations:			
Salaries and employee benefits	324,049	354,746	(30,697)
Contract Services	4,366,510	3,568,239	798,271
Supplies	4,000	456	3,544
Maintenance and repairs	80,000	35,647	44,353
Solid Waste Disposal Fees	-	-	-
Gas Plant Operations	38,380	1,048	37,332
Contribution of Indirect Cost	47,400	47,400	-
Other departmental expenditures	178,520	144,253	34,267
Total solid waste operations	<u>5,038,859</u>	<u>4,151,789</u>	<u>887,070</u>
Capital Outlay	<u>492,000</u>	<u>231,912</u>	<u>260,088</u>
Total Expenditures	<u>5,530,859</u>	<u>4,383,701</u>	<u>1,147,158</u>
Revenues over Expenditures	<u>-</u>	<u>1,554,658</u>	<u>1,554,658</u>
Other Financing Sources (Uses):			
Fund Balance Appropriated	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	\$ 1,554,658	\$ <u>-</u>
Reconciliation form budgetary basis (modified)			
accrual to full accrual:			
Revenues over Expenditures and other financing sources		\$ <u>1,554,658</u>	
Capital Outlay		225,447	
Depreciation		(68,095)	
(Increase) decrease in deferred outflows of resources - pensions		(14,617)	
(Increase) decrease in deferred outflows of resources - OPEB		(4,228)	
Increase (decrease) in net pension liability		16,453	
Increase (decrease) in net OPEB liability		(15,369)	
Increase (decrease) in deferred inflows of resources - pensions		(215)	
Increase (decrease) in deferred inflows of resources - OPEB		<u>32,867</u>	
Total reconciling items		<u>172,244</u>	
Change in net position		<u>\$ 1,726,902</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Payment from Districts - Investment Income	\$ 524,838	\$ 524,838	\$ -
Payment from Districts - Principal	330,000	330,000	-
Total Revenues	<u>854,838</u>	<u>854,838</u>	<u>-</u>
Expenditures:			
Debt Service Payments:			
Principal	330,000	330,000	-
Interest	524,838	524,838	-
Total	<u>854,838</u>	<u>854,838</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	-	-	-
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 1 - Enterprise Fund
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water Sales	\$ 609,612	\$ 629,596	\$ 19,984
Water Taps & Reconnection Fees	41,871	36,135	(5,736)
Penalties	5,704	10,395	4,691
Miscellaneous Revenue	7,572	676	(6,896)
Total Operating Revenues	<u>664,759</u>	<u>676,802</u>	<u>12,043</u>
Total Revenues	<u>664,759</u>	<u>676,802</u>	<u>12,043</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	115,030	99,073	15,957
Contract Services	9,903	5,040	4,863
Supplies	46,004	44,456	1,548
Utilities	16,505	3,571	12,934
Maintenance and repairs/service	36,814	16,461	20,353
Water purchases	300,000	148,039	151,961
Contribution of Indirect Costs	24,033	24,033	-
Other departmental expenditures	35,988	22,270	13,718
Contingency	65,077	-	65,077
Total water operations expenditures	<u>649,354</u>	<u>362,943</u>	<u>286,411</u>
Capital Outlay	<u>15,405</u>	<u>13,582</u>	<u>1,823</u>
Total Expenditures	<u>664,759</u>	<u>376,525</u>	<u>288,234</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	300,277	\$ <u>300,277</u>
Reconciliation form budgetary basis (modified) accrual to full accrual:			
Revenues and other financing sources (uses) over expenditures		<u>300,277</u>	
Debt principal		-	
Capital Outlay		13,582	
Depreciation		(102,708)	
(Increase) decrease in deferred outflows of resources - pensions		(5,370)	
(Increase) decrease in deferred outflows of resources - OPEB		(450)	
Increase (decrease) in net pension liability		5,785	
Increase (decrease) in net OPEB liability		(4,017)	
Increase (decrease) in deferred inflows of resources - pensions		(165)	
Increase (decrease) in deferred inflows of resources - OPEB		3,679	
Professional Services (Ex E-5a)		(2,250)	
Total reconciling items		<u>(91,914)</u>	
Change in net position		<u>\$ 208,363</u>	

Columbus County, North Carolina
Asset Inventory Grant (Water District I) - 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, 2019

