

**BLADEN COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2018**

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FINANCIAL STATEMENTS
June 30, 2018

COUNTY MANAGER

Greg Martin

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Charles Ray Peterson

COUNTY OFFICIALS

Lisa Coleman
Finance Officer

Johnson Law Firm
County Attorney

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Bladen County
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Financial Section



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Independent Auditors' Report

To the Board of County Commissioners
Bladen County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bladen County, North Carolina, as of and for the year then ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Bladen County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 3 through 8) 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 (pages 56-57), the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions (pages 58-59), and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions (pages 60-61), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2019 on our consideration of Bladen County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of 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 Bladen County's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., PA

Elizabethtown, North Carolina

January 31, 2019

Management's Discussion and Analysis

As management of Bladen County, North Carolina, we offer readers of Bladen County's financial statements this narrative overview and analysis of the financial activities of Bladen County for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

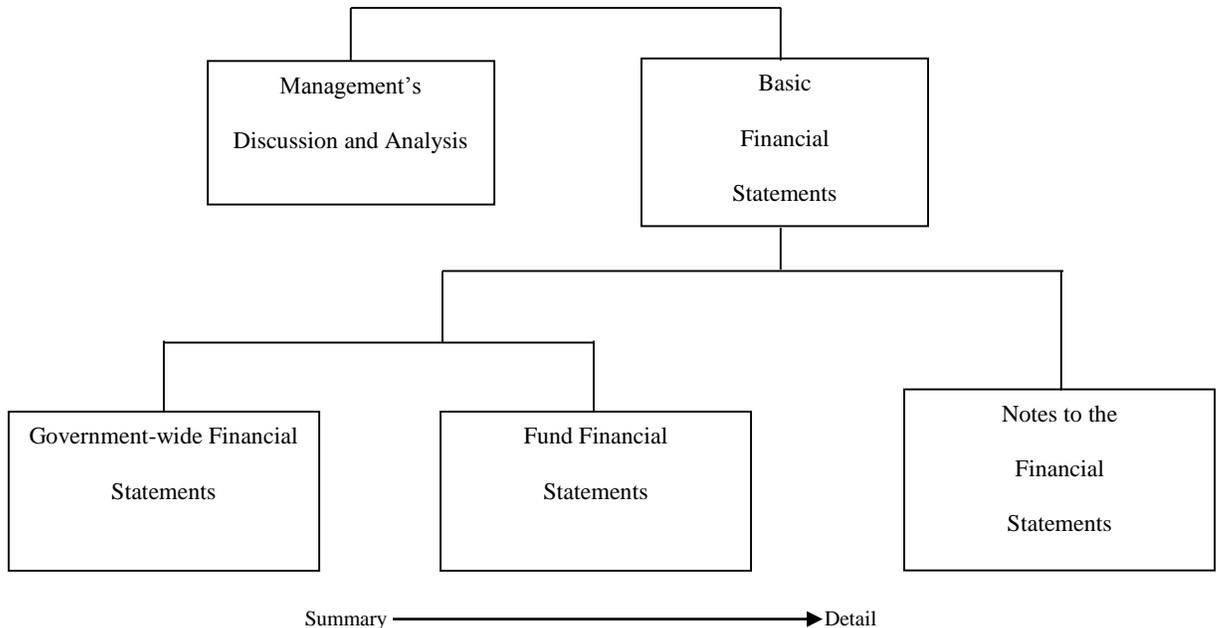
- The assets and deferred outflows of resources of Bladen County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$13,058,053 (*net position*).
- The County's total net position increased by \$1,625,957, primarily due to conservative budget practices throughout the governmental activities.
- As of the close of the current fiscal year, Bladen County's general fund reported ending fund balance of \$26,064,662, an increase of \$1,164,072. Approximately 18 percent of this total amount, or \$4,686,574, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,728,483, or 35 percent of total general fund expenditures for the fiscal year. This amount is higher than the Local Government Commission's minimum of 8%.
- Bladen County's total debt decreased by \$2,709,021 during this fiscal year. During the year the County made all scheduled debt service payments.
- Moody's Investors Service has given Bladen County an "Aa3" bond rating.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Bladen 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 Bladen 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 nonmajor governmental funds, all of which are added together in one column in 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.

Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. 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 fund finance most of these activities. The business-type activities are those that the County charges customers to provide services. These include the water, landfill and hospital real estate services offered by Bladen County. Bladen County Hospital is a public hospital operated apart from the County, but not legally separated. The County appoints the board of trustees for the hospital and has issued debt on its behalf.

The government-wide financial statements are on Exhibit 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. Bladen County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Bladen 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 part of the fund financial statements.

Bladen 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 – Bladen County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Bladen County uses enterprise funds to account for its hospital, water and solid waste 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. Bladen County has five fiduciary funds, one of which is a cafeteria benefits fund and four of which are agency funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 22 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Bladen County’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning after the notes to the financial statements.

Interdependence with Other Entities: The County depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of resources of Bladen County exceeded its liabilities and deferred inflows of resources by \$13,058,053 as of June 30, 2018. The County’s net position increased by \$1,625,957 for the fiscal year ended June 30, 2018. One of the largest portions \$15,058,548 (115%) reflects the County’s net investment in capital assets (e.g. land, buildings, machinery and equipment). Bladen County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Bladen County’s net 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 Bladen County’s net position \$8,708,192 (67%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(10,708,687) (-82%) is unrestricted.

**Bladen County’s Net Position
Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and Other Assets	\$ 35,112,936	\$ 36,040,303	\$ 4,670,256	\$ 4,631,213	\$ 39,783,192	\$ 40,671,516
Capital Assets, Net of Depreciation	30,611,065	28,894,731	24,389,460	24,978,303	55,000,525	53,873,034
Total Assets	<u>65,724,001</u>	<u>64,935,034</u>	<u>29,059,716</u>	<u>29,609,516</u>	<u>94,783,717</u>	<u>94,544,550</u>
Deferred Outflows of Resources	<u>6,930,172</u>	<u>3,791,960</u>	<u>390,541</u>	<u>275,670</u>	<u>7,320,713</u>	<u>4,067,630</u>
Liabilities						
Long-term Debt Outstanding	27,779,887	30,969,785	17,369,971	18,092,954	45,149,858	49,062,739
Other Liabilities	31,866,202	6,331,743	2,414,988	1,173,462	34,281,190	7,505,205
Total liabilities	<u>59,646,089</u>	<u>37,301,528</u>	<u>19,784,959</u>	<u>19,266,416</u>	<u>79,431,048</u>	<u>56,567,944</u>
Deferred Inflows of Resources	<u>9,238,189</u>	<u>315,287</u>	<u>377,140</u>	<u>8,460</u>	<u>9,615,329</u>	<u>323,747</u>
Net Position						
Net Investment in Capital Assets	8,650,688	6,475,932	6,407,860	6,331,105	15,058,548	12,807,037
Restricted	8,382,810	11,082,529	325,382	304,300	8,708,192	11,386,829
Unrestricted(Deficit)	<u>(13,263,603)</u>	<u>13,551,718</u>	<u>2,554,916</u>	<u>3,974,905</u>	<u>(10,708,687)</u>	<u>17,526,623</u>
Total Net Position	<u>\$ 3,769,895</u>	<u>\$ 31,110,179</u>	<u>\$ 9,288,158</u>	<u>\$ 10,610,310</u>	<u>\$ 13,058,053</u>	<u>\$ 41,720,489</u>

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 95.57%, and motor vehicles rate of 100.00%, for a combined total of 96.00%.
- Continued low cost of debt due to the County’s high bond rating.

Bladen County's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 6,458,099	\$ 6,310,054	\$ 4,563,253	\$ 4,549,920	\$ 11,021,352	\$ 10,859,974
Operating Grant & Contributions	8,072,585	9,528,907	242,222	146,537	8,314,807	9,675,444
Capital Grants and Contributions	200,000	-	-	-	200,000	-
General Revenue						
Property Taxes	24,163,640	23,708,957	-	-	24,163,640	23,708,957
Other Taxes	6,516,006	6,043,310	-	-	6,516,006	6,043,310
Investment Earnings	320,738	139,827	44,085	15,628	364,823	155,455
Other	550,361	510,056	-	(23,534)	550,361	486,522
Total Revenues	<u>46,281,429</u>	<u>46,241,111</u>	<u>4,849,560</u>	<u>4,688,551</u>	<u>51,130,989</u>	<u>50,929,662</u>
Expenses						
General Government	6,335,799	5,442,051	-	-	6,335,799	5,442,051
Public Safety	13,778,818	13,052,357	-	-	13,778,818	13,052,357
Economic and Physical Development	1,391,590	1,051,765	-	-	1,391,590	1,051,765
Human Services	11,532,664	13,292,614	-	-	11,532,664	13,292,614
Cultural and Recreational	1,287,819	1,237,231	-	-	1,287,819	1,237,231
Education	9,132,506	8,345,046	-	-	9,132,506	8,345,046
Interest on Long-Term Debt	186,965	409,648	-	-	186,965	409,648
Hospital	-	-	251,032	253,406	251,032	253,406
Solid Waste	-	-	2,264,147	2,127,105	2,264,147	2,127,105
Water District	-	-	2,443,692	2,259,260	2,443,692	2,259,260
Total Expenses	<u>43,646,161</u>	<u>42,830,712</u>	<u>4,958,871</u>	<u>4,639,771</u>	<u>48,605,032</u>	<u>47,470,483</u>
Increase(decrease) in Net Position Before Special Item	2,635,268	3,410,399	(109,311)	48,780	2,525,957	3,459,179
Special Items	(900,000)	1,901,000	-	-	(900,000)	1,901,000
Increase(Decrease) in Net Position	1,735,268	5,311,399	(109,311)	48,780	1,625,957	5,360,179
Net Position - Beginning(restated)	2,034,627	25,798,780	9,397,469	10,561,530	11,432,096	36,360,310
Net Position - Ending	<u>\$ 3,769,895</u>	<u>\$ 31,110,179</u>	<u>\$ 9,288,158</u>	<u>\$ 10,610,310</u>	<u>\$ 13,058,053</u>	<u>\$ 41,720,489</u>

Governmental activities. Governmental activities increased the County's net position by \$1,735,268, thereby accounting for 100% of the total growth in the net position for the County. Key elements of this increase are as follows:

- The County's continued efforts to reduce cost while still maintaining all services to the community.
- Increase in ad valorem tax base and collection of the assessed tax revenue.
- Expense related to a lawsuit settlement.
- Recognized expenses related to actuarially determined OPEB expenses.

Business-type activities. Business-type activities assets decreased the County's net position by \$109,311. Key elements of this decrease are as follows:

- The Solid Waste and Water District funds' expenses increased while revenues remained constant.
- Recognized expenses related to actuarially determined OPEB expenses.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Bladen County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Bladen 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 Bladen County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14,728,483, while total fund balance reached \$26,064,662. As a measure of the general fund's liquidity, it may be useful to compare

both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 35 percent of total General Fund expenditures, while total fund balance represents 61 percent of that same amount.

At June 30, 2018, the governmental funds of Bladen County reported a combined fund balance of \$30,010,995. The primary reason for the fund balance increase in the general fund was the increase in property taxes from the increase ad valorem tax values after revaluation and the unspent loan proceeds for the prison construction project.

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.

Proprietary Fund. Bladen County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of Hospital Rental Fund at the end of their fiscal year amounted to \$0, and those of the Landfill Fund at the end of the fiscal year amounted to \$1,297,698 and those for the Water District equaled \$1,257,218. Which are reported within both fund reporting statements, but are eliminated in the government wide statements. Other factors concerning the finances of these two funds have already been addressed in the discussion of Bladen County’s business-type activities.

Capital Asset and Debt Administration

Capital Assets. Bladen County’s capital assets for its governmental and business-type activities as of June 30, 2018, totals \$55,000,525 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Equipment and vehicles purchased in the government activities.
- Construction completed related to the jail project.

**Bladen County’s Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 263,250	\$ 263,250	\$ 981,481	\$ 981,481	\$ 1,244,731	\$ 1,244,731
Buildings	24,101,163	4,095,806	22,654,811	23,616,099	46,755,974	27,711,904
Improvements	2,605,311	2,461,560	-	-	2,605,311	2,461,560
Equipment	1,774,271	2,351,932	424,660	265,055	2,198,931	2,616,987
Vehicles and Motor Equipment	1,867,070	1,760,660	328,508	115,669	2,195,578	1,876,329
Construction in Progress	-	17,961,523	-	-	-	17,961,523
	<u>\$ 30,611,065</u>	<u>\$ 28,894,731</u>	<u>\$ 24,389,460</u>	<u>\$ 24,978,304</u>	<u>\$ 55,000,525</u>	<u>\$ 53,873,034</u>

Additional information on the County’s capital assets can be found in Note 3, item 5 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2018, Bladen County had total debt outstanding of \$43,841,977, all of which is debt backed by the full faith and credit of the County.

**Bladen County’s Outstanding Debt
Figure 5**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 4,814,220	\$ 6,500,800	\$ -	\$ -	\$ 4,814,220	\$ 6,500,800
Limited Obligation Bonds	-	-	7,345,000	7,660,000	7,345,000	7,660,000
Revenue Bonds	-	-	9,560,881	9,813,157	9,560,881	9,813,157
Installment Purchases	21,046,157	21,402,999	1,075,719	1,174,042	22,121,876	22,577,041
Total	<u>\$ 25,860,377</u>	<u>\$ 27,903,799</u>	<u>\$ 17,981,600</u>	<u>\$ 18,647,199</u>	<u>\$ 43,841,977</u>	<u>\$ 46,550,998</u>

Bladen County’s total debt decreased by \$2,709,021 (6 percent) during the past fiscal year, primarily due to the issuance of debt for installment financing arrangements for the prison construction project. All scheduled debt payments were made.

As mentioned in the financial highlights section of this document, Moodys' Investors Service has given Bladen County a "Aa3" bond rating. This bond rating is a clear indication of the sound financial condition of Bladen County.

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 Bladen County is \$202,506,852.

Additional information regarding Bladen County's long-term debt can be found in Note 3 beginning on page 48 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicator reflects the growth and prosperity of the County.

- The County has an unemployment rate of 5.7%, close to the state average of 5.5%.

Budget Highlights for the Fiscal Year Ending June 30, 2019

Governmental Activities: The total operating budget for Bladen County is \$57.4 million. The General Fund budget for fiscal year 2019 is \$43.2 million. This is an increase of 2.4% from the fiscal year 2018 amended General Fund budget and is largely due to an increase in debt service related to a new law enforcement and detention center.

The tax rate for fiscal year 2019 remains at 82 cents per \$100 of property value.

- Funding for our core services – Education, Public Safety, and Human Services – is maintained in the fiscal year 2019 budget, with a significant increase in Public Safety.

The fiscal year 2019 budget includes a fund balance appropriation of \$3.0 million. Fund balance appropriation is one of the available means to lower the burden on property tax owners. The County appropriates fund balance each year largely for capital items such as replacement building roof, renovations, and vehicles.

Business-type Activities: The water rates in the County will remain at the same base rate as 2018. General operating expenses will remain the same as 2018. Rates for landfill services will remain the same as in 2018.

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 request for additional information should be directed to:

Bladen County Finance
PO Box 965
166 Courthouse Drive
Elizabethtown, NC 28337
finance@bladenco.org

Basic Financial Statements

Statement of Net Position

June 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash & Cash Equivalents	\$ 26,216,073	\$ 3,134,404	\$ 29,350,477
Restricted Cash and Cash Equivalents	1,989,418	212,379	2,201,797
Accounts Receivable (Net)	6,864,359	1,323,473	8,187,832
Pension Asset	43,086	-	43,086
Capital Assets:			
Land, Improvements, and Construction in Progress	263,250	981,481	1,244,731
Other Capital Assets, net of Depreciation	30,347,815	23,407,979	53,755,794
Total Capital Assets	<u>30,611,065</u>	<u>24,389,460</u>	<u>55,000,525</u>
Total Assets	<u>65,724,001</u>	<u>29,059,716</u>	<u>94,783,717</u>
Deferred Outflows of Resources	<u>6,930,172</u>	<u>390,541</u>	<u>7,320,713</u>
Liabilities			
Accounts Payable and Accrued Liabilities	2,550,107	340,058	2,890,165
Current Portion of Long-term Liabilities	2,527,045	659,139	3,186,184
Payable from Restricted Assets:			
Customer Deposits	-	212,325	212,325
Long-term Liabilities:			
Net Pension Liability	3,199,418	133,310	3,332,728
Total Pension Liability	1,105,320	-	1,105,320
Net OPEB Liability	25,683,730	1,070,156	26,753,886
Due in More Than One Year	24,580,469	17,369,971	41,950,440
Total liabilities	<u>59,646,089</u>	<u>19,784,959</u>	<u>79,431,048</u>
Deferred Inflows of Resources	<u>9,238,189</u>	<u>377,140</u>	<u>9,615,329</u>
Net Position			
Net Investment in Capital Assets	8,650,688	6,407,860	15,058,548
Restricted for:			
Stabilization by State Statute	4,305,681	-	4,305,681
Human Services	99,048	-	99,048
Education	42,078	-	42,078
4-H Programs	125,949	-	125,949
Public Safety	2,854,235	-	2,854,235
Unspent Loan Proceeds	325,379	54	325,433
Cultural and Recreational	600,747	-	600,747
Debt Reserve	29,693	325,328	355,021
Unrestricted(Deficit)	<u>(13,263,603)</u>	<u>2,554,916</u>	<u>(10,708,687)</u>
Total Net Position	<u>\$ 3,769,895</u>	<u>\$ 9,288,158</u>	<u>\$ 13,058,053</u>

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

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 6,335,799	\$ 1,285,348	\$ 60,624	\$ -	\$ (4,989,827)	\$ -	\$ (4,989,827)
Public Safety	13,778,818	4,503,864	234,755	200,000	(8,840,199)	-	(8,840,199)
Economic and Physical Development	1,391,590	41,627	380,913	-	(969,050)	-	(969,050)
Human Services	11,532,664	421,447	6,603,617	-	(4,507,600)	-	(4,507,600)
Cultural and Recreational	1,287,819	104,233	378,926	-	(804,660)	-	(804,660)
Education	9,132,506	101,580	413,750	-	(8,617,176)	-	(8,617,176)
Interest on Long-Term Debt	186,965	-	-	-	(186,965)	-	(186,965)
Total Governmental Activities	43,646,161	6,458,099	8,072,585	200,000	(28,915,477)	-	(28,915,477)
Business-Type Activities:							
Hospital Rental Fund	251,032	70,134	-	-	-	(180,898)	(180,898)
Solid Waste	2,264,147	2,210,493	12,722	-	-	(40,932)	(40,932)
Water District	2,443,692	2,282,626	229,500	-	-	68,434	68,434
Total Business-Type Activities	4,958,871	4,563,253	242,222	-	-	(153,396)	(153,396)
Total	\$ 48,605,032	\$ 11,021,352	\$ 8,314,807	\$ 200,000	(28,915,477)	(153,396)	(29,068,873)
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					24,163,640	-	24,163,640
Local option sales tax					6,516,006	-	6,516,006
Interest income, unrestricted					320,738	44,085	364,823
Miscellaneous, unrestricted					550,361	-	550,361
Significant item-Settlement Expense					(900,000)	-	(900,000)
Transfers					-	-	-
Total general revenues and significant item					30,650,745	44,085	30,694,830
Change in net position					1,735,268	(109,311)	1,625,957
Net Position - beginning					31,110,179	10,610,311	41,720,490
Restatement					(29,075,552)	(1,212,842)	(30,288,394)
Net Position, beginning, restated					2,034,627	9,397,469	11,432,096
Net position - ending					\$ 3,769,895	\$ 9,288,158	\$ 13,058,053

