

**BLADEN COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2017**

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June 30, 2017

COUNTY MANAGER

Greg Martin

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COUNTY OFFICIALS

Lisa Coleman
Finance Officer

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County Attorney

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (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 52-53), the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions (pages 54-55), 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 56-57), 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 December 12, 2017 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
December 12, 2017*

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

Financial Highlights

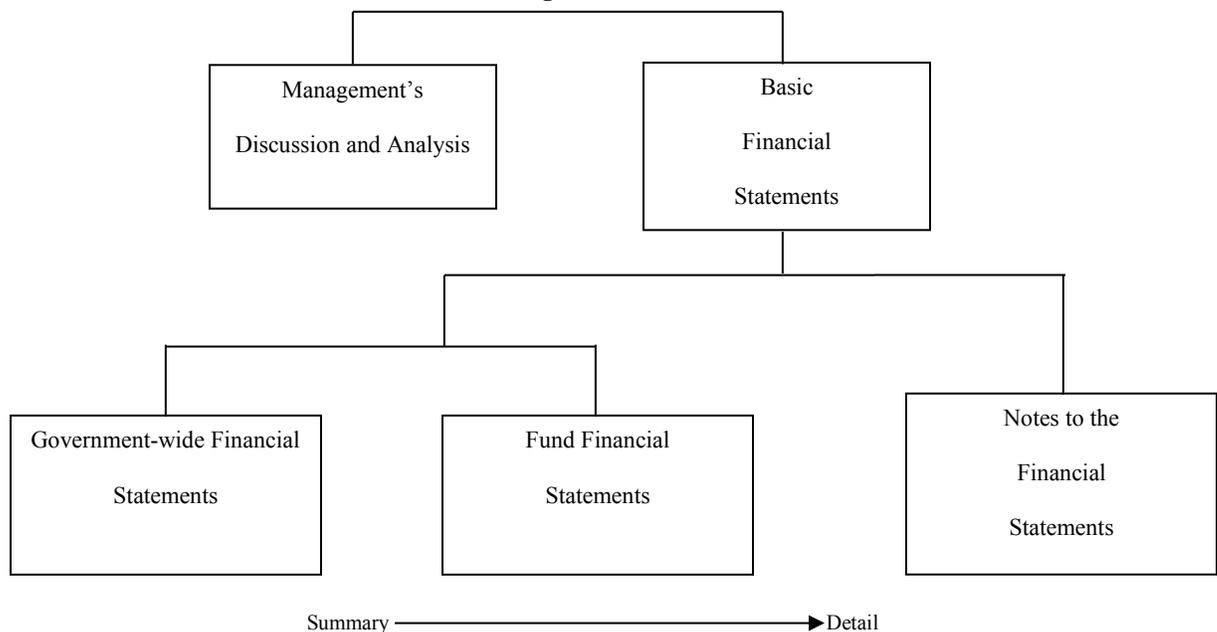
- The assets and deferred outflows of resources of Bladen County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$41,720,489 (*net position*).
- The County's total net position increased by \$5,360,179, primarily due to conservative budget practices throughout the governmental activities.
- As of the close of the current fiscal year, Bladen County's general fund reported ending fund balance of \$24,921,522, an increase of \$4,761,640. Approximately 20 percent of this total amount, or \$5,011,483, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,489,089, 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 \$2,854,473 during this fiscal year. During the year the County made all scheduled debt service payments.
- Moody's Investors Service has given Bladen County a "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 \$41,720,489 as of June 30, 2017. The County’s net position increased by \$4,975,087 for the fiscal year ended June 30, 2017. One of the largest portions \$12,807,037 (31%) 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 \$11,386,829 (27%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$17,526,623 (42%) is unrestricted.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$ 36,040,303	\$ 46,977,681	\$ 4,631,213	\$ 4,168,974	\$ 40,671,516	\$ 51,146,655
Capital Assets, Net of Depreciation	28,894,731	15,673,542	24,978,303	25,970,208	53,873,034	41,643,750
Total Assets	<u>64,935,034</u>	<u>62,651,223</u>	<u>29,609,516</u>	<u>30,139,182</u>	<u>94,544,550</u>	<u>92,790,405</u>
Deferred Outflows of Resources	<u>3,791,960</u>	<u>1,049,102</u>	<u>275,670</u>	<u>169,882</u>	<u>4,067,630</u>	<u>1,218,984</u>
Liabilities						
Long-term Debt Outstanding	30,969,785	30,243,958	18,092,954	18,722,086	49,062,739	48,966,044
Other Liabilities	6,331,743	6,664,051	1,173,462	1,004,022	7,505,205	7,668,073
Total liabilities	<u>37,301,528</u>	<u>36,908,009</u>	<u>19,266,416</u>	<u>19,726,108</u>	<u>56,567,944</u>	<u>56,634,117</u>
Deferred Inflows of Resources	<u>315,287</u>	<u>608,444</u>	<u>8,460</u>	<u>21,426</u>	<u>323,747</u>	<u>629,870</u>
Net Position						
Net Investment in Capital Assets	6,475,932	9,938,931	6,331,105	6,703,483	12,807,037	16,642,414
Restricted	11,082,529	25,229,978	304,300	184,934	11,386,829	25,414,912
Unrestricted(Deficit)	13,551,718	(8,985,037)	3,974,905	3,673,113	17,526,623	(5,311,924)
Total Net Position	<u>\$ 31,110,179</u>	<u>\$ 26,183,872</u>	<u>\$ 10,610,310</u>	<u>\$ 10,561,530</u>	<u>\$ 41,720,489</u>	<u>\$ 36,745,402</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 95.60%, and motor vehicles rate of 100.00%, for a combined total of 96.05%.
- 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	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 6,310,054	\$ 6,054,440	\$ 4,549,920	\$ 4,311,320	\$ 10,859,974	\$ 10,365,760
Operating Grant & Contributions	9,528,907	10,575,128	146,537	42,435	9,675,444	10,617,563
Capital Grants and Contributions	-	750,000	-	-	-	750,000
General Revenue						
Property Taxes	23,708,957	23,528,573	-	-	23,708,957	23,528,573
Other Taxes	6,043,310	5,129,266	-	-	6,043,310	5,129,266
Investment Earnings	139,827	57,791	15,628	7,521	155,455	65,312
Other	510,056	468,182	(23,534)	-	486,522	468,182
Total Revenues	46,241,111	46,563,380	4,688,551	4,361,276	50,929,662	50,924,656
Expenses						
General Government	5,442,051	5,200,393	-	-	5,442,051	5,200,393
Public Safety	13,052,357	10,701,163	-	-	13,052,357	10,701,163
Economic and Physical Development	1,051,765	999,622	-	-	1,051,765	999,622
Human Services	13,292,614	13,116,000	-	-	13,292,614	13,116,000
Cultural and Recreational	1,237,231	793,775	-	-	1,237,231	793,775
Education	8,345,046	8,562,184	-	-	8,345,046	8,562,184
Interest on Long-Term Debt	409,648	578,509	-	-	409,648	578,509
Hospital	-	-	253,406	255,810	253,406	255,810
Solid Waste	-	-	2,127,105	2,119,694	2,127,105	2,119,694
Water District	-	-	2,259,260	2,189,737	2,259,260	2,189,737
Total Expenses	42,830,712	39,951,646	4,639,771	4,565,241	47,470,483	44,516,887
Increase(decrease) in Net Position Before Special Item	3,410,399	6,611,734	48,780	(203,965)	3,459,179	6,407,769
Special Item-Sale of Home Health	1,901,000	-	-	-	1,901,000	-
Increase(Decrease) in Net Position	5,311,399	6,611,734	48,780	(203,965)	5,360,179	6,407,769
Net Position - Beginning(restated)	25,798,780	19,572,138	10,561,530	10,765,495	36,360,310	30,337,633
Net Position - Ending	\$ 31,110,179	\$ 26,183,872	\$ 10,610,310	\$ 10,561,530	\$ 41,720,489	\$ 36,745,402

Governmental activities. Governmental activities increased the County's net position by \$5,311,399, thereby accounting for 99% 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.
- The asset sale of the Home Health service created a \$1,901,000 revenue windfall.

Business-type activities. Business-type activities assets increased the County's net position by \$48,780. Key elements of this decrease are as follows:

- The Solid Waste and Water District funds' revenue increased slightly while operating expenses remained constant.

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 \$14,489,089, while total fund balance reached \$24,921,522. 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 60 percent of that same amount.

At June 30, 2017, the governmental funds of Bladen County reported a combined fund balance of \$30,592,686. 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 \$2,074,966 and those for the Water District equaled \$1,899,939. 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, 2017, totals \$53,873,034 (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 in progress related to the jail project.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 263,250	\$ 263,250	\$ 981,481	\$ 981,481	\$ 1,244,731	\$ 1,244,731
Buildings	4,095,806	4,170,277	23,616,098	24,478,031	27,711,904	28,648,308
Improvements	2,461,560	2,744,892	-	-	2,461,560	2,744,892
Equipment	2,351,932	2,962,793	265,055	407,290	2,616,987	3,370,083
Vehicles and Motor Equipment	1,760,660	1,426,779	115,669	103,405	1,876,329	1,530,184
Construction in Progress	17,961,523	4,105,551	-	-	17,961,523	4,105,551
	<u>\$ 28,894,731</u>	<u>\$ 15,673,542</u>	<u>\$ 24,978,303</u>	<u>\$ 25,970,207</u>	<u>\$ 53,873,034</u>	<u>\$ 41,643,749</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, 2017, Bladen County had total bonded debt outstanding of \$23,973,957, 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	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 6,500,800	\$ 8,247,380	\$ -	\$ -	\$ 6,500,800	\$ 8,247,380
Limited Obligation Bonds	-	-	7,660,000	7,970,000	7,660,000	7,970,000
Revenue Bonds	-	-	9,813,157	10,024,698	9,813,157	10,024,698
Capitalized Leases	-	-	-	-	-	-
Installment Purchases	21,402,999	21,891,366	1,174,042	1,272,027	22,577,041	23,163,393
Total	<u>\$ 27,903,799</u>	<u>\$ 30,138,746</u>	<u>\$ 18,647,199</u>	<u>\$ 19,266,725</u>	<u>\$ 46,550,998</u>	<u>\$ 49,405,471</u>

Bladen County’s total debt decreased by \$2,854,473(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 \$197,668,547.

Additional information regarding Bladen County's long-term debt can be found in Note 3 beginning on page 39 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, 2018

Governmental Activities: The total operating budget for Bladen County is \$57.4 million. The General Fund budget for fiscal year 2018 is \$43.2 million. This is an increase of 2.4% from the fiscal year 2017 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 2018 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 2018 budget, with a significant increase in Public Safety.
- The jail construction capital project will be ongoing in 2018.

The fiscal year 2018 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 2017. General operating expenses will remain the same as 2017. Rates for landfill services will remain the same as in 2017.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or 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, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash & Cash Equivalents	\$ 24,549,779	\$ 3,302,845	\$ 27,852,624
Restricted Cash and Cash Equivalents	4,210,320	207,841	4,418,161
Accounts Receivable (Net)	7,187,942	1,120,527	8,308,469
Notes Receivable	45,191	-	45,191
Pension Asset	47,071	-	47,071
Capital Assets:			
Land, Improvements, and Construction in Progress	18,224,773	981,481	19,206,254
Other Capital Assets, net of Depreciation	10,669,958	23,996,822	34,666,780
Total Capital Assets	<u>28,894,731</u>	<u>24,978,303</u>	<u>53,873,034</u>
Total Assets	<u>64,935,034</u>	<u>29,609,516</u>	<u>94,544,550</u>
Deferred Outflows of Resources	<u>3,791,960</u>	<u>275,670</u>	<u>4,067,630</u>
Liabilities			
Accounts Payable and Accrued Liabilities	2,373,763	163,007	2,536,770
Current Portion of Long-term Liabilities	2,499,248	621,820	3,121,068
Payable from Restricted Assets:			
Customer Deposits	-	207,787	207,787
Accounts Payable and Accrued Liabilities	369,568	-	369,568
Long-term Liabilities:			
Net Pension Liability	4,340,362	180,848	4,521,210
Total Pension Liability	1,089,164	-	1,089,164
Due in More Than One Year	26,629,423	18,092,954	44,722,377
Total liabilities	<u>37,301,528</u>	<u>19,266,416</u>	<u>56,567,944</u>
Deferred Inflows of Resources	<u>315,287</u>	<u>8,460</u>	<u>323,747</u>
Net Position			
Net Investment in Capital Assets	6,475,932	6,331,105	12,807,037
Restricted for:			
Stabilization by State Statute	4,476,258	-	4,476,258
Human Services	100,000	-	100,000
Education	345,249	-	345,249
4-H Programs	127,527	-	127,527
Public Safety	2,879,069	-	2,879,069
Unspent Loan Proceeds	2,468,203	54	2,468,257
Cultural and Recreational	660,489	-	660,489
Debt Reserve	25,734	304,246	329,980
Unrestricted(Deficit)	13,551,718	3,974,905	17,526,623
Total Net Position	<u>\$ 31,110,179</u>	<u>\$ 10,610,310</u>	<u>\$ 41,720,489</u>

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

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	\$ 5,442,051	\$ 1,277,116	\$ 170,194	\$ -	\$ (3,994,741)	\$ -	\$ (3,994,741)
Public Safety	13,052,357	4,114,142	411,791	-	(8,526,424)	-	(8,526,424)
Economic and Physical Development	1,051,765	13,646	33,680	-	(1,004,439)	-	(1,004,439)
Human Services	13,292,614	705,352	8,583,367	-	(4,003,895)	-	(4,003,895)
Cultural and Recreational	1,237,231	98,218	273,952	-	(865,061)	-	(865,061)
Education	8,345,046	101,580	55,923	-	(8,187,543)	-	(8,187,543)
Interest on Long-Term Debt	409,648	-	-	-	(409,648)	-	(409,648)
Total Governmental Activities	42,830,712	6,310,054	9,528,907	-	(26,991,751)	-	(26,991,751)
Business-Type Activities:							
Hospital Rental Fund	253,406	72,510	-	-	-	(180,896)	(180,896)
Solid Waste	2,127,105	2,195,435	70,083	-	-	138,413	138,413
Water District	2,259,260	2,281,975	76,454	-	-	99,169	99,169
Total Business-Type Activities	4,639,771	4,549,920	146,537	-	-	56,686	56,686
	\$ 47,470,483	\$ 10,859,974	\$ 9,675,444	\$ -	(26,991,751)	56,686	(26,935,065)
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					23,708,957	-	23,708,957
Local option sales tax					6,043,310	-	6,043,310
Interest income, unrestricted					139,827	15,628	155,455
Miscellaneous, unrestricted					510,056	(23,534)	486,522
Significant item-Sale of Home Health					1,901,000	-	1,901,000
Total general revenues and significant item					32,303,150	(7,906)	32,295,244
Change in net position					5,311,399	48,780	5,360,179
Net Position, beginning (as previously reported)					26,183,872	10,561,530	36,745,402
Restatement					(385,092)	-	(385,092)
Net Postion, beginning, restated					25,798,780	10,561,530	36,360,310
Net position - ending					\$ 31,110,179	\$ 10,610,310	\$ 41,720,489