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Project		
Revenues:						
NCDEQ Water Infrastructure Grant	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ (150,000)
Total Revenue	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Expenditures:						
Professional Services	2,250	-	2,250	-	2,250	-
Contracted Services	155,250	-	-	-	-	155,250
Total Expenditures	<u>157,500</u>	<u>-</u>	<u>2,250</u>	<u>-</u>	<u>2,250</u>	<u>155,250</u>
Revenues Over (Under) Expenditures	<u>(7,500)</u>	<u>-</u>	<u>(2,250)</u>	<u>-</u>	<u>(2,250)</u>	<u>5,250</u>
Other Financing Sources (Uses):						
Transfer from Water District	7,500	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(2,250)</u>	\$ <u>-</u>	\$ <u>(2,250)</u>	\$ <u>5,250</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water Sales	\$ 773,613	\$ 749,275	\$ (24,338)
Water Taps & Reconnection Fees	48,332	42,930	(5,402)
Special District Taxes	19,728	10,323	(9,405)
Penalties	3,000	7,454	4,454
Miscellaneous Revenue	58,321	4,520	(53,801)
Total Operating Revenues	<u>902,994</u>	<u>814,502</u>	<u>(88,492)</u>
Total Revenues	<u>902,994</u>	<u>814,502</u>	<u>(88,492)</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	162,711	157,689	5,022
Contract Services	14,796	10,206	4,590
Supplies	54,887	63,861	(8,974)
Utilities	54,660	56,518	(1,858)
Maintenance and Repairs	65,147	39,898	25,249
Contribution of Indirect Costs	21,150	21,150	-
Other departmental expenditures	51,330	36,687	14,643
Total Expenditures	<u>424,681</u>	<u>386,009</u>	<u>38,672</u>
Debt Service			
Principal	44,302	179,302	(135,000)
Interest	368,277	232,760	135,517
Total	<u>412,579</u>	<u>412,062</u>	<u>517</u>
Capital Outlay	<u>73,944</u>	<u>75,778</u>	<u>(1,834)</u>
Total Expenditures	<u>911,204</u>	<u>873,849</u>	<u>37,355</u>
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	98,047	-	(98,047)
General Fund	(89,837)	(89,837)	-
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	<u>8,210</u>	<u>(89,837)</u>	<u>(98,047)</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>(149,184)</u>	<u>\$ (149,184)</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation form budgetary basis (modified) accrual to full accrual:			
Revenues over Expenditures and other financing sources		<u>(149,184)</u>	
Debt principal		179,302	
Capital outlay		20,372	
Depreciation		(494,952)	
Amortize Bond Premiums and Deferred Charges		7,152	
(Increase) decrease in deferred outflows of resources - pensions		(8,021)	
(Increase) decrease in deferred outflows of resources - OPEB		(934)	
Increase (decrease) in net pension liability		8,640	
Increase (decrease) in net OPEB liability		(1,953)	
Increase (decrease) in deferred inflows of resources - pensions		(246)	
Increase (decrease) in deferred inflows of resources - OPEB		7,152	
Capital Contributions (Ex E-6a)		<u>20,000</u>	
Total reconciling items		<u>(263,489)</u>	
Change in net position		<u>\$ (412,673)</u>	

Columbus County, North Carolina
Water Line Extension (WD II) - 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, 2019

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Project		
Revenues:						
Grant Revenue	\$ 907,977	\$ -	\$ -	\$ -	\$ -	\$ (907,977)
Duke Energy Grant Funds	20,000	-	20,000	-	20,000	-
Total Revenue	<u>927,977</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>(907,977)</u>
Expenditures:						
Construction Administration	148,500	-	29,000	-	29,000	119,500
Engineering / Design	90,600	-	80,100	-	80,100	10,500
Contract 2 - Well	822,700	-	126,690	-	126,690	696,010
Permits	3,000	-	1,621	-	1,621	1,379
Contingency	70,362	-	2,605	-	2,605	67,757
Total Expenditures	<u>1,135,162</u>	<u>-</u>	<u>240,016</u>	<u>-</u>	<u>240,016</u>	<u>895,146</u>
Revenues Over (Under) Expenditures	<u>(207,185)</u>	<u>-</u>	<u>(220,016)</u>	<u>-</u>	<u>(220,016)</u>	<u>(12,831)</u>
Other Financing Sources (Uses):						
Transfer from General Fund	207,185	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>207,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(220,016)</u>	\$ <u>-</u>	\$ <u>(220,016)</u>	\$ <u>(12,831)</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water Sales	\$ 550,502	\$ 425,183	\$ (125,319)
Water Taps & Reconnection Fees	29,306	22,604	(6,702)
Special District Tax	700	1,900	1,200
Penalties	11,962	19,738	7,776
Miscellaneous Revenue	6,180	2,526	(3,654)
Total Operating Revenues	<u>598,650</u>	<u>471,951</u>	<u>(126,699)</u>
Total Revenues	<u>598,650</u>	<u>471,951</u>	<u>(126,699)</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	104,208	95,802	8,406
Contract Services	16,471	7,803	8,668
Supplies	35,122	39,997	(4,875)
Utilities	14,952	16,219	(1,267)
Maintenance and repairs/service	35,760	18,587	17,173
Contribution of Indirect Costs	15,726	15,726	-
Other departmental expenditures	27,463	17,216	10,247
Total Operating Expenditures	<u>249,702</u>	<u>211,350</u>	<u>38,352</u>
Debt Service			
Principal	-	115,000	(115,000)
Interest	278,263	162,879	115,384
Total	<u>278,263</u>	<u>277,879</u>	<u>384</u>
Capital Outlay	<u>44,048</u>	<u>15,055</u>	<u>28,993</u>
Total Expenditures	<u>572,013</u>	<u>504,284</u>	<u>67,729</u>
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	(76,229)	(76,229)	-
Appropriated Fund Balance	49,592	-	(49,592)
Total Other Financing Sources (Uses)	<u>(26,637)</u>	<u>(76,229)</u>	<u>(49,592)</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>(108,562)</u>	<u>\$ (108,562)</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, 2019

