

COLUMBUS COUNTY, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2017

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COUNTY MANAGER

Michael Stephens

BOARD OF COUNTY COMMISSIONERS

Amon McKenzie - Chairman

Charles McDowell	Trent Burroughs
James Prevatte	Ricky Bullard
Giles E. Byrd	Edwin Russ

COUNTY OFFICIALS

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

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## FINANCIAL SECTION



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**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Columbus County, North Carolina, as of and for the year ended June 30, 2017, 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 99.78 percent, 99.70 percent, and 99.85 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.

**Members**

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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, 2017, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement 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, and 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 on pages 4 through 13 and 66 through 73, 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 February 15, 2018 on our consideration of Columbus County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbus County's internal control over financial reporting and compliance.

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
February 15, 2018

## 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, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### **Financial Highlights**

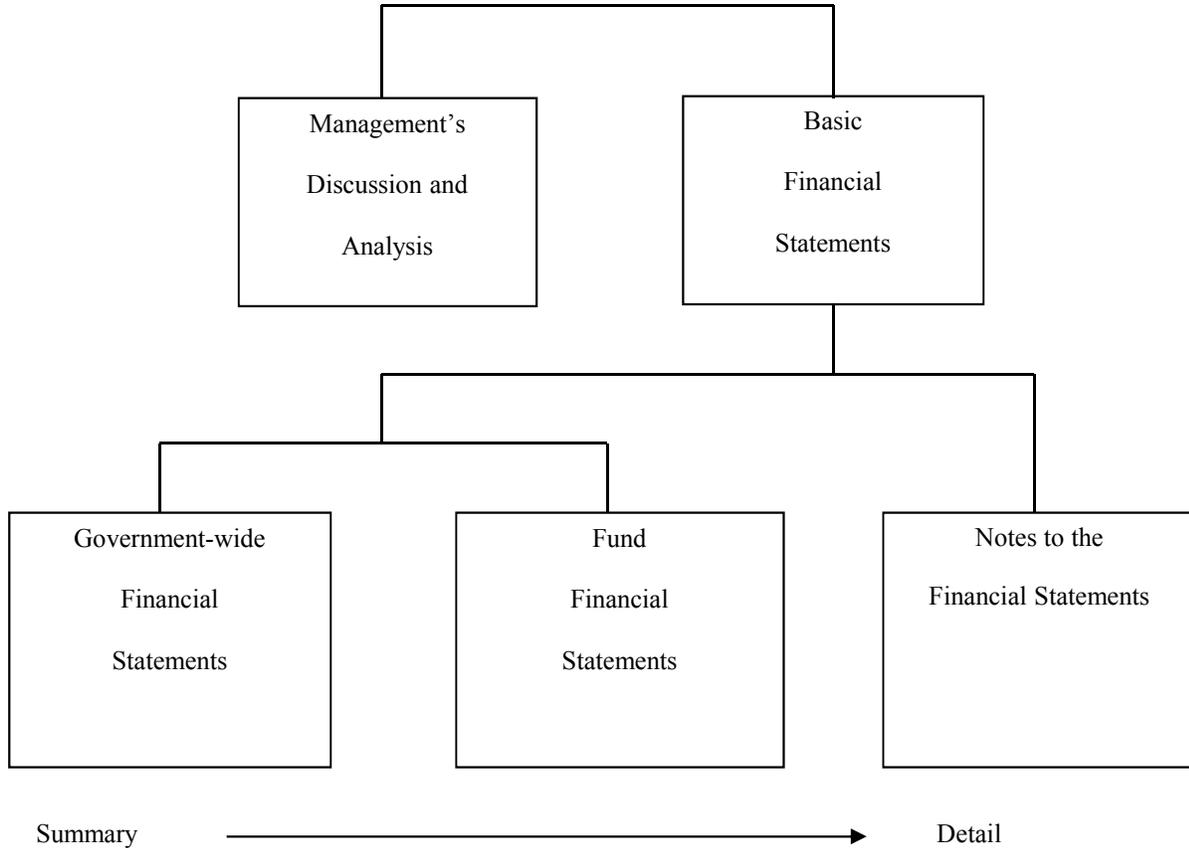
- The assets and deferred outflows of resources of Columbus County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$63,370,201 (net position).
- The government's total net position increased by \$5,036,737 primarily due to an increased net position both 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 \$35,705,491, a decrease of \$3,246,488 in comparison with the prior year. Approximately 23.36 percent of this total amount, or \$8,340,938, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$27,317,044 or 46.64 percent of total general fund expenditures for the fiscal year.
- Columbus County's total debt decreased by \$2,101,806 during the current fiscal year. The decrease was primarily due to the payment of debt service obligations, offset by refunding bonds issued.
- Columbus County's latest evaluations resulted in an Aa3 rating from Moody's and A from Standard and Poor's.

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

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

**Required Components of Annual Financial Report**

Figure 1



**Basic Financial Statements**

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

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

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

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

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

### **Government-wide Financial Statements**

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Columbus County. The final category is the component units. Columbus Regional Healthcare System is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County. The County appoints the board of trustees for the Hospital and has issued debt on its behalf. The County also reports the Tourism Development Authority as a component unit.

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

### **Fund Financial Statements**

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Government-Wide Financial Analysis**

**COLUMBUS COUNTY'S NET POSITION**

**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 40,487,142	\$ 38,318,483	\$ 10,577,623	\$ 8,677,605	\$ 51,064,765	\$ 46,996,088
Capital assets	34,415,110	32,732,872	34,152,978	35,393,709	68,568,088	68,126,581
Total assets	<u>74,902,252</u>	<u>71,051,355</u>	<u>44,730,601</u>	<u>44,071,314</u>	<u>119,632,853</u>	<u>115,122,669</u>
Total deferred outflows of resources	4,993,292	1,207,307	341,804	233,312	5,335,096	1,440,619
Long-term liabilities outstanding	31,613,339	31,028,264	20,543,001	20,947,844	52,156,340	51,976,108
Other liabilities	8,537,814	4,349,503	638,154	526,849	9,175,968	4,876,352
Total liabilities	<u>40,151,153</u>	<u>35,377,767</u>	<u>21,181,155</u>	<u>21,474,693</u>	<u>61,332,308</u>	<u>56,852,460</u>
Total deferred inflows of resources	259,133	661,995	6,307	19,830	265,440	681,825
Net position:						
Net investment in capital assets	23,374,570	20,051,189	14,338,294	15,118,361	37,712,864	35,169,550
Restricted	8,022,777	6,345,238	-	-	8,022,777	6,345,238
Unrestricted	8,087,911	9,822,473	9,546,649	7,691,742	17,634,560	17,514,215
Total net position	<u>\$ 39,485,258</u>	<u>\$ 36,218,900</u>	<u>\$ 23,884,943</u>	<u>\$ 22,810,103</u>	<u>\$ 63,370,201</u>	<u>\$ 59,029,003</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$63,370,201 as of June 30, 2017. The County's net position increased by \$4,341,198 for the fiscal year ended June 30, 2017. One of the largest portions, \$37,712,864 (59.51%) 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 \$8,022,777 (12.66%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$17,634,560 (27.83%) is unrestricted.

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

- Increases in overall expenditures and overall revenue in the Governmental and Business-Type Activities
- Sale of Home Health department for \$3,500,000

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

COLUMBUS COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 4,191,570	\$ 4,405,028	\$ 8,289,205	\$ 8,333,375	\$ 12,480,775	\$ 12,738,403
Operating grants and contributions	14,624,209	14,200,191	1,901,058	1,835,215	16,525,267	16,035,406
Capital grants and contributions	555,036	416,554	64,578	417,633	619,614	834,187
General revenues:					-	
Property taxes	31,914,377	31,593,223	-	-	31,914,377	31,593,223
Other taxes	9,290,719	7,452,965	-	-	9,290,719	7,452,965
Grants and contributions not restricted to specific programs	84,422	105,169	-	-	84,422	105,169
Other	3,869,900	(611,211)	10,295	160,773	3,880,195	(450,438)
Total revenues	64,530,233	57,561,919	10,265,136	10,746,996	74,795,369	68,308,915
Expenses:						
General government	7,549,458	6,427,283	-	-	7,549,458	6,427,283
Public safety	15,338,344	14,337,976	-	-	15,338,344	14,337,976
Transportation	584,353	512,917	-	-	584,353	512,917
Economic and physical development	2,251,866	3,683,982	-	-	2,251,866	3,683,982
Human services	19,940,846	20,309,261	-	-	19,940,846	20,309,261
Cultural and recreation	1,918,461	1,872,258	-	-	1,918,461	1,872,258
Education	12,495,549	12,945,647	-	-	12,495,549	12,945,647
Interest on long-term debt	337,150	396,601	-	-	337,150	396,601
Landfill	-	-	4,147,889	4,345,487	4,147,889	4,345,487
Water and sewer	-	-	3,492,311	3,132,406	3,492,311	3,132,406
Section 8 Housing	-	-	1,702,405	1,693,771	1,702,405	1,693,771
Total expenses	60,416,027	60,485,925	9,342,605	9,171,664	69,758,632	69,657,589
Increase in net position before transfers and special items	4,114,206	(2,924,006)	922,532	1,575,332	5,036,737	(1,348,674)
Transfers and special items	(152,308)	166,067	152,308	(166,067)	-	-
Increase in net position after transfers and special items	3,961,898	(2,757,939)	1,074,840	1,409,265	5,036,737	(1,348,674)
Net position, beginning	36,218,900	38,879,140	22,810,103	22,111,980	59,029,003	60,991,120
Net position, beginning, restated	35,523,360	38,976,839	22,810,103	21,400,838	58,333,463	60,377,677
Net position, ending	\$ 39,485,258	\$ 36,218,900	\$ 23,884,943	\$ 22,810,103	\$ 63,370,200	\$ 59,029,003

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Governmental activities.** Governmental activities increased the County's net position by \$3,961,898 thereby accounting for 78.66% 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
- Increase in expenditures of the governmental activities
- Sale of the Home Health division

**Business-type activities.** Business-type activities increased Columbus County's net position by \$1,074,840, accounting for 21.34% of the total increase in the government's net position. Key elements of this increase are as follows:

- Increase in transfers in
- Capital contributions of \$64,578 for the Hallsboro Water District project
- Increase in operating grants and contributions for Section 8 Housing

### **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 \$27,767,821, while total fund balance reached \$34,883,420. The County currently has an available fund balance of 47.41 percent of total General Fund expenditures, while total fund balance represents 59.56 percent of that same amount.

At June 30, 2017, the governmental funds of Columbus County reported a combined fund balance of \$35,705,491, a 9.66% percent increase from the previous year. The primary reason for this increase was the sale of the Home Health division for \$3,500,000.

**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 \$6,157,212.

**Proprietary Funds.** Columbus County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net position of the Solid Waste Fund at the end of the fiscal year amounted to \$6,535,810, and those for the Water Funds equaled \$17,009,567. The County also reports a fund balance of \$339,566 in the Section 8 Housing fund. The total change in net position for these funds was \$1,175,921, (\$215,902), and \$114,821, 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, 2017, totals \$68,567,798 (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	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,622,835	\$ 1,261,321	\$ 613,439	\$ 613,439	\$ 2,236,274	\$ 1,874,760
Construction in Progress	1,479,126	15,240,535	-	5,713,083	1,479,126	20,953,618
Buildings and improvements	29,168,406	15,323,721	6,699	4,324	29,175,105	15,328,045
Vehicles	1,164,917	877,287	209,453	196,687	1,374,370	1,073,974
Furniture, fixtures and equipment	979,826	30,008	92,882	30,842	1,072,708	60,850
Distributions systems	-	-	33,230,502	28,804,616	33,230,502	28,804,616
Other	-	-	3	30,718	3	30,718
<b>Total</b>	<b>\$ 34,415,110</b>	<b>\$ 32,732,872</b>	<b>\$ 34,152,978</b>	<b>\$ 35,393,709</b>	<b>\$ 68,568,088</b>	<b>\$ 68,126,581</b>

Major capital asset transactions during the year include:

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term Debt.** As of June 30, 2017, Columbus County had total bonded debt outstanding of \$18,965,500, all but \$1,993,500 (Revenue Bonds) of which is debt backed by the full faith and credit of the County. The County also has installment obligations of \$11,040,540, limited obligation bonds of \$13,135,000, and revolving loan fund obligations of \$294,822.

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

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ -	\$ -	\$16,972,000	\$17,336,000	\$16,972,000	\$17,336,000
Unamortized Bond Premium	-	-	554,363	576,805	554,363	576,805
Limited Obligation Bonds	-	-	13,135,000	13,440,000	13,135,000	13,440,000
Revenue Bonds	-	-	1,993,500	2,029,500	1,993,500	2,029,500
Revolving Loan Funds	-	-	294,822	321,623	294,822	321,623
Installment Purchases	11,040,540	12,681,683	-	11,420	11,040,540	12,693,103
<b>Total</b>	<b>\$ 11,040,540</b>	<b>\$ 12,681,683</b>	<b>\$ 32,949,685</b>	<b>\$ 33,715,348</b>	<b>\$ 43,990,225</b>	<b>\$ 46,397,031</b>

Columbus County's total debt decreased by \$2,406,806 (5.19 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 \$288,425,944.

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

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Columbus County continues to be involved in multiple sectors that work together to form a stable economic base. The County continues to play a strong role in the textile sector with facilities such as National Spinning and Whiteville Fabrics employing approximately 300 citizens in the Whiteville area and Filtec Precise employing over 50 in the Tabor City area. The Timber Industry continues to play a huge economic role as well, driven primarily by the International Paper plant in Riegelwood with over 750 employees and having recently undergoing a \$160 million expansion. West Fraser Timber also is a huge player with their ultra-modern mill which employs nearly 200 workers and which also undertook expansions that totaled over \$30 million. We continue to find success in our efforts to move the County forward in the food processing sector. The recent sale of the former Nice Blends facility to become a Regional Food Processing Center (Project Chess), the planned re-start of the idled Tortimex Tortilla factory (project Fawkes) and the multiple RFPs that have been submitted recently for food processors interested in our "Triple – Certified" Food and Beverage Park – the Southeastern Regional Park all bode well for success in the sector. The County also recently agreed to the sale of the former Georgia-Pacific site to the RJ Corman Railroad Company. We feel that the RJ Corman Railroad Company will move that former wood processing facility into a new era which can include multiple rail served manufactures on site as well as being the site for a regional trans-load facility which will move Columbus County into the logistics and transportation sector. The future of economic growth in Columbus County looks promising moving forward, but if there is a weakness we are facing, it is our lack of product. Many prospective clients are searching for an existing building. Our success in recent years has led to our current position wherein there is only one small industrial building (30,000 sq. ft.) that could be immediately occupied left on the market, and one older mid-sized building (50,000 sq.ft.) with low ceilings and in need of extensive renovation that can be shown to those clients in search of industrial buildings.

**Budget Highlights for Fiscal Year Ending June 30, 2018**

**Government Activities:**

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

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

**Business Type Activities:**

Rates for landfill user services will decrease by \$5 from the fiscal year ended June 30, 2017.

**Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Columbus County, 111 Washington Street, Whiteville, NC 28472. You can also call (910)-642-6825, visit our website [www.columbusco.org](http://www.columbusco.org) or send an email to [bfaircloth@columbusco.org](mailto:bfaircloth@columbusco.org) for more information.

**BASIC  
FINANCIAL STATEMENTS**

**Columbus County, North Carolina**  
**Statement of Net Position**  
**June 30, 2017**

	<u>Primary Government</u>			<u>Component Unit</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Columbus Tourism Authority</u>	<u>Columbus Regional Healthcare System</u>	<u>Total Reporting Unit</u>
<b>ASSETS</b>						
Cash and cash investments	\$ 32,246,003	\$ 8,849,899	\$ 41,095,902	\$ 249,872	\$ 6,985,325	\$ 48,331,099
Taxes receivable (net)	1,936,920	940,031	2,876,951	-	-	2,876,951
Accounts receivables (net)	1,329,760	642,576	1,972,336	14,812	12,982,796	14,969,944
Due from other governments	4,074,556	9,899	4,084,455	-	-	4,084,455
Due from other funds	199,964	(199,964)	-	-	-	-
Net pension asset	77,843	-	77,843	-	1,123,277	1,201,120
Other assets	-	-	-	-	2,446,430	2,446,430
Inventories	72,747	-	72,747	-	1,800,332	1,873,079
Prepaid items	245,414	-	245,414	-	843,336	1,088,750
Restricted cash and cash equivalents	303,935	335,182	639,117	-	-	639,117
Assets limited as to use	-	-	-	-	47,677,714	47,677,714
Capital assets:						
Land, improvements, and construction in progress	3,101,961	613,439	3,715,400	-	3,974,287	7,689,687
Other capital assets, net of depreciation	31,313,149	33,539,539	64,852,688	-	42,887,621	107,740,309
Total capital assets	34,415,110	34,152,978	68,568,088	-	46,861,908	115,429,996
Total assets	\$ 74,902,252	\$ 44,730,601	\$ 119,632,853	\$ 264,684	\$ 120,721,118	\$ 240,618,655
<b>DEFERRED OUTFLOWS OF RESOURCE</b>	\$ 4,993,292	\$ 341,804	\$ 5,335,096	\$ -	\$ 2,090,737	\$ 7,425,833
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 2,826,380	\$ 126,439	\$ 2,952,819	\$ -	\$ 6,831,248	\$ 9,784,067
Unearned revenue	-	-	-	-	-	-
Accrued interest payable	61,262	62,411	123,673	-	-	123,673
Customer deposits	-	273,877	273,877	-	-	273,877
Estimated third party payer settlements	-	-	-	-	4,373,887	4,373,887
Minority interest	-	-	-	-	-	-
Long-term liabilities:						
Due within one year	1,641,144	473,244	2,114,388	-	605,000	2,719,388
Net pension liability	5,650,172	175,427	5,825,599	-	-	5,825,599
Due in more than one year	29,972,195	20,069,757	50,041,952	-	22,573,698	72,615,650
Total long-term liabilities	37,263,511	20,718,428	57,981,939	-	23,178,698	81,160,637
Total liabilities	\$ 40,151,153	\$ 21,181,155	\$ 61,332,308	\$ -	\$ 34,383,833	\$ 95,716,141
<b>DEFERRED INFLOWS OF RESOURCES</b>	\$ 259,133	\$ 6,307	\$ 265,440	\$ -	\$ 536,911	\$ 802,351
<b>NET POSITION</b>						
Net investment in capital assets	\$ 23,374,570	\$ 14,338,294	\$ 37,712,864	\$ -	\$ 23,683,210	\$ 61,396,074
Restricted for:						
State Statute	6,435,137	-	6,435,137	14,812	-	6,449,949
Public Safety	1,195,263	-	1,195,263	-	-	1,195,263
Transportation	154,047	-	154,047	-	-	154,047
Economic & Physical Development	158,463	-	158,463	249,872	-	408,335
Airport Improvements	79,867	-	79,867	-	-	79,867
Specific Activities and Capital	-	-	-	-	2,163,064	2,163,064
Net Pension	-	-	-	-	1,123,277	1,123,277
Unrestricted (deficit)	8,087,911	9,546,649	17,634,560	-	60,921,560	81,842,461
Total net position	\$ 39,485,258	\$ 23,884,943	\$ 63,370,201	\$ 264,684	\$ 87,891,111	\$ 151,525,996

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, 2017**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit		Total Reporting Unit
					Governmental Activities	Business-type Activities	Total	Columbus Tourism Authority	Columbus Regional Healthcare System	
<b>Primary government:</b>										
Governmental Activities:										
General government	\$ 7,549,458	\$ 650,661	\$ -	\$ -	\$ (6,898,797)	\$ -	\$ (6,898,797)	\$ -	\$ -	\$ (6,898,797)
Public safety	15,338,344	1,982,112	1,427,131	-	(11,929,101)	-	(11,929,101)	-	-	(11,929,101)
Transportation	584,353	169,877	416,817	316,899	319,240	-	319,240	-	-	319,240
Economic and physical development	2,251,866	462,819	309,578	52,187	(1,427,282)	-	(1,427,282)	-	-	(1,427,282)
Human services	19,940,846	841,823	12,355,696	-	(6,743,327)	-	(6,743,327)	-	-	(6,743,327)
Cultural and recreation	1,918,461	84,278	114,987	-	(1,719,196)	-	(1,719,196)	-	-	(1,719,196)
Education	12,495,549	-	-	185,950	(12,309,599)	-	(12,309,599)	-	-	(12,309,599)
Interest on long-term debt	337,150	-	-	-	(337,150)	-	(337,150)	-	-	(337,150)
Total governmental activities	<u>60,416,027</u>	<u>4,191,570</u>	<u>14,624,209</u>	<u>555,036</u>	<u>(41,045,212)</u>	<u>-</u>	<u>(41,045,212)</u>	<u>-</u>	<u>-</u>	<u>(41,045,212)</u>
Business-type activities:										
Solid Waste	4,147,889	5,224,896	94,238	-	-	1,171,246	1,171,246	-	-	1,171,246
Water District I	600,274	600,400	-	-	-	126	126	-	-	126
Water District II	1,066,721	780,578	-	-	-	(286,143)	(286,143)	-	-	(286,143)
Water District III	574,808	485,129	-	-	-	(89,679)	(89,679)	-	-	(89,679)
Water District IV	719,495	489,577	-	64,578	-	(165,340)	(165,340)	-	-	(165,340)
Water District V	531,013	701,775	-	-	-	170,762	170,762	-	-	170,762
Section 8 Housing	1,702,405	6,850	1,806,820	-	-	111,265	111,265	-	-	111,265
Total business-type activities	<u>9,342,605</u>	<u>8,289,205</u>	<u>1,901,058</u>	<u>64,578</u>	<u>-</u>	<u>912,237</u>	<u>912,237</u>	<u>-</u>	<u>-</u>	<u>912,237</u>
Total primary government	<u>69,758,632</u>	<u>12,480,775</u>	<u>16,525,267</u>	<u>619,614</u>	<u>(41,045,212)</u>	<u>912,237</u>	<u>(40,132,975)</u>	<u>-</u>	<u>-</u>	<u>(40,132,975)</u>
<b>Component Units:</b>										
Columbus Tourism Authority	64,145	-	-	-	-	-	-	(64,145)	-	(64,145)
Columbus Regional Healthcare System	85,909,748	86,906,256	570,546	-	-	-	-	-	1,567,054	1,567,054
Total component units	<u>\$ 85,973,893</u>	<u>\$ 86,906,256</u>	<u>\$ 570,546</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(64,145)</u>	<u>1,567,054</u>	<u>1,502,909</u>
General revenues:										
Taxes:										
Property taxes, levied for general purpose					31,914,377	-	31,914,377	-	-	31,914,377
Local option sales tax					9,155,442	-	9,155,442	-	-	9,155,442
Other taxes and licenses					135,277	-	135,277	138,505	-	273,782
Unrestricted Intergovernmental					84,422	-	84,422	-	-	84,422
Investment earnings, unrestricted					158,440	-	158,440	-	2,251,350	2,409,790
Gain (Loss) on Sale of Assets					(2,557)	-	(2,557)	-	-	(2,557)
Special Item - Sale of Home Health					3,500,000	-	3,500,000	-	10,303	3,510,303
Miscellaneous, unrestricted					214,017	10,295	224,312	-	-	224,312
Transfers					(152,308)	152,308	-	-	-	-
Total general revenues, special items, and transfers					<u>45,007,110</u>	<u>162,603</u>	<u>45,169,713</u>	<u>138,505</u>	<u>2,261,653</u>	<u>47,569,871</u>
Change in net position					3,961,898	1,074,840	5,036,737	74,360	3,828,707	8,939,804
Net position-beginning					36,218,900	22,810,103	59,029,003	185,299	84,062,404	143,276,706
Restatement					(695,540)	-	(695,540)	5,025	-	(690,515)
Net position-beginning, restated					<u>35,523,360</u>	<u>22,810,103</u>	<u>58,333,463</u>	<u>190,324</u>	<u>84,062,404</u>	<u>142,586,191</u>
Net position-ending					<u>\$ 39,485,258</u>	<u>\$ 23,884,943</u>	<u>\$ 63,370,200</u>	<u>\$ 264,684</u>	<u>\$ 87,891,111</u>	<u>\$ 151,525,995</u>