Balance Sheet
Governmental Funds
June 30, 2017

	Major Funds		Total Non-Major Funds	Total Governmental Funds
	General Fund	Jail Capital Project Fund		
Assets				
Cash & Investments	\$ 21,793,622	\$ -	\$ 2,756,157	\$ 24,549,779
Restricted Cash	944,513	2,468,203	797,604	4,210,320
Taxes Receivables (Net)	1,984,472	-	177,441	2,161,913
Accounts Receivable (Net)	4,397,154	-	79,104	4,476,258
Total Assets	<u>\$ 29,119,761</u>	<u>\$ 2,468,203</u>	<u>\$ 3,810,306</u>	<u>\$ 35,398,270</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 2,123,025	\$ -	\$ 60,336	\$ 2,183,361
Due to Other Funds	-	-	-	-
Liabilities to be paid from restricted assets	-	369,568	-	369,568
Total liabilities	<u>2,123,025</u>	<u>369,568</u>	<u>60,336</u>	<u>2,552,929</u>
Deferred Inflows of Resources				
Deferred Taxes	1,984,472	-	177,441	2,161,913
Prepaid Taxes	90,742	-	-	90,742
Total Deferred Inflows of Resources	<u>2,075,214</u>	<u>-</u>	<u>177,441</u>	<u>2,252,655</u>
Fund balances:				
Restricted				
Stabilization by State Statute	4,397,154	-	79,104	4,476,258
Unspent Loan Proceeds	-	2,468,203	-	2,468,203
Public Safety	15,819	-	84,454	100,273
4-H	127,527	-	-	127,527
Education	345,249	-	-	345,249
Fire Protection	-	-	2,454,979	2,454,979
Debt Reserve	25,734	-	-	25,734
Cultural and Recreational	-	-	660,489	660,489
Home Health	100,000	-	-	100,000
Committed				
Tax Revaluation	403,435	-	-	403,435
Economic Development	1,901,000	-	4,780	1,905,780
Public Safety	-	(369,568)	-	(369,568)
Assigned				
Board Assigned	837,789	-	-	837,789
Subsequent Year's Expenditures	2,278,726	-	347,710	2,626,436
Unassigned	14,489,089	-	(58,987)	14,430,102
Total Fund Balances	<u>24,921,522</u>	<u>2,098,635</u>	<u>3,572,529</u>	<u>30,592,686</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,119,761</u>	<u>\$ 2,468,203</u>	<u>\$ 3,810,306</u>	<u>\$ 35,398,270</u>

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

Exhibit 3,
continued

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

Total Fund Balances - Governmental Funds	\$	30,592,686
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds		28,894,731
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.		594,962
Net pension asset.		47,071
Benefit payments and pension administration cost for LEOSSA are deferred outflows of resources on the Statement of Net Position		31,562
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		959,288
Deferred inflows of resources for taxes receivable.		2,161,913
Pension deferrals.		2,576,565
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		<u>(34,748,599)</u>
 Net position of governmental activities	 \$	 <u><u>31,110,179</u></u>

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

Exhibit 4

	Major Funds		Total Non-Major Funds	Total Governmental Funds
	General Fund	Jail Capital Project Fund		
Revenues:				
Ad Valorem Taxes	\$ 22,809,770	\$ -	\$ 1,197,003	\$ 24,006,773
Local Option Sales Taxes	5,802,680	-	240,630	6,043,310
Other Taxes and Licenses	146,885	-	260,681	407,566
Restricted Intergovernmental Revenues	9,478,668	-	132,553	9,611,221
Permits and Fees	327,059	-	-	327,059
Sales and Services	5,391,535	-	-	5,391,535
Investment Earnings	123,434	921	12,807	137,162
Other	2,541,822	-	46,445	2,588,267
Total Revenues	<u>46,621,853</u>	<u>921</u>	<u>1,890,119</u>	<u>48,512,893</u>
Expenditures:				
Current:				
General Government	4,997,130	-	-	4,997,130
Public Safety	11,027,275	13,903,706	1,679,592	26,610,573
Economic and Physical Development	1,057,486	-	-	1,057,486
Human Services	13,170,762	-	-	13,170,762
Cultural and Recreational	873,665	-	327,672	1,201,337
Education	8,243,466	-	-	8,243,466
Debt Service				
Principal Retirement	2,234,947	-	-	2,234,947
Interest and Fees	255,482	-	-	255,482
Total Expenditures	<u>41,860,213</u>	<u>13,903,706</u>	<u>2,007,264</u>	<u>57,771,183</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,761,640</u>	<u>(13,902,785)</u>	<u>(117,145)</u>	<u>(9,258,290)</u>
Net Change in Fund Balance	4,761,640	(13,902,785)	(117,145)	(9,258,290)
Fund Balance, Beginning	<u>20,159,882</u>	<u>16,001,420</u>	<u>3,689,674</u>	<u>39,850,976</u>
Fund Balance, Ending	<u>\$ 24,921,522</u>	<u>\$ 2,098,635</u>	<u>\$ 3,572,529</u>	<u>\$ 30,592,686</u>

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

Exhibit 4,
continued

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

Net changes in fund balances - total governmental funds	\$	(9,258,290)
<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>		
		13,352,249
<p>Cost of capital asset disposed of during the year, not recognized on modified accrual basis.</p>		
		(131,060)
<p>Contributions to pension plans in the current fiscal year are not included on the Statement of Activities.</p>		
		959,288
<p>Benefit payments and pension administration cost for LEOSSA are deferred outflows of resources on the Statement of Net Position</p>		
		31,562
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(345,393)
<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>		
		2,234,947
<p>Expenses reported on fund statements that capitalized on government-wide statements - deferred charge from bond refunding.</p>		
		(164,502)
<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>(1,367,402)</u>
Total changes in net position of governmental activities.	\$	<u><u>5,311,399</u></u>

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

Exhibit 5

	Original Budget	Final Budget	Actual	Variance With Final Positive/(Negative)
Revenues:				
Ad Valorem Taxes	\$ 21,783,728	\$ 21,877,873	\$ 22,809,770	\$ 931,897
Local Option Sales Taxes	4,795,160	4,795,160	5,802,680	1,007,520
Other Taxes and Licenses	92,023	113,553	146,885	33,332
Restricted Intergovernmental Revenues	8,555,414	9,477,011	9,478,668	1,657
Permits and Fees	281,220	283,020	327,059	44,039
Sales and Services	4,624,197	5,492,368	5,391,535	(100,833)
Investment Earnings	25,000	112,727	121,846	9,119
Other	333,192	2,294,900	2,541,822	246,922
Total Revenues	<u>40,489,934</u>	<u>44,446,612</u>	<u>46,620,265</u>	<u>2,173,653</u>
Expenditures:				
Current:				
General Government	5,231,534	5,385,731	4,997,130	388,601
Public Safety	9,577,697	11,410,999	11,027,275	383,724
Economic and Physical Development	1,150,628	1,251,408	1,057,486	193,922
Human Services	13,364,362	14,223,337	13,170,762	1,052,575
Cultural and Recreational	1,352,954	914,455	873,665	40,790
Education	8,030,985	8,293,477	8,243,466	50,011
Debt Service	2,490,436	2,490,442	2,490,429	13
Total Expenditures	<u>41,198,596</u>	<u>43,969,849</u>	<u>41,860,213</u>	<u>2,109,636</u>
Revenues Over (Under) Expenditures	<u>(708,662)</u>	<u>476,763</u>	<u>4,760,052</u>	<u>4,283,289</u>
Other Financing Sources (Uses):				
Issuance of Installment Purchases	-	-	-	-
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	(1,158,457)	(1,158,457)	(50,000)	1,108,457
Total Other Financing Sources (Uses)	<u>(1,158,457)</u>	<u>(1,158,457)</u>	<u>(50,000)</u>	<u>1,108,457</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,867,119)	(681,694)	4,710,052	5,391,746
Fund Balance Appropriated / (Designated)	<u>1,867,119</u>	<u>681,694</u>	<u>-</u>	<u>(681,694)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,710,052</u>	<u>\$ 4,710,052</u>
Fund Balance, Beginning			<u>19,807,768</u>	
Fund Balance, Ending			<u>\$ 24,517,820</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Interest Income			1,588	
Transfer-in from General Fund			50,000	
Expenditures			-	
Fund Balance, Beginning			<u>352,114</u>	
Fund Balance, Ending (Exhibit 4)			<u>\$ 24,921,522</u>	

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

Exhibit 6

	Hospital Rental Fund	Solid Waste Fund	Water District	Total
Assets				
Current Assets:				
Cash and Investments	\$ -	\$ 1,469,765	\$ 1,833,080	\$ 3,302,845
Taxes Receivable	-	647,809	-	647,809
Accounts Receivable (Net)	-	71,275	401,443	472,718
Total Current Assets	<u>-</u>	<u>2,188,849</u>	<u>2,234,523</u>	<u>4,423,372</u>
Noncurrent assets:				
Restricted Assets				
Cash	54	-	207,787	207,841
Capital Assets:				
Land, Improvements, and Construction in Progress	140,188	386,438	454,855	981,481
Other Capital Assets, Net of Depreciation	<u>376,561</u>	<u>1,099,948</u>	<u>22,520,313</u>	<u>23,996,822</u>
Total Noncurrent Assets	<u>516,803</u>	<u>1,486,386</u>	<u>23,182,955</u>	<u>25,186,144</u>
Total Assets	<u>516,803</u>	<u>3,675,235</u>	<u>25,417,478</u>	<u>29,609,516</u>
Deferred Outflows of Resources	<u>-</u>	<u>77,883</u>	<u>197,787</u>	<u>275,670</u>

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

Exhibit 6

	Hospital Rental Fund	Solid Waste Fund	Water District	Total
Liabilities				
Current Liabilities:				
Accounts Payable &				
Accrued Expenses	\$ -	\$ 67,436	\$ 35,738	\$ 103,174
Accrued Interest	-	-	59,833	59,833
Compensated Absences Payable	-	7,826	11,205	19,031
Limited Obligation Bonds	-	-	315,000	315,000
Bond\Long-term Debt -				
Current Maturities	65,083	-	222,706	287,789
Total Current Liabilities	<u>65,083</u>	<u>75,262</u>	<u>644,482</u>	<u>784,827</u>
Noncurrent Liabilities:				
Liabilities Payable from Rest Assets:				
Customer Deposits	-	-	207,787	207,787
Compensated Absences Payable	-	21,850	26,694	48,544
Net Pension Liability	-	90,424	90,424	180,848
Limited Obligation Bonds	-	-	7,345,000	7,345,000
Long-term				
Debt - Noncurrent	103,049	-	10,596,361	10,699,410
Total Noncurrent Liabilities	<u>103,049</u>	<u>112,274</u>	<u>18,266,266</u>	<u>18,481,589</u>
Total Liabilities	<u>168,132</u>	<u>187,536</u>	<u>18,910,748</u>	<u>19,266,416</u>
Deferred Inflows of Resources	<u>-</u>	<u>4,230</u>	<u>4,230</u>	<u>8,460</u>
Net Position:				
Net Investment				
in Capital Assets	348,617	1,486,386	4,496,102	6,331,105
Restricted, Expendable for				
Capital Acquisitions	54	-	-	54
Debt Reserve	-	-	304,246	304,246
Unrestricted	-	2,074,966	1,899,939	3,974,905
Total Net Position	<u>\$ 348,671</u>	<u>\$ 3,561,352</u>	<u>\$ 6,700,287</u>	<u>\$ 10,610,310</u>

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

Exhibit 7

	Hospital Rental Fund	Solid Waste Fund	Water District	Total
Operating revenues:				
Charges for Services	\$ 72,510	\$ 2,195,435	\$ 2,104,883	\$ 4,372,828
Water Taps	-	-	33,562	33,562
Other Operating Revenues	-	-	143,530	143,530
Total Operating Revenues	<u>72,510</u>	<u>2,195,435</u>	<u>2,281,975</u>	<u>4,549,920</u>
Operating expenses:				
Salaries and Employee Benefits	-	414,164	392,779	806,943
Operating Expenses	-	1,593,550	559,656	2,153,206
Depreciation	245,982	119,391	746,771	1,112,144
Total operating expenses	<u>245,982</u>	<u>2,127,105</u>	<u>1,699,206</u>	<u>4,072,293</u>
Total Operating Income (Loss)	<u>(173,472)</u>	<u>68,330</u>	<u>582,769</u>	<u>477,627</u>
Nonoperating Revenues(Expenses):				
Interest Earned	-	6,300	9,328	15,628
Loss of Disposal of Asset	-	(23,534)	-	(23,534)
Interest Expense	(7,424)	-	(560,054)	(567,478)
Total Nonoperating Revenue (Expenses)	<u>(7,424)</u>	<u>(17,234)</u>	<u>(550,726)</u>	<u>(575,384)</u>
Income (Loss) Before Contributions and Transfers	(180,896)	51,096	32,043	(97,757)
Capital Contribution	-	70,083	76,454	146,537
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
Change in Net Position	(180,896)	121,179	108,497	48,780
Net Position, beginning, as previously reported	529,567	3,440,173	6,591,790	10,561,530
Restatement	-	-	-	-
Net Position, beginning,	529,567	3,440,173	6,591,790	10,561,530
Net Position, ending	<u>\$ 348,671</u>	<u>\$ 3,561,352</u>	<u>\$ 6,700,287</u>	<u>\$ 10,610,310</u>

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

Exhibit 8

	Hospital Rental Fund	Solid Waste Fund	Water District	Total
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ -	\$ 2,219,505	\$ 2,124,622	\$ 4,344,127
Cash Paid for Goods and Services	-	(1,585,387)	(555,913)	(2,141,300)
Cash Paid to Employees for Services	-	(410,812)	(383,537)	(794,349)
Other Operating Receipts	-	-	143,530	143,530
Customer Deposits	-	-	4,887	4,887
Net Cash Provided by (Used for) Operating Activities	<u>-</u>	<u>223,306</u>	<u>1,333,589</u>	<u>1,556,895</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	-	(13,241)	(130,533)	(143,774)
Principal Paid on Bond Maturities and Capital Leases	-	-	(199,033)	(199,033)
Limited Obligation Bonds	-	-	(310,000)	(310,000)
Interest Paid on Bond\Note Maturities and Capital Leases	-	-	(593,768)	(593,768)
Capital Grants and Contributions	-	70,083	76,454	146,537
Net Cash Provided (Used for) Capital and Related Financing Activities	<u>-</u>	<u>56,842</u>	<u>(1,156,880)</u>	<u>(1,100,038)</u>
Cash Flows from Investing Activities:				
Interest on investments	-	6,300	9,328	15,628
Net Cash Flows from Investing Activities:	<u>-</u>	<u>6,300</u>	<u>9,328</u>	<u>15,628</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	286,448	186,037	472,485
Cash Balances, Beginning	54	1,183,317	1,854,830	3,038,201
Cash Balances, Ending	<u>\$ 54</u>	<u>\$ 1,469,765</u>	<u>\$ 2,040,867</u>	<u>\$ 3,510,686</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.

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

Exhibit 8

	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)	\$ (173,472)	\$ 68,330	\$ 582,769	\$ 477,627
Adjustments to Reconcile Operating Income to Net Cash Provided				
Operating Activities:				
Depreciation	245,982	119,391	746,771	1,112,144
Operating Income Noncash Activity	(72,510)	-	-	(72,510)
Change in Provision for Doubtful Accounts	-	6,175	-	6,175
Changes in Assets and Liabilities:				
(Increase) Decrease				
in Accounts Receivable, advances Inventories and Prepays	-	17,895	(13,823)	4,072
in Net Pension Asset	-	-	-	-
in Deferred Outflows of Resources for Pensions	-	(59,685)	(59,685)	(119,370)
Increase (Decrease)				
in Accounts Payable & Accrued Liabilities	-	8,163	3,743	11,906
in Net Pension Liability	-	70,509	70,509	141,018
in Deferred Inflows of Resources for Pensions	-	(6,484)	(6,484)	(12,968)
in Customer Deposits	-	-	4,887	4,887
in Accrued Vacation Pay	-	(988)	4,902	3,914
Total Adjustments	<u>173,472</u>	<u>154,976</u>	<u>750,820</u>	<u>1,079,268</u>
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ 223,306</u>	<u>\$ 1,333,589</u>	<u>\$ 1,556,895</u>

Bladen County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

Exhibit 9

	<u>Agency Fund</u>
Assets	
Cash and Cash Equivalents	\$ <u><u>192,944</u></u>
Liabilities and Net Position	
Liabilities	
Miscellaneous Liabilities	\$ 162,139
Intergovernmental Payable	<u>30,805</u>
Total Liabilities	<u>192,944</u>
Net Position	\$ <u><u>-</u></u>

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

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:

Internal Service Fund - The Self Insured Fund is used to account for the accumulation of cost associated with the County's self-insured fund.