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

Revenues over Expenditures and other financing sources	<u>(108,562)</u>
Capital outlay	12,347
Debt Principal	115,000
Depreciation	(205,833)
Amortize Bond Premiums and Deferred Charges	5,740
(Increase) decrease in deferred outflows of resources - pensions	(4,863)
(Increase) decrease in deferred outflows of resources - OPEB	(622)
Increase (decrease) in net pension liability	5,238
Increase (decrease) in net OPEB liability	(1,618)
Increase (decrease) in deferred inflows of resources - pensions	(149)
Increase (decrease) in deferred inflows of resources - OPEB	<u>4,790</u>
Total reconciling items	<u>(69,971)</u>
Change in net position	<u>\$ (178,533)</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Sales	\$ 508,465	\$ 789,226	\$ 280,761
Water Taps & Reconnection Fees	22,673	24,809	2,136
Penalties	9,254	10,335	1,081
Miscellaneous Revenue	4,781	3,457	(1,324)
Total Operating Revenues	<u>545,173</u>	<u>827,827</u>	<u>282,654</u>
Total Revenues	<u>545,173</u>	<u>827,827</u>	<u>282,654</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	80,618	72,612	8,006
Contract Services	14,441	8,079	6,362
Utilities	23,568	28,389	(4,821)
Supplies	26,520	30,991	(4,471)
Maintenance and repairs	45,763	29,184	16,579
Indirect Cost	17,178	17,178	-
Other departmental expenditures	51,169	45,135	6,034
Total Expenditures	<u>259,257</u>	<u>231,568</u>	<u>27,689</u>
Capital Outlay	<u>45,798</u>	<u>48,594</u>	<u>(2,796)</u>
Debt Service			
Principal	84,000	84,000	-
Interest	175,620	175,377	243
Total	<u>259,620</u>	<u>259,377</u>	<u>243</u>
Total Expenditures	<u>564,675</u>	<u>539,539</u>	<u>25,136</u>
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	-	102,166	102,166
Capital contributions	19,502	-	(19,502)
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	<u>19,502</u>	<u>102,166</u>	<u>82,664</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>390,454</u>	<u>\$ 390,454</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, 2019

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

Revenues over Expenditures and other financing sources	<u>390,454</u>
Principal Payments	84,000
Capital Outlay	9,260
Depreciation	(383,961)
(Increase) decrease in deferred outflows of resources - pensions	(3,760)
(Increase) decrease in deferred outflows of resources - OPEB	(525)
Increase (decrease) in net pension liability	4,050
Increase (decrease) in net OPEB liability	296
Increase (decrease) in deferred inflows of resources - pensions	(116)
Increase (decrease) in deferred inflows of resources - OPEB	3,913
Capital Contributions (from Ex E-8a)	-
Transfer (Ex E-8a)	<u>107,364</u>
Total reconciling items	<u>(179,479)</u>
Change in net position	<u>\$ 210,975</u>

Columbus County, North Carolina
International Logistics Park Sewer Project (WD IV) - 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, 2019

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Project		
Revenues:						
NC Dept of Commerce - IDF Utility	\$ 2,120,938	\$ -	\$ -	\$ -	\$ -	\$ (2,120,938)
Total Revenue	<u>2,120,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,120,938)</u>
Expenditures:						
Engineer / Architect Fees	149,000	-	95,500	-	95,500	53,500
Inspection Fees	80,080	-	-	-	-	80,080
Sewer Construction	1,856,402	-	-	-	-	1,856,402
Grant Administration	50,000	-	15,000	-	15,000	35,000
Contingency	92,820	-	-	-	-	92,820
Total Expenditures	<u>2,228,302</u>	<u>-</u>	<u>110,500</u>	<u>-</u>	<u>110,500</u>	<u>2,117,802</u>
Revenues Over (Under) Expenditures	<u>(107,364)</u>	<u>-</u>	<u>(110,500)</u>	<u>-</u>	<u>(110,500)</u>	<u>(3,136)</u>
Other Financing Sources (Uses):						
Transfer from General Fund	107,364	-	107,364	-	107,364	214,728
Total Other Financing Sources (Uses)	<u>107,364</u>	<u>-</u>	<u>107,364</u>	<u>-</u>	<u>107,364</u>	<u>214,728</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(3,136)</u>	\$ <u>-</u>	\$ <u>(3,136)</u>	\$ <u>211,592</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Sales	\$ 758,227	\$ 650,606	\$ (107,621)
Water Taps & Reconnection Fees	14,339	12,983	(1,356)
Sewer Sales	23,000	29,800	6,800
Penalties	5,852	5,871	19
Miscellaneous Revenue	3,024	(614)	(3,638)
Total Operating Revenues	<u>804,442</u>	<u>698,646</u>	<u>(105,796)</u>
Total Revenues	<u>804,442</u>	<u>698,646</u>	<u>(105,796)</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	50,983	42,597	8,386
Contract Services	4,389	2,221	2,168
Utilities	7,315	1,285	6,030
Bulk Water Purchases	-	-	-
Supplies	68,866	20,983	47,883
Maintenance and repairs	22,862	13,595	9,267
Contract Sewer Purchases	45,000	32,846	12,154
Contribution of Indirect Costs	14,578	14,578	-
Other departmental expenditures	14,170	7,442	6,728
Total Expenditures	<u>228,163</u>	<u>135,547</u>	<u>92,616</u>
Debt Service			
Principal	-	80,000	(80,000)
Interest	549,451	159,358	390,093
Total	<u>549,451</u>	<u>239,358</u>	<u>310,093</u>
Capital Outlay	<u>26,828</u>	<u>38,158</u>	<u>(11,330)</u>
Total Expenditures	<u>804,442</u>	<u>413,063</u>	<u>391,379</u>
Revenues over (under) expenditures	<u>-</u>	<u>285,583</u>	<u>285,583</u>
Revenues and other financing sources (uses)	<u>\$ -</u>	<u>285,583</u>	<u>\$ 285,583</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, 2019

Reconciliation form budgetary basis (modified)
accrual to full accrual:

