

CAMDEN COUNTY, NORTH CAROLINA

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2017

BOARD OF COMMISSIONERS

Clayton D. Riggs, Chairman
Tom White, Vice Chairman
Garry Meiggs, Commissioner
Randy Krainiak, Commissioner
Ross B. Munro, Commissioner

OFFICIALS

County Manager
Michael Brillhart

Clerk to the Board
Karen Davis

Finance Officer
Stephanie Humphries

Register of Deeds
Tammie Krauss

Tax Administrator
Lisa Anderson

Sheriff
Tony E. Perry

County Attorney
John Morrison

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FINANCIAL SECTION



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Independent Auditors' Report

To the Board of County Commissioners
Camden County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Camden 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 Camden 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 did not audit the financial statements of Camden County ABC Board. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Camden County ABC Board is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Camden County ABC Board and the Camden County TDA were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 opinions, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Camden 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 and the Courthouse and Shiloh FD Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Camden 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, *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the *State Single Audit Implementation Act* 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 and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2017 on our consideration of Camden 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 Camden County's internal control over financial reporting and compliance.

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

Wilmington, North Carolina

December 10, 2017

Management's Discussion and Analysis

As management of Camden County, we offer readers of Camden County's (the "County") financial statements this narrative overview and analysis of the financial activities of the 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

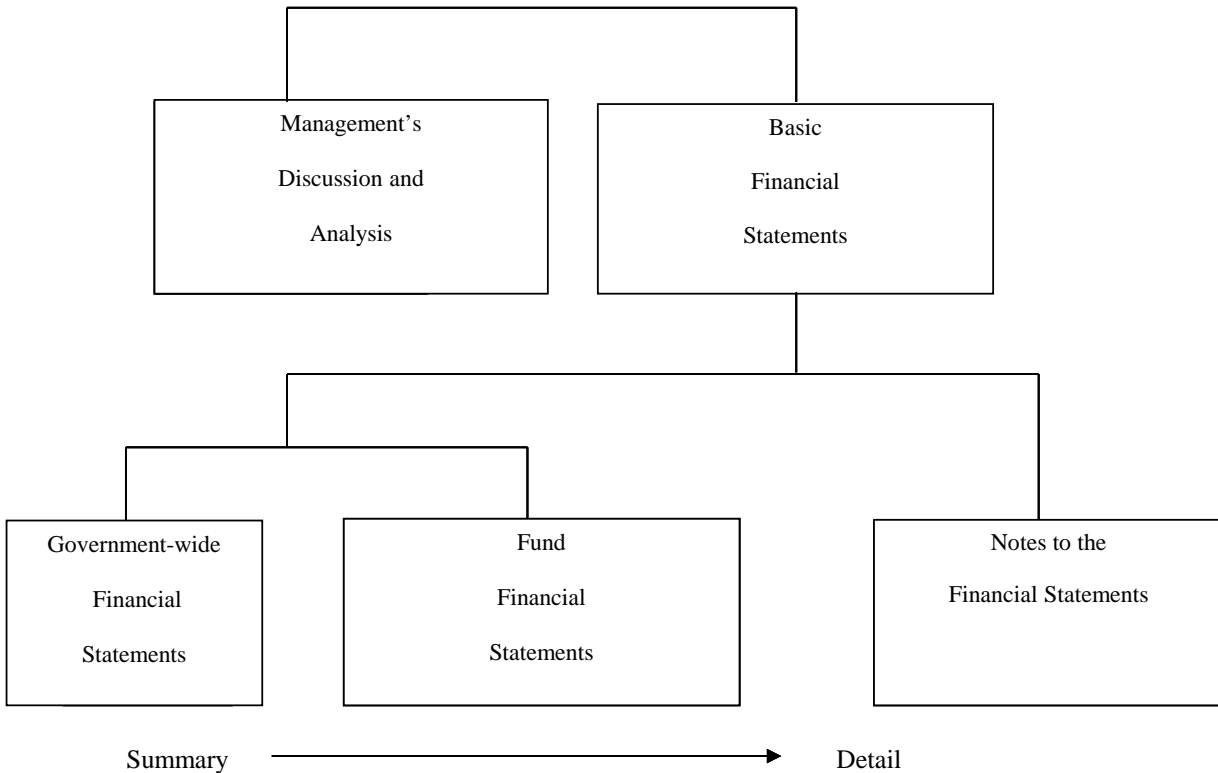
- On the government-wide statements, the assets and deferred outflows of resources of the Camden County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$36,031,998 (*net position*). The County's net assets are impacted considerably by qualified zone academy bonds (QZAB) that the County has issued on behalf of the Camden County Board of Education. The assets are not reflected in the County's financial statements, but the full amount of the long-term debt related to school construction is reflected in the County's financial statements.
- At the end of the fiscal year, fund balance (before any reserves or designations) for the General Fund was \$9,869,606 or 75% total General Fund expenditures for the current fiscal year. Approximately \$6,538,513 remains as unassigned fund balance. This General Fund balance represents an increase of \$135,416, reflective in part by fund balance appropriated to fund the \$300,000 increase in School Current Expense appropriation for the fiscal year ending June 30, 2017.
- The County's combined governmental funds reported ending fund balances of \$11,911,631, after the net increase in fund balance of \$108,328.
- The County's Net Position decreased by \$95,558 for the fiscal year ending June 30, 2017.
- The County's total debt decreased during the fiscal year by \$779,314 from normal principal payments made timely and partial forgiveness of a QZAB loan.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Camden 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 the Camden County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1&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 3-9) 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 government fund statements; 2) the budgetary comparison statements; 3) the proprietary governmental funds statements; 4) the agency 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 major and non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the Notes is the required supplemental information. This section contains funding information about the County's Other Post Employment Benefit Plan and 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 total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as general administration, taxation and records, human services, education, and public safety. Property taxes, other taxes, and state and federal grant funds finance most of these activities. The business-type activities are those where services are provided and customers are charged for those services. These include the water & sewer services offered by the County. The final category is the component units. The Camden ABC Board and Camden TDA are such units.

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

Fund Financial Statements

The Fund Financial Statements (see Figure 1) 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. Camden 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 North Carolina General Statutes or the County's budget ordinance. All of the funds of the Camden County can be divided into three categories: governmental funds, proprietary funds, and fiduciary fund.

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 the 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* which provides a current financial focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The 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 - The 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. The County uses enterprise funds to account for the South Camden Water & Sewer District operations. This fund is the same as those functions 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. The County has four agency funds. These are the funds for Social Services clients, School Tax Fund, Motor Vehicle Tax Fund, and the Nancy M. and H. Clay Ferebee III Camden County Courthouse Trust.

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.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Camden County's progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Financial Analysis

**Camden County's Net Position
Figure 2**

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Current and other assets | \$ 12,306,576 | \$ 12,377,909 | \$ 2,282,428 | \$ 2,633,236 | \$ 14,589,004 | \$ 15,011,145 |
| Restricted Cash | 171,108 | 249,772 | - | - | 171,108 | 249,772 |
| Capital assets | 13,910,111 | 14,181,373 | 21,880,423 | 21,949,188 | 35,790,534 | 36,130,561 |
| Deferred outflows of resources | 876,036 | 239,261 | 97,146 | 20,532 | 973,182 | 259,793 |
| Total assets | <u>27,263,831</u> | <u>27,048,315</u> | <u>24,259,997</u> | <u>24,602,956</u> | <u>51,523,828</u> | <u>51,651,271</u> |
| Long-term liabilities outstanding | 11,449,899 | 10,958,904 | 2,052,982 | 2,190,844 | 13,502,881 | 13,149,748 |
| Other liabilities | 1,503,935 | 1,585,189 | 425,822 | 404,370 | 1,929,757 | 1,989,559 |
| Deferred inflows of resources | 55,392 | 119,788 | 3,800 | 6,510 | 59,192 | 126,298 |
| Total liabilities | <u>13,009,226</u> | <u>12,663,881</u> | <u>2,482,604</u> | <u>2,601,724</u> | <u>15,491,830</u> | <u>15,265,605</u> |
| Net Position: | | | | | | |
| Net investment | | | | | | |
| in capital assets | 12,974,886 | 13,004,914 | 19,734,463 | 19,577,901 | 32,709,349 | 32,582,815 |
| Restricted | 1,331,735 | 1,632,873 | - | - | 1,331,735 | 1,632,873 |
| Unrestricted | (52,016) | (253,353) | 2,042,930 | 2,423,331 | 1,990,914 | 2,169,978 |
| Total net position | <u>\$ 14,254,605</u> | <u>\$ 14,384,434</u> | <u>\$ 21,777,393</u> | <u>\$ 22,001,232</u> | <u>\$ 36,031,998</u> | <u>\$ 36,385,666</u> |

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 the County exceeded liabilities and deferred inflows of resources by \$36,031,998 as of June 30, 2017. The County's Net Position decreased by \$95,558 for the fiscal year ending June 30, 2017. At June 30, 2017, the decrease in this category of net position is due to repayment of long-term debt and the purchase of capital assets from funds provided by grants.

Net position is reported in three net categories: Net investment in capital assets of \$32,709,349 (91%), Restricted assets of \$1,331,735 (3%), and Unrestricted net position of \$1,990,914 (6%). The amount Net investment in capital assets category is defined as the County's investment in County owned capital assets (e.g. land, buildings, automotive equipment, office and other equipment, and infrastructure) less any related debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities.

The second category of net position is restricted net position. Restricted resources decreased by \$401,138 for a total of \$1,331,735 at June 30, 2017. Constraints on use are externally imposed by creditors (such as through debt covenants), grantors, contributors, or can be imposed by law through constitutional provisions or legislation.

The final category of net position is unrestricted net position. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2017, the total unrestricted net position decreased to \$1,990,914. The decrease is primarily attributable the retirement of qualified zone academy bonds that were issued on behalf of the school system. Under North Carolina law, the County is responsible for providing capital funding for the school system. The County has chosen to meet its legal obligation to provide the school system capital funding by using a mixture of County funds, earmarked Local Sales Tax collections, loans, and Qualified Zone Academy Bonds. The assets are funded by the County; however, they are utilized by the school system. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$14 million of the outstanding debt on the County's financial statements was related to assets included in the school system's financial statements. The school debt is collateralized by a deed of trust granting, among other things, a first lien of record on the Project, including the land constituting a part of the Project, all other buildings, structures, improvement and fixtures thereon, and all appurtenances thereto of any nature whatsoever, excluding mobile or modular classrooms located on the site at any time, subject to permitted encumbrances. Accordingly, the County makes installment payments under the Installment Financing Agreement for payment of the debt. The County's obligation to make payments under the Installment Financing Agreement constitutes a pledge of the County's faith and credit within the meaning of any constitutional provision. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

The impact of the inclusion of the school system debt without the corresponding assets was offset by the following positive operational initiatives and results:

- Camden County has adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures.
- Continued diligence in the collection of property taxes (excluding motor vehicles) resulted in maintaining a collection percentage in excess of 97.80%.

Camden County
Changes in Net Position
Figure 3

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------------------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 1,332,808 | \$ 1,632,395 | \$ 1,232,965 | \$ 1,948,548 | \$ 2,565,773 | \$ 3,580,943 |
| Operating grants and contributions | 1,139,732 | 1,279,575 | - | - | 1,139,732 | 1,279,575 |
| Capital grants and contributions | - | - | 13,465 | - | 13,465 | - |
| General revenues: | | | | | | |
| Property taxes | 7,422,887 | 7,384,757 | - | - | 7,422,887 | 7,384,757 |
| Other taxes | 4,148,352 | 4,045,616 | - | - | 4,148,352 | 4,045,616 |
| Investment earnings | 64,011 | 70,606 | 12,857 | 6,096 | 76,868 | 76,702 |
| Other | - | - | - | - | - | - |
| Total revenues | 14,107,790 | 14,412,949 | 1,259,287 | 1,954,644 | 15,367,077 | 16,367,593 |
| Expenses: | | | | | | |
| General government | 2,827,163 | 3,144,256 | - | - | 2,827,163 | 3,144,256 |
| Public Safety | 4,211,061 | 3,897,993 | - | - | 4,211,061 | 3,897,993 |
| Economic and physical development | 1,047,052 | 1,277,327 | - | - | 1,047,052 | 1,277,327 |
| Human services | 1,420,799 | 1,430,698 | - | - | 1,420,799 | 1,430,698 |
| Cultural and recreation | 629,997 | 513,157 | - | - | 629,997 | 513,157 |
| Education | 2,739,483 | 2,670,474 | - | - | 2,739,483 | 2,670,474 |
| Interest on long-term debt | 409,553 | 419,527 | - | - | 409,553 | 419,527 |
| Environmental protection | 621,998 | 588,201 | - | - | 621,998 | 588,201 |
| Water | - | - | 1,555,529 | 1,648,592 | - | 1,648,592 |
| Total expenses | 13,907,106 | 13,941,633 | 1,555,529 | 1,648,592 | 13,907,106 | 15,590,225 |
| Increase (decrease) in net position before transfers and special items | 200,684 | 471,316 | (296,242) | 306,052 | 1,459,971 | 777,368 |
| Transfers | (72,403) | (1,157,000) | 72,403 | 1,157,000 | - | - |
| Increase (decrease) in net position | 128,281 | (685,684) | (223,839) | 1,463,052 | (95,558) | 777,368 |
| Net position, beginning | 14,384,434 | 15,070,118 | 22,001,232 | 20,538,180 | 36,385,666 | 35,608,298 |
| Restatement | (258,110) | - | - | - | (258,110) | - |
| Net position, beginning, Restated | 14,126,324 | 15,070,118 | 22,001,232 | 20,538,180 | 36,127,556 | 35,608,298 |
| Net position, June 30, ending | \$ 14,254,605 | \$ 14,384,434 | \$ 21,777,393 | \$ 22,001,232 | \$ 36,031,998 | \$ 36,385,666 |

Governmental activities: Governmental activities increased the County's net position by \$128,281.

Business-type activities: Business-type activities decreased the County's net position by \$223,839.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Camden 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.

At June 30, 2017, the governmental funds of the County reported a combined fund balance of \$11,911,631, a 0.9% increase over last year.

General Fund Budgetary Highlights:

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the County's fund balance available in the General Fund was \$6,538,513 while total fund balance reached \$2,793,278. The County currently has an unassigned fund balance of 53% of GF expenditures while total fund balance represents 75% of the same amount. General Fund balance increased \$135,416, reflective in part by fund balance appropriated to fund the \$300,000 increase in School Current Expense appropriation for the fiscal year ending June 30, 2017.

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 Funds: The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The total decrease in net position was \$223,839.

Capital Asset and Debt Administration

Capital assets. The Camden County's investment in capital assets for its governmental and business-type activities as of June 30, 2017, totals \$35,790,534 (net of accumulated depreciation). These assets include land, buildings, automotive equipment, office and other equipment, and water and sewer lines.

Major capital assets transactions during the year include:

- Construction and equipment in the water district.
- Construction and equipment in the governmental funds.

Camden County's Capital Assets
(net of depreciation)
Figure 4

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | \$ 5,015,871 | \$ 5,015,871 | \$ 1,050,394 | \$ 1,050,394 | \$ 6,066,265 | \$ 6,066,265 |
| Buildings | 3,350,512 | 3,555,924 | - | - | 3,350,512 | 3,555,924 |
| Furniture, fixtures and equipment, vehicles | 1,732,559 | 1,833,344 | 72,103 | 43,789 | 1,804,662 | 1,877,133 |
| Other improvements | 3,711,169 | 3,776,234 | 20,293,695 | 20,824,405 | 24,004,864 | 24,600,639 |
| Construction in Progress | 100,000 | - | 464,231 | 30,600 | 564,231 | 30,600 |
| Total | \$ 13,910,111 | \$ 14,181,373 | \$ 21,880,423 | \$ 21,949,188 | \$ 35,790,534 | \$ 36,130,561 |

Additional information on the County's capital assets can be found in Note III(a)5 of the Basic Financial Statements.