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.

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.

<u>Bladen County Restricted Cash</u>	
Government Activities	
General Fund	
Public Safety	\$ 68,302
Education	345,249
4-H	127,527
Revaluation	403,435
Unspent Loan Proceeds	2,468,203
Cultural and Recreational	660,489
Emergency Telephone Fund	137,115
Total Governmental Activities	<u>\$ 4,210,320</u>
Business-Type Activities	
Hospital Rental Fund	
Escrow Funds	\$ 54
Water Districts	
Customer Deposits	207,787
Total Business-Type Activities	<u>\$ 207,841</u>
Total Restricted Cash	<u>\$ 4,418,161</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, 2016. 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	Estimated Useful Life
Buildings	40	40
Improvements	40	40
Equipment	10	10
Vehicles	5	5
Plant and Distribution Systems	50	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.

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 Home Health – portion of fund balance required in the asset purchase agreement to be held for period of time after the sale date.

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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.

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

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

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, 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

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

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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 \$517,493 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)	\$ 44,120,018
Less accumulated depreciation	<u>(15,225,287)</u>
Net capital assets	28,894,731
Accrued interest receivable less the amount claimed as unearned in the government-wide statements as these funds are unavailable in the fund statements.	508,860
Net pension asset.	47,071
Contributions to the pension plan in the current fiscal year.	959,288
Benefit payments and pension administration cost for LEOSSA are deferred outflows of resources on the Statement of Net Position	31,562
Deferred outflows of resources related to pensions are not reported in the fund statements.	2,801,110
Notes Receivable to area fire districts reported as public safety expense in the fund financial statements when expended.	45,191
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.	40,911
Deferred inflows of resources related to property taxes reported in the fund statements but not the government-wide.	2,161,913
Deferred inflows of resources related to pensions are not reported in the fund statements.	(224,545)
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	(27,903,799)
Compensated absences	(1,224,872)
Net Pension Obligation	(4,340,362)
Total Pension Obligation	(1,089,164)
Accrued interest payable	<u>(190,402)</u>
Total adjustment	<u>\$ 517,493</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 \$14,569,689 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 15,067,385
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.	(1,715,136)
Cost of disposed capital assets.	(131,060)
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.	2,234,947
Expenses reported on fund statements that capitalized on government-wide statements - deferred charge from bond refunding.	(164,502)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	959,288
Benefit payments and pension administration cost for LEOSSA are deferred outflows of resources on the Statement of Net Position	31,562
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.	(43,486)
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).	14,427
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(126,379)
County's portion of collective pension expense.	(1,255,450)
Increase/(Decrease) in deferred inflows of resources - taxes receivable - at end of year.	(297,633)
Increase/(Decrease) in accrued taxes receivable.	<u>(183)</u>
Total adjustment	<u>\$ 14,569,689</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 seven 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, 2017, the County's deposits had a carrying amount of \$5,957,302 and a bank balance of \$6,158,917. 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. \$1,855 consisted of cash on hand.

At June 30, 2017, the escrow account for the Hospital Rental Fund had a balance of \$54 and a bank balance of \$54.

2. Investments

At June 30, 2017 the County of Bladen had \$26,504,518 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, 2017 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
2013	\$ 1,273,519	\$ 418,430	\$ 1,691,949
2014	1,297,276	308,119	1,605,395
2015	1,836,271	270,980	2,107,251
2016	1,921,732	110,563	2,032,295
	<u>\$ 6,328,798</u>	<u>\$ 1,108,092</u>	<u>\$ 7,436,890</u>

4. Receivables

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

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Other	Total
Governmental Activities:					
General	\$ 1,622,984	\$ 3,531,322	\$ 2,774,170	\$ 40,901	\$ 7,969,377
Other Governmental	1,787	209,461	77,317	-	288,565
Total Receivables	<u>1,624,771</u>	<u>3,740,783</u>	<u>2,851,487</u>	<u>40,901</u>	<u>8,257,942</u>
Allowance for Doubtful Accounts	-	(1,070,000)	-	-	(1,070,000)
Total Governmental Activities	<u>\$ 1,624,771</u>	<u>\$ 2,670,783</u>	<u>\$ 2,851,487</u>	<u>\$ 40,901</u>	<u>\$ 7,187,942</u>
Business-type Activities					
Landfill	\$ 77,817	\$ 1,027,809	\$ 28,458	\$ -	\$ 1,134,084
Water and Sewer District	518,037	-	-	-	518,037
Total Receivables	<u>595,854</u>	<u>1,027,809</u>	<u>28,458</u>	<u>-</u>	<u>1,652,121</u>
Allowance for Doubtful Accounts	(151,594)	(380,000)	-	-	(531,594)
Total Business-type Activities	<u>\$ 444,260</u>	<u>\$ 647,809</u>	<u>\$ 28,458</u>	<u>\$ -</u>	<u>\$ 1,120,527</u>

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

Local Option Sales Tax	\$ 1,549,879
State or Federal Grant	1,330,066
	<u>\$ 2,879,945</u>

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

5. Capital Assets

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

Primary Government	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 263,250	\$ -	\$ -	\$ 263,250
Construction in Progress	4,105,551	14,017,749	(161,777)	17,961,523
Total Capital Assets not Being Depreciated:	<u>4,368,801</u>	<u>14,017,749</u>	<u>(161,777)</u>	<u>18,224,773</u>
Capital Assets Being Depreciated:				
Buildings	8,030,169	161,777	-	8,191,946
Improvements	3,770,551	19,543	-	3,790,094
Equipment	9,182,033	77,411	-	9,259,444
Vehicles and Motor Equipment	4,450,700	952,682	(749,621)	4,653,761
Total Capital Assets Being Depreciated:	<u>25,433,453</u>	<u>1,211,413</u>	<u>(749,621)</u>	<u>25,895,245</u>
Less Accumulated Depreciation				
Buildings	3,859,892	236,248	-	4,096,140
Improvements	1,025,659	302,875	-	1,328,534
Equipment	6,219,240	688,272	-	6,907,512
Vehicles and Motor Equipment	3,023,921	487,741	(618,561)	2,893,101
Total Accumulated Depreciation	<u>14,128,712</u>	<u>\$ 1,715,136</u>	<u>\$ (618,561)</u>	<u>15,225,287</u>
Total Capital Assets Being Depreciated, net	<u>11,304,741</u>			<u>10,669,958</u>
Governmental Activity Capital Assets, net	<u>\$ 15,673,542</u>			<u>\$ 28,894,731</u>

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

General Government	\$ 394,482
Public Safety	994,778
Economic and Physical Development	-
Human Services	291,573
Cultural and Recreational	34,303
Total Depreciation Expense	<u>\$ 1,715,136</u>

Business-type Activities:	Beginning Balances	Increases	Decreases	Ending Balances
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>386,438</u>
Capital Assets Being Depreciated:				
Buildings	2,477,022	-	-	2,477,022
Equipment	1,052,146	13,241	(195,842)	869,545
Vehicles and Motor Equipment	461,960	-	-	461,960
Total Capital Assets Being Depreciated:	<u>3,991,128</u>	<u>13,241</u>	<u>(195,842)</u>	<u>3,808,527</u>
Less Accumulated Depreciation				
Buildings	1,510,512	42,983	-	1,553,495
Equipment	854,749	62,883	(172,308)	745,324
Vehicles and Motor Equipment	396,235	13,525	-	409,760
Total Accumulated Depreciation	<u>2,761,496</u>	<u>\$ 119,391</u>	<u>\$ (172,308)</u>	<u>2,708,579</u>
Total Capital Assets Being Depreciated, net	<u>1,229,632</u>			<u>1,099,948</u>
Solid Waste Capital Assets, Net	<u>\$ 1,616,070</u>			<u>\$ 1,486,386</u>

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

	Beginning Balances	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:	<u>454,855</u>	<u>-</u>	<u>-</u>	<u>454,855</u>
Capital Assets Being Depreciated:				
Plant and Distribution Systems	31,925,281	88,975	-	32,014,256
Equipment	534,936	-	-	534,936
Vehicles and Motor Equipment	408,794	41,558	-	450,352
Total Capital Assets Being Depreciated:	<u>32,869,011</u>	<u>130,533</u>	<u>-</u>	<u>32,999,544</u>
Less Accumulated Depreciation				
Plant and Distribution Systems	9,036,303	661,943	-	9,698,246
Equipment	325,043	69,059	-	394,102
Vehicles and Motor Equipment	371,114	15,769	-	386,883
Total Accumulated Depreciation	<u>9,732,460</u>	<u>\$ 746,771</u>	<u>\$ -</u>	<u>10,479,231</u>
Total Capital Assets Being Depreciated, net	<u>23,136,551</u>			<u>22,520,313</u>
Water District Capital Assets, Net	<u>\$ 23,591,406</u>			<u>\$ 22,975,168</u>
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	7,894,579	245,982	-	8,140,561
Total Capital Assets Being Depreciated, net	<u>622,543</u>	<u>(245,982)</u>	<u>-</u>	<u>376,561</u>
Hospital Capital Assets, Net	<u>762,731</u>	<u>\$ (245,982)</u>	<u>\$ -</u>	<u>516,749</u>
Business-type Activities Capital Assets, Net	<u>\$ 25,970,208</u>			<u>\$ 24,978,303</u>

Construction commitments

The government has one active construction project as of June 30, 2017, the Law Enforcement & Detention Center Project. At June 30, 2017, the government's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Law Enforcement & Detention Center Project	\$ 15,318,002	\$ 1,297,273

B. Liabilities

1. Payables

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

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 1,924,907	\$ 198,118	\$ 190,402	\$ -	\$ 2,313,427
Other Governmental	429,904	-	-	-	429,904
Total Governmental Activities	<u>\$ 2,354,811</u>	<u>\$ 198,118</u>	<u>\$ 190,402</u>	<u>\$ -</u>	<u>\$ 2,743,331</u>
Business-type Activities					
Landfill	\$ 58,813	\$ 8,623	\$ -	\$ -	\$ 67,436
Water District	29,466	6,272	59,833	-	95,571
Hospital Rental Fund	-	-	-	-	-
Total Business-type Activities	<u>\$ 88,279</u>	<u>\$ 14,895</u>	<u>\$ 59,833</u>	<u>\$ -</u>	<u>\$ 163,007</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, 2017, was 8.0% of compensation for law enforcement officers and 7.34% for general employees and firefighters, actuarially determined as an amount that, when combined with employee

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contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$990,670 for the year ended June 30, 2017.

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

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

At June 30, 2017, the County reported a liability of \$4,521,210 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension asset was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County’s proportion was .21303%, which was a decrease of .00884% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$1,207,714. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 84,949	\$ 158,430
Changes of assumptions	309,663	-
Net difference between projected and actual earnings on pension plan investments	2,499,660	-
Changes in proportion and differences between County contributions and proportionate share of contributions	9,118	53,019
County contributions subsequent to the measurement date	990,670	-
Total	<u>\$ 3,894,060</u>	<u>\$ 211,449</u>

\$990,670 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 404,902
2019	405,200
2020	1,172,502
2021	709,336
2022	-
Thereafter	-
	<u>\$ 2,691,940</u>

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

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.25 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

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

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

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

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

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of the net pension liability (asset)	\$ 10,730,941	\$ 4,521,210	\$ (665,619)

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	8
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>51</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, 2015 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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, 2017, the County reported a total pension liability of \$1,089,164. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$88,421.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions and other inputs	-	20,508
Benefit payments and administrative expenses subsequent to the measurement date.	31,562	-
Total	\$ 31,562	\$ 20,508

\$31,562 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ (4,229)
2019	(4,229)
2020	(4,229)
2021	(4,229)
2022	(3,592)
Thereafter	-
	\$ (20,508)

\$31,562 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

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

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total Pension Liability	\$ 1,177,279	\$ 1,089,164	\$ 1,008,781

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

	2017
Beginning balance	\$ 1,087,339
Service Cost	55,012
Interest on the total pension liability	37,638
Changes of benefit terms	-
Differences between expected and actual	-
Changes of assumptions or other inputs	(24,737)
Benefit payments	(66,088)
Other changes	-
Ending balance of the total pension liability	\$ 1,089,164

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

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

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, 2017 were \$207,777, which consisted of \$127,481 from the County and \$80,296 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 \$8,245 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of \$49,071 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2016, the County's proportion was .25177%, which was a decrease of .00702% from its proportion measured as of June 30, 2015.

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For the year ended June 30, 2017, the County recognized pension expense of \$7,625. At June 30, 2017, 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	\$ 50	\$ 609
Changes of assumptions	12,541	
Net difference between projected and actual earnings on pension plan investments	81	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,187	439
Employer contributions subsequent to the measurement date	8,245	-
Total	<u>\$ 22,104</u>	<u>\$ 1,048</u>

\$8,245 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 5,103
2019	5,846
2020	2,384
2021	(522)
2022	-
Thereafter	-
	<u>\$ 12,811</u>

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

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

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

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

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

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, 2016 is 1.4%.

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

Discount rate. The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from 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 5.75 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (37,954)	\$ (47,071)	\$ (54,730)

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.

Healthcare Benefits and Other Postemployment Benefits

Healthcare Benefits

Plan Description. The postemployment healthcare benefits are provided through a cost-sharing multiple-employer defined benefit plan administered by the Executive Administrator and the Board of Trustees of the Comprehensive Major Medical Plan (the Plan). The Executive Administrator and the Board of Trustees of the Plan establishes premium rates except as may be established by the General Assembly in an appropriation act. The Plan’s benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3 of the General Statutes and may be amended only by the North Carolina General Assembly. By General Statute, the Plan accumulates contributions from employers and any earnings on those contributions in the Retiree Health Benefit Fund. These assets shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. These contributions are irrevocable. Also by law, these assets are not subject to the claims of creditors of the employers making contributions to the Plan.

The State of North Carolina issues a publicly available financial report that includes financial statements and required supplementary information for the State’s Comprehensive Major Medical Plan (also, referred to as the State Health Plan). An electronic version of this report is available by accessing the North Carolina Office of the State Controller’s Internet home page <http://www.ncosc.net/> and clicking on “Financial Reports”, or by calling the State Controller’s Financial Reporting Section at (919) 981-5454.

Funding Policy. The Comprehensive Major Medical Plan is administered by the Executive Administrator and Board of Trustees of the Plan, which established premium rates except as may be established by the General Assembly in an appropriation act. The healthcare benefits for retired and disabled employees are the same as for active employees, except that the coverage becomes secondary when former employees become eligible for Medicare. Effective August 1, 1992, County employees other than Bladen County Hospital employees retiring with unreduced retirement benefits, with reduced benefits, or with five or more years of service retiring with disability, may continue their coverage in the county’s group health and life insurance program. The premiums for individual group health and life coverage shall be paid by the County until age of disqualification if 50% or more of the qualifying years of service was dedicated to Bladen County. Premiums for dependent group health must be paid by the individual.

Contributions are determined as a percentage of covered monthly payroll. Annually, the monthly contribution rates to the Plan, 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 fiscal years ended June 30, 2017 the County paid all annual required contributions to the Plan for postemployment healthcare benefits of \$990,670. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.020% and 6.020%, respectively, of annual covered payroll. The contributions made by the County equaled the required contributions for the current year and preceding two years.

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.

Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Taxes receivable, net(General)	\$ -	\$ 1,984,472
Taxes receivable, net(Special Revenue)	-	177,441
Prepaid taxes not yet earned(General)	-	90,742
Charge on Refunding of Debt	119,904	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	31,562	
Pensions - changes in assumptions	322,204	20,508
Pensions - difference between expected and actual experience	84,999	159,039
Pensions - difference between projected and actual investment earnings	2,499,741	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	10,305	53,458
Contributions to pension plan subsequent to measurement date (LGERs, ROD)	998,915	-
Total	\$ 4,067,630	\$ 2,485,660

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

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Notes to the Financial Statements

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, 2017, 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.