Revenues over Expenditures and other financing sources	<u>285,583</u>
Principal on Debt	80,000
Capital Outlay	6,174
Depreciation	(220,526)
Amortize Bond Premiums and Deferred Charges	2,011
(Increase) decrease in deferred outflows of resources - pensions	(2,381)
(Increase) decrease in deferred outflows of resources - OPEB	(191)
Increase (decrease) in net pension liability	2,565
Increase (decrease) in net OPEB liability	(2,200)
Increase (decrease) in deferred inflows of resources - pensions	(73)
Increase (decrease) in deferred inflows of resources - OPEB	1,598
Sales tax refund (Ex E-9a)	-
Transfer (Ex E-9a)	<u>1,323,189</u>
Total reconciling items	<u>1,190,166</u>
Change in net position	<u>\$ 1,475,749</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, 2019

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Project		
Revenues:						
CDBG Grant Revenue	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ (1,000,000)
Golden Leaf Grant	536,952	-	-	-	-	(536,952)
Sales Tax Refund	-	21,726	-	-	21,726	21,726
Total Revenue	1,536,952	21,726	-	-	21,726	(1,515,226)
Expenditures:						
Contract I - Water Construction	991,001	826,940	111,327	-	938,267	52,734
Contract 3 - Sewer Construction	1,304,240	-	-	-	-	1,304,240
Easement Surveys	7,500	1,875	4,777	-	6,652	848
Inspections	120,000	50,837	9,163	-	60,000	60,000
Contract 2 - Well	444,228	17,275	81,755	-	99,030	345,198
Preliminary Design	174,758	115,823	8,730	-	124,553	50,205
GIS as Built Drawings	15,000	4,237	-	-	4,237	10,763
Administrative Cost	60,000	1,263	10,031	-	11,294	48,706
Assessment of Fair Housing	30,000	17,980	810	-	18,790	11,210
Contingency - Sewer Project	65,212	29	21,691	-	21,720	43,492
Land	15,206	15,026	-	-	15,026	180
Contingency - Water Project	(32,859)	254	31,511	-	31,765	(64,624)
Total Expenditures	3,194,286	1,051,539	279,795	-	1,331,334	1,862,952
Revenues Over (Under) Expenditures	(1,657,334)	(1,029,813)	(279,795)	-	(1,309,608)	347,726
Other Financing Sources (Uses):						
Transfer from General Fund	1,323,189	-	1,323,189	-	1,323,189	2,646,378
Total Other Financing Sources (Uses)	1,323,189	-	1,323,189	-	1,323,189	2,646,378
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (334,145)	\$ (1,029,813)	\$ 1,043,394	\$ -	\$ 13,581	\$ 2,994,104

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Nonoperating revenues			
Operating subsidy - HUD	\$ 1,744,143	\$ 1,854,396	\$ 110,253
Fraud Recovery	1,000	753	(247)
Investment Earnings	-	310	310
Miscellaneous	500	-	(500)
Total Revenues	<u>1,745,643</u>	<u>1,855,459</u>	<u>109,816</u>
Expenditures			
Administration			
Salaries and benefits	127,979	151,341	(23,362)
Indirect Cost	20,493	15,280	5,213
Operating expenditures	52,814	15,582	37,232
Total administration	<u>201,286</u>	<u>182,203</u>	<u>19,083</u>
Housing assistance payments	<u>1,544,357</u>	<u>1,560,024</u>	<u>(15,667)</u>
Total expenditures	<u>1,745,643</u>	<u>1,742,227</u>	<u>3,416</u>
Revenues and other financing sources (uses) over expenditures	\$ <u><u>-</u></u>	113,232	\$ <u><u>113,232</u></u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
(Increase) decrease in deferred outflows of resources - pensions		(11,374)	
Increase (decrease) in net pension liability		13,050	
Increase (decrease) in deferred inflows of resources - pensions		<u>(85)</u>	
Total reconciling items		<u>1,590</u>	
Change in net position		\$ <u><u>114,822</u></u>	

AGENCY FUNDS

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

Columbus County, North Carolina
Agency Fund
Combining Statement of Net Position
June 30, 2019

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
Assets							
Cash and cash equivalents	\$ 6,591	\$ 95,242	\$ 3,277	\$ 274,875	\$ (2,010)	\$ 4,619	\$ 382,594
Due from other governments	-	-	-	-	-	-	-
Total Assets	\$ 6,591	\$ 95,242	\$ 3,277	\$ 274,875	\$ (2,010)	\$ 4,619	\$ 382,594
Liabilities and Net Position							
Liabilities	\$ 6,591	\$ 95,242	\$ 3,277	\$ 274,875	\$ (2,010)	\$ 4,619	\$ 382,594
Net Position	-	-	-	-	-	-	-
Total Liabilities and Net Position	\$ 6,591	\$ 95,242	\$ 3,277	\$ 274,875	\$ (2,010)	\$ 4,619	\$ 382,594

Columbus County, North Carolina
Agency Fund
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2019