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

**Columbus County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	<b>Major Governmental Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Other Governmental Funds</b>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 30,000,220	\$ 2,324,649	\$ 32,324,869
Cash and cash equivalents-Restricted	303,935	-	303,935
Receivables, net	1,276,520	326,860	1,603,380
Other Receivables	1,232,741	97,019	1,329,760
Due from other governments	4,008,964	65,592	4,074,556
Due from other funds	1,193,432	-	1,193,432
Inventories	72,747	-	72,747
Prepaid Expenses	245,414	-	245,414
Total assets	<u>\$ 38,333,973</u>	<u>\$ 2,814,120</u>	<u>\$ 41,148,093</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,154,659	\$ 671,721	\$ 2,826,380
Due to other funds	-	993,468	993,468
Total liabilities	<u>\$ 2,154,659</u>	<u>\$ 1,665,189</u>	<u>\$ 3,819,848</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid Taxes	\$ 19,374	\$ -	\$ 19,374
Taxes Receivable	1,276,520	326,860	1,603,380
Total deferred inflows of resources	<u>\$ 1,295,894</u>	<u>\$ 326,860</u>	<u>\$ 1,622,754</u>
Fund balances:			
Nonspendable:			
Inventories	\$ 72,747	\$ -	\$ 72,747
Prepaid Expenses	245,414	-	245,414
Restricted:			
State statue	6,435,137	-	6,435,137
Public Safety	-	1,195,263	1,195,263
Transportation	-	154,047	154,047
Economic & Physical Development	-	158,463	158,463
Airport Improvements	-	79,867	79,867
Committed:			
Tax Revaluation	178,939	-	178,939
Reserve No Till Drill	27,580	-	27,580
ROD Automation enhancement	104,789	-	104,789
Health department	59,803	-	59,803
Home Health	150,004	-	150,004
Capital Outlay	212,297	-	212,297
Fall soccer league	1,002	-	1,002
Various	78,664	-	78,664
Assigned:			
Designated for subsequent year's expenditures	-	-	-
Unassigned:	27,317,044	(765,569)	26,551,475
Total fund balances	<u>\$ 34,883,420</u>	<u>\$ 822,071</u>	<u>\$ 35,705,491</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,333,973</u>	<u>\$ 2,814,120</u>	<u>\$ 41,148,093</u>

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

**Columbus County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

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

Total Fund Balance - Governmental Funds	\$ 35,705,491
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	34,415,110
Amounts by which the investment balances differ (cost is recorded on the fund statements and market is recorded on the government-wide statements)	(78,866)
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	333,540
Net Pension Asset	77,843
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	
LGERS	1,283,588
ROD	5,345
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	27,640
Deferred outflows related to pensions	
LGERS	3,649,203
ROD	27,516
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide.	1,603,380
Pension Related Deferrals	
LGERS	(203,170)
ROD	(2,743)
LEOSSA	(33,846)
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	(11,040,540)
Compensated absences	(1,444,116)
Other Post Employment Benefits	(17,726,871)
Net Pension Liability	(5,650,172)
Total Pension Liability	(1,401,812)
Accrued interest payable	(61,262)
Net position of governmental activities	<u>\$ 39,485,258</u>

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

	<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>	
<b>REVENUES</b>			
Ad valorem taxes	\$ 30,240,655	\$ 2,469,179	\$ 32,709,834
Other taxes and licenses	9,290,014	103,457	9,393,471
Unrestricted intergovernmental	98,914	-	98,914
Restricted intergovernmental	13,843,154	1,321,601	15,164,755
Permits and fees	1,286,434	-	1,286,434
Sales and services	2,735,962	66,420	2,802,382
Investment earnings	182,989	430	183,419
Miscellaneous	196,988	17,030	214,018
Total revenues	<u>\$ 57,875,110</u>	<u>\$ 3,978,117</u>	<u>\$ 61,853,227</u>
<b>EXPENDITURES</b>			
Current:			
General government	\$ 8,905,866	\$ -	\$ 8,905,866
Public safety	10,824,143	2,892,780	13,716,923
Transportation	-	635,646	635,646
Economic and physical development	1,717,400	84,063	1,801,463
Human services	19,168,009	-	19,168,009
Cultural and recreational	1,807,160	-	1,807,160
Education	12,309,599	185,950	12,495,549
Special Appropriations	944,796	-	944,796
Capital project	-	493,067	493,067
Debt service:			
Principal	672,308	968,836	1,641,144
Interest and other charges	98,820	245,988	344,808
Total expenditures	<u>56,448,101</u>	<u>5,506,330</u>	<u>61,954,431</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,427,009</u>	<u>\$ (1,528,213)</u>	<u>\$ (101,204)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 29,794	\$ 1,937,812	\$ 1,967,606
Transfers (out)	(2,119,914)	-	(2,119,914)
Sale of Home Health	3,500,000	-	3,500,000
Total other financing sources and uses	<u>\$ 1,409,880</u>	<u>\$ 1,937,812</u>	<u>\$ 3,347,692</u>
Net change in fund balance	\$ 2,836,889	\$ 409,599	\$ 3,246,488
Fund balances-beginning	33,197,412	412,472	33,609,884
Prior Period Adjustment	(1,150,881)	-	(1,150,881)
Fund balances-ending	<u>\$ 34,883,420</u>	<u>\$ 822,071</u>	<u>\$ 35,705,491</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, 2017**

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

Net changes in fund balances - total governmental funds	\$ 3,246,488
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	3,817,785
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.	(2,271,070)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,288,933
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	27,640
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.	-
Principial 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)	(24,979)
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.	(86,492)
(Increase) in Other Post Employment Benefits Liability	(1,349,502)
County's portion of collective pension expense	(1,675,772)
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	(724,375)
Increase (decrease) in accrued taxes receivable	(71,082)
Total changes in net position of governmental activities	<u>\$ 3,823,818</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, 2017**

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 30,049,298	\$ 30,298,510	\$ 30,240,655	\$ (57,855)
Other taxes and licenses	8,484,202	8,895,932	9,290,014	394,082
Unrestricted intergovernmental	-	94,040	98,914	4,874
Restricted intergovernmental	16,065,559	16,773,196	13,843,154	(2,930,042)
Permits and fees	173,286	1,304,861	1,286,434	(18,427)
Sales and services	2,872,402	3,476,719	2,735,962	(740,757)
Investment earnings	-	285,000	182,989	(102,011)
Miscellaneous	632,421	317,793	196,988	(120,805)
Total revenues	<u>\$ 58,277,168</u>	<u>\$ 61,446,051</u>	<u>\$ 57,875,110</u>	<u>\$ (3,570,941)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	\$ 7,710,414	\$ 9,820,115	\$ 8,905,866	\$ 914,249
Public safety	11,576,149	12,789,139	10,824,143	1,964,996
Economic and physical development	1,743,684	2,127,006	1,717,400	409,606
Human services	21,258,022	21,970,216	19,168,009	2,802,207
Cultural and recreational	1,903,506	1,916,787	1,807,160	109,627
<b>Intergovernmental:</b>				
Education	12,421,608	13,196,553	12,309,599	886,954
Special appropriations	899,369	954,674	944,796	9,878
<b>Debt service:</b>				
Principal retirement	672,308	672,308	672,308	-
Interest and other charges	98,911	98,911	98,820	91
Total expenditures	<u>\$ 58,283,971</u>	<u>\$ 63,545,709</u>	<u>\$ 56,448,101</u>	<u>\$ 7,097,608</u>
Revenues over (under) expenditures	<u>\$ (6,803)</u>	<u>\$ (2,099,658)</u>	<u>\$ 1,427,009</u>	<u>\$ 3,526,667</u>
<b>Other financing sources (uses):</b>				
Transfer - Out	\$ (1,258,185)	\$ (2,153,659)	\$ (2,139,914)	\$ 13,745
Transfer - In	184,958	185,058	29,794	(155,264)
Sale of Home Health	-	-	3,500,000	3,500,000
Fund balance appropriated	1,080,030	4,068,259	-	(4,068,259)
Total other financing sources (uses)	<u>\$ 6,803</u>	<u>\$ 2,099,658</u>	<u>\$ 1,389,880</u>	<u>\$ (709,778)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,816,889</u>	<u>\$ 2,816,889</u>
<b>Fund balances:</b>				
Beginning of year, July 1			33,038,473	
Prior Period Adjustment			<u>(1,150,881)</u>	
End of year, June 30			<u>\$ 34,704,481</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			-	
Transfer from General Fund			20,000	
Expenditures			-	
Fund balance, beginning of year			<u>158,939</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 34,883,420</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, 2017**

	MAJOR					NON-MAJOR		Totals
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 3,943,667	\$ 857,243	\$ 771,329	\$ 620,952	\$ 1,214,120	\$ 928,027	\$ 514,561	\$ 8,849,899
Taxes receivable (net)	932,169	5,354	2,508	-	-	-	-	940,031
Accounts receivable (net)	233,799	96,171	59,363	74,395	105,138	73,710	-	642,576
Due from other governments	9,128	598	(598)	534	4	(100)	333	9,899
Due from other funds	-	-	-	-	-	-	-	-
Total current assets	<u>5,118,763</u>	<u>959,366</u>	<u>832,602</u>	<u>695,881</u>	<u>1,319,262</u>	<u>1,001,637</u>	<u>514,894</u>	<u>10,442,405</u>
Noncurrent assets:								
Restricted - cash and cash equivalents	-	96,800	65,177	102,205	29,725	41,275	-	335,182
Capital assets:								
Land, improvements and construction in progress	488,139	-	-	125,300	-	-	-	613,439
Other capital assets, net of depreciation	1,163,561	6,984,242	4,798,624	11,624,882	6,992,203	1,976,027	-	33,539,539
Total capital assets	<u>1,651,700</u>	<u>6,984,242</u>	<u>4,798,624</u>	<u>11,750,182</u>	<u>6,992,203</u>	<u>1,976,027</u>	<u>-</u>	<u>34,152,978</u>
Total noncurrent assets	<u>1,651,700</u>	<u>7,081,042</u>	<u>4,863,801</u>	<u>11,852,387</u>	<u>7,021,928</u>	<u>2,017,302</u>	<u>-</u>	<u>34,488,160</u>
Total assets	<u>6,770,463</u>	<u>8,040,408</u>	<u>5,696,403</u>	<u>12,548,268</u>	<u>8,341,190</u>	<u>3,018,939</u>	<u>514,894</u>	<u>44,930,565</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Contributions to pension plan in current year	40,572	29,375	18,025	14,470	8,913	19,744	22,053	153,152
Deferred charge on refunding	-	74,414	60,317	-	53,921	-	-	188,652
Total deferred outflows of resources	<u>40,572</u>	<u>103,789</u>	<u>78,342</u>	<u>14,470</u>	<u>62,834</u>	<u>19,744</u>	<u>22,053</u>	<u>341,804</u>
<b>LIABILITIES</b>								
Current liabilities:								
General Fund advance	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities	45,516	23,340	14,322	11,498	7,082	15,689	8,992	126,439
Accrued interest	-	19,832	13,972	14,872	13,735	-	-	62,411
Due to other funds	-	-	-	199,964	-	-	-	199,964
Limited Obligation Bonds	-	135,000	110,000	-	80,000	-	-	325,000
Bonds, notes, and leases payable	-	54,054	8,253	82,000	3,937	-	-	148,244
Total current liabilities	<u>45,516</u>	<u>232,226</u>	<u>146,547</u>	<u>308,334</u>	<u>104,754</u>	<u>15,689</u>	<u>8,992</u>	<u>862,058</u>
Noncurrent liabilities:								
Customer deposits	-	96,800	65,177	40,900	29,725	41,275	-	273,877
OPEB liability	170,806	84,744	71,395	56,854	28,127	89,499	150,163	651,588
Compensated absences	10,759	15,022	8,815	10,820	7,792	11,464	12,057	76,729
Net pension liability	46,473	33,646	20,647	16,575	10,209	22,616	25,261	175,427
Limited Obligation Bonds	-	4,890,000	3,955,000	-	3,965,000	-	-	12,810,000
Bonds, notes, and leases payable	-	1,163,322	189,816	5,072,000	106,302	-	-	6,531,440
Total noncurrent liabilities	<u>228,038</u>	<u>6,283,534</u>	<u>4,310,850</u>	<u>5,197,149</u>	<u>4,147,155</u>	<u>164,854</u>	<u>187,481</u>	<u>20,519,061</u>
Total liabilities	<u>273,554</u>	<u>6,515,760</u>	<u>4,457,397</u>	<u>5,505,483</u>	<u>4,251,909</u>	<u>180,543</u>	<u>196,473</u>	<u>21,381,119</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
	<u>1,671</u>	<u>1,210</u>	<u>742</u>	<u>596</u>	<u>367</u>	<u>813</u>	<u>908</u>	<u>6,307</u>
<b>NET POSITION</b>								
Net investment in capital assets	1,651,700	741,866	535,555	6,596,182	2,836,964	1,976,027	-	14,338,294
Restricted for capital projects	-	-	-	-	-	-	-	-
Unrestricted	4,884,110	885,361	781,051	460,477	1,314,784	881,300	339,566	9,546,649
Total net position	<u>\$ 6,535,810</u>	<u>\$ 1,627,227</u>	<u>\$ 1,316,606</u>	<u>\$ 7,056,659</u>	<u>\$ 4,151,748</u>	<u>\$ 2,857,327</u>	<u>\$ 339,566</u>	<u>\$ 23,884,943</u>

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

	MAJOR					NON-MAJOR		Totals
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>Revenues:</b>								
<b>Operating Revenues:</b>								
Charges for Services	\$ 5,191,794	\$ 724,456	\$ 462,482	\$ 442,492	\$ 653,758	\$ 572,649	\$ -	\$ 8,047,631
Water Taps & Reconnection Fees	-	11,000	3,001	11,864	17,891	26,004	-	69,760
Sewer Sales	-	-	-	-	27,676	-	-	27,676
Special District Tax	-	8,155	6,840	-	-	-	-	14,995
Miscellaneous Revenue	-	36,967	12,806	35,221	2,450	1,747	6,850	96,041
Total Operating Revenues	<u>5,191,794</u>	<u>780,578</u>	<u>485,129</u>	<u>489,577</u>	<u>701,775</u>	<u>600,400</u>	<u>6,850</u>	<u>8,256,103</u>
<b>Expenditures:</b>								
<b>Operating Expenses:</b>								
Salaries and employee benefits	321,290	164,559	99,888	80,254	48,148	110,488	128,746	953,373
Contract Services	3,539,128	13,833	10,809	11,769	3,519	7,796	-	3,586,854
Advertising	-	-	-	-	-	-	-	-
Supplies	852	36,929	22,661	18,192	11,204	24,822	-	114,660
Maintenance and repairs/service	42,976	51,570	20,438	22,632	15,936	18,938	-	172,490
Gas plant operations	900	-	-	-	-	-	-	900
Utilities	-	24,406	15,244	12,675	7,538	16,698	-	76,561
Water purchases	-	-	-	-	-	280,577	-	280,577
Travel	-	-	-	-	46,987	-	-	46,987
Depreciation	58,194	482,424	205,356	367,230	219,127	103,114	-	1,435,445
Indirect cost to general fund	52,353	25,804	15,834	12,712	7,829	17,345	17,615	149,492
Housing assistance payments	-	-	-	-	-	-	1,538,545	1,538,545
Other departmental expenditures	112,841	30,670	15,498	12,482	7,663	16,974	17,499	213,627
Capital outlay (noncapitalized)	19,355	-	4,230	900	-	3,478	-	27,963
Contingency	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,147,889</u>	<u>830,195</u>	<u>409,958</u>	<u>538,846</u>	<u>367,951</u>	<u>600,230</u>	<u>1,702,405</u>	<u>8,597,474</u>
Operating income (loss)	<u>1,043,906</u>	<u>(49,617)</u>	<u>75,171</u>	<u>(49,269)</u>	<u>333,824</u>	<u>170</u>	<u>(1,695,555)</u>	<u>(341,370)</u>
<b>Nonoperating Revenues (Expenses)</b>								
Interest Earned on Investments	-	-	-	-	-	-	-	-
White Goods Sales Recycles	33,102	-	-	-	-	-	-	33,102
State Aid	94,238	-	-	-	-	-	-	94,238
Operating subsidy - HUD	-	-	-	-	-	-	1,806,820	1,806,820
Interest Expense	-	(236,526)	(164,850)	(180,649)	(163,062)	(44)	-	(745,131)
Miscellaneous Revenue	4,675	-	-	1,183	-	-	3,556	9,414
Total Nonoperating Revenues (Expenses)	<u>132,015</u>	<u>(236,526)</u>	<u>(164,850)</u>	<u>(179,466)</u>	<u>(163,062)</u>	<u>(44)</u>	<u>1,810,376</u>	<u>1,198,443</u>
Income (Loss) before contributions and transfers	<u>1,175,921</u>	<u>(286,143)</u>	<u>(89,679)</u>	<u>(228,735)</u>	<u>170,762</u>	<u>126</u>	<u>114,821</u>	<u>857,073</u>
Transfers in (out)	-	-	-	-	152,308	-	-	152,308
Reimbursements	-	881	-	-	-	-	-	881
Capital contributions	-	-	-	64,578	-	-	-	64,578
Change in net position	<u>1,175,921</u>	<u>(285,262)</u>	<u>(89,679)</u>	<u>(164,157)</u>	<u>323,070</u>	<u>126</u>	<u>114,821</u>	<u>1,074,840</u>
Total net position, beginning	<u>5,359,889</u>	<u>1,912,489</u>	<u>1,406,285</u>	<u>7,220,816</u>	<u>3,828,678</u>	<u>2,857,201</u>	<u>224,745</u>	<u>22,810,103</u>
Prior period adjustment	-	-	-	-	-	-	-	-
Total net position, ending	<u>\$ 6,535,810</u>	<u>\$ 1,627,227</u>	<u>\$ 1,316,606</u>	<u>\$ 7,056,659</u>	<u>\$ 4,151,748</u>	<u>\$ 2,857,327</u>	<u>\$ 339,566</u>	<u>\$ 23,884,943</u>

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

**Columbus County, North Carolina**  
**Enterprise Fund**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2017**

	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, 2017
Cash flows from operating activities:								
Cash received from customers	\$ 5,232,939	\$ 828,100	\$ 511,385	\$ 475,016	\$ 749,195	\$ 617,260	\$ 6,919	\$ 8,420,814
Cash paid for goods and services	(3,911,164)	(159,872)	(90,392)	(81,512)	(93,594)	(370,939)	(1,581,201)	(6,288,674)
Cash paid to employees for services	(301,368)	(152,214)	(93,404)	(74,982)	(46,183)	(102,311)	(118,952)	(889,414)
Customer deposits received	-	21,651	16,423	5,162	4,850	6,780	-	54,866
Net cash provided (used) by operating activities	<u>1,020,408</u>	<u>537,665</u>	<u>344,012</u>	<u>323,684</u>	<u>614,268</u>	<u>150,790</u>	<u>(1,693,234)</u>	<u>1,297,593</u>
Cash flows from noncapital financing activities:								
Transfers in (out)	-	-	-	-	152,308	-	-	152,308
Miscellaneous	-	881	-	1,183	-	-	3,556	5,620
Due from other funds	-	-	-	-	-	-	-	-
Operating subsidy - HUD	-	-	-	-	-	-	1,806,820	1,806,820
General Fund Advance to cover expenses	-	-	-	-	-	-	-	-
Net cash provided (used) by noncapital financial activities	<u>-</u>	<u>881</u>	<u>-</u>	<u>1,183</u>	<u>152,308</u>	<u>-</u>	<u>1,810,376</u>	<u>1,964,748</u>
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(69,764)	(47,595)	(4,947)	(64,541)	(2,446)	(5,419)	-	(194,712)
Miscellaneous revenue	4,675	-	-	-	-	-	-	4,675
Principal paid on bond maturities and equipment contracts	-	(171,228)	(107,398)	(80,827)	(76,142)	(2,627)	-	(438,222)
Interest paid on bond maturities and equipment contracts	-	(244,051)	(167,123)	(181,227)	(165,094)	(44)	-	(757,539)
Developers contributions	-	-	-	-	-	-	-	-
Capital contributions	127,340	-	-	64,578	-	-	-	191,918
Net cash provided (used) by capital and related financing activities	<u>62,251</u>	<u>(462,874)</u>	<u>(279,468)</u>	<u>(262,017)</u>	<u>(243,682)</u>	<u>(8,090)</u>	<u>-</u>	<u>(1,193,880)</u>
Cash flows from investing activities:								
Interest on investments	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	1,082,659	75,672	64,544	62,850	522,894	142,700	117,142	2,068,461
Cash and cash equivalents, July 1	2,861,008	878,371	771,962	660,307	720,951	826,602	397,419	7,116,620
Cash and cash equivalents, June 30	<u>\$ 3,943,667</u>	<u>\$ 954,043</u>	<u>\$ 836,506</u>	<u>\$ 723,157</u>	<u>\$ 1,243,845</u>	<u>\$ 969,302</u>	<u>\$ 514,561</u>	<u>\$ 9,185,081</u>

(continued)