Long-Term Obligations

Installment Purchases

Serviced by the Governmental Type Activities

BB&T dated August 25, 2008 in the amount of \$2,100,000 for the installment purchase of county wide radio system in 10 annual payments of \$247,654 including interest at 3.87%. Final payment due August 2017. Balance at June 30, 2017 is \$238,426.

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, 2017 is \$389,761.

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, 2017 is \$789,812.

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, 2017 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, 2017 is \$462,701.

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, 2017 is \$543,209.

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, 2017 was \$168,132.

BLADEN COUNTY, NORTH CAROLINA
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For Bladen County, the future minimum payments as of June 30, 2017 are as follows:

Year Ending 30-Jun	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 356,842	552,892	98,789	44,794
2019	20,112,335	166,831	100,109	41,098
2020	136,755	37,429	74,361	37,515
2021	146,691	30,961	37,819	35,628
2022	157,173	25,210	39,304	34,146
2023-2027	378,714	53,566	220,314	146,400
2028-2032	114,489	10,691	224,690	99,622
2033-2037	-	-	80,162	69,663
2038-2042	-	-	97,529	52,294
2043-2047	-	-	118,660	31,165
2048-2052	-	-	82,305	661
Total	\$ <u>21,402,999</u>	\$ <u>877,580</u>	\$ <u>1,174,042</u>	\$ <u>592,986</u>

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, 2017 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%. \$ 1,015,800

\$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. 5,485,000
\$ 6,500,800

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. \$ 7,660,000
\$ 7,660,000

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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
2018	\$ 1,686,580	157,386	315,000	293,687
2019	1,626,580	128,156	325,000	281,088
2020	1,566,580	118,186	335,000	268,088
2021	1,011,580	381,834	335,000	254,687
2022	101,580	32,729	350,000	241,288
2023-2027	507,900	87,278	1,840,000	992,837
2028-2032	-	-	1,815,000	629,075
2033-2037	-	-	1,475,000	309,100
2038-2042	-	-	870,000	75,432
Total	\$ 6,500,800	\$ 905,569	\$ 7,660,000	\$ 3,345,282

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, 2017, the balance of the bonds was \$7,660,000.

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 2017 LOB balance of \$7,660,000 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 30-Jun	Business Type Activities	
	Principal	Interest
2018	\$ 315,000	\$ 293,687
2019	325,000	281,087
2020	335,000	268,088
2021	335,000	254,688
2022	350,000	241,288
2023-2027	1,840,000	992,837
2028-2032	1,815,000	629,075
2033-2037	1,475,000	309,100
2038-2042	870,000	75,432
Total	\$ 7,660,000	\$ 3,345,282

BLADEN COUNTY, NORTH CAROLINA
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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. \$ 5,409,089

\$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. 4,003,237
\$ 9,412,326

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
2018	\$ 189,000	234,580
2019	193,000	230,067
2020	198,000	225,460
2021	203,000	220,733
2022	207,000	215,885
2023-2027	1,112,000	1,002,865
2028-2032	1,253,000	863,442
2033-2037	1,411,000	706,435
2038-2042	1,587,000	529,511
2043-2047	1,769,000	330,567
2048-2052	1,290,326	110,420
Total	9,412,326	\$ 4,669,965
Unamortized Premiums	400,831	
Net Carrying Value	\$ 9,813,157	

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, 2017, is as follows:

Operating revenues	\$ 2,281,975
Operating expenses*	(952,435)
Operating income	1,329,540
Nonoperating revenues(expenses)**	(319,170)
Income available for debt service	1,010,370
Debt service, principal and interest paid (Revenue bond only)	397,688
Debt service coverage ratio	254%

* Per rate covenants, this does not include the depreciation expense of \$746,771.

** Per rate covenants, this does not include revenue bond interest paid of \$231,556.

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 \$14,082,291. Principal and interest paid for the current year and total customer net revenues were \$397,688 and \$1,010,370, respectively.

At June 30, 2017, Bladen County had no bonds authorized and had a legal debt margin of \$197,668,547.

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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.

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, \$5,485,000 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, 2017:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Current Portion
Governmental Activities:					
General Obligation Debt	\$ 8,247,380	\$ -	\$ (1,746,580)	\$ 6,500,800	\$ 1,686,580
Installment Purchases	21,891,366	-	(488,367)	21,402,999	356,842
Total Pension Liability (LEOSSA)	636,145	453,019	-	1,089,164	-
Net Pension Liability (LGERs)	955,915	3,384,447	-	4,340,362	-
Compensated Absences	1,098,493	455,826	(329,447)	1,224,872	455,826
Total Governmental Activities	<u>\$ 32,829,299</u>	<u>\$ 4,293,292</u>	<u>\$ (2,564,394)</u>	<u>\$ 34,558,197</u>	<u>\$ 2,499,248</u>

BLADEN COUNTY, NORTH CAROLINA
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	Balance July 1, 2016	Increases	Decreases	Amortized Bond Premiums	Balance June 30, 2017	Current Portion
Business-Type Activities:						
Solid Waste						
Compensated Absences	\$ 30,664	\$ 7,826	\$ (8,813)	\$ -	\$ 29,677	\$ 7,826
Net Pension Liability (LRS)	19,915	70,509	-	-	90,424	-
Installment Purchases	-	-	-	-	-	-
Total Solid Waste	50,579	78,335	(8,813)	-	120,101	7,826
Water District						
Limited Obligation Bonds	7,970,000	-	(310,000)	-	7,660,000	315,000
Revenue Bonds	10,024,698	-	(166,132)	(45,409)	9,813,157	189,000
Net Pension Liability (LRS)	19,915	70,509	-	-	90,424	-
Installment Purchases	1,038,811	-	(32,901)	-	1,005,910	33,706
Compensated Absences	32,997	11,205	(6,303)	-	37,899	11,205
Total Water District	19,086,421	81,714	(515,336)	(45,409)	18,607,390	548,911
Hospital Rental Fund						
Installment Purchases	233,216	-	(65,084)	-	168,132	65,083
Total Hospital	233,216	-	(65,084)	-	168,132	65,083
Total Business-Type Activities per Fund Statements	19,370,216	160,049	(589,233)	(45,409)	18,895,623	621,820
Eliminated debt in consolidation of component unit in Exhibit 1.	(7,970,000)	-	310,000	-	(7,660,000)	(315,000)
	<u>\$ 11,400,216</u>	<u>\$ 160,049</u>	<u>\$ (279,233)</u>	<u>\$ (45,409)</u>	<u>\$ 11,235,623</u>	<u>\$ 306,820</u>

Fund Balance

Total Fund Balance - General Fund	\$24,921,522
Less:	
Stabilization by State Statute	4,397,154
Public Safety	15,819
4-H	127,527
Education	345,249
Home Health	100,000
Debt Reserve	25,734
Tax Revaluation	403,435
Economic Development	1,901,000
Board Assigned	837,789
Appropriated Fund Balance in 2017-2018 Budget	2,278,726
Remaining Fund Balance	\$14,489,089

Interfund Activity

Interfund activity between the Water Fund and Water District present an amount of \$7,660,000 due between the funds. This interfund balance is the result as described in the above Long Term Obligations.

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 \$909,409, \$0 and \$5,000 to the community college for operating, capital and scholarship purposes, respectively, during the fiscal year ending June 30, 2017. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2017. Complete financial statements for the community college may be obtained from the community college's administrative offices at P.O. Box 266, Dublin, NC 28332.

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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 conduction 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 \$16,429 and miscellaneous fees related to the Division of Aging in the amount of \$2,000 to the Council during the fiscal year ended June 30, 2017. The County was the sub recipient of a grant for \$392,988 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.

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	\$ 43,161,206	\$ 23,357,467
NC Health Choice	577,751	1,708
Low Income Home Energy Assistance	230,800	-
Low Income Home Energy Crisis Assistance	190,289	-
TANF and Work First Benefits	334,861	-
WIC	571,297	-
Adoption Assistance	52,042	13,226
IV-E Foster Care	156,166	46,587
CWS Adoption Subsidy	-	63,379
State Foster Home	-	64,368
Adult Special Assistance	-	360,299
	<u>\$ 45,274,412</u>	<u>\$ 23,907,034</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.

BLADEN COUNTY, NORTH CAROLINA
Notes to the Financial Statements

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:

Year Ending 30-Jun	Principal
2018	\$ 101,580
2019	101,580
2020	101,580
2021	101,580
2022	101,580
2023-2027	507,900
2028-2032	-
	<u>\$ 1,015,800</u>

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
2018	\$ 65,084	5,048	70,132
2019	65,084	2,672	67,756
2020	37,964	461	38,425
	<u>\$ 168,132</u>	<u>\$ 8,181</u>	<u>\$ 176,313</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 - Sale of Home Health Services

On March 20th, 2017 the County sold entered into an Asset Purchase Agreement for \$1,901,000 to sell the assets and client records for the home health agency business operated as a division of the Bladen County Health Department.

NOTE 10: Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers’ Special Separation Allowance during the measurement period. As a result, net position for the governmental activities decreased \$385,092. The County also implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans for the Healthcare Benefits Plan*. The implementation of this statement had no effect on net position.

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

Bladen County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2017

	2017
Beginning balance	\$ 1,087,339
Service Cost	55,012
Interest on the total pension liability	37,638
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(24,737)
Benefit payments	(66,088)
Other changes	-
Ending balance of the total pension liability	\$ 1,089,164

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, 2017

	<u>2017</u>
Total pension liability	1,089,164
Covered payroll	2,121,950
Total pension liability as a percentage of covered payroll	51.33%

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 Four Fiscal Years *

	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.21303%	0.22817%	0.22321%	0.68200%
County's proportionate share of the net pension liability (asset) \$	\$ 4,521,210	\$ 995,745	\$ (1,316,374)	\$ 2,691,622
County's covered-employee payroll	\$ 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	34.43%	7.96%	(10.38%)	21.70%
Plan fiduciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%

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

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

	2017	2016	2015	2014
Contractually required contribution	\$ 990,670	\$ 896,156	\$ 890,077	\$ 905,066
Contributions in relation to the contractually required contribution	990,670	896,156	890,077	905,066
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 13,303,297	\$ 13,133,258	\$ 12,516,017	\$ 12,682,757
Contributions as a percentage of covered-employee payroll	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 Four Fiscal Years *

	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.25177%	0.259%	0.259%	0.226%
County's proportionate share of the net pension liability	\$ (47,071)	\$ (59,972)	\$ (58,643)	\$ (48,336)
County's covered-employee payroll	\$ 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	(73.83%)	(100.05%)	(110.25%)	(82.90%)
Plan fiduciary net position as a percentage of the total pension liability	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 Contributions
Registers of Deeds' Supplemental Pension Fund
 Last Four Fiscal Years

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

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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:			
Ad Valorem Taxes:			
Taxes		\$ 22,392,202	
Penalties and Interest		417,568	
Total	\$ 21,877,873	22,809,770	\$ 931,897
Local Option Sales Taxes:			
Article 39		1,815,836	
Article 40		2,110,966	
Article 42		1,116,092	
Article 44		759,786	
Total	4,795,160	5,802,680	1,007,520
Other Taxes and Licenses:			
Real Estate Transaction Tax		146,885	
Total	113,553	146,885	33,332
Restricted Intergovernmental:			
State and Federal Grants		9,391,477	
ABC Tax		4,877	
Facilities Fees		82,314	
Total	9,477,011	9,478,668	1,657
Permits and Fees:			
Building Permits and Inspection Fees		179,038	
Business Registration Fee		805	
Other Permits		3,207	
Register of Deeds		136,609	
Gun Permits		7,400	
Total	283,020	327,059	44,039
Sales and Services:			
Rent and Concessions		513,250	
Jail and Inmate Fees		48,490	
Administrative Fees		220,600	
Fees - Health Department		656,727	
Data Processing, Mapping, Tax Notices		7,126	
Recreation Fees		75,081	
Court Costs, Fees & Charges		73,849	
Miscellaneous Fees		48,472	
Library Fines, Fees, Contributions		23,137	
Environmental Health Fees		48,625	
Soil Conservation - Ad Sales		3,600	
Billing for EMS		3,031,386	
Economic Development Reimbursements		10,046	
Motor Pool Reimbursements		117,848	

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, 2017

	Budget	Actual	Positive (Negative)
Sheriff Reimbursements		513,298	
Total	5,492,368	5,391,535	(100,833)
Investment Earnings	112,727	121,846	9,119
Miscellaneous:			
Sale of Assets/Insurance Claims		2,152,370	
VIPER Payments		49,217	
Miscellaneous		340,235	
Total	2,294,900	2,541,822	246,922
 TOTAL REVENUES	 44,446,612	 46,620,265	 2,173,653
Expenditures:			
General Government:			
Governing Body:			
Salaries		88,320	
Employee Benefits		11,876	
Capital Outlay		-	
Insurance and Bonds		622,302	
Other Operating Expenditures		284,919	
Special Appropriation		71,116	
Total	1,154,381	1,078,533	75,848
Administration:			
Salaries		145,251	
Employee Benefits		41,145	
Capital Outlay		-	
Other Operating Expenditures		14,393	
Total	207,679	200,789	6,890
Personnel & Workplace Safety:			
Salaries		66,385	
Employee Benefits		18,824	
Capital Outlay		-	
Other Operating Expenditures		15,032	
Total	107,197	100,241	6,956
Planning and Community Development:			
Salaries		72,485	
Employee Benefits		22,908	
Capital Outlay		-	
Other Operating Expenditures		4,486	
Total	103,633	99,879	3,754