Long-term Debt: As of June 30, 2017, the South Camden Water & Sewer District had total bonded debt outstanding of \$2,145,960. Other outstanding loans include: Drinking Water State Revolving Loan, \$203,395; State Clean Water Bond Loan, \$404,768. Camden County has \$10,644,283 in outstanding debt that is related to the capital improvement and additional schools built on behalf of the Camden County School Board. The County has several installment notes outstanding as well. A summary of total long-term debt as of June 30, 2017 is shown below:

Camden County's Outstanding Debt
Figure 5

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| General Obligation Debt | \$ - | \$ - | \$ 2,145,960 | \$ 2,371,281 | \$ 2,145,960 | \$ 2,371,281 |
| Installment Purchases | 10,644,283 | 11,198,273 | - | - | 10,644,283 | 11,198,273 |
| Total | \$ 10,644,283 | \$ 11,198,273 | \$ 2,145,960 | \$ 2,371,281 | \$ 12,790,243 | \$ 13,569,554 |

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 debt margin required by local Resolution is 2%. The current debt margin for Camden County (as calculated on assessed real property only) is 0.17% or \$12,790,243. Well below the allowable debt limit for the County. Additional information regarding the County's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate in the County was at 4.3% on June 30, 2017, compared with a federal rates of 4.4% and a
- State rate of 4.2%. The rate for Camden County reduced significantly from the 5.6% at June 30, 2016.
- New residential unit construction permits were 42 units this year. Total building permits increased to 264 from
- 212 last fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2018

Governmental Activities

The County has approved an \$12,638,283 general budget for the fiscal year 2018. This will be accomplished with an expected increase in Sales Tax Revenues, county ad valorem tax growth, and a portion of Appropriated Fund Balance to balance the \$300,000 increase in funding appropriated to the Camden County Board of Education. Budgeted expenditures for education in the General Fund for 2018 increased to \$2.6 million through a General Fund appropriation. Capital outlay for the schools is budgeted at \$295,000 through Restricted School Capital funds for current capital needs and the debt service payments, related to school construction and renovation, are budgeted at \$691,649 and will be funded from the School Capital Reserve Fund which gets its revenue from an earmarked portion of the sales tax, and General Fund appropriations as needed.

Several factors will positively affect the economic outlook of the county over the next several fiscal years. Economic forecasts indicate growth in coming years which, while modest, are positive indicators for prospective commercial growth in the county. The County was approved an Economic Development Administration grant for a \$2.3 million Water Treatment Plant. The federal Economic Development grant request along with a Golden LEAF grant and matching County funds will provide funding for the new plant that will allow for commercial expansion along Hwy 158. We have already seen an increase in interest from the retail sectors to locate in Camden County with the recent construction of Camden Towne Center project which will expand the tax base and provide employment.

Factors that may negatively affect the economic position of the county include the uncertainty surrounding the need for a new County High School expected to cost approximately \$35-\$40 million. Another limiting factor is changes that continue to occur in the state and federal political arena. These changes could create local impacts which causes a large amount of uncertainty for Local Government and Camden County.

Business-type Activities

The South Camden Water District is currently completing a Fresh Water Well project that required \$400,000 in County contributions in 2016-2017. The County has allocated an additional \$1.1 million in funds for engineering, design and construction of a second wastewater treatment plant to be located in the Courthouse Township. As both of these projects are completed, the SCWD expects to be in a better position to provide adequate water and sewer with Camden County. The return on this investment is expected to come from the ability to market adequate capacity for commercial development.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Camden County, 330 East Hwy. 158, P.O. Box 190, Camden, NC 27921. You can also call 1-252-338-6363 for more information.

BASIC FINANCIAL STATEMENTS

Camden County, North Carolina
Statement of Net Position
June 30, 2017

| | Primary Government | | | Component Units | |
|------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------|----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | Camden County ABC Board | Camden County TDA |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 11,501,211 | \$ 2,186,489 | \$ 13,687,700 | \$ 65,347 | \$ 104,280 |
| Restricted cash | 171,108 | - | 171,108 | - | - |
| Taxes receivable, net | 212,085 | - | 212,085 | - | - |
| Accounts receivable, net | 547,400 | 95,939 | 643,339 | - | 249 |
| Inventories | - | - | - | 145,627 | - |
| Prepaid expenses | - | - | - | 9,366 | - |
| Accrued interest on taxes receivable | 25,258 | - | 25,258 | - | - |
| Net pension asset | 20,622 | - | 20,622 | - | - |
| Capital assets: | | | | | |
| Land, non-depreciable improvements, and construction in progress | 5,115,871 | 1,514,625 | 6,630,496 | 25,405 | - |
| Other capital assets, net of depreciation | 8,794,240 | 20,365,798 | 29,160,038 | 106,915 | - |
| Total assets | <u>26,387,795</u> | <u>24,162,851</u> | <u>50,550,646</u> | <u>352,660</u> | <u>104,529</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| | <u>876,036</u> | <u>97,146</u> | <u>973,182</u> | <u>25,918</u> | <u>-</u> |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | 296,439 | 74,321 | 370,760 | 93,208 | 20 |
| Accrued interest payable | 91,185 | 19,798 | 110,983 | - | - |
| Compensated absences payable | 81,344 | 13,194 | 94,538 | - | - |
| Other postemployment benefits | 473,390 | 91,210 | 564,600 | - | - |
| Current-portion of long-term liabilities | 561,577 | 227,299 | 788,876 | - | - |
| Long-term liabilities | | | | | |
| Net pension liability - LEOSSA | 269,827 | - | 269,827 | - | - |
| Net pension liability - LGERS | 976,062 | 108,451 | 1,084,513 | 21,647 | - |
| Compensated absences payable | 121,304 | 25,870 | 147,174 | - | - |
| Due in more than one year | 10,082,706 | 1,918,661 | 12,001,367 | - | - |
| Total liabilities | <u>12,953,834</u> | <u>2,478,804</u> | <u>15,432,638</u> | <u>114,855</u> | <u>20</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension deferrals | 43,743 | 3,800 | 47,543 | 759 | - |
| Prepaid taxes | 11,649 | - | 11,649 | - | - |
| Total deferred inflows of resources | <u>55,392</u> | <u>3,800</u> | <u>59,192</u> | <u>759</u> | <u>-</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 12,974,886 | 19,734,463 | 32,709,349 | 132,220 | - |
| Stabilization by State Statute | 647,400 | - | 647,400 | - | 249 |
| Register of Deeds | 7,075 | - | 7,075 | - | - |
| Fire Protection | 501,806 | - | 501,806 | - | - |
| School Capital | 175,454 | - | 175,454 | - | - |
| Unrestricted | (52,016) | 2,042,930 | 1,990,914 | 130,744 | 104,260 |
| Total net position | <u>\$ 14,254,605</u> | <u>\$ 21,777,393</u> | <u>\$ 36,031,998</u> | <u>\$ 262,964</u> | <u>\$ 104,509</u> |

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

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

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit | |
|--------------------------------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|------------------------|--------------------|-------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Camden | Camden | |
| | | | | | Governmental Activities | Business-type Activities | County ABC Board | County TDA | |
| | | | | | | Total | | | |
| Primary government: | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| General government | \$ 2,827,163 | \$ 850,000 | \$ 22,961 | \$ - | \$ (1,954,202) | \$ - | \$ (1,954,202) | | |
| Public safety | 4,211,061 | 231,538 | 105,831 | - | (3,873,692) | - | (3,873,692) | | |
| Cultural and recreation | 629,997 | - | 5,000 | - | (624,997) | - | (624,997) | | |
| Economic and physical development | 1,047,052 | 149,036 | - | - | (898,016) | - | (898,016) | | |
| Human services | 1,420,799 | - | 909,135 | - | (511,664) | - | (511,664) | | |
| Education | 2,739,483 | - | - | - | (2,739,483) | - | (2,739,483) | | |
| Environmental protection | 621,998 | 102,234 | 96,805 | - | (422,959) | - | (422,959) | | |
| Interest on long-term debt | 409,553 | - | - | - | (409,553) | - | (409,553) | | |
| Total governmental activities | <u>13,907,106</u> | <u>1,332,808</u> | <u>1,139,732</u> | <u>-</u> | <u>(11,434,566)</u> | <u>-</u> | <u>(11,434,566)</u> | | |
| Business-type activities: | | | | | | | | | |
| Water | 1,555,529 | 1,232,965 | - | 13,465 | - | (309,099) | (309,099) | | |
| Total business-type activities | <u>1,555,529</u> | <u>1,232,965</u> | <u>-</u> | <u>13,465</u> | <u>-</u> | <u>(309,099)</u> | <u>(309,099)</u> | | |
| | <u>\$ 15,462,635</u> | <u>\$ 2,565,773</u> | <u>\$ 1,139,732</u> | <u>\$ 13,465</u> | <u>\$ (11,434,566)</u> | <u>\$ (309,099)</u> | <u>\$ (11,743,665)</u> | | |
| Component units: | | | | | | | | | |
| TDA | \$ 34,807 | \$ - | \$ - | \$ - | | | \$ - | \$ (34,807) | |
| ABC Board | 1,352,789 | 1,355,862 | - | - | | | 3,073 | - | |
| Total component units | <u>\$ 1,352,789</u> | <u>\$ 1,355,862</u> | <u>\$ -</u> | <u>\$ -</u> | | | <u>\$ 3,073</u> | <u>\$ (34,807)</u> | |
| General revenues: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property taxes, levied for general purpose | | | | | 7,422,887 | - | 7,422,887 | - | - |
| Local option sales tax | | | | | 890,822 | - | 890,822 | - | - |
| Other taxes and licenses | | | | | 3,257,530 | - | 3,257,530 | - | 41,327 |
| Grants and contributions not restricted to specific programs | | | | | - | - | - | - | - |
| Investment earnings, unrestricted | | | | | 64,011 | 12,857 | 76,868 | - | 571 |
| Miscellaneous, unrestricted | | | | | - | - | - | - | 1,000 |
| Transfer to component unit | | | | | - | - | - | - | - |
| Transfers | | | | | (72,403) | 72,403 | - | - | - |
| Total general revenues, special items, and transfers | | | | | <u>11,562,847</u> | <u>85,260</u> | <u>11,648,107</u> | <u>-</u> | <u>42,898</u> |
| Change in net position | | | | | 128,281 | (223,839) | (95,558) | 3,073 | 8,091 |
| Net position, beginning, previously reported | | | | | 14,384,434 | 22,001,232 | 36,385,666 | 259,891 | 96,418 |
| Restatement | | | | | (258,110) | - | (258,110) | - | - |
| Net position, beginning, restated | | | | | <u>14,126,324</u> | <u>22,001,232</u> | <u>36,127,556</u> | <u>259,891</u> | <u>96,418</u> |
| Net position, ending | | | | | <u>\$ 14,254,605</u> | <u>\$ 21,777,393</u> | <u>\$ 36,031,998</u> | <u>\$ 262,964</u> | <u>\$ 104,509</u> |

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

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

| | Major | | NonMajor | Total Governmental Funds |
|--------------------------------------------------------------------|----------------------|-----------------------------|--------------------------------|--------------------------------|
| | General Fund | Courthouse and Shiloh FD | Other Governmental Funds | |
| ASSETS | | | | |
| Cash, including time deposits | \$ 9,610,871 | \$ 280,652 | \$ 1,609,688 | \$ 11,501,211 |
| Restricted cash | - | - | 171,108 | 171,108 |
| Accounts receivable, net | 647,033 | 10,634 | 101,818 | 759,485 |
| Due from other funds | 100,000 | - | - | 100,000 |
| Total assets | <u>\$ 10,357,904</u> | <u>\$ 291,286</u> | <u>\$ 1,882,614</u> | <u>\$ 12,531,804</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | 267,431 | 14,307 | 14,701 | 296,439 |
| Due to other funds | - | 100,000 | - | 100,000 |
| Unearned revenue | - | - | - | - |
| Total liabilities | <u>267,431</u> | <u>114,307</u> | <u>14,701</u> | <u>396,439</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes receivable | 209,218 | 1,708 | 1,159 | 212,085 |
| Prepaid taxes | 11,649 | - | - | 11,649 |
| Total deferred inflows of resources | <u>220,867</u> | <u>1,708</u> | <u>1,159</u> | <u>223,734</u> |
| Fund balances: | | | | |
| Restricted | | | | |
| Stabilization by State Statute | 537,815 | 8,926 | 100,659 | 647,400 |
| Register of Deeds | - | - | 7,075 | 7,075 |
| Fire Protection | - | 166,345 | 335,461 | 501,806 |
| School Capital | - | - | 175,454 | 175,454 |
| Committed | | | | |
| Capital Reserve | 2,793,278 | - | - | 2,793,278 |
| Tax Revaluation | - | - | 356,347 | 356,347 |
| Economic Development | - | - | 891,758 | 891,758 |
| Unassigned | <u>6,538,513</u> | <u>-</u> | <u>-</u> | <u>6,538,513</u> |
| Total fund balances | <u>9,869,606</u> | <u>175,271</u> | <u>1,866,754</u> | <u>11,911,631</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 10,357,904</u> | <u>\$ 291,286</u> | <u>\$ 1,882,614</u> | |

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

| | |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Net pension asset. | 20,622 |
| Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position. | 868,069 |
| Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position | 7,967 |
| Deferred inflows of resources in fund statements for taxes receivable. | 212,085 |
| Other assets are not available to pay for current-period expenditures and therefore are not accrued as income in the funds. | 25,258 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 13,910,111 |
| Pension related deferrals. | (43,743) |
| Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.) | (11,411,506) |
| Net pension liability - LEOSSA. | (269,827) |
| Net pension liability - LGERS. | (976,062) |
| Net position of governmental activities | <u>\$ 14,254,605</u> |

14,254,605

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

| | Major | | NonMajor | Total |
|---------------------------------------------------|--------------|-----------------------------|--------------------------------|--------------|
| | General Fund | Courthouse and Shiloh FD | Other Governmental Funds | |
| REVENUES | | | | |
| Ad valorem taxes | \$ 7,420,695 | \$ 67,041 | \$ 61,429 | \$ 7,549,165 |
| Other taxes and licenses | 2,723,544 | 265,584 | 1,026,312 | 4,015,440 |
| Unrestricted intergovernmental | 76,756 | - | - | 76,756 |
| Restricted intergovernmental | 1,055,559 | - | 203,209 | 1,258,768 |
| Local Contributions | - | - | 245,024 | 245,024 |
| Permits and fees | 781,613 | 9,050 | 102,234 | 892,897 |
| Sales and services | 73,415 | - | 24,789 | 98,204 |
| Investment earnings | 51,366 | 1,608 | 11,037 | 64,011 |
| Miscellaneous | 40,928 | 383 | 10,865 | 52,176 |
| Total revenues | 12,223,876 | 343,666 | 1,684,899 | 14,252,441 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 2,467,804 | - | 193,155 | 2,660,959 |
| Public safety | 3,708,068 | 290,932 | 142,380 | 4,141,380 |
| Environmental protection | 579,360 | - | 27,756 | 607,116 |
| Economic and physical development | 828,574 | - | 166,466 | 995,040 |
| Culture and recreation | 608,113 | - | - | 608,113 |
| Human services | 1,353,841 | - | - | 1,353,841 |
| Intergovernmental: | | | | |
| Education | 2,598,758 | - | 140,725 | 2,739,483 |
| Debt service: | | | | |
| Principal | 476,097 | - | 77,893 | 553,990 |
| Interest | 387,044 | - | 24,744 | 411,788 |
| Total expenditures | 13,007,659 | 290,932 | 773,119 | 14,071,710 |
| Excess (deficiency) of revenues over expenditures | (783,783) | 52,734 | 911,780 | 180,731 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds of long-term debt | - | - | - | - |
| Transfer to component unit | - | - | - | - |
| Transfers to other funds | (72,403) | - | (991,602) | (1,064,005) |
| Transfers from other funds | 991,602 | - | - | 991,602 |
| Total other financing sources and uses | 919,199 | - | (991,602) | (72,403) |
| Net change in fund balance | 135,416 | 52,734 | (79,822) | 108,328 |
| Fund balances-beginning, previously reported | 7,153,194 | 122,537 | 1,946,576 | 9,222,307 |
| Restatement | 2,580,996 | - | - | 2,580,996 |
| Fund balances-beginning, restated | 9,734,190 | 122,537 | 1,946,576 | 11,803,303 |
| Fund balances-ending | \$ 9,869,606 | \$ 175,271 | \$ 1,866,754 | \$ 9,330,635 |