Exhibit F-2

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>COLUMBUS COUNTY 4-H FUND</u>				
Assets:				
Cash and cash equivalents	\$ 6,598	\$ 2,048	\$ 2,055	\$ 6,591
Liabilities:				
Miscellaneous Liabilities	\$ 6,598	\$ 2,055	\$ 2,048	\$ 6,591
<u>SOCIAL SERVICES FUND</u>				
Assets:				
Cash and cash equivalents	\$ 73,889	\$ 358,635	\$ 337,282	\$ 95,242
Liabilities:				
Miscellaneous Liabilities	\$ 73,889	\$ 337,282	\$ 358,635	\$ 95,242
<u>SHERIFF'S CIVIL DIVISION</u>				
Assets:				
Cash and cash equivalents	\$ 200	\$ 21,869	\$ 18,792	\$ 3,277
Liabilities:				
Miscellaneous Liabilities	\$ 200	\$ 18,792	\$ 21,869	\$ 3,277
<u>INMATES TRUST FUND</u>				
Assets:				
Cash and cash equivalents	\$ 276,874	\$ 145,681	\$ 147,680	\$ 274,875
Liabilities:				
Miscellaneous Liabilities	\$ 276,874	\$ 147,680	\$ 145,681	\$ 274,875
<u>HOME LOAN TRUST FUND</u>				
Assets:				
Cash and cash equivalents	\$ (2,010)	\$ -	\$ -	\$ (2,010)
Liabilities:				
Miscellaneous Liabilities	\$ (2,010)	\$ -	\$ -	\$ (2,010)
<u>EXPLORER POST 513</u>				
Assets:				
Cash and cash equivalents	\$ 4,159	\$ 513	\$ 53	\$ 4,619
Due from other governments	-	-	-	-
Liabilities:				
Miscellaneous Liabilities	\$ 4,159	\$ 53	\$ 513	\$ 4,619
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets:				
Cash and cash equivalents	\$ 359,710	\$ 528,746	\$ 505,862	\$ 382,594
Due from other governments	-	-	-	-
Liabilities:				
Miscellaneous Liabilities	\$ 359,710	\$ 505,862	\$ 528,746	\$ 382,594

OTHER SCHEDULES

This section includes additional information on property taxes.

Columbus County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2018</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2019</u>
2018-2019	\$ -	\$ 31,090,925	\$ 30,452,623	\$ 638,302
2017-2018	620,799	-	296,774	324,025
2016-2017	314,136	-	120,496	193,640
2015-2016	191,305	-	60,285	131,020
2014-2015	142,444	-	30,381	112,063
2013-2014	258,662	-	29,309	229,353
2012-2013	363,765	-	20,237	343,528
2011-2012	284,970	-	18,227	266,743
2010-2011	297,172	-	14,947	282,225
2009-2010	88,350	-	11,830	76,520
2008-2009	86,936	-	86,936	-
Totals	<u>\$ 2,648,539</u>	<u>\$ 31,090,925</u>	<u>\$ 31,142,045</u>	<u>\$ 2,597,419</u>
				<u>1,980,400</u>
				<u>\$ 617,019</u>
 <u>Reconcilement with revenues:</u>				
				\$ 30,929,690
				Reconciling items:
				Penalties and Interest (422,101)
				Discounts, Releases, Refunds 634,456
				<u>\$ 31,142,045</u>

Columbus County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2019

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	\$ 3,862,226,708	0.805	\$ 31,090,925	\$ 27,639,187	\$ 3,451,738
Totals	<u>\$ 3,862,226,708</u>				
Net levy			31,090,925	27,639,187	3,451,738
Uncollected taxes at June 30, 2019			<u>638,302</u>	<u>638,302</u>	<u>-</u>
Current year's taxes collected			<u>\$ 30,452,623</u>	<u>\$ 27,000,885</u>	<u>\$ 3,451,738</u>
Current levy collection percentage			<u>97.95%</u>	<u>97.69%</u>	<u>100.00%</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, 2019, and the related notes to the financial statements, which collectively comprises Columbus County's basic financial statements, and have issued our report thereon dated December 19, 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 that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2019-01, 2019-02]

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 question costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 19, 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, 2019. 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 federal and State statutes, regulations, and the terms and conditions of its federal awards 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, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2019-03, 2019-04, 2019-05] that we consider to be significant deficiencies.

Columbus County's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. Columbus County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 19, 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, 2019. 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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, 2019.

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 19, 2019

Columbus County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

Section I. Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material Weakness(es) identified? ___yes X no
- Significant Deficiency(s) identified? X yes ___none reported

Noncompliance material to financial statements noted ___yes X no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? ___yes X no
- Significant Deficiency(s) identified? X yes ___none reported

Noncompliance material to federal awards ___yes X no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes ___no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
93.568	Low Income Energy Assistance
93.778	Medical Assistance Program
14.871	Low Income Housing Assistance Program
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? ___yes X no

Columbus County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I. Summary of Auditors' Results (continued)

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
 - Disaster Recovery Act of 2016
 - Disaster Recovery Act of 2017
 - Columbus County Airport
 - Juvenile Crime Prevention Programs

Columbus County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II. Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding 2019-01 *

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

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 II 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.

Cause: Management was not able to attain compliance with the debt covenant. The County met the debt service requirement for the revenue bond debt service, but did not meet the requirement with respect to the total general obligation bond and installment financing obligations.

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 Districts. The County has adopted a plan to increase the Water Districts fees on an annual basis starting in fiscal year 2019-2020. Staff will monitor the accounts on a quarterly basis to verify Water Districts II and IV remain in compliance with the covenants.

* Indicates repeat findings

Finding 2019-02

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

Condition: In reviewing records and testing certain account balances, we noted that some balance sheet accounts were not adequately adjusted. Adjustments were proposed to correct those balances in preparing the financial statements.

Effect: Management may not receive accurate information to base decisions appropriately for planning and budgeting purposes.

Cause: Entries that should be part of the year-end close were overlooked. Finance should ensure that the balance sheet accounts are all reconciled to subsidiary ledgers, and that year-end entries are made to properly reflect balances. The adjustment of balance sheet items often leads to changes in revenues and expenditures, which management relies on to make decisions.