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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Elections:			
Salaries		124,616	
Employee Benefits		40,683	
Capital Outlay		-	
Contracted Services		69,595	
Other Operating Expenditures		54,301	
Total	<u>356,514</u>	<u>289,195</u>	<u>67,319</u>
Finance:			
Salaries		209,842	
Employee Benefits		67,688	
Capital Outlay		-	
Other Operating Expenditures		60,017	
Total	<u>348,016</u>	<u>337,547</u>	<u>10,469</u>
Taxes:			
Salaries		205,942	
Employee Benefits		75,802	
Capital Outlay		-	
Other Operating Expenditures		273,293	
Contracted Services		83,686	
Total	<u>648,492</u>	<u>638,723</u>	<u>9,769</u>
Data Processing:			
Salaries		140,934	
Employee Benefits		46,317	
Capital Outlay		-	
Other Operating Expenditures		62,235	
Total	<u>275,950</u>	<u>249,486</u>	<u>26,464</u>
Mapping:			
Salaries		71,547	
Employee Benefits		26,143	
Capital Outlay		-	
Other Operating Expenditures		23,487	
Total	<u>130,624</u>	<u>121,177</u>	<u>9,447</u>
Register of Deeds:			
Salaries		141,747	
Employee Benefits		51,777	
Capital Outlay		-	
Other Operating Expenditures		148,611	
Total	<u>343,922</u>	<u>342,135</u>	<u>1,787</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Operational Services:			
Central Services and Administration:			
Salaries		171,311	
Employee Benefits		54,716	
Capital Outlay		10,000	
Other Operating Expenditures		419,654	
Contracted Services		67,821	
Total	<u>743,481</u>	<u>723,502</u>	<u>19,979</u>
Court Facilities:			
Capital Outlay		-	
Other Operating Expenditures		29,214	
Total	<u>52,410</u>	<u>29,214</u>	<u>23,196</u>
Central Services - Vehicle Maintenance:			
Salaries		64,340	
Employee Benefits		23,852	
Capital Outlay		-	
Other Operating Expenditures		458,103	
Total	<u>648,905</u>	<u>546,295</u>	<u>102,610</u>
Housekeeping:			
Salaries		141,444	
Employee Benefits		68,493	
Capital Outlay		-	
Other Operating Expenditures		30,477	
Total	<u>264,527</u>	<u>240,414</u>	<u>24,113</u>
Total General Government	<u>5,385,731</u>	<u>4,997,130</u>	<u>388,601</u>
Public Safety:			
Sheriff:			
Salaries		2,264,533	
Employee Benefits		948,419	
Capital Outlay		472,686	
Contracted Services		47,306	
Other Operating Expenditures		211,788	
Total	<u>4,110,600</u>	<u>3,944,732</u>	<u>165,868</u>
Communications:			
Salaries		366,796	
Employee Benefits		123,934	
Capital Outlay		-	
Other Operating Expenditures		4,268	
Total	<u>492,248</u>	<u>494,998</u>	<u>(2,750)</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Jail:			
Salaries		700,020	
Employee Benefits		246,529	
Capital Outlay		-	
Contracted Services		7,121	
Other Operating Expenditures		739,689	
Total	<u>1,747,618</u>	<u>1,693,359</u>	<u>54,259</u>
Pre Trial Release:			
Salaries		44,228	
Employee Benefits		17,054	
Capital Outlay		-	
Other Operating Expenditures		4,019	
Total	<u>68,915</u>	<u>65,301</u>	<u>3,614</u>
Equitable Sharing:			
Salaries		-	
Employee Benefits		-	
Capital Outlay		-	
Other Operating Expenditures		20,764	
Total	<u>73,207</u>	<u>20,764</u>	<u>52,443</u>
Animal Control:			
Salaries		130,797	
Employee Benefits		42,207	
Capital Outlay		-	
Other Operating Expenditures		40,914	
Total	<u>247,168</u>	<u>213,918</u>	<u>33,250</u>
Emergency Management:			
Salaries		150,170	
Employee Benefits		49,574	
Capital Outlay		57,505	
Other Operating Expenditures		80,702	
Total	<u>358,231</u>	<u>337,951</u>	<u>20,280</u>
Rescue Squads:			
Salaries		1,707,223	
Employee Benefits		52,182	
Capital Outlay		283,007	
Contracted Services		223,816	
Bad Debts		598,310	
Other Operating Expenditures		797,767	
Total	<u>3,697,558</u>	<u>3,662,305</u>	<u>35,253</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Inspection:			
Salaries		132,441	
Employee Benefits		44,633	
Capital Outlay		24,671	
Other Operating Expenditures		9,365	
Total	<u>222,987</u>	<u>211,110</u>	<u>11,877</u>
Coroner:			
Salaries		5,296	
Employee Benefits		635	
Professional Services		23,750	
Other Operating Expenditures		3,179	
Total	<u>39,357</u>	<u>32,860</u>	<u>6,497</u>
Special Appropriations:			
Aviation		66,955	
Forest Services		188,287	
Storm Preparation		89,535	
Beaver Control		5,200	
Total	<u>353,110</u>	<u>349,977</u>	<u>3,133</u>
Total Public Safety	<u>11,410,999</u>	<u>11,027,275</u>	<u>383,724</u>
Economic and Physical Development:			
Economic Development			
Salaries		128,461	
Employee Benefits		37,481	
Other Operating Expenditures		467,097	
Special Appropriations		-	
Capital Outlay		-	
Total	<u>782,693</u>	<u>633,039</u>	<u>149,654</u>
Agricultural Extension:			
Salaries		152,027	
Employee Benefits		47,446	
Capital Outlay		31,138	
Other Operating Expenditures		20,984	
Total	<u>261,115</u>	<u>251,595</u>	<u>9,520</u>
Soil Conservation:			
Salaries		78,692	
Employee Benefits		27,881	
Capital Outlay		-	
Other Operating Expenditures		26,279	
Total	<u>167,600</u>	<u>132,852</u>	<u>34,748</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Special Appropriations:			
Airport Contribution		40,000	
Total	<u>40,000</u>	<u>40,000</u>	<u>-</u>
 Total Economic and Physical Dev.	<u>1,251,408</u>	<u>1,057,486</u>	<u>193,922</u>
 Human services:			
Health:			
Administration:			
Salaries		396,580	
Employee Benefits		136,004	
Capital Outlay		-	
Professional Services		9,088	
Other Operating Expenditures		77,612	
Total	<u>645,583</u>	<u>619,284</u>	<u>26,299</u>
 Environmental Services:			
Salaries		138,478	
Employee Benefits		47,148	
Capital Outlay		-	
Other Operating Expenditures		15,446	
Total	<u>216,069</u>	<u>201,072</u>	<u>14,997</u>
 Women, Infants, and Children:			
Salaries		136,869	
Employee Benefits		52,592	
Capital Outlay		-	
Other Operating Expenditures		8,593	
Total	<u>211,010</u>	<u>198,054</u>	<u>12,956</u>
 Bio-Terrorism:			
Salaries		-	
Employee Benefits		-	
Other Operating Expenditures		30,323	
Capital Outlay		-	
Total	<u>47,005</u>	<u>30,323</u>	<u>16,682</u>
 Family Planning:			
Salaries		128,454	
Employee Benefits		45,478	
Capital Outlay		-	
Other Operating Expenditures		43,926	
Total	<u>256,300</u>	<u>217,858</u>	<u>38,442</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Maternal:			
Salaries		113,828	
Employee Benefits		41,812	
Capital Outlay		-	
Other Operating Expenditures		23,277	
Total	<u>242,856</u>	<u>178,917</u>	<u>63,939</u>
Tuberculosis:			
Salaries		23,794	
Employee Benefits		7,682	
Capital Outlay		-	
Other Operating Expenditures		9,608	
Total	<u>41,917</u>	<u>41,084</u>	<u>833</u>
Child Health:			
Salaries		131,205	
Employee Benefits		46,619	
Capital Outlay		7,663	
Other Operating Expenditures		17,615	
Total	<u>221,494</u>	<u>203,102</u>	<u>18,392</u>
Care Management:			
Salaries		122,183	
Employee Benefits		41,255	
Capital Outlay		-	
Other Operating Expenditures		2,160	
Total	<u>174,827</u>	<u>165,598</u>	<u>9,229</u>
Health Check and Promotion:			
Salaries		69,008	
Employee Benefits		25,646	
Capital Outlay		-	
Other Operating Expenditures		2,165	
Total	<u>98,945</u>	<u>96,819</u>	<u>2,126</u>
Medication Assistance Program:			
Salaries		17,945	
Employee Benefits		1,373	
Capital Outlay		-	
Other Operating Expenditures		4,955	
Total	<u>24,764</u>	<u>24,273</u>	<u>491</u>
Home Health:			
Salaries		206,474	
Employee Benefits		62,836	
Contracted Services		50,583	
Capital Outlay		-	
Other Operating Expenditures		199,768	
Total	<u>920,509</u>	<u>519,661</u>	<u>400,848</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Young Families Connect:			
Salaries		111,374	
Employee Benefits		39,737	
Capital Outlay		-	
Other Operating Expenditures		28,552	
Total	<u>208,225</u>	<u>179,663</u>	<u>28,562</u>
H-CAP:			
Salaries		177,800	
Employee Benefits		63,969	
Capital Outlay		-	
Other Operating Expenditures		42,484	
Total	<u>319,616</u>	<u>284,253</u>	<u>35,363</u>
Mental Health:			
Mental Health Expense		53,602	
Capital Outlay		-	
Total	<u>53,602</u>	<u>53,602</u>	<u>-</u>
School Health	250,000	250,000	-
H-IAP	31,200	29,699	1,501
Communicable Diseases	21,509	18,515	2,994
Extension Services:			
Grants:			
Salaries		63,062	
Employee Benefits		24,147	
Capital Outlay		-	
Juvenile Services		10,627	
Other Operating Expenditures		47,640	
Total	<u>145,908</u>	<u>145,476</u>	<u>432</u>
Total Health	<u>4,131,339</u>	<u>3,457,253</u>	<u>674,086</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Social services:			
Salaries		3,417,509	
Employee Benefits		1,216,361	
Capital Outlay		133,586	
Contract Services		147,087	
Other Operating Expenditures		1,733,776	
Total	<u>6,796,794</u>	<u>6,648,319</u>	<u>148,475</u>
Public Assistance:	<u>2,171,102</u>	<u>1,982,999</u>	<u>188,103</u>
Total Social Services	<u>8,967,896</u>	<u>8,631,318</u>	<u>336,578</u>
Senior Citizens:			
Salaries		519,759	
Employee Benefits		186,983	
Capital Outlay		107,132	
Other Operating Expenditures		235,113	
Total	<u>1,087,948</u>	<u>1,048,987</u>	<u>38,961</u>
Veterans service officer:			
Salaries		29,127	
Employee Benefits		2,269	
Capital Outlay		-	
Other Operating Expenditures		1,808	
Total	<u>36,154</u>	<u>33,204</u>	<u>2,950</u>
Total Human Services	<u>14,223,337</u>	<u>13,170,762</u>	<u>1,052,575</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Cultural and Recreational:			
Recreation:			
Salaries		135,702	
Employee Benefits		42,315	
Capital Outlay		7,500	
Contracted Services		14,266	
Other Operating Expenditures		108,205	
Total	<u>330,635</u>	<u>307,988</u>	<u>22,647</u>
Library:			
Salaries		315,019	
Employee Benefits		119,864	
Capital Outlay		28,791	
Other Operating Expenditures		100,603	
Total	<u>578,262</u>	<u>564,277</u>	<u>13,985</u>
Special Appropriations:			
Other Charitable Organizations	<u>5,558</u>	<u>1,400</u>	<u>4,158</u>
Total Cultural and Recreational	<u>914,455</u>	<u>873,665</u>	<u>40,790</u>
Education:			
Public Schools:			
Current Expense	6,700,245	6,700,245	
Public School Building Fund	31,603	31,603	
Special Projects	14,808	14,797	
School Sales Tax	432,117	432,117	
Capital Outlay	150,295	150,295	
Additional 1/2 Cent Paid to Schools			
Community Colleges:			
Current Expense	959,409	909,409	
Scholarship	5,000	5,000	
Total Education	<u>8,293,477</u>	<u>8,243,466</u>	<u>50,011</u>
Debt Service:			
Principal Retirement		2,234,947	
Interest and Fees		255,482	
Total Debt Service	<u>2,490,442</u>	<u>2,490,429</u>	<u>13</u>
TOTAL EXPENDITURES	<u>43,969,849</u>	<u>41,860,213</u>	<u>2,109,636</u>
Revenues over(under) Expenditures	<u>476,763</u>	<u>4,760,052</u>	<u>4,283,289</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, 2017

	<u>Budget</u>	<u>Actual</u>	Positive (Negative)
Other financing sources (uses):			
Fund Balance Appropriated	681,694	-	(681,694)
Transfers (to)/from Other Funds:			
Jail Construction Capital Project	(1,108,457)	-	1,108,457
Re-Assessment Fund	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(476,763)</u>	<u>(50,000)</u>	<u>426,763</u>
Net Change In Fund Balance	\$ <u>-</u>	4,710,052	\$ <u>4,710,052</u>
Fund Balance, Beginning		19,807,768	
Fund Balance, Ending		<u>\$ 24,517,820</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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ 1,588	\$ 1,588
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>1,588</u>	<u>51,588</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	-	51,588	51,588
Fund Balance Appropriated		<u>-</u>	<u>-</u>
Net Change In Fund Balance	\$ <u>-</u>	51,588	\$ <u>51,588</u>
Fund Balance, Beginning		<u>352,114</u>	
Fund Balance, Ending		\$ <u><u>403,702</u></u>	

Bladen County, North Carolina
Jail Construction Capital Project Fund
Schedule of Revenues and Expenditures - Budget and Actual - (Non - GAAP)
From Inception and for the Fiscal Year Ended June 30, 2017

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Other Revenues:					
Investment Earnings	\$ -	\$ 521	\$ 921	\$ 1,442	\$ 1,442
Total Revenues	<u>-</u>	<u>521</u>	<u>921</u>	<u>1,442</u>	<u>1,442</u>
Expenditures:					
Public Safety					
Construction	19,327,499	4,057,817	13,408,078	17,465,895	1,861,604
Interest	1,116,496	-	495,628	495,628	620,868
Total Expenditures	<u>20,443,995</u>	<u>4,057,817</u>	<u>13,903,706</u>	<u>17,961,523</u>	<u>2,482,472</u>
Revenues Over (Under) Expenditures	<u>(20,443,995)</u>	<u>(4,057,296)</u>	<u>(13,902,785)</u>	<u>(17,960,081)</u>	<u>2,483,914</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	(1,512,921)	73,716	-	73,716	1,586,637
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>\$ 16,001,420</u>	<u>(13,902,785)</u>	<u>\$ 2,098,635</u>	<u>\$ 2,098,635</u>
Fund Balance, Beginning			<u>16,001,420</u>		
Fund Balance, Ending			<u>\$ 2,098,635</u>		

Bladen County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2017

	Fire District Funds(Combined)	Emergency Telephone System Fund	CDBG Grant	Lock and Dam Capital Project	Totals June 30, 2017
Assets:					
Cash and Cash Equivalents	\$ 2,751,377	\$ -	\$ 4,780	\$ -	\$ 2,756,157
Restricted Cash	-	137,115	-	660,489	797,604
Accounts Receivable	57,335	21,769	-	-	79,104
Taxes Receivable (Net)	177,441	-	-	-	177,441
Total Assets	<u>\$ 2,986,153</u>	<u>\$ 158,884</u>	<u>\$ 4,780</u>	<u>\$ 660,489</u>	<u>\$ 3,810,306</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable and Accrued					
Liabilities	\$ 359	\$ 990	\$ -	\$ 58,987	\$ 60,336
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>359</u>	<u>990</u>	<u>-</u>	<u>58,987</u>	<u>60,336</u>
Deferred Inflows					
Deferred Revenues	177,441	-	-	-	177,441
Total Deferred Inflows of Resources	<u>177,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,441</u>
Fund Balances:					
Restricted					
Stabilization by State Statute	57,335	21,769	-	-	79,104
Public Safety	-	84,454	-	-	84,454
Cultural and Recreational	-	-	-	660,489	660,489
Fire Protection	2,454,979	-	-	-	2,454,979
Committed					
Economic Development	-	-	4,780	-	4,780
Assigned					
Subsequent Year's Expenditures	296,039	51,671	-	-	347,710
Unassigned	-	-	-	(58,987)	(58,987)
Total Fund Balances	<u>2,808,353</u>	<u>157,894</u>	<u>4,780</u>	<u>601,502</u>	<u>3,572,529</u>
Total Liabilities and Fund Balances					
Balances	<u>\$ 2,986,153</u>	<u>\$ 158,884</u>	<u>\$ 4,780</u>	<u>\$ 660,489</u>	<u>\$ 3,810,306</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, 2017