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

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

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

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|
| Net changes in fund balance - total government funds | \$ | 108,328 |
| <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 increases exceeded the book value of capital outlay decreases in fiscal year.</p> | | |
| Capital outlay expenditures which were capitalized | 406,370 | |
| Depreciation expense for governmental assets | <u>(659,264)</u> | (252,894) |
| Cost of asset disposed of during the year | | 18,368 |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | | 207,419 |
| Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities | | 7,967 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds: | | (126,278) |
| 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. | | 553,990 |
| 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. | | |
| Accrued interest | (2,235) | |
| Compensated absences | (4,910) | |
| Pension expense | (339,945) | |
| Other postemployment benefits | <u>(41,529)</u> | (388,619) |
| Total changes in net position of governmental activities | <u>\$</u> | <u>128,281</u> |

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

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

| | General Fund | | | Variance With Final Positive (Negative) |
|-------------------------------------------------------------------------------------------------------|--------------------|-------------------|---------------------|--------------------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 7,180,746 | \$ 7,288,263 | \$ 7,420,695 | \$ 132,432 |
| Other taxes and licenses | 2,435,975 | 2,314,561 | 2,262,345 | (52,216) |
| Unrestricted intergovernmental revenues | 86,750 | 122,300 | 76,756 | (45,544) |
| Restricted intergovernmental revenues | 1,069,503 | 1,114,990 | 1,055,559 | (59,431) |
| Permits and fees | 737,980 | 727,135 | 781,613 | 54,478 |
| Sales and services | 24,500 | 87,300 | 73,415 | (13,885) |
| Local contributions | - | - | - | - |
| Investment earnings | 46,000 | 46,000 | 36,476 | (9,524) |
| Miscellaneous | 3,380 | 26,715 | 40,928 | 14,213 |
| Total revenues | <u>11,584,834</u> | <u>11,727,264</u> | <u>11,747,787</u> | <u>20,523</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 1,594,800 | 2,121,530 | 1,878,997 | 242,533 |
| Public safety | 3,208,791 | 4,016,068 | 3,708,068 | 308,000 |
| Economic and physical development | 753,085 | 725,728 | 579,360 | 146,368 |
| Environmental protection | 845,790 | 851,983 | 828,574 | 23,409 |
| Human Services | 1,566,500 | 1,490,740 | 1,353,841 | 136,899 |
| Cultural and recreational | 550,159 | 633,801 | 608,113 | 25,688 |
| Intergovernmental: | | | | |
| Education | 2,598,758 | 2,624,919 | 2,598,758 | 26,161 |
| Debt service: | | | | |
| Principal retirement | 1,046,708 | 476,097 | 476,097 | - |
| Interest | - | 387,044 | 387,044 | - |
| Total expenditures | <u>12,164,591</u> | <u>13,327,910</u> | <u>12,418,852</u> | <u>909,058</u> |
| Revenues over (under) expenditures | (579,757) | (1,600,646) | (671,065) | 929,581 |
| Other financing sources (Uses) | | | | |
| Transfers from other funds | - | 1,316,602 | 991,602 | (325,000) |
| Transfers to other funds | - | (397,403) | (397,403) | - |
| Fund Balance Appropriated | 579,757 | 681,447 | - | (681,447) |
| Total other financing sources and uses | <u>579,757</u> | <u>1,600,646</u> | <u>594,199</u> | <u>(1,006,447)</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>-</u> | (76,866) | \$ <u>(76,866)</u> |
| Fund Balances - Beginning | | | 7,153,194 | |
| Fund Balances - Ending | | | <u>7,076,328</u> | |
| A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes: | | | | |
| Other taxes and licenses | | | \$ 461,199 | |
| Investment earnings | | | 14,890 | |
| Transfer-in from General Fund | | | 325,000 | |
| Expenditures | | | (588,807) | |
| Fund Balance, Beginning | | | <u>2,580,996</u> | |
| Fund Balance, Ending (Exhibit 4) | | | <u>\$ 9,869,606</u> | |

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

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

| | Courthouse and Shiloh FD | | | Variance With Final Positive (Negative) |
|-----------------------------------------|--------------------------|-----------------|-------------------|--------------------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 61,274 | \$ 61,274 | \$ 67,041 | \$ 5,767 |
| Other taxes and licenses | 245,095 | 245,095 | 265,584 | 20,489 |
| Unrestricted intergovernmental revenues | - | - | - | - |
| Restricted intergovernmental revenues | - | - | - | - |
| Permits and fees | 9,000 | 9,000 | 9,050 | 50 |
| Sales and services | - | - | - | - |
| Local contributions | - | - | - | - |
| Investment earnings | 1,500 | 1,500 | 1,608 | 108 |
| Miscellaneous | - | - | 383 | 383 |
| Total revenues | <u>316,869</u> | <u>316,869</u> | <u>343,666</u> | <u>26,797</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | 349,550 | 349,550 | 290,932 | 58,618 |
| Economic and physical development | - | - | - | - |
| Environmental protection | - | - | - | - |
| Human Services | - | - | - | - |
| Cultural and recreational | - | - | - | - |
| Intergovernmental: | | | | |
| Education | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | <u>349,550</u> | <u>349,550</u> | <u>290,932</u> | <u>58,618</u> |
| Revenues over (under) expenditures | (32,681) | (32,681) | 52,734 | 85,415 |
| Other financing sources (Uses) | | | | |
| Transfers from other funds | - | - | - | - |
| Transfers to other funds | - | - | - | - |
| Fund Balance Appropriated | 32,681 | 32,681 | - | (32,681) |
| Total other financing sources and uses | <u>32,681</u> | <u>32,681</u> | <u>-</u> | <u>(32,681)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 52,734 | <u>\$ 52,734</u> |
| Fund Balances - Beginning | | | 122,537 | |
| Fund Balances - Ending | | | <u>\$ 175,271</u> | |

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

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

Exhibit 6

| | Major |
|------------------------------------------------------|-------------------------------------------|
| | South Camden Water & Sewer District |
| Assets | |
| Current Assets: | |
| Cash and cash equivalents | \$ 2,186,489 |
| Accounts receivable, net | 95,939 |
| Total Current Assets | 2,282,428 |
| Noncurrent assets: | |
| Capital assets: | |
| Land and non-depreciable assets | 1,514,625 |
| Other capital assets, net of depreciation | 20,365,798 |
| Capital assets (net) | 21,880,423 |
| Total noncurrent assets | 21,880,423 |
| Total Assets | 24,162,851 |
| Deferred Outflows of Resources | |
| Contributions to pension plan in current fiscal year | 97,146 |
| Total deferred outflows of resources | 97,146 |
| Liabilities | |
| Current Liabilities: | |
| Accounts payable & accrued liabilities | 74,321 |
| Current portion of long-term debt | 227,299 |
| Compensated absences | 13,194 |
| Accrued Interest | 19,798 |
| Due to other funds | - |
| Total Current Liabilities | 334,612 |
| Noncurrent liabilities: | |
| Compensated absences | 25,870 |
| Other postemployment benefits | 91,210 |
| Net pension liability | 108,451 |
| Long term obligations payable | 1,918,661 |
| Total noncurrent liabilities | 2,144,192 |
| Total Liabilities | 2,478,804 |
| Deferred Inflows of Resources | |
| Pension deferrals | 3,800 |
| Total deferred inflows of resources | 3,800 |
| Net Position | |
| Net investment in capital assets | 19,734,463 |
| Unrestricted | 2,042,930 |
| Total Net Position | \$ 21,777,393 |

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

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

Exhibit 7

| | Major |
|-------------------------------------------|-------------------------------------------|
| | South Camden Water & Sewer District |
| Operating revenues: | |
| Charges for Services - Water | \$ 1,008,025 |
| Charges for Services - Sewer | 122,839 |
| Hook-up connection fees and taps | 58,870 |
| Penalties | 40,570 |
| Miscellaneous | 2,661 |
| Total Operating Revenues | 1,232,965 |
| Operating expenses: | |
| Reverse osmosis plant | 389,554 |
| Water distribution | 355,431 |
| Wastewater operations | 211,325 |
| Depreciation | 541,675 |
| Total operating expenses | 1,497,985 |
| Total Operating Income (Loss) | (265,020) |
| Nonoperating Revenues(Expenses): | |
| Interest income | 12,857 |
| Interest expense | (57,544) |
| Total Nonoperating Revenues (Expenses) | (44,687) |
| Capital Contributions | 13,465 |
| Transfers from other funds | 72,403 |
| Changes in net position | (223,839) |
| Net Position - Beginning of Year | 22,001,232 |
| Total net position, Ending | \$ 21,777,393 |

Camden County, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Year Ended June 30, 2017

Exhibit 8

| | Major |
|-------------------------------------------------------------------------------------------------------|--------------|
| | South |
| | Camden |
| | Water & |
| | Sewer |
| | District |
| Cash Flows From Operating Activities: | |
| Cash Received from Customers/others | \$ 1,288,262 |
| Cash paid to suppliers for goods and services | (399,862) |
| Cash paid to employees for services | (528,758) |
| Net cash provided by (used for) operating activities | 359,642 |
| Cash Flows from (use by) capital and related financing activities: | |
| Capital contributions | |
| Federal and State grants | 13,465 |
| Principal repayments on long-term debt | (225,324) |
| Acquisition of capital assets | (472,909) |
| Interest income | 12,857 |
| Interest expense | (57,544) |
| Net cash flows provided (used) by capital financing activities | (729,455) |
| Cash Flows from (used for) noncapital financing activities: | |
| Transfers in/out (net) | 72,403 |
| Net cash flows provided (used) by noncapital financing activities | 72,403 |
| Net increase (decrease) in cash and cash equivalents | (297,410) |
| Cash and cash equivalents, beginning of year | 2,483,899 |
| Cash and cash equivalents, end of year | \$ 2,186,489 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | |
| Operating Income (Loss) | \$ (265,020) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Depreciation expense | 541,675 |
| Changes in Assets and Liabilities: | |
| (Increase) decrease in accounts receivable | 55,297 |
| Increase (decrease) in accounts payable and accrued liabilities | 10,860 |
| Increase (decrease) in net pension liability | 86,613 |
| Increase (decrease) in accrued interest | (3,001) |
| Increase (decrease) in OPEB liability | 7,910 |
| (Increase) decrease in deferred outflows of resources for pensions | (76,614) |
| Increase (decrease) in deferred inflows of resources for pensions | (2,710) |
| Increase (decrease) in accrued vacation pay | 4,632 |
| Net cash provided (used) by operating activities | \$ 359,642 |

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

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

Exhibit 9

| | <u>Agency Funds</u> |
|-------------------------------------|-------------------------|
| Assets | |
| Cash and cash equivalents | \$ <u>18,693</u> |
| Liabilities and Net Position | |
| Miscellaneous liabilities | <u>18,693</u> |
| Total liabilities | <u>18,693</u> |
| Net Position | \$ <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS

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

I. Summary of Significant Accounting Policies

The accounting policies of Camden 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 five-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. South Camden Water and Sewer 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 Camden County ABC Board (*the Board*) and Camden County TDA, which has a June 30 year-end, are presented as if they are separate proprietary funds of the County (discrete presentation). The blended presentation methods presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

| Component Unit | Reporting Method | Criteria for Inclusion | Separate Financial Statement |
|---------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| South Camden Water and Sewer District | Blended | Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the District | None issued. |
| Camden County TDA | Discrete | The members of the TDA Board's governing board are appointed by the County. | Camden County Finance P.O. Box 190 Camden, NC 27921 |
| Camden County ABC Board | Discrete | The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County | Camden County ABC Board P.O. Box 22 Camden, NC 27921 |

B. Basis of Presentation – Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (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.

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 Special Capital 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.

Courthouse and Shiloh FD - This fund is used to account for the fire needs.

Special Capital Fund - This fund is used to account for the land, building, and infrastructure acquisitions.

The County reports the following major enterprise fund:

South Camden Water and Sewer District Fund: This fund is used to account for the operations of the water and sewer district within the County.

The County's non- major governmental funds are the Automation Enhancement and Preservation Fund, the Watershed Fund, the Dismal Swamp Visitor Center Fund, the South Mills VFD Fund, the Joyce Creek Drainage Fund, the Community Park Trust Fund, the Eco Dev Fund, the School Fund, the Revaluation Fund, and the Scattered Housing Grant Fund. These funds are used to report specific special revenues and capital projects.

The County reports the following fund types:

Agency Funds: Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following Agency Funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Nancy M and H. Clay Ferebee III Fund which holds donated monies by Mr. and Mrs. Ferebee to be used for the restoration of the Camden County Courthouse.

C. Measurement Focus, Basis of Accounting

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

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

Proprietary funds distinguish operating revenues and expenses from 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 and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as 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 a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there 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.

D. 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, Fire Districts, and Special Capital Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for Capital Projects Fund and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating fund 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. Amendments are required for revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several material 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.

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity

1. Deposits and Investments

All deposits of the County, Camden County TDA, and Camden County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the TDA, and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the TDA, and the ABC Board 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, Camden County TDA, and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County, Camden County TDA, and the ABC Board's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair values as determined by quoted market prices. The NC Capital Management Trust 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.

2. Cash and Cash Equivalents

The County and the TDA pool moneys 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. The ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. 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, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

4. 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.

5. Inventories and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The inventory of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory carried by the ABC Board is recorded as an expense as it is consumed or sold.

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.

6. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization cost is \$3,000 for all capital assets. 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

| <u>Asset Class</u> | <u>Years</u> |
|-------------------------|--------------|
| Buildings | 30 |
| Improvements | 25 |
| Plant and Distribution | 40 |
| Furniture and equipment | 10 |
| Vehicles | 5-10 |
| Computer equipment | 10 |

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

| <u>Asset Class</u> | <u>Years</u> |
|-----------------------|--------------|
| Buildings | 25 |
| Furniture & Equipment | 5-10 |

7. 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 one item that meets this criterion, 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 only two items that meet the criterion for this category - prepaid taxes and other pension deferrals.

8. 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.

9. Compensated Absences

The vacation policies of the County, and the ABC Board, generally provides for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as leave as earned. The TDA has no employees.

The sick leave policies of the County and the ABC Board 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 none of the entities have any obligation for the accumulated sick leave until it is taken, no accrual for sick leave has been made by the County or its component unit.

10. Restricted Assets

Money in the School Capital Projects Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22.

| | |
|------------------------------|-------------------|
| School Capital Projects Fund | |
| Monies | \$ 171,108 |
| Total | <u>\$ 171,108</u> |

11. 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 amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

 Restricted for School Capital- portion of fund balance that can only be used for School Capital per G.S. [159-18-22].

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Camden County's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Capital Reserve – This fund is used to account for the land, building, and infrastructure acquisitions.
 Committed for Tax Revaluation- portion of fund balance that can only be used for Tax Revaluation.

Assigned Fund Balance – portion of fund balance that the County intends to use for specific purposes.

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

Camden County has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 20% of budgeted expenditures. Any portion of the general fund balance in excess of 25% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

The County of Camden 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.