**Columbus County, North Carolina**  
**Enterprise Fund**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2017**

	MAJOR					NON-MAJOR		June 30, 2017
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>Reconciliation of operating income to net cash provided by operating activities:</b>								
Operating income (loss)	\$ 1,043,906	\$ (49,617)	\$ 75,171	\$ (49,269)	\$ 333,824	\$ 170	\$ (1,695,555)	\$ (341,370)
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation	\$ 58,194	\$ 482,424	\$ 205,356	\$ 367,230	\$ 219,127	\$ 103,114	\$ -	\$ 1,435,445
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	41,145	47,522	26,256	(14,561)	47,420	16,860	69	164,711
(Increase) decrease in deferred outflows of resources for pensions	(31,555)	(22,516)	(13,224)	(10,812)	(6,627)	(14,485)	(16,811)	(116,030)
Increase (decrease) in accounts payable and accrued liabilities	(142,759)	23,340	14,322	9,850	7,082	15,689	(7,542)	(80,018)
Increase (decrease) in deposits	-	21,651	16,423	5,162	4,850	6,780	-	54,866
Increase (decrease) in OPEB	20,572	9,803	5,581	4,290	2,165	6,300	7,426	56,137
Increase (decrease) in deferred inflows	(3,146)	(2,454)	(1,823)	(1,358)	(854)	(1,996)	(1,892)	(13,523)
Increase (decrease) in net pension liability	37,307	26,674	15,767	12,856	7,885	17,270	19,932	137,691
Increase (decrease) in compensated absences	(3,256)	838	183	296	(604)	1,088	1,139	(316)
Total adjustments	(23,498)	587,282	268,841	372,953	280,444	150,620	2,321	1,638,963
Net cash provided (used) by operating activities	\$ 1,020,408	\$ 537,665	\$ 344,012	\$ 323,684	\$ 614,268	\$ 150,790	\$ (1,693,234)	\$ 1,297,593

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, 2017**

		Agency Funds
<b>Assets</b>		
Cash and investments	\$	383,249
Due from other governments		-
		-
Total Assets	\$	383,249
<b>Liabilities and Net Position</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$	-
Due to other funds		383,249
		383,249
Total liabilities		383,249
Net position:		
Held in trust (Fiduciary net assets)	\$	-

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2017

NOTE I: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Blended Component Unit

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

Columbus County Water Districts

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

Discretely Presented Component Unit

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

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

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

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2017

B. Basis of Presentation – Basis of Accounting

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

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

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

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

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

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

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

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

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2017

The County reports the following fund types:

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

Measurement Focus, Basis of Accounting

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

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

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

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

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2017

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

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

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

C. Budgetary Data

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the Special Revenue and the Enterprise Funds, and at the object level for the Capital Project Funds. The balances in the Capital Reserve Fund will be appropriated when transferred to a Capital Projects Fund in accordance with the project ordinance adopted for the Reserve fund. The County Administrator is authorized by the budget ordinance to transfer any appropriations between functional areas within a fund; however, any revisions that alter total expenditures of any fund must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

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

The County, Tourism Authority, and the Hospital's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, an SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Columbus Regional Healthcare System considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents

3. Restricted Assets

The unexpended bond proceeds of the District's Serial Bonds are classified as restricted with the Water District Funds because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

Governmental Activities

General Fund	Tax Revaluation	\$ 178,939
General Fund	Unexpended grant proceeds / restricted for purpose	124,996
Total Governmental Activities		<u>\$ 303,935</u>

Business-Type Activities

Water District I	Customer deposits	\$ 41,275
Water District II	Customer deposits	96,800
Water District III	Customer deposits	65,177
Water District IV	Customer deposits	40,900
Water District IV	Restricted per USDA	61,305
Water District V	Customer deposits	29,725
Total Business-Type Activities		<u>\$ 335,182</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2016. As allowed by State law, the County has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

5. Allowance for Doubtful Accounts

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

6. Inventories and Prepaid Items

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

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

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2016 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2016 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are \$5,000 for all classes of assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

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

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has three items that meet this criterion - pension related deferrals, contributions made to the pension plan in the current fiscal year, 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 three items that meet the criterion for this category - prepaid taxes, special assessments receivable, and other pension related deferrals.

9. Long-Term Obligations

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

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

10. Compensated Absences

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

The sick leave policies of the County and the Hospital provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the Hospital have any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

11. Net Position/Fund Balances

Net Position

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

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2017

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

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

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

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

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

Airport Improvements - portion of fund balance that is restricted by revenue source for airport improvement 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.

Debt Service - portion of fund balance that is committed for debt service.

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

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

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

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

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

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2017

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

The Rescue Tax Fund, 2013 Single Family Rehab Grant Fund, and 2016 Urgent Repair Program Funds had deficit fund balances of \$5,222, \$9,594, and \$273 respectively at June 30, 2017. In addition, the Courthouse Renovation Capital Project and the E911 Project Radio Funds had deficit fund balances of \$304,591 and \$179,836, respectively, at June 30, 2017. 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.

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

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

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

At June 30, 2017 the County's deposits had a carrying amount of \$7,731,753 and a bank balance of \$8,324,983. Of the carrying amount \$2,778 was cash on hand. Of the bank balance, \$1,000,000 was covered by federal depository insurance; the remaining \$7,324,983 was covered by collateral held under the Pooling Method.

At June 30, 2017, the Tourism Authority's deposits had a carrying amount of \$249,872 and a bank balance of \$249,872. All of the bank balance was covered by federal depository insurance.

At September 30, 2017, the Hospital's deposits had a carrying amount of \$6,985,325 and a bank balance of \$ 7,922,824. Of the carrying amount, \$6,265 was cash on hand. Of the bank balance, \$1,012,444 was covered by federal depository insurance; the remaining \$6,910,380 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

2. Investments

At June 30, 2017, 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	\$ 14,177,395	\$ 2,248,847	\$ 7,767,765	\$ 4,160,783
Commercial Paper	FairValue- Level II	-	-	-	-
NC Capital Management Trust - Government Portfolio	Amortized Cost	15,148,458	N/A	N/A	N/A
NC Capital Management Trust - Term Portfolio **	FairValue- Level I	5,060,587	5,060,587	-	-
<b>TOTAL</b>		<b>\$ 34,386,440</b>	<b>\$ 7,309,434</b>	<b>\$ 7,767,765</b>	<b>\$ 4,160,783</b>

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

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

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

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

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2017. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

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

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

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

At September 30, 2016, 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	\$ 1,197,712	\$ 1,197,712	\$ -	\$ -
U.S. Treasury obligations and agency obligations	29,606,208	-	620,309	28,985,899
Pooled investment funds	14,544,531	14,544,531	-	-
Interest receivable	153,573	153,573	-	-
	<u>\$ 45,502,024</u>	<u>\$ 15,895,816</u>	<u>\$ 620,309</u>	<u>\$ 28,985,899</u>
Debt service funds held by Trustee:				
Cash and short-term investments	\$ 1,474,716	\$ 1,474,716	\$ -	\$ -
Restricted by donors or grantors for specific purposes:				
Cash and short-term investments	\$ 688,348	\$ 688,348	\$ -	\$ -
Escrow held by agent for workers compensation:				
Cash and short-term investments	\$ 12,626	\$ 12,626	\$ -	\$ -
Total:	<u>\$ 47,677,714</u>	<u>\$ 18,071,506</u>	<u>\$ 620,309</u>	<u>\$ 28,985,899</u>

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

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

Year Levied	Tax	Interest	Total
2014	\$ 1,362,726	\$ 405,411	\$ 1,768,137
2015	1,363,020	282,827	1,645,847
2016	1,371,300	161,128	1,532,428
Total	<u>\$ 4,097,046</u>	<u>\$ 849,366</u>	<u>\$ 4,946,412</u>

COLUMBUS COUNTY, NORTH CAROLINA  
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4. Receivables

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

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Due From Other Governments	Total
Governmental Activities:					
General	\$ 1,232,741	\$ 3,121,260	\$ -	\$ 4,008,964	\$ 8,362,965
Other Governmental	97,019	326,860	-	65,592	489,471
Total Receivables	\$ 1,329,760	\$ 3,448,120	\$ -	\$ 4,074,556	\$ 8,852,436
Allowance for Doubtful Accts.	-	(1,511,200)	-	-	(1,511,200)
Total Gov't Activities	\$ 1,329,760	\$ 1,936,920	\$ -	\$ 4,074,556	\$ 7,341,236
Business-type Activities:					
Solid Waste	\$ 290,815	\$ 2,571,272	\$ -	\$ 9,128	\$ 2,871,215
Water District I	134,978	-	-	(100)	134,878
Water District II	168,503	31,842	-	598	200,943
Water District III	84,202	16,806	-	(598)	100,411
Water District IV	146,410	-	-	534	146,944
Water District V	150,477	-	-	4	150,481
Section 8 Housing	-	-	-	333	333
Total Receivables	\$ 975,385	\$ 2,619,920	\$ -	\$ 9,899	\$ 3,605,204
Allowance for Doubtful Accts.	(332,809)	(1,679,889)	-	-	(2,012,698)
Total Business-type	\$ 642,576	\$ 940,031	\$ -	\$ 9,899	\$ 1,592,506

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

Governmental Activities:	
Local Option Sales Tax	\$ 2,381,689
Sales and Use Tax	178,016
Video Programming Refund	15,164
NCVTS	77,036
Various Grants	1,422,651
Total	\$ 4,074,556
Business-Type Activities:	
Sales and Use Tax	\$ 9,899
Total	\$ 9,899

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$8,543,000.

COLUMBUS COUNTY, NORTH CAROLINA  
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5. Capital Assets

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

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 1,261,321	\$ 361,514	\$ -	\$ 1,622,835
Construction in Progress	15,378,615	798,724	(14,698,213)	1,479,126
Total capital assets not being depreciated	<u>16,639,936</u>	<u>1,160,238</u>	<u>(14,698,213)</u>	<u>3,101,961</u>
Other capital assets:				
Buildings & Improvements	26,787,159	16,343,300	(11,164)	43,119,295
Vehicles	5,578,051	531,324	-	6,109,375
Other	3,968,310	481,136	(204,288)	4,245,158
Total other capital assets at historical cost	<u>36,333,520</u>	<u>17,355,760</u>	<u>(215,452)</u>	<u>53,473,828</u>
Less accumulated depreciation for:				
Buildings & Improvements	12,287,978	1,671,518	(8,607)	13,950,889
Vehicles	4,489,830	454,628	-	4,944,458
Other	3,324,696	144,924	(204,288)	3,265,332
Total other capital assets at historical cost	<u>20,102,504</u>	<u>2,271,070</u>	<u>(212,895)</u>	<u>22,160,679</u>
Other capital assets, net	<u>16,231,016</u>	<u>15,084,690</u>	<u>(2,557)</u>	<u>31,313,149</u>
: Governmental activities capital assets, net	<u>\$ 32,870,952</u>	<u>\$ 16,244,928</u>	<u>\$ (14,700,770)</u>	<u>\$ 34,415,110</u>

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

Governmental Activities	
General government	\$ 684,961
Public Safety	958,692
Human Services	51,048
Economic and Physical Development	470,838
Transportation	81,339
Cultural and Recreational	24,192
	<u>\$ 2,271,070</u>

COLUMBUS COUNTY, NORTH CAROLINA  
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Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Solid Waste Fund</b>				
Capital assets not being depreciated:				
Land	\$ 488,139	\$ -	\$ -	\$ 488,139
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<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	193,581	-	-	193,581
Automobiles	443,568	-	-	443,568
Tools & Machinery	11,500	-	-	11,500
Heavy Equipment	84,627	69,764	-	154,391
Other	102,254	-	-	102,254
Total other capital assets	<u>1,836,839</u>	<u>69,764</u>	<u>-</u>	<u>1,906,603</u>
Less accumulated depreciation for:				
Landfill Gas Collection System	50,169	25,033	-	75,202
Buildings	184,843	2,038	-	186,881
Automobiles	271,656	26,997	-	298,653
Tools & Machinery	11,500	-	-	11,500
Heavy Equipment	64,425	4,127	-	68,552
Other	102,254	-	-	102,254
Total accumulated depreciation	<u>684,847</u>	<u>58,195</u>	<u>-</u>	<u>743,042</u>
Total Solid Waste capital assets, net	<u>\$ 1,640,131</u>	<u>\$ 11,569</u>	<u>\$ -</u>	<u>\$ 1,651,700</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District I</b>				
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	-	-	3,859,208
Automobiles	66,062	5,419	-	71,481
Total other capital assets	<u>3,925,270</u>	<u>5,419</u>	<u>-</u>	<u>3,930,689</u>
Less accumulated depreciation for:				
Distribution System	1,797,826	96,708	-	1,894,534
Automobiles	53,722	6,406	-	60,128
Total accumulated depreciation	<u>1,851,548</u>	<u>103,114</u>	<u>-</u>	<u>1,954,662</u>
Total Water District capital assets, net	<u>\$ 2,073,722</u>	<u>\$ (97,695)</u>	<u>\$ -</u>	<u>\$ 1,976,027</u>

COLUMBUS COUNTY, NORTH CAROLINA  
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	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District II</b>				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	3,086,457	39,534	(3,125,991)	-
Total capital assets not being depreciated	<u>3,086,457</u>	<u>39,534</u>	<u>(3,125,991)</u>	<u>-</u>
Other capital assets				
Office Equipment	13,239	-	-	13,239
Distribution System	9,023,395	3,125,991	-	12,149,386
Heavy Equipment	32,024	-	-	32,024
Automobiles	104,325	8,061	-	112,386
Other	54,837	-	-	54,837
Total other capital assets	<u>9,227,820</u>	<u>3,134,052</u>	<u>-</u>	<u>12,361,872</u>
Less accumulated depreciation for:				
Office Equipment	13,239	-	-	13,239
Distribution System	4,708,525	472,213	-	5,180,738
Heavy Equipment	30,637	546	-	31,183
Automobiles	87,970	9,664	-	97,634
Other	54,836	-	-	54,836
Total accumulated depreciation	<u>4,895,207</u>	<u>482,423</u>	<u>-</u>	<u>5,377,630</u>
Total Water District II Capital Assets, net	<u>\$ 7,419,070</u>	<u>\$ 2,691,163</u>	<u>\$ (3,125,991)</u>	<u>\$ 6,984,242</u>
	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District III</b>				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other capital assets:				
Office Equipment	-	-	-	-
Distribution System	7,018,971	-	-	7,018,971
Heavy Equipment	4,569	-	-	4,569
Automobiles	35,427	4,947	-	40,374
Other	3,704	-	-	3,704
Total other capital assets	<u>7,062,671</u>	<u>4,947</u>	<u>-</u>	<u>7,067,618</u>
Less accumulated depreciation for:				
Office Equipment	-	-	-	-
Distribution System	2,032,964	199,215	-	2,232,179
Heavy Equipment	3,565	395	-	3,960
Automobiles	23,406	5,746	-	29,152
Other	3,703	-	-	3,703
Total accumulated depreciation	<u>2,063,638</u>	<u>205,356</u>	<u>-</u>	<u>2,268,994</u>
Total Water District III capital assets, net	<u>\$ 4,999,033</u>	<u>\$ (200,409)</u>	<u>\$ -</u>	<u>\$ 4,798,624</u>

COLUMBUS COUNTY, NORTH CAROLINA  
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	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District IV</b>				
Capital assets not being depreciated:				
Construction In Progress	\$ 2,496,534	\$ 60,570	\$ (2,557,104)	\$ -
Land	125,300	-	-	125,300
Total capital assets not being depreciated	<u>2,621,834</u>	<u>60,570</u>	<u>(2,557,104)</u>	<u>125,300</u>
Other capital assets:				
Distribution System & Other	11,094,760	2,557,104	-	13,651,864
Automobiles	79,569	3,971	-	83,540
Heavy Equipment	52,177	-	-	52,177
Other	4,960	-	-	4,960
Total other capital assets	<u>11,231,466</u>	<u>2,561,075</u>	<u>-</u>	<u>13,792,541</u>
Less accumulated depreciation for:				
Distribution System & Other	1,699,878	354,522	-	2,054,400
Automobiles	51,487	9,938	-	61,425
Heavy Equipment	44,104	2,770	-	46,874
Other	4,960	-	-	4,960
Total accumulated depreciation	<u>1,800,429</u>	<u>367,230</u>	<u>-</u>	<u>2,167,659</u>
Total Water District IV capital assets, net	<u>\$ 12,052,871</u>	<u>\$ 2,254,415</u>	<u>\$ (2,557,104)</u>	<u>\$ 11,750,182</u>
	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District V</b>				
Capital assets not being depreciated:				
Construction in Progress	\$ 130,092	\$ -	\$ (130,092)	\$ -
Total capital assets not being depreciated	<u>130,092</u>	<u>-</u>	<u>(130,092)</u>	<u>-</u>
Other capital assets:				
Distribution System & Other	8,521,103	130,092	-	8,651,195
Automobiles	16,502	2,446	-	18,948
Heavy Equipment	942	-	-	942
Other	2,670	-	-	2,670
Total other capital assets	<u>8,541,217</u>	<u>132,538</u>	<u>-</u>	<u>8,673,755</u>
Less accumulated depreciation for:				
Distribution System & Other	1,448,098	216,280	-	1,664,378
Automobiles	11,194	2,658	-	13,852
Heavy Equipment	464	188	-	652
Other	2,670	-	-	2,670
Total accumulated depreciation	<u>1,462,426</u>	<u>219,126</u>	<u>-</u>	<u>1,681,552</u>
Total Water District V capital assets, net	<u>\$ 7,208,883</u>	<u>\$ (86,588)</u>	<u>\$ (130,092)</u>	<u>\$ 6,992,203</u>
	Beginning Balances	Increases	Decreases	Ending Balances
<b>Section 8 Housing</b>				
Other capital assets:				
Structure and Equipment	\$ 23,572	\$ -	\$ -	\$ 23,572
Total other capital assets	<u>23,572</u>	<u>-</u>	<u>-</u>	<u>23,572</u>
Less accumulated depreciation for:				
Structure and Equipment	23,572	-	-	23,572
Total accumulated depreciation	<u>23,572</u>	<u>-</u>	<u>-</u>	<u>23,572</u>
Total Section 8 Housing Capital Assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type activities capital assets, net	<u>\$ 35,393,710</u>			<u>\$ 34,152,978</u>

COLUMBUS COUNTY, NORTH CAROLINA  
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Construction Commitments

The government has active construction projects as of June 30, 2017. The projects include the airport projects and water improvement projects. At June 30, 2017, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>		<u>Remaining commitment</u>	
Radio Project	\$	580,717	\$	243,865
911 Backup Center		271,969		-
Total	\$	580,717	\$	243,865

Discretely presented component unit

Activity for Columbus Regional Healthcare System for the year ended September 30, 2016 was as follows:

	Beginning Balances	Increases	Transfers/ Retirements	Ending Balances
Land	\$ 1,145,423	\$ -	\$ -	\$ 1,145,423
Land improvements	316,953	94,043	-	410,996
Buildings and fixed equipment	42,512,297	2,194,362	617,034	45,323,693
Equipment	56,507,305	3,112,076	2,075,427	61,694,808
Construction in progress	2,507,958	3,068,352	(2,747,446)	2,828,864
Totals at historical cost	\$ 102,989,936	\$ 8,468,833	\$ (54,985)	\$ 111,403,784
Less accumulated depreciation for:				
Land improvements	\$ (234,657)	\$ (13,926)	\$ -	\$ (248,583)
Buildings and fixed equipment	(20,984,845)	(1,619,974)	-	(22,604,819)
Equipment	(36,865,332)	(4,878,127)	54,985	(41,688,474)
Total accumulated depreciation	\$ (58,084,834)	\$ (6,512,027)	\$ 54,985	\$ (64,541,876)
Capital assets, net	\$ 44,905,102	\$ 1,956,806	\$ -	\$ 175,945,660

B. Liabilities

1. Payables

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

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
General	\$ 2,011,102	\$ 143,557	\$ 2,154,659
Other Governmental	671,721	-	671,721
Total Governmental Activities	\$ 2,682,823	\$ 143,557	\$ 2,826,380
Business-Type Activities			
Solid Waste	\$ 45,516	\$ -	\$ 45,516
Water District I	15,689	-	15,689
Water District II	23,340	-	23,340
Water District III	14,322	-	14,322
Water District IV	11,498	-	11,498
Water District V	7,082	-	7,082
Section 8 Housing	8,992	-	8,992
Total Business-Type Activities	\$ 126,439	\$ -	\$ 126,439

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017, was 8% of compensation for law enforcement officers and 7.38% 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 \$1,323,441 for the year ended June 30, 2017.

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

COLUMBUS COUNTY, NORTH CAROLINA  
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***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to***

At June 30, 2017, the County reported a liability of \$5,825,597 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was 0.2745%, which was a decrease of 0.0143% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$1,593,640. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 109,453	\$ 204,135
Changes of assumptions	399,001	-
Net difference between projected and actual earnings on pension plan investments	3,220,821	-
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	33,227 1,323,441	5,343 -
Total	<u>\$ 5,085,943</u>	<u>\$ 209,478</u>

\$1,323,441 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2017	\$ 549,647
2018	549,930
2019	1,527,803
2020	925,644
2021	-
Thereafter	-
Total	<u>\$ 3,553,024</u>

At September 30, 2016, the Hospital reported a net pension asset of approximately \$1,123,000. The net pension asset was measured as of October 1, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2015. The most recent annual actuarial valuation reports are as of October 1, 2015. The net pension liability of the defined benefit pension plan was therefore determined based on the October 1, 2015 actuarial valuations, using membership data as of October 1, 2015, projected forward to the end of the fiscal year, and financial information of the pension funds as of October 1, 2015, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by the System's consulting actuary, Transamerica Retirement Solutions.

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For the year ended September 30, 2016, the System recognized pension income of approximately \$332,000. At September 30, 2016, 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	\$ 516,654	\$ 266,060
Difference between expected and actual experience	248,945	-
Difference between expected and actual return on plan assets	1,325,138	270,851
Total	<u>\$ 2,090,737</u>	<u>\$ 536,911</u>

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

**Year Ended June 30:**

2017	\$ 400,313
2018	400,313
2019	400,311
2020	352,889
2021	-
Total	<u>\$ 1,553,826</u>

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

Inflation	3.0 Percent
Salary Increases	3.50 to 7.35 percent, including inflation and productivity factor
Investment Rate of Return	7.25 percent, net of pension plan investment expense, including inflation

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29%	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 2015 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease <u>(6.25%)</u>	Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
County's proportionate share of the net pension liability (asset)	13,826,860	5,825,597	(857,652)
	1% Decrease <u>(6.50%)</u>	Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Hospital's proportionate share of the net pension liability (asset)	1,146,305	1,123,277	(2,993,806)

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, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	7
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	86
Total	93

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

Inflation	3.0 percent
Salary increases	3.50 to 7.35 percent including inflation and productivity factor
Discount rate	3.71 percent

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

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

Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are financed through investment earnings. The County paid \$27,640 as benefits came due for the reporting period.