	Fire District Fund(All)	Emergency Telephone System Fund	CDBG NC Tomorrow Grant	Lock and Dam Capital Project	Totals June 30, 2017
Revenues:					
Ad Valorem Taxes	\$ 1,197,003	\$ -	\$ -	\$ -	\$ 1,197,003
Investment Earnings	12,078	314	-	415	12,807
Sales Tax Revenue	240,630	-	-	-	240,630
Restricted Intergovernmental	-	-	-	132,553	132,553
Other Taxes and Licenses					
Emerg. Telephone System Chgs	-	260,681	-	-	260,681
Rent	-	-	-	-	-
Miscellaneous	445	-	-	46,000	46,445
Total revenues	<u>1,450,156</u>	<u>260,995</u>	<u>-</u>	<u>178,968</u>	<u>1,890,119</u>
Expenditures:					
Current:					
Public Safety	1,422,251	257,341	-	-	1,679,592
General Government	-	-	-	-	-
Cultural and Recreational	-	-	-	327,672	327,672
Education	-	-	-	-	-
Debt Service	-	-	-	-	-
Economic and Physical Development	-	-	-	-	-
Total Expenditures	<u>1,422,251</u>	<u>257,341</u>	<u>-</u>	<u>327,672</u>	<u>2,007,264</u>
Revenues Over (Under) Expenditures	<u>27,905</u>	<u>3,654</u>	<u>-</u>	<u>(148,704)</u>	<u>(117,145)</u>
Net Change In Fund Balance	27,905	3,654	-	(148,704)	(117,145)
Fund Balance, Beginning	<u>2,780,448</u>	<u>154,240</u>	<u>4,780</u>	<u>750,206</u>	<u>3,689,674</u>
Fund Balance, Ending	<u>\$ 2,808,353</u>	<u>\$ 157,894</u>	<u>\$ 4,780</u>	<u>\$ 601,502</u>	<u>\$ 3,572,529</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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem taxes:		\$ 1,197,003	
Sales Tax Revenue		240,630	
Miscellaneous Income		445	
Investment Earnings		12,078	
Total Revenues	\$ <u>1,110,491</u>	<u>1,450,156</u>	\$ <u>339,665</u>
Expenditures:			
Public Safety:			
Operating Expenses		107,242	
Professional Services		-	
Miscellaneous		178,758	
Contracted Services		1,136,251	
Total Public Safety	<u>1,450,554</u>	<u>1,422,251</u>	<u>28,303</u>
Total Expenditures	1,450,554	1,422,251	28,303
Revenues Over (Under) Expenditures	<u>(340,063)</u>	<u>27,905</u>	<u>367,968</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	(340,063)	27,905	367,968
Fund Balance Appropriated	<u>340,063</u>	<u>-</u>	<u>(340,063)</u>
Net Change In Fund Balance	\$ <u><u>-</u></u>	27,905	\$ <u><u>27,905</u></u>
Fund Balance, Beginning		<u>2,780,448</u>	
Fund Balance, Ending		\$ <u><u>2,808,353</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 51,386	
Sales Tax Revenue		10,923	
Miscellaneous Income		-	
Investment Earnings		734	
Total Revenues	<u>\$ 48,993</u>	<u>63,043</u>	<u>\$ 14,050</u>
Expenditures:			
Public Safety:			
Operating Expenses		32,570	
Professional Services		-	
Miscellaneous		-	
Contracted Services		43,755	
Total Public Safety	<u>81,461</u>	<u>76,325</u>	<u>5,136</u>
Total Expenditures	81,461	76,325	5,136
Revenues Over (Under) Expenditures	<u>(32,468)</u>	<u>(13,282)</u>	<u>19,186</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	(32,468)	(13,282)	19,186
Fund Balance Appropriated	<u>32,468</u>	<u>-</u>	<u>(32,468)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(13,282)</u>	<u>\$ (13,282)</u>
Fund Balance, Beginning		<u>172,471</u>	
Fund Balance, Ending		<u>\$ 159,189</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 47,865	
Sales Tax Revenue		9,735	
Miscellaneous Income		-	
Investment Earnings		714	
Total Revenues	<u>\$ 54,188</u>	<u>58,314</u>	<u>\$ 4,126</u>
Expenditures:			
Public Safety:			
Operating Expenses		178	
Professional Services		-	
Miscellaneous		-	
Contracted Services		54,871	
Total Public Safety	<u>55,087</u>	<u>55,049</u>	<u>38</u>
Total Expenditures	55,087	55,049	38
Revenues Over (Under) Expenditures	<u>(899)</u>	<u>3,265</u>	<u>4,164</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	(899)	3,265	4,164
Fund Balance Appropriated	<u>899</u>	<u>-</u>	<u>(899)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>3,265</u>	<u>\$ 3,265</u>
Fund Balance, Beginning		<u>164,113</u>	
Fund Balance, Ending		<u>\$ 167,378</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 80,366	
Sales Tax Revenue		16,203	
Miscellaneous Income		-	
Investment Earnings		454	
Total Revenues	<u>\$ 74,253</u>	<u>97,023</u>	<u>\$ 22,770</u>
Expenditures:			
Public Safety:			
Operating Expenses		15,857	
Professional Services		-	
Miscellaneous		-	
Contracted Services		58,313	
Total Public Safety	<u>74,253</u>	<u>74,170</u>	<u>83</u>
Total Expenditures	74,253	74,170	83
Revenues Over (Under) Expenditures	<u>-</u>	<u>22,853</u>	<u>22,853</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	-	22,853	22,853
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	22,853	<u>\$ 22,853</u>
Fund Balance, Beginning		<u>99,407</u>	
Fund Balance, Ending		<u>\$ 122,260</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 31,918	
Sales Tax Revenue		6,611	
Miscellaneous Income		-	
Investment Earnings		265	
Total Revenues	<u>\$ 25,799</u>	<u>38,794</u>	<u>\$ 12,995</u>
Expenditures:			
Public Safety:			
Operating Expenses		120	
Professional Services		-	
Miscellaneous		-	
Contracted Services		21,577	
Total Public Safety	<u>25,799</u>	<u>21,697</u>	<u>4,102</u>
Total Expenditures	25,799	21,697	4,102
Revenues Over (Under) Expenditures	<u>-</u>	<u>17,097</u>	<u>17,097</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	-	17,097	17,097
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	17,097	<u>\$ 17,097</u>
Fund Balance, Beginning		<u>56,070</u>	
Fund Balance, Ending		<u>\$ 73,167</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 56,550	
Sales Tax Revenue		11,234	
Miscellaneous Income		-	
Investment Earnings		333	
Total Revenues	<u>\$ 54,470</u>	<u>68,117</u>	<u>\$ 13,647</u>
Expenditures:			
Public Safety:			
Operating Expenses		10,746	
Professional Services		-	
Miscellaneous		9,000	
Contracted Services		46,096	
Total Public Safety	<u>68,056</u>	<u>65,842</u>	<u>2,214</u>
Total Expenditures	68,056	65,842	2,214
Revenues Over (Under) Expenditures	<u>(13,586)</u>	<u>2,275</u>	<u>15,861</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	(13,586)	2,275	15,861
Fund Balance Appropriated	<u>13,586</u>	<u>-</u>	<u>(13,586)</u>
Net Change In Fund Balance	<u>\$ -</u>	2,275	<u>\$ 2,275</u>
Fund Balance, Beginning		<u>79,384</u>	
Fund Balance, Ending		<u>\$ 81,659</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 44,887	
Sales Tax Revenue		8,531	
Miscellaneous Income		-	
Investment Earnings		389	
Total Revenues	<u>\$ 41,118</u>	<u>53,807</u>	<u>\$ 12,689</u>
Expenditures:			
Public Safety:			
Operating Expenses		158	
Professional Services		-	
Miscellaneous		-	
Contracted Services		40,958	
Total Public Safety	<u>41,118</u>	<u>41,116</u>	<u>2</u>
Total Expenditures	41,118	41,116	2
Revenues Over (Under) Expenditures	<u>-</u>	<u>12,691</u>	<u>12,691</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	-	12,691	12,691
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	12,691	<u>\$ 12,691</u>
Fund Balance, Beginning		<u>83,561</u>	
Fund Balance, Ending		<u>\$ 96,252</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 47,538	
Sales Tax Revenue		9,599	
Miscellaneous Income		-	
Investment Earnings		266	
Total Revenues	<u>\$ 42,587</u>	<u>57,403</u>	<u>\$ 14,816</u>
Expenditures:			
Public Safety:			
Operating Expenses		168	
Professional Services		-	
Miscellaneous		-	
Contracted Services		36,622	
Total Public Safety	<u>42,587</u>	<u>36,790</u>	<u>5,797</u>
Total Expenditures	42,587	36,790	5,797
Revenues Over (Under) Expenditures	<u>-</u>	<u>20,613</u>	<u>20,613</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	-	20,613	20,613
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	20,613	<u>\$ 20,613</u>
Fund Balance, Beginning		<u>52,257</u>	
Fund Balance, Ending		<u>\$ 72,870</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 57,365	
Sales Tax Revenue		11,442	
Miscellaneous Income		-	
Investment Earnings		1,139	
Total Revenues	<u>\$ 57,658</u>	<u>69,946</u>	<u>\$ 12,288</u>
Expenditures:			
Public Safety:			
Operating Expenses		280	
Professional Services		-	
Miscellaneous		-	
Contracted Services		62,368	
Total Public Safety	<u>62,658</u>	<u>62,648</u>	<u>10</u>
Total Expenditures	62,658	62,648	10
Revenues Over (Under) Expenditures	<u>(5,000)</u>	<u>7,298</u>	<u>12,298</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	(5,000)	7,298	12,298
Fund Balance Appropriated	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>7,298</u>	<u>\$ 7,298</u>
Fund Balance, Beginning		<u>259,375</u>	
Fund Balance, Ending		<u>\$ 266,673</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 155,485	
Sales Tax Revenue		30,695	
Miscellaneous Income		-	
Investment Earnings		1,404	
Total Revenues	<u>\$ 145,316</u>	<u>187,584</u>	<u>\$ 42,268</u>
Expenditures:			
Public Safety:			
Operating Expenses		3,163	
Professional Services		-	
Miscellaneous		75,062	
Contracted Services		139,385	
Total Public Safety	<u>220,378</u>	<u>217,610</u>	<u>2,768</u>
Total Expenditures	220,378	217,610	2,768
Revenues Over (Under) Expenditures	<u>(75,062)</u>	<u>(30,026)</u>	<u>45,036</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	(75,062)	(30,026)	45,036
Fund Balance Appropriated	<u>75,062</u>	<u>-</u>	<u>(75,062)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(30,026)</u>	<u>\$ (30,026)</u>
Fund Balance, Beginning		<u>312,314</u>	
Fund Balance, Ending		<u>\$ 282,288</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 123,119	
Sales Tax Revenue		24,926	
Miscellaneous Income		-	
Investment Earnings		1,011	
Total Revenues	<u>\$ 110,238</u>	<u>149,056</u>	<u>\$ 38,818</u>
Expenditures:			
Public Safety:			
Operating Expenses		35,664	
Professional Services		-	
Miscellaneous		69,696	
Contracted Services		87,499	
Total Public Safety	<u>193,207</u>	<u>192,859</u>	<u>348</u>
Total Expenditures	193,207	192,859	348
Revenues Over (Under) Expenditures	<u>(82,969)</u>	<u>(43,803)</u>	<u>39,166</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	(82,969)	(43,803)	39,166
Fund Balance Appropriated	<u>82,969</u>	<u>-</u>	<u>(82,969)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(43,803)</u>	<u>\$ (43,803)</u>
Fund Balance, Beginning		<u>268,740</u>	
Fund Balance, Ending		<u>\$ 224,937</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 42,063	
Sales Tax Revenue		8,270	
Miscellaneous Income		-	
Investment Earnings		260	
Total Revenues	<u>\$ 41,421</u>	<u>50,593</u>	<u>\$ 9,172</u>
Expenditures:			
Public Safety:			
Operating Expenses		142	
Professional Services		-	
Miscellaneous		-	
Contracted Services		42,093	
Total Public Safety	<u>42,243</u>	<u>42,235</u>	<u>8</u>
Total Expenditures	42,243	42,235	8
Revenues Over (Under) Expenditures	<u>(822)</u>	<u>8,358</u>	<u>9,180</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	(822)	8,358	9,180
Fund Balance Appropriated	<u>822</u>	<u>-</u>	<u>(822)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>8,358</u>	<u>\$ 8,358</u>
Fund Balance, Beginning		<u>56,116</u>	
Fund Balance, Ending		<u>\$ 64,474</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 76,445	
Sales Tax Revenue		15,428	
Miscellaneous Income		-	
Investment Earnings		1,018	
Total Revenues	<u>\$ 82,790</u>	<u>92,891</u>	<u>\$ 10,101</u>
Expenditures:			
Public Safety:			
Operating Expenses		3,030	
Professional Services		-	
Miscellaneous		-	
Contracted Services		66,302	
Total Public Safety	<u>85,540</u>	<u>69,332</u>	<u>16,208</u>
Total Expenditures	85,540	69,332	16,208
Revenues Over (Under) Expenditures	<u>(2,750)</u>	<u>23,559</u>	<u>26,309</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	(2,750)	23,559	26,309
Fund Balance Appropriated	<u>2,750</u>	<u>-</u>	<u>(2,750)</u>
Net Change In Fund Balance	<u>\$ -</u>	23,559	<u>\$ 23,559</u>
Fund Balance, Beginning		<u>223,868</u>	
Fund Balance, Ending		<u>\$ 247,427</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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem taxes:		\$ 145,895	
Sales Tax Revenue		28,869	
Miscellaneous Income		-	
Investment Earnings		1,182	
Total Revenues	<u>\$ 135,873</u>	<u>175,946</u>	<u>\$ 40,073</u>
Expenditures:			
Public Safety:			
Operating Expenses		694	
Professional Services		-	
Miscellaneous		5,000	
Contracted Services		181,660	
Total Public Safety	<u>187,359</u>	<u>187,354</u>	<u>5</u>
Total Expenditures	187,359	187,354	5
Revenues Over (Under) Expenditures	<u>(51,486)</u>	<u>(11,408)</u>	<u>40,078</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	(51,486)	(11,408)	40,078
Fund Balance Appropriated	<u>51,486</u>	<u>-</u>	<u>(51,486)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(11,408)</u>	<u>\$ (11,408)</u>
Fund Balance, Beginning		<u>303,768</u>	
Fund Balance, Ending		<u>\$ 292,360</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 119,396	
Sales Tax Revenue		23,828	
Miscellaneous Income		-	
Investment Earnings		2,407	
Total Revenues	<u>\$ 115,974</u>	<u>145,631</u>	<u>\$ 29,657</u>
Expenditures:			
Public Safety:			
Operating Expenses		1,456	
Professional Services		-	
Miscellaneous		10,000	
Contracted Services		80,274	
Total Public Safety	<u>117,479</u>	<u>91,730</u>	<u>25,749</u>
Total Expenditures	117,479	91,730	25,749
Revenues Over (Under) Expenditures	<u>(1,505)</u>	<u>53,901</u>	<u>55,406</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	(1,505)	53,901	55,406
Fund Balance Appropriated	<u>1,505</u>	<u>-</u>	<u>(1,505)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>53,901</u>	<u>\$ 53,901</u>
Fund Balance, Beginning		<u>517,175</u>	
Fund Balance, Ending		<u>\$ 571,076</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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem taxes:		\$ 70,212	
Sales Tax Revenue		15,137	
Miscellaneous Income		445	
Investment Earnings		383	
Total Revenues	\$ <u>71,308</u>	<u>86,177</u>	\$ <u>14,869</u>
Expenditures:			
Public Safety:			
Operating Expenses		2,899	
Professional Services		-	
Miscellaneous		10,000	
Contracted Services		83,393	
Total Public Safety	<u>96,308</u>	<u>96,292</u>	<u>16</u>
Total Expenditures	96,308	96,292	16
Revenues Over (Under) Expenditures	<u>(25,000)</u>	<u>(10,115)</u>	<u>14,885</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	(25,000)	(10,115)	14,885
Fund Balance Appropriated	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Net Change In Fund Balance	\$ <u><u>-</u></u>	(10,115)	\$ <u><u>(10,115)</u></u>
Fund Balance, Beginning		<u>83,816</u>	
Fund Balance, Ending		\$ <u><u>73,701</u></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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem taxes:		\$ 25,877	
Sales Tax Revenue		5,208	
Miscellaneous Income		-	
Investment Earnings		103	
Total Revenues	<u>\$ 26,624</u>	<u>31,188</u>	<u>\$ 4,564</u>
Expenditures:			
Public Safety:			
Operating Expenses		116	
Professional Services		-	
Miscellaneous		-	
Contracted Services		70,600	
Total Public Safety	<u>75,140</u>	<u>70,716</u>	<u>4,424</u>
Total Expenditures	75,140	70,716	4,424
Revenues Over (Under) Expenditures	<u>(48,516)</u>	<u>(39,528)</u>	<u>8,988</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	(48,516)	(39,528)	8,988
Fund Balance Appropriated	<u>48,516</u>	<u>-</u>	<u>(48,516)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(39,528)</u>	<u>\$ (39,528)</u>
Fund Balance, Beginning		<u>41,862</u>	
Fund Balance, Ending		<u>\$ 2,334</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 3,445	
Sales Tax Revenue		429	
Miscellaneous Income		-	
Investment Earnings		9	
Total Revenues	<u>\$ 3,503</u>	<u>3,883</u>	<u>\$ 380</u>
Expenditures:			
Public Safety:			
Operating Expenses		1	
Professional Services		-	
Miscellaneous		-	
Contracted Services		3,426	
Total Public Safety	<u>3,503</u>	<u>3,427</u>	<u>76</u>
Total Expenditures	3,503	3,427	76
Revenues Over (Under) Expenditures	<u>-</u>	<u>456</u>	<u>456</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	-	456	456
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>456</u>	<u>\$ 456</u>
Fund Balance, Beginning		<u>2,523</u>	
Fund Balance, Ending		<u>\$ 2,979</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem taxes:		\$ 17,191	
Sales Tax Revenue		3,562	
Miscellaneous Income		-	
Investment Earnings		7	
Total Revenues	<u>\$ 19,496</u>	<u>20,760</u>	<u>\$ 1,264</u>
Expenditures:			
Public Safety:			
Operating Expenses		-	
Professional Services		-	
Miscellaneous		-	
Contracted Services		17,059	
Total Public Safety	<u>19,496</u>	<u>17,059</u>	<u>2,437</u>
Total Expenditures	19,496	17,059	2,437
Revenues Over (Under) Expenditures	<u>-</u>	<u>3,701</u>	<u>3,701</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	-	3,701	3,701
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>3,701</u>	<u>\$ 3,701</u>
Fund Balance, Beginning		<u>3,628</u>	
Fund Balance, Ending		<u>\$ 7,329</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Other Taxes and Licenses			
Emergency Telephone System Charges		\$ 260,681	
Restricted Intergovernmental Grants		-	
Miscellaneous			
Investment Income		314	
Total Revenues	\$ <u>260,680</u>	<u>260,995</u>	\$ <u>315</u>
Expenditures:			
Public safety:			
Operating Expenses		257,341	
Capital Outlay		-	
Total Expenditures	<u>284,573</u>	<u>257,341</u>	<u>27,232</u>
Total Expenditures	<u>284,573</u>	<u>257,341</u>	<u>27,232</u>
Revenues Over (Under) Expenditures	<u>(23,893)</u>	<u>3,654</u>	<u>27,547</u>
Other Financing Sources (Uses):			
Proceeds from Lease Purchase	-	-	-
Transfer to General Fund	-	-	-
Transfer from General Fund	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(23,893)	3,654	27,547
Fund Balance Appropriated	<u>23,893</u>	<u>-</u>	<u>(23,893)</u>
Net Change In Fund Balance	\$ <u>-</u>	3,654	\$ <u>3,654</u>
Fund Balance, Beginning		<u>154,240</u>	
Fund Balance, Ending		<u>\$ 157,894</u>	