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

Balance Sheet
Governmental Funds
June 30, 2018

	Major Funds		Total Non-Major Funds	Total Governmental Funds
	General Fund	Jail Capital Project Fund		
Assets				
Cash & Investments	\$ 23,402,169	\$ -	\$ 2,813,904	\$ 26,216,073
Restricted Cash	940,777	325,379	723,262	1,989,418
Taxes Receivables (Net)	2,008,944	-	121,669	2,130,613
Accounts Receivable (Net)	4,174,149	-	131,532	4,305,681
Total Assets	<u>\$ 30,526,039</u>	<u>\$ 325,379</u>	<u>\$ 3,790,367</u>	<u>\$ 34,641,785</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 2,343,722	\$ -	\$ 47,744	\$ 2,391,466
Total liabilities	<u>2,343,722</u>	<u>-</u>	<u>47,744</u>	<u>2,391,466</u>
Deferred Inflows of Resources				
Deferred Taxes	2,008,944	-	121,669	2,130,613
Prepaid Taxes	108,711	-	-	108,711
Total Deferred Inflows of Resources	<u>2,117,655</u>	<u>-</u>	<u>121,669</u>	<u>2,239,324</u>
Fund balances:				
Restricted				
Stabilization by State Statute	4,174,149	-	131,532	4,305,681
Unspent Loan Proceeds	-	325,379	-	325,379
Public Safety	215,657	-	122,515	338,172
4-H	125,949	-	-	125,949
Education	42,078	-	-	42,078
Fire Protection	-	-	2,516,063	2,516,063
Debt Reserve	29,693	-	-	29,693
Cultural and Recreational	-	-	600,747	600,747
Health and Human Services	99,048	-	-	99,048
Committed				
Tax Revaluation	458,045	-	-	458,045
Economic Development	1,900,000	-	-	1,900,000
Board Committed	188,766	-	-	188,766
Assigned				
Board Assigned	634,145	-	-	634,145
Subsequent Year's Expenditures	3,468,649	-	293,040	3,761,689
Unassigned	14,728,483	-	(42,943)	14,685,540
Total Fund Balances	<u>26,064,662</u>	<u>325,379</u>	<u>3,620,954</u>	<u>30,010,995</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 30,526,039</u>	<u>\$ 325,379</u>	<u>\$ 3,790,367</u>	<u>\$ 34,641,785</u>

Bladen County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2018

Exhibit 3,
continued

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

Total Fund Balances - Governmental Funds	\$	30,010,995
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds		30,611,065
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.		428,065
Net pension asset.		43,086
Benefit payments and pension administration cost for LEOSSA are deferred outflows of resources on the Statement of Net Position		34,178
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		1,082,657
Contributions and administration costs to OPEB plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		785,891
Deferred inflows of resources for taxes receivable.		2,130,613
OPEB deferrals.		(5,402,269)
Pension deferrals.		1,300,237
Some liabilities, including bonds payable and benefit plans, are not due and payable in the current period and therefore are not reported in the funds.		<u>(57,254,623)</u>
 Net position of governmental activities	 \$	 <u><u>3,769,895</u></u>

Statement of Revenues, Expenditures, and Changes in Fund Balances**Governmental Funds**

For the Year Ended June 30, 2018

	Major Funds		Total Non-Major Funds	Total Governmental Funds
	General Fund	Jail Capital Project Fund		
Revenues:				
Ad Valorem Taxes	\$ 23,107,122	\$ -	\$ 1,205,433	\$ 24,312,555
Local Option Sales Taxes	6,210,788	-	305,218	6,516,006
Other Taxes and Licenses	135,749	-	257,253	393,002
Restricted Intergovernmental Revenues	7,725,032	-	628,224	8,353,256
Permits and Fees	412,584	-	-	412,584
Sales and Services	5,470,262	-	-	5,470,262
Investment Earnings	287,062	110	33,566	320,738
Other	689,038	-	-	689,038
Total Revenues	<u>44,037,637</u>	<u>110</u>	<u>2,429,694</u>	<u>46,467,441</u>
Expenditures:				
Current:				
General Government	6,604,042	-	-	6,604,042
Public Safety	12,056,626	1,773,366	1,740,635	15,570,627
Economic and Physical Development	1,025,122	-	348,381	1,373,503
Human Services	10,989,365	-	-	10,989,365
Cultural and Recreational	909,427	-	313,185	1,222,612
Education	9,030,926	-	-	9,030,926
Debt Service				
Principal Retirement	2,043,422	-	-	2,043,422
Interest and Fees	214,635	-	-	214,635
Total Expenditures	<u>42,873,565</u>	<u>1,773,366</u>	<u>2,402,201</u>	<u>47,049,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,164,072</u>	<u>(1,773,256)</u>	<u>27,493</u>	<u>(581,691)</u>
Net Change in Fund Balance	1,164,072	(1,773,256)	27,493	(581,691)
Fund Balance, Beginning	24,921,522	2,098,635	3,572,529	30,592,686
Restatement	(20,932)	-	20,932	-
Fund Balance, Restated	<u>24,900,590</u>	<u>2,098,635</u>	<u>3,593,461</u>	<u>30,592,686</u>
Fund Balance, Ending	<u>\$ 26,064,662</u>	<u>\$ 325,379</u>	<u>\$ 3,620,954</u>	<u>\$ 30,010,995</u>

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

Exhibit 4,
continued

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

Net changes in fund balances - total governmental funds	\$	(581,691)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
		1,777,142
<p>Cost of capital asset disposed of during the year, not recognized on modified accrual basis.</p>		
		(93,486)
<p>Contributions to pension plans in the current fiscal year are not included on the Statement of Activities.</p>		
		1,082,657
<p>Benefit payments and pension administration cost for LEOSSA are deferred outflows of resources on the Statement of Net Position</p>		
		34,178
<p>Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position.</p>		
		(1,191,878)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(198,197)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		2,043,422
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		<u>(1,136,879)</u>
Total changes in net position of governmental activities.	\$	<u><u>1,735,268</u></u>

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

Exhibit 5

	Original Budget	Final Budget	Actual	Variance With Final Positive/(Negative)
Revenues:				
Ad Valorem Taxes	\$ 22,333,509	\$ 22,374,670	\$ 23,107,122	\$ 732,452
Local Option Sales Taxes	5,277,053	5,277,053	6,210,788	933,735
Other Taxes and Licenses	92,023	116,775	135,749	18,974
Restricted Intergovernmental Revenues	8,440,239	10,136,768	7,725,032	(2,411,736)
Permits and Fees	281,220	287,562	412,584	125,022
Sales and Services	4,289,621	5,380,112	5,470,262	90,150
Investment Earnings	100,000	123,595	282,076	158,481
Other	133,217	492,703	689,038	196,335
Total Revenues	<u>40,946,882</u>	<u>44,189,238</u>	<u>44,032,651</u>	<u>(156,587)</u>
Expenditures:				
Current:				
General Government	5,668,027	7,164,655	6,604,042	560,613
Public Safety	10,605,934	12,328,907	12,056,626	272,281
Economic and Physical Development	1,201,915	1,912,627	1,025,122	887,505
Human Services	13,006,833	13,226,732	10,989,365	2,237,367
Cultural and Recreational	892,283	937,967	909,427	28,540
Education	8,638,720	9,425,253	9,030,926	394,327
Debt Service	3,161,896	3,161,896	2,258,057	903,839
Total Expenditures	<u>43,175,608</u>	<u>48,158,037</u>	<u>42,873,565</u>	<u>5,284,472</u>
Revenues Over (Under) Expenditures	<u>(2,228,726)</u>	<u>(3,968,799)</u>	<u>1,159,086</u>	<u>5,127,885</u>
Other Financing Sources (Uses):				
Transfers to Other Funds	<u>(50,000)</u>	<u>(60,000)</u>	<u>(50,000)</u>	<u>10,000</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(60,000)</u>	<u>(50,000)</u>	<u>10,000</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,278,726)	(4,028,799)	1,109,086	5,137,885
Fund Balance Appropriated / (Designated)	<u>2,278,726</u>	<u>4,028,799</u>	<u>-</u>	<u>(4,028,799)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,109,086</u>	<u>\$ 1,109,086</u>
Fund Balance, Beginning			24,517,820	
Restatement			<u>(20,932)</u>	
Fund Balance, Restated			24,496,888	
Fund Balance, Ending			<u>\$ 25,605,974</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting puposes:				
Interest Income			4,986	
Transfer-in from General Fund			50,000	
Expenditures			-	
Fund Balance, Beginning			<u>403,702</u>	
Fund Balance, Ending (Exhibit 4)			<u>\$ 26,064,662</u>	

Bladen County, North Carolina
Statement of Fund Net Position
Proprietary Funds
June 30, 2018

Exhibit 6

	Hospital Rental Fund	Solid Waste Fund	Water District	Total
Assets				
Current Assets:				
Cash and Investments	\$ -	\$ 1,361,671	\$ 1,772,733	\$ 3,134,404
Taxes Receivable	-	603,265	-	603,265
Accounts Receivable (Net)	-	61,343	658,865	720,208
Total Current Assets	-	2,026,279	2,431,598	4,457,877
Noncurrent assets:				
Restricted Assets				
Cash	54	-	212,325	212,379
Land, Improvements, and Construction in Progress	140,188	386,438	454,855	981,481
Other Capital Assets, Net of Depreciation	130,580	1,247,636	22,029,763	23,407,979
Total Noncurrent Assets	270,822	1,634,074	22,696,943	24,601,839
Total Assets	270,822	3,660,353	25,128,541	29,059,716
Deferred Outflows of Resources	-	142,110	248,431	390,541

Bladen County, North Carolina
Statement of Fund Net Position
Proprietary Funds
June 30, 2018

Exhibit 6

	Hospital Rental Fund	Solid Waste Fund	Water District	Total
Liabilities				
Current Liabilities:				
Accounts Payable & Accrued Expenses	\$ -	\$ 63,807	\$ 218,353	\$ 282,160
Accrued Interest	-	-	57,898	57,898
Compensated Absences Payable	-	16,581	24,449	41,030
Limited Obligation Bonds	-	-	325,000	325,000
Bond\Long-term Debt - Current Maturities	65,083	-	228,026	293,109
Total Current Liabilities	<u>65,083</u>	<u>80,388</u>	<u>853,726</u>	<u>999,197</u>
Noncurrent Liabilities:				
Liabilities Payable from Rest Assets:				
Customer Deposits	-	-	212,325	212,325
Compensated Absences Payable	-	-	6,480	6,480
Net Pension Liability	-	66,655	66,655	133,310
Net OPEB Liability	-	535,078	535,078	1,070,156
Limited Obligation Bonds	-	-	7,020,000	7,020,000
Long-term Debt - Noncurrent	37,965	-	10,305,526	10,343,491
Total Noncurrent Liabilities	<u>37,965</u>	<u>601,733</u>	<u>18,146,064</u>	<u>18,785,762</u>
Total Liabilities	<u>103,048</u>	<u>682,121</u>	<u>18,999,790</u>	<u>19,784,959</u>
Deferred Inflows of Resources	<u>-</u>	<u>188,570</u>	<u>188,570</u>	<u>377,140</u>
Net Position:				
Net Investment in Capital Assets	167,720	1,634,074	4,606,066	6,407,860
Restricted, Expendable for Capital Acquisitions	54	-	-	54
Debt Reserve	-	-	325,328	325,328
Unrestricted	-	1,297,698	1,257,218	2,554,916
Total Net Position	<u>\$ 167,774</u>	<u>\$ 2,931,772</u>	<u>\$ 6,188,612</u>	<u>\$ 9,288,158</u>

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

Exhibit 7

	Hospital Rental Fund	Solid Waste Fund	Water District	Total
Operating revenues:				
Charges for Services	\$ 70,134	\$ 2,210,493	\$ 2,107,638	\$ 4,388,265
Water Taps	-	-	31,386	31,386
Other Operating Revenues	-	-	143,602	143,602
Total Operating Revenues	<u>70,134</u>	<u>2,210,493</u>	<u>2,282,626</u>	<u>4,563,253</u>
Operating expenses:				
Salaries and Employee Benefits	-	391,915	418,928	810,843
Operating Expenses	-	1,698,344	753,263	2,451,607
Depreciation	245,982	173,888	764,457	1,184,327
Total operating expenses	<u>245,982</u>	<u>2,264,147</u>	<u>1,936,648</u>	<u>4,446,777</u>
Total Operating Income (Loss)	<u>(175,848)</u>	<u>(53,654)</u>	<u>345,978</u>	<u>116,476</u>
Nonoperating Revenues(Expenses):				
Interest Earned	-	17,773	26,312	44,085
Loss of Disposal of Asset	-	-	-	-
Interest Expense	(5,050)	-	(507,044)	(512,094)
Total Nonoperating Revenue (Expenses)	<u>(5,050)</u>	<u>17,773</u>	<u>(480,732)</u>	<u>(468,009)</u>
Income (Loss) Before Contributions and Transfers	(180,898)	(35,881)	(134,754)	(351,533)
Capital Contribution	-	12,722	229,500	242,222
Change in Net Position	<u>(180,898)</u>	<u>(23,159)</u>	<u>94,746</u>	<u>(109,311)</u>
Net Position, beginning, as previously reported	348,672	3,561,352	6,700,287	10,610,311
Restatement	-	(606,421)	(606,421)	(1,212,842)
Net Postion, beginning,	348,672	2,954,931	6,093,866	9,397,469
Net Position, ending	<u>\$ 167,774</u>	<u>\$ 2,931,772</u>	<u>\$ 6,188,612</u>	<u>\$ 9,288,158</u>

Statement of Cash Flows**Proprietary Funds**

For The Fiscal Year Ended June 30, 2018

	Hospital Rental Fund	Solid Waste Fund	Water District	Total
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ -	\$ 2,264,969	\$ 1,881,602	\$ 4,146,571
Cash Paid for Goods and Services	-	(1,701,973)	(570,648)	(2,272,621)
Cash Paid to Employees for Services	-	(380,009)	(400,897)	(780,906)
Other Operating Receipts	-	-	143,602	143,602
Customer Deposits	-	-	4,538	4,538
Net Cash Provided by (Used for) Operating Activities	<u>-</u>	<u>182,987</u>	<u>1,058,197</u>	<u>1,241,184</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	-	(321,576)	(273,907)	(595,483)
Principal Paid on Bond Maturities and Capital Leases	-	-	(240,106)	(240,106)
Limited Obligation Bonds	-	-	(315,000)	(315,000)
Interest Paid on Bond\Note Maturities and Capital Leases	-	-	(540,805)	(540,805)
Capital Grants and Contributions	-	12,722	229,500	242,222
Net Cash Provided (Used for) Capital and Related Financing Activities	<u>-</u>	<u>(308,854)</u>	<u>(1,140,318)</u>	<u>(1,449,172)</u>
Cash Flows from Investing Activities:				
Interest on investments	-	17,773	26,312	44,085
Net Cash Flows from Investing Activities:	<u>-</u>	<u>17,773</u>	<u>26,312</u>	<u>44,085</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	(108,094)	(55,809)	(163,903)
Cash Balances, Beginning	54	1,469,765	2,040,867	3,510,686
Cash Balances, Ending	<u>\$ 54</u>	<u>\$ 1,361,671</u>	<u>\$ 1,985,058</u>	<u>\$ 3,346,783</u>

The statement of cash flows for the Hospital Rental Fund is only the activity of the Escrow Account. All other rental income and expenses are paid on behalf of the rental fund under a lease and operations agreements with Cape Fear Valley Health System.

Statement of Cash Flows**Proprietary Funds**

For The Fiscal Year Ended June 30, 2018

	Hospital Rental Fund	Solid Waste Fund	Water District	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Activities:				
Operating Income (Loss)	\$ (175,848)	\$ (53,654)	\$ 345,978	\$ 116,476
Adjustments to Reconcile Operating Income to Net Cash Provided				
Operating Activities:				
Depreciation	245,982	173,888	764,457	1,184,327
Operating Income Noncash Activity	(70,134)	-	-	(70,134)
Change in Provision for Doubtful Accounts	-	97,817	-	97,817
Changes in Assets and Liabilities:				
(Increase) Decrease				
in Accounts Receivable, advances				
Inventories and Prepays	-	(43,341)	(257,422)	(300,763)
in Deferred Outflows of Resources:				
for Pensions	-	25,521	25,521	51,042
for OPEB	-	(89,748)	(89,748)	(179,496)
Increase (Decrease)				
in Accounts Payable & Accrued Liabilities	-	(3,629)	182,615	178,986
in Net Pension Liability	-	(23,769)	(23,769)	(47,538)
in Net OPEB Liability	-	(71,343)	(71,343)	(142,686)
in Deferred Inflows of Resources				
for Pensions	-	(1,583)	(1,583)	(3,166)
for OPEB	-	185,923	185,923	371,846
in Customer Deposits	-	-	4,538	4,538
in Accrued Vacation Pay	-	(13,095)	(6,970)	(20,065)
Total Adjustments	<u>175,848</u>	<u>236,641</u>	<u>712,219</u>	<u>1,124,708</u>
Net Cash Provided by Operating Activities	\$ <u>-</u>	\$ <u>182,987</u>	\$ <u>1,058,197</u>	\$ <u>1,241,184</u>

Bladen County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

Exhibit 9

Assets	<u>Agency Fund</u>
Cash and Cash Equivalents	\$ <u><u>167,103</u></u>
Liabilities and Net Position	
Liabilities	
Miscellaneous Liabilities	\$ 138,525
Intergovernmental Payable	<u>28,578</u>
Total Liabilities	<u>167,103</u>
Net Position	\$ <u><u>-</u></u>

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity

The County, which is governed by a nine-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. Bladen County Water District (*the District*) exists to provide and maintain a water system for the County residents within the district. The District is reported as an enterprise fund in the County's financial statements. 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. Bladen County Industrial Facility and Pollution Control Financing Authority (*the Authority*) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Bladen County Water Districts	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the District.	None issued.
Bladen County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the county commissioners. The County can remove any commissioners of the Authority with or without cause.	None issued.

B. Basis of Presentation, Measurement Focus – Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government's 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 nonmajor funds.

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

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

The County reports the following major governmental funds:

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

Jail Construction Capital Project: This fund accounts for the preliminary and construction phases of the upcoming new jail construction.

The County reports the following major enterprise funds:

Hospital Rental Fund – This fund is used to account for the rent of real estate per the lease agreement between the County and Cape Fear Valley Health Systems (CFVHS).

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

Water Fund – This fund was created to record the issuance and subsequent repayment of Limited Obligation Bonds for the purpose of purchasing refunding general obligation bonds issued by the Bladen County Water District.

Bladen County Water District - This fund is used to account for the County's water operations.

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 moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Bladen County Board of Education; the Municipal Tax Fund, which accounts for funds that are billed and collected by the County for various municipalities and special districts within the County but that are not revenues to the County; the Animal Control Trust, which accounts for funds received for use on the animal shelter; the Concealed Handgun Permit Fund, which accounts for the state portion of the concealed handgun permit fee that is required to be remitted to the state; the Sheriff's Civil Fund, which accounts for bailment and other civil fees collected and remitted accordingly and sheriff's evidence account; which accounts for funds collected after arrest have been made.

Nonmajor Funds. The County maintains four legally budgeted funds. The Emergency Telephone System Fund, the Fire District Funds, which combines each individual fund into one presentation, the CDBG Grant Scattered Site Fund and the Lock and Dam Capital Project Fund are reported as nonmajor funds.

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

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

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

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 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 nonoperating revenues and expenses.

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as 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 Emergency Telephone, Fire Districts and Revaluation Special Revenue Funds and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the CDBG Grant Fund, Lock and Dam Capital Project Fund and the Enterprise Capital Projects Funds. The enterprise capital project funds are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds, and at the project level for multi-year funds. The budget officer is authorized to transfer appropriations within a fund under the following conditions:

- a) He may transfer amounts between objects of expenditure within a department without a report being required.
- b) He may transfer amounts between departments of the same fund with an official report on such transfers at the next regular meeting of the Board of Commissioners.
- c) He may transfer amounts between funds and from contingency appropriations within any fund with an official report on such transfers at the next regular meeting of the Board of Commissioners.

The governing board must approve all amendments. 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.