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

At June 30, 2017, the County reported a total pension liability of \$1,401,812. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$128,530.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	33,846
County benefit payments and plan administrative expense made subsequent to the measurement date	27,640	-
Total	<u>\$ 27,640</u>	<u>\$ 33,846</u>

\$27,640 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ (6,120)
2019	(6,120)
2020	(6,120)
2021	(6,120)
2022	(6,120)
Thereafter	(3,246)

\$27,640 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.86%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.86%) and 1-percentage point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total pension liability	\$ 1,554,798	\$ 1,401,812	\$ 1,272,983

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

	<b>2017</b>
Beginning balance	\$ 1,374,918
Service Cost	86,775
Interest on the total pension liability	47,875
Changes of benefit terms	-
Differences between expected and actual experience in the	-
Changes in assumptions or other inputs	(39,966)
Benefit payments	(67,790)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,401,812</u>

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

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

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2017 were \$174,172 which consisted of \$138,842 from the County and \$35,330 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,672 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of \$77,844 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on 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, 2016, the County's proportion was 0.4164%, which was a decrease of 0.035% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$98. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 83	\$ 1,008
Changes of assumptions	20,739	-
Net difference between projected and actual earnings on pension plan	133	-
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	6,561	1,735
	5,345	-
Total	<u>\$ 32,861</u>	<u>\$ 2,743</u>

\$5,345 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2018	\$ 9,616
2019	11,458
2020	4,568
2021	(872)
2022	-
Thereafter	-
Total	<u>\$ 24,770</u>

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

Inflation	3.0 Percent
Salary Increases	3.5 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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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, 2016 is 1.4%.

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

*Discount rate.* The discount rate used to measure the total pension liability was 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)	(62,766)	(77,843)	(90,508)

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.

e. Other Postemployment Benefits

*Plan Description .* According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan). This plan provides 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. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

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Membership of the HCB Plan consisted of the following at December 31, 2016, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees receiving benefits	106	8
Terminated plan members entitled to but not yet receiving benefits	-	-
Active Plan members	412	78
Total	<u>518</u>	<u>86</u>

*Funding Policy.* The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the Board of Commissioners. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 13.09% of annual covered payroll. For the current year, the County contributed \$766,629 or 4.83% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a Board resolution, for employees not engaged in law enforcement and for law enforcement officers represented 4.15% and 0.69% of covered payroll, respectively. There were no contributions made by employees. The County's obligation to contribute to HCB Plan is established and may be amended by the Board of Commissioners.

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

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

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

Annual required contribution	\$ 2,076,922
Interest on net OPEB obligation	678,913
Adjustment to annual required contribution	<u>(583,567)</u>
Annual OPEB cost (expense)	\$ 2,172,268
Contributions made	<u>(766,629)</u>
Increase (decrease) in net OPEB obligation	\$ 1,405,639
Net OPEB obligation, beginning of year	<u>16,972,820</u>
Net OPEB obligation, end of year	<u>\$ 18,378,459</u>

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

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 2,196,962	20.6%	\$ 15,271,666
2016	\$ 2,190,845	30.5%	\$ 16,793,311
2017	\$ 2,172,268	35.3%	\$ 18,378,459

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Funded Status and Funding Progress. As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial liability (UAAL) was \$26,297,297. The covered payroll (annual payroll of active employees covered by the plan) was \$15,861,193, and the ratio of UAAL to the covered payroll was 165.8 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2016, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.00 percent inflation assumption. The medical cost trend rate varied between 7.75% and 5.00%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected unit credit on a level percent of pay, open basis. The remaining amortization period at December 31, 2015, was 30 years.

f. Other Employment Benefits

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

g. Columbus Regional Healthcare System Pension Plan

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

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Net Pension Liability (Asset)

The following represents the changes in the net pension liability (asset) as of September 30, 2016 and 2015:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at September 30, 2015	\$ 17,899,509	\$ 20,125,959	\$ (2,226,450)
Changes for the year:			
Interest	1,306,830	-	1,306,830
Differences between expected and actual experience	80,636	-	80,636
Changes of assumptions	(337,968)	-	(337,968)
Contributions - employer	-	228,000	(228,000)
Net investment income (loss)	-	(174,596)	174,596
Benefits paid	(828,569)	(828,569)	-
Administrative expenses	-	(107,079)	107,079
Net changes	220,929	(882,244)	1,103,173
Balances at September 30, 2016	\$ 18,120,438	\$ 19,243,715	\$ (1,123,277)

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, 2017; representing the balance outstanding on the contract the County had entered into with a private contractor to close and monitor the landfill. The County did close the Columbus County Landfill at the end of 1997. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and post closure care requirements.

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4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Pensions - difference between expected and actual experience		
LGERS	\$ 109,453	\$ 204,135
Register of Deeds	83	1,008
Changes of Assumptions		
LGERS	399,001	-
Register of Deeds	20,739	-
LEOSSA	-	33,846
Pensions - difference between projected and actual investment		
LGERS	3,220,821	-
Register of Deeds	133	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	33,227	5,343
Register of Deeds	6,561	1,735
Contributions to pension plan in 2016-2017 fiscal year		
LGERS	1,323,441	-
Register of Deeds	5,345	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	27,640	-
Deferred Charges on Refunding	188,652	-
Prepaid taxes (General)	-	19,374
Taxes receivable, net (General)	-	1,276,520
Taxes receivable, net (Special Revenue)	-	326,860
	<u>\$ 5,335,096</u>	<u>\$ 1,868,821</u>

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$48.3 million for any one occurrence, general liability coverage of \$2 million per occurrence, and workers compensation coverage. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The County also has flood insurance through the pool with a \$25,000 limit per occurrence.

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

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

Columbus 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, 2017, 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.

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7. Long-Term Obligations

a. Installment Purchases

Serviced by the General Fund:

\$2,500,000 Note payable to PNC Bank, N.A. for the completion of the Columbus County Jail; due in annual installments of \$192,308 plus interest at 3.93 %; a deed of trust is listed as collateral.	\$ 523,346
\$9,000,000 Note payable to Suntrust Bank for the construction of the Columbus County Courthouse Annex; due in semi-annual installments of \$300,000 plus interest at 1.98 % through November 2027; a deed of trust is listed as collateral.	6,300,000
\$3,232,538 Note payable to Branch Banking & Trust for school construction -- Qualified School Construction Bond (QSCB); due in semi-annual installments of \$104,417 through January, 2028; interest at 3.77%.	2,297,194
\$9,600,000 Note payable to PNC Bank, N.A. for the construction of the Columbus County Jail and classroom facilities at Williams Township School; due in annual installments of \$978,880 through May, 2020; interest at 3.53%; a deed of trust is listed as collateral.	1,920,000
Total serviced by the General Fund	\$ 11,040,540

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 1,641,144	\$ 296,855
2019	1,641,144	246,952
2020	1,587,566	197,049
2021	808,836	147,147
2022	808,836	127,394
2023-2027	4,044,179	340,671
2028	508,835	8,874
Total	\$ 11,040,540	\$ 1,364,942

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, 2017

The County's general obligation bonds payable at June 30, 2017 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.	\$ 5,025,000
\$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.	4,065,000
\$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.	4,045,000
\$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%.	3,837,000
Total Serviced by the Water Districts	<u>\$ 16,972,000</u>
Total General Obligation Bonds	<u><u>\$ 16,972,000</u></u>

Year Ending June 30	<u>Business-type Activities</u>	
	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 386,000	\$ 681,725
2019	393,000	666,438
2020	411,000	650,875
2021	428,000	634,600
2022	446,000	617,650
2023-2027	2,560,000	2,749,938
2028-2032	3,184,000	2,116,288
2033-2037	3,721,000	1,432,988
2038-2042	3,431,000	733,688
2043-2047	1,455,000	246,750
2048-2050	557,000	41,698
Total	<u>\$ 16,972,000</u>	<u>\$ 10,572,638</u>

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

c. Revolving Loan

Serviced by the Enterprise Funds

\$375,227 - Columbus County Water & Sewer District II revolving loan to NC Department of Energy and Natural Resources, due in annual payments payments of \$26,902, interest at 0.00%.

\$ 294,822

Total Federal Revolving Loan

\$ 294,822

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
2018	\$ 26,802	\$ -
2019	26,802	-
2020	26,802	-
2021	26,802	-
2022	26,802	-
2023-2027	134,010	-
2028	26,802	-
Total	<u>\$ 294,822</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, 2017, is as follows:

Operating Revenues	\$ 772,423	
Operating Expenses*	337,968	
Operating income	<u>434,455</u>	
Nonoperating revenues (expenses)**	<u>(195,477)</u>	
Income available for debt service	238,978	
Debt service, principal and interest paid (Revenue Bond only)	\$ 48,894	
All debt service (excluding interest included in nonoperating expenditures above)		\$ 204,122
Debt service coverage ratio	488.77%	117.08%

\*Per rate covenants, this does not include depreciation expense of \$482,424 and OPEB expense of \$9,803.

\*\*Does not include revenue bond interest paid of \$32,894.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

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

Section 5.01(b) of the Bond Order requires the debt service coverage ratio to be no less than 110% of the revenue bond debt service and no less than 100% of the total district debt service obligations. The debt service coverage ratio calculation for the year ended June 30, 2017, is as follows:

Operating Revenues	\$	489,577	
Operating Expenses*		167,326	
Operating income		<u>322,251</u>	
Nonoperating revenues (expenses)**		<u>(145,553)</u>	
Income available for debt service		176,698	
Debt service, principal and interest paid (Revenue Bond only)	\$	55,096	
All debt service (excluding interest included in nonoperating expenditures above)			\$ 115,923
Debt service coverage ratio		320.71%	152.43%

\*Per rate covenants, this does not include depreciation expense of \$367,230 and OPEB expense of \$4,290.

\*\*Does not include revenue bond interest paid of \$35,096.

Year Ending June 30	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2018	\$ 38,000	\$ 66,705
2019	38,500	65,346
2020	40,500	63,964
2021	41,500	62,508
2022	43,500	61,004
2023-2027	240,000	280,194
2028-2032	287,000	232,779
2033-2037	336,500	175,399
2038-2042	326,000	110,629
2043-2047	207,000	68,486
2048-2052	236,000	39,769
2053-2055	159,000	8,451
Total	<u>\$ 1,993,500</u>	<u>\$ 1,235,234</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, 2017, the balance of the bonds was \$13,135,000. The reader should note that this debt issuance is entirely offset by the Water District's Refunding 2016 Bonds as detailed below under the General Obligation Indebtedness section.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

The minimum payments for the Limited Obligation Bonds as of June 30, 2017 in the Business-Type Activities are as follows:

Year Ending June 30	Business-type Activities	
	Limited Obligation Bonds	
	Principal	Interest
2018	\$ 325,000	\$ 537,838
2019	330,000	524,838
2020	345,000	511,638
2021	360,000	497,838
2022	375,000	483,438
2023-2027	2,165,000	2,120,688
2028-2032	2,710,000	1,566,838
2033-2037	3,150,000	979,425
2038-2042	2,745,000	395,438
2043-2045	630,000	47,246
Total	<u>\$ 13,135,000</u>	<u>\$ 7,665,225</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, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Purchase	12,681,683	-	1,641,143	11,040,540	1,641,144
Compensated Absences	1,357,624	86,492	-	1,444,116	-
Other postemployment benefits	16,377,369	2,096,607	747,105	17,726,871	-
Net Pension Liability (LGERS)	1,215,388	4,434,784	-	5,650,172	-
Total Pension Liability (LEOSSA)	1,374,918	26,894	-	1,401,812	-
Total	<u>\$ 31,632,064</u>	<u>\$ 6,617,883</u>	<u>\$ 2,388,248</u>	<u>\$ 37,263,511</u>	<u>\$ 1,641,144</u>
Business-type Activities:					
General Obligation Debt	\$ 17,336,000	\$ -	\$ 364,000	\$ 16,972,000	\$ 386,000
Unamortized Premium	576,805	-	22,442	554,363	22,442
Net General Obligation Debt	17,912,805	-	386,442	17,526,363	408,442
Limited Obligation Bonds	13,440,000	-	305,000	13,135,000	325,000
Revenue bonds	2,029,500	-	36,000	1,993,500	38,000
Revolving Loan	321,623	-	26,801	294,822	26,802
Installment Purchases	11,420	-	11,420	-	-
Other postemployment benefits	595,451	75,661	19,524	651,588	-
Compensated Absences	77,046	-	318	76,728	-
Net Pension Liability	37,735	137,690	-	175,425	-
Total	<u>\$ 34,425,580</u>	<u>\$ 213,351</u>	<u>\$ 785,505</u>	<u>\$ 33,853,426</u>	<u>\$ 798,244</u>

Debt Related to Capital Activities - Of the total Governmental Activities debt listed, \$8,359,346 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, 2016:

Long-term Debt	<u>\$ 23,670,000</u>	<u>\$ -</u>	<u>\$ 1,035,000</u>	<u>\$ 22,635,000</u>	<u>\$ 605,000</u>
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At June 30, 2017, Columbus County had a legal debt margin of approximately \$288,425,944.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

C. Interfund Balances and Activity

Interfund receivables/payables at June 30, 2017, consist of the following:

Payable from the Water District IV project fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of grant funds.	\$ 199,964
Payable from the 2013 Single Family Rehab fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	9,594
Payable from the 2016 Single Family Rehab fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	273
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.	499,174
Payable from the Courthouse Renovation Fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of funds to cover the expenditures.	304,591
Payable from the E911 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.	179,836
Total Interfund balances	<u><u>\$ 1,193,432</u></u>

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

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

Transfer from General fund to Revaluation fund to provide additional resources.	\$ 20,000
Transfer from the General fund to the Courthouse Construction Project Fund to provide funds for capital projects.	889,474
Transfer from the General fund to the Debt Service fund to provide funds for debt service payments.	1,050,517
Transfer from the General fund to the 2013 Urgent Repair fund to cover expenditures that exceeded grant funding to close out the project.	115
Transfer from the General fund to the Transportation Fund to provide matching funds.	27,500
Transfer from the General fund to Water District to cover expenditures on construction of Water District V.	152,308
Transfer from the Transportation Fund to the General Fund for admin costs.	18,891
Transfer from the Emergency Telephone Fund to the E-911 Aging Project Fund to provide resources for capital projects.	271,969
Transfer from the 2010 Single Family Rehab Fund to the General Fund to close out the fund.	10,191
Transfer from the Down East Project Fund to the General Fund to close out the fund.	9
Transfer from the 2011 Scattered Site Housing Fund to the General Fund to close out the fund.	366
Transfer from the 2011 CDBG Fund to the General Fund to close out the fund.	336
Total Transfers	<u>\$ 2,441,676</u>

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 34,415,110	\$ 34,152,978
less: long-term debt	(11,040,540)	(19,814,684)
add: unexpended debt proceeds	-	-
Net investment in capital assets	<u>\$ 23,374,570</u>	<u>\$ 14,338,294</u>

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

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:

Total Fund Balance - General Fund	\$ 34,883,420
Less:	
Inventories	\$ 72,747
Prepaid Expenses	245,414
Stabilization by State Statute	6,435,137
Appropriated Fund Balance in 2018 Budget	-
Tax Revaluation	178,939
Reserve No Till Drill	27,580
ROD Automation enhancement	104,789
Health department	59,803
Home Health	150,004
Capital Outlay	212,297
Fall soccer league	1,002
Various	78,664
Working Capital / Fund Balance Policy	-
<u>Remaining Fund Balance</u>	<u>\$ 27,317,044</u>

The County had no outstanding encumbrances at June 30, 2017.

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 \$1,318,579 and \$146,170 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2017. 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, 2017. Complete financial statements for the community college may be obtained from the community college's administrative offices at Whiteville, NC 28472.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2017

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 \$24,620 to the Council during the fiscal year ended June 30, 2017. 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: Benefit Payments Issued by the State

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

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families	\$ 495,850	\$ -
Medicaid	72,872,714	39,925,624
Children's Insurance Program (CHIP)	50,699	58
Energy assistance	297,354	-
Special Supplemental Nutrition Program for Women, Infants, and Children	1,202,070	-
Total	<u>\$ 74,918,687</u>	<u>\$ 39,925,682</u>

NOTE VIII: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

NOTE IX: Related Party Transactions

Giles "Buddy" Byrd, a commissioner of Columbus County, is also a member of Byrd Family, LLC, which owns property that the County leases for use as a Convenience / Recycling Center. The lease is for a five year term, and the LLC receives \$2,500 per year for the lease. This lease was negotiated prior to Mr. Byrd becoming a commissioner.

Edwin Russ, a commissioner of Columbus County, also owns a business (Southern Tire and Muffler). The County paid this company \$9,518 for services during the year.

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2017

NOTE X: Subsequent Events

No items were noted to disclose.

NOTE XI: Prior Period Adjustment

The County recorded the following prior period adjustments:

General Fund to adjust the cost basis in the Dana Investments account. The statement provided by the broker was not correct for previous years, which resulted in a decrease to fund balance of \$1,150,881. This adjustment was only required on the fund statements where cost basis is reflected, as the government-wide statements reflect market value of the investments.

NOTE XII: Change in Accounting Principles/Restatement

In accordance with Governmental Accounting Standards Board (GASB) No. Statement 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on the net position of the benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for the governmental activities decreased by \$695,540. The County will implement GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans for the Healthcare Benefits Plan effective for the year ending June 30, 2018. The implementation of this statement will have no effect on net position.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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- ~ Schedule of Funding Progress for the Other Postemployment Benefits
- ~ Schedule of Employer Contributions for the Other Postemployment Benefits
- ~ Schedule of County's Proportionate Share of Net Pension Asset (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.

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

Exhibit A-1

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll for Year Ending On Val Date (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2008	\$ -	\$ 26,003,246	\$ 26,003,246	0.00%	\$ 16,144,702	161.06%
12/31/2010	-	24,483,847	24,483,847	0.00%	16,511,086	148.29%
12/31/2011	-	23,162,755	23,162,755	0.00%	16,187,979	143.09%
12/31/2013	-	23,488,123	23,488,123	0.00%	17,058,535	137.69%
12/31/2015	-	26,297,297	26,297,297	0.00%	15,861,193	165.80%

**Columbus County, North Carolina**  
**Other Post Employment Benefits**  
**Required Supplementary Information**  
**Schedule of Employer Contributions**  
**June 30, 2017**

Exhibit A-2

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 2,681,222	10.08%
2010	2,681,222	11.42%
2011	2,808,044	11.28%
2012	2,808,044	11.92%
2013	2,362,704	13.52%
2014	2,196,962	21.10%
2015	2,196,962	20.59%
2016	2,163,545	22.63%
2017	2,076,922	36.91%

Notes to the Required Schedules:

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

Valuation date	12/31/2015
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical Trend Assumptions:	
Pre-Medicare trend Rate	7.75% - 5.00%
Post-Medicare trend Rate	5.75% - 5.00%
Year of ultimate trend rate	2022
*Includes inflation at	3.00%

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

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

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

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

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

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

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

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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (asset) %	0.4164%	0.4516%	0.4586%	0.3290%
County's proportionate share of the net pension liability (asset) \$	\$ (77,843)	\$(104,661)	\$ (103,946)	\$(70,204)
County's covered-employee payroll	\$ 71,846	\$ 71,843	\$ 52,956	\$ 52,956
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-108.35%	-145.68%	-196.29%	-132.57%
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

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

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

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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 5,345	\$ 4,893	\$ 5,080	\$ 3,744
Contributions in relation to contractually required contribution	<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>
County's covered-employee payroll	\$ 72,427	\$ 71,846	\$ 71,843	\$ 52,956
Contributions as a percentage of covered-employee payroll	7.38%	6.81%	7.07%	7.07%

**COLUMBUS COUNTY**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2017**

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

**COLUMBUS COUNTY**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2017**

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	<b>2017</b>
Total pension liability	\$ 1,401,812
Covered payroll	3,081,651
Total pension liability as a percentage of covered payroll	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.