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, 2017

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Community Development Block Grant					
Scattered Site	\$ 400,000	\$ 388,504	\$ -	\$ 388,504	\$ (11,496)
Community Investment	165,000	154,590	-	154,590	(10,410)
Small Business Entrep	<u>250,000</u>	<u>237,246</u>	<u>-</u>	<u>237,246</u>	<u>(12,754)</u>
Total restricted intergovernmental	<u>815,000</u>	<u>780,340</u>	<u>-</u>	<u>780,340</u>	<u>(34,660)</u>
Interest Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>815,000</u>	<u>780,340</u>	<u>-</u>	<u>780,340</u>	<u>(34,660)</u>
Expenditures:					
Current:					
Economic and physical development:					
Scattered Site					
Rehabilitation	360,000	348,504	-	348,504	11,496
Planning	5,000	5,000	-	5,000	-
Administration	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Total Scattered Site	<u>400,000</u>	<u>388,504</u>	<u>-</u>	<u>388,504</u>	<u>11,496</u>
Scattered Site					
Rehabilitation	<u>165,000</u>	<u>154,810</u>	<u>-</u>	<u>154,810</u>	<u>10,190</u>
Total Scattered Site	<u>165,000</u>	<u>154,810</u>	<u>-</u>	<u>154,810</u>	<u>10,190</u>
Small Business Entrepreneurial					
Development financing	235,000	233,005	-	233,005	1,995
Other	10,000	-	-	-	10,000
Planning	<u>5,000</u>	<u>4,241</u>	<u>-</u>	<u>4,241</u>	<u>759</u>
Total Small Bus Entrepreneurial	<u>250,000</u>	<u>237,246</u>	<u>-</u>	<u>237,246</u>	<u>12,754</u>
Total expenditures	<u>815,000</u>	<u>780,560</u>	<u>-</u>	<u>780,560</u>	<u>34,440</u>
Revenues over expenditures	-	(220)	-	(220)	(220)
Other Financing Sources (Uses):					
Residual Equity Transfer					
from General Fund	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total Other Financing	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Sources (Uses)	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Revenues, Other Sources Over (Under)					
Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 4,780</u>	<u>-</u>	<u>\$ 4,780</u>	<u>\$ 4,780</u>
Fund Balance, Beginning			<u>4,780</u>		
Fund Balance, Ending			<u>\$ 4,780</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, 2017

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
Revenues:				
Restricted intergovernmental				
Grant	\$ 1,680,536	\$ -	\$ 132,553	\$ 132,553
Donations	810,000	750,000	46,000	796,000
Investment Income	-	206	415	621
Total Revenues	<u>2,490,536</u>	<u>750,206</u>	<u>178,968</u>	<u>929,174</u>
Expenditures:				
Culturual and Recreation				
Operating Expenses		-	327,672	327,672
Total Expenditures	<u>2,490,536</u>	<u>-</u>	<u>327,672</u>	<u>327,672</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>750,206</u>	<u>(148,704)</u>	<u>601,502</u>
Other financing sources:				
Debt Proceeds		-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unexpended Revenues and Receipts	<u>\$ -</u>	<u>\$ 750,206</u>	<u>(148,704)</u>	<u>\$ 601,502</u>
Fund Balance, Beginning			<u>750,206</u>	
Fund Balance, Ending			<u>\$ 601,502</u>	

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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Rent		\$ 72,510	
Other Revenue		-	
Total Operating Revenues	\$ 72,510	72,510	\$ -
Nonoperating revenues:			
Interest Income		-	
Total Nonoperating Revenues		-	-
Total Revenues	72,510	72,510	-
Expenditures:			
Other Operating Expense		-	
	-	-	-
Debt Service:			
Principal Retirement		65,084	
Interest		7,424	
Total Debt Service	72,510	72,508	2
Capital Outlay	-	-	-
Total Expenditures	72,510	72,508	2
Revenues Over (Under) Expenditures	-	2	2
Fund Balance Appropriated		-	-
Revenues and Other Financing Sources			
Over (Under) Expenditures and Other Uses	\$ -	\$ 2	\$ 2

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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues Over (Under) Expenditures		\$ <u>2</u>	
Reconciling Items:			
Principal Payments on Capital Leases and Debt		65,084	
Depreciation		<u>(245,982)</u>	
Total Reconciling Items		<u>(180,898)</u>	
Change in Net Position		\$ <u><u>(180,896)</u></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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues			
Fees Solid Waste Collection		\$ 654,815	
Fees Solid Waste Disposal		1,091,538	
Fees Solid Waste Tipping		320,387	
Recyclable		23,853	
State Revenues		101,002	
Miscellaneous		3,840	
Total	<u>\$ 2,070,450</u>	<u>2,195,435</u>	<u>\$ 124,985</u>
Nonoperating revenues:			
State Grant		70,083	
Interest Earnings		6,300	
Total Nonoperating Revenues	<u>41,240</u>	<u>76,383</u>	<u>35,143</u>
Total Revenues	<u>2,111,690</u>	<u>2,271,818</u>	<u>160,128</u>
Expenditures:			
Salaries		299,753	
Employee Benefits		111,059	
Operating Expense		1,587,375	
Budgetary Appropriations			
Capital Outlay		13,241	
Interest Paid		-	
Principle Payments Capital Leases & Debt		-	
Total Expenditures	<u>2,113,628</u>	<u>2,011,428</u>	<u>102,200</u>
Revenues Over (Under) Expenditures	<u>(1,938)</u>	<u>260,390</u>	<u>262,328</u>
Other Financing Sources and (Uses):			
Debt Issuance	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(1,938)</u>	<u>260,390</u>	<u>262,328</u>
Fund Balance Appropriated	<u>1,938</u>	<u>-</u>	<u>(1,938)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 260,390</u>	<u>\$ 260,390</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual (modified accrual) to full accrual:			
Revenues and Other Sources Over (Under) Expenditures and Other Uses		\$ <u>260,390</u>	
Reconciling Items:			
Capital outlay		13,241	
Loss on Disposal of Asset		(23,534)	
Increase/(Decrease) in deferred outflows of resources-pensions		59,685	
(Increase)/Decrease in net pension liability		(70,509)	
(Increase)/Decrease in deferred inflows of resources-pensions		6,484	
(Increase)/Decrease in accrued vacation		988	
Bad Debts		(6,175)	
Depreciation		<u>(119,391)</u>	
Total Reconciling Items and Adjustments		<u>(139,211)</u>	
Change in Net Position		<u>\$ 121,179</u>	

Bladen County, North Carolina
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For The Fiscal Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Miscellaneous		\$ -	
Total Operating Revenues	\$ -	-	\$ -
Nonoperating Revenues			
Interest Income		306,063	
Total Nonoperating Revenues	-	306,063	306,063
Total Revenues	-	306,063	306,063
Expenditures:			
Operating Expenses		-	
Budgetary Appropriations:			
Interest Paid		306,063	
Debt Principal		310,000	
Total Expenditures	616,088	616,063	25
Revenues Over (Under) Expenditures	(616,088)	(310,000)	306,088
Other Financing Sources and (Uses):			
Debt Issuance		-	
Principle Repayment from Water District		310,000	
Total Other Financing Sources (Uses)	616,088	310,000	(306,088)
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, 2017

	Budget	Actual	Variance Positive (Negative)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues, Other Sources and Appropriated			
Fund Balance Over (Under)			
Expenditures and Other Uses		\$ -	
 Budgetary Appropriations:			
Principal Payments		310,000	
Principle Repayment from Water District		(310,000)	
Total reconciling items		-	
 Change in Net Position		\$ -	

Bladen County, North Carolina
Water District Fund
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For The Fiscal Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues			
Tap on Fees		\$ 33,562	
Water Sales		2,104,883	
Late and Reconnect Fees		103,775	
Miscellaneous		39,755	
Total Operating Revenues	\$ <u>2,097,027</u>	<u>2,281,975</u>	\$ <u>184,948</u>
Nonoperating Revenues			
State Grant		76,454	
Interest on Investments		9,328	
Total Nonoperating Revenues	<u>3,387</u>	<u>85,782</u>	<u>82,395</u>
Total Revenues	<u>2,100,414</u>	<u>2,367,757</u>	<u>267,343</u>
Expenditures:			
Salaries		283,511	
Employee Benefits		100,026	
Operating Expenses		559,656	
Budgetary Appropriations:			
Capital Outlay		130,533	
Interest Paid		591,879	
Debt Principal		199,033	
Reduction in Water Fund Due to		310,000	
Total Expenditures	<u>2,242,413</u>	<u>2,174,638</u>	<u>67,775</u>
Revenues Over (Under) Expenditures	<u>(141,999)</u>	<u>193,119</u>	<u>335,118</u>
Other Financing Sources and (Uses):			
Debt Issuance		-	
Transfer from General Fund		-	
Transfer from		-	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	<u>(141,999)</u>	<u>193,119</u>	<u>335,118</u>
Appropriated Fund Balance	<u>141,999</u>	<u>-</u>	<u>(141,999)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u><u>-</u></u>	\$ <u><u>193,119</u></u>	\$ <u><u>193,119</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, 2017

	Budget	Actual	Variance Positive (Negative)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues, Other Sources and Appropriated			
Fund Balance Over (Under)			
Expenditures and Other Uses		\$ 193,119	
 Budgetary Appropriations:			
Capital Outlay		130,533	
Principal Payments		509,033	
Amortization of Bond Premiums		(13,584)	
Amortization of Deferred Charges		45,409	
Increase/(Decrease) in deferred outflows of resources-pensions		59,685	
(Increase)/Decrease in net pension liability		(70,509)	
(Increase)/Decrease in deferred inflows of resources-pensions		6,484	
(Increase)/Decrease in accrued vacation		(4,902)	
Depreciation		(746,771)	
Total reconciling items		(84,622)	
 Change in Net Position		\$ 108,497	

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

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>Fines and Forfeitures</u>				
Assets:				
Cash and Investments	\$ -	\$ 1,159,136	\$ 1,159,136	\$ -
Liabilities:				
Miscellaneous Liabilities	-	1,159,136	1,159,136	-
<u>Social Services Fund</u>				
Assets:				
Cash and Investments	65,341	401,639	403,034	63,946
Liabilities:				
Miscellaneous Liabilities	65,341	401,639	403,034	63,946
<u>Municipal Tax Fund</u>				
Assets:				
Cash and Cash Equivalents	30,385	384,350	383,930	30,805
Liabilities:				
Intergovernmental Payable	30,385	384,350	383,930	30,805
<u>Animal Control Trust</u>				
Assets:				
Cash and Investments	4,940	7,373	-	12,313
Liabilities:				
Miscellaneous Liabilities	4,940	7,373	-	12,313
<u>Concealed Handgun Permits</u>				
Assets:				
Cash and Investments	15,430	28,610	14,930	29,110
Liabilities:				
Miscellaneous Liabilities	15,430	28,610	14,930	29,110
<u>Sheriff's Civil Account</u>				
Assets:				
Cash and Investments	1,924	12,087	11,716	2,295
Liabilities:				
Miscellaneous Liabilities	1,924	12,087	11,716	2,295
<u>Sheriff's Evidence Account</u>				
Assets:				
Cash and Investments	44,962	12,171	2,658	54,475
Liabilities:				
Miscellaneous Liabilities	44,962	12,171	2,658	54,475
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	162,982	2,005,366	1,975,404	192,944
Liabilities:				
Miscellaneous liabilities	132,597	1,621,016	1,591,474	162,139
Intergovernmental Payable	30,385	384,350	383,930	30,805
Total Liabilities	\$ 162,982	\$ 2,005,366	\$ 1,975,404	\$ 192,944

Other Schedules

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

Fiscal Year	Uncollected Balance June 30, 2016	Additions	Collections And Credits	Uncollected Balance June 30, 2016
2016-2017	\$ -	\$ 22,558,953	\$ 21,667,940	\$ 891,013
2015-2016	872,080	-	375,700	496,380
2014-2015	396,270	-	106,014	290,256
2013-2014	420,018	-	103,306	316,712
2012-2013	338,423	115	74,169	264,369
2011-2012	250,519	-	58,026	192,493
2010-2011	228,525	-	55,474	173,051
2009-2010	219,290	6,308	49,637	175,961
2008-2009	155,071	-	21,422	133,649
2007-2008	134,937	-	14,349	120,588
2006-2007	88,781	-	88,781	-
TOTALS	\$ 3,103,914	\$ 22,565,376	\$ 22,614,818	3,054,472
			Less Allowance for Doubtful Accounts	<u>(1,070,000)</u>
				\$ 1,984,472
 <u>Reconcilement with revenues:</u>				
			Ad Valorem taxes - General Fund	\$ <u>22,809,770</u>
			Reconciling items:	
			Penalties and Interest	(417,568)
			Release/Refunds	125,578
			Discounts	<u>97,038</u>
			Total Reconciling Items	<u>(194,952)</u>
			Total Collections and Credits	\$ <u>22,614,818</u>