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

Deposits and Investments

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

State Law [G.S. 159-30(c)] authorizes the County and the District 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' acceptance and the North Carolina Capital Management Trust (NCCMT).

The County and the District's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT- Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT term portfolio's securities are valued at fair value.

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.

Restricted Assets

In agreements between the County and Cape Fear Valley Health Systems (CFVHS), an escrow account was created to receive rental funds which were restricted to the use of capital improvements to the facilities. CFVHS determines what the expenditures are to be expended with approval from the County.

The unexpended bond proceeds of the Water Fund are classified as restricted assets for the enterprise fund because their use is completely restricted to the purpose for which the bonds were originally issued. Unspent loan proceeds in the General Fund are classified as restricted assets for the governmental activities because their use is completely restricted to the purpose for which the debt was incurred. 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.

Bladen County Restricted Cash	
Government Activities	
General Fund	
Public Safety	\$ 215,657
Education	42,078
4-H	125,949
Health and Human Services	99,048
Revaluation	458,045
Unspent Loan Proceeds	325,379
Cultural and Recreational	600,747
Emergency Telephone Fund	122,515
Total Governmental Activities	\$ 1,989,418

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Business-Type Activities	
Hospital Rental Fund	
Escrow Funds	\$ 54
Water Districts	
Customer Deposits	212,325
Total Business-Type Activities	<u>\$ 212,379</u>
 Total Restricted Cash	 <u>\$ 2,201,797</u>

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the County has established a schedule of discounts that apply to taxes, that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

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.

Inventory and Prepaid Items

The County's general fund and enterprise fund inventories consist of expendable supplies that are recorded as expenditures when purchased. Such amounts are recorded as an expense at the time of purchase. The effect on net earnings in the enterprise fund is immaterial since the amount on hand at any specific time is minimal.

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.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are as follows: land, \$10,000; Buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$10,000. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Life
Buildings	40
Improvements	40
Equipment	10
Vehicles	5
Plant and Distribution Systems	50

Deferred outflows/inflows of resources

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

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.

Compensated Absences

The vacation policies of the County and the District allows all employees to accumulate unlimited and fully vested vacation. Although, no employee can carry forward more than thirty (30) days per year. Any amounts over the thirty (30) day limit is reclassified to sick leave. For the County's government-wide and proprietary funds 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 District 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 entity has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represent 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.

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)].

Restricted for 4-H - portion of fund balance that is restricted by revenue source to pay for the 4-H Program.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for expenditures in the Sherriff's department and portion of fund balance that is restricted by revenue source for E-911 expenditures.

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Restricted for Education - portion of fund balance to be distributed to the board of education upon their request.

Unspent Loan Proceeds - portion of fund balance that is restricted to the purpose for which debt was incurred.

Restricted for Fire Protection - portion of fund balance that is restricted by revenue source for fire protection expenditures.

Restricted for Cultural and Recreation - portion of fund balance that is restricted by revenue source for the lock and dam project.

Restricted for Debt Service - portion of fund balance required to be maintained in accordance with debt covenants.

Restricted for Health and Human Services - portion of fund balance that is restricted by revenue source.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by the Bladen County's governing body (highest level of decision-making authority) through the formal action of a board resolution. Any changes or removal of specific purposes also requires a board resolution by the governing body.

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

Committed for Economic Development – portion of fund balance representing unspent local funds for economic stimulus grant.

Committed for Public Safety – portion of fund balance associated with the jail construction capital project.

Committed by Board Designation – portion of fund balance the Board has set for various purposes.

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

Assigned by Board Designation – portion of fund balance the Board has set for various purposes that was not done by formal action.

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.

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

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

Defined Benefit Pension Plans and OPEB Plan

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

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

are due. The Board’s employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of RHBF.

E. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet included a reconciliation between fund balance for total governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$26,241,100 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 47,045,978
Less accumulated depreciation	<u>(16,434,913)</u>
Net capital assets	30,611,065
Accrued interest receivable less the amount claimed as unearned in the government-wide statements as these funds are unavailable in the fund statements.	391,245
Net pension asset.	43,086
Contributions to the pension plan in the current fiscal year.	1,082,657
Benefit payments and pension administration cost for LEOSSA are deferred outflows of resources on the Statement of Net Position	34,178
Deferred outflows of resources related to pensions are not reported in the fund statements.	1,505,417
Contributions to OPEB plan in the current fiscal year	785,891
Receivable recorded in accordance with a grant for the reimbursement of interest expense related to the Qualified School Construction loan equal to the amount of interest accrued.	36,820
Deferred inflows of resources related to property taxes reported in the fund statements but not the government-wide.	2,130,613
Deferred inflows of resources related to pensions are not reported in the fund statements.	(205,180)
OPEB related deferrals	(5,402,269)
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	(25,860,377)
Compensated absences	(1,247,137)
Net Pension Obligation	(3,199,418)
Total Pension Obligation	(1,105,320)
Net OPEB liability	(25,683,730)
Accrued interest payable	<u>(158,641)</u>
Total adjustment	<u>\$ (26,241,100)</u>

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$2,316,959 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 4,358,466
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.	(2,581,324)
Cost of disposed capital assets.	(93,486)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the government-wide statement of net position.	2,043,422
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,082,657
Benefit payments and pension administration cost for LEOSSA are deferred outflows of resources on the Statement of Net Position	34,178
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	785,891
Current year note receivable payments reported as miscellaneous revenue from fire districts, departments and towns within the county that were originally loaned out by the purchase of the VIPER system.	(45,191)
Current year change in the grant receivable recorded for the reimbursement of interest expense related to the Qualified School Construction loan. This change is equal to the change in interest accrued for this loan only.	(4,091)
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).	31,761
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(22,265)
OPEB expense	(1,977,769)
County's portion of collective pension expense.	(1,146,375)
Increase/(Decrease) in deferred inflows of resources - taxes receivable - at end of year.	(31,300)
Increase/(Decrease) in accrued taxes receivable.	(117,615)
Total adjustment	\$ <u>2,316,959</u>

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

NOTE 2: Stewardship, Compliance and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

Non-compliance with Medicaid regulations – There were errors reported in violation of compliance requirements for Medicaid. This is reported in detail in the Schedule of Findings and Questioned Cost in the Compliance Section.

B. Deficit Fund Balance or Net Position of Individual Funds

None.

C. Excess of Expenditures over Appropriations

None.

NOTE 3: Detail Notes On All Funds

A. Assets

1. Deposits

All of the County's and the District'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 or the District's agents 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 District, these deposits are considered to be held by their agents in the entities name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the Hospital, or the District, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the District and Bladen Leasing Corporation 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 the District rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County, the District, and the Hospital do not have formal policies regarding custodial credit risk for deposits.

At June 30, 2018, the County's deposits had a carrying amount of \$3,162,799 and a bank balance of \$3,818,381. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining balance was covered by collateral and held under the Pooling Method. \$1,905 consisted of cash on hand.

At June 30, 2018, the escrow account for the Hospital Rental Fund had a balance of \$54 and a bank balance of \$54.

2. Investments

At June 30, 2018 the County of Bladen had \$28,554,619 invested in the North Carolina Capital Management Trust Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The County had no policy regarding credit risk.

At June 30, 2018 the District's Investments are included above, since it is a blended component unit.

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

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

Year Levied	Tax	Interest	Total
2015	\$ 1,306,170	\$ 427,792	\$ 1,733,962
2016	1,822,391	433,026	2,255,417
2017	1,907,247	281,478	2,188,725
2018	1,935,636	111,351	2,046,987
	<u>\$ 6,971,444</u>	<u>\$ 1,253,647</u>	<u>\$ 8,225,091</u>

4. Receivables

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

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Other	Total
Governmental Activities:					
General	\$ 945,051	\$ 3,409,311	\$ 3,226,384	\$ 36,820	\$ 7,617,566
Other Governmental	2,714	217,691	131,532	-	351,937
Total Receivables	<u>947,765</u>	<u>3,627,002</u>	<u>3,357,916</u>	<u>36,820</u>	<u>7,969,503</u>
Allowance for Doubtful Accounts	-	(1,105,144)	-	-	(1,105,144)
Total Governmental Activities	<u>\$ 947,765</u>	<u>\$ 2,521,858</u>	<u>\$ 3,357,916</u>	<u>\$ 36,820</u>	<u>\$ 6,864,359</u>
Business-type Activities					
Landfill	\$ 164,418	\$ 1,053,265	\$ 20,640	\$ 2,025	\$ 1,240,348
Water and Sewer District	556,417	-	229,500	2,562	788,479
Total Receivables	<u>720,835</u>	<u>1,053,265</u>	<u>250,140</u>	<u>4,587</u>	<u>2,028,827</u>
Allowance for Doubtful Accounts	(255,354)	(450,000)	-	-	(705,354)
Total Business-type Activities	<u>\$ 465,481</u>	<u>\$ 603,265</u>	<u>\$ 250,140</u>	<u>\$ 4,587</u>	<u>\$ 1,323,473</u>

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

Local Option Sales Tax	\$ 1,782,361
State or Federal Grant	<u>1,825,695</u>
	<u>\$ 3,608,056</u>

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

5. Capital Assets

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

	Beginning Balances	Prior Period Adjustment	Increases	Decreases	Ending Balances
Primary Government					
Governmental Activities:					
Capital Assets not Being Depreciated:					
Land	\$ 263,250	\$ -	\$ -	\$ -	\$ 263,250
Construction in Progress	17,961,523	-	2,876,067	(20,837,590)	-
Total Capital Assets not Being Depreciated:	<u>18,224,773</u>	<u>-</u>	<u>2,876,067</u>	<u>(20,837,590)</u>	<u>263,250</u>
Capital Assets Being Depreciated:					
Buildings	8,191,946	-	20,837,590	(13,944)	29,015,592
Improvements	3,790,094	-	455,252	-	4,245,346
Equipment	9,259,444	-	194,561	(1,188,707)	8,265,298
Vehicles and Motor Equipment	4,653,761	32,678	832,586	(262,533)	5,256,492
Total Capital Assets Being Depreciated:	<u>25,895,245</u>	<u>32,678</u>	<u>22,319,989</u>	<u>(1,465,184)</u>	<u>46,782,728</u>
Less Accumulated Depreciation					
Buildings	4,096,140	-	823,682	(5,393)	4,914,429
Improvements	1,328,534	-	311,501	-	1,640,035
Equipment	6,907,512	-	716,114	(1,132,599)	6,491,027
Vehicles and Motor Equipment	2,893,101	-	730,027	(233,706)	3,389,422
Total Accumulated Depreciation	<u>15,225,287</u>	<u>\$ -</u>	<u>\$ 2,581,324</u>	<u>\$ (1,371,698)</u>	<u>16,434,913</u>
Total Capital Assets Being Depreciated, net	<u>10,669,958</u>				<u>30,347,815</u>
Governmental Activity Capital Assets, net	<u>\$ 28,894,731</u>				<u>\$ 30,611,065</u>

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

General Government	\$ 593,704
Public Safety	1,497,168
Economic and Physical Development	-
Human Services	438,825
Cultural and Recreational	51,627
Total Depreciation Expense	<u>\$ 2,581,324</u>

	Beginning Balances	Prior Period Adjustment	Increases	Decreases	Ending Balances
Business-type Activities:					
Solid Waste					
Capital Assets not Being Depreciated:					
Land	\$ 386,438	\$ -	\$ -	\$ -	\$ 386,438
Total Capital Assets not Being Depreciated:	<u>386,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,438</u>
Capital Assets Being Depreciated:					
Buildings	2,477,022	-	-	-	2,477,022
Equipment	869,545	-	85,000	-	954,545
Vehicles and Motor Equipment	461,960	-	236,576	-	698,536
Total Capital Assets Being Depreciated:	<u>3,808,527</u>	<u>-</u>	<u>321,576</u>	<u>-</u>	<u>4,130,103</u>
Less Accumulated Depreciation					
Buildings	1,553,495	-	42,984	-	1,596,479
Equipment	745,324	-	85,836	-	831,160
Vehicles and Motor Equipment	409,760	-	45,068	-	454,828
Total Accumulated Depreciation	<u>2,708,579</u>	<u>\$ -</u>	<u>\$ 173,888</u>	<u>\$ -</u>	<u>2,882,467</u>
Total Capital Assets Being Depreciated, net	<u>1,099,948</u>				<u>1,247,636</u>
Solid Waste Capital Assets, Net	<u>\$ 1,486,386</u>				<u>\$ 1,634,074</u>

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

	Beginning Balances	Prior Period Adjustment	Increases	Decreases	Ending Balances
Water District					
Capital Assets not Being Depreciated:					
Land	\$ 454,855	\$ -	-	\$ -	\$ 454,855
Construction in Progress	-	-	-	-	-
Total Capital Assets not Being Depreciated:	454,855	-	-	-	454,855
Capital Assets Being Depreciated:					
Plant and Distribution Systems	32,014,256	-	-	-	32,014,256
Equipment	534,936	-	229,500	(5,502)	758,934
Vehicles and Motor Equipment	450,352	-	44,407	-	494,759
Total Capital Assets Being Depreciated:	32,999,544	-	273,907	(5,502)	33,267,949
Less Accumulated Depreciation					
Plant and Distribution Systems	9,698,246	-	672,322	-	10,370,568
Equipment	394,102	-	69,059	(5,502)	457,659
Vehicles and Motor Equipment	386,883	-	23,076	-	409,959
Total Accumulated Depreciation	10,479,231	\$ -	764,457	\$ (5,502)	11,238,186
Total Capital Assets Being Depreciated, net	22,520,313				22,029,763
Water District Capital Assets, Net	\$ 22,975,168				\$ 22,484,618
	Beginning	Prior Period			Ending
	Balances	Adjustment	Increases	Decreases	Balances
Hospital Rental Fund					
Capital Assets not Being Depreciated:					
Land and Land Improvements	\$ 140,188	\$ -	-	\$ -	\$ 140,188
Capital Assets Being Depreciated:					
Buildings	8,517,122	-	-	-	8,517,122
Total Capital Assets Being Depreciated:	8,517,122	-	-	-	8,517,122
Less Accumulated Depreciation	8,140,560	-	245,982	-	8,386,542
Total Capital Assets Being Depreciated, net	376,561	-	(245,982)	-	130,580
Hospital Capital Assets, Net	516,749	\$ -	(245,982)	\$ -	270,768
Business-type Activities Capital Assets, Net	\$ 24,978,303				\$ 24,389,460

Construction commitments

The government has no active construction projects as of June 30, 2018.

B. Liabilities

1. Payables

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

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 2,016,704	\$ 327,018	\$ 158,641	\$ -	\$ 2,502,363
Other Governmental	47,744	-	-	-	47,744
Total Governmental Activities	<u>\$ 2,064,448</u>	<u>\$ 327,018</u>	<u>\$ 158,641</u>	<u>\$ -</u>	<u>\$ 2,550,107</u>
Business-type Activities					
Landfill	\$ 6,051	\$ 57,756	\$ -	\$ -	\$ 63,807
Water District	211,857	6,496	57,898	-	276,251
Hospital Rental Fund	-	-	-	-	-
Total Business-type Activities	<u>\$ 217,908</u>	<u>\$ 64,252</u>	<u>\$ 57,898</u>	<u>\$ -</u>	<u>\$ 340,058</u>

Pension Plan Obligations and Other Postemployment Obligations

1. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2018, was 8.0% of compensation for law enforcement officers and

BLADEN COUNTY, NORTH CAROLINA
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7.34% 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 \$1,118,559 for the year ended June 30, 2018.

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

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

At June 30, 2018, the County reported a liability of \$3,332,728 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension asset was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the County’s proportion was .21815%, which was a decrease of .00512% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$1,126,936. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 191,996	\$ 94,339
Changes of assumptions	475,960	-
Net difference between projected and actual earnings on pension plan investments	809,191	-
Changes in proportion and differences between County contributions and proportionate share of contributions	22,389	38,005
County contributions subsequent to the measurement date	1,118,559	-
Total	<u>\$ 2,618,095</u>	<u>\$ 132,344</u>

\$1,118,559 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ 171,286
2020	957,107
2021	482,696
2022	(243,897)
2023	-
Thereafter	-
	<u>\$ 1,367,192</u>

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

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
County's proportionate share of the net pension liability (asset)	\$ 10,004,924	\$ 3,332,728	\$ (2,236,450)

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.

2. Law Enforcement Officers' Special Separation Allowance

Plan Description - Bladen County administers a public employee retirement system (the "*Separation Allowance*"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	9
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>50</u>
Total	<u>59</u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies

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

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

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

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

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-2014 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 amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$66,088 as benefits came due for the reporting period.

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

At June 30, 2018, the County reported a total pension liability of \$1,105,320. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$87,818.

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 61,609
Changes of assumptions and other inputs	53,505	16,279
Benefit payments and administrative expenses subsequent to the measurement date.	34,178	-
Total	<u>\$ 87,683</u>	<u>\$ 77,888</u>

The County paid \$34,178 in benefit payments and \$0 in admin expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ (6,114)
2020	(6,114)
2021	(6,114)
2022	(5,477)
2023	(564)
Thereafter	-
	<u>\$ (24,383)</u>

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.16 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total Pension Liability	\$ 1,196,185	\$ 1,105,320	\$ 1,022,791

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

	2018	2017
Beginning balance	\$ 1,089,164	\$ 1,087,339
Service Cost	53,199	55,012
Interest on the total pension liability	40,733	37,638
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(75,937)	-
Changes of assumptions or other inputs	65,948	(24,737)
Benefit payments	(67,787)	(66,088)
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 1,105,320</u>	<u>\$ 1,089,164</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.86 percent at June 30, 2016 to 3.16 percent at December 31, 2017.

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

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

3. 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 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 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 and other employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were \$230,053, which consisted of \$142,812 from the County and \$87,241 from the law enforcement officers and other employees.

4. Register of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$8,840 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$43,086 for its proportionate share of the net pension asset. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2017, the County's proportion was .25242%, which was a decrease of .00065% from its proportion measured as of June 30, 2016.

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

For the year ended June 30, 2018, the County recognized pension expense of \$12,925. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 740	\$ 139
Changes of assumptions	7,270	
Net difference between projected and actual earnings on pension plan investments	3,663	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	686	103
Employer contributions subsequent to the measurement date	8,840	-
Total	<u>\$ 21,199</u>	<u>\$ 242</u>

\$8,840 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ 7,123
2020	3,641
2021	419
2022	934
2023	-
Thereafter	-
	<u>\$ 12,117</u>

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

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2018 is 1.4%.

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. 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 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 (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (33,865)	\$ (43,086)	\$ (50,840)

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2017, with an actuarial valuation date of December 31, 2016. The County’s proportion of the net pension liability was based on the County’s share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Pension Expense	\$ 1,126,936	\$ 12,925	\$ 87,818	\$ 1,227,679
Total Pension Liability	-	-	1,105,320	1,105,320
Proportionate share of the net pension liability (asset)	3,332,728	(43,086)	-	3,289,642
Proportion of the net pension liability (asset)	0.21815%	-0.25242%	n/a	

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred of Outflows of Resources

Differences between expected and actual experience	191,996	740	-	192,736
Changes of assumptions	475,960	7,270	53,505	536,735
Net difference between projected and actual earnings on plan investments	809,191	3,663	-	812,854
Changes in proportion and differences between contributions and proportionate share of contributions	22,389	686	-	
Benefit payments and administrative costs paid subsequent to the measurement date	1,118,559	8,840	34,178	1,161,577

Deferred of Inflows of Resources

Differences between expected and actual experience	94,339	139	61,609	156,087
Changes of assumptions	-	-	16,279	16,279
Net difference between projected and actual earnings on plan investments	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	38,005	103	-	38,108

Other Postemployment Benefits

Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's CAFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits provided. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the County contributed 6.05% of covered payroll which amounted to \$818,636.

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

At June 30, 2018, County reported a liability of \$26,753,886 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. The total OPEB liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net OPEB liability was based on a projection of the County's present value of future salary, actuarially determined. At June 30, 2017, the County's proportion was 0.08160%.