Recommendation: The County 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. Additional staff has been hired to monitor the accounts and make timely entries.

Columbus County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section III. Federal Award Findings and Questioned Costs

US Department of Health and Human Services

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

Finding: 2019-03

SIGNIFICANT DEFICENCY

Eligibility

- Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
- Condition: There were twenty-four errors discovered during our procedures that inaccurate information was entered when determining eligibility.
- Questioned Costs: There was no affect to eligibility and there were no questioned costs.
- Context: We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
- Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
- Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
- Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
- Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

Columbus County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

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

US Department of Health and Human Services

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

Finding: 2019-04

SIGNIFICANT DEFICENCY

Eligibility

- Criteria:** Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.
- Condition:** There were four errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.
- Questioned Costs:** There was no affect to eligibility and there were no questioned costs.
- Context:** We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
- Effect:** For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which could affect countable resource. Therefore, applicants could have received assistance for which they were not eligible.
- Cause:** Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
- Recommendation:** Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
- Views of responsible officials and planned corrective actions:** The County agrees with the finding. Supervisors will review action reports regularly to determine if correct was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

Columbus County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

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

US Department of Health and Human Services

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

Finding: 2019-05

SIGNIFICANT DEFICENCY

Eligibility

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

Condition: There were three errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made. One applicants received assistance although their Child Support case was indicating non cooperation and no good cause established.

Questioned Costs: The amounts paid out for the above in-eligible participants did not exceed the threshold for a question costs determination.

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

Effect: One applicants received assistance for which they were not eligible.

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

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

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

Section IV. State Award Findings and Questioned Costs

None Reported.

Columbus County, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

Finding: 2019-01 *

Name of contact person: Bobbie Faircloth, Finance Officer

Corrective Action: The County will review billings and collections for the Water Districts. The County has adopted a plan to increase the Water Districts fees on an annual basis starting in fiscal year 2019-2020. Staff will monitor the accounts on a quarterly basis to verify Water Districts II and IV remain in compliance with the covenants.

Proposed Completion Date: Immediately

Finding: 2019-02

Name of contact person: Bobbie Faircloth, Finance Officer

Corrective Action: Responsible officials will review the financial statements (including balance sheet accounts) to ensure that proper adjustments are recorded throughout the year. Additional staff has been hired to monitor the accounts and make timely entries.

Proposed Completion Date: Immediately

Section III - Federal Award Findings and Question Costs

Finding: 2019-03

Name of contact person: Cyndi Hammonds, Income Maintenance Administrator

Corrective Action: Procedures and controls are being developed for caseworkers to follow. Medicaid caseworkers will receive training on a newly created "Documentation Policy" to remind each of them the policies and procedures that must be followed to ensure proper documentation is contained in the notes and in NCF AST to support correct eligibility determinations. In addition, second party reviews will be conducted to monitor the targeted findings from the audit to ensure correct actions are taken and documented. Workers will also be retrained on what information should be maintained in case files and the importance of complete and accurate record keeping.

Proposed Completion Date: Certain controls are currently being created and reviewed. Management will continue to monitor the progress of this issue and modify the controls as needed.

Finding: 2019-04

Name of contact person: Cyndi Hammonds, Income Maintenance Administrator

Corrective Action: Corrective Action: Procedures and controls are being developed for caseworkers to follow and caseworkers will receive additional training on a newly created "Documentation Policy" that will remind workers of the policies and procedure to be followed in the application/recertification process. In addition, cases will be second party reviewed regularly to determine if correct action is taken and the actions are correctly closed out with proper documentation to support correct eligibility determinations. Workers will also be retrained on what information should be maintained in case files and the importance of complete and accurate record keeping and reserve calculations.

Proposed Completion Date: Certain controls are currently being created and reviewed. Management will continue to monitor the progress of this issue and modify the controls as needed.

Columbus County, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2019

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

Finding: 2019-05

Name of contact person: Cyndi Hammonds, Income Maintenance Administrator

Corrective Action: Procedures and controls are being developed for caseworkers to Follow. Medicaid caseworkers will receive training on a newly created "Documentation Policy" to remind each of them the policies and procedures that must be followed to ensure proper documentation is contained in the notes and in NCF AST to support proper eligibility determinations. Workers will also be retrained on what information should be maintained in case files, the proper actions of making IV-D referrals and keying sanctions when changes are made in cases and the importance of complete and accurate record keeping. In addition, cases will be second party reviewed regularly to determine if correct action is taken with proper documentation to support correct eligibility determinations.

Proposed Completion Date: Certain controls are currently being created and reviewed. Management will continue to monitor the progress of this issue and modify the controls as needed.

Section IV - State Award Findings and Question Costs

None Reported

Columbus County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2019

2018-01 Prior Period Adjustment

Corrected

2018-02 Non-Compliance with Bond Covenants

This finding was repeated as 2019-01.