Bladen County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2017

	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	\$ 2,753,184,024	0.82	\$ 22,576,109	\$ 20,286,830	\$ 2,289,279
Total Original Levy	<u>2,753,184,024</u>		<u>22,576,109</u>	<u>20,286,830</u>	<u>2,289,279</u>
Discoveries:					
Current year taxes	12,826,098	0.82	105,174	105,174	-
Total Discoveries	<u>12,826,098</u>		<u>105,174</u>	<u>105,174</u>	<u>-</u>
Abatements					
Current Year Taxes	(14,918,293)	0.82	(122,330)	(122,222)	(108)
Total Abatements	<u>(14,918,293)</u>		<u>(122,330)</u>	<u>(122,222)</u>	<u>(108)</u>
Total for Year	<u>\$ 2,751,091,829</u>		22,558,953	20,269,782	2,289,171
Uncollected taxes at June 30, 2017			<u>891,013</u>	<u>891,013</u>	<u>-</u>
Current year's taxes collected			<u>\$ 21,667,940</u>	<u>\$ 19,378,769</u>	<u>\$ 2,289,171</u>
Current levy collection percentage			<u>96.05%</u>	<u>95.60%</u>	<u>100.00%</u>

Bladen County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2017

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio ¹	100 %
Real Property	\$ 1,909,504,215
Personal Property	691,747,840
Public Service Companies ²	<u>149,839,774</u>
Total Assessed Valuation	<u>2,751,091,829</u>
Tax Rate per \$100	0.0082
Levy (includes discoveries, releases and abatements) ³	<u><u>\$ 22,558,953</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>
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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, 2017

Taxpayer	Type of Business	2016 Assessed Valuation	Percentage of Total Assessed Valuation
Smithfield Packing	Pork Processor	\$ 99,830,123	3.63 %
The Chemours Company FC LLC	Plastic & Resin Products	84,624,008	3.08
Smithfield Farmland Corp	Pork Processor and Distributor	39,099,910	1.42
Gildan Yarns LLC	Textiles	22,035,309	0.80
Kuraray America Inc	Chemical, Fiber and Resin Production	21,270,819	0.77
Murphy Brown Farms	Agricultural Processor	20,812,265	0.76
Carolina Cold Storage	Processed Pork Storage	20,472,933	0.74
E.I. Dupont De Nemours & Co	Chemical, Fiber and Resin Production	19,497,013	0.71
Browns Realty Partnership	Agricultural Processor	16,629,791	0.60
Danaher Controls	Electronics	15,085,637	0.55
Total		\$ <u><u>359,357,808</u></u>	<u><u>13.06 %</u></u>

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, 2017, and the related notes to the financial statement, which collectively comprises Bladen County's basic financial statements, and have issued our report thereon dated December 12, 2017.

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 identified 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 2017-002 & 2017-003.

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 2017-001.

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 2017-002 & 2017-003.

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
December 12, 2017*



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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, 2017. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of 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 2017-002 and 2017-003 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, 2017.

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, 2017.

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 2017-002 and 2017-003. 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 2017-002 & 2017-003 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

December 12, 2017



Thompson, Price, Scott, Adams & Co., P.A.
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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, 2017. 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 the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

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

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 2017-002 and 2017-003 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, 2017.

Other matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the OMB Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-002 and 2017-003. Our opinion on the major state 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 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.

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 state 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 2017-002 & 2017-003 to be a material weakness.

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

December 12, 2017

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

2017 – 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, 2016-001.

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, 2017

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: 2017 – 002

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE
Real Property Owned

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that tax records and Register of Deeds were checked to verify if the individual owns property. The files should also contain documentation on any property found as to whether it is a countable resource or is exempt from the resources calculation.

Condition: There was one error in one file dealing with verifying real property ownership and the determination of whether it is a countable resource or is exempt from resource calculations.

Questioned Costs: There were questioned costs of \$15,553 on this case. This amount was determined by totaling all the aid received by the applicant who was not eligible.

Context: Of the 3,424 case files, we examined 104 applicants and determined that one applicant received assistance for which eligibility was not properly determined.

Effect: For that certification/recertification there was a chance that property was owned that would not have been treated as a countable resource and a person could have been approved for benefits that they were not eligible.

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

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include a print out as evidence that the Register of Deeds was checked and 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.

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: 2017 – 003

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE
Liquid Assets and Reserve Calculations for Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that liquid assets were verified and whether countable or non-countable for purposes of determining eligibility. Liquid Assets include cash, bank accounts, certificates of deposits, securities, or any asset which can be converted to cash. The record should contain verification of liquid assets and whether countable or non-countable for the purposes of eligibility. The countable reserves are then compared to and must be below the State-provided reserve limits for the particular Medicaid program. Most Medicaid for Families and Children do not require resource verification but if required, it is similar to that in the Medicaid for Aged, Blind and Disabled rules.

Condition: Of the files tested, there were 6 errors noted in 5 files.

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

Questioned Costs: After additional procedures, all but one case file in question was determined to be eligible. There were questioned costs of \$5,330 on the one case identified below that additional procedures could not be performed. This amount was determined by totaling all the aid received by those two applicants who were not eligible.

Context: Of the 3,424 case files, we examined 104 applicants and determined that five applicants received assistance for which eligibility was not properly determined.

There were 2 files that had 1 error each related to a life insurance policy that was not included in NCFast as a noncountable resource for either of the certification periods.

There was one file that had 2 errors. One of those errors was that a vehicle included on the OLV was missing updated values in NCFast. The vehicle would have been noncountable. There was also a life insurance policy that was not included in NCFast as a noncountable resource for either of the certification periods.

One file that had one error did not contain any evidence verification was performed for liquid assets. The file did not contain an AVS check on the spouse. This was determined to be a questioned cost, as there could be no other alternative procedures performed.

One file contained documentation that the County verified a vehicle and confirmed liquid resources in the paper file however none of the results from either verification were entered into evidence in NCFast.

Effect: Files are incomplete/incorrect and do not support reserve calculations. All liquid assets and reserve calculations must be done correctly and completely using current information and online verifications. All must be completed and documented when completed. The exclusion and incorrect calculation could lead to someone receiving Medicaid that is not eligible.

Cause: Ineffective case review process, incomplete documentation, and incorrect application of rules for what is countable or non-countable for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility determination. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. Workers should also be retrained on what is countable and non-countable for purposes of determining eligibility with regards to reserve/liquid asset calculations. OLV's should be completed and documented.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors 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 be participating in the review process.

Section IV – State Award Findings and Questioned Costs

Findings 2017 – 002 & 3 are related to Medicaid, which has a State match for a federal program. Therefore, this finding relates to a major State program as identified in the above federal award findings and questioned cost.

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

Section II – Financial Statement Findings

- Finding 2017 – 001 Name of contact person: Charles Ray Peterson, 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.
- Finding 2017 – 002 Name of contact person: Charles Ray Peterson, 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 2017 – 003 Name of contact person: Charles Ray Peterson, 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.

BLADEN COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

Finding: 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: 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, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to 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		\$ 579,272	\$ -	\$ -	\$ 579,272
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		211,002	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		571,297	-	-	-
Passed-through Lumber River Council of Governments:						
NSIP Supplement	10.570		20,989	-	-	-
Direct Program						
Community Facilities Loans and Grants-Law Enforcement & Detention Center	10.766		17,961,523	-	-	-
Total U.S. Dept. of Agriculture			19,344,083	-	-	579,272
<u>U.S. Dept. of Justice</u>						
Direct Program:						
Federal Drug Forfeiture Assistance	16.000		2,965	-	-	-
<u>Office of Community Oriented Policing Services</u>						
COPS Hiring Program	16.710		48,334	-	-	53,680
Total U.S. Dept. of Justice			51,299	-	-	53,680

Bladen County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<u>U.S. Dept of Transportation</u>						
Passed-through the N.C. Department of Transportation:						
Formula Grants for Other Than Urbanized Areas	20.509	36233.11.17.3	73,867	9,234	-	-
Formula Grants for Other Than Urbanized Areas	20.509	36233.11.18.3	37,032	4,629	-	-
Formula Grants for Other Than Urbanized Areas	20.509	36233.11.19.1	71,643	4,478	-	-
Formula Grants for Other Than Urbanized Areas	20.509	36233.11.18.1	25,927	1,620	-	-
Total U.S. Department of Transportation			208,469	19,961	-	-
<u>Institute of Museum & Library Services</u>						
Passed-through the N.C. Cultural Resources:						
LSTA Collaboration & Innovation Grant	45.310		26,049	-	-	-
<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		290,377	-	-	-
Emergency Service Performance Grant	97.042		38,584	-	-	-
Byrne Justice Assistance Grant	16.738		21,970	-	-	-
Total U.S. Department of Homeland Security			350,931	-	-	-
<u>U.S. Dept. of Health & Human Services</u>						
<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		64,141	3,773	-	-
In-home Services:						
Title III-B	93.044		112,559	6,621	-	-
Home Delivered Meals Title III-C2	93.045		10,462	615	-	-
Congregate Nutrition Title III-C1	93.045		101,308	5,959	-	-
Total Aging Cluster			288,470	16,968	-	-
Social Service Block Grant (SSBG) - In Home Services	93.667		12,861	367	-	-
<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		14,403	-	-	-
Child Support Enforcement	93.563		506,837	(7)	-	261,104
Low-Income Home Energy Assistance Block Grant:						
Administration	93.568		28,031	-	-	-
Energy Assistance - Direct Benefit Payments	93.568		230,800	-	-	-
Crisis Intervention - Direct Benefit Payments	93.568		190,289	-	-	-
Total Low-Income Home Energy Assistance			449,120	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning	93.645		6,154	-	-	2,051
Social Services Block Grant	93.667		307,636	21,670	-	67,374
Independent Living Grant	93.674		6,933	1,733	-	-
Adoption/Foster Care			19,841	-	-	-

Bladen County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<u>Temporary Assistance for Needy Families Cluster:</u>						
Temporary Assistance for Needy Families (TANF)/ Workfirst	93.558		216,740	-	-	470,771
Work First/(TANF)-Direct Benefit Payments	93.558		334,861	-	-	181
Total TANF Cluster:			551,601	-	-	470,952
<u>Foster Care and Adoption Cluster:</u>						
Title IV-E Foster Care-Administration	93.658		107,972	4,365	-	103,607
Foster Care-Direct Benefit Payments	93.658		156,166	46,587	-	46,919
Title IV-E Adoption	93.659		1,051	-	-	1,051
Adoption Assistance-Direct Payments	93.659		52,042	13,226	-	13,226
Total Foster Care and Adoption Cluster			317,231	64,178	-	164,803
<u>Division of Child Development and Early Education:</u>						
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		75,862	-	-	-
Division of Child Development:						
Child Care and Development Fund - Discretionary	93.575		359,957	-	-	-
Child Care and Development Fund - Mandatory	93.596		116,598	-	-	-
Child Care and Development Fund - Match	93.596		173,349	61,297	-	-
Total Child Care Development Fund Cluster			725,766	61,297	-	-
TANF	93.558		95,578	-	-	-
Foster Care Title IV-E	93.658		13,590	6,794	-	-
State Appropriations			-	104,478	-	-
TANF - MOE			-	175,732	-	-
Total Subsidized Child Care Cluster(note 3)			834,934	348,301	-	-
<u>Passed-through the N.C. Dept. of Health and Human Services:</u>						
Division of Medical Assistance:						
Direct Benefit Payments:						
Medical Assistance Program	93.778		43,161,206	23,357,467	-	-
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778		1,171,159	7,578	-	456,802
Direct Benefit Payments:						
State Children's Insurance Prg - N.C. Health Choice	93.767		577,751	1,708	-	-
Division of Social Services:						
Administration:						
State Children's Insurance Prg - N.C. Health Choice	93.767		39,129	34	-	60

Bladen County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	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:						
Public Health Emergency Preparedness	93.069			-	-	-
PHEP Aligned Cooperative Agreement	93.074		45,906	-	-	-
Tuberculosis Control Program	93.116		50	-	-	-
Immunization Grants	93.268		5,105	-	-	-
PPHF Capacity Building Asst to Strengthen PH Immunization Unfrustrated & Performance	93.539		7,229	-	-	-
Preventive Health and Health Services Block Grant	93.758		26,707	-	-	-
HIV Prevention Activities	93.940		3,000	-	-	-
Preventive Health Services - STD Control	93.977		988	-	-	-
<u>Administration for Children and Families:</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Temporary Assistance for Needy Families	93.558		4,880	-	-	-
<u>Health Resources and Service Administration</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Maternal and Child Health Services Block Grant	93.994		44,799	33,603	-	-
<u>Office of the Secretary</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
ARRA-Pregnancy Assistance Fund Program	93.500		171,437	-	-	-
<u>Office of Population Affairs</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Office of Population Affairs						
Family Planning Services	93.217		40,775	-	-	-
Total U.S. Dept. of Health and Human Services			48,616,142	23,853,600	-	1,423,146
Total Federal Awards			68,596,973	23,873,561	-	2,056,098
State Awards:						
<u>N.C. Dept. of Cultural and Natural Resources</u>						
State Aid to Public Libraries						
Total N.C. Dept. of Cultural and Natural Resources			-	95,350	-	-
<u>N.C. Dept. of Health and Human Services</u>						
Division of Social Services:						
County Programs			-	-	-	1,038,232
State Child Welfare/CPS/CS/LD			-	(36,888)	-	-
SAA/SAD HB1030			-	-	-	13,651
CWS Adoption Subsidy			-	63,379	-	18,590
Nonallocating Cost			-	-	-	28,810
Program Integrity			-	254	-	-
Energy Assistance - Private Donations			-	6,611	-	-
State/County Special Assistance for Adults			-	360,299	-	360,299
Foster Home			-	22,876	-	22,876
SFHF Maximization			-	41,492	-	41,492

Bladen County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Division of Public Health:						
Food and Lodging Fees			-	10,906	-	-
School Nurse Funding			-	250,000	-	-
General Aid to Counties			-	106,595	-	-
TB Medical Services			-	1,529	-	-
General Communicable Disease Control			-	2,147	-	-
Child Health			-	2,208	-	-
HMHC - Family Planning			-	7,920	-	-
Tuberculosis			-	20,432	-	-
Maternal Health(HMHC)			-	8,856	-	-
HIV/STD State			-	100	-	-
HIV/STD SSBG Aid			-	400	-	-
Women's Health Service Fund			-	13,971	-	-
Division of Aging:						
90 % State Funds			-	53,333	-	-
Total N. C. Department of Health and Human Services						
			-	936,420	-	1,523,950
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Program			-	144,251	-	-
Local Emergency Planning Committee Grants			-	1,000	-	-
			-	145,251	-	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.7.1	-	53,775	-	-
ROAP Rural General Public Program		36228.22.7.1	-	59,896	-	-
ROAP Workfirst First Transitional - Employment Transportation Assistance Program		36236.11.6.1	-	10,967	-	-
Total ROAP Cluster			-	124,638	-	-
<u>N.C. Dept. of Environmental & Natural Resources</u>						
Division of Water Services-Local Civil Works Projects			-	20,000	-	-
Division of Water Resources			-	55,918	-	-
DWH-Electronics Management			-	4,159	-	-
DWM-Scrap Tire Grant			-	20,172	-	-
DWM-White Good Fund-SWMGT			-	22,514	-	-
N.C. Dept. of Health & Natural Resources			-	122,763	-	-
<u>N.C. Dept of Agriculture</u>						
Animal Welfare & Spay/Neuter Program			-	11,779	-	-
<u>N.C. Dept of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	31,603	31,603	-
<u>N.C. Dept. of Administration</u>						
Veteran Program			-	2,000	-	-
Total State Awards						
			-	1,469,804	31,603	1,523,950
Total Federal and State Awards						
			\$ 68,596,973	\$ 25,343,365	\$ 31,603	\$ 3,580,048

Bladen County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	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, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of 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.

Loans Outstanding

Bladen County had the following loan balances outstanding at June 30, 2017. 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, 2017; however, USDA has committed to provide funding to pay off the interim financing.