## GENERAL FUND

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

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

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem Taxes	\$ 30,298,510	\$ 30,240,655	\$ (57,855)
Other Taxes and Licenses	8,895,932	9,290,014	394,082
Unrestricted Intergovernmental Revenues	94,040	98,914	4,874
Restricted Intergovernmental Revenues	16,773,196	13,843,154	(2,930,042)
Permits and Fees	1,304,861	1,286,434	(18,427)
Sales and Services	3,476,719	2,735,962	(740,757)
Investment Earnings	285,000	182,989	(102,011)
Miscellaneous	317,793	196,988	(120,805)
Total Revenues	<u>61,446,051</u>	<u>57,875,110</u>	<u>(3,570,941)</u>
<b>Expenditures</b>			
General Government:			
Governing Body	265,407	246,038	19,369
County Administration	266,348	264,245	2,103
Personnel	217,665	189,897	27,768
Purchasing	124,605	116,800	7,805
County Garage	54,500	49,070	5,430
Elections	631,580	609,148	22,432
Finance	363,489	343,329	20,160
Tax Administration	1,068,283	1,033,717	34,566
Management Information Systems	361,472	329,875	31,597
Legal and Professional	2,256,481	2,235,494	20,987
Register of Deeds	489,975	452,816	37,159
Public Buildings	1,503,922	1,227,708	276,214
Nondepartmental	2,216,388	1,807,729	408,659
Total General Government	<u>9,820,115</u>	<u>8,905,866</u>	<u>914,249</u>
Public safety:			
Sheriff	6,018,970	5,314,204	704,766
Teen Court	69,085	65,687	3,398
Governors Hwy Safety Grant	-	-	-
Sheriff's Department Grant	111,768	19,928	91,840
Law Enforcement Center	3,160,383	2,748,374	412,009
Fire Marshall	141,009	127,710	13,299
Emergency Services	1,725,478	1,224,605	500,873
Fire, Rescue, EMS	13,250	12,000	1,250
Inspections	240,488	192,175	48,313
Animal Control	312,169	308,401	3,768
Local Law Enforcement Block Grant	-	-	-
Special Alcohol and Drug	44,519	43,502	1,017
Hurricane Matthew Expenses	952,020	767,557	184,463
Total Public Safety	<u>12,789,139</u>	<u>10,824,143</u>	<u>1,964,996</u>
Economic and Physical Development:			
Economic Development	371,421	327,161	44,260
Cooperative Extension	487,122	421,894	65,228
Senior Center	149,572	162,669	(13,097)
Soil Conservation	226,402	191,035	35,367
Airport	838,089	581,725	256,364
Minor Home Repairs	54,400	32,916	21,484
Total Economic and Physical Develop	<u>2,127,006</u>	<u>1,717,400</u>	<u>409,606</u>

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

	Budget	Actual	Variance Positive (Negative)
Human services:			
Health	6,117,424	4,895,977	1,221,447
Coroner and Medical Examiner	82,787	82,787	-
Veteran Services	130,428	116,653	13,775
Social Services	8,663,002	7,945,798	717,204
Public Assistance Programs	4,208,276	3,652,887	555,389
Special Assistance to the Aging	2,768,299	2,473,907	294,392
Total Human Services	<u>21,970,216</u>	<u>19,168,009</u>	<u>2,802,207</u>
Cultural and recreational:			
Recreation	510,230	461,773	48,457
Library	1,406,557	1,345,387	61,170
Total Cultural and Recreational	<u>1,916,787</u>	<u>1,807,160</u>	<u>109,627</u>
Education:			
Public School			
Current Expense	8,041,042	8,041,042	-
Capital Outlay	682,150	682,150	-
Community College			
Current Expense	1,318,579	1,318,579	-
Capital Outlay	146,170	146,170	-
Fines and Forfeitures	241,229	237,020	4,209
1/2 Cents Sales Tax	2,728,343	1,842,355	885,988
ABC Profit Distributions	39,040	42,283	(3,243)
Total Education	<u>13,196,553</u>	<u>12,309,599</u>	<u>886,954</u>
Special Appropriations	<u>954,674</u>	<u>944,796</u>	<u>9,878</u>
Debt service:			
Principal	672,308	672,308	-
Interest and fees	98,911	98,820	91
Total debt service	<u>771,219</u>	<u>771,128</u>	<u>91</u>
Total expenditures	<u>63,545,709</u>	<u>56,448,101</u>	<u>7,097,608</u>
Revenue over (under) expenditures	<u>(2,099,658)</u>	<u>1,427,009</u>	<u>3,526,667</u>
Other financing sources (uses):			
Transfer - Out (Capital Project Fund)	(889,474)	(889,474)	-
Transfer - Out (Revaluation)	(20,000)	(20,000)	-
Transfer - Out (Special Revenue Funds)	-	(115)	(115)
Transfer - Out (Debt Services Fund)	(1,216,685)	(1,050,517)	166,168
Transfer - Out (Transportation)	(27,500)	(27,500)	-
Transfer - Out (School Capital Outlay)			
Transfer - Out (Water Districts)	-	(152,308)	(152,308)
Transfer - Out (Airport Projects)	-	-	-
Transfer - In (Transportation)	18,891	18,891	-
Transfer - In (Special Revenue Funds)	-	10,903	10,903
Transfer - In (Water District II)	166,167	-	(166,167)
Transfer - In (Special Revenue Funds)	-	-	-
Sale of Capital Assets (Home Health)	-	3,500,000	3,500,000
Appropriated Fund Balance	4,068,259	-	(4,068,259)
Total other financing sources (uses)	<u>2,099,658</u>	<u>1,389,880</u>	<u>(709,778)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,816,889</u>	<u>\$ 2,816,889</u>
Fund balance, beginning of year		<u>33,038,473</u>	
Prior Period Adjustment		<u>(1,150,881)</u>	
Fund balance, end of year		<u>\$ 34,704,481</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, 2017**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
General government	20,000	-	20,000
Revenues over (under) expenditures	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
Other financing sources (uses):			
Transfer from General Fund	20,000	20,000	-
Appropriated Fund Balance	-	-	-
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	20,000	<u>\$ 20,000</u>
Fund balance, beginning		<u>158,939</u>	
Fund balance, ending		<u>\$ 178,939</u>	

## NON-MAJOR GOVERNMENTAL FUNDS

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

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

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,060,192	\$ 1,264,457	\$ -	\$ 2,324,649
Restricted cash	-	-	-	-
Taxes receivable (net)	326,860	-	-	326,860
Accounts receivable (net)	97,019	-	-	97,019
Notes receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	(887)	66,479	65,592
Total assets	<u>\$ 1,484,071</u>	<u>\$ 1,263,570</u>	<u>\$ 66,479</u>	<u>\$ 2,814,120</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	319,911	351,810	-	671,721
Due to other funds	9,867	484,427	499,174	993,468
Total liabilities	<u>329,778</u>	<u>836,237</u>	<u>499,174</u>	<u>1,665,189</u>
DEFERRED INFLOWS OF RESOURCES	<u>326,860</u>	<u>-</u>	<u>-</u>	<u>326,860</u>
Fund balances:				
Restricted:				
Public Safety	530,012	665,251	-	1,195,263
Transportation	154,047	-	-	154,047
Economic and Physical Development	158,463	-	-	158,463
Airport improvements	-	79,867	-	79,867
Debt service	-	-	-	-
Unassigned	(15,089)	(317,785)	(432,695)	(765,569)
Total fund balances	<u>827,433</u>	<u>427,333</u>	<u>(432,695)</u>	<u>822,071</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,157,211</u>	<u>\$ 1,263,570</u>	<u>\$ 66,479</u>	<u>\$ 2,487,260</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, 2017**

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenues:</b>				
Ad valorem taxes	\$ 2,469,179	\$ -	\$ -	\$ 2,469,179
Other taxes and license	103,457	-	-	103,457
Charges for services	66,420	-	-	66,420
Restricted intergovernmental	818,752	502,849	-	1,321,601
Investment earnings	430	-	-	430
Miscellaneous	-	17,030	-	17,030
Total revenues	<u>3,458,238</u>	<u>519,879</u>	<u>-</u>	<u>3,978,117</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	2,892,780	-	-	2,892,780
Transportation	635,646	-	-	635,646
Economic and physical development	84,063	-	-	84,063
Education	-	185,950	-	185,950
Total current expenditures	<u>3,612,489</u>	<u>185,950</u>	<u>-</u>	<u>3,798,439</u>
Capital outlay	<u>-</u>	<u>493,067</u>	<u>-</u>	<u>493,067</u>
<b>Debt service:</b>				
Principal	-	-	968,836	968,836
Interest and fees	-	-	245,988	245,988
Total debt service	<u>-</u>	<u>-</u>	<u>1,214,824</u>	<u>1,214,824</u>
Total Expenditures	<u>3,612,489</u>	<u>679,017</u>	<u>1,214,824</u>	<u>5,506,330</u>
Revenues over (under) expenditures	<u>(154,251)</u>	<u>(159,138)</u>	<u>(1,214,824)</u>	<u>(1,528,213)</u>
<b>Other financing sources (uses):</b>				
Transfers in (out)	<u>(274,147)</u>	<u>1,161,443</u>	<u>1,050,516</u>	<u>1,937,812</u>
Total other financing sources (uses)	<u>(274,147)</u>	<u>1,161,443</u>	<u>1,050,516</u>	<u>1,937,812</u>
Net change in fund balance	(428,398)	1,002,305	(164,308)	409,599
Fund balances, beginning	1,255,831	(574,972)	(268,387)	412,472
Prior Period Adjustment	-	-	-	-
Fund balances, ending	<u>\$ 827,433</u>	<u>\$ 427,333</u>	<u>\$ (432,695)</u>	<u>\$ 822,071</u>

**Columbus County, North Carolina  
Non-Major Special Revenue Funds  
Combining Balance Sheet  
June 30, 2017**

	Special Service District Fund	Rescue Tax Fund	Emergency Telephone	2010 Single Family Rehabilitation Grant	Transportation Fund	Tourism Revolving Loan Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 49,367	\$ 128,910	\$ 592,396	\$ -	\$ 131,056	\$ 158,463
Taxes receivable (net)	248,777	78,083	-	-	-	-
Accounts receivable (net)	-	-	40,632	-	56,387	-
Notes receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	<u>\$ 298,144</u>	<u>\$ 206,993</u>	<u>\$ 633,028</u>	<u>\$ -</u>	<u>\$ 187,443</u>	<u>\$ 158,463</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 47,810	\$ 134,132	\$ 104,573	\$ -	\$ 33,396	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>47,810</u>	<u>134,132</u>	<u>104,573</u>	<u>-</u>	<u>33,396</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>248,777</u>	<u>78,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted:						
Public Safety	1,557	-	528,455	-	-	-
Transportation	-	-	-	-	154,047	-
Economic and Physical Development	-	-	-	-	-	158,463
Unassigned	-	(5,222)	-	-	-	-
Total fund balances	<u>1,557</u>	<u>(5,222)</u>	<u>528,455</u>	<u>-</u>	<u>154,047</u>	<u>158,463</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 298,144</u>	<u>\$ 206,993</u>	<u>\$ 633,028</u>	<u>\$ -</u>	<u>\$ 187,443</u>	<u>\$ 158,463</u>

**Columbus County, North Carolina  
Non-Major Special Revenue Funds  
Combining Balance Sheet  
June 30, 2017**

	Down East Connect Project	2011 Scattered Site Housing Grant	2011 CDBG Grant 11-C-2369	2013 Single Family Rehab Grant	2013 Urgent Repair Program	2016 Single Family Rehab Fund	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,060,192
Taxes receivable (net)	-	-	-	-	-	-	326,860
Accounts receivable (net)	-	-	-	-	-	-	97,019
Notes receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,484,071</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319,911
	-	-	-	9,594	-	273	9,867
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,594</u>	<u>-</u>	<u>273</u>	<u>329,778</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,860</u>
Fund Balances:							
Restricted:							
Public Safety	-	-	-	-	-	-	530,012
Transportation	-	-	-	-	-	-	154,047
Economic and Physical Development	-	-	-	-	-	-	158,463
Unassigned	-	-	-	(9,594)	-	(273)	(15,089)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,594)</u>	<u>-</u>	<u>(273)</u>	<u>827,433</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,484,071</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, 2017**

	Special Service District Fund	Rescue Tax Fund	Emergency Telephone	2010 Single Family Rehabilitation Grant	Transportation Fund	Tourism Revolving Loan Fund
<b>Revenues:</b>						
Ad valorem taxes	\$ 1,726,763	\$ 742,416	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-	103,457	-
Charges for services	-	-	-	-	66,420	-
Restricted intergovernmental	-	-	318,145	-	416,817	-
Investment earnings	-	-	-	-	-	430
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>1,726,763</u>	<u>742,416</u>	<u>318,145</u>	<u>-</u>	<u>586,694</u>	<u>430</u>
<b>Expenditures:</b>						
Public safety	1,726,789	747,345	418,646	-	-	-
Transportation	-	-	-	-	635,646	-
Economic and physical development	-	-	-	-	-	-
Total expenditures	<u>1,726,789</u>	<u>747,345</u>	<u>418,646</u>	<u>-</u>	<u>635,646</u>	<u>-</u>
Revenues over (under) expenditures	(26)	(4,929)	(100,501)	-	(48,952)	430
<b>Other financing sources (uses):</b>						
Transfers in (out)	-	-	(271,969)	(10,191)	8,609	-
Loan proceeds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(271,969)</u>	<u>(10,191)</u>	<u>8,609</u>	<u>-</u>
Net change in fund balances	(26)	(4,929)	(372,470)	(10,191)	(40,343)	430
Fund balances, beginning	<u>1,583</u>	<u>(293)</u>	<u>900,925</u>	<u>10,191</u>	<u>194,390</u>	<u>158,033</u>
Fund balances, ending	<u>\$ 1,557</u>	<u>\$ (5,222)</u>	<u>\$ 528,455</u>	<u>\$ -</u>	<u>\$ 154,047</u>	<u>\$ 158,463</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, 2017**

	Down East Connect Project	2011 Scattered Site Housing Grant	2011 CDBG Grant 11-C-2369	2013 Single Family Rehab Grant	2013 Urgent Repair Program	2016 Single Family Rehab Grant	Total
<b>Revenues:</b>							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,469,179
Other taxes and licenses	-	-	-	-	-	-	103,457
Charges for services	-	-	-	-	-	-	66,420
Restricted intergovernmental	-	-	-	83,790	-	-	818,752
Investment earnings	-	-	-	-	-	-	430
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,790</u>	<u>-</u>	<u>-</u>	<u>3,458,238</u>
<b>Expenditures:</b>							
Public safety	-	-	-	-	-	-	2,892,780
Transportation	-	-	-	-	-	-	635,646
Economic and physical development	-	-	-	83,790	-	273	84,063
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,790</u>	<u>-</u>	<u>273</u>	<u>3,612,489</u>
Revenues over (under) expenditures	-	-	-	-	-	(273)	(154,251)
<b>Other financing sources (uses):</b>							
Transfers in (out)	(9)	(366)	(336)	-	115	-	(274,147)
Loan proceeds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(9)</u>	<u>(366)</u>	<u>(336)</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>(274,147)</u>
Net change in fund balances	(9)	(366)	(336)	-	115	(273)	(428,398)
Fund balances, beginning	<u>9</u>	<u>366</u>	<u>336</u>	<u>(9,594)</u>	<u>(115)</u>	<u>-</u>	<u>1,255,831</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,594)</u>	<u>\$ -</u>	<u>\$ (273)</u>	<u>\$ 827,433</u>

**Columbus County, North Carolina**  
**Special Service District Funds**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,740,570	\$ 1,726,763	\$ (13,807)
Total revenues	<u>1,740,570</u>	<u>1,726,763</u>	<u>(13,807)</u>
<b>Expenditures:</b>			
Public Safety:			
Acme Delco Fire District	372,737	372,114	623
Bolton Fire District	45,883	44,274	1,609
Brunswick Fire District	156,342	153,970	2,372
Buckhead Fire District	22,210	21,306	904
Cerro Gordo Fire District	83,672	83,547	125
Coles Service Fire District	66,741	66,271	470
East Columbus Fire District	13,334	13,186	148
Evergreen Fire District	69,629	67,203	2,426
Hallsboro Fire District	64,639	63,884	755
Klondyke Fire District	125,660	125,928	(268)
Nakina Fire District	103,037	102,336	701
North Whiteville Fire District	175,355	172,457	2,898
Old Dock/Cypress Creek Fire District	54,397	54,784	(387)
Roseland Fire District	85,656	85,684	(28)
St. James Fire District	22,408	22,389	19
Williams Township Fire District	103,115	103,007	108
White Marsh Fire District	50,428	49,920	508
Yam City Fire District	125,327	124,529	798
Total expenditures	<u>1,740,570</u>	<u>1,726,789</u>	<u>13,781</u>
Revenues over (under) expenditures	<u>\$ -</u>	(26)	<u>\$ (26)</u>
Fund balance, beginning		<u>1,583</u>	
Fund balance, ending		<u>\$ 1,557</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, 2017**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes	\$ 748,479	\$ 742,416	\$ (6,063)
Total revenues	<u>748,479</u>	<u>742,416</u>	<u>(6,063)</u>
<b>Expenditures:</b>			
Public Safety:			
Acme Delco Riegelwood Rescue	69,010	68,935	75
Buckhead Rescue	69,011	68,935	76
Cerro Gordo Rescue	69,010	68,935	75
Chadbourn Rescue	69,011	68,935	76
Fair Bluff Rescue	69,011	68,935	76
Lake Waccamaw Rescue	69,011	68,935	76
Nakina Rescue	69,011	68,935	76
Tabor City Rescue	69,011	68,935	76
Special Districts	196,393	195,865	528
Total expenditures	<u>748,479</u>	<u>747,345</u>	<u>1,134</u>
Revenues over (under) expenditures	<u>\$ -</u>	(4,929)	<u>\$ (4,929)</u>
Fund balance, beginning		<u>(293)</u>	
Fund balance, ending		<u>\$ (5,222)</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, 2017**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
E911 Surcharge revenue	\$ 271,571	\$ 318,145	\$ 46,574
Total revenues	<u>271,571</u>	<u>318,145</u>	<u>46,574</u>
<b>Expenditures:</b>			
Contracted services	65,071	193,887	(128,816)
Operating expenses	206,500	83,902	122,598
Total Operating Expenditures	<u>271,571</u>	<u>277,789</u>	<u>(6,218)</u>
Capital Outlay	<u>140,857</u>	<u>140,857</u>	<u>-</u>
Total expenditures	<u>412,428</u>	<u>418,646</u>	<u>(6,218)</u>
Revenues over (under) expenditures	<u>(140,857)</u>	<u>(100,501)</u>	<u>40,356</u>
<b>Other Financing Sources (Uses):</b>			
Transfer in (out)	(271,969)	(271,969)	-
Appropriated Fund Balance	412,826	-	(412,826)
Total Other Financing Sources (Uses)	<u>140,857</u>	<u>(271,969)</u>	<u>(412,826)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(372,470)</u>	<u>\$ (372,470)</u>
Fund balance, beginning		<u>900,925</u>	
Fund balance, ending		<u>\$ 528,455</u>	

**Columbus County, North Carolina**  
**2010 Single Family Rehabilitation Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Out	
Revenues:					
NC Housing Finance funds	\$ 543,921	\$ 495,781	\$ -	\$ -	\$ 495,781
Total revenues	<u>543,921</u>	<u>495,781</u>	<u>-</u>	<u>-</u>	<u>495,781</u>
Expenditures:					
Administrative cost	48,087	47,261	-	-	47,261
Hard cost	442,083	431,893	-	-	431,893
2010 Rehabilitation cost	<u>53,751</u>	<u>51,950</u>	<u>-</u>	<u>-</u>	<u>51,950</u>
Total expenditures	<u>543,921</u>	<u>531,104</u>	<u>-</u>	<u>-</u>	<u>531,104</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (35,323)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (35,323)</u>
Other Financing Sources (Uses):					
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>(10,191)</u>	<u>-</u>	<u>(10,191)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (35,323)</u>	<u>(10,191)</u>	<u>\$ -</u>	<u>\$ (45,514)</u>
Fund balance, beginning			<u>10,191</u>		
Fund balance, ending			<u>\$ -</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, 2017**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
NCDOT Interagency Grant	\$ 233,574	\$ 264,211	\$ 30,637
NC Partnership for Children	4,000	3,144	(856)
NCDOT Rural Operating Assistance	163,180	149,462	(13,718)
Interagency transportation	42,971	66,420	23,449
CCIT - Gasoline reimbursement	140,000	103,457	(36,543)
Investment earnings	-	-	-
Total revenues	<u>583,725</u>	<u>586,694</u>	<u>2,969</u>
<b>Expenditures:</b>			
Transportation:			
Salaries and employee benefits	68,474	63,257	5,217
Management services	80,821	80,821	-
Special appropriations	203,795	204,247	(452)
Transportation services	16,601	15,260	1,341
Operating expenses	162,414	138,559	23,855
Capital outlay	139,090	133,502	5,588
Total expenditures	<u>671,195</u>	<u>635,646</u>	<u>35,549</u>
Revenues over (under) expenditures	<u>(87,470)</u>	<u>(48,952)</u>	<u>38,518</u>
<b>Other financing sources (uses):</b>			
Transfer from General fund	27,500	27,500	-
Transfer to General fund	(18,891)	(18,891)	-
Transfer from Reserve	78,861	-	(78,861)
Total other financing sources (uses)	<u>87,470</u>	<u>8,609</u>	<u>(78,861)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(40,343)</u>	<u>\$ (40,343)</u>
Fund balance, beginning		<u>194,390</u>	
Fund balance, ending		<u>\$ 154,047</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, 2017**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Payments received	\$ 60,000	\$ -	\$ (60,000)
Investment earnings	21,672	430	(21,242)
Total revenues	<u>81,672</u>	<u>430</u>	<u>(81,242)</u>
<b>Expenditures:</b>			
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>	430	<u>\$ 430</u>
Fund balance, beginning		158,033	
Prior Period Adjustment		<u>-</u>	
Fund balance, ending		<u>\$ 158,463</u>	

**Columbus County, North Carolina**  
**Down East Connect Project**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
<b>Revenues:</b>				
Donations	\$ 5,000	\$ 2,500	\$ -	\$ 2,500
Grant Project Revenues	110,000	109,720	-	109,720
Total revenues	<u>115,000</u>	<u>112,220</u>	<u>-</u>	<u>112,220</u>
<b>Expenditures:</b>				
Special services	4,400	4,400	-	4,400
Professional services	42,920	42,920	-	42,920
Project Manager	40,400	40,111	-	40,111
Driver	7,600	7,600	-	7,600
Contractor/Consultant	8,000	8,000	-	8,000
Supplies	4,180	4,180	-	4,180
Travel	2,500	2,500	-	2,500
Miscellaneous	5,000	2,500	-	2,500
Total expenditures	<u>115,000</u>	<u>112,211</u>	<u>-</u>	<u>112,211</u>
Revenues over (under) expenditures	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to General Fund	-	-	(9)	(9)
Appropriated Fund Balance	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>(9)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 9</u>	<u>(9)</u>	<u>\$ -</u>
Fund balance, beginning			<u>9</u>	
Fund balance, ending			<u>\$ -</u>	

**Columbus County, North Carolina**  
**2011 Scattered Site Housing Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
<b>Revenues:</b>				
2011 Scattered Site Housing Grant	\$ 359,584	\$ 359,584	\$ -	\$ 359,584
Total revenues	<u>359,584</u>	<u>359,584</u>	<u>-</u>	<u>359,584</u>
<b>Expenditures:</b>				
C-1 Administration	41,935	41,935	-	41,935
Rehabilitation	317,649	317,283	-	317,283
Total expenditures	<u>359,584</u>	<u>359,218</u>	<u>-</u>	<u>359,218</u>
Revenues over (under) expenditures	<u>-</u>	<u>366</u>	<u>-</u>	<u>366</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to General Fund	-	-	(366)	(366)
Appropriated Fund Balance	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(366)</u>	<u>(366)</u>
Revenues and Other Financing Sources				
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 366</u>	(366)	<u>\$ -</u>
Fund balance, beginning			<u>366</u>	
Fund balance, ending			<u>\$ -</u>	

**Columbus County, North Carolina**  
**2011 CDBG Program Grant 11-C-2369**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
<b>Revenues:</b>				
Community Development Grant Revenues	\$ 500,000	\$ 500,000	\$ -	\$ 500,000
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
<b>Expenditures:</b>				
Administration	50,000	50,024	-	50,024
Fitness Park	140,000	184,274	-	184,274
Rehabilitation	290,000	288,272	-	288,272
C-1 Clearance	70,000	27,094	-	27,094
Total expenditures	<u>550,000</u>	<u>549,664</u>	<u>-</u>	<u>549,664</u>
Revenues over (under) expenditures	(50,000)	(49,664)	-	(49,664)
<b>Other Financing Sources (Uses):</b>				
Transfer from General Fund	50,000	50,000	(336)	49,664
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>(336)</u>	<u>49,664</u>
<b>Revenues and Other Financing Sources</b>				
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 336</u>	(336)	<u>\$ -</u>
Fund balance, beginning			<u>336</u>	
Fund balance, ending			<u>\$ -</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, 2017**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>Revenues:</b>				
NC Housing Finance funds	\$ 270,910	\$ 177,526	\$ 83,790	\$ 261,316
Total revenues	<u>270,910</u>	<u>177,526</u>	<u>83,790</u>	<u>261,316</u>
<b>Expenditures:</b>				
Hard cost	216,440	143,050	73,390	216,440
Soft cost	54,470	44,070	10,400	54,470
Total expenditures	<u>270,910</u>	<u>187,120</u>	<u>83,790</u>	<u>270,910</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (9,594)</u>	-	<u>\$ (9,594)</u>
Fund balance, beginning			<u>(9,594)</u>	
Fund balance, ending			<u>\$ (9,594)</u>	