\$818,636 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ (1,125,970)
2020	(1,125,970)
2021	(1,125,970)
2022	(1,125,970)
2023	(1,123,484)
Thereafter	-
	<u>\$ (5,627,364)</u>

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	2.75%
Salary increases	3.50-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	7.20%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate - medical	5.00-6.5%
Healthcare cost trend rate - prescription drug	5.00-7.25%
Healthcare cost trend rate - Medicare advantage	4.00-5.00%
Healthcare cost trend rate - administrative	3.00%

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 3.58%. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.58% was used as the discount rate used to measure the total OPEB liability. The 3.58% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2017.

Sensitivity of the County's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the County's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage point higher (4.58 percent) than the current discount rate:

	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
County's proportionate share of the net OPEB liability	\$ 31,915,848	\$ 26,753,886	\$ 22,659,716

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Sensitivity of the County's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the County's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage point higher (4.58 percent) than the current discount rate:

	Healthcare Trend Rates (Medical -5.00-6.50%, Pharmacy -5.00-7.25%, Medicare Advantage -4.00-6.25%, Medicare Advantage -3.00-4.00%, Administrative -2.00%)	1% increase (Medical -6.00-7.50%, Pharmacy -6.00-8.25%, Medicare Advantage -5.00-6.00%, Administrative -4.00%)
County's proportionate share of the net OPEB liability	21,855,460	33,264,518

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CAFR for the State of North Carolina.

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on Revised August 2018 35-K-61 published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

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

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

Pension Expense	\$	2,060,176
Total Pension Liability		26,753,886
Proportionate share of the net pension liability (asset)		0.08160%

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,918,303
Changes of assumptions	-	7,367,898
Net difference between projected and actual earnings on OPEB plan investments	-	9,943
Changes in proportion and differences between County contributions and proportionate share of contributions	3,668,780	-
County contributions subsequent to the measurement date	818,636	-
Total	\$ 4,487,416	\$ 9,296,144

Other Employment Benefits

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

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Taxes receivable, net(General)	\$ -	\$ 2,008,944
Taxes receivable, net(Special Revenue)	-	121,669
Prepaid taxes not yet earned(General)	-	108,711
Charge on Refunding of Debt	106,320	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	34,178	
Benefit payments paid subsequent to the measurement date (OPEB)	818,636	
Pensions/OPEB - changes in assumptions	536,735	7,384,177
Pensions/OPEB - difference between expected and actual experience	192,736	2,074,390
Pensions/OPEB - difference between projected and actual investment earnings	812,854	9,943
Pensions/OPEB - change in proportion and difference between employer contributions and proportionate share of contributions	3,691,855	38,108
Contributions to pension plan subsequent to measurement date (LGERs, ROD)	1,127,399	-
Total	<u>\$ 7,320,713</u>	<u>\$ 11,745,942</u>

Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$200 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the North Carolina statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of a \$500,000 retention up to a \$2 million limit for liability coverage, and \$1,750,000 of each loss in excess of a \$250,000 per occurrence retention for property, and auto physical damage. For workers compensation there is a per occurrence retention of \$750,000. The County provides employee health and dental benefits through a private carrier.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The finance officer, register of deeds, sheriff and tax collector are each individually bonded for \$100,000, \$50,000, \$25,000 and \$100,000 respectively. 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. Flood insurance is obtained for property located within a flood plain.

Contingent Liabilities

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

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Long-Term Obligations

Installment Purchases

Serviced by the Governmental Type Activities

USDA dated December 20, 2010 in the amount of \$550,000 for installment purchase of constructing the EMS building in 2 annual payments of \$39,584 including interest at 0.0%. The first payment is due December 2011. Then 17 remaining annual payments of \$39,584 plus interest of 4.375% of the outstanding balance. Final payment due December 2030. Balance at June 30, 2018 is \$367,229.

Bank of America dated September 25, 2008 in the amount of \$1,335,342 for installment purchase of energy savings equipment system. Payments beginning Feb 2009 with 12 monthly payments of 9,684, then 12 monthly payments of \$8,490, then 12 payments of 8,745, then 12 monthly payments of \$9,007, then 12 monthly payments of 9,278, then 12 monthly payments of 9,556, then 12 monthly payments of \$9,842, then 12 monthly payments of \$10,138, then 12 monthly payments of \$10,442, then 12 monthly payments of \$10,755, then 12 monthly payments of \$11,078, then 12 monthly payments of \$11,411, then 12 monthly payments of \$22,753, then 12 monthly payments of \$12,106, then 12 monthly payments of \$12,469 all payments include interest at 4.15%. Final payment due January 2024. Balance at June 30, 2018 is \$693,928.

BB&T dated March 22, 2016 in the amount of \$19,985,000 for construction of Jail facility. Annual payments of \$495,628 begin March 2017 for two years, with a final payment of \$20,108,907 due in year three. Note includes an interest rate of \$2.48%. Final payment is due June 2018. Balance at June 30, 2018 is \$19,985,000.

Serviced by the Business Type Activities

Serviced by the Water District

BB&T dated February 16, 2012 in the amount of \$620,000 for installment purchase of Bay Tree Utility System. Payments begin February 16, 2012 with 20 annual installments of \$43,485 with interest at 3.89%. Final payment is due February 16, 2031. Balance at June 30, 2018 is \$437,214.

USDA dated January 1, 2010 in the amount of \$593,000 for additional financing for the expansion of the water service. Terms are 40 annual payments of \$29,965 each January including interest at 4.00%. Final payment due January 2050. Balance at June 30, 2018 is \$535,457.

Serviced by the Hospital Rental Fund

Notes payable collateralized by Hospital building improvements, interest at 3.65%, and payable in fixed principal payments of \$13,197 through 2011 and fixed principal payments of \$5,424 through 2019. Balance at June 30, 2018 was \$103,048.

For Bladen County, the future minimum payments as of June 30, 2018 are as follows:

Year Ending 30-Jun	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 127,335	42,924	100,109	41,098
2020	364,848	757,042	74,361	37,515
2021	381,104	744,255	37,819	35,628
2022	402,032	728,058	39,303	34,146
2023	421,962	712,210	40,844	32,607
2024-2028	1,656,521	3,367,317	228,965	137,749
2029-2033	1,763,869	3,059,275	189,996	90,830
2034-2038	2,015,403	2,723,132	83,369	66,456
2039-2043	2,408,292	2,330,247	101,431	48,393
2044-2048	2,877,782	1,860,753	123,407	26,418
2049-2053	3,438,242	1,300,296	56,115	3,380
2054-2059	4,109,546	628,991	-	-
2055-2060	1,079,221	35,373	-	-
Total	\$ 21,046,157	\$ 18,289,873	\$ 1,075,719	\$ 554,220

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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

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

Serviced by the County's General Fund:

\$1,523,700 September 2011 Qualified School Construction Bonds due in annual installments varying from \$183,402 to \$107,034; interest at 1.53%. \$ 914,220

\$10,880,000 October 2012 refunding School Bond due in annual payments varying from \$105,000 to \$1,730,000 with interest at 1.63%. Final payment is due May 2021. Due to the nature of this debt for noncounty owned property, this is not considered capital debt. 3,900,000
\$ 4,814,220

Serviced by the Bladen County Water District, but presented as "Due to County" as detailed in the Limited Obligation Bond description:

\$9,280,000 October 2012 general obligation refunding water bonds due annually in June beginning in 2013. Payments vary from \$105,000 to \$455,000 with interest averaging 3.7%. Final payment is due June 2041. \$ 7,345,000
\$ 7,345,000

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

Year Ending 30-Jun	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 1,626,580	128,156	325,000	281,087
2020	1,566,580	118,186	335,000	268,088
2021	1,011,580	381,834	335,000	254,688
2022	101,580	32,729	350,000	241,287
2023	101,580	22,274	345,000	227,287
2024-2028	406,320	54,548	1,885,000	919,237
2029-2033	-	-	1,760,000	563,313
2034-2038	-	-	1,365,000	251,625
2039-2043	-	-	645,000	44,982
Total	\$ <u>4,814,220</u>	\$ <u>737,727</u>	\$ <u>7,345,000</u>	\$ <u>3,051,594</u>

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Limited Obligation Bonds

On June 28, 2013, the County Water District issued individual refunding bonds in the amount of \$9,280,000 for each of the USDA Bonds being refinanced. The County then issued Limited Obligation Bonds ("LOBs") to purchase these bonds. When debt service is due, the water district will remit the debt service payments for their respective bond to the County, who will then remit it to the bondholder. If the 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 and bi-annual interest payments with a 3.7% average interest rate over the life of the term. As of June 30, 2018, the balance of the bonds was \$7,345,000.

The Water District is a blended component unit of the County. On the fund statements, the amounts owed to the County to make the payments for the LOBs are classified as "Due to the County" in the Water District Fund and as "Due from Water District" in the Water Fund. On the government-wide statements, these amounts are eliminated. Therefore, when Exhibit 1 debt totals are compared to the total debt in the notes, the amount will differ by the amount eliminated for this LOB debt. All of the total 2018 LOB balance of \$7,345,000 is recorded as Due from Water District and is eliminated in Exhibit 1.

The Limited Obligation Bond payments were budgeted by the Board to be recorded and presented in the Water District Fund. However, the fund financial statements correctly present the transactions as they should have taken place. For future years the Board will budget the LOB payments in the Water Fund in addition to budgeting repayment from the Water District Fund back to the Water Fund.

Annual debt service requirements to maturity for the Limited Obligation Bonds are as follows:

Year Ending	Business Type Activities	
	Principal	Interest
30-Jun		
2019	\$ 325,000	\$ 281,087
2020	335,000	268,088
2021	335,000	254,688
2022	350,000	241,287
2023	345,000	227,287
2024-2028	1,885,000	919,237
2029-2033	1,760,000	563,313
2034-2035	1,365,000	251,625
2039-2043	645,000	44,982
Total	\$ 7,345,000	\$ 3,051,594

Revenue Bonds

5,991,000 January 2013 water revenue bonds due annually in June; interest at 2.5% Payments vary from \$96,000 to \$241,000 with final payment due June 2052. \$ 5,294,367

\$4,496,000 November 2010 water revenue bonds due in interest only payments for years 2011 and 2012 at 2.25%. Then annual payments will be varying each year, but averaging \$177,000 including interest at 2.25%. Final payment is expected June 2050. 3,911,093
\$ 9,205,460

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Annual debt service requirements to maturity for the Water District's revenue bonds are as follows:

Year Ending 30-Jun	Business Type Activities	
	Principal	Interest
2019	\$ 193,000	230,067
2020	198,000	225,460
2021	203,000	220,733
2022	207,000	215,885
2023	210,000	211,662
2024-2028	1,128,000	976,307
2029-2033	1,120,000	833,508
2034-2038	1,544,000	672,712
2039-2043	1,602,000	491,575
2044-2048	1,804,000	287,857
2049-2053	996,460	70,340
Total	9,205,460	\$ 4,436,106
Unamortized Premiums	355,421	
Net Carrying Value	\$ 9,560,881	

The County is in compliance with the covenants as to rates, fees and charges in Section 5.01 of the Bond Orders, authorizing the issuance of the Water District Revenue Bonds, Series 2010 (\$4,496,000) and 2012 (\$5,991,000). Sections 5.01(a) of the Bond Orders require the debt service coverage ratio to be no less than 110%. The debt service coverage ratio calculation for the year ended June 30, 2018, is as follows:

Operating revenues	\$ 2,282,626
Operating expenses*	(1,172,191)
Operating income	1,110,435
Nonoperating revenues(expenses)**	(273,727)
Income available for debt service	836,708
Debt service, principal and interest paid (Revenue bond only)	413,871
Debt service coverage ratio	202%

* Per rate covenants, this does not include the depreciation expense of \$764,457.

** Per rate covenants, this does not include revenue bond interest paid of \$207,005.

The County has pledged future water customer revenues, net of specified operating expenses, to repay \$10,487,000 in water system revenue bonds issued in November 2010 (\$4,496,000) and January 2013 (\$5,991,000). Proceeds from the bonds provided financing for the expansion of the water system in two different phases. The bonds are payable solely from water customer net revenues and are payable through 2050 and 2052, respectively. Annual principal and interest payments on the bonds are expected to require 50 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$13,641,568. Principal and interest paid for the current year and total customer net revenues were \$413,871 and \$836,708, respectively.

At June 30, 2018, Bladen County had no bonds authorized and had a legal debt margin of \$202,506,852.

Advance Refunding

On October 24, 2012, the County issued \$10,880,000 of general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for to be used for all future debt service payments of \$10,125,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$608,506. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 8 years by \$633,674 and resulted in an economic gain of \$594,713.

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

On June 28, 2013, the County issued \$9,280,000 of general obligation current refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust to be used for all future debt service payments of \$9,492,500 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$187,823. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 28 years by \$2,358,127 and resulted in an economic gain of \$1,631,645.

Debt Related to Capital Activities

Of the total Governmental Activities debt listed above, \$3,900,000 relates to assets the County does not hold title to.

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2018:

	Balance July 1, 2017	Increases	Decreases	Unamortized Premiums	Balance June 30, 2018	Current Portion
Governmental Activities:						
General Obligation Debt	\$ 6,500,800	\$ -	\$ (1,686,580)	\$ -	\$ 4,814,220	\$ 1,626,580
Installment Purchases	21,402,999	-	(356,842)	-	21,046,157	127,335
Total Pension Liability (LEOSSA)	1,089,164	16,156	-	-	1,105,320	-
Net Pension Liability (LGERS)	4,340,362	-	(1,140,944)	-	3,199,418	-
Net OPEB Liability	-	25,683,730	-	-	25,683,730	-
Compensated Absences	1,224,872	773,130	(750,865)	-	1,247,137	773,130
Total Governmental Activities	\$ 34,558,197	\$ 26,473,016	\$ (3,935,231)	\$ -	\$ 57,095,982	\$ 2,527,045

	Balance July 1, 2017	Increases	Decreases	Amortized Bond Premiums	Balance June 30, 2018	Current Portion
Business-Type Activities:						
Solid Waste						
Compensated Absences	\$ 29,676	\$ 7,353	\$ (20,448)	\$ -	\$ 16,581	\$ 16,581
Net Pension Liability (LGERS)	90,424	-	(23,769)	-	66,655	-
Net OPEB Liability	-	535,078	-	-	535,078	-
Installment Purchases	-	-	-	-	-	-
Total Solid Waste	120,100	542,431	(44,217)	-	618,314	16,581
Water District						
Limited Obligation Bonds	7,660,000	-	(315,000)	-	7,345,000	325,000
Revenue Bonds	9,813,157	-	(206,867)	(45,409)	9,560,881	193,000
Net Pension Liability (LGERS)	90,424	-	(23,769)	-	66,655	-
Net OPEB Liability	-	535,078	-	-	535,078	-
Installment Purchases	1,005,910	-	(33,239)	-	972,671	35,026
Compensated Absences	37,899	17,479	(24,449)	-	30,929	24,449
Total Water District	18,607,390	552,557	(603,324)	(45,409)	18,511,214	577,475
Hospital Rental Fund						
Installment Purchases	168,132	-	(65,084)	-	103,048	65,083
Total Hospital	168,132	-	(65,084)	-	103,048	65,083
Total Business-Type Activities	\$ 18,895,622	\$ 1,094,988	\$ (712,625)	\$ (45,409)	\$ 19,232,576	\$ 659,139

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Fund Balance

Total Fund Balance - General Fund	\$26,064,662
Less:	
Stabilization by State Statute	4,174,149
Public Safety	215,657
4-H	125,949
Education	42,078
Home Health	99,048
Debt Reserve	29,693
Tax Revaluation	458,045
Economic Development	1,900,000
Board Committed	188,766
Board Assigned	634,145
Appropriated Fund Balance in Subsequent Budget	3,468,649
Remaining Fund Balance	\$14,728,483

Interfund Activity

Interfund activity between the Water Fund and Water District present an amount of \$7,345,000 due between the funds. This interfund balance is the result as described in the above Long Term Obligations. This is presented in the budget to actual schedules as payments in the amount of \$608,613.

NOTE 4: Joint Ventures

The County, in conjunction with the State of North Carolina and the Bladen County Board of Education, participates in a joint venture to operate Bladen 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. The County contributed \$959,495, \$194,800 and \$5,000 to the community college for operating, capital and scholarship purposes, respectively, during the fiscal year ending June 30, 2018. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2018. Complete financial statements for the community college may be obtained from the community college's administrative offices at P.O. Box 266, Dublin, NC 28332.

Jointly Governed Organization

Bladen 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. Bladen County has no ongoing financial interest or responsibility for the authority.

The County, in conjunction with three other counties and twenty-one municipalities, established the Lumber River 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 Council is a self-sufficient organization because its members' dues represent a small portion of its total revenues. The County paid membership fees of \$16,510 and miscellaneous fees related to the Division of Aging in the amount of \$2,042 to the Council during the fiscal year ended June 30, 2018. The County was the sub recipient of a grant for \$406,797 from the U.S. Department of Health and Human Services and the Division of Aging of the North Carolina Department of Human Resources that was passed through the council.

BLADEN COUNTY, NORTH CAROLINA
 Notes to the Financial Statements

NOTE 5: Benefit Payments Issued by the State

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

	<u>Federal</u>	<u>State</u>
Medicaid	\$ 44,030,866	\$ 23,114,698
NC Health Choice	622,844	324
Low Income Home Energy Assistance	254,296	-
Low Income Home Energy Crisis Assistance	135,643	-
TANF and Work First Benefits	293,737	-
WIC	583,695	-
Adoption Assistance	54,753	13,481
IV-E Foster Care	180,706	52,484
CWS Adoption Subsidy	-	72,223
State Foster Home	-	23,333
Adult Special Assistance	-	359,318
	<u>\$ 46,156,540</u>	<u>\$ 23,635,861</u>

NOTE 6: Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant 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 7: Revenue – Governmental Fund

In September 2011, the Bladen County Board of Education donated the land and building of the Tar Heel school facilities to Bladen County. The County then obtained financing to make improvements to the facilities and has leased the facilities back to the Board of Education for the length of the financing agreement at a lease payment equal to the principle portion of the required payment. The County pays the interest portion and is refunded that amount under terms of the Qualified School Construction Bond. The property was valued at \$1,403,977. Future minimum lease payments are as follows based on the amortization of the debt:

<u>Year Ending</u>	<u>Principal</u>
30-Jun	
2019	\$ 101,580
2020	101,580
2021	101,580
2022	101,580
2023	101,580
2024-2028	406,320
	<u>\$ 914,220</u>

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

Revenue – Enterprise Fund

Under terms of the operating agreement with Cumberland County Hospital System, Inc., doing business as Cape Fear Valley Health System (CFVHS) to operate the Bladen County Hospital, CFVHS exercised the option to purchase all remaining assets and assumption of all remaining liabilities with the exception of the original hospital land and building and the related debt. The terms of the debt were more favorable as is. CFVHS is continuing the lease agreement based on the terms of the debt. Future minimum lease payments are as follows based on the amortization of the debt:

Year Ending 30-Jun	Principal	Interest	Total Rent
2019	\$ 65,084	2,672	67,756
2020	37,964	461	38,425
	<u>\$ 103,048</u>	<u>\$ 3,133</u>	<u>\$ 106,181</u>

NOTE 8: Subsequent Events

Management has evaluated subsequent events through the date which the financial statements were available for issue.

NOTE 9: Significant Item – Settlement Expense

During the 2017-2018 year a lawsuit was settled for \$900,000 related to a lawsuit against the County for wrongful imprisonment.

NOTE 10: Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 75, *Accounting and Financial Reporting for Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning net OPEB liability and the effects on net position of contributions paid by the County to the OPEP Trust during the measurement period, as well as the removal of the net OPEB obligation. As a result, net position for the governmental and business-type activities decreased by \$29,108,230 and \$1,212,842 respectively.