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

Reconciliation of Government-wide & 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 includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. The net adjustment of \$2,342,974 consists of the following elements as follows:

| Description | Amount |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Capital assets used in governmental activities are not financial resources and therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column) | \$ 21,358,516 |
| Less accumulated depreciation | <u>(7,448,405)</u> |
| Net capital assets | 13,910,111 |
| Net pension asset. | 20,622 |
| Benefit payments and pension administration costs for LEOSSA. | 7,967 |
| Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position. | 207,419 |
| Deferred inflows of resources reported in the fund statements but not the government-wide | 212,085 |
| Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements | 25,258 |
| Other assets not available for current expenditures | 660,650 |
| Pension related deferrals. | (43,743) |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements: | |
| Long-term debts, including bonds and notes payable | (10,644,283) |
| Accrued interest payable | (91,185) |
| Net pension liability - LGERS | (976,062) |
| Net pension liability - LEOSSA | (269,827) |
| OPEB payable | (473,390) |
| Compensated absences | <u>(202,648)</u> |
| Total adjustment | <u>\$ 2,342,974</u> |

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 assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$19,953 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 | \$ 406,370 |
| 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 | (659,264) |
| Cost of asset disposed of during the year | 18,368 |
| Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements | 553,990 |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | 207,419 |
| Benefit payments and administration costs for LEOSSA | 7,967 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in fund statements | |
| Increase/Decrease in deferred inflows of resources- taxes receivable- at year end | (126,278) |
| 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. This includes accrued interest payable, compensated absences, pension expense and OPEB. | <u>(388,619)</u> |
| Total adjustment | <u>\$ 19,953</u> |

II. Stewardship, Compliance, and Accountability

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

Noncompliance with North Carolina General Statutes

None.

B. Deficit Fund Balance or Net Position of Individual Funds

None.

C. Excess of Expenditures over Appropriations

None.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's, TDA's, and the ABC Board'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, TDA's, or the ABC Board'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, TDA, and the ABC Board, these deposits are considered to be held by their agent 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 or the ABC Board, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, TDA, or the ABC Board 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 relies 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 TDA and ABC Board have no formal policy regarding custodial credit risk for deposits.

At June 30, 2017, the County's deposits had a carrying amount of \$13,061,399 and a bank balance of \$13,388,157. Of the bank balance, \$1,576,677 was covered by federal depository insurance, the remainder was covered by the pooling method.

At June 30, 2017, Camden County had a carrying and bank balance amount of \$18,693 in the fiduciary fund.

At June 30, 2017, Camden County had \$575 of cash on hand.

At June 30, 2017, the carrying amount of deposits for Camden County ABC Board was \$65,347. All of these amounts were covered by federal depository insurance.

At June 30, 2017, the carrying amount of deposits for Camden County TDA was \$104,280. All of these amounts were covered by federal depository insurance.

2. Investments

As of June 30, 2017, the County's investments consisted of \$796,834 in the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The County has no formal policy on credit risk. The ABC Board held no investments at June 30, 2017.

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 two preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present-use value eligibility is lost. These amounts have not been recorded in the financial statements.

| Year Levied | Tax | Interest | Total |
|-------------|---------------------|-------------------|---------------------|
| 2014 | \$ 1,283,401 | \$ 304,808 | \$ 1,588,209 |
| 2015 | 1,101,127 | 162,416 | 1,263,543 |
| 2016 | 1,109,759 | - | 1,109,759 |
| Total | <u>\$ 3,494,287</u> | <u>\$ 467,224</u> | <u>\$ 3,961,511</u> |

4. Receivables

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

| | Accounts | Taxes & Related Accrued Interest | Due From Other Governments | Total |
|---------------------------------|------------------|-------------------------------------------|----------------------------------|-------------------|
| Governmental Activities: | | | | |
| General | \$ - | \$ 358,476 | \$ 371,520 | \$ 729,996 |
| Other Governmental | 63,428 | 2,867 | 112,452 | 178,747 |
| Total Receivables | 63,428 | 361,343 | - | 424,771 |
| Allowance for Doubtful | - | (124,000) | - | (124,000) |
| Total Governmental | <u>\$ 63,428</u> | <u>\$ 237,343</u> | <u>\$ 483,972</u> | <u>\$ 784,743</u> |
| Business-Type Activities: | | | | |
| Water/Sewer receivables | \$ 131,575 | \$ - | \$ 9,728 | \$ 141,303 |
| Allowance for Doubtful Accounts | (45,364) | - | - | (45,364) |
| Total Business-Type | <u>\$ 86,211</u> | <u>\$ -</u> | <u>\$ 9,728</u> | <u>\$ 95,939</u> |

5. Capital Assets**Primary Government**

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

| | Beginning Balances | | Ending Balances | |
|--------------------------------------------------|-----------------------|-------------------|--------------------|----------------------|
| | July 1, 2016 | Increases | Decreases | June 30, 2017 |
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 5,015,871 | \$ - | \$ - | \$ 5,015,871 |
| Construction in Progress | - | 100,000 | - | 100,000 |
| Total capital assets not being depreciated | <u>5,015,871</u> | <u>100,000</u> | <u>-</u> | <u>5,115,871</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 5,765,636 | - | - | 5,765,636 |
| Other improvements | 5,025,708 | 95,024 | - | 5,120,732 |
| Equipment | 1,963,720 | 100,148 | - | 2,063,868 |
| Vehicles and motor equipment | 3,254,591 | 111,198 | 73,380 | 3,292,409 |
| Total capital assets being depreciated | <u>16,009,655</u> | <u>306,370</u> | <u>73,380</u> | <u>16,242,645</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 2,209,712 | 205,412 | - | 2,415,124 |
| Other improvements | 1,249,474 | 160,089 | - | 1,409,563 |
| Equipment | 1,068,278 | 80,391 | - | 1,148,669 |
| Vehicles and motor equipment | 2,316,689 | 213,372 | 55,012 | 2,475,049 |
| Total accumulated depreciation | <u>6,844,153</u> | <u>\$ 659,264</u> | <u>\$ 55,012</u> | <u>7,448,405</u> |
| Total capital assets being depreciated, net | <u>9,165,502</u> | | | <u>8,794,240</u> |
| Governmental activity capital assets, net | <u>\$ 14,181,373</u> | | | <u>\$ 13,910,111</u> |

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

| | |
|-----------------------------------|-------------------|
| General government | \$ 139,484 |
| Public Safety | 301,690 |
| Environmental Protection | 7,397 |
| Economic and Physical Development | 42,187 |
| Human Services | 43,309 |
| Cultural and Recreational | 125,197 |
| Total Depreciation Expense | <u>\$ 659,264</u> |

| | Beginning Balances | Increases | Decreases | Ending Balances |
|-------------------------------------------------|-----------------------|-------------------|-------------|----------------------|
| Business-type Activities | | | | |
| Water & Sewer District | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,050,394 | \$ - | \$ - | \$ 1,050,394 |
| Construction in progress | 30,600 | 433,631 | - | 464,231 |
| Total capital assets not being depreciated | <u>1,080,994</u> | <u>433,631</u> | <u>-</u> | <u>1,514,625</u> |
| Capital assets being depreciated: | | | | |
| Plant and distribution systems | 26,198,364 | - | - | 26,198,364 |
| Furniture and equipment | 88,095 | 12,231 | - | 100,326 |
| Vehicles and motor equipment | 129,228 | 27,048 | - | 156,276 |
| Total capital assets being depreciated | <u>26,415,687</u> | <u>39,279</u> | <u>-</u> | <u>26,454,966</u> |
| Less accumulated depreciation for: | | | | |
| Plant and distribution systems | 5,373,959 | 530,710 | - | 5,904,669 |
| Furniture and equipment | 65,553 | 3,173 | - | 68,726 |
| Vehicles and motor equipment | 107,981 | 7,792 | - | 115,773 |
| Total accumulated depreciation | <u>5,547,493</u> | <u>\$ 541,675</u> | <u>\$ -</u> | <u>6,089,168</u> |
| Total capital assets being depreciated, net | <u>20,868,194</u> | | | <u>20,365,798</u> |
| Total Water and Sewer Fund District, Net | <u>\$ 21,949,188</u> | | | <u>\$ 21,880,423</u> |

Discretely presented component unit

ABC Board:

| | |
|-----------------------------|-------------------|
| Land | \$ 25,405 |
| Buildings | 161,798 |
| Equipment | 55,258 |
| Construction in progress | 48,446 |
| Less A/D | (158,587) |
| Property and Equipment, net | <u>\$ 132,320</u> |

B. Liabilities1. Payables

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

| | <u>Vendors</u> | <u>Accrued Interest</u> | <u>Total</u> |
|--------------------------|----------------|-----------------------------|--------------|
| Governmental Activities | \$ 296,439 | \$ 91,185 | \$ 387,624 |
| Business-type Activities | \$ 74,321 | \$ 19,798 | \$ 94,119 |

2. Pension Plan and Other Post Employment Obligationsa. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$0 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 \$1,084,513 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 .0511%, which was an increase of .0024% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$308,311. 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 | \$ 20,376 | \$ 38,003 |
| Changes of assumptions | 74,279 | |
| Net difference between projected and actual earnings on pension plan investments | 599,599 | - |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 41,752 | - |
| County contributions subsequent to the measurement date | 235,455 | - |
| Total | <u>\$ 971,461</u> | <u>\$ 38,003</u> |

\$235,455 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 | \$ 116,950 |
| 2019 | 116,911 |
| 2020 | 289,419 |
| 2021 | 174,723 |
| 2022 | - |
| Thereafter | - |
| Total | <u>\$ 698,003</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 |

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:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---------------|-------------------|----------------------------------------|
| 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 | 6.0% | 4.0% |
| Total | 100% | |

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:

| | 1 % Decrease (6.25%) | Discount Rate (7.25%) | 1% Increase (8.25%) |
|-------------------------------------------------------------------|-------------------------|--------------------------|------------------------|
| County's proportionate share of the net pension liability (asset) | \$2,574,056 | \$1,084,513 | (\$159,663) |

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

b. Law Enforcement Officers Special Separation Allowance

(1) Plan Description - Camden 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. The County has made no contributions to this plan. A separate report was not issued for the plan.

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

| | |
|------------------------------------------------------------------------|------------------|
| Retirees Receiving Benefits | - |
| Terminated Plan Members Entitled to, But Not Yet Receiving Benefits | - |
| Active Plan Members | <u>15</u> |
| Total | <u><u>15</u></u> |

(2) 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.

(3) Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2015 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

(4) Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$0 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 \$269,827. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$0.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ - | \$ - |
| Changes of assumptions and other inputs | - | 6,722 |
| Benefit payments and administrative expenses subsequent to the measurement date. | (7,967) | - |
| | <u>\$ (7,967)</u> | <u>\$ 6,722</u> |

\$7,967 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 | \$ (1,220) |
| 2019 | (1,220) |
| 2020 | (1,220) |
| 2021 | (1,220) |
| 2022 | (1,220) |
| Thereafter | (622) |
| | <u>\$ (6,722)</u> |

\$0 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 3.71 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 (2.71 percent) or 1-percentage-point higher (4.71 percent) than the current rate:

| | 1% Decrease (2.86%) | Discount Rate (3.86%) | 1% Increase (4.86%) |
|-------------------------|--------------------------------|----------------------------------|--------------------------------|
| Total pension liability | \$ 298,139 | \$ 269,827 | \$ 244,075 |

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

| | 2017 |
|------------------------------------------------------------------------------------------------------|-------------------|
| Beginning balance | \$ 258,110 |
| Service Cost | 18,554 |
| Interest on the total pension liability | 9,072 |
| Changes of benefit terms | - |
| Differences between expected and actual experience in the measurement of the total pension liability | - |
| Changes of assumptions or other inputs | (7,942) |
| Benefit payments | (7,967) |
| Other changes | - |
| Ending balance of the total pension liability | <u>\$ 269,827</u> |

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

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

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2017 were \$238,105, which consisted of \$156,994 from the County and \$81,111 from the law enforcement officers.

d. Register of Deeds' Supplemental Pension Fund

Plan Description. Camden 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 \$3,476 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 \$20,622 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 .1103%, which was an increase of .01508% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$3790. 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 | | Deferred Inflows of Resources | |
|-------------------------------------------------------------------------------------------------------------|-----------------------------|-------|--------------------------------------|-------|
| | Resources | | Resources | |
| Differences between expected and actual experience | \$ | 22 | \$ | 267 |
| Changes of assumptions | | 5,494 | | |
| Net difference between projected and actual earnings on pension plan investments | | 36 | | - |
| Changes in proportion and differences between County contributions and proportionate share of contributions | | 660 | | 2,551 |
| County contributions subsequent to the measurement date | | 3,476 | | - |
| Total | \$ | 9,688 | \$ | 2,818 |

\$3,476 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

| | | |
|-------|----|--------------|
| 2018 | \$ | 1,707 |
| 2019 | | 1,349 |
| 2020 | | 565 |
| 2021 | | (227) |
| 2022 | | - |
| Total | \$ | <u>3,394</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 | 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) | (\$20,571) | (\$22,909) | (\$24,918) |

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

e. Other Post Employment Benefits

Healthcare Benefits

Plan Description - Under the terms of the County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of July 1, 2006, this plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers. The County Board may amend the benefit provisions. A separate report was not issued for the plan. If hired after January 8, 2013 no health benefits will be paid for retirees.

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

| | General Employees | Law Enforcement Officers |
|--------------------------------------------------------------------|----------------------|-----------------------------|
| Retirees and dependents receiving benefits | - | 2 |
| Terminated plan members entitled to but not yet receiving benefits | - | - |
| Active plan members | 38 | 13 |
| Total | 38 | 15 |

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

The current ARC rate is 4.01% of annual covered payroll. For the current year, the County contributed \$0. The County obtains healthcare coverage through private insurers. There were no contributions made by employees. The County's obligation to contribute to HCB Plan is established and may be amended by the County Board.

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

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

| | |
|--------------------------------------------|--------------------------|
| Annual required contribution | \$ 87,943 |
| Interest on net OPEB obligation | 20,606 |
| Adjustment to annual required contribution | <u>(28,646)</u> |
| Annual OPEB cost (expense) | 79,903 |
| Contributions made | <u>(30,464)</u> |
| Increase (decrease) in net OPEB obligation | 49,439 |
| Net OPEB obligation, beginning of year | <u>515,161</u> |
| Net OPEB obligation, end of year | <u><u>\$ 564,600</u></u> |

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for June 30, 2017 were as follows:

| For Year Ended June 30 | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---------------------------|---------------------|-----------------------------------------------|------------------------|
| 2015 | \$ 82,478 | 0.00% | \$ 432,683 |
| 2016 | \$ 82,478 | 0.00% | \$ 515,161 |
| 2017 | \$ 79,903 | 38.10% | \$ 564,600 |

Funded Status and Funding Progress. As of June 30, 2017 the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial liability (UAAL) was \$663,838. The covered payroll (annual payroll of active employees covered by the plan) was \$2,067,678, and the ratio of UAAL to the covered payroll was 32.1%. easing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarially accrued liabilities for benefits.

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

In the December 31, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.50% to 5.00% annually. The investment rate included a 3.00% inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2016, was 30 years.

f. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of 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.

4. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The County participates in three self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 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, workers' compensation coverage up to the statutory limits and health and dental insurance for County employees. The pools are audited annually by Certified Public Accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the County is insured through Blue Cross Blue Shield of North Carolina, a private insurance company.

The County carries flood insurance on the renovated courthouse. Other buildings are not insured for flood.

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 is bonded for \$550,000, the tax collector is bonded for \$50,000 and the sheriff is bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$15,000.

There have been no significant reductions in insurance coverage from the previous year and no claims have been made in the past three years.

Camden County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Board has commercial property, general liability, auto liability, workers' compensation, and employee health coverage. The Board does have liquor legal liability coverage. In accordance with G.S. 18B-803, the ABC Board's employees that have access to the Board's funds are performance bonded through a commercial surety bond. Employees are bonded under an employment practices bond for up to \$5,000 per claim. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

5. Contingent Liabilities

At June 30, 2017, the County was a defendant to various lawsuits. In the opinion of the 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.