Columbus County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
Federal Awards:						
<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		\$ 669,093	\$ 54,979		\$ 614,114
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		323,921			
Total U. S. Department of Agriculture			993,014	54,979	-	614,114
<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		35,126	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs						
	93.116		50	-	-	-
Family Planning Services						
	93.217		31,750	-	-	-
Immunization Grants						
	93.268		18,560	-	-	-
funded solely with Prevention and Public Health Funds (PPHF)						
	93.758		39,946	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations						
	93.898		5,100	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants						
	93.977		100	-	-	-
Maternal and Child Health Services Block Grant						
	93.994		105,730	26,330	-	-
Division of Social Services:						
Temporary Assistance Needy Families Cluster						
TANF - Work First	93.558		481,667	-	-	721,603
Division of Public Health						
TANF - Work First	93.558		11,637	-	-	-
Total TANF Cluster			493,304	-	-	721,603
Low Income Energy Assistance						
Administration						
	93.568		71,066	-	-	-
Crisis Intervention Payments						
	93.568		309,181	-	-	-
Energy Assistance						
	93.568		398,816	-	-	-
Total Low-Income Energy Assistance			779,063	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
- Permanency Planning - Families for Kids						
	93.645		(10,260)	-	-	(3,420)
Total Stephanie Tubbs Jones Child Welfare Services Program						
			(10,260)	-	-	(3,420)
AFDC Payments and Penalties						
	93.560		(138)	(38)		(38)

Columbus County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
Foster Care and Adoption Cluster						
Foster Care - Title IV-E 4	93.658		159,237	68,139	-	71,138
Adoption Assistance	93.659		318	-	-	318
Foster Care	N/A		63,237	63,209	-	-
IV-E Adoption	N/A		53	-	-	-
Total Foster Care and Adoption			222,845	131,348	-	71,456
Child Support Enforcement	93.563		560,746	-	-	288,869
Chafee Foster Care Independence Program	93.674		21,085	5,271	-	-
SSBG - Other Training & Services	93.667		452,506	-	-	150,835
Division of Aging and Adult Services						
Division of Social Services						
SSBG - State Adult Day Care	93.667		29,531	27,264	-	8,114
SSBG - CPS TANF to SSBG	93.667		40,288	-	-	-
SSBG - State In Home Service Fund	93.667		545	-	-	78
Total Social Service Block Grant			522,870	27,264	-	159,027
Passed-through the N.C. Dept. of Health and Human Services						
Subsidized Child Care:						
<u>Child Care Development Fund Cluster</u>						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-Administration	93.596		78,092	-	-	-
Total Subsidized Child Care			78,092	-	-	-
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		1,752,397	1,412	-	623,052
Total Medical Assistance Program			1,752,397	1,412	-	623,052
Division of Social Services						
Administration						
State Children's Insurance Program-N. C. Health Choice	93.767		42,135	-	-	-
Total State Children's Insurance Program- N.C. Health Choice			42,135	-	-	-
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		37,775	2,222	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		212,343	12,501	-	-
Nutrition Services Incentive Program	93.053		32,368	-	-	-
Total Aging Cluster			282,486	14,723	-	-
Special Programs for the Aging - EBHP	93.043		6,254	368	-	-
Family Caregiver Services	93.052		28,897	1,926	-	-
Total U. S. Department of Health and Human Services			5,016,138	208,604	-	1,860,549
<u>U.S. Dept. of Housing and Urban Development</u>						
Direct Program Section 8 Housing						
Low Income Housing Assistance Program	14.871		1,559,049	-	-	-

Columbus County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Fed (Direct &</u> <u>Pass-through</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed</u> <u>through</u> <u>to Sub-</u> <u>recipients</u>	<u>Local</u> <u>Expenditures</u>
Passed-through North Carolina Housing Finance Agency						
Single Family Rehabilitation Grant	14.239	SFRLP1606	102,855	-	-	-
Single Family Rehabilitation - Disaster Recovery	14.239	SFRLPDR1712	427,759	-	-	-
Total U.S. Dept. of Housing and Urban Development			2,089,663	-	-	-
<u>U.S. Dept. of Transportation</u>						
Passed through the N.C. Department of Transportation						
Formula Grants for Rural Areas						
		DOT-11				
18-CT-076 Columbus County, Admin	20.509	36233.28.17.1	16,680	1,042	-	-
		DOT-14				
18-CT-076 Columbus County, Admin	20.509	36233.28.17.3	91,509	11,439	-	-
		DOT-11				
19-CT-076 Columbus County, Admin	20.509	36233.28.18.1	117,021	7,314	-	-
		DOT-11				
19-CT-076 Columbus County, Admin	20.509	36233.28.18.3	86,739	10,842	-	-
		DOT-11				
19-CT-076 Columbus County, Admin	20.509	36233.28.18.4	744	93	-	-
Total Formula Grants for Rural Areas			312,693	30,730	-	-
Airport Improvement Program						
Columbus County Airport 8-Unit T-Hangar						
		DOT-8				
20.106	36237.53.12.1		35,213	-	-	-
Columbus County Airport						
		DOT-8				
20.106	36237.53.13.1		1,513,588	168,178	-	-
Total Airport Improvement Program			1,548,801	168,178	-	-
19-FE-076 Columbus County, Admin	20.527	51092.15.1.2	2,407	-	-	-
Total U.S. Dept. of Transportation			1,863,901	198,908	-	-
<u>U.S. Department of Homeland Security</u>						
Division of Emergency Management						
Emergency Mgt. Performance Grant						
97.042			38,524	-	-	-
Total U.S. Department of Homeland Security			38,524	-	-	-
<u>U.S. Environmental Protection Agency</u>						
Brownfield Assessment Grant						
66.818			14,997	-	-	-
Total U.S. Environmental Protection Agency			14,997	-	-	-
<u>U.S. Dept. of Justice</u>						
Passed through N.C. Dept. of Public Safety						
Bulletproof Vest Partnership Program						
16.607			8,860	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program						
16.738			11,250	-	-	-
Total U.S. Dept. of Justice			20,110	-	-	-
Total federal awards			\$ 10,036,347	\$ 462,491	\$ -	\$ 2,474,663
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Food & Lodging Fees						
			\$ -	\$ 18,993	\$ -	\$ -
Mosquito Abatement (Hurricane Florence)						
			-	124,328	-	-
CHA/CHIP Peer Review						
			-	115,930	-	-
General Communicable Diseases Control						
			-	3,415	-	-
CLAS Standards Advancing Health Equity						
			-	18,000	-	-
Child Health						
			-	23,319	-	-
HIV/STD STATE						
			-	12,500	-	-
STD Drugs						
			-	2,105	-	-
Breast & Cervical Cancer Program						
			-	8,925	-	-
TPPI - Adol. Pregnancy Prevention Program						
			-	75,000	-	-
School Nursing Funding Initiative						
			-	400,000	-	-
Family Planning - State						
			-	9,483	-	-
Maternal Health						
			-	93,421	-	-
Women's Health Service Fund						
			-	8,023	-	-
TB Control						
			-	31,847	-	-
Total Division of Public Health			-	945,289	-	-