The County discovered fixed assets during the year that met the capitalization threshold but were not added to the fixed asset list in the respective year. Therefore, Government Activities beginning net position was restated by an increase of \$32,678. The County will continue to monitor expenditures for items that meet the definition of fixed assets and include them in the fixed asset list for the years to come.

The County’s Emergency Telephone System Fund amount was adjusted by the State during the year to correctly match up with allowable revenues and expenditures. This resulted in an increase to that fund’s fund balance of \$20,932 and a decrease of \$20,932 to the General Fund’s fund balance.

Required Supplementary Financial Data

The section contains additional statements required by Generally Accepted Accounting Principals

Schedule of Changes in Total Pension Liability -

Law Enforcement Officers' Special Separation Allowance

Schedule of Total Pension Liability as a Percentage of Covered-Employee

Payroll - Law Enforcement Officers' Special Separation Allowance

Schedule of County's Proportionate Share of Net Pension

Liability (Asset) - Local Government Employees' Retirement System

Schedule of County's Contributions to Local Government

Employees' Retirement System

Schedule of County's Proportionate Share of Net Pension

Liability (Asset) - Register of Deeds' Supplemental Pension

Schedule of County's Contributions to Register of Deeds'

Supplemental Pension

Schedule of County's Proportionate Share of Net OPEB

Liability - Retiree Health Benefit Board

Schedule of County's Contributions - Retiree Health Benefit Board

Bladen County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2018

	2017	2018
Beginning balance	\$ 1,087,339	\$ 1,089,164
Service Cost	55,012	53,199
Interest on the total pension liability	37,638	40,733
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	-	(75,937)
Changes of assumptions or other inputs	(24,737)	65,948
Benefit payments	(66,088)	(67,787)
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 1,089,164</u>	<u>\$ 1,105,320</u>

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

Bladen County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2018

	2017	2018
Total pension liability	1,089,164	1,105,320
Covered payroll	2,121,950	2,421,904
Total pension liability as a percentage of covered payroll	51.33%	45.64%

Notes to the schedules:

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

Bladen County, North Carolina
Schedule Of The County's Proportionate Share Of The Net Pension Liability (Asset)
Local Governmental Employees' Retirement System
 Last Five Fiscal Years *

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.02186%	0.21303%	0.22817%	0.22321%	0.68200%
County's proportionate share of the net pension liability (asset) \$	\$ 3,332,728	\$ 4,521,210	\$ 995,745	\$ (1,316,374)	\$ 2,691,622
County's covered-employee payroll	\$ 13,303,297	\$ 13,133,258	\$ 12,516,017	\$ 12,682,757	\$ 12,401,695
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	25.05%	34.43%	7.96%	(10.38%)	21.70%
Plan fiduciary net position as a percentage of the total pension liability	94.18%	91.47%	98.09%	102.64%	94.35%

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

Bladen County, North Carolina
Schedule of County's Contributions
Local Governmental Employees' Retirement System
 Last Five Fiscal Years

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,118,559	\$ 990,670	\$ 896,156	\$ 890,077	\$ 905,066
Contributions in relation to the contractually required contribution	1,118,559	990,670	896,156	890,077	905,066
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 14,102,238	\$ 13,303,297	\$ 13,133,258	\$ 12,516,017	\$ 12,682,757
Contributions as a percentage of covered-employee payroll	7.93%	7.45%	6.82%	7.11%	7.14%

Bladen County, North Carolina
Schedule Of The County's Proportionate Share Of The Net Pension Liability (Asset)
Registers of Deeds' Supplemental Pension Fund
 Last Five Fiscal Years *

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.25242%	0.25177%	0.259%	0.259%	0.226%
County's proportionate share of the net pension liability (asset) \$	\$ (43,086)	\$ (47,071)	\$ (59,972)	\$ (58,643)	\$ (48,336)
County's covered-employee payroll	\$ 62,726	\$ 63,760	\$ 59,942	\$ 53,191	\$ 58,307
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(68.69%)	(73.83%)	(100.05%)	(110.25%)	(82.90%)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	197.29%	193.88%	190.50%

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

Bladen County, North Carolina
Schedule of County's Contributions
Registers of Deeds' Supplemental Pension Fund
 Last Five Fiscal Years

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 8,840	\$ 8,245	\$ 7,869	\$ 7,522	\$ 6,628
Contributions in relation to the contractually required contribution	8,840	8,245	7,869	7,522	6,628
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 64,904	\$ 62,726	\$ 63,760	\$ 59,942	\$ 53,191
Contributions as a percentage of covered-	13.62%	13.14%	12.34%	12.55%	12.46%

Bladen County, North Carolina
Schedule Of The County's Proportionate Share Of The Net OPEB Liability
Retiree Health Benefit Board
 Last Two Fiscal Years *

	2018	2017
County's proportion of the net OPEB liability %	0.08160%	0.07148%
County's proportionate share of the net OPEB liability \$	\$ 26,753,886	\$ 31,096,883
County's covered-employee payroll	\$ 13,303,297	\$ 13,133,258
County's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	201.11%	236.78%
Plan fiduciary net position as a percentage of the total OPEB liability	3.52%	2.41%

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

Bladen County, North Carolina
Schedule of County's Contributions
Retiree Health Benefit Board
 Last Eight Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 818,636	\$ 772,168	\$ 735,462	\$ 675,865	\$ 684,869	\$ 613,884	\$ 610,497	\$ 609,181
Contributions in relation to the contractually required contribution	818,636	772,168	735,462	675,865	684,869	613,884	610,497	609,181
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 14,102,238	\$ 13,303,297	\$ 13,133,258	\$ 12,516,017	\$ 12,682,757	\$ 12,401,696	\$ 12,333,272	\$ 12,306,682
Contributions as a percentage of covered-employee payroll	5.81%	5.80%	5.60%	5.40%	5.40%	4.95%	4.95%	4.95%

Bladen County
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Combining and Individual Fund Statements and Schedules

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

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:			
Ad Valorem Taxes:			
Taxes		\$ 22,757,915	
Penalties and Interest		349,207	
Total	\$ <u>22,374,670</u>	<u>23,107,122</u>	\$ <u>732,452</u>
Local Option Sales Taxes:			
Article 39		1,998,894	
Article 40		813,881	
Article 42		2,194,399	
Article 44		1,203,614	
Total	<u>5,277,053</u>	<u>6,210,788</u>	<u>933,735</u>
Other Taxes and Licenses:			
Real Estate Transaction Tax		135,749	
Total	<u>116,775</u>	<u>135,749</u>	<u>18,974</u>
Restricted Intergovernmental:			
State and Federal Grants		7,639,355	
ABC Tax		5,012	
Facilities Fees		80,665	
Total	<u>10,136,768</u>	<u>7,725,032</u>	<u>(2,411,736)</u>
Permits and Fees:			
Building Permits and Inspection Fees		249,691	
Business Registration Fee		805	
Other Permits		19,748	
Register of Deeds		135,160	
Gun Permits		7,180	
Total	<u>287,562</u>	<u>412,584</u>	<u>125,022</u>
Sales and Services:			
Rent and Concessions		467,448	
Jail and Inmate Fees		60,281	
Administrative Fees		212,305	
Fees - Health Department		378,662	
Data Processing, Mapping, Tax Notices		36,565	
Recreation Fees		77,348	
Court Costs, Fees & Charges		69,333	
Miscellaneous Fees		49,642	
Library Fines, Fees, Contributions		26,885	
Environmental Health Fees		42,785	
Soil Conservation - Ad Sales		3,600	
Billing for EMS		2,941,571	
Economic Development Reimbursements		38,021	
Motor Pool Reimbursements		147,261	

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

	Budget	Actual	Positive (Negative)
Sheriff Reimbursements		918,555	
Total	5,380,112	5,470,262	90,150
Investment Earnings	123,595	282,076	158,481
Miscellaneous:			
Sale of Assets/Insurance Claims		244,059	
VIPER Payments		49,216	
Miscellaneous		395,763	
Total	492,703	689,038	196,335
TOTAL REVENUES	44,189,238	44,032,651	(156,587)
Expenditures:			
General Government:			
Governing Body:			
Salaries		89,193	
Employee Benefits		11,980	
Capital Outlay		-	
Insurance and Bonds		602,697	
Other Operating Expenditures		1,155,479	
Special Appropriation		73,080	
Total	2,109,053	1,932,429	176,624
Administration:			
Salaries		158,855	
Employee Benefits		45,020	
Capital Outlay		-	
Other Operating Expenditures		12,393	
Total	217,754	216,268	1,486
Personnel & Workplace Safety:			
Salaries		73,655	
Employee Benefits		20,512	
Capital Outlay		-	
Other Operating Expenditures		12,321	
Total	114,976	106,488	8,488
Planning and Community Development:			
Salaries		74,453	
Employee Benefits		23,857	
Capital Outlay		-	
Other Operating Expenditures		4,626	
Total	107,280	102,936	4,344

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

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Elections:			
Salaries		133,547	
Employee Benefits		43,647	
Capital Outlay		-	
Contracted Services		76,871	
Other Operating Expenditures		45,887	
Total	<u>370,699</u>	<u>299,952</u>	<u>70,747</u>
Finance:			
Salaries		223,407	
Employee Benefits		73,999	
Capital Outlay		-	
Other Operating Expenditures		66,472	
Total	<u>372,827</u>	<u>363,878</u>	<u>8,949</u>
Taxes:			
Salaries		242,427	
Employee Benefits		86,381	
Capital Outlay		-	
Other Operating Expenditures		291,135	
Contracted Services		94,449	
Total	<u>740,026</u>	<u>714,392</u>	<u>25,634</u>
Data Processing:			
Salaries		153,385	
Employee Benefits		49,702	
Capital Outlay		-	
Other Operating Expenditures		69,390	
Total	<u>278,027</u>	<u>272,477</u>	<u>5,550</u>
Mapping:			
Salaries		69,061	
Employee Benefits		26,217	
Capital Outlay		-	
Other Operating Expenditures		81,277	
Total	<u>210,099</u>	<u>176,555</u>	<u>33,544</u>
Register of Deeds:			
Salaries		160,055	
Employee Benefits		56,687	
Capital Outlay		-	
Other Operating Expenditures		188,720	
Total	<u>416,066</u>	<u>405,462</u>	<u>10,604</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Operational Services:			
Central Services and Administration:			
Salaries		202,786	
Employee Benefits		60,873	
Capital Outlay		154,518	
Other Operating Expenditures		619,060	
Contracted Services		68,060	
Total	<u>1,238,289</u>	<u>1,105,297</u>	<u>132,992</u>
Court Facilities:			
Capital Outlay		-	
Other Operating Expenditures		38,581	
Total	<u>66,833</u>	<u>38,581</u>	<u>28,252</u>
Central Services - Vehicle Maintenance:			
Salaries		73,462	
Employee Benefits		25,493	
Capital Outlay		9,999	
Other Operating Expenditures		492,052	
Total	<u>640,754</u>	<u>601,006</u>	<u>39,748</u>
Housekeeping:			
Salaries		164,509	
Employee Benefits		70,192	
Capital Outlay		-	
Other Operating Expenditures		33,620	
Total	<u>281,972</u>	<u>268,321</u>	<u>13,651</u>
Total General Government	<u>7,164,655</u>	<u>6,604,042</u>	<u>560,613</u>
Public Safety:			
Sheriff:			
Salaries		2,484,538	
Employee Benefits		1,026,932	
Capital Outlay		504,048	
Contracted Services		40,155	
Other Operating Expenditures		455,146	
Total	<u>4,570,673</u>	<u>4,510,819</u>	<u>59,854</u>
Communications:			
Salaries		375,241	
Employee Benefits		138,239	
Capital Outlay		-	
Other Operating Expenditures		2,422	
Total	<u>516,887</u>	<u>515,902</u>	<u>985</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Jail:			
Salaries		968,544	
Employee Benefits		350,668	
Capital Outlay		-	
Contracted Services		495	
Other Operating Expenditures		693,765	
Total	<u>2,095,957</u>	<u>2,013,472</u>	<u>82,485</u>
Pre Trial Release:			
Salaries		49,383	
Employee Benefits		18,853	
Capital Outlay		-	
Other Operating Expenditures		1,556	
Total	<u>69,590</u>	<u>69,792</u>	<u>(202)</u>
Equitable Sharing:			
Other Operating Expenditures		45,053	
Total	<u>54,938</u>	<u>45,053</u>	<u>9,885</u>
Animal Control:			
Salaries		152,904	
Employee Benefits		55,990	
Capital Outlay		30,455	
Other Operating Expenditures		55,961	
Total	<u>302,440</u>	<u>295,310</u>	<u>7,130</u>
Emergency Management:			
Salaries		179,726	
Employee Benefits		56,860	
Capital Outlay		107,110	
Other Operating Expenditures		83,251	
Total	<u>514,848</u>	<u>426,947</u>	<u>87,901</u>
Rescue Squads:			
Salaries		1,834,523	
Employee Benefits		563,909	
Capital Outlay		181,494	
Contracted Services		222,061	
Bad Debts		637,802	
Other Operating Expenditures		319,265	
Total	<u>3,748,031</u>	<u>3,759,054</u>	<u>(11,023)</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Inspection:			
Salaries		136,687	
Employee Benefits		46,443	
Capital Outlay		-	
Other Operating Expenditures		12,135	
Total	<u>203,635</u>	<u>195,265</u>	<u>8,370</u>
Coroner:			
Salaries		5,274	
Employee Benefits		633	
Professional Services		35,650	
Other Operating Expenditures		3,300	
Total	<u>44,472</u>	<u>44,857</u>	<u>(385)</u>
Special Appropriations:			
Aviation		7,930	
Forest Services		167,025	
Storm Preparation			
Beaver Control		5,200	
Total	<u>207,436</u>	<u>180,155</u>	<u>27,281</u>
Total Public Safety	<u>12,328,907</u>	<u>12,056,626</u>	<u>272,281</u>
Economic and Physical Development:			
Economic Development			
Salaries		155,686	
Employee Benefits		44,609	
Other Operating Expenditures		422,706	
Capital Outlay		-	
Total	<u>798,828</u>	<u>623,001</u>	<u>175,827</u>
Agricultural Extension:			
Salaries		147,069	
Employee Benefits		49,622	
Capital Outlay		-	
Other Operating Expenditures		21,561	
Total	<u>241,401</u>	<u>218,252</u>	<u>23,149</u>
Soil Conservation:			
Salaries		89,582	
Employee Benefits		30,873	
Capital Outlay		-	
Other Operating Expenditures		23,414	
Total	<u>169,585</u>	<u>143,869</u>	<u>25,716</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Special Appropriations:			
Debris Removal		-	
Airport Contribution		40,000	
Total	<u>702,813</u>	<u>40,000</u>	<u>662,813</u>
 Total Economic and Physical Dev.	<u>1,912,627</u>	<u>1,025,122</u>	<u>887,505</u>
 Human services:			
Health:			
Administration:			
Salaries		389,250	
Employee Benefits		136,584	
Capital Outlay		-	
Professional Services		32,141	
Other Operating Expenditures		96,143	
Total	<u>764,562</u>	<u>654,118</u>	<u>110,444</u>
 Environmental Services:			
Salaries		142,447	
Employee Benefits		49,013	
Capital Outlay		-	
Other Operating Expenditures		16,581	
Total	<u>218,093</u>	<u>208,041</u>	<u>10,052</u>
 Women, Infants, and Children:			
Salaries		109,550	
Employee Benefits		43,479	
Capital Outlay		-	
Other Operating Expenditures		13,096	
Total	<u>194,436</u>	<u>166,125</u>	<u>28,311</u>
 Bio-Terrorism:			
Other Operating Expenditures		27,348	
Total	<u>35,742</u>	<u>27,348</u>	<u>8,394</u>
 Family Planning:			
Salaries		138,831	
Employee Benefits		50,428	
Capital Outlay		-	
Other Operating Expenditures		41,403	
Total	<u>257,246</u>	<u>230,662</u>	<u>26,584</u>

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

	Budget	Actual	Positive (Negative)
Maternal:			
Salaries		166,486	
Employee Benefits		58,826	
Capital Outlay		-	
Other Operating Expenditures		22,634	
Total	256,038	247,946	8,092
Tuberculosis:			
Salaries		26,662	
Employee Benefits		8,473	
Capital Outlay		-	
Other Operating Expenditures		11,301	
Total	46,546	46,436	110
Child Health:			
Salaries		151,613	
Employee Benefits		53,887	
Capital Outlay		-	
Other Operating Expenditures		11,770	
Total	223,890	217,270	6,620
Care Management:			
Salaries		147,376	
Employee Benefits		45,498	
Capital Outlay		-	
Other Operating Expenditures		3,119	
Total	200,928	195,993	4,935
Health Check and Promotion:			
Salaries		61,866	
Employee Benefits		22,978	
Capital Outlay		-	
Other Operating Expenditures		3,530	
Total	105,122	88,374	16,748
Medication Assistance Program:			
Salaries		16,506	
Employee Benefits		1,263	
Capital Outlay		-	
Other Operating Expenditures		3,000	
Total	26,000	20,769	5,231
Home Health:			
Contracted Services		10,665	
Capital Outlay		-	
Other Operating Expenditures		4,391	
Total	16,734	15,056	1,678

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

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Young Families Connect:			
Salaries		34,379	
Employee Benefits		13,086	
Capital Outlay		-	
Other Operating Expenditures		433	
Total	<u>97,331</u>	<u>47,898</u>	<u>49,433</u>
H-Communicable Disease:			
Salaries		6,289	
Employee Benefits		2,809	
Capital Outlay		-	
Other Operating Expenditures		16,683	
Total	<u>27,159</u>	<u>25,781</u>	<u>1,378</u>
H-CAP:			
Salaries		187,498	
Employee Benefits		67,309	
Capital Outlay		-	
Other Operating Expenditures		64,760	
Total	<u>328,537</u>	<u>319,567</u>	<u>8,970</u>
Mental Health:			
Mental Health Expense		53,738	
Capital Outlay		-	
Total	<u>54,725</u>	<u>53,738</u>	<u>987</u>
School Health	250,000	250,000	-
H-IAP	41,500	39,777	1,723
Extension Services:			
Grants:			
Salaries		55,741	
Employee Benefits		22,375	
Capital Outlay		-	
Juvenile Services		21,261	
Other Operating Expenditures		46,510	
Total	<u>146,199</u>	<u>145,887</u>	<u>312</u>
Total Health	<u>3,290,788</u>	<u>3,000,786</u>	<u>290,002</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Social services:			
Salaries		3,407,421	
Employee Benefits		1,233,744	
Capital Outlay		300,734	
Contract Services		154,521	
Other Operating Expenditures		971,256	
Total	<u>6,598,004</u>	<u>6,067,676</u>	<u>530,328</u>
Public Assistance:			
	<u>2,200,991</u>	<u>933,590</u>	<u>1,267,401</u>
Total Social Services	<u>8,798,995</u>	<u>7,001,266</u>	<u>1,797,729</u>
Senior Citizens:			
Salaries		530,594	
Employee Benefits		193,236	
Capital Outlay		400	
Other Operating Expenditures		234,637	
Total	<u>1,099,639</u>	<u>958,867</u>	<u>140,772</u>
Veterans service officer:			
Salaries		25,661	
Employee Benefits		2,004	
Capital Outlay		-	
Other Operating Expenditures		781	
Total	<u>37,310</u>	<u>28,446</u>	<u>8,864</u>
Total Human Services	<u>13,226,732</u>	<u>10,989,365</u>	<u>2,237,367</u>
Cultural and Recreational:			
Recreation:			
Salaries		154,953	
Employee Benefits		46,561	
Capital Outlay		27,103	
Contracted Services		20,978	
Other Operating Expenditures		88,349	
Total	<u>353,827</u>	<u>337,944</u>	<u>15,883</u>
Library:			
Salaries		365,616	
Employee Benefits		135,274	
Capital Outlay		-	
Other Operating Expenditures		64,918	
Total	<u>578,465</u>	<u>565,808</u>	<u>12,657</u>
Special Appropriations:			
Other Charitable Organizations	<u>5,675</u>	<u>5,675</u>	<u>-</u>
Total Cultural and Recreational	<u>937,967</u>	<u>909,427</u>	<u>28,540</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Education:			
Public Schools:			
Current Expense	6,552,683	6,552,683	
Public School Building Fund	413,750	413,750	
Special Projects			
School Sales Tax	757,802	877,286	
Special Appropriation	279,523	27,912	
Capital Outlay			
Community Colleges:			
Current Expense	959,495	959,495	
Matching	50,000	-	
Capital Outlay	407,000	194,800	
Scholarship	5,000	5,000	
Total Education	<u>9,425,253</u>	<u>9,030,926</u>	<u>394,327</u>
Debt Service:			
Principal Retirement		2,043,422	
Interest and Fees		214,635	
Total Debt Service	<u>3,161,896</u>	<u>2,258,057</u>	<u>903,839</u>
TOTAL EXPENDITURES	<u>48,158,037</u>	<u>42,873,565</u>	<u>5,284,472</u>
Revenues over(under) Expenditures	<u>(3,968,799)</u>	<u>1,159,086</u>	<u>5,127,885</u>
Other financing sources (uses):			
Fund Balance Appropriated	4,028,799	-	(4,028,799)
Transfers (to)/from Other Funds:			
SRF Fund	(10,000)	-	10,000
Re-Assessment Fund	(50,000)	(50,000)	-
Net Transfers	(60,000)	(50,000)	10,000
Total Other Financing Sources (Uses)	<u>3,968,799</u>	<u>(50,000)</u>	<u>(4,018,799)</u>
Net Change In Fund Balance	<u>\$ -</u>	1,109,086	<u>\$ 1,109,086</u>
Fund Balance, Beginning		24,517,820	
Restatement		(20,932)	
Fund Balance, Restated		<u>24,496,888</u>	
Fund Balance, Ending		<u>\$ 25,605,974</u>	