6. Long-Term Obligationsa. Installment Purchases

As authorized by State law [G.S. 160A-20 and 153A-158.1], the County has financed various property acquisitions for use by Camden County Board of Education by installment purchase. The installment purchases were issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Camden County Board of Education that transfers the right and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education. These loans are included in the loans described below.

The installment purchases of the County, including the Qualified Zone Academy Bonds, are outlined below:

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| \$1,000,000 loan from Bank of America, N.A. for renovation and modernization of Camden High School and Camden Middle School. The note is secured by a deed of trust on the two schools and calls for an annual payments of \$50,000 plus 4.4%. This note was paid off and refinanced with a principal amount of \$572,000 and calls for annual payments of \$52,150 plus interest at 2.29%. Matures in 2024. | \$ 312,904 |
| \$2,000,000 loan from Bank of America, N.A. (QZAB) for renovation and modernization of Camden High School and Camden Middle School. The note is secured by a deed of trust on the two schools and calls for annual payments of \$112,334 and no interest is charged. Matures in 2023. | 539,658 |
| \$264,000 loan from Rural Housing Service to finance courthouse renovations. The loan is secured by the courthouse. The note calls for annual payments of \$20,297 including interest at 4.5%. Matures in 2026. | 147,500 |
| \$453,000 loan from BB&T for the re-finance of a two pumper trucks. The loan calls for annual payments of \$48,072 including interest at 2.09%. Matures in 2021. | 130,225 |
| \$725,000 loan from BB&T dated August 16, 2010 for the construction of a Fire Station Building. The loan calls for annual payments of \$36,250 plus interest at 3.89%. Matures in 2027. | 507,500 |
| \$1,350,000 loan from Thomas M. Noblitt for the purchase of land. The loan is secured with the property. The loan calls for annual payments of \$150,000 for 9 years. There is no interest stated in the loan. Matures in 2018. | 150,000 |
| \$10,000,000 loan from US Department of Agriculture for the construction of an intermediate school. The note calls for annual payments of \$520,000 for 40 years which includes interest at 4.125%. Matures in 2049. | 8,856,496 |
| | <u>\$ 10,644,283</u> |

b. General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. South Camden Water and Sewer District issues general obligation bonds to provide funds for the acquisition and construction of major water and sewer 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 are payable at June 30, 2017, are comprised of the following individual issues:

Serviced by South Camden Water and Sewer District:

\$1,600,000 - 1996 Water District bonds with annual installments of \$17,000 to \$66,000 through June 1, 2036; interest at 4.875%. These Bonds were refinanced with a principal amount of \$1,274,000 with annual installments of \$93,493 plus interest at 3.89%. \$ 1,047,537

Other Loans:

Drinking Water State Revolving Loan: A loan of \$813,581 calling for 20 annual principal payments of \$40,679 plus interest at 2.87% (payable semiannually). This Note was refinanced during 2013 with a principal amount of \$406,791 with varying annual installments plus interest at 2.19%. Matures in 2032. 203,395

State DWSRF Revolving Loan: A loan of \$1,367,122 calling for 20 annual principal payments of \$68,356 plus interest at 2.50%. At year end \$1,307,360 has been drawn down on the loan amount. This associated project was completed during the year and half of the outstanding principal was forgiven. The new payments will be for 20 years at \$32,684 with no stated interest rate. Matures in 2032. 490,260

State Clean Water Bond Loan: A loan of \$1,922,657 calling for 19 annual principal payments of \$101,192 plus interest at 4.02%. This Note was refinanced during 2013 with a principal amount of \$910,732 with varying annual installments plus interest at 2.09%. Matures in 2021. 404,768

Total \$ 2,145,960

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

| Year Ending June 30, | Governmental Activities | | Business Type Activities | |
|-------------------------|----------------------------|---------------------|-----------------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 2018 | 561,577 | 401,597 | 227,299 | 53,663 |
| 2019 | 419,459 | 390,710 | 229,351 | 48,605 |
| 2020 | 427,652 | 380,683 | 231,483 | 43,468 |
| 2021 | 390,932 | 369,193 | 233,697 | 38,247 |
| 2022 | 376,824 | 359,085 | 134,806 | 32,941 |
| 2023-2027 | 1,334,065 | 1,630,973 | 508,401 | 122,489 |
| 2028-2032 | 1,403,222 | 1,355,921 | 580,923 | 49,962 |
| 2033-2037 | 1,539,991 | 1,060,009 | - | - |
| 2038-2042 | 1,884,921 | 715,079 | - | - |
| 2043-2047 | 2,305,640 | 292,829 | - | - |
| Total | <u>\$ 10,644,283</u> | <u>\$ 6,956,079</u> | <u>\$ 2,145,960</u> | <u>\$ 389,375</u> |

At June 30, 2017 Camden County had a legal debt margin of \$74,079,253.

c. 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 6/30/2016 | Increases | Decreases | Balance 6/30/2017 | Current Portion |
|---------------------------------------|----------------------|---------------------|---------------------|----------------------|--------------------|
| Governmental Activities: | | | | | |
| Installment Purchases | \$ 11,198,273 | \$ - | \$ (553,990) | \$ 10,644,283 | \$ 561,577 |
| OPEB | 431,861 | 41,529 | - | 473,390 | - |
| Net pension liability (LGERS) | 196,545 | 779,517 | - | 976,062 | - |
| Net pension liability (LEOSSA) | - | 269,827 | - | 269,827 | - |
| Compensated absences | 197,738 | 81,344 | (76,434) | 202,648 | 81,344 |
| Total governmental activities | \$ 12,024,417 | \$ 1,172,217 | \$ (630,424) | \$ 12,566,210 | \$ 642,921 |
| Business Type Activities: | | | | | |
| General obligation debt | \$ 2,371,284 | \$ - | \$ (225,324) | \$ 2,145,960 | \$ 227,299 |
| OPEB | 83,300 | 7,910 | - | 91,210 | - |
| Net pension liability (LGERS) | 21,838 | 86,613 | - | 108,451 | - |
| Compensated Absences | 34,432 | 13,194 | (8,562) | 39,064 | 13,194 |
| Total business type activities | \$ 2,510,854 | \$ 107,717 | \$ (233,886) | \$ 2,384,685 | \$ 240,493 |

Compensated absences for governmental activities typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

Debt Related to Capital Activities - Of the total Governmental Activities debt listed only \$9,709,058 relates to assets the County holds title.

Inter-fund Balances and Activity

Transfers From/To Other Funds at June 30, 2017 consists of the following:

From the General fund to:

| | |
|-------------------------------------|-----------|
| Water and Sewer Fund (Expenditures) | \$ 72,403 |
| Special Capital Fund (Expenditures) | 325,000 |

From School Capital Fund to:

| | |
|----------------------------|---------|
| General Fund (school debt) | 991,602 |
|----------------------------|---------|

| | |
|--------|---------------------|
| Totals | <u>\$ 1,389,005</u> |
|--------|---------------------|

Interfund Balances and Activity

The composition of interfund balance activity as of June 30, 2017 is as follows:

From the Courthouse and Shiloh FD Fund to the General Fund.

| | |
|-------|-------------------|
| Total | <u>\$ 100,000</u> |
|-------|-------------------|

All of the above were for operating expenditures.

C. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

| | |
|------------------------------------------|---------------------|
| Total fund balance - General Fund | \$ 9,869,606 |
| Less: | |
| Stabilization by State Statute | 537,815 |
| Capital Reserve | 2,793,278 |
| Remaining Fund Balance | \$ 6,538,513 |

III. Joint Ventures

Developmental Disabilities & Substance abuse Services

The County participates in a joint venture to provide mental health services. East Carolina Behavioral Health (ECBH) coordinates these services through third party providers. The County is one of nineteen county governments participating as a joint venture. Camden County appointed one board member (commissioner) to the ECBH's finance committee. The venture was established as a joint venture among the participating counties to coordinate funding from federal and State agencies and also to realize economies of scale in the providing of mental health services. In accordance with the intergovernmental agreement between the participating governments and ECBH, the County appropriated \$20,000 to the ECBH to supplement its activities. None of the participating governments have any equity interest in the ECBH, so no equity interest has been reflected in the financial statements at June 30, 2017. Complete financial statements can be obtained from the ECBH's office at 112 Health Drive, Greenville, North Carolina 27834-7704.

Central Communications/Emergency Management System

The Emergency Management System was established as a joint venture between Camden County, Pasquotank County, and the City of Elizabeth City to coordinate grant funds and realize economies of scale. Each entity appoints one member to the governing board. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$294,744 to the System to supplement its activities. None of the participating governments have any equity interest in the System, so no equity interest has been reflected in the financial statements at June 30, 2017. Complete financial statements for the System can be obtained from the System's office at 103 S. Road Street, Elizabeth City, North Carolina 27909.

Albemarle District Jail

The operation of the Jail is shared with two other counties in the surrounding area. Each county's contributions are based on a per capita assessment based on the most recent census figures available, and each county appoints one or more members to the Board. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$416,064 to the Jail to supplement its activities. None of the participating governments have any equity interest in the Jail, so no equity interest has been reflected in the financial statements at June 30, 2017. Complete financial statements for the Jail can be obtained from the Jail's office at 320 S. Hughes Blvd., Elizabeth City, North Carolina 27907.

Albemarle Commission

The County is a member of the Albemarle Commission, which is a voluntary association of county governments. The Commission was established as a joint venture among the participating counties to coordinate funding from federal and State agencies. – the makeup is 1 elected official from each of the 10 counties with a term that does not expire unless the individual is no longer an elected official or another appointment is made by the county. Four at-large members that rotate off the AC Board every 2 years. Currently, the members until the end of the month, are from Currituck, Dare, Gates and Hyde. Starting in January, the members will be from Pasquotank, Perquimans, Tyrrell and Washington until December 31st 2018. On January 1, 2019 the members will be from Camden Chowan Currituck and Dare. The County paid membership fees of \$6,971 to the Commission during the fiscal year ended June 30, 2017.

Regional Confinement Facility

The County is a member of the Regional Jail Facility, which is an agreement of three county governments to provide financing, construction and operation of a regional jail. The Facility was established as a joint venture among the participating counties to coordinate funding from local, federal, and State agencies. The County contributed \$183,486 to the Facility during the fiscal year ended June 30, 2017.

Albemarle Regional Health Services (ARHS)

Albemarle Regional Health Services is a voluntary association of seven county governments. ARHS was established as a joint venture among the participating counties to coordinate funding from federal and State agencies and to realize economies of scale in providing health care services. The County contributed \$35,820 to ARHS during the year ended June 30, 2017. None of the participating governments have any equity interest in ARHS, so no equity interest has been reflected in the financial statements at June 30, 2017. Complete financial statements can be obtained at ARHS's office on 711 Roanoke Avenue, Elizabeth City, North Carolina 27909.

IV. 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 the County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

| | Federal | State |
|------------------------------|-----------|-----------|
| Adoption Assistance | \$ 19,066 | \$ 9,984 |
| Crisis Intervention | 21,918 | - |
| Low Income Energy Assistance | 21,850 | - |
| Medicaid | 4,311,431 | 2,260,287 |
| NC Health Choice | 162,118 | 423 |
| Foster Care | 5,392 | 714 |
| WIC | 16,473 | - |

V. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The County has received proceeds from 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 moneys 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 moneys.

VI. Significant Effects of Subsequent Events

There are no subsequent events that would have a material affect on the financial statements. Subsequent events have been analyzed through the date that the financial statements were available to be issued.

VII. 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 (fiscal year ending December 31, 2016). As a result, net position for the governmental activities decreased \$258,110.

The County complied with Governmental Accounting Standards Board (GASB) No. Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in the fiscal year ending June 30, 2017. This required the County to combine the beginning fund balances of the General Fund and the Special Capital Fund to consolidate for fund reporting. However, the funds are reported separately for budgetary compliance purposes. As a result, fund balance for the general fund increased by \$2,580,996 as reported on Exhibit 4 and the Special Capital Fund is no longer reported separate.

**REQUIRED
SUPPLEMENTAL FINANCIAL DATA**

This section contains additional information required by generally accounting principals.

Schedule of Funding Progress for the OPEB

Schedule of Employer Contribution for the OPEB

Schedule of the Proportionate Share of the Net Pension
Asset/Liability – Local Government Employees’ Retirement System

Schedule of Contributions – Local Government Employees’
Retirement System

Schedule of the Proportionate Share of the Net Pension
Asset – Register of Deeds

Schedule of Contributions – Register of Deeds

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

**Camden County, North Carolina
Other Post Employment Benefits
Required Supplementary Information
Schedule of Funding Progress**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) -Projected Unit Credit (b) | Unfunded AAL (UAAL) (b - a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b - a)/c) |
|--------------------------------|----------------------------------------|--------------------------------------------------------------------------|--------------------------------------|--------------------------|---------------------------|-----------------------------------------------------|
| 12/31/2011 | - | \$ 565,640 | \$ 565,640 | 0.0% | \$ 2,375,630 | 23.80% |
| 12/31/2012 | - | \$ 636,078 | \$ 636,078 | 0.0% | \$ 2,788,528 | 22.81% |
| 12/31/2013 | - | \$ 636,078 | \$ 636,078 | 0.0% | \$ 2,788,528 | 22.81% |
| 12/31/2014 | - | \$ 663,838 | \$ 663,838 | 0.0% | \$ 2,067,678 | 32.11% |
| 12/31/2015 | - | \$ 663,838 | \$ 663,838 | 0.0% | \$ 2,067,678 | 32.11% |
| 12/31/2016 | - | \$ 663,838 | \$ 663,838 | 0.0% | \$ 2,067,678 | 32.11% |

**Camden County, North Carolina
Other Post Employment Benefits
Required Supplementary Information
Schedule of Employer Contributions**

| <u>Year Ended June 30,</u> | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> |
|--------------------------------|-----------------------------------------|-----------------------------------|
| 2013 | 70,438 | 0.00% |
| 2014 | 70,190 | 0.00% |
| 2015 | 87,493 | 0.00% |
| 2016 | 87,493 | 0.00% |
| 2017 | 87,943 | 38.10% |

Camden County, North Carolina
Camden County's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Four Fiscal Years

Local Government Employees' Retirement System

| | 2017 | 2016 | 2015 | 2014 |
|-------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| County's proportion of the net pension liability (asset) (%) | 0.0511% | 0.0487% | 0.0489% | 0.0452% |
| County's proportion of the net pension liability (asset) (\$) | \$ 1,084,513 | \$ 218,383 | \$ (288,268) | \$ 544,834 |
| County's covered-employee payroll | \$ 3,034,188 | \$ 2,915,721 | \$ 2,883,647 | \$ 2,788,528 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 35.74% | 7.49% | (10.00%) | 19.54% |
| Plan fiduciary net position as a percentage of the total pension liability** | 91.47% | 98.09% | 102.64% | 102.64% |

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

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

**Camden County, North Carolina
Camden County's Contributions
Required Supplementary Information
Last Four Fiscal Years**

Local Government Employees' Retirement System

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 235,455 | \$ 208,510 | \$ 220,612 | \$ 219,096 |
| Contributions in relation to the contractually required contribution | 235,455 | 208,510 | 220,612 | 219,096 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's covered-employee payroll | \$ 3,089,454 | \$ 3,034,188 | \$ 2,915,721 | \$ 2,883,647 |
| Contributions as a percentage of covered-employee payroll | 7.62% | 6.87% | 7.57% | 7.60% |

Camden County, North Carolina
Camden County's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Four Fiscal Years

Registers of Deeds' Supplemental Pension Fund

| | 2017 | 2016 | 2015 | 2014 |
|-------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| County's proportion of the net pension liability (asset) (%) | 0.1103% | 0.0952% | 0.1010% | 0.1130% |
| County's proportion of the net pension liability (asset) (\$) | \$ (20,622) | \$ (22,066) | \$ (22,909) | \$ (24,145) |
| County's covered-employee payroll | \$ 51,364 | \$ 54,047 | \$ 70,695 | \$ 50,049 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | (40.15%) | (40.83%) | (32.41%) | (48.24%) |
| 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.