**Columbus County, North Carolina**  
**2013 Urgent Repair Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
<b>Revenues:</b>				
Urgent Repair Program Revenues	\$ 75,000	\$ 64,428	\$ -	\$ 64,428
Total revenues	<u>75,000</u>	<u>64,428</u>	<u>-</u>	<u>64,428</u>
<b>Expenditures:</b>				
Urgent Repair Expenditures	75,000	64,543	-	64,543
Total expenditures	<u>75,000</u>	<u>64,543</u>	<u>-</u>	<u>64,543</u>
Revenues over (under) expenditures	\$ -	\$ (115)	-	\$ (115)
<b>Other Financing Sources (Uses):</b>				
Transfer from General Fund	-	-	115	115
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (115)</u>	115	<u>\$ -</u>
Fund balance, beginning			<u>(115)</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, 2017**

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
<b>Revenues:</b>				
Single Family Rehabilitation Grant	\$ 175,000	\$ -	\$ -	\$ -
Total revenues	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Hard cost	125,000	-	-	-
Soft cost	50,000	-	273	273
Total expenditures	<u>175,000</u>	<u>-</u>	<u>273</u>	<u>273</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(273)	<u>\$ (273)</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ (273)</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, 2017**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ -	\$ -	\$ -
Restricted Sales Tax	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Principal	1,273,836	968,836	305,000
Interest and fees	794,837	245,988	548,849
Total expenditures	<u>2,068,673</u>	<u>1,214,824</u>	<u>853,849</u>
Revenues over (under) expenditures	<u>(2,068,673)</u>	<u>(1,214,824)</u>	<u>853,849</u>
Other financing sources (uses):			
Transfer from General Fund	2,068,673	1,050,516	(1,018,157)
Total other financing sources (uses)	<u>2,068,673</u>	<u>1,050,516</u>	<u>(1,018,157)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	(164,308)	<u>\$ (164,308)</u>
Fund balance, beginning		<u>(268,387)</u>	
Fund balance, ending		<u>\$ (432,695)</u>	

## CAPITAL PROJECTS FUND

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

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**Columbus County, North Carolina**  
**Non-Major Capital Projects Fund**  
**Combining Balance Sheets**  
**June 30, 2017**

	Airport Improvements	Courthouse Construction Project	Courthouse Renovation Capital Project	E911 Project - Radio	E911 Project - Aging	Public School Bonds Capital Project	School Capital Fund	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 100,334	\$ 600,686	\$ -	\$ -	\$ 187,842	\$ 375,595	\$ -	\$ 1,264,457
Restricted cash	-	-	-	-	-	-	-	-
Accounts receivable (net)	-	-	-	-	-	-	-	-
Due from other governments	-	(887)	-	-	-	-	-	(887)
Total assets	<u>\$ 100,334</u>	<u>\$ 599,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,842</u>	<u>\$ 375,595</u>	<u>\$ -</u>	<u>\$ 1,263,570</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 20,467	\$ -	\$ -	\$ -	\$ 21,200	\$ 310,143	\$ -	\$ 351,810
Due to other funds	-	-	304,591	179,836	-	-	-	484,427
Total liabilities	<u>20,467</u>	<u>-</u>	<u>304,591</u>	<u>179,836</u>	<u>21,200</u>	<u>310,143</u>	<u>-</u>	<u>836,237</u>
Fund balances:								
Restricted:								
Airport improvements	79,867	-	-	-	-	-	-	79,867
Public Safety	-	599,799	-	-	-	65,452	-	665,251
Unassigned	-	-	(304,591)	(179,836)	166,642	-	-	(317,785)
Total fund balances	<u>79,867</u>	<u>599,799</u>	<u>(304,591)</u>	<u>(179,836)</u>	<u>166,642</u>	<u>65,452</u>	<u>-</u>	<u>427,333</u>
Total liabilities and fund balances	<u>\$ 100,334</u>	<u>\$ 599,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,842</u>	<u>\$ 375,595</u>	<u>\$ -</u>	<u>\$ 1,263,570</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, 2017**

	<u>Airport Improvements</u>	<u>Courthouse Construction Project</u>	<u>Courthouse Renovation Capital Project</u>	<u>E911 Project - Radio</u>	<u>E911 Project - Aging</u>	<u>Public School Bonds Capital Project</u>	<u>School Capital Fund</u>	<u>Total</u>
Revenues:								
Restricted intergovernmental	\$ 316,899	\$ -	\$ -	\$ -	\$ -	\$ 185,950	\$ -	\$ 502,849
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	13,673	3,357	-	-	-	-	-	17,030
Total revenues	<u>330,572</u>	<u>3,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,950</u>	<u>-</u>	<u>519,879</u>
Expenditures:								
Education	-	-	-	-	-	185,950	-	185,950
Capital outlay	356,635	16,472	14,263	370	105,327	-	-	493,067
Total expenditures	<u>356,635</u>	<u>16,472</u>	<u>14,263</u>	<u>370</u>	<u>105,327</u>	<u>185,950</u>	<u>-</u>	<u>679,017</u>
Revenues over (under) expenditures	(26,063)	(13,115)	(14,263)	(370)	(105,327)	-	-	(159,138)
Other financing sources (uses):								
Transfers in (out)	-	889,474	-	-	271,969	-	-	1,161,443
Debt Proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>889,474</u>	<u>-</u>	<u>-</u>	<u>271,969</u>	<u>-</u>	<u>-</u>	<u>1,161,443</u>
Net change in fund balances	(26,063)	876,359	(14,263)	(370)	166,642	-	-	1,002,305
Fund balances, beginning	<u>105,930</u>	<u>(276,560)</u>	<u>(290,328)</u>	<u>(179,466)</u>	<u>-</u>	<u>65,452</u>	<u>-</u>	<u>(574,972)</u>
Fund balances, ending	<u>\$ 79,867</u>	<u>\$ 599,799</u>	<u>\$ (304,591)</u>	<u>\$ (179,836)</u>	<u>\$ 166,642</u>	<u>\$ 65,452</u>	<u>\$ -</u>	<u>\$ 427,333</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, 2017**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Out Projects	
<b>Revenues:</b>					
NCDOT Airport Grant (36237.53.5.1)	\$ 411,240	\$ 346,286	\$ -	\$ (346,286)	\$ -
NCDOT Airport Grant (36237.53.5.2)	48,222	46,164	-	(46,164)	-
NCDOT Airport Grant (36237.53.6.2)	31,766	31,765	-	(31,765)	-
NCDOT Airport Grant (36237.53.9.1)	96,611	84,149	-	(84,149)	-
NCDOT Airport Grant (36244.18.3.1)	200,000	200,895	-	(200,895)	-
NCDOT Airport Grant (36244.18.4.1)	261,000	260,104	-	(260,104)	-
NCDOT Airport Grant (36244.18.4.2)	200,000	200,000	-	(200,000)	-
NCDOT Airport Grant (36244.18.5.1)	954,000	2,822,498	-	(2,822,498)	-
NCDOT Airport Grant (36237.53.10.1)	512,411	460,075	-	(460,075)	-
NCDOT Airport Grant (36237.53.11.1)	-	-	-	-	-
NCDOT Airport Grant (36237.53.7.1)	26,762	3,776	-	-	3,776
NCDOT Airport Grant (36244.18.7.1)	-	-	97,274	-	97,274
NCDOT Airport Grant (36244.18.7.2)	-	-	16,927	-	16,927
NCDOT Airport Grant (36237.53.12.1)	-	-	197,741	-	197,741
NCDOT Airport Grant (36244.18.6.1)	-	37,271	4,957	-	42,228
Miscellaneous	-	393	13,673	(14,066)	-
<b>Total revenues</b>	<b>2,742,012</b>	<b>4,493,376</b>	<b>330,572</b>	<b>(4,466,002)</b>	<b>357,946</b>
<b>Expenditures:</b>					
Airport improvements	1,444,853	3,467,499	163,174	(3,467,499)	163,174
Professional services	1,989,424	1,661,879	193,461	(1,661,879)	193,461
Administrative costs	8,077	670	-	(670)	-
<b>Total expenditures</b>	<b>3,442,354</b>	<b>5,130,048</b>	<b>356,635</b>	<b>(5,130,048)</b>	<b>356,635</b>
Revenues over (under) expenditures	(700,342)	(636,672)	(26,063)	664,046	1,311
<b>Other financing sources:</b>					
Transfers from General Fund	700,342	604,581	-	(604,581)	-
Transfer from Airport Improvements Fund	-	138,018	-	(59,465)	78,553
<b>Total other financing sources</b>	<b>700,342</b>	<b>742,599</b>	<b>-</b>	<b>(664,046)</b>	<b>78,553</b>
Revenues and other sources over (under) expenditures	\$ -	\$ 105,927	\$ (26,063)	\$ -	\$ 79,864

**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, 2017**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Out Project	
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 3,660	\$ -	\$ (3,660)	\$ -
Sales & Use Tax Refunds	184,319	184,319	-	(184,319)	-
Miscellaneous	27,862	27,861	3,357	(31,218)	-
Total revenues	<u>212,181</u>	<u>215,840</u>	<u>3,357</u>	<u>(219,197)</u>	<u>-</u>
<b>Expenditures:</b>					
Construction	8,456,700	8,086,931	16,472	(8,103,403)	-
Engineering/Architect fees	653,013	625,065	-	(625,065)	-
Contracts	326,987	326,938	-	(326,938)	-
Relocation expense	-	-	-	-	-
Furniture, Fixtures, Equipment	422,300	417,138	-	(417,138)	-
Contingency	302,951	95,624	-	(95,624)	-
Total expenditures	<u>10,161,951</u>	<u>9,551,696</u>	<u>16,472</u>	<u>(9,568,168)</u>	<u>-</u>
Revenues over (under) expenditures	<u>(9,949,770)</u>	<u>(9,335,856)</u>	<u>(13,115)</u>	<u>9,348,971</u>	<u>-</u>
<b>Other financing sources:</b>					
Debt proceeds	9,000,000	9,000,000	-	(9,000,000)	-
Transfer from general fund	948,770	59,296	889,474	(348,971)	599,799
Total other financing sources	<u>9,948,770</u>	<u>9,059,296</u>	<u>889,474</u>	<u>(9,348,971)</u>	<u>599,799</u>
Revenues and other sources over (under) expenditures	<u>\$ (1,000)</u>	<u>\$ (276,560)</u>	<u>\$ 876,359</u>	<u>\$ -</u>	<u>\$ 599,799</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, 2017**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Construction	-	-	-	-
Engineering/Architect fees	285,763	271,500	14,262	285,762
Contingency	545	543	1	544
Furniture, Fixtures, Equipment	18,285	18,285	-	18,285
Total expenditures	<u>304,593</u>	<u>290,328</u>	<u>14,263</u>	<u>304,591</u>
Revenues over (under) expenditures	<u>(304,593)</u>	<u>(290,328)</u>	<u>(14,263)</u>	<u>(304,591)</u>
<b>Other financing sources:</b>				
Debt proceeds	-	-	-	-
Transfer from Transportation Fund	304,593	-	-	-
Total other financing sources	<u>304,593</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (290,328)</u>	<u>\$ (14,263)</u>	<u>\$ (304,591)</u>

**Columbus County, North Carolina**  
**Columbus County - E911 Project - Radio Communications - Capital Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2017**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed	
Revenues:					
NC 911 Board revenues	\$ 905,000	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenue	70,760	-	-	-	-
Total revenues	<u>975,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Capital outlay	1,584,760	331,547	370	-	331,917
Total expenditures	<u>1,584,760</u>	<u>331,547</u>	<u>370</u>	<u>-</u>	<u>331,917</u>
Revenues over (under) expenditures	<u>(609,000)</u>	<u>(331,547)</u>	<u>(370)</u>	<u>-</u>	<u>(331,917)</u>
Other financing sources:					
Transfer to (from)E-911 Fund	-	-	-	-	-
Transfer to (from) Transportation Fund	14,000	14,000	-	-	14,000
Transfer (to) from General Fund	277,063	138,081	-	-	138,081
Appropriated fund balance	317,937	-	-	-	-
Total other financing sources	<u>609,000</u>	<u>152,081</u>	<u>-</u>	<u>-</u>	<u>152,081</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (179,466)</u>	<u>\$ (370)</u>	<u>\$ -</u>	<u>\$ (179,836)</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, 2017**

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

**Columbus County, North Carolina**  
**Public Schools Bonds Capital Project Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2017**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues:				
Restricted intergovernmental:				
Public School Building	\$ -	\$ -	\$ -	\$ -
Lottery Distribution	500,000	260,697	185,950	446,647
Restricted Sales Tax	-	-	-	-
Total revenues	<u>500,000</u>	<u>260,697</u>	<u>185,950</u>	<u>446,647</u>
Expenditures:				
Lottery Disbursement	500,000	260,697	185,950	446,647
Capital Outlay - SCC	-	333,000	-	333,000
Capital Outlay - Public Schools	-	1,333,000	-	1,333,000
Total expenditures	<u>500,000</u>	<u>1,926,697</u>	<u>185,950</u>	<u>2,112,647</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$(1,666,000)</u>	<u>\$ -</u>	<u>\$(1,666,000)</u>
Other financing sources:				
Transfer from General Fund	-	1,666,000	-	1,666,000
Total other financing sources	<u>-</u>	<u>1,666,000</u>	<u>-</u>	<u>1,666,000</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed	
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	931	990	-	-	990
Total revenues	<u>931</u>	<u>990</u>	<u>-</u>	<u>-</u>	<u>990</u>
Expenditures					
Construction Cost	<u>3,133,529</u>	<u>3,133,528</u>	<u>-</u>	<u>-</u>	<u>3,133,528</u>
Revenues over (under) expenditures	<u>(3,132,598)</u>	<u>(3,132,538)</u>	<u>-</u>	<u>-</u>	<u>(3,132,538)</u>
Other financing sources:					
Debt Proceeds	<u>3,132,598</u>	<u>3,132,538</u>	<u>-</u>	<u>-</u>	<u>3,132,538</u>
Total other financing sources	<u>3,132,598</u>	<u>3,132,538</u>	<u>-</u>	<u>-</u>	<u>3,132,538</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## ENTERPRISE FUND

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

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**Columbus County, North Carolina  
Proprietary Funds  
Combining Statement of Net Position  
June 30, 2017**

	MAJOR					NON-MAJOR		Total
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>ASSETS</b>								
Current assets:								
Cash and Investments	\$ 3,943,667	\$ 857,243	\$ 771,329	\$ 620,952	\$ 1,214,120	\$ 928,027	\$ 514,561	\$ 8,849,899
Taxes Receivable	932,169	5,354	2,508	-	-	-	-	940,031
Accounts Receivable (net)	233,799	96,171	59,363	74,395	105,138	73,710	-	642,576
Due from other governments	9,128	598	(598)	534	4	(100)	333	9,899
Due from Districts - Current LOBS	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,118,763</b>	<b>959,366</b>	<b>832,602</b>	<b>695,881</b>	<b>1,319,262</b>	<b>1,001,637</b>	<b>514,894</b>	<b>10,442,405</b>
Noncurrent assets:								
Restricted - Cash	-	96,800	65,177	102,205	29,725	41,275	-	335,182
Due from Districts - Non-current LOBS	-	-	-	-	-	-	-	-
Capital assets:								
Land and construction in process	488,139	-	-	125,300	-	-	-	613,439
Other capital assets, net of depreciation	1,163,561	6,984,242	4,798,624	11,624,882	6,992,203	1,976,027	-	33,539,539
<b>Total capital assets</b>	<b>1,651,700</b>	<b>6,984,242</b>	<b>4,798,624</b>	<b>11,750,182</b>	<b>6,992,203</b>	<b>1,976,027</b>	<b>-</b>	<b>34,152,978</b>
<b>Total noncurrent assets</b>	<b>1,651,700</b>	<b>7,081,042</b>	<b>4,863,801</b>	<b>11,852,387</b>	<b>7,021,928</b>	<b>2,017,302</b>	<b>-</b>	<b>34,488,160</b>
<b>Total Assets</b>	<b>6,770,463</b>	<b>8,040,408</b>	<b>5,696,403</b>	<b>12,548,268</b>	<b>8,341,190</b>	<b>3,018,939</b>	<b>514,894</b>	<b>44,930,565</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Contributions to pension plan in current year	40,572	29,375	18,025	14,470	8,913	19,744	22,053	153,152
Deferred charge on refunding	-	74,414	60,317	-	53,921	-	-	188,652
<b>Total deferred outflows of resources</b>	<b>40,572</b>	<b>103,789</b>	<b>78,342</b>	<b>14,470</b>	<b>62,834</b>	<b>19,744</b>	<b>22,053</b>	<b>341,804</b>
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable and accrued liabilities	45,516	23,340	14,322	11,498	7,082	15,689	8,992	126,439
Accrued Interest	-	19,832	13,972	14,872	13,735	-	-	62,411
Due to other funds	-	-	-	199,964	-	-	-	199,964
Limited Obligation Bonds	-	135,000	110,000	-	80,000	-	-	325,000
Current Portion of Long-Term Debt	-	54,054	8,253	82,000	3,937	-	-	148,244
<b>Total current liabilities</b>	<b>45,516</b>	<b>232,226</b>	<b>146,547</b>	<b>308,334</b>	<b>104,754</b>	<b>15,689</b>	<b>8,992</b>	<b>862,058</b>
Noncurrent liabilities:								
Customer deposits	-	96,800	65,177	40,900	29,725	41,275	-	273,877
OPEB Liability	170,806	84,744	71,395	56,854	28,127	89,499	150,163	651,588
Compensated absences	10,759	15,022	8,815	10,820	7,792	11,464	12,057	76,729
Net pension liability	46,473	33,646	20,647	16,575	10,209	22,616	25,261	175,427
Limited Obligation Bonds	-	4,890,000	3,955,000	-	3,965,000	-	-	12,810,000
Bonds, notes and leases payable	-	1,163,322	189,816	5,072,000	106,302	-	-	6,531,440
<b>Total noncurrent liabilities</b>	<b>228,038</b>	<b>6,283,534</b>	<b>4,310,850</b>	<b>5,197,149</b>	<b>4,147,155</b>	<b>164,854</b>	<b>187,481</b>	<b>20,519,061</b>
<b>Total Liabilities</b>	<b>273,554</b>	<b>6,515,760</b>	<b>4,457,397</b>	<b>5,505,483</b>	<b>4,251,909</b>	<b>180,543</b>	<b>196,473</b>	<b>21,381,119</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>1,671</b>	<b>1,210</b>	<b>742</b>	<b>596</b>	<b>367</b>	<b>813</b>	<b>908</b>	<b>6,307</b>
<b>NET POSITION</b>								
Net investment in capital assets	1,651,700	741,866	535,555	6,596,182	2,836,964	1,976,027	-	14,338,294
Restricted for Capital Projects	-	-	-	-	-	-	-	-
Unrestricted	4,884,110	885,361	781,051	460,477	1,314,784	881,300	339,566	9,546,649
<b>Total Net Position</b>	<b>\$ 6,535,810</b>	<b>\$ 1,627,227</b>	<b>\$ 1,316,606</b>	<b>\$ 7,056,659</b>	<b>\$ 4,151,748</b>	<b>\$ 2,857,327</b>	<b>\$ 339,566</b>	<b>\$ 23,884,943</b>

**Columbus County, North Carolina  
Proprietary Funds  
Combining Statement of Revenues and Expenditures  
For The Fiscal Year Ended June 30, 2017**

	MAJOR					NON-MAJOR		Total
	Solid Waste	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>Revenues:</b>								
<b>Operating Revenues:</b>								
Charges for Services	\$ 5,191,794	\$ 724,456	\$ 462,482	\$ 442,492	\$ 653,758	\$ 572,649	\$ -	\$ 8,047,631
Water Taps & Reconnection Fees	-	11,000	3,001	11,864	17,891	26,004	-	69,760
Sewer Sales	-	-	-	-	27,676	-	-	27,676
Special District Taxes	-	8,155	6,840	-	-	-	-	14,995
Miscellaneous Revenue	-	36,967	12,806	35,221	2,450	1,747	6,850	96,041
<b>Total Operating Revenues</b>	<b>5,191,794</b>	<b>780,578</b>	<b>485,129</b>	<b>489,577</b>	<b>701,775</b>	<b>600,400</b>	<b>6,850</b>	<b>8,256,103</b>
<b>Expenditures:</b>								
<b>Operating Expenses:</b>								
Salaries and employee benefits	321,290	164,559	99,888	80,254	48,148	110,488	128,746	953,373
Contract Services	3,539,128	13,833	10,809	11,769	3,519	7,796	-	3,586,854
Engineering Services	-	-	-	-	-	-	-	-
Supplies	852	36,929	22,661	18,192	11,204	24,822	-	114,660
Maintenance and repairs/service	42,976	51,570	20,438	22,632	15,936	18,938	-	172,490
Gas Plant Operations	900	-	-	-	-	-	-	900
Utilities	-	24,406	15,244	12,675	7,538	16,698	-	76,561
Water purchases	-	-	-	-	-	280,577	-	280,577
Contract sewer purchases	-	-	-	-	46,987	-	-	46,987
Depreciation	58,194	482,424	205,356	367,230	219,127	103,114	-	1,435,445
Indirect Cost to General Fund	52,353	25,804	15,834	12,712	7,829	17,345	17,615	149,492
Housing assistance payments	-	-	-	-	-	-	1,538,545	1,538,545
Other departmental expenditures	112,841	30,670	15,498	12,482	7,663	16,974	17,499	213,627
Capital Outlay (noncapitalized)	19,355	-	4,230	900	-	3,478	-	27,963
Contingency	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>4,147,889</b>	<b>830,195</b>	<b>409,958</b>	<b>538,846</b>	<b>367,951</b>	<b>600,230</b>	<b>1,702,405</b>	<b>8,597,474</b>
<b>Operating income (loss)</b>	<b>1,043,906</b>	<b>(49,617)</b>	<b>75,171</b>	<b>(49,269)</b>	<b>333,824</b>	<b>170</b>	<b>(1,695,555)</b>	<b>(341,370)</b>
<b>Nonoperating Revenues (Expenses)</b>								
Interest Earned on Investments	-	-	-	-	-	-	-	-
White Goods Sales Recycles	33,102	-	-	-	-	-	-	33,102
State Aid	94,238	-	-	-	-	-	-	94,238
Operating subsidy - HUD	-	-	-	-	-	-	1,806,820	1,806,820
Interest Expense and Bond Issuance Cost	-	(236,526)	(164,850)	(180,649)	(163,062)	(44)	-	(745,131)
Grant Proceeds	-	-	-	-	-	-	-	-
Miscellaneous Revenue	4,675	-	-	1,183	-	-	3,556	9,414
<b>Total Nonoperating Revenues (Expenses)</b>	<b>132,015</b>	<b>(236,526)</b>	<b>(164,850)</b>	<b>(179,466)</b>	<b>(163,062)</b>	<b>(44)</b>	<b>1,810,376</b>	<b>1,198,443</b>
<b>Income (Loss) before contributions and transfers</b>	<b>1,175,921</b>	<b>(286,143)</b>	<b>(89,679)</b>	<b>(228,735)</b>	<b>170,762</b>	<b>126</b>	<b>114,821</b>	<b>857,073</b>
Transfers in (out)	-	-	-	-	152,308	-	-	152,308
Reimbursements	-	881	-	-	-	-	-	881
Capital Contributions	-	-	-	64,578	-	-	-	64,578
<b>Change in net position</b>	<b>1,175,921</b>	<b>(285,262)</b>	<b>(89,679)</b>	<b>(164,157)</b>	<b>323,070</b>	<b>126</b>	<b>114,821</b>	<b>1,074,840</b>
<b>Total net position, Beginning</b>	<b>5,359,889</b>	<b>1,912,489</b>	<b>1,406,285</b>	<b>7,220,816</b>	<b>3,828,678</b>	<b>2,857,201</b>	<b>224,745</b>	<b>22,810,103</b>
<b>Net position, beginning , restated</b>	<b>5,359,889</b>	<b>1,912,489</b>	<b>1,406,285</b>	<b>7,220,816</b>	<b>3,828,678</b>	<b>2,857,201</b>	<b>224,745</b>	<b>22,810,103</b>
<b>Total net position, End of Year</b>	<b>\$ 6,535,810</b>	<b>\$ 1,627,227</b>	<b>\$ 1,316,606</b>	<b>\$ 7,056,659</b>	<b>\$ 4,151,748</b>	<b>\$ 2,857,327</b>	<b>\$ 339,566</b>	<b>\$ 23,884,943</b>