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

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ 4,986	\$ 4,986
Expenditures:			
General Government			
Salaries		-	
Employee Benefits		-	
Operating Supplies		-	
Contracted Services		-	
Capital Outlay		-	
Total Expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Revenues Over (Under) Expenditures	<u>(50,000)</u>	<u>4,986</u>	<u>54,986</u>
Other Financing Sources (Uses):			
Transfers from General Fund	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	-	54,986	54,986
Fund Balance Appropriated		<u>-</u>	<u>-</u>
Net Change In Fund Balance	\$ <u>-</u>	54,986	\$ <u>54,986</u>
Fund Balance, Beginning		<u>403,702</u>	
Fund Balance, Ending		<u>\$ 458,688</u>	

Bladen County, North Carolina
Jail Construction Capital Project Fund
Schedule of Revenues and Expenditures - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Other Revenues:					
Investment Earnings	\$ -	\$ 1,442	\$ 110	\$ 1,552	\$ 1,552
Total Revenues	<u>-</u>	<u>1,442</u>	<u>110</u>	<u>1,552</u>	<u>1,552</u>
Expenditures:					
Public Safety					
Construction	19,327,499	17,465,895	1,277,738	18,743,633	583,866
Interest	<u>1,116,496</u>	<u>495,628</u>	<u>495,628</u>	<u>991,256</u>	<u>125,240</u>
Total Expenditures	<u>20,443,995</u>	<u>17,961,523</u>	<u>1,773,366</u>	<u>19,734,889</u>	<u>709,106</u>
Revenues Over (Under) Expenditures	<u>(20,443,995)</u>	<u>(17,960,081)</u>	<u>(1,773,256)</u>	<u>(19,733,337)</u>	<u>710,658</u>
Other Financing Sources (Uses):					
Issuance of Installment Purchases	21,956,916	19,985,000	-	19,985,000	(1,971,916)
Transfer from General Fund	<u>(1,512,921)</u>	<u>73,716</u>	<u>-</u>	<u>73,716</u>	<u>1,586,637</u>
Total Other Financing Sources (Uses)	<u>20,443,995</u>	<u>20,058,716</u>	<u>-</u>	<u>20,058,716</u>	<u>(385,279)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ 2,098,635</u>	<u>(1,773,256)</u>	<u>\$ 325,379</u>	<u>\$ 325,379</u>
Fund Balance, Beginning			<u>2,098,635</u>		
Fund Balance, Ending			<u>\$ 325,379</u>		

Bladen County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Fire District Funds(Combined)	Emergency Telephone System Fund	CDBG Grant	Lock and Dam Capital Project	Totals June 30, 2018
Assets:					
Cash and Cash Equivalents	\$ 2,809,470	\$ -	\$ 4,434	\$ -	\$ 2,813,904
Restricted Cash	-	122,515	-	600,747	723,262
Accounts Receivable	92,637	23,434	-	15,461	131,532
Taxes Receivable (Net)	121,669	-	-	-	121,669
Total Assets	<u>\$ 3,023,776</u>	<u>\$ 145,949</u>	<u>\$ 4,434</u>	<u>\$ 616,208</u>	<u>\$ 3,790,367</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable and Accrued					
Liabilities	\$ 367	\$ -	\$ -	\$ 47,377	\$ 47,744
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>367</u>	<u>-</u>	<u>-</u>	<u>47,377</u>	<u>47,744</u>
Deferred Inflows					
Deferred Revenues	121,669	-	-	-	121,669
Total Deferred Inflows of Resources	<u>121,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,669</u>
Fund Balances:					
Restricted					
Stabilization by State Statute	92,637	23,434	-	15,461	131,532
Public Safety	-	122,515	-	-	122,515
Cultural and Recreational	-	-	-	600,747	600,747
Fire Protection	2,516,063	-	-	-	2,516,063
Assigned					
Subsequent Year's Expenditures	293,040	-	-	-	293,040
Unassigned	-	-	4,434	(47,377)	(42,943)
Total Fund Balances	<u>2,901,740</u>	<u>145,949</u>	<u>4,434</u>	<u>568,831</u>	<u>3,620,954</u>
Total Liabilities and Fund Balances					
Balances	<u>\$ 3,023,776</u>	<u>\$ 145,949</u>	<u>\$ 4,434</u>	<u>\$ 616,208</u>	<u>\$ 3,790,367</u>

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

	Fire District Fund(All)	Emergency Telephone System Fund	CDBG NC Tomorrow Grant	Lock and Dam Capital Project	Totals June 30, 2018
Revenues:					
Ad Valorem Taxes	\$ 1,205,433	\$ -	\$ -	\$ -	\$ 1,205,433
Investment Earnings	32,058	1,183	-	325	33,566
Sales Tax Revenue	305,218	-	-	-	305,218
Restricted Intergovernmental	-	-	348,035	280,189	628,224
Other Taxes and Licenses					
Emerg. Telephone System Chgs	-	257,253	-	-	257,253
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,542,709</u>	<u>258,436</u>	<u>348,035</u>	<u>280,514</u>	<u>2,429,694</u>
Expenditures:					
Current:					
Public Safety	1,449,322	291,313	-	-	1,740,635
General Government	-	-	-	-	-
Cultural and Recreational	-	-	-	313,185	313,185
Economic and Physical Development	-	-	348,381	-	348,381
Total Expenditures	<u>1,449,322</u>	<u>291,313</u>	<u>348,381</u>	<u>313,185</u>	<u>2,402,201</u>
Revenues Over (Under) Expenditures	<u>93,387</u>	<u>(32,877)</u>	<u>(346)</u>	<u>(32,671)</u>	<u>27,493</u>
Net Change In Fund Balance	93,387	(32,877)	(346)	(32,671)	27,493
Fund Balance, Beginning	2,808,353	157,894	4,780	601,502	3,572,529
Restatement	-	20,932	-	-	20,932
Fund Balance, Restated	<u>2,808,353</u>	<u>178,826</u>	<u>4,780</u>	<u>601,502</u>	<u>3,593,461</u>
Fund Balance, Ending	<u>\$ 2,901,740</u>	<u>\$ 145,949</u>	<u>\$ 4,434</u>	<u>\$ 568,831</u>	<u>\$ 3,620,954</u>

Bladen County, North Carolina
Fire District Funds (All Fire Districts)
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem taxes:		\$ 1,205,433	
Sales Tax Revenue		305,218	
Miscellaneous Income		-	
Investment Earnings		32,058	
Total Revenues	\$ <u>1,166,824</u>	<u>1,542,709</u>	\$ <u>375,885</u>
Expenditures:			
Public Safety:			
Operating Expenses		492,114	
Miscellaneous		88,216	
Contracted Services		868,992	
Total Public Safety	<u>1,521,779</u>	<u>1,449,322</u>	<u>72,457</u>
Total Expenditures	1,521,779	1,449,322	72,457
Revenues Over (Under) Expenditures	<u>(354,955)</u>	<u>93,387</u>	<u>448,342</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(354,955)	93,387	448,342
Fund Balance Appropriated	<u>354,955</u>	<u>-</u>	<u>(354,955)</u>
Net Change In Fund Balance	\$ <u><u>-</u></u>	93,387	\$ <u><u>93,387</u></u>
Fund Balance, Beginning		<u>2,808,353</u>	
Fund Balance, Ending		\$ <u><u>2,901,740</u></u>	

Bladen County, North Carolina
Fire District Fund - Tobermory
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 51,329	
Sales Tax Revenue		13,309	
Miscellaneous Income		-	
Investment Earnings		1,856	
Total Revenues	<u>\$ 55,378</u>	<u>66,494</u>	<u>\$ 11,116</u>
Expenditures:			
Public Safety:			
Operating Expenses		35,315	
Miscellaneous		-	
Contracted Services		45,100	
Total Public Safety	<u>80,475</u>	<u>80,415</u>	<u>60</u>
Total Expenditures	80,475	80,415	60
Revenues Over (Under) Expenditures	<u>(25,097)</u>	<u>(13,921)</u>	<u>11,176</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(25,097)	(13,921)	11,176
Fund Balance Appropriated	<u>25,097</u>	<u>-</u>	<u>(25,097)</u>
Net Change In Fund Balance	<u>\$ -</u>	(13,921)	<u>\$ (13,921)</u>
Fund Balance, Beginning		<u>159,189</u>	
Fund Balance, Ending		<u>\$ 145,268</u>	

Bladen County, North Carolina
Fire District Funds - Ammon
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 47,403	
Sales Tax Revenue		12,061	
Miscellaneous Income		-	
Investment Earnings		2,071	
Total Revenues	<u>\$ 47,698</u>	<u>61,535</u>	<u>\$ 13,837</u>
Expenditures:			
Public Safety:			
Operating Expenses		911	
Miscellaneous		-	
Contracted Services		46,784	
Total Public Safety	<u>47,698</u>	<u>47,695</u>	<u>3</u>
Total Expenditures	47,698	47,695	3
Revenues Over (Under) Expenditures	<u>-</u>	<u>13,840</u>	<u>13,840</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	-	13,840	13,840
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>13,840</u>	<u>\$ 13,840</u>
Fund Balance, Beginning		<u>167,378</u>	
Fund Balance, Ending		<u>\$ 181,218</u>	

Bladen County, North Carolina
Fire District Fund - Clarkton
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 79,503	
Sales Tax Revenue		20,234	
Miscellaneous Income		-	
Investment Earnings		1,546	
Total Revenues	<u>\$ 79,707</u>	<u>101,283</u>	<u>\$ 21,576</u>
Expenditures:			
Public Safety:			
Operating Expenses		19,379	
Miscellaneous		-	
Contracted Services		55,010	
Total Public Safety	<u>79,707</u>	<u>74,389</u>	<u>5,318</u>
Total Expenditures	79,707	74,389	5,318
Revenues Over (Under) Expenditures	<u>-</u>	<u>26,894</u>	<u>26,894</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	-	26,894	26,894
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>26,894</u>	<u>\$ 26,894</u>
Fund Balance, Beginning		<u>122,260</u>	
Fund Balance, Ending		<u>\$ 149,154</u>	

Bladen County, North Carolina
Fire District Fund - East Arcadia
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 32,387	
Sales Tax Revenue		8,149	
Miscellaneous Income		-	
Investment Earnings		929	
Total Revenues	<u>\$ 32,107</u>	<u>41,465</u>	<u>\$ 9,358</u>
Expenditures:			
Public Safety:			
Operating Expenses		3,999	
Miscellaneous		-	
Contracted Services		18,792	
Total Public Safety	<u>32,107</u>	<u>22,791</u>	<u>9,316</u>
Total Expenditures	32,107	22,791	9,316
Revenues Over (Under) Expenditures	<u>-</u>	<u>18,674</u>	<u>18,674</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	-	18,674	18,674
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	18,674	<u>\$ 18,674</u>
Fund Balance, Beginning		<u>73,167</u>	
Fund Balance, Ending		<u>\$ 91,841</u>	

Bladen County, North Carolina
Fire District Fund - Hickory Grove
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 57,039	
Sales Tax Revenue		14,624	
Miscellaneous Income		-	
Investment Earnings		1,019	
Total Revenues	<u>\$ 57,991</u>	<u>72,682</u>	<u>\$ 14,691</u>
Expenditures:			
Public Safety:			
Operating Expenses		14,946	
Miscellaneous		-	
Contracted Services		45,450	
Total Public Safety	<u>61,646</u>	<u>60,396</u>	<u>1,250</u>
Total Expenditures	61,646	60,396	1,250
Revenues Over (Under) Expenditures	<u>(3,655)</u>	<u>12,286</u>	<u>15,941</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(3,655)	12,286	15,941
Fund Balance Appropriated	<u>3,655</u>	<u>-</u>	<u>(3,655)</u>
Net Change In Fund Balance	<u>\$ -</u>	12,286	<u>\$ 12,286</u>
Fund Balance, Beginning		<u>81,659</u>	
Fund Balance, Ending		<u>\$ 93,945</u>	

Bladen County, North Carolina
Fire District Fund - Kelly
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 42,241	
Sales Tax Revenue		10,898	
Miscellaneous Income		-	
Investment Earnings		784	
Total Revenues	<u>\$ 44,424</u>	<u>53,923</u>	<u>\$ 9,499</u>
Expenditures:			
Public Safety:			
Operating Expenses		41,100	
Miscellaneous		-	
Contracted Services		43,324	
Total Public Safety	<u>84,424</u>	<u>84,424</u>	<u>-</u>
Total Expenditures	84,424	84,424	-
Revenues Over (Under) Expenditures	<u>(40,000)</u>	<u>(30,501)</u>	<u>9,499</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(40,000)	(30,501)	9,499
Fund Balance Appropriated	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(30,501)</u>	<u>\$ (30,501)</u>
Fund Balance, Beginning		<u>96,252</u>	
Fund Balance, Ending		<u>\$ 65,751</u>	

Bladen County, North Carolina
Fire District Fund - White Lake
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 49,440	
Sales Tax Revenue		12,158	
Miscellaneous Income		-	
Investment Earnings		953	
Total Revenues	<u>\$ 47,603</u>	<u>62,551</u>	<u>\$ 14,948</u>
Expenditures:			
Public Safety:			
Operating Expenses		4,608	
Miscellaneous		-	
Contracted Services		32,170	
Total Public Safety	<u>47,603</u>	<u>36,778</u>	<u>10,825</u>
Total Expenditures	47,603	36,778	10,825
Revenues Over (Under) Expenditures	<u>-</u>	<u>25,773</u>	<u>25,773</u>
Other Financing Sources (Uses):			
Transfer to General Fund		-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	-	25,773	25,773
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>25,773</u>	<u>\$ 25,773</u>
Fund Balance, Beginning		<u>72,870</u>	
Fund Balance, Ending		<u>\$ 98,643</u>	

Bladen County, North Carolina
Fire District Fund - White Oak
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 55,420	
Sales Tax Revenue		14,374	
Miscellaneous Income		-	
Investment Earnings		3,234	
Total Revenues	<u>\$ 56,236</u>	<u>73,028</u>	<u>\$ 16,792</u>
Expenditures:			
Public Safety:			
Operating Expenses		874	
Miscellaneous		-	
Contracted Services		60,936	
Total Public Safety	<u>61,836</u>	<u>61,810</u>	<u>26</u>
Total Expenditures	61,836	61,810	26
Revenues Over (Under) Expenditures	<u>(5,600)</u>	<u>11,218</u>	<u>16,818</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(5,600)	11,218	16,818
Fund Balance Appropriated	<u>5,600</u>	<u>-</u>	<u>(5,600)</u>
Net Change In Fund Balance	<u>\$ -</u>	11,218	<u>\$ 11,218</u>
Fund Balance, Beginning		<u>266,673</u>	
Fund Balance, Ending		<u>\$ 277,891</u>	

Bladen County, North Carolina
Fire District Fund - Tar Heel
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 162,047	
Sales Tax Revenue		39,827	
Miscellaneous Income		-	
Investment Earnings		3,996	
Total Revenues	<u>\$ 166,190</u>	<u>205,870</u>	<u>\$ 39,680</u>
Expenditures:			
Public Safety:			
Operating Expenses		3,163	
Miscellaneous		-	
Contracted Services		139,385	
Total Public Safety	<u>166,190</u>	<u>142,548</u>	<u>23,642</u>
Total Expenditures	166,190	142,548	23,642
Revenues Over (Under) Expenditures	<u>-</u>	<u>63,322</u>	<u>63,322</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	-	63,322	63,322
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u><u>\$ -</u></u>	<u>63,322</u>	<u><u>\$ 63,322</u></u>
Fund Balance, Beginning		<u>282,288</u>	
Fund Balance, Ending		<u><u>\$ 345,610</u></u>	

Bladen County, North Carolina
Fire District Fund - Bladenboro
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 124,367	
Sales Tax Revenue		31,050	
Miscellaneous Income		-	
Investment Earnings		2,321	
Total Revenues	<u>\$ 121,039</u>	<u>157,738</u>	<u>\$ 36,699</u>
Expenditures:			
Public Safety:			
Operating Expenses		73,928	
Professional Services		-	
Miscellaneous		28,216	
Contracted Services		45,000	
Total Public Safety	<u>149,255</u>	<u>147,144</u>	<u>2,111</u>
Total Expenditures	149,255	147,144	2,111
Revenues Over (Under) Expenditures	<u>(28,216)</u>	<u>10,594</u>	<u>38,810</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(28,216)	10,594	38,810
Fund Balance Appropriated	<u>28,216</u>	<u>-</u>	<u>(28,216)</u>
Net Change In Fund Balance	<u>\$ -</u>	10,594	<u>\$ 10,594</u>
Fund Balance, Beginning		<u>224,937</u>	
Fund Balance, Ending		<u>\$ 235,531</u>	

Bladen County, North Carolina
Fire District Fund - Carvers Creek
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 41,755	
Sales Tax Revenue		10,352	
Miscellaneous Income		-	
Investment Earnings		797	
Total Revenues	<u>\$ 41,358</u>	<u>52,904</u>	<u>\$ 11,546</u>
Expenditures:			
Public Safety:			
Operating Expenses		856	
Miscellaneous		-	
Contracted Services		41,358	
Total Public Safety	<u>42,220</u>	<u>42,214</u>	<u>6</u>
Total Expenditures	42,220	42,214	6
Revenues Over (Under) Expenditures	<u>(862)</u>	<u>10,690</u>	<u>11,552</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(862)	10,690	11,552
Fund Balance Appropriated	<u>862</u>	<u>-</u>	<u>(862)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>10,690</u>	<u>\$ 10,690</u>
Fund Balance, Beginning		<u>64,474</u>	
Fund Balance, Ending		<u>\$ 75,164</u>	

Bladen County, North Carolina
Fire District Fund - Lisbon
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 75,951	
Sales Tax Revenue		19,281	
Miscellaneous Income		-	
Investment Earnings		3,058	
Total Revenues	<u>\$ 76,822</u>	<u>98,290</u>	<u>\$ 21,468</u>
Expenditures:			
Public Safety:			
Operating Expenses		6,341	
Miscellaneous		-	
Contracted Services		67,236	
Total Public Safety	<u>76,822</u>	<u>73,577</u>	<u>3,245</u>
Total Expenditures	76,822	73,577	3,245
Revenues Over (Under) Expenditures	<u>-</u>	<u>24,713</u>	<u>24,713</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	-	24,713	24,713
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	24,713	<u>\$ 24,713</u>
Fund Balance, Beginning		<u>247,427</u>	
Fund Balance, Ending		<u>\$ 272,140</u>	