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

**Camden County, North Carolina
Camden County's Contributions
Required Supplementary Information
Last Four Fiscal Years**

Registers of Deeds' Supplemental Pension Fund

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|----------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$ 3,476 | \$ 3,024 | \$ 3,631 | \$ 3,821 |
| Contributions in relation to the contractually required contribution | 3,476 | 3,024 | 3,631 | 3,821 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's covered-employee payroll | \$ 47,161 | \$ 51,364 | \$ 54,047 | \$ 70,695 |
| Contributions as a percentage of covered-employee payroll | 7.37% | 5.89% | 6.72% | 5.40% |

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

| | 2017 |
|------------------------------------------------------------------------------------------------------|-------------|
| Beginning balance | 258,110 |
| Service Cost | 18,554 |
| Interest on the total pension liability | 9,072 |
| Changes of benefit terms | - |
| Differences between expected and actual experience in the measurement of the total pension liability | - |
| Changes of assumptions or other inputs | (7,942) |
| Benefit payments | (7,967) |
| Other changes | - |
| Ending balance of the total pension liability | \$ 269,827 |

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

Camden 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 | \$ 269,827 |
| Covered payroll | 769,983 |
| Total pension liability as a percentage of covered payroll | 35.04% |

Notes to the schedules:

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

GENERAL FUND

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

Special Capital Fund is presented separately for budget compliance reporting but is combined with the General Fund in Exhibit 4.

Camden 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

| | Final Budget | Actual | Variance Positive (Negative) |
|-----------------------------------------------------------|------------------|------------------|------------------------------------|
| Revenues: | | | |
| Ad Valorem Taxes: | | | |
| Taxes | \$ | \$ 7,356,406 | \$ |
| Penalties and Interest | | 64,289 | |
| Total | <u>7,288,263</u> | <u>7,420,695</u> | <u>132,432</u> |
| Other Taxes and Licenses: | | | |
| Local option sales tax | | 890,822 | |
| Utilities sales tax | | 612,901 | |
| Telecommunications tax | | 93,003 | |
| Scrap tire disposal tax | | 19,695 | |
| Video franchise fee | | 71,925 | |
| White goods tax | | 6,750 | |
| Medicaid hold harmless | | 567,249 | |
| Total | <u>2,314,561</u> | <u>2,262,345</u> | <u>(52,216)</u> |
| Unrestricted Intergovernmental revenues: | | | |
| Beer and wine tax | | 46,072 | |
| Payments in lieu of taxes | | 684 | |
| ABC profit distribution | | 30,000 | |
| Total | <u>122,300</u> | <u>76,756</u> | <u>(45,544)</u> |
| Restricted Intergovernmental: | | | |
| State and Federal Grants | | 1,019,859 | |
| ABC profits for law enforcement | | 4,254 | |
| Solid waste disposal tax | | 8,485 | |
| Court facilities fees | | 22,961 | |
| Total | <u>1,114,990</u> | <u>1,055,559</u> | <u>(59,431)</u> |
| Permits and Fees: | | | |
| Pet licenses | | 130 | |
| Gun permits | | 18,939 | |
| Fines and forfeitures | | 60,838 | |
| Register of Deeds | | 508,684 | |
| Business registration fee | | 386 | |
| Other fees | | 22,290 | |
| Building permits and inspections, including land use fees | | 170,346 | |
| Total | <u>727,135</u> | <u>781,613</u> | <u>54,478</u> |
| Sales and Services: | | | |
| Rent and Concessions | | 40,725 | |
| Jail fees | | 4,998 | |
| Officer fees | | 27,692 | |
| Total | <u>87,300</u> | <u>73,415</u> | <u>(13,885)</u> |
| Investment Earnings: Interest | <u>46,000</u> | <u>36,476</u> | <u>(9,524)</u> |

Camden 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

| | Final Budget | Actual | Variance Positive (Negative) |
|------------------------------------------|-----------------------|-----------------------|------------------------------------|
| Miscellaneous: | | | |
| Sale of fixed assets | | 6,422 | |
| Insurance proceeds | | 5,699 | |
| Sale of recyclables | | 6,942 | |
| Other | | 21,865 | |
| Total | <u>26,715</u> | <u>40,928</u> | <u>14,213</u> |
| TOTAL REVENUES | <u>11,727,264</u> | <u>11,747,787</u> | <u>20,523</u> |
| Expenditures: | | | |
| General Government: | | | |
| Governing body | | 111,844 | |
| Administration | | 338,197 | |
| Finance | | 209,156 | |
| Tax administration | | 410,872 | |
| Personnel | | 67,330 | |
| Legal | | 37,066 | |
| Register of deeds | | 214,418 | |
| Elections | | 109,240 | |
| Public buildings | | 349,603 | |
| Fleet vehicles | | 3,132 | |
| Court facilities | | 28,139 | |
| Total general government | <u>2,121,530</u> | <u>1,878,997</u> | <u>242,533</u> |
| Public Safety: | | | |
| Sheriff | | 1,601,458 | |
| Jail | | 183,486 | |
| Regional jail | | 416,064 | |
| Juvenile justice and delinquency program | | 63,628 | |
| School resource officer | | 69,226 | |
| Inspections | | 134,721 | |
| Contribution to fire districts | | 426,878 | |
| Emergency management | | 517,863 | |
| Central communications | | 294,744 | |
| Total | <u>4,016,068</u> | <u>3,708,068</u> | <u>308,000</u> |
| Economic and physical development: | | | |
| Economic development | | 106,540 | |
| Agricultural extension | | 137,698 | |
| Planning | | 261,943 | |
| Albemarle commission | | 6,971 | |
| Resource conservation and development | | 750 | |
| Soil/water conservation | | 65,458 | |
| Total | <u>725,728</u> | <u>579,360</u> | <u>146,368</u> |

**Camden 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**

| | Final Budget | Actual | Variance Positive (Negative) |
|---------------------------------|------------------|------------------|------------------------------------|
| Human services: | | | |
| Health: | | | |
| Albemarle hopeline | | 2,000 | |
| Camden food pantry | | 2,000 | |
| Regional health | | 111,714 | |
| Other health programs | | - | |
| Total human services | <u>128,599</u> | <u>115,714</u> | <u>12,885</u> |
| Transportation: Traffic | <u>2,060</u> | <u>1,709</u> | <u>351</u> |
| Social services: | | | |
| Administration | | 935,654 | |
| Day care | | 109,608 | |
| Medical travel | | 8,673 | |
| County provided assistance | | 57,803 | |
| Adoptions | | 6,497 | |
| Aid to the blind program | | 707 | |
| Foster care | | 26,744 | |
| Crisis intervention | | 21,904 | |
| Work first program | | 44,505 | |
| LIEAP expenses | | 21,850 | |
| Other assistance | | 2,473 | |
| Total social services | <u>1,360,081</u> | <u>1,236,418</u> | <u>123,663</u> |
| Total Human Services | <u>1,490,740</u> | <u>1,353,841</u> | <u>136,899</u> |
| Cultural and Recreational: | | | |
| Recreation | | 245,217 | |
| Library | | 194,334 | |
| Museum | | 4,625 | |
| College of the Albemarle | | 45,000 | |
| Senior citizens services | | 118,937 | |
| Total Cultural and Recreational | <u>633,801</u> | <u>608,113</u> | <u>25,688</u> |
| Environmental protection: | | | |
| Public works administration | | 97,956 | |
| Forestry program | | 61,555 | |
| Sanitation | | 669,063 | |
| Total environmental protection | <u>851,983</u> | <u>828,574</u> | <u>23,409</u> |
| Education: | | | |
| Public Schools: | | | |
| Current Expense | | 2,300,000 | |
| Capital Outlay | | 298,758 | |
| Total Education | <u>2,624,919</u> | <u>2,598,758</u> | <u>26,161</u> |

**Camden 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>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------------------------|
| Debt Service: | | | |
| Principal Retirement | | 476,097 | |
| Interest and Fees | | 387,044 | |
| Total Debt Service | <u>863,141</u> | <u>863,141</u> | <u>-</u> |
| TOTAL EXPENDITURES | <u>13,327,910</u> | <u>12,418,852</u> | <u>909,058</u> |
| Revenues over Expenditures | <u>(1,600,646)</u> | <u>(671,065)</u> | <u>929,581</u> |
| Other financing sources (uses): | | | |
| Fund Balance Appropriated | | - | |
| Transfers (to)/from Other Funds: | | | |
| Special revenue - school capital fund | | 991,602 | |
| Special revenue - capital reserve | | (325,000) | |
| Water and sewer district | | (72,403) | |
| Total Other Financing Sources (Uses) | <u>1,600,646</u> | <u>594,199</u> | <u>(1,006,447)</u> |
| Net change in fund balance | <u>\$ -</u> | (76,866) | <u>\$ (76,866)</u> |
| Fund balances: | | | |
| Beginning of year, July 1 | | <u>7,153,194</u> | |
| End of year, June 30 | | <u>\$ 7,076,328</u> | |

Camden County, North Carolina
Special Capital Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|----------------------------------------------------------------------------------|------------------|----------------------------|----------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Other taxes | \$ | \$ 461,199 | \$ |
| Land sale | | - | |
| Investment earnings | | 14,890 | |
| Total Revenue | <u>430,000</u> | <u>476,089</u> | <u>46,089</u> |
| Expenditures | | | |
| Operating expenses | | 588,807 | |
| Capital outlay | | - | |
| Total Expenditures | <u>1,276,864</u> | <u>588,807</u> | <u>688,057</u> |
| Revenues Over (Under) Expenditures | <u>(846,864)</u> | <u>(112,718)</u> | <u>734,146</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | 325,000 | 325,000 | - |
| Proceeds from Lease Purchase | | - | - |
| Total Other Financing Sources (Uses) | <u>325,000</u> | <u>325,000</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses | (521,864) | 212,282 | 734,146 |
| Fund Balance Appropriated | <u>521,864</u> | <u>-</u> | <u>(521,864)</u> |
| Net change in fund balance | \$ <u>-</u> | 212,282 | \$ <u>212,282</u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>2,580,996</u> | |
| End of Year, June 30 | | \$ <u><u>2,793,278</u></u> | |

OTHER MAJOR GOVERNMENTAL FUND

Major Governmental Fund - Fire Districts Fund- Courthouse & Shiloh

Camden County, North Carolina
Fire District Funds - Courthouse and Shiloh
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|-----------------------------------------------------------|-----------------|--------------------------|----------------------------------------|
| | Final Budget | Actual | |
| Revenues: | | | |
| Ad valorem taxes | \$ | \$ 67,041 | \$ |
| Restricted intergovernmental | | - | |
| Other taxes | | 265,584 | |
| Investment earnings | | 1,608 | |
| Other fees | | 9,050 | |
| Miscellaneous | | 383 | |
| Total Revenues | <u>316,869</u> | <u>343,666</u> | <u>26,797</u> |
| Expenditures: | | | |
| Public safety: | | | |
| Salaries and benefits | | 5,030 | |
| Operating expenses | | 175,100 | |
| Capital outlay | | 110,802 | |
| Debt service: Principal and Interest | | - | |
| Total Expenditures | <u>349,550</u> | <u>290,932</u> | <u>58,618</u> |
| Revenues Over (Under) Expenditures | <u>(32,681)</u> | <u>52,734</u> | <u>85,415</u> |
| Other Financing Sources (Uses): | | | |
| Proceeds from Installment Loan | - | - | - |
| Transfer to General Fund | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Uses | (32,681) | 52,734 | 85,415 |
| Fund Balance Appropriated | <u>32,681</u> | <u>-</u> | <u>(32,681)</u> |
| Net change in fund balance | \$ <u>-</u> | 52,734 | \$ <u>52,734</u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>122,537</u> | |
| End of Year, June 30 | | \$ <u><u>175,271</u></u> | |

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Camden County, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017**

| | Special Revenue Funds | | | | | | | | | | Capital Project Funds | | | |
|----------------------------------------------------------------------------|---------------------------------------------------------|-------------------|-----------------------------------|--------------------|--------------------|------------------------------|-------------------------|-------------------|-----------------|---------------------|-----------------------------------------------|-------------------------------|--------------------------------------------|-----------------------------------------|
| | Automation Enhancement and Preserva- tion Fund | Watershed Fund | Dismal Swamp Visitor Center | School Cap Fund | South Mills VFD | Joyce Creek Drainage Fund | Community Park Trust | Eco Dev Fund | School Fund | Revaluation Fund | Total Nonmajor Special Revenue Funds | Scattered Housing Grant | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
| Assets: | | | | | | | | | | | | | | |
| Cash and investments | \$ 7,075 | \$ 144,705 | \$ 81,442 | \$ - | \$ 340,470 | \$ 248,138 | \$ 238,869 | \$ 176,266 | \$ 4,346 | \$ 361,847 | \$ 1,603,158 | \$ 6,530 | \$ 6,530 | \$ 1,609,688 |
| Restricted Cash | - | - | - | 171,108 | - | - | - | - | - | - | 171,108 | - | - | 171,108 |
| Accounts receivable | - | 30,500 | 611 | 60,068 | 9,063 | - | 417 | - | - | - | 100,659 | - | - | 100,659 |
| Taxes receivable (net) | - | - | - | - | 608 | 551 | - | - | - | - | 1,159 | - | - | 1,159 |
| Total Assets | \$ 7,075 | \$ 175,205 | \$ 82,053 | \$ 231,176 | \$ 350,141 | \$ 248,689 | \$ 239,286 | \$ 176,266 | \$ 4,346 | \$ 361,847 | \$ 1,876,084 | \$ 6,530 | \$ 6,530 | \$ 1,882,614 |
| Liabilities and Fund Balances: | | | | | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 3,937 | \$ - | \$ 5,009 | \$ - | \$ 255 | \$ - | \$ - | \$ 5,500 | \$ 14,701 | \$ - | \$ - | \$ 14,701 |
| Due from other funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | - | - | 3,937 | - | 5,009 | - | 255 | - | - | 5,500 | 14,701 | - | - | 14,701 |
| Deferred Inflows of Resources | | | | | | | | | | | | | | |
| Property taxes receivable | - | - | - | - | 608 | 551 | - | - | - | - | 1,159 | - | - | 1,159 |
| Total deferred inflows of resources | - | - | - | - | 608 | 551 | - | - | - | - | 1,159 | - | - | 1,159 |
| Fund Balances: | | | | | | | | | | | | | | |
| Restricted | | | | | | | | | | | | | | |
| Stabilization by State Statute | - | 30,500 | 611 | 60,068 | 9,063 | - | 417 | - | - | - | 100,659 | - | - | 100,659 |
| Register of Deeds | 7,075 | - | - | - | - | - | - | - | - | - | 7,075 | - | - | 7,075 |
| Fire Protection | - | - | - | - | 335,461 | - | - | - | - | - | 335,461 | - | - | 335,461 |
| Committed | | | | | | | | | | | | | | |
| Tax Revaluation | - | - | - | - | - | - | - | - | - | 356,347 | 356,347 | - | - | 356,347 |
| School capital | - | - | - | 171,108 | - | - | - | - | 4,346 | - | 175,454 | - | - | 175,454 |
| Economic development | - | 144,705 | 77,505 | - | - | 248,138 | 238,614 | 176,266 | - | - | 885,228 | 6,530 | 6,530 | 891,758 |
| Total fund balances | 7,075 | 175,205 | 78,116 | 231,176 | 344,524 | 248,138 | 239,031 | 176,266 | 4,346 | 356,347 | 1,860,224 | 6,530 | 6,530 | 1,866,754 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 7,075 | \$ 175,205 | \$ 82,053 | \$ 231,176 | \$ 350,141 | \$ 248,689 | \$ 239,286 | \$ 176,266 | \$ 4,346 | \$ 361,847 | \$ 1,876,084 | \$ 6,530 | \$ 6,530 | \$ 1,882,614 |