**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, 2017**

Exhibit E-3

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Operating Revenues	\$ 5,137,675	\$ 5,191,794	\$ 54,119
Total operating revenues	5,137,675	5,191,794	54,119
<b>Nonoperating revenues:</b>			
Interest Earned on Investments	-	-	-
White Goods Sales Recycles	30,000	33,102	3,102
State Aid - Tire Disposal	56,231	76,591	20,360
State Aid - White Goods	23,000	17,647	(5,353)
NC ENR Recycling Grant	-	-	-
Miscellaneous Revenue	5,544	4,675	(869)
Total Nonoperating Revenues	114,775	132,015	17,240
Total Revenues	5,252,450	5,323,809	71,359
<b>Expenditures:</b>			
<b>Solid Waste Operations:</b>			
Salaries and employee benefits	319,881	303,324	16,557
Contract Services	4,220,966	3,539,128	681,838
Supplies	4,000	852	3,148
Maintenance and repairs	92,000	42,976	49,024
Solid Waste Disposal Fees	-	-	-
Gas Plant Operations	35,000	900	34,100
Contribution of Indirect Cost	52,353	52,353	-
Other departmental expenditures	187,400	112,841	74,559
Total solid waste operations	4,911,600	4,052,374	859,226
<b>Debt Service:</b>			
Interest and other charges	566	-	566
Principal on Lease	10,355	-	10,355
Total	10,921	-	10,921
Capital Outlay	100,000	89,119	10,881
Total Expenditures	5,022,521	4,141,493	881,028
Revenues over Expenditures	229,929	1,182,317	952,388
<b>Other Financing Sources (Uses):</b>			
Transfers from (to) Other Funds			
General Fund	-	-	-
Fund Balance Appropriated	(229,929)	-	229,929
Total Other Financing Sources (Uses)	(229,929)	-	229,929
Revenues and other financing sources (uses) over expenditures	\$ -	\$ -	\$ -
<b>Reconciliation from budgetary basis (modified) accrual to full accrual:</b>			
Revenues over Expenditures and other financing sources		\$ 1,182,317	
Principal on Lease		-	
Capital Outlay		69,764	
OPEB Expense		(20,572)	
Depreciation		(58,194)	
(Increase) decrease in deferred outflows of resources - pensions		(31,555)	
Increase (decrease) in net pension liability		37,307	
Increase (decrease) in deferred inflows of resources - pensions		(3,146)	
Total reconciling items		(6,396)	
Change in net position		\$ 1,175,921	

**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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Payment from Districts - Investment Income	\$ 546,988	\$ 546,988	\$ -
Payment from Districts - Principal	<u>305,000</u>	<u>305,000</u>	<u>-</u>
Total Revenues	<u>851,988</u>	<u>851,988</u>	<u>-</u>
Expenditures:			
Debt Service Payments:			
Principal	305,000	305,000	-
Interest	<u>546,988</u>	<u>546,988</u>	<u>-</u>
Total	<u>851,988</u>	<u>851,988</u>	<u>-</u>
Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	-	-	-
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Columbus County, North Carolina**  
**Water District I - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Sales	\$ 478,025	\$ 554,103	\$ 76,078
Water Taps & Reconnection Fees	30,800	26,004	(4,796)
Penalties	12,734	18,546	5,812
Miscellaneous Revenue	1,467	1,747	280
Total Operating Revenues	<u>523,026</u>	<u>600,400</u>	<u>77,374</u>
Nonoperating revenues:			
Interest Earned on Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>523,026</u>	<u>600,400</u>	<u>77,374</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	119,778	104,977	14,801
Contract Services	8,070	7,796	274
Supplies	27,689	24,822	2,867
Utilities	15,267	16,698	(1,431)
Maintenance and repairs/service	23,480	18,938	4,542
Water purchases	264,000	280,577	(16,577)
Contribution of Indirect Costs	21,767	17,345	4,422
Other departmental expenditures	29,940	16,974	12,966
Total water operations expenditures	<u>509,991</u>	<u>488,127</u>	<u>21,864</u>
Debt Service			
Principal	6,860	2,627	4,233
Interest	327	44	283
Total	<u>7,187</u>	<u>2,671</u>	<u>4,516</u>
Capital Outlay	<u>5,848</u>	<u>8,897</u>	<u>(3,049)</u>
Total Expenditures	<u>523,026</u>	<u>499,695</u>	<u>23,331</u>
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	-	-	-
Installment purchase obligations issued	-	-	-
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>100,705</u>	<u>\$ 100,705</u>

**Columbus County, North Carolina**  
**Water District I - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2017**

	Budget	Actual	Variance Positive (Negative)
<b>Reconciliation form budgetary basis (modified)</b>			
<b>accrual to full accrual:</b>			
Revenues and other financing sources (uses)			
over expenditures		100,705	
Debt principal		2,627	
Capital Outlay		5,419	
Depreciation		(103,114)	
OPEB Expense		(6,300)	
(Increase) decrease in deferred outflows of resources - pensions		(14,486)	
Increase (decrease) in net pension liability		17,270	
Increase (decrease) in deferred inflows of resources - pensions		(1,996)	
Total reconciling items		(100,579)	
Change in net position		\$ 126	

**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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Sales	\$ 732,307	\$ 724,456	\$ (7,851)
Water Taps & Reconnection Fees	22,659	11,000	(11,659)
Special District Taxes	18,522	8,155	(10,367)
Penalties	5,250	35,308	30,058
Miscellaneous Revenue	14,650	1,659	(12,991)
Total Operating Revenues	<u>793,388</u>	<u>780,578</u>	<u>(12,810)</u>
Nonoperating revenues:			
Interest Earned on Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>793,388</u>	<u>780,578</u>	<u>(12,810)</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	175,999	156,460	19,539
Contract Services	14,241	13,833	408
Supplies	41,195	36,929	4,266
Utilities	22,714	24,406	(1,692)
Maintenance and Repairs	46,668	51,570	(4,902)
Contribution of Indirect Costs	32,384	25,804	6,580
Other departmental expenditures	63,085	30,670	32,415
Total Expenditures	<u>396,286</u>	<u>339,672</u>	<u>56,614</u>
Debt Service			
Principal	159,795	171,228	(11,433)
Interest	228,870	243,678	(14,808)
Bond Issuance Cost	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>388,665</u>	<u>414,906</u>	<u>(26,241)</u>
Capital Outlay	<u>8,437</u>	<u>47,595</u>	<u>(39,158)</u>
Total Expenditures	<u>793,388</u>	<u>802,173</u>	<u>(8,785)</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, 2017**

	Budget	Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	-	-	-
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and other financing sources (uses) over expenditures	\$ -	(21,595)	\$ (21,595)

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

Revenues over Expenditures and other financing sources	(21,595)
Debt principal	171,228
Capital outlay	47,595
Depreciation	(482,424)
OPEB Expense	(9,803)
Amortize Bond Premiums and Deferred Charges	7,152
(Increase) decrease in deferred outflows of resources - pensions	(22,516)
Increase (decrease) in net pension liability	26,674
Increase (decrease) in deferred inflows of resources - pensions	(2,454)
Sales and Use Tax Refund (Ex E-6a)	881
Transfer (from Exhibit E-5a)	-
Total reconciling items	(263,667)
Change in net position	\$ (285,262)

**Columbus County, North Carolina**  
**Water District II - Interconnect - 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, 2017**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Completed Project	
<b>Revenues:</b>					
State Water Revolving Grant	\$ 1,500,908	\$ 1,500,908	\$ -	\$ (1,500,908)	\$ -
Sales and Use Tax Refund	-	68,489	881	(69,370)	-
Water Tap On Fees	-	-	-	-	-
Total Revenue	<u>1,500,908</u>	<u>1,569,397</u>	<u>881</u>	<u>(1,570,278)</u>	<u>-</u>
<b>Expenditures:</b>					
Construction	2,353,093	2,335,942	-	(2,335,942)	-
Legal Services/Professional	15,000	4,000	-	(4,000)	-
Engineering Design/Survey	125,000	108,530	-	(108,530)	-
Inspection Fees	100,000	100,000	-	(100,000)	-
Permitting Fees	3,000	2,645	-	(2,645)	-
Administrative Costs	15,000	16,991	-	(16,991)	-
Contingency	195,042	182,551	-	(182,551)	-
Total Expenditures	<u>2,806,135</u>	<u>2,750,659</u>	<u>-</u>	<u>(2,750,659)</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(1,305,227)</u>	<u>(1,181,262)</u>	<u>881</u>	<u>1,180,381</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
State Water Revolving Loan	375,227	375,227	-	(375,227)	-
Transfer from General Fund	930,000	930,000	-	(930,000)	-
Total Other Financing Sources (Uses)	<u>1,305,227</u>	<u>1,305,227</u>	<u>-</u>	<u>(1,305,227)</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>123,965</u>	\$ <u>881</u>	\$ <u>(124,846)</u>	<u>-</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Sales	\$ 553,992	\$ 462,482	\$ (91,510)
Water Taps & Reconnection Fees	50,141	3,001	(47,140)
Special District Tax	5,250	6,840	1,590
Penalties	11,576	12,656	1,080
Miscellaneous Revenue	220	150	(70)
Total Operating Revenues	<u>621,179</u>	<u>485,129</u>	<u>(136,050)</u>
Nonoperating revenues:			
Interest Earned on Investments	-	-	-
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>621,179</u>	<u>485,129</u>	<u>(136,050)</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	101,010	95,027	5,983
Contract Services	17,248	10,809	6,439
Supplies	25,278	22,661	2,617
Utilities	13,938	15,244	(1,306)
Maintenance and repairs/service	20,736	20,438	298
Contribution of Indirect Costs	16,000	15,834	166
Other departmental expenditures	19,523	15,498	4,025
Total Operating Expenditures	<u>213,733</u>	<u>195,511</u>	<u>18,222</u>
Debt Service			
Principal	107,398	107,398	-
Interest	295,048	170,590	124,458
Bond Issuance Cost	-	-	-
Total	<u>402,446</u>	<u>277,988</u>	<u>124,458</u>
Capital Outlay	<u>5,000</u>	<u>9,177</u>	<u>(4,177)</u>
Total Expenditures	<u>621,179</u>	<u>482,676</u>	<u>138,503</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, 2017**

Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	-	-	-
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses)			
over expenditures	\$ <u>-</u>	2,453	\$ <u>2,453</u>

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

Revenues over Expenditures and other financing sources	<u>2,453</u>
Capital outlay	4,947
Debt Principal	107,398
Depreciation	(205,356)
OPEB Expense	(5,581)
Amortize Bond Premiums and Deferred Charges	5,740
(Increase) decrease in deferred outflows of resources - pensions	(13,224)
Increase (decrease) in net pension liability	15,767
Increase (decrease) in deferred inflows of resources - pensions	<u>(1,822)</u>
Total reconciling items	<u>(92,132)</u>
Change in net position	\$ <u>(89,679)</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water Sales	\$ 419,749	\$ 442,492	\$ 22,743
Water Taps & Reconnection Fees	22,400	11,864	(10,536)
Penalties	9,263	11,608	2,345
Miscellaneous Revenue	25,132	23,613	(1,519)
Total Operating Revenues	<u>476,544</u>	<u>489,577</u>	<u>13,033</u>
<b>Nonoperating revenues:</b>			
Interest Earned on Investments	-	-	-
Total Revenues	<u>476,544</u>	<u>489,577</u>	<u>13,033</u>
<b>Expenditures:</b>			
<b>Water Operations:</b>			
Salaries and employee benefits	81,290	76,650	4,640
Contract Services	17,179	11,769	5,410
Utilities	11,190	12,675	(1,485)
Supplies	18,397	18,192	205
Maintenance and repairs	22,662	22,632	30
Bulk Water Purchases	-	-	-
Indirect Cost	15,954	12,712	3,242
Other departmental expenditures	11,139	12,482	(1,343)
Total Expenditures	<u>177,811</u>	<u>167,112</u>	<u>10,699</u>
Capital Outlay	<u>3,972</u>	<u>4,871</u>	<u>(899)</u>
<b>Debt Service</b>			
Principal	83,836	80,827	3,009
Interest	181,436	180,649	787
Bond Issuance Cost	-	-	-
Total	<u>265,272</u>	<u>261,476</u>	<u>3,796</u>
Total Expenditures	<u>447,055</u>	<u>433,459</u>	<u>13,596</u>
<b>Other Financing Sources (Uses):</b>			
<b>Transfers from (to) Other Funds</b>			
Capital Projects	-	-	-
Installment purchase obligations issued	-	-	-
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ 29,489</u>	<u>56,118</u>	<u>\$ 26,629</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, 2017**

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

Revenues over Expenditures and other financing sources	<u>56,118</u>
Principal Payments	80,827
Capital Outlay	3,971
Depreciation	(367,230)
OPEB Expense	(4,290)
(Increase) decrease in deferred outflows of resources - pensions	(10,812)
Increase (decrease) in net pension liability	12,856
Increase (decrease) in deferred inflows of resources - pensions	(1,358)
Capital Contributions (from Exhibit E-8a)	64,578
Sales Tax Refund (from Exhibit E-8a)	1,183
Misc Revenue (from Exhibit E-8a)	<u>-</u>
Total reconciling items	<u>(220,275)</u>
Change in net position	<u>\$ (164,157)</u>

**Columbus County, North Carolina**  
**Water District IV - Hallsboro Project - 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, 2017**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Out Project	
<b>Revenues:</b>					
USDA Grant	\$ 1,119,300	\$ 1,054,722	\$ 64,578	\$ (1,119,300)	\$ -
Sales and Use Tax Refund	-	41,161	1,183	(42,344)	-
Miscellaneous Revenue	-	-	-	-	-
<b>Total Revenue</b>	<b>1,119,300</b>	<b>1,095,883</b>	<b>65,761</b>	<b>(1,161,644)</b>	<b>-</b>
<b>Expenditures:</b>					
Construction	2,240,189	2,381,246	59,550	(2,440,796)	-
Other Professional Services	-	25,000	-	(25,000)	-
Inspection Fees	160,600	-	1,020	(1,020)	-
Geotechnical Contract	7,200	6,382	-	(6,382)	-
Easement Surveys	4,168	-	-	-	-
Permitting Fees	1,030	2,668	-	(2,668)	-
Land	17,547	17,347	-	(17,347)	-
Legal Fees	35,000	23,750	-	(23,750)	-
Interest during Construction	30,000	9,200	-	(9,200)	-
Miscellaneous Expense	-	1,104	-	(1,104)	-
Contingency	25,266	29,837	-	(29,837)	-
<b>Total Expenditures</b>	<b>2,521,000</b>	<b>2,496,534</b>	<b>60,570</b>	<b>(2,557,104)</b>	<b>-</b>
Revenues Over (Under) Expenditures	(1,401,700)	(1,400,651)	5,191	1,395,460	-
<b>Other Financing Sources (Uses):</b>					
General Obligation Bonds	1,337,000	1,337,000	-	(1,337,000)	-
Loan from General Fund	-	200,000	-	(200,000)	-
Transfer from General Fund	-	-	-	-	-
Transfer from Water District IV	64,700	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,401,700</b>	<b>1,537,000</b>	<b>-</b>	<b>(1,537,000)</b>	<b>-</b>
Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 136,349	\$ 5,191	\$ (141,540)	\$ -

**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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Sales	\$ 443,030	\$ 647,725	\$ 204,695
Water Taps & Reconnection Fees	14,000	17,891	3,891
Sewer Sales	25,500	27,676	2,176
Penalties	5,788	6,033	245
Miscellaneous Revenue	2,876	2,450	(426)
Total Operating Revenues	<u>491,194</u>	<u>701,775</u>	<u>210,581</u>
Nonoperating revenues:			
Interest Earned on Investments	-	-	-
Total Nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>491,194</u>	<u>701,775</u>	<u>210,581</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	62,597	46,387	16,210
Contract Services	10,262	3,519	6,743
Utilities	6,891	7,538	(647)
Bulk Water Purchases	-	-	-
Supplies	14,396	11,204	3,192
Maintenance and repairs	25,136	15,936	9,200
Contract Sewer Purchases	50,000	46,987	3,013
Contribution of Indirect Costs	13,697	7,829	5,868
Other departmental expenditures	42,893	7,663	35,230
Contingency	-	-	-
Total Expenditures	<u>225,872</u>	<u>147,063</u>	<u>78,809</u>
Debt Service			
Principal	76,142	76,142	-
Interest	186,437	165,073	21,364
Bond Issuance Cost	-	-	-
Total	<u>262,579</u>	<u>241,215</u>	<u>21,364</u>
Capital Outlay	<u>2,743</u>	<u>2,446</u>	<u>297</u>
Total Expenditures	<u>491,194</u>	<u>390,724</u>	<u>100,470</u>
Revenues over (under) expenditures	<u>-</u>	<u>311,051</u>	<u>311,051</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, 2017**

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Other Financing Sources (Uses):

Transfers from (to) Other Funds			
Water District V Capital Project	-	-	-
Fund Balance Appropriated	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses)	\$ <u>-</u>	311,051	\$ <u>311,051</u>

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

Revenues over Expenditures and other financing sources	<u>311,051</u>
Principal on Debt	76,142
Capital Outlay	2,446
Depreciation	(219,127)
OPEB Expense	(2,165)
Amortize Bond Premiums and Deferred Charges	2,011
(Increase) decrease in deferred outflows of resources - pensions	(6,627)
Increase (decrease) in net pension liability	7,885
Increase (decrease) in deferred inflows of resources - pensions	(854)
Transfer (Ex E-9a)	<u>152,308</u>
Total reconciling items	<u>12,019</u>
Change in net position	\$ <u><u>323,070</u></u>

**Columbus County, North Carolina**  
**Water District 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, 2017**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Out Project	
<b>Revenues:</b>					
USDA Grant	\$ 1,987,000	\$ -	\$ -	\$ -	\$ -
Sales and Use Tax	65,000	-	-	-	-
Investment Earnings	-	-	-	-	-
Total Revenue	<u>2,052,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Professional Services	25,000	-	-	-	-
Construction	5,931,664	111,342	-	(111,342)	-
Engineer Design / Survey	319,219	-	-	-	-
Engineer - Resident Inspection	211,120	-	-	-	-
Contingency	23,997	18,750	-	(18,750)	-
C/O - Land & Right of Way	19,000	-	-	-	-
Interest during Construction	136,000	-	-	-	-
Total Expenditures	<u>6,666,000</u>	<u>130,092</u>	<u>-</u>	<u>(130,092)</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(4,614,000)</u>	<u>(130,092)</u>	<u>-</u>	<u>130,092</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
General Obligation Bonds	4,564,000	-	-	-	-
Local Match	50,000	-	-	-	-
Transfer from General Fund	-	-	152,308	(152,308)	-
Total Other Financing Sources (Uses)	<u>4,614,000</u>	<u>-</u>	<u>152,308</u>	<u>(152,308)</u>	<u>-</u>
Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>(130,092)</u>	\$ <u>152,308</u>	\$ <u>(22,216)</u>	\$ <u>-</u>

**Columbus County, North Carolina**  
**Section 8 Housing Assistance Payments Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2017**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Nonoperating revenues			
Operating subsidy - HUD	\$ 1,744,143	\$ 1,806,820	\$ 62,677
Fraud Recovery	1,000	3,556	2,556
Miscellaneous	500	6,850	6,350
Total Revenues	<u>1,745,643</u>	<u>1,817,226</u>	<u>71,583</u>
<b>Expenditures</b>			
Administration			
Salaries and benefits	127,979	122,549	5,430
Indirect Cost	20,493	17,615	2,878
Operating expenditures	52,814	17,499	35,315
Total administration	<u>201,286</u>	<u>157,663</u>	<u>43,623</u>
Housing assistance payments	<u>1,544,357</u>	<u>1,538,545</u>	<u>5,812</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,745,643</u>	<u>1,696,208</u>	<u>49,435</u>
Revenues over expenditures	<u>-</u>	<u>121,018</u>	<u>121,018</u>
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
Capital Contribution	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	121,018	<u>\$ 121,018</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital Outlay		-	
OPEB Expense		(7,426)	
(Increase) decrease in deferred outflows of resources - pensions		(16,811)	
Increase (decrease) in net pension liability		19,932	
Increase (decrease) in deferred inflows of resources - pensions		(1,892)	
Depreciation		<u>-</u>	
Total reconciling items		<u>(6,197)</u>	
Change in net position		<u>\$ 114,821</u>	