Columbus County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
Division of Social Services:						
Extended FC/Max Non IV-E		N/A	-	5,072	-	-
SFHF Maximization		N/A	-	79,198	-	79,198
State Foster Home		N/A	-	24,983	-	24,983
County Funded Programs		N/A	-	-	-	901,563
Energy Assist Private Grant		N/A	-	2,380	-	-
Non-Allocating County Cost		N/A	-	-	-	12,673
DCD Smart Start		N/A	-	7,877	-	-
State Child Welfare/CPS/CS LD		N/A	-	98,978	-	-
CP&L Energy Assistance		N/A	-	-	-	-
AFDC INCENT / Program Integrity		N/A	-	327	-	-
Total Division of Social Services			-	218,815	-	1,018,417
Division of Aging and Adult Services						
Senior Center -General Purpose			-	24,948	-	-
In Home Support Service			-	309,856	-	-
Fans			-	1,035	-	-
Total Division of Aging and Adult Services			-	335,839	-	-
Total N.C. Dept. of Health and Human Services			-	1,499,943	-	1,018,417
N.C. Dept. of Veterans Affairs						
Veteran Grant		N/A	-	2,216	-	-
Total Dept. of Veterans Affairs			-	2,216	-	-
N.C. Dept. of Transportation						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP EDTAP		DOT-16CL 36220.10.8.1	-	70,530	-	-
ROAP Employment		DOT-16CL 36236.11.7.1	-	15,395	-	-
ROAP RGP		DOC-16CL 36228.22.8.1	-	88,790	-	-
Total ROAP Cluster			-	174,715	-	-
Columbus County Airport		DOT-8 36244.18.8.1	-	4,632	-	-
Columbus County Airport		DOT-8 36244.18.8.2	-	27,638	-	-
Columbus County Apron Rehab		DOT-8 36244.18.6.1	-	268,895	-	-
Total Columbus County Airport			-	301,165	-	-
Total N.C. Department of Transportation			-	475,880	-	-
N.C. Dept. of Natural and Cultural Resources						
State Aid to Libraries			-	111,407	-	-
Total N.C. Dept. of Natural and Cultural Resources			-	111,407	-	-
N.C. Department of Environmental Quality						
Division of Water Infrastructure						
Asset Inventory & Assessment Grant		H-AIA-D-19-0154	-	2,250	-	-
Total of N.C. Department of Environmental Quality			-	2,250	-	-
N.C. Department of Public Safety						
Juvenile Crime Prevention Programs						
Teen Court			-	13,339	13,339	-
Juvenile Crime Prevention Admin			-	60,100	-	-
Ambassador Program			-	34,000	34,000	-
Youth and Family Counseling			-	46,800	46,800	-
Safe Haven Afterschool Program			-	45,100	45,100	-
Disaster Recovery Act of 2017		DRA2017	-	130,759	-	-
Total N.C. Department of Public Safety			-	330,098	139,239	-

Columbus County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
<u>N.C. Department of Agriculture and Cosumer Services</u>						
Division of Fical Services						
Disaster Recovery Act of 2016		DRA2016		143,934		
Total N.C. Department of Agriculture and Cosumer Services			-	143,934	-	-
<u>N.C. Housing Finance Agency</u>						
Urgent Repair Program		URP1703	-	50,000	-	-
Urgent Repair Program		URP1805		12,120		
Total N.C. Housing Finance Agency			-	62,120	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	7,022	7,022	-
Total N.C. Department of Public Instruction			-	7,022	7,022	-
Total State Awards			-	2,634,870	146,261	1,018,417
Total Federal and State Awards			\$ 10,036,347	\$ 3,097,361	\$ 146,261	\$ 3,493,080

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, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of 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: Benefit Payments Issued by the State

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

Program Title	CFDA No.	Federal	State
Medical Assistance Program	93.778	\$ 78,192,814	\$ 41,442,200
Children's Health Insurance Program	93.767	1,173,610	-
Special Supplemental Nutrition Program for Women Infant and Children	10.557	984,293	-
Food and Nutrition Services	10.561	20,017,006	-
Family Perservation	93.556	10,168	-
IV-E Adopt & Vendor	93.659	234,205	57,078
Special Children Adoption	93.558	6,720	-
TANF Payments & Penalties	93.558	368,287	-
CWS Adopt, Vendor, Guard	N/A	-	105,591
SAA/SAD HB 1030	N/A	-	15,147
SC/SA Domiciliary Care	N/A	-	412,936