**Camden County, North Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017**

| | Special Revenue Funds | | | | | | | | | | Capital Project Fund | | | |
|---------------------------------------------|---------------------------------------------------|-------------------|-----------------------------------|--------------------|--------------------|------------------------------|-------------------------|-------------------|-----------------|---------------------|--------------------------------------------|-------------------------------|--------------------------------------------|-----------------------------------------|
| | Auto Enhancement and Preserva- tion Fund | Watershed Fund | Dismal Swamp Visitor Center | School Cap Fund | South Mills VFD | Joyce Creek Drainage Fund | Community Park Trust | Eco Dev Fund | School Fund | Revaluation Fund | Total Nonmajor Special Revenue Funds | Scattered Housing Grant | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
| Revenues: | | | | | | | | | | | | | | |
| Ad Valorem Taxes | \$ - | \$ - | \$ - | \$ - | \$ 40,684 | \$ 20,745 | \$ - | \$ - | \$ - | \$ - | \$ 61,429 | \$ - | \$ - | \$ 61,429 |
| Other taxes | - | - | - | 861,968 | 161,294 | - | - | - | 3,050 | - | 1,026,312 | - | - | 1,026,312 |
| Local contributions | - | - | - | 150,000 | - | - | 95,024 | - | - | - | 245,024 | - | - | 245,024 |
| Donations | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment earnings | 39 | 781 | - | 2,897 | 1,996 | 1,274 | 1,056 | 953 | 84 | 1,957 | 11,037 | - | - | 11,037 |
| Sales | - | - | 24,789 | - | - | - | - | - | - | - | 24,789 | - | - | 24,789 |
| Miscellaneous | - | - | 35 | - | - | - | 10,830 | - | - | - | 10,865 | - | - | 10,865 |
| Federal and State grants | - | 30,500 | 149,036 | - | 3,673 | 20,000 | - | - | - | - | 203,209 | - | - | 203,209 |
| Fees | 5,393 | 96,376 | - | - | 465 | - | - | - | - | - | 102,234 | - | - | 102,234 |
| Total revenues | <u>5,432</u> | <u>127,657</u> | <u>173,860</u> | <u>1,014,865</u> | <u>208,112</u> | <u>42,019</u> | <u>106,910</u> | <u>953</u> | <u>3,134</u> | <u>1,957</u> | <u>1,684,899</u> | <u>-</u> | <u>-</u> | <u>1,684,899</u> |
| Expenditures: | | | | | | | | | | | | | | |
| General government | 9,720 | - | 177,935 | - | - | - | - | - | - | 5,500 | 193,155 | - | - | 193,155 |
| Public safety | - | - | - | - | 142,380 | - | - | - | - | - | 142,380 | - | - | 142,380 |
| Environmental protection | - | - | - | - | - | 27,756 | - | - | - | - | 27,756 | - | - | 27,756 |
| Economic and physical development | - | 41,120 | - | - | - | - | 125,346 | - | - | - | 166,466 | - | - | 166,466 |
| Cultural and recreation | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Education | - | - | - | 128,125 | - | - | - | - | 12,600 | - | 140,725 | - | - | 140,725 |
| Debt service: | | | | | | | | | | | | | | |
| Principal retirement | - | - | - | - | 77,893 | - | - | - | - | - | 77,893 | - | - | 77,893 |
| Interest and fees | - | - | - | - | 24,744 | - | - | - | - | - | 24,744 | - | - | 24,744 |
| Total Expenditures | <u>9,720</u> | <u>41,120</u> | <u>177,935</u> | <u>128,125</u> | <u>245,017</u> | <u>27,756</u> | <u>125,346</u> | <u>-</u> | <u>12,600</u> | <u>5,500</u> | <u>773,119</u> | <u>-</u> | <u>-</u> | <u>773,119</u> |
| Revenues Over (Under) Expenditures | <u>(4,288)</u> | <u>86,537</u> | <u>(4,075)</u> | <u>886,740</u> | <u>(36,905)</u> | <u>14,263</u> | <u>(18,436)</u> | <u>953</u> | <u>(9,466)</u> | <u>(3,543)</u> | <u>911,780</u> | <u>-</u> | <u>-</u> | <u>911,780</u> |
| Other Financing Sources (Uses): | | | | | | | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers from (to) other sources | - | - | - | (991,602) | - | - | - | - | - | - | (991,602) | - | - | (991,602) |
| Transfers from (to) CU | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers from (to) other sources | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(991,602)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(991,602)</u> | <u>-</u> | <u>-</u> | <u>(991,602)</u> |
| Net change in Fund Balance | <u>(4,288)</u> | <u>86,537</u> | <u>(4,075)</u> | <u>(104,862)</u> | <u>(36,905)</u> | <u>14,263</u> | <u>(18,436)</u> | <u>953</u> | <u>(9,466)</u> | <u>(3,543)</u> | <u>(79,822)</u> | <u>-</u> | <u>-</u> | <u>(79,822)</u> |
| Fund balances: | | | | | | | | | | | | | | |
| Beginning of Year, July 1 | <u>11,363</u> | <u>88,668</u> | <u>82,191</u> | <u>336,038</u> | <u>381,429</u> | <u>233,875</u> | <u>257,467</u> | <u>175,313</u> | <u>13,812</u> | <u>359,890</u> | <u>1,940,046</u> | <u>6,530</u> | <u>6,530</u> | <u>1,946,576</u> |
| End of year, June 30 | <u>\$ 7,075</u> | <u>\$ 175,205</u> | <u>\$ 78,116</u> | <u>\$ 231,176</u> | <u>\$ 344,524</u> | <u>\$ 248,138</u> | <u>\$ 239,031</u> | <u>\$ 176,266</u> | <u>\$ 4,346</u> | <u>\$ 356,347</u> | <u>\$ 1,860,224</u> | <u>\$ 6,530</u> | <u>\$ 6,530</u> | <u>\$ 1,866,754</u> |

Camden County, North Carolina
Automation Enhancement and Preservation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|-----------------------------------------------------------|-----------------|------------------------|----------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Fees | \$ | \$ 5,393 | \$ |
| Investment Earnings | | 39 | |
| Other income | | - | |
| Total revenues | <u>9,720</u> | <u>5,432</u> | <u>(4,288)</u> |
| Expenditures: | | | |
| Operating expenses | | <u>9,720</u> | |
| Total Expenditures | <u>9,720</u> | <u>9,720</u> | <u>-</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>(4,288)</u> | <u>(4,288)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from Other Funds | | - | |
| Transfers to Other Funds | | - | |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Uses | <u>-</u> | <u>(4,288)</u> | <u>(4,288)</u> |
| Fund Balance Appropriated | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | \$ <u>-</u> | (4,288) \$ | <u>(4,288)</u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>11,363</u> | |
| End of Year, June 30 | | \$ <u><u>7,075</u></u> | |

Camden County, North Carolina
Watershed Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|------------------------------------|-----------------|--------------------------|----------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Fees | \$ | \$ 96,376 | \$ |
| Grants | | 30,500 | |
| Investment earnings | | 781 | |
| Total revenues | <u>148,496</u> | <u>127,657</u> | <u>20,839</u> |
| Expenditures: | | | |
| Operating expenses | | <u>41,120</u> | |
| Total Expenditures | <u>148,496</u> | <u>41,120</u> | <u>107,376</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>86,537</u> | <u>86,537</u> |
| Net change in fund balance | - | 86,537 | 86,537 |
| Fund Balance Appropriated | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | \$ <u>-</u> | 86,537 | \$ <u>86,537</u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>88,668</u> | |
| End of Year, June 30 | | \$ <u><u>175,205</u></u> | |

Camden County, North Carolina
Dismal Swamp Visitor Center
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|----------------------------------------------------------------------------------|--------------------|-------------------------|----------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Restricted Intergovernmental | \$ | \$ 149,036 | \$ |
| Sales | | 24,789 | |
| Miscellaneous | | 35 | |
| Total Revenue | <u>183,707</u> | <u>173,860</u> | <u>(9,847)</u> |
| Expenditures | | | |
| Salaries and benefits | | 147,892 | |
| Operating expenses | | 30,043 | |
| Total Expenditures | <u>189,907</u> | <u>177,935</u> | <u>11,972</u> |
| Revenues Over (Under) Expenditures | <u>(6,200)</u> | <u>(4,075)</u> | <u>2,125</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | - | - | - |
| Proceeds from Lease Purchase | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses | (6,200) | (4,075) | 2,125 |
| Fund Balance Appropriated | <u>6,200</u> | <u>-</u> | <u>(6,200)</u> |
| Net change in fund balance | \$ <u><u>-</u></u> | (4,075) | \$ <u><u>(4,075)</u></u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>82,191</u> | |
| End of Year, June 30 | | \$ <u><u>78,116</u></u> | |

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

| | 2017 | | Variance Favorable (Unfavorable) |
|-----------------------------------------------------------|--------------------|--------------------------|----------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | |
| Revenues: | | | |
| Other taxes | \$ | \$ 861,968 | \$ |
| Local contributions | | 150,000 | |
| Miscellaneous | | - | |
| Investment earnings | | 2,897 | |
| Total Revenues | <u>1,412,161</u> | <u>1,014,865</u> | <u>(397,296)</u> |
| Expenditures: | | | |
| Education: | | | |
| Operating expenses | | 128,125 | |
| Debt service: Principal | | - | |
| Debt service: Interest | | - | |
| Total Expenditures | <u>128,125</u> | <u>128,125</u> | <u>-</u> |
| Revenues Over (Under) Expenditures | <u>1,284,036</u> | <u>886,740</u> | <u>(397,296)</u> |
| Other Financing Sources (Uses): | | | |
| Transfer from other funds | (1,284,036) | (991,602) | 292,434 |
| Transfer to other funds | - | - | - |
| Total Other Financing Sources (Uses) | <u>(1,284,036)</u> | <u>(991,602)</u> | <u>292,434</u> |
| Revenues and Other Financing Sources Over (Under) Uses | - | (104,862) | (104,862) |
| Fund Balance Appropriated | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | \$ <u>-</u> | (104,862) | \$ <u>(104,862)</u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>336,038</u> | |
| End of Year, June 30 | | \$ <u><u>231,176</u></u> | |

Camden County, North Carolina
Fire District Fund - South Mills
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|-----------------------------------------------------------|-----------------|-------------------|----------------------------------------|
| | Final Budget | Actual | |
| Revenues: | | | |
| Ad valorem taxes | \$ | \$ 40,684 | \$ |
| Other taxes | | 161,294 | |
| Investment earnings | | 1,996 | |
| Other grants | | 3,673 | |
| Other fees | | 465 | |
| Total Revenues | <u>186,824</u> | <u>208,112</u> | <u>21,288</u> |
| Expenditures: | | | |
| Public safety: | | | |
| Salaries and benefits | | 6,045 | |
| Operating expenses | | 136,335 | |
| Capital outlay | | - | |
| Debt service: Principal and Interest | | 102,637 | |
| Total Expenditures | <u>253,975</u> | <u>245,017</u> | <u>8,958</u> |
| Revenues Over (Under) Expenditures | <u>(67,151)</u> | <u>(36,905)</u> | <u>30,246</u> |
| Other Financing Sources (Uses): | | | |
| Proceeds from Installment Loan | - | - | - |
| Transfer to General Fund | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Uses | (67,151) | (36,905) | 30,246 |
| Fund Balance Appropriated | <u>67,151</u> | <u>-</u> | <u>(67,151)</u> |
| Net change in fund balance | \$ <u>-</u> | (36,905) | \$ <u>(36,905)</u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>381,429</u> | |
| End of Year, June 30 | | <u>\$ 344,524</u> | |

Camden County, North Carolina
Drainage Fund - Joyce Creek
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|-----------------------------------------------------------|-----------------|-------------------|----------------------------------------|
| | Final Budget | Actual | |
| Revenues: | | | |
| Ad valorem taxes | \$ | \$ 20,745 | \$ |
| Grants | | 20,000 | |
| Investment earnings | | 1,274 | |
| Total Revenues | <u>64,680</u> | <u>42,019</u> | <u>(22,661)</u> |
| Expenditures: | | | |
| Environmental Protection: | | | |
| Operating expenses | | 27,756 | |
| Capital outlay | | - | |
| Total Expenditures | <u>64,680</u> | <u>27,756</u> | <u>36,924</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>14,263</u> | <u>14,263</u> |
| Other Financing Sources (Uses): | | | |
| Proceeds from Installment Loan | - | - | - |
| Transfer to General Fund | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Uses | - | 14,263 | 14,263 |
| Fund Balance Appropriated | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | \$ <u>-</u> | 14,263 | \$ <u>14,263</u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>233,875</u> | |
| End of Year, June 30 | | <u>\$ 248,138</u> | |

Camden County, North Carolina
Community Park Trust Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|----------------------------------------------------------------------------------|--------------------|--------------------------|----------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Restricted Intergovernmental | \$ | \$ - | \$ |
| Local Contributions | | 105,854 | |
| Investment earnings | | 1,056 | |
| Total Revenue | <u>117,300</u> | <u>106,910</u> | <u>(10,390)</u> |
| Expenditures | | | |
| Operating expenses | | 125,346 | |
| Capital outlay | | - | |
| Total Expenditures | <u>164,300</u> | <u>125,346</u> | <u>38,954</u> |
| Revenues Over (Under) Expenditures | <u>(47,000)</u> | <u>(18,436)</u> | <u>28,564</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | - | - | - |
| Proceeds from Lease Purchase | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses | (47,000) | (18,436) | 28,564 |
| Fund Balance Appropriated | <u>47,000</u> | <u>-</u> | <u>(47,000)</u> |
| Net change in fund balance | \$ <u><u>-</u></u> | (18,436) | \$ <u><u>(18,436)</u></u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>257,467</u> | |
| End of Year, June 30 | | \$ <u><u>239,031</u></u> | |

Camden County, North Carolina
Eco Dev Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|----------------------------------------------------------------------------------|-----------------|--------------------------|----------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Local contributions | \$ | \$ - | \$ |
| Investment earnings | | 953 | |
| Total Revenue | <u>500</u> | <u>953</u> | <u>453</u> |
| Expenditures | | | |
| Operating expenses | | - | |
| Capital outlay | | - | |
| Total Expenditures | <u>40,500</u> | <u>-</u> | <u>40,500</u> |
| Revenues Over (Under) Expenditures | <u>(40,000)</u> | <u>953</u> | <u>40,953</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | - | - | - |
| Proceeds from Lease Purchase | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses | (40,000) | 953 | 40,953 |
| Fund Balance Appropriated | <u>40,000</u> | <u>-</u> | <u>(40,000)</u> |
| Net change in fund balance | \$ <u>-</u> | 953 | \$ <u>953</u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>175,313</u> | |
| End of Year, June 30 | | \$ <u><u>176,266</u></u> | |

Camden County, North Carolina
School Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|----------------------------------------------------------------------------------|--------------------|------------------------|----------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Tax penalties and interest | \$ | \$ 3,050 | \$ |
| Investment earnings | | 84 | |
| Total Revenue | <u>12,600</u> | <u>3,134</u> | <u>(9,466)</u> |
| Expenditures | | | |
| Operating expenses | | 12,600 | |
| Capital outlay | | - | |
| Total Expenditures | <u>12,600</u> | <u>12,600</u> | <u>-</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>(9,466)</u> | <u>(9,466)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | - | - | - |
| Proceeds from Lease Purchase | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses | - | (9,466) | (9,466) |
| Fund Balance Appropriated | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | \$ <u><u>-</u></u> | \$ (9,466) | \$ <u><u>(9,466)</u></u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>13,812</u> | |
| End of Year, June 30 | | \$ <u><u>4,346</u></u> | |