Bladen County, North Carolina
Fire District Fund - Elizabethtown
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 145,794	
Sales Tax Revenue		37,912	
Miscellaneous Income		-	
Investment Earnings		3,660	
Total Revenues	<u>\$ 143,184</u>	<u>187,366</u>	<u>\$ 44,182</u>
Expenditures:			
Public Safety:			
Operating Expenses		76,918	
Miscellaneous		-	
Contracted Services		84,500	
Total Public Safety	<u>217,184</u>	<u>161,418</u>	<u>55,766</u>
Total Expenditures	217,184	161,418	55,766
Revenues Over (Under) Expenditures	<u>(74,000)</u>	<u>25,948</u>	<u>99,948</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(74,000)	25,948	99,948
Fund Balance Appropriated	<u>74,000</u>	<u>-</u>	<u>(74,000)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>25,948</u>	<u>\$ 25,948</u>
Fund Balance, Beginning		<u>292,360</u>	
Fund Balance, Ending		<u>\$ 318,308</u>	

Bladen County, North Carolina
Fire District Fund - Dublin
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 117,847	
Sales Tax Revenue		30,049	
Miscellaneous Income		-	
Investment Earnings		4,714	
Total Revenues	<u>\$ 117,958</u>	<u>152,610</u>	<u>\$ 34,652</u>
Expenditures:			
Public Safety:			
Operating Expenses		194,735	
Miscellaneous		60,000	
Contracted Services		27,230	
Total Public Safety	<u>325,383</u>	<u>281,965</u>	<u>43,418</u>
Total Expenditures	325,383	281,965	43,418
Revenues Over (Under) Expenditures	<u>(207,425)</u>	<u>(129,355)</u>	<u>78,070</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(207,425)	(129,355)	78,070
Fund Balance Appropriated	<u>207,425</u>	<u>-</u>	<u>(207,425)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(129,355)</u>	<u>\$ (129,355)</u>
Fund Balance, Beginning		<u>571,076</u>	
Fund Balance, Ending		<u>\$ 441,721</u>	

Bladen County, North Carolina
Fire District Fund - Bay Tree
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 72,349	
Sales Tax Revenue		19,127	
Miscellaneous Income		-	
Investment Earnings		1,009	
Total Revenues	<u>\$ 74,946</u>	<u>92,485</u>	<u>\$ 17,539</u>
Expenditures:			
Public Safety:			
Operating Expenses		14,926	
Miscellaneous		-	
Contracted Services		69,960	
Total Public Safety	<u>84,946</u>	<u>84,886</u>	<u>60</u>
Total Expenditures	84,946	84,886	60
Revenues Over (Under) Expenditures	<u>(10,000)</u>	<u>7,599</u>	<u>17,599</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(10,000)	7,599	17,599
Fund Balance Appropriated	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>7,599</u>	<u>\$ 7,599</u>
Fund Balance, Beginning		<u>73,701</u>	
Fund Balance, Ending		<u>\$ 81,300</u>	

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 28,817	
Sales Tax Revenue		6,491	
Miscellaneous Income		-	
Investment Earnings		71	
Total Revenues	<u>\$ 25,437</u>	<u>35,379</u>	<u>\$ 9,942</u>
Expenditures:			
Public Safety:			
Operating Expenses		114	
Miscellaneous		-	
Contracted Services		25,000	
Total Public Safety	<u>25,437</u>	<u>25,114</u>	<u>323</u>
Total Expenditures	25,437	25,114	323
Revenues Over (Under) Expenditures	<u>-</u>	<u>10,265</u>	<u>10,265</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	10,265	<u>\$ 10,265</u>
Fund Balance, Beginning		<u>2,334</u>	
Fund Balance, Ending		<u>\$ 12,599</u>	

Bladen County, North Carolina
Fire District Fund - Atkinson
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 3,837	
Sales Tax Revenue		740	
Miscellaneous Income		-	
Investment Earnings		25	
Total Revenues	<u>\$ 3,998</u>	<u>4,602</u>	<u>\$ 604</u>
Expenditures:			
Public Safety:			
Operating Expenses		1	
Miscellaneous		-	
Contracted Services		3,841	
Total Public Safety	<u>4,098</u>	<u>3,842</u>	<u>256</u>
Total Expenditures	4,098	3,842	256
Revenues Over (Under) Expenditures	<u>(100)</u>	<u>760</u>	<u>860</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(100)	760	860
Fund Balance Appropriated	<u>100</u>	<u>-</u>	<u>(100)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>760</u>	<u>\$ 760</u>
Fund Balance, Beginning		<u>2,979</u>	
Fund Balance, Ending		<u>\$ 3,739</u>	

Bladen County, North Carolina
Fire District Funds - Rowan
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 17,907	
Sales Tax Revenue		4,582	
Miscellaneous Income		-	
Investment Earnings		15	
Total Revenues	<u>\$ 19,172</u>	<u>22,504</u>	<u>\$ 3,332</u>
Expenditures:			
Public Safety:			
Operating Expenses		-	
Miscellaneous		-	
Contracted Services		17,916	
Total Public Safety	<u>19,172</u>	<u>17,916</u>	<u>1,256</u>
Total Expenditures	19,172	17,916	1,256
Revenues Over (Under) Expenditures	<u>-</u>	<u>4,588</u>	<u>4,588</u>
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	-	4,588	4,588
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>4,588</u>	<u>\$ 4,588</u>
Fund Balance, Beginning		<u>7,329</u>	
Fund Balance, Ending		<u>\$ 11,917</u>	

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

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Other Taxes and Licenses			
Emergency Telephone System Charges		\$ 257,253	
Restricted Intergovernmental			
Grants		-	
Miscellaneous		-	
Investment Income		1,183	
Total Revenues	\$ 257,253	258,436	\$ 1,183
Expenditures:			
Public safety:			
Operating Expenses		225,041	
Capital Outlay		66,272	
Total Expenditures	392,488	291,313	101,175
Total Expenditures	392,488	291,313	101,175
Revenues Over (Under) Expenditures	(135,235)	(32,877)	102,358
Other Financing Sources (Uses):			
Proceeds from Lease Purchase	-	-	-
Transfer to General Fund			-
Transfer from General Fund	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(135,235)	(32,877)	102,358
Fund Balance Appropriated	135,235	-	(135,235)
Net Change In Fund Balance	\$ -	(32,877)	\$ (32,877)
Fund Balance, Beginning		157,894	
Restatement		20,932	
Fund Balance, Restated		178,826	
Fund Balance, Ending		\$ 145,949	

Bladen County, North Carolina
Special Revenue Fund - CDBG Project
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2018

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Community Development Block Grant					
Single Family Rehab-DR17	\$ 150,000	\$ -	\$ 130,050	\$ 130,050	\$ (19,950)
Single Family Rehab	278,185	-	207,985	207,985	(70,200)
CDBG-DR	1,000,000	-	-	-	(1,000,000)
Small Business Entrep	250,000	237,246	10,000	247,246	(2,754)
Total restricted intergovernmental	<u>1,678,185</u>	<u>237,246</u>	<u>348,035</u>	<u>585,281</u>	<u>(1,092,904)</u>
Interest Income	-	-	-	-	-
Total Revenues	<u>1,678,185</u>	<u>237,246</u>	<u>348,035</u>	<u>585,281</u>	<u>(1,092,904)</u>
Expenditures:					
Current:					
Economic and physical development:					
Single Family Rehab-DR17					
Grant Expenditures	-	-	130,050	130,050	-
Total Scattered Site	<u>150,000</u>	<u>-</u>	<u>130,050</u>	<u>130,050</u>	<u>19,950</u>
Single Family Rehab					
Grant Expenditures	-	-	208,331	208,331	-
Total Scattered Site	<u>288,185</u>	<u>-</u>	<u>208,331</u>	<u>208,331</u>	<u>79,854</u>
CDBG-DR					
Grant Expenditures	-	-	-	-	-
Total Scattered Site	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Small Business Entrepreneurial					
Grant Expenditures	-	237,246	10,000	247,246	-
Total Small Bus Entrepreneurial	<u>250,000</u>	<u>237,246</u>	<u>10,000</u>	<u>247,246</u>	<u>2,754</u>
Total expenditures	<u>1,688,185</u>	<u>237,246</u>	<u>348,381</u>	<u>585,627</u>	<u>1,102,558</u>
Revenues over expenditures	(10,000)	-	(346)	(346)	9,654
Other Financing Sources (Uses):					
Residual Equity Transfer					
from General Fund	<u>10,000</u>	<u>4,780</u>	<u>-</u>	<u>4,780</u>	<u>(5,220)</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>4,780</u>	<u>-</u>	<u>4,780</u>	<u>(5,220)</u>
Revenues, Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 4,780</u>	<u>(346)</u>	<u>\$ 4,434</u>	<u>\$ 4,434</u>
Fund Balance, Beginning			<u>4,780</u>		
Fund Balance, Ending			<u>\$ 4,434</u>		

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

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental					
Grant	\$ 1,681,000	\$ 132,553	\$ 280,189	412,742	\$ (1,268,258)
Donations	1,649,536	796,000	-	796,000	(853,536)
Investment Income	-	621	325	946	946
Total Revenues	<u>3,330,536</u>	<u>929,174</u>	<u>280,514</u>	<u>1,209,688</u>	<u>(2,120,848)</u>
Expenditures:					
Culturual and Recreation					
Operating Expenses		327,672	313,185	640,857	
Total Expenditures	<u>3,330,536</u>	<u>327,672</u>	<u>313,185</u>	<u>640,857</u>	<u>2,689,679</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>601,502</u>	<u>(32,671)</u>	<u>568,831</u>	<u>568,831</u>
Other financing sources:					
Debt Proceeds		-	-	-	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unexpended Revenues and Receipts	\$ <u>-</u>	\$ <u>601,502</u>	<u>(32,671)</u>	<u>568,831</u>	\$ <u>568,831</u>
Fund Balance, Beginning			<u>601,502</u>		
Fund Balance, Ending			\$ <u>568,831</u>		

Bladen County
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Bladen County, North Carolina
Bladen County Hospital Rental Fund
Schedule of Revenues and Expenditures
Budget and Actual - (Non - GAAP)
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Rent		\$ 70,134	
Other Revenue		-	
Total Operating Revenues	\$ 70,134	70,134	\$ -
Nonoperating revenues:			
Interest Income		-	
Total Nonoperating Revenues		-	-
Total Revenues	70,134	70,134	-
Expenditures:			
Other Operating Expense		-	
	-	-	-
Debt Service:			
Principal Retirement		65,084	
Interest		5,050	
Total Debt Service	70,134	70,134	-
Capital Outlay	-	-	-
Total Expenditures	70,134	70,134	-
Revenues Over (Under) Expenditures	-	-	-
Fund Balance Appropriated		-	-
Revenues and Other Financing Sources			
Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ -

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues Over (Under) Expenditures	\$ -
Reconciling Items:	
Principal Payments on Capital Leases and Debt	65,084
Depreciation	(245,982)
Total Reconciling Items	(180,898)
Change in Net Position	\$ (180,898)

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

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Fees Solid Waste Collection		\$ 696,026	
Fees Solid Waste Disposal		1,072,476	
Fees Solid Waste Tipping		333,772	
Recyclable		17,428	
State Revenues		90,670	
Miscellaneous		121	
Total	<u>\$ 2,070,874</u>	<u>2,210,493</u>	<u>\$ 139,619</u>
Nonoperating revenues:			
State Grant		12,722	
Interest Earnings		17,773	
Total Nonoperating Revenues	<u>18,457</u>	<u>30,495</u>	<u>12,038</u>
Total Revenues	<u>2,089,331</u>	<u>2,240,988</u>	<u>151,657</u>
Expenditures:			
Salaries		279,883	
Employee Benefits		100,126	
Operating Expense		1,600,527	
Budgetary Appropriations			
Capital Outlay		321,576	
Interest Paid		-	
Principle Payments Capital Leases & Debt		-	
Total Expenditures	<u>2,462,661</u>	<u>2,302,112</u>	<u>160,549</u>
Revenues Over (Under) Expenditures	<u>(373,330)</u>	<u>(61,124)</u>	<u>312,206</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures and Other Uses	(373,330)	(61,124)	312,206
Fund Balance Appropriated	<u>373,330</u>	<u>-</u>	<u>(373,330)</u>
Revenues, Other Sources and Appropriated			
Fund Balance Over (Under)			
Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (61,124)</u>	<u>\$ (61,124)</u>

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

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual

	Actual
Revenues and Other Sources Over	
(Under) Expenditures and Other Uses	\$ (61,124)
Reconciling Items:	
Capital outlay	321,576
Increase/(Decrease) in deferred outflows of resources-pensions	(25,521)
Increase/(Decrease) in deferred outflows of resources - OPEB	89,748
(Increase)/Decrease in net pension liability	23,769
(Increase)/Decrease in net OPEB liability	71,343
(Increase)/Decrease in deferred inflows of resources-pensions	1,583
(Increase)/Decrease in deferred inflows of resources - OPEB	(185,923)
(Increase)/Decrease in accrued vacation	13,095
Bad Debts	(97,817)
Depreciation	(173,888)
Total Reconciling Items and Adjustments	37,965
Change in Net Position	\$ (23,159)

Bladen County, North Carolina
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For The Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Miscellaneous		\$ -	
Total Operating Revenues	\$ -	-	\$ -
Nonoperating Revenues			
Interest Income		293,613	
Total Nonoperating Revenues	293,688	293,613	(75)
Total Revenues	293,688	293,613	(75)
Expenditures:			
Operating Expenses		-	
Budgetary Appropriations:			
Interest Paid		293,613	
Debt Principal		315,000	
Total Expenditures	608,688	608,613	75
Revenues Over (Under) Expenditures	(315,000)	(315,000)	-
Other Financing Sources and (Uses):			
Debt Issuance		-	
Principle Repayment from Water District		315,000	
Total Other Financing Sources (Uses)	315,000	315,000	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	-	-
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ -

Bladen County, North Carolina
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For The Fiscal Year Ended June 30, 2018

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

	<u>Actual</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under)	
Expenditures and Other Uses	\$ <u>-</u>
 Budgetary Appropriations:	
Principal Payments	315,000
Principle Repayment from Water District	<u>(315,000)</u>
Total reconciling items	<u>-</u>
 Change in Net Position	\$ <u><u>-</u></u>

Bladen County, North Carolina
Water District Fund
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For The Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Tap on Fees		\$ 31,386	
Water Sales		2,107,638	
Late and Reconnect Fees		116,745	
Miscellaneous		26,857	
Total Operating Revenues	\$ <u>2,104,476</u>	<u>2,282,626</u>	\$ <u>178,150</u>
Nonoperating Revenues			
State Grant		229,500	
Interest on Investments		26,312	
Total Nonoperating Revenues	<u>391,500</u>	<u>255,812</u>	<u>(135,688)</u>
Total Revenues	<u>2,495,976</u>	<u>2,538,438</u>	<u>42,462</u>
Expenditures:			
Salaries		298,828	
Employee Benefits		102,069	
Operating Expenses		753,263	
Budgetary Appropriations:			
Capital Outlay		273,907	
Interest Paid		538,869	
Debt Principal		240,106	
Reduction in Water Fund Due to		315,000	
Total Expenditures	<u>3,102,025</u>	<u>2,522,042</u>	<u>579,983</u>
Revenues Over (Under) Expenditures	<u>(606,049)</u>	<u>16,396</u>	<u>622,445</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	(606,049)	16,396	622,445
Appropriated Fund Balance	<u>606,049</u>	<u>-</u>	<u>(606,049)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>16,396</u>	\$ <u>16,396</u>

Bladen County, North Carolina
Water District Fund
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For The Fiscal Year Ended June 30, 2018

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

	Actual
Revenues, Other Sources and Appropriated	
Fund Balance Over (Under)	
Expenditures and Other Uses	\$ 16,396
 Budgetary Appropriations:	
Capital Outlay	273,907
Principal Payments	555,106
Amortization of Bond Premiums	(13,584)
Amortization of Deferred Charges	45,409
Increase/(Decrease) in deferred outflows of resources-pensions	(25,521)
Increase/(Decrease) in deferred outflows of resources - OPEB	89,748
(Increase)/Decrease in net pension liability	23,769
(Increase)/Decrease in net OPEB liability	71,343
(Increase)/Decrease in deferred inflows of resources-pensions	1,583
(Increase)/Decrease in deferred inflows of resources - OPEB	(185,923)
(Increase)/Decrease in accrued vacation	6,970
Depreciation	(764,457)
Total reconciling items	78,350
 Change in Net Position	\$ 94,746

Bladen County, North Carolina
Agency Funds
Combining Statement of Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>Fines and Forfeitures</u>				
Assets:				
Cash and Investments	\$ -	\$ 189,089	\$ 189,089	\$ -
Liabilities:				
Miscellaneous Liabilities	-	189,089	189,089	-
<u>Social Services Fund</u>				
Assets:				
Cash and Investments	63,946	363,822	368,057	59,711
Liabilities:				
Miscellaneous Liabilities	63,946	363,822	368,057	59,711
<u>Municipal Tax Fund</u>				
Assets:				
Cash and Cash Equivalents	30,805	457,264	459,491	28,578
Liabilities:				
Intergovernmental Payable	30,805	457,264	459,491	28,578
<u>Animal Control Trust</u>				
Assets:				
Cash and Investments	12,313	2,753	8,622	6,444
Liabilities:				
Miscellaneous Liabilities	12,313	2,753	8,622	6,444
<u>Concealed Handgun Permits</u>				
Assets:				
Cash and Investments	29,110	33,550	37,950	24,710
Liabilities:				
Miscellaneous Liabilities	29,110	33,550	37,950	24,710
<u>Sheriff's Civil Account</u>				
Assets:				
Cash and Investments	2,295	601	600	2,296
Liabilities:				
Miscellaneous Liabilities	2,295	601	600	2,296
<u>Sheriff's Evidence Account</u>				
Assets:				
Cash and Investments	54,475	-	9,111	45,364
Liabilities:				
Miscellaneous Liabilities	54,475	-	9,111	45,364
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	192,944	1,047,079	1,072,920	167,103
Liabilities:				
Miscellaneous liabilities	162,139	589,815	613,429	138,525
Intergovernmental Payable	30,805	457,264	459,491	28,578
Total Liabilities	\$ 192,944	\$ 1,047,079	\$ 1,072,920	\$ 167,103

Other Schedules

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

Fiscal Year	Uncollected Balance June 30, 2017	Additions	Collections And Credits	Uncollected Balance June 30, 2018
2017-2018	\$ -	\$ 23,007,891	\$ 22,087,287	\$ 920,604
2016-2017	891,013	249	342,458	548,804
2015-2016	496,380	-	178,605	317,775
2014-2015	290,256	-	74,693	215,563
2013-2014	316,712	-	67,447	249,265
2012-2013	264,369	-	53,026	211,343
2011-2012	192,493	-	29,808	162,685
2010-2011	173,051	-	20,153	152,898
2009-2010	175,961	-	17,633	158,328
2008-2009	133,649	-	8,970	124,679
2007-2008	120,588	-	120,588	-
TOTALS	\$ 3,054,472	\$ 23,008,140	\$ 23,000,668	3,061,944
			Less Allowance for Doubtful Accounts	<u>(1,053,000)</u>
				\$ 2,008,944

Reconcilement with revenues:

Ad Valorem taxes - General Fund	\$ 23,107,122
Reconciling items:	
Penalties and Interest	(349,207)
Release/Refunds	149,418
Discounts	93,335
Total Reconciling Items	<u>(106,454)</u>
Total Collections and Credits	<u>\$ 23,000,668</u>

Bladen County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2018

	County - wide			Total Levy	
	Property Valuation	Rate Per 100	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property Taxes at Current Year Rate	\$ 2,792,158,049	0.82	\$ 22,895,696	\$ 20,662,469	\$ 2,233,227
Total Original Levy	<u>2,792,158,049</u>		<u>22,895,696</u>	<u>20,662,469</u>	<u>2,233,227</u>
Discoveries:					
Current year taxes	35,345,488	0.82	289,833	289,833	-
Total Discoveries	<u>35,345,488</u>		<u>289,833</u>	<u>289,833</u>	<u>-</u>
Abatements					
Current Year Taxes	(21,663,171)	0.82	(177,638)	(177,638)	-
Total Abatements	<u>(21,663,171)</u>		<u>(177,638)</u>	<u>(177,638)</u>	<u>-</u>
Total for Year	<u>\$ 2,805,840,366</u>		23,007,891	20,774,664	2,233,227
Uncollected taxes at June 30, 2018			<u>920,604</u>	<u>920,604</u>	<u>-</u>
Current year's taxes collected			<u>\$ 22,087,287</u>	<u>\$ 19,854,060</u>	<u>\$ 2,233,227</u>
Current levy collection percentage			<u>96.00%</u>	<u>95.57%</u>	<u>100.00%</u>

Bladen County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2018

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio ¹	100 %
Real Property	\$ 1,934,145,523
Personal Property	712,550,175
Public Service Companies ²	<u>159,144,668</u>
Total Assessed Valuation	<u>2,805,840,366</u>
Tax Rate per \$100	0.0082
Levy (includes discoveries, releases and abatements) ³	<u><u>\$ 23,007,891</u></u>

In addition to the County-wide rate, the following table lists the levies by the County on behalf and fire protection districts for the fiscal year ended June 30:

Fire Protection Districts	<u><u>\$ 1,177,433</u></u>
---------------------------	----------------------------

¹ Percentage of appraised value has been established by statute.

² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³ The levy includes interest and penalties.

Bladen County, North Carolina
Schedule of Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2018

Taxpayer	Type of Business	2017 Assessed Valuation	Percentage of Total Assessed Valuation
Smithfield Packing	Pork Processor	\$ 113,914,056	4.06 %
The Chemours Company FC LLC	Plastic & Resin Products	80,032,579	2.85
Smithfield Farmland Corp	Pork Processor and Distributor	39,099,910	1.39
Gildan Yarns LLC	Textiles	26,936,203	0.96
Kuraray America Inc	Chemical, Fiber and Resin Production	22,431,087	0.80
Murphy Brown Farms	Agricultural Processor	21,362,447	0.76
Carolina Cold Storage	Processed Pork Storage	21,153,422	0.75
Veeder Root Inc	Electronics	17,952,175	0.64
E.I. Dupont De Nemours & Co	Chemical, Fiber and Resin Production	17,259,943	0.62
Browns Realty Partnership	Agricultural Processor	16,826,524	0.60
Total		\$ <u><u>376,968,346</u></u>	<u><u>13.44 %</u></u>

Bladen County
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Compliance Section



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**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
Bladen County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bladen County, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statement, which collectively comprises Bladen County's basic financial statements, and have issued our report thereon dated January 31, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bladen County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bladen County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for 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 questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses 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 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 questioned costs to be a material weaknesses, listed as 2018-002 & 2018-003.

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 deficiencies described in the accompanying schedule of findings and questioned costs to be a significant deficiency, listed as 2018-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bladen 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items, listed as 2018-002 & 2018-003.

Bladen County's Response to Findings

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

Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., PA

Elizabethtown, North Carolina
January 31, 2019



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Report On Compliance With Requirements Applicable to Each Major Federal Program and Report on 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
Bladen County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Bladen County, North Carolina, 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 Bladen County's major federal programs for the year ended June 30, 2018. Bladen County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Bladen County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bladen 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 Bladen County's compliance.

Basis for Qualified Opinion on Medical Assistance Program

As described in the accompanying schedule of findings and questioned costs, Bladen County did not comply with requirements regarding the CFDA 93.778 Medical Assistance Program as described in finding numbers 2018-002 and 2018-003 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Bladen County to comply with the requirements applicable to that program.

Qualified Opinion on Medical Assistance Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Bladen County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medical Assistance Program for the year ended June 30, 2018.

Unmodified Opinion the Other Major Federal Program

In our opinion, Bladen County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2018.

Other matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-002 and 2018-003. Our opinion on the major federal program is not modified with respect to these matters.

Bladen County's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. Bladen County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Bladen 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 Bladen County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-002 & 2018-003 to be material weaknesses.

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

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

Thompson, Price, Scott, Adams & Co., PA

Elizabethtown, North Carolina

January 31, 2019



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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
Bladen County, North Carolina

Report on Compliance for Each Major State Program

We have audited Bladen County, North Carolina, 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 Bladen County's major state programs for the year ended June 30, 2018. Bladen County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Bladen 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 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, 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 Bladen 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 Bladen County's compliance.

Opinion on Each Major State Program

In our opinion, Bladen County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Thompson, Price, Scott, Adams & Co., PA

Elizabethtown, North Carolina

January 31, 2019

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

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

- Material Weakness(es) identified? X yes no
- Significant deficiency(s) identified? X yes none reported
- Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? X yes no
- Significant deficiency(s) identified? yes X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified, for all federal programs except for Medical Assistance Program (Title XIX – Medicaid), which was modified.

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

Identification of major federal programs:

CFDA # Program Name

93.778 Medical Assistance Program (Title XIX – Medicaid)
10.766 Community Facilities Loans and Grants-Law Enforcement & Detention Center

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

Auditee qualified as low-risk auditee? yes X no

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? yes X no
- Significant deficiency(s) identified that are not considered to be a material weakness. yes X none reported

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

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

Identification of major State programs:

Program Name

NC Housing Finance Agency - 2015 Single Family Rehabilitation Loan Pool
Public School Building Capital Fund - Lottery Proceeds
School Nurse Funding Initiative

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

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

2018 – 001 Segregation of Duties

Criteria: Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.

Condition: There is a lack of segregation of duties among County personnel. There are departments within the County that do not have a sufficient number of personal to separate billing and collection procedures.

Effect: Transactions could be mishandled.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2017-001.

Cause: There are a limited number of personnel for certain functions.

Recommendation: The duties should be separated as much as possible and alternative controls should be used to compensate for lack of separation.

Views of responsible officials and planned corrective actions: Management is aware of the deficiency, but the cost-benefit analysis indicates that hiring more personnel to mitigate the issue is not feasible. Management will review assigning procedures to other employees outside of those departments to help create compensation controls.

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

Section III – Federal Award Findings and Questioned Costs

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

Finding: 2018 – 002

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE
Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were six errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

Questioned Costs: There was no affect to eligibility and there were no questioned costs.

Context: We examined 96 Medicaid applicants that were selected by the Office of the North Carolina State Auditor in a separate engagement to re-determine eligibility. These findings were disclosed in a separately issued report to the Office of State Auditor and are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2017-002. Although, the finding is different than that in 2017, but still involves the Medicaid intake process.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. The County finance office will also participating in the review process.

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

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

Finding: 2018 – 003

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE
Recertification

Criteria: The State sends notification to the County when a participant is no longer eligible under SSI determination. The County has a certain time period to process that participant's application and determine if eligible for Medicaid benefits based on Medicaid for Aged, Blind and Disabled rules.

Condition: Of the files tested, there were 3 participants that did not get reviewed timely and determined to be eligible for Medicaid.

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

Context: We examined 96 Medicaid applicants that were selected by the Office of the North Carolina State Auditor in a separate engagement to re-determine eligibility. These findings were disclosed in a separately issued report to the Office of State Auditor and are being reported with the financial statement audit as it relates to the major program compliance audit for Medicaid administrative cost.

Effect: County asserts that no exparte review was requested and, therefore, no eligibility review was completed. The lack of follow up and certification lead to someone receiving Medicaid that is not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2017-003. Although, the finding is different than that in 2017, but still involves the Medicaid intake process.

Cause: Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that participants would no longer be eligible for SSI disability benefits and the County needs to conduct an application process. This information was not shared with other areas in DSS that the recipient was receiving benefits.

Recommendation: Any State communications related to participants' benefits received by the any DSS department should be shared with all areas that the participant receives benefits.

State Files should be reviewed internally to ensure all actions have been properly closed and the correct action has been taken. Workers should be retrained on what process needs to be followed when State communications are received.

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

Section IV – State Award Findings and Questioned Costs

None.

Bladen County Health & Human Services

Vickie K. Smith
Director



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Department of Social Services

Corrective Action Plan
June 30, 2018

Section II – Financial Statement Findings

Finding 2018 – 001 Name of contact person: Ray Britt, Chairperson

Corrective Action: The duties will be separated as much as possible and alternative controls will be used to compensate for lack of separation.

Proposed Completion Date: Certain alternative controls have been established and personnel are being trained. Management will continue to monitor the progress of this issue and modify the controls as needed.

Section III – Federal Award Findings and Questioned Costs

Finding 2018 – 002 Name of contact person: Ray Britt, Chairperson

Corrective Action: Procedures and controls are being developed for caseworkers to follow. Medicaid caseworkers will receive additional training on the newly created “Documentation Policy” to remind each of the policies and procedures to be followed in the application process. In addition, second party reviews will be conducted to monitor the actual application of the policy. The finance office will assist with these reviews.

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

Finding 2018 – 003 Name of contact person: Ray Britt, Chairperson

Corrective Action: Procedures and controls are being developed for caseworkers to follow. Medicaid caseworkers will receive additional training on the newly created “Documentation Policy” to remind each of the policies and procedures to be followed in the application process. Supervisors will review action reports regularly to determine if correct was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. The County finance office will also participating in the review process.

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

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Social Services
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(910) 862-6800



Division on Aging
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608 McLeod Street
Elizabethtown, NC 28337
(910) 872-6330

BARTS
P.O. Box 520
608 McLeod Street
Elizabethtown, NC 28337
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BLADEN COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018

Finding: 2017-001, 2016-001, 2015-1, 2014-1, 2013-2, 2012-1, 2011 -1, 2010-1 & 2009-1
Status: Duties are being separated as much as possible and alternative controls are being implemented to compensate for lack of separation. Other employees from other departments are assisting and the finance department has implemented compensating controls to monitor revenues from those departments.

Finding: 2017-002, 2017-003
Status: Still occurring in different versions of issues related to the Medicaid intake process.

Finding: 2016-002, 2015-2, 2014-2
Status: This finding has been corrected.

Finding: 2013-1
Status: This finding has been corrected.

Finding: 2012-2
Status: This finding has been corrected.

Finding: 2011-2 & 2010-2
Status: This finding has been corrected.

Finding: 2011-3
Status: This finding has been corrected.

Finding: 2010-3
Status: This finding has been corrected.

Finding: 2010-4
Status: This finding has been corrected.

Finding: 2009-2
Status: This finding has been corrected.

Finding: 2009-3
Status: This finding has been corrected.

Bladen County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2018

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 Subrecipients	Local Expenditures
Federal Awards:						
<u>U.S. Dept. of Agriculture</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		578,202	-	-	578,201
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		182,128	-	-	-
Passed-through Lumber River Council of Governments:						
NSIP Supplement	93.053		20,498	-	-	-
Direct Program						
Community Facilities Loans and Grants-Law Enforcement & Detention Center	10.766		1,773,366	-	-	-
Total U.S. Dept. of Agriculture						
			2,554,194	-	-	578,201
U.S. Dept. of Housing and Urban Development						
Passed-through N.C. Department of Commerce:						
CDBG - State - Administered Small Cities Program Cluster						
Community Development Block Grant						
Small Business Entrepreneurial Assistance	14.228	11-C-2332	10,000	-	-	-
Total CDBG - State - Administered Small Cities Program Cluster						
			10,000	-	-	-
<u>U.S. Dept of Transportation</u>						
Passed-through the N.C. Department of Transportation:						
Formula Grants for Other Than Urbanized Areas	20.509	36233.11.20.1	51,968	3,248	-	-
Formula Grants for Other Than Urbanized Areas	20.509	36233.11.19.1	52,492	3,351	-	-
Total U.S. Department of Transportation						
			104,460	6,599	-	-
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)						
	97.036		2,886	962	-	-
Emergency Service Performance Grant	97.042		37,752	-	-	-
Byrne Justice Assistance Grant	16.738		1,875	-	-	-
Total U.S. Department of Homeland Security						
			42,513	962	-	-
<u>Division of Aging and Adult Services</u>						
Passed-through Lumber River Council of Governments:						
<u>Aging Cluster</u>						
Home & Community Care Block Grant:						
Access - Title III-B	93.044		68,621	4,037	-	-
In-home Services:						
Title III-B	93.044		114,561	6,739	-	-
Home Delivered Meals Title III-C2	93.045		109,575	6,446	-	-
Congregate Nutrition Title III-C1	93.045		10,427	613	-	-
Total Aging Cluster						
			303,184	17,835	-	-
Social Service Block Grant (SSBG) - In Home Services	93.667		11,548	330	-	-

Bladen County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2018

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 Subrecipients	Local Expenditures
<u>Administration for Children and Families:</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Family Preservation	93.556		8,804	-	-	-
Child Support Enforcement	93.563		577,515	665	-	297,511
Low-Income Home Energy Assistance Block Grant:						
Administration	93.568		426,427	-	-	-
Total Low-Income Home Energy Assistance			426,427	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning	93.645		9,302	-	-	3,101
Social Services Block Grant	93.667		285,635	-	-	70,994
Independent Living Grant	93.674		10,938	2,734	-	-
Adoption/Foster Care			18,686	-	-	-
IV-E Adoption			17	-	-	-
<u>Temporary Assistance for Needy Families Cluster:</u>						
Temporary Assistance for Needy Families (TANF)/ Workfirst	93.558		342,171	-	-	506,792
Total TANF Cluster:			342,171	-	-	506,792
Foster Care and Adoption Cluster:						
Title IV-E Foster Care-Administration	93.658		164,654	3,403	-	159,336
Foster Care-Direct Benefit Payments	93.658		181,198	52,485	-	51,187
Title IV-E Adoption	93.659		191	-	-	191
Total Foster Care and Adoption Cluster			346,043	55,888	-	210,714
Division of Child Development and Early Education:						
Subsidized Child Care (Note 3)						
<u>Child Care Development Cluster:</u>						
Division of Social Services						
Child Care Development Mandatory and Match Fund - Administration	93.596		80,000	-	-	-
Division of Child Development:						
Child Care and Development Fund - Discretionary	93.575		130,015	-	-	-
Child Care and Development Fund - Mandatory	93.596		18,025	-	-	-
Child Care and Development Fund - Match	93.596		(1,323)	(655)	-	-
Total Child Care Development Fund Cluster			226,717	(655)	-	-
TANF	93.558		14,539	-	-	-
Foster Care Title IV-E	93.658		-	11,751	-	-
State Appropriations			-	10,081	-	-
TANF - MOE			-	-	-	-
Total Subsidized Child Care Cluster(note 3)			241,256	21,177	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778		1,301,520	8,161	-	501,825
Division of Social Services:						
Administration:						
State Children's Insurance Prg - N.C. Health Choice	93.767		31,825	14	-	-

Bladen County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2018

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 Subrecipients	Local Expenditures
<u>Centers for Disease Control and Prevention</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Emergency Preparedness (PHEP) Aligned Cooperative						
Agreements	93.074		35,742	-	-	-
Project Grants & Cooperative Agreements for Tuberculosis Cor	93.116		50	-	-	-
Family Planning Services	93.217		28,801	-	-	-
Pregnancy Assistance Fund Program	93.500		68,053			
PPHF Capacity Building Asst to Strengthen PH Immunization						
Uninfrastructure & Performance	93.539		12,334	-	-	-
Temporary Assistance for Needy Families	93.558		7,094	-	-	-
Preventive Health and Health Services Block Grant	93.758		39,984	-	-	-
Preventive Health Services - STD Control	93.977		692	-	-	-
Block Grants -Prevent and Treatment of Substance Abuse	93.959		35,842	26,884	-	-
Total U.S. Dept. of Health and Human Services			4,143,463	133,688	-	1,590,937
Total Federal Awards			6,854,630	141,249	-	2,169,138
State Awards:						
<u>N.C. Dept. of Cultural and Natural Resources</u>						
State Aid to Public Libraries			-	98,737	-	-
Total N.C. Dept. of Cultural and Natural Resources			-	98,737	-	-
<u>N.C. Dept. of Health and Human Services</u>						
Division of Social Services:						
County Programs						
State Child Welfare/CPS/CS/LD			-	22,904	-	-
Extended FC/Max Non IVE			-	43,819	-	-
CWS Adoption Assistance			-	72,223	-	21,528
Nonallocating Cost			-	-	-	229,376
Energy Assistance - Private Donations			-	1,716	-	-
Foster Home			-	6,702	-	6,702
SFHF Maximation			-	14,314	-	14,314
Division of Public Health:						
Food and Lodging Fees						
School Nurse Funding			-	11,796	-	-
General Aid to Counties			-	250,000	-	-
General Communicable Disease Control			-	106,631	-	-
Child Health			-	2,147	-	-
Family Planning			-	14,756	-	-
Tuberculosis			-	7,920	-	-
Maternal Health(HMHC)			-	21,961	-	-
HIV/STD State			-	8,856	-	-
Gonorrhea Partner Services			-	500	-	-
STD Drugs			-	191	-	-
Women's Health Service Fund			-	257	-	-
			-	7,088	-	-
Division of Aging:						
90 % State Funds						
			-	53,402	-	-
Total N. C. Department of Health and Human Services			-	647,183	-	1,080,592
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Program			-	144,251	-	1,636
Local Emergency Planning Committee Grants			-	1,000	-	-
			-	145,251	-	1,636

Bladen County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2018

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 Subrecipients	Local Expenditures
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.7.1	-	57,198	-	-
ROAP Rural General Public Program		36228.22.7.1	-	50,706	-	-
ROAP Workfirst First Transitional - Employment Transportation Assistance Program		36236.11.6.1	-	10,971	-	-
Total ROAP Cluster			-	118,875	-	-
<u>N.C. Dept. of Environmental & Natural Resources</u>						
Division of Water Resources			-	164,746	-	-
DWH-Electronics Management			-	2,767	-	-
DWM-Scrap Tire Grant			-	9,955	-	-
DWM-White Good Fund-SWMGT			-	22,174	-	-
N.C. Dept. of Health & Natural Resources			-	199,642	-	-
<u>N.C. Dept of Agriculture</u>						
Animal Welfare & Spay/Neuter Program			-	9,597	-	-
<u>N.C. Dept of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	413,750	413,750	-
<u>N.C. Housing Finance Agency</u>						
Essential Single Family Rehabilitation Loan Pool - Disastery Recovery			-	130,050	-	-
2015 Single Family Rehabilitation Loan Pool			-	207,985	-	346
			-	338,035	-	346
<u>N.C. Dept of Insurance</u>						
Seniors's Health Insurance Information Program			-	4,506	-	-
<u>N.C. Dept. of Administration</u>						
Veteran Program			-	2,000	-	-
Total State Awards			-	1,977,576	413,750	1,082,574
Total Federal and State Awards			\$ 6,854,630	\$ 2,118,825	\$ 413,750	\$ 3,251,712

Bladen County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2018

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Bladen County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Bladen County, it is not intended Federal Awards (Uniform Guidance) and the State Single Audit to and does not present the financial position, changes in net assets or cash flows of Bladen County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or cost principles contained in the Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Pass-through entity identifying numbers are presented where available.

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

Note 3: Cluster of Programs

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

Note 4: Loans Outstanding

Bladen County had the following loan balances outstanding at June 30, 2018. These loan balances are not included in the federal expenditures presented in the schedule.

	Federal CFDA Number	Amount Outstanding
Community Facilities Loans and Grants	10.766	\$ -

The balance is \$0 at June 30, 2018; however, USDA has committed to provide funding to pay off the interim financing.