## AGENCY FUNDS

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

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

Exhibit F-1

	Columbus County 4-H Fund	Social Services Fund	Sheriff's Civil Division	Inmates Trust Fund	Home Loan Trust Fund	Explorer Post 513	Totals
<b>Assets</b>							
Cash and cash equivalents	\$ 5,130	\$ 107,603	\$ 2,700	\$ 265,819	\$ (2,010)	\$ 4,007	\$ 383,249
Due from other governments	-	-	-	-	-	-	-
Total Assets	<u>\$ 5,130</u>	<u>\$ 107,603</u>	<u>\$ 2,700</u>	<u>\$ 265,819</u>	<u>\$ (2,010)</u>	<u>\$ 4,007</u>	<u>\$ 383,249</u>
<b>Liabilities and Net Position</b>							
Liabilities	\$ 5,130	\$ 107,603	\$ 2,700	\$ 265,819	\$ (2,010)	\$ 4,007	\$ 383,249
Net Position	-	-	-	-	-	-	-
Total Liabilities and Net Position	<u>\$ 5,130</u>	<u>\$ 107,603</u>	<u>\$ 2,700</u>	<u>\$ 265,819</u>	<u>\$ (2,010)</u>	<u>\$ 4,007</u>	<u>\$ 383,249</u>

**Columbus County, North Carolina  
Agency Fund**

Exhibit F-2

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended June 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
<b><u>COLUMBUS COUNTY 4-H FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>5,588</u>	\$ <u>2,863</u>	\$ <u>3,321</u>	\$ <u>5,130</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>5,588</u>	\$ <u>3,321</u>	\$ <u>2,863</u>	\$ <u>5,130</u>
<b><u>SOCIAL SERVICES FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>102,355</u>	\$ <u>588,293</u>	\$ <u>583,045</u>	\$ <u>107,603</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>102,355</u>	\$ <u>583,045</u>	\$ <u>588,293</u>	\$ <u>107,603</u>
<b><u>SHERIFF'S CIVIL DIVISION</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>2,475</u>	\$ <u>13,373</u>	\$ <u>13,148</u>	\$ <u>2,700</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>2,475</u>	\$ <u>13,148</u>	\$ <u>13,373</u>	\$ <u>2,700</u>
<b><u>INMATES TRUST FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>206,541</u>	\$ <u>543,316</u>	\$ <u>484,038</u>	\$ <u>265,819</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>206,541</u>	\$ <u>484,038</u>	\$ <u>543,316</u>	\$ <u>265,819</u>
<b><u>HOME LOAN TRUST FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>(2,010)</u>	\$ <u>40,347</u>	\$ <u>40,347</u>	\$ <u>(2,010)</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>(2,010)</u>	\$ <u>40,347</u>	\$ <u>40,347</u>	\$ <u>(2,010)</u>
<b><u>EXPLORER POST 513</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>5,024</u>	\$ <u>38</u>	\$ <u>1,055</u>	\$ <u>4,007</u>
Due from other governments	<u>17</u>	<u>-</u>	<u>17</u>	<u>-</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>5,041</u>	\$ <u>1,072</u>	\$ <u>38</u>	\$ <u>4,007</u>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>319,973</u>	\$ <u>1,188,230</u>	\$ <u>1,124,954</u>	\$ <u>383,249</u>
Due from other governments	<u>17</u>	<u>-</u>	<u>17</u>	<u>-</u>
Liabilities:				
Miscellaneous Liabilities	\$ <u>319,990</u>	\$ <u>1,124,971</u>	\$ <u>1,188,230</u>	\$ <u>383,249</u>

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2016</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2017</u>
2016-2017	\$ -	\$ 30,133,815	\$ 29,479,199	\$ 654,616
2015-2016	768,549	-	438,977	329,572
2014-2015	311,094	-	118,577	192,517
2013-2014	399,724	-	94,170	305,554
2012-2013	446,382	-	52,373	394,009
2011-2012	339,836	-	32,847	306,989
2010-2011	336,401	-	21,314	315,087
2009-2010	118,408	-	15,536	102,872
2008-2009	109,225	-	9,538	99,687
2007-2008	97,521	-	10,704	86,817
2006-2007	91,124	-	91,124	-
Totals	<u>\$ 3,018,264</u>	<u>\$ 30,133,815</u>	<u>\$ 30,364,359</u>	<u>\$ 2,787,720</u>
				<u>1,511,200</u>
				<u>\$ 1,276,520</u>
 <u>Reconciliation with revenues:</u>				
				\$ 30,240,655
				Reconciling items:
				Penalties and Interest (489,494)
				Discounts, Releases, Refunds 613,198
				<u>\$ 30,364,359</u>

**Columbus County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**For the Fiscal Year Ended June 30, 2017**

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	\$ 3,743,331,056	0.805	\$ 30,133,815	\$ 26,757,142	\$ 3,376,673
Totals	<u>\$ 3,743,331,056</u>				
Net levy			30,133,815	26,757,142	3,376,673
Uncollected taxes at June 30, 2016			<u>654,616</u>	<u>644,926</u>	<u>9,690</u>
Current year's taxes collected			<u>\$ 29,479,199</u>	<u>\$ 26,112,216</u>	<u>\$ 3,366,983</u>
Current levy collection percentage			<u>97.83%</u>	<u>97.59%</u>	<u>99.71%</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, 2017, and the related notes to the financial statements, which collectively comprises Columbus County's basic financial statements, and have issued our report thereon dated February 15, 2018. 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.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be a material weakness [2017-01].

A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be significant deficiencies [2017-02].

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

#### Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
February 15, 2018



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, 2017. Columbus County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

## Opinion on Each Major Federal Program

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

## Report on Internal Control Over Compliance

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

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

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

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

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
February 15, 2018



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, 2017. Columbus County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

## Opinion on Each Major State Program

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

## Report on Internal Control Over Compliance

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

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

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

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

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
February 15, 2018

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

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Section I. Summary of Auditors' Results

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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?                    X yes                    \_\_\_no
- Significant Deficiency(s) identified?                \_\_\_yes                    X none reported
- Noncompliance material to financial statements noted                    \_\_\_yes                    X no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified?                    \_\_\_yes                    X no
- Significant Deficiency(s) identified?                \_\_\_yes                    X 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)?                    \_\_\_yes                    X no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
93.778	Title XIX Medicaid

Dollar threshold used to distinguish between Type A and Type B Programs                    \$    2,582,862

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, 2017

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

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

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Section II. Financial Statement Findings

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**Finding 2017-01\***                      **Reconciliation of Records**

MATERIAL WEAKNESS

Criteria: Records should be reconciled timely.

Condition: The records (including bank reconciliations, receivable ledgers, payroll liabilities) were not timely reconciled.

Effect: Errors and other problems could occur and not be detected by management in a timely manner and could impact management's ability to have accurate information for decisions.

Cause: Other job duties took precedence over reconciling the records timely.

Recommendation: Of all of the duties of the finance staff, timely reconciliations of bank statements and general ledger accounts is very important. The Board should implement internal control procedures that will monitor accounts to ensure that accounts are timely reconciled to strengthen internal controls within the County.

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

**Finding 2017-02\***                      **Prior Period Adjustments**

SIGNIFICANT DEFICIENCY

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

Condition: The Board recorded an adjustment to correct beginning cost basis for investments.

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

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

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

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

\* Indicates repeat findings

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Section III. Federal Award Findings and Questioned Costs

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None Reported.

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Section IV. State Award Findings and Questioned Costs

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None Reported.

COLUMBUS COUNTY, NORTH CAROLINA  
Corrective Action Plan  
For the Year Ended June 30, 2017

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Section II - Financial Statement Findings

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Finding: 2017-01                      Reconciliation of Records

Name of contact person: Bobbie Faircloth, Finance Officer

Corrective Action: The County recognizes the importance of timely reconciliations and will make all efforts to reconcile all accounts and bank accounts earlier in the future.

Proposed Completion Date: Immediately

Finding: 2017-02                      Prior Period Adjustment

Name of contact person: Bobbie Faircloth, Finance Officer

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

Proposed Completion Date: Immediately

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Section III - Federal Award Findings and Question Costs

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None Reported.

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Section IV - State Award Findings and Question Costs

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None Reported

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

2016-01    Reconciliation of Records

          This finding was repeated as 2017-01.

2016-02    Prior Period Adjustments

          This finding was repeated as 2017-02.

Columbus County, North Carolina  
Schedule of Expenditures of  
Federal and State Awards  
For The Fiscal Year Ended June 30, 2017

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
<b>Federal Awards:</b>						
<b>U. S. Department of Agriculture</b>						
Passed-through N.C. Dept. of Health and Human Services						
Division of Social Services:						
Administration:						
Supplemental Nutrition Assistance Program Cluste						
State Administrative Matching Grants						
	10.561		\$ 702,998	\$ -	\$ -	\$ 702,998
Fraud						
	10.561		2,640	-	-	2,640
Total Supplemental Nutrition Assistance Program Cluste:						
			<u>705,638</u>	<u>-</u>	<u>-</u>	<u>705,638</u>
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		377,432	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program for Women, Infants and Children - Administration						
	10.557		1,202,070	-	-	-
Direct Program						
Water and Waste Water Disposal Systems for Rural Communities						
	10.760		64,578	-	-	-
<b>Total U.S. Dept. of Agriculture</b>						
			<u>2,349,718</u>	<u>-</u>	<u>-</u>	<u>705,638</u>
<b>U.S. Dept. of Health and Human Services</b>						
Passed-through N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements						
	93.074		41,756	-	-	-
Injury Prevention and Control Research and State and Community Based Programs						
	93.136		1,500	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Func						
	93.758		26,707	-	-	-
Preventive Health Services Sexually Transmitted Disease Control Grants						
	93.977		650	-	-	-
Coop Agreement for Breast and Cervical Cancer						
	93.919		-	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Territorial and Tribal Organizatons financed in part by Prevention and Public Health Funds						
	93.752		8,670	-	-	-
HIV Prevention Activities, Health Department Basec						
	93.940		3,000	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control						
	93.116		50	-	-	-
Immunization Grants						
	93.268		7,682	-	-	-
Office of Population Affairs						
Family Planning Services						
	93.217		50,443	-	-	-
PPHF Capacity Building Assistanc to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds						
	93.539		10,878	-	-	-
Administration of Children and Families passed through N.C. Dept. of Health and Human Services:						
Temporary Assistance for Needy Families:						
	93.558		87,017	-	-	-
Health Resources and Service Administratior passed through N. C. Dept. of Health and Human Serv						
Division of Public Health						
Maternal and Child Health Services Block Gran						
	93.994		140,568	65,573	-	-
Total Public Health						
			<u>378,921</u>	<u>65,573</u>	<u>-</u>	<u>-</u>

**Columbus County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2017**

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:						
Low Income Energy Assistance						
Administration	93.568		50,465	-	-	-
Crisis Intervention Payments	93.568		295,724	-	-	-
Energy Assistance - Direct Benefit Paymen	93.568		297,354	-	-	-
Total Low-Income Energy Assistance			<u>643,543</u>	<u>-</u>	<u>-</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning	93.645		15,356	-	-	5,119
Temporary Assistance Needy Families Cluste						
Temporary Assistance Needy Families-Admir	93.558		37,201	-	-	156,103
Temporary Assistance Needy Families -Service:	93.558		267,363	-	-	570,553
TANF/Work First Service-Direct Benefi	93.558		495,850	79,200	-	-
Total TANF Cluster			<u>800,414</u>	<u>79,200</u>	<u>-</u>	<u>726,656</u>
AFDC Payments and Penalties	93.560		(87)	(24)	-	(24)
Administration for Children and Families						
Foster Care and Adoption Cluster						
Foster Care	93.658		80,082	33,998	-	890
Foster Care - IV-E	93.658		139,717	36,922	-	49,946
Foster Care - IV-E CPS	93.658		34,689	25,091	-	7,289
IV-E Adoption Subsidy	93.659		170,940	40,779	-	48,475
Total Foster Care and Adoption			<u>425,428</u>	<u>136,790</u>	<u>-</u>	<u>106,600</u>
Child Support Enforcement	93.563		532,284	-	-	274,206
SSBG - Other Training & Services	93.667		364,361	33,609	-	121,175
Chafee Foster Care Independence Program	93.674		14,129	3,532	-	-
Total Division of Social Services			<u>378,490</u>	<u>37,141</u>	<u>-</u>	<u>121,175</u>
Total Social Services			<u>2,795,428</u>	<u>253,107</u>	<u>-</u>	<u>1,233,732</u>
Division of Aging and Adult Service:						
Division of Social Services						
Adult Day Care	93.667		26,201	3,210	-	4,201
SSBG - In Home Services	93.667		12,190	-	-	1,741
Total Aging and Adult Services			<u>38,391</u>	<u>3,210</u>	<u>-</u>	<u>5,942</u>
Division of Child Development						
Subsidized Child Care Cluster:						
Child Care Development Fund Cluster						
Division of Social Services						
Child Care Development Fund-Admir	93.596		91,706	-	-	-
Child Care and Development Fund-Discretionary	93.575		713,578	-	-	-
Child Care and Development Fund-Mandatory	93.596		236,659	-	-	-
Child Care and Development Fund-Match	93.596		285,999	104,416	-	-
Total Child Care Development Fund Cluster			<u>1,327,942</u>	<u>104,416</u>	<u>-</u>	<u>-</u>
Temporary Assistance for Needy Families:	93.558		196,401	-	-	-
Foster Care Title IV-E	93.658		22,215	11,088	-	-
Smart Start	N/A		-	304	-	-
State Appropriation	N/A		-	123,929	-	-
TANF-MOE	N/A		-	315,396	-	-
Total Child Development			<u>1,546,558</u>	<u>555,133</u>	<u>-</u>	<u>-</u>
Division of Medical Assistance						
Direct Benefit Payments						
Title XIX - Medicaid	93.778		72,872,714	39,925,624	-	-
Division of Social Services						
Administration						
Medical Assistance Program	93.778		1,791,723	24,820	-	598,901
State County Special Assistance	93.778		21,855	-	-	7,285
Total Medical Assistance Program			<u>74,686,292</u>	<u>39,950,444</u>	<u>-</u>	<u>606,186</u>

**Columbus County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2017**

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 Children's Insurance Programs: Direct Benefit Payments State Children's Insurance Program N. C. Health Choice	93.767		1,122,372	4,706	-	-
Administration State Children's Insurance Program N. C. Health Choice	93.767		50,699	58	-	72
Total State Children's Insurance Program- N.C. Health Choice			<u>1,173,071</u>	<u>4,764</u>	<u>-</u>	<u>72</u>
Family Preservation	93.556		<u>18,259</u>	-	-	-
Division of Aging and Adult Service: Passed-through Cape Fear Council of Government - Aging Cluste						
Special Programs for the Aging - Title B	93.044		31,600	1,859	-	-
Special Programs for the Aging - Title C	93.045		150,713	8,865	-	-
NISP Congregate USDA	93.053		28,993	-	-	-
Total Division of Aging and Adult Services:			<u>211,306</u>	<u>10,724</u>	<u>-</u>	<u>-</u>
Special Programs for the Aging - EBHF	93.043		4,714	277	-	-
Family Caregiver Services:	93.052		25,226	1,682	-	-
<b>Total U. S. Department of Health and Human Services</b>			<u>80,878,166</u>	<u>40,844,914</u>	<u>-</u>	<u>1,845,932</u>
<b>U.S. Dept. of Housing and Urban Development</b>						
Direct Program Section 8 Housing Low Income Housing Assistance Program	14.871		1,538,545	-	-	-
Passed-through North Carolina Housing Finance Agency Home Investment Partnership Program 2013 Single Family Rehabilitation Grant	14.239		83,790	-	-	-
<b>Total U.S. Dept. of Housing and Urban Development</b>			<u>1,622,335</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Federal Transit Administration</b>						
Passed through the N.C. Department of Transportation Nonurbanized Area Formula Program	20.509	36233.28.16.3	102,383	12,723	-	-
Nonurbanized Area Formula Program	20.509	36233.28.16.1	127,688	8,589	-	-
Nonurbanized Area Formula Program	20.509	36233.28.15.1	15,227	952	-	-
Nonurbanized Area Formula Program	20.509	36233.28.16.4	1,400	175	-	-
Airport Improvements	20.106	36237.53.12.1	197,741	-	-	-
<b>Total Federal Transit Administration</b>			<u>444,439</u>	<u>22,439</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Homeland Security</b>						
Passed through N.C. Dept. of Public Safety Division of Emergency Management Emergency Mgt. Performance Grant	97.042		18,843	-	-	-
Disaster Grants- Public Assistance (Presidentially Declared)	97.036		767,557	-	-	-
<b>Total U.S. Department of Homeland Security</b>			<u>786,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>U.S. Dept. of Justice</b>						
Passed through N.C. Dept. of Public Safety Edward Bryne Justice Asst Grant	16.738		14,355	-	-	-
<b>Total U.S. Dept. of Justice</b>			<u>14,355</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Federal Programs</b>			<u>\$ 86,095,413</u>	<u>\$ 40,867,353</u>	<u>\$ -</u>	<u>\$ 2,551,570</u>

Columbus County, North Carolina  
Schedule of Expenditures of  
Federal and State Awards  
For The Fiscal Year Ended June 30, 2017

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
<b>State Awards:</b>						
<b>N.C. Dept. of Health and Human Services</b>						
Division of Public Health:						
Communicable Diseases		14514510	\$ -	\$ 3,415	\$ -	\$ -
General Aid to County			-	115,890	-	-
Tuberculosis		14514551	-	30,318	-	-
HIV/STD SSBG Aid			-	10,000	-	-
HIV/STD STATE			-	2,500	-	-
Sexually Transmitted Diseases			-	351	-	-
School Nursing Funding Initiative			-	380,000	380,000	-
Public Health Nursing			-	800	-	-
Food & Lodging Fees			-	-	-	-
HMHC Family Planning			-	2,791	-	-
Maternal Health (HMHC)			-	17,696	-	-
Breast & Cervical Cancer Program			-	91,800	-	-
Child Health			-	3,343	-	-
TB Medical Services			-	1,529	-	-
WHSF			-	7,723	-	-
<b>Total Public Health</b>			<b>-</b>	<b>668,156</b>	<b>380,000</b>	<b>-</b>
Division of Social Services:						
State Foster Home - Direct Benefit Payment		N/A	-	36,702	-	36,702
County Funded Programs		N/A	-	-	-	730,817
Non-Allocating County Cost		N/A	-	-	-	914
State Child Welfare/CPS/CS LD		N/A	-	103,687	-	-
DCD Smart Start		N/A	-	(6,742)	-	-
Work First Non Reimbursable		N/A	-	-	-	45
CP&L Energy Assistance		N/A	-	5,199	-	-
SFHF Maximization - Direct Benefit Paymen		N/A	-	120,373	-	120,373
CSE Disater Non Reimburseable		N/A	-	-	-	26,207
SC/SA Domiciliary Care - Direct Benefit Paymen		N/A	-	474,564	-	474,564
SAA/SAD HB 1030		N/A	-	19,091	-	19,091
AFDC / TANF Program Integrity		N/A	-	694	-	-
CWS Adoption Subsidy - Direct Benefit Paymen		N/A	-	143,739	-	23,507
<b>Total Department of Social Services</b>			<b>-</b>	<b>897,307</b>	<b>-</b>	<b>1,432,220</b>
Cape Fear Council of Governments						
Senior Center -General Purpose			-	25,373	-	-
In Home Support Service			-	338,928	-	-
Fans			-	1,035	-	-
<b>Total N.C. Dept. of Health and Human Services</b>			<b>-</b>	<b>1,930,799</b>	<b>380,000</b>	<b>1,432,220</b>
<b>N.C. Dept. of Veterans Affairs</b>						
Veteran Grant		N/A	-	2,000	-	-
<b>N.C. Dept. of Transportation</b>						
ROAP EDTAP		36220.10.7.1	-	65,158	-	-
ROAP WORKFIRST		36236.11.6.1	-	13,601	-	-
ROAP RGP		36228.22.7.1	-	70,703	-	-
Columbus County Airport		36244.18.7.1	-	97,274	-	-
Columbus County Airport		36244.18.7.2	-	16,927	-	-
Columbus County Airport		36244.18.6.1	-	6,580	-	-
<b>Total N.C. Department of Transportation</b>			<b>-</b>	<b>270,243</b>	<b>-</b>	<b>-</b>
<b>N.C. Dept. of Natural and Cultural Resources</b>						
State Aid to Libraries			-	114,987	-	-
<b>Total N.C. Dept. of Cultural Resources</b>			<b>-</b>	<b>114,987</b>	<b>-</b>	<b>-</b>
<b>N.C. Department of Public Safety</b>						
<b>Office of Juvenile Justice</b>						
JCPC			-	60,100	-	-
Teen Court			-	65,687	-	-
Juvenile Crime Prevention Adr			-	2,485	-	-
Ambassador Program			-	3,795	-	-
<b>Total Office of Juvenile Justice</b>			<b>-</b>	<b>132,067</b>	<b>-</b>	<b>-</b>

**Columbus County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2017**

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
<b>N.C. Department of Environmental Quality</b>						
Soil & Water Conservation			-	30,330	-	-
Division of Waste Management						
White Goods			-	17,647	-	-
Tire Disposal			-	76,591	-	-
Electronics Mgmt.			-	4,244	-	-
<b>Total N.C. Dept. of Environmental Quality</b>			<u>-</u>	<u>128,812</u>	<u>-</u>	<u>-</u>
Golden Leaf Foundation			-	65,230		
<b>N.C. Department of Commerce</b>						
Building Reuse Grant			-	65,500	-	-
One NC Grant			-	150,000	150,000	-
			<u>-</u>	<u>215,500</u>	<u>150,000</u>	<u>-</u>
<b>N.C. Department of Public Instruction</b>						
Public School Building Capital Fund (Lottery)			-	185,950	-	-
<b>Total State Awards</b>			\$ <u>-</u>	\$ <u>3,045,588</u>	\$ <u>530,000</u>	\$ <u>1,432,220</u>
<b>Total Federal and State Awards</b>			\$ <u>86,095,413</u>	\$ <u>43,912,941</u>	\$ <u>530,000</u>	\$ <u>3,983,790</u>

Notes to the Schedule of Federal and State Financial Awards

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, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Columbus County, it is not intended to and does not present the financial position, change in net position or cash flows of Columbus County

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. Columbus County has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance

3 Loans outstanding

Columbus County has the following loan balances outstanding at June 30, 2017 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2017 consist of:

<u>Program Title</u>	
Clean Water State Revolving Loan	\$ 294,821

5 Cluster of Programs

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

Subsidized Child Care, Foster Care and Adoption