Camden County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Favorable (Unfavorable) |
|----------------------------------------------------------------------------------|------------------|--------------------------|----------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Ad Valorem taxes | \$ | \$ - | \$ |
| Investment earnings | | 1,957 | |
| Total Revenue | <u>1,500</u> | <u>1,957</u> | <u>457</u> |
| Expenditures | | | |
| Operating expenses | | 5,500 | |
| Capital outlay | | - | |
| Total Expenditures | <u>241,730</u> | <u>5,500</u> | <u>236,230</u> |
| Revenues Over (Under) Expenditures | <u>(240,230)</u> | <u>(3,543)</u> | <u>236,687</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | | - | - |
| Proceeds from Lease Purchase | | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses | (240,230) | (3,543) | 236,687 |
| Fund Balance Appropriated | <u>240,230</u> | <u>-</u> | <u>(240,230)</u> |
| Net change in fund balance | \$ <u>-</u> | (3,543) | \$ <u>(3,543)</u> |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | <u>359,890</u> | |
| End of Year, June 30 | | \$ <u><u>356,347</u></u> | |

CAPITAL PROJECTS FUNDS

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

Camden County, North Carolina
Scattered Housing Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2017

| | Project Author - ization | Prior Years | Actual Current Year | Total to Date | Variance Favorable (Unfavorable) |
|-----------------------------------------|--------------------------------|------------------|---------------------------|------------------|----------------------------------------|
| Revenues: | | | | | |
| Restricted: | | | | | |
| Grant 08-C-1844 | \$ 37,289 | \$ | \$ | \$ - | \$ |
| Grant 11-C-2305 | 400,000 | | - | - | |
| Grant 05-C-1356 | 400,000 | | - | - | |
| Grant 08-C-1817 | 400,000 | | - | - | |
| SFR 12 Grant | 160,000 | | - | - | |
| SRSF Grant | 150,000 | | - | - | |
| Total Revenues | <u>1,547,289</u> | <u>1,521,761</u> | <u>-</u> | <u>1,521,761</u> | <u>(25,528)</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Economic and physical development: | <u>1,547,289</u> | <u>1,517,363</u> | <u>-</u> | <u>1,517,363</u> | <u>29,926</u> |
| Revenues over expenditures | <u>-</u> | <u>4,398</u> | <u>-</u> | <u>4,398</u> | <u>4,398</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers in (out) | - | - | - | - | - |
| Local contribution | <u>-</u> | <u>2,132</u> | <u>-</u> | <u>2,132</u> | <u>(2,132)</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>2,132</u> | <u>-</u> | <u>2,132</u> | <u>(2,132)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 6,530</u> | <u>\$ -</u> | <u>\$ 6,530</u> | <u>\$ 6,530</u> |
| Fund Balance: | | | | | |
| Beginning of Year, July 1 | | | <u>6,530</u> | | |
| End of Year, June 30 | | | <u>\$ 6,530</u> | | |

PROPRIETARY FUNDS

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

Camden County, North Carolina
Enterprise Fund - Water & Sewer District
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Positive (Negative) |
|--------------------------------|------------------|------------------|------------------------------------|
| | Final Budget | Actual | |
| Revenues: | | | |
| Operating Revenues | | | |
| Water sales | \$ | \$ 1,008,025 | \$ |
| Tap on Fees | | 58,870 | |
| Penalties | | 40,570 | |
| Miscellaneous | | - | |
| Total water sales | <u>1,062,500</u> | <u>1,107,465</u> | <u>44,965</u> |
| Waste water sales | | 122,839 | |
| Miscellaneous | | - | |
| Total waste water sales | <u>176,000</u> | <u>122,839</u> | <u>(53,161)</u> |
| Total Operating Revenues | <u>1,238,500</u> | <u>1,230,304</u> | <u>(8,196)</u> |
| Nonoperating Revenues | | | |
| Interest on Investments | <u>3,000</u> | <u>3,520</u> | <u>520</u> |
| Total Revenues | <u>1,241,500</u> | <u>1,233,824</u> | <u>(7,676)</u> |
| Expenditures: | | | |
| Reverse osmosis plant | | | |
| Salaries and employee benefits | | 185,020 | |
| Repairs and maintenance | | 23,517 | |
| Chemicals | | 26,547 | |
| Utilities | | 73,389 | |
| Operating expenses | | 81,081 | |
| Total | <u>406,778</u> | <u>389,554</u> | <u>17,224</u> |
| Water distribution: | | | |
| Salaries and employee benefits | | 219,722 | |
| Repairs and maintenance | | 23,952 | |
| Supplies | | 10,833 | |
| Contracted services | | 29,448 | |
| Operating expenses | | 121,222 | |
| Total | <u>412,827</u> | <u>405,177</u> | <u>7,650</u> |
| Waste Water treatment: | | | |
| Salaries and employee benefits | | 124,016 | |
| Repairs and maintenance | | 18,922 | |
| Utilities | | 29,441 | |
| Contracted services | | 5,320 | |
| Supplies | | 5,620 | |
| Operating expenses | | 44,859 | |
| Total | <u>231,578</u> | <u>228,178</u> | <u>3,400</u> |

Camden County, North Carolina
Enterprise Fund - Water & Sewer District
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2017

| | 2017 | | Variance Positive (Negative) |
|------------------------------------------------------------------------------------------------------|------------------|---------------------|------------------------------------|
| | Final Budget | Actual | |
| Budgetary Appropriations: | | | |
| Capital Outlay | | 472,909 | |
| Interest Paid | | 57,544 | |
| Debt Principal | | 225,324 | |
| Total | <u>757,680</u> | <u>755,777</u> | <u>1,903</u> |
| Total Expenditures | <u>1,808,863</u> | <u>1,778,686</u> | <u>30,177</u> |
| Revenues Over (Under) Expenditures | <u>(567,363)</u> | <u>(544,862)</u> | <u>22,501</u> |
| Other Financing Sources and (Uses): | | | |
| Debt Proceeds | - | - | - |
| Capital Contributions | - | 13,465 | - |
| Transfer from other funds | - | 72,403 | - |
| Total Other Financing Sources (Uses) | <u>473,712</u> | <u>85,868</u> | <u>(387,844)</u> |
| Revenues and Other Sources Over (Under) Expenses and Other Uses | (93,651) | (458,994) | (365,343) |
| Appropriated Fund Balance | <u>93,651</u> | <u>-</u> | <u>(93,651)</u> |
| Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses | <u>\$ -</u> | <u>\$ (458,994)</u> | <u>\$ (458,994)</u> |

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

| | |
|------------------------------------------------------------------------------------------------------|---------------------|
| Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses | <u>\$ (458,994)</u> |
| Reconciling items: | |
| Capital Outlay | 472,909 |
| Interest income from capital projects | 9,337 |
| Principal Payments | 225,324 |
| Change in accrued vacation pay | (4,632) |
| (Increase) decrease in net pension liability | (86,613) |
| Increase (decrease) in deferred outflows of resources for pensions | 76,614 |
| (Increase) decrease in deferred inflows of resources for pensions | 2,710 |
| Other revenues from capital projects | 86,090 |
| Change in accrued OPEB | (7,910) |
| Change in accrued interest | 3,001 |
| Depreciation | (541,675) |
| Total reconciling items | <u>235,155</u> |
| Change in net position | <u>\$ (223,839)</u> |

Camden County, North Carolina
Water and Sewer District Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2017

| | Project Author - ization | Actual | | | Variance Favorable (Unfavorable) |
|---------------------------------------------|--------------------------------|------------------|-----------------|------------------|----------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental - Rural Center | \$ 3,400,000 | \$ 3,489,950 | \$ - | \$ 3,489,950 | \$ 89,950 |
| Restricted intergovernmental - CWMTF Funds | 3,564,011 | 3,096,007 | - | 3,096,007 | (468,004) |
| Restricted intergovernmental - CDBG | 600,000 | 600,000 | - | 600,000 | - |
| Other | 75,905 | 708,962 | 86,090 | 795,052 | 719,147 |
| Interest Income | - | 11,087 | 2,870 | 13,957 | 13,957 |
| Total Revenues | 7,639,916 | 7,906,006 | 88,960 | 7,994,966 | 355,050 |
| Expenditures: | | | | | |
| Sewer Construction: | | | | | |
| Legal fees | 94,189 | 51,292 | - | 51,292 | 42,897 |
| Land | 422,900 | 70,360 | - | 70,360 | 352,540 |
| Engineering | 753,855 | 323,855 | - | 323,855 | 430,000 |
| Collection system | 1,506,029 | 1,463,078 | - | 1,463,078 | 42,951 |
| Construction | 6,818,822 | 6,818,231 | - | 6,818,231 | 591 |
| Spray fields | 1,133,161 | 302,362 | - | 302,362 | 830,799 |
| Fund reserves | 360,943 | 73,448 | - | 73,448 | 287,495 |
| Total | 11,089,899 | 9,102,626 | - | 9,102,626 | 1,987,273 |
| Revenues over expenditures | (3,449,983) | (1,196,620) | 88,960 | (1,107,660) | 2,342,323 |
| Other Financing Sources (Uses): | | | | | |
| Fund balance appropriated | 1,132,861 | - | - | - | 1,132,861 |
| Revolving loan funds | 1,367,122 | 1,307,809 | - | 1,307,809 | 59,313 |
| Transfers In | 950,000 | 582,291 | - | 582,291 | 367,709 |
| Total Other Financing Sources (Uses) | 3,449,983 | 1,890,100 | - | 1,890,100 | 1,559,883 |
| Revenues, Other Sources Over (Under) | | | | | |
| Expenditures and Other Uses | \$ - | \$ 693,480 | 88,960 | \$ 782,440 | \$ 782,440 |

Camden County, North Carolina
Water and Sewer District Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2017

| | Project Author - ization | Actual | | | Variance Favorable (Unfavorable) |
|-----------------------------------------------------------------------------|--------------------------------|---------------------|-----------------|---------------------|----------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental - CWMTF | \$ 1,464,100 | \$ 1,217,666 | \$ - | \$ 1,217,666 | \$ (246,434) |
| Restricted intergovernmental - RC Grant | 649,875 | 693,600 | - | 693,600 | 43,725 |
| Restricted intergovernmental - DOT Grant | 269,810 | 276,868 | - | 276,868 | 7,058 |
| Other | - | 18,367 | - | 18,367 | 18,367 |
| Interest Income | - | 537 | 6,467 | 7,004 | 7,004 |
| Total Revenues | <u>2,383,785</u> | <u>2,207,038</u> | <u>6,467</u> | <u>2,213,505</u> | <u>(170,280)</u> |
| Expenditures: | | | | | |
| Sewer improvements | 2,419,510 | 2,288,746 | - | 2,288,746 | 130,764 |
| Professional services | 115,000 | 16,764 | - | 16,764 | 98,236 |
| Fund reserves | - | - | - | - | - |
| Total | <u>2,534,510</u> | <u>2,305,510</u> | <u>-</u> | <u>2,305,510</u> | <u>229,000</u> |
| Revenues over expenditures | (150,725) | (98,472) | 6,467 | (92,005) | 58,720 |
| Other Financing Sources (Uses): | | | | | |
| Fund balance appropriated | 35,725 | - | - | - | (35,725) |
| Transfers In | <u>115,000</u> | <u>1,307,725</u> | <u>-</u> | <u>1,307,725</u> | <u>1,192,725</u> |
| Total Other Financing Sources (Uses) | <u>150,725</u> | <u>1,307,725</u> | <u>-</u> | <u>1,307,725</u> | <u>1,157,000</u> |
| Revenues, Other Sources Over (Under) Expenditures and Other Uses | | | | | |
| | \$ <u>-</u> | \$ <u>1,209,253</u> | <u>6,467</u> | \$ <u>1,215,720</u> | \$ <u>(1,098,280)</u> |

AGENCY FUNDS

Agency funds are used to account for assets the County holds on behalf of others.

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

| | <u>Balance</u> <u>July 1, 2016</u> | <u>Net</u> <u>Change</u> | <u>Balance</u> <u>June 30, 2017</u> |
|-----------------------------------|---------------------------------------|-----------------------------|----------------------------------------|
| Social Services Fund: | | | |
| Cash and Investments | \$ <u>8,880</u> | \$ <u>8,269</u> | \$ <u>17,149</u> |
| Liabilities | \$ <u>8,880</u> | \$ <u>8,269</u> | \$ <u>17,149</u> |
| Nancy M. and H. Clay Ferebee Fund | | | |
| Cash and Investments | \$ <u>1,538</u> | \$ <u>6</u> | \$ <u>1,544</u> |
| Liabilities | \$ <u>1,538</u> | \$ <u>6</u> | \$ <u>1,544</u> |
| Total - All Agency Funds: | | | |
| Cash and Investments | \$ <u>10,418</u> | \$ <u>8,275</u> | \$ <u>18,693</u> |
| Liabilities | \$ <u>10,418</u> | \$ <u>8,275</u> | \$ <u>18,693</u> |

OTHER SCHEDULES

This section includes additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Secondary Market Disclosures
- Ten Largest Taxpayers

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

| <u>Fiscal Year</u> | <u>Uncollected Balance July 1, 2016</u> | <u>Additions</u> | <u>Collections And Credits</u> | <u>Uncollected Balance June 30, 2017</u> |
|--------------------|-------------------------------------------------|----------------------------|------------------------------------|----------------------------------------------------------|
| 2016-2017 | \$ | \$ 7,307,405 | \$ 7,146,653 | \$ 160,752 |
| 2015-2016 | 180,619 | 2,196 | 128,505 | 54,310 |
| 2014-2015 | 68,991 | 2,807 | 43,012 | 28,786 |
| 2013-2014 | 35,432 | 255 | 14,480 | 21,207 |
| 2012-2013 | 26,361 | 82 | 8,596 | 17,847 |
| 2011-2012 | 18,121 | 82 | 5,616 | 12,587 |
| 2010-2011 | 13,876 | 82 | 4,008 | 9,950 |
| 2009-2010 | 11,695 | 82 | 3,050 | 8,727 |
| 2008-2009 | 10,998 | 82 | 2,263 | 8,817 |
| 2007-2008 | 12,749 | 82 | 2,596 | 10,235 |
| 2006-2007 | 14,446 | - | 14,446 | - |
| TOTALS | \$ <u>393,288</u> | \$ <u>7,313,155</u> | \$ <u>7,373,225</u> | \$ <u>333,218</u> |
| | | | | Less: Allowance for uncollectable taxes <u>(124,000)</u> |
| | | | | Ad valorem taxes - General Fund \$ <u>209,218</u> |
| | | | | <u>Reconciliation with revenues:</u> |
| | | | | Ad valorem taxes - General Fund \$ 7,420,695 |
| | | | | Ad valorem taxes - Revaluation Fund - |
| | | | | Reconciling items: |
| | | | | Penalties and Interest (64,289) |
| | | | | Collection of Old Taxes (2,230) |
| | | | | Release 19,049 |
| | | | | Total Reconciling Items <u>(47,470)</u> |
| | | | | Total Collections and Credits \$ <u>7,373,225</u> |

Camden 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 | Amount of Levy | Property excluding Registered Motor Vehicles | Registered Motor Vehicles |
| Original levy: | | | | | |
| Property Taxes at Current Year Rate | \$ 1,060,385,942 | 0.6900% | \$ 7,316,663 | \$ 6,597,175 | \$ 719,488 |
| Total Original Levy | <u>1,060,385,942</u> | | <u>7,316,663</u> | <u>6,597,175</u> | <u>719,488</u> |
| Discoveries: | | | | | |
| Current year taxes | 409,710 | 0.6900% | 2,827 | 2,827 | - |
| Total Discoveries | <u>409,710</u> | | <u>2,827</u> | <u>2,827</u> | <u>-</u> |
| Abatements | | | | | |
| Current Year Taxes | (1,751,449) | 0.6900% | (12,085) | (12,085) | - |
| Total Abatements | <u>(1,751,449)</u> | | <u>(12,085)</u> | <u>(12,085)</u> | <u>-</u> |
| Total for Year | <u>\$ 1,059,044,203</u> | | 7,307,405 | 6,587,917 | 719,488 |
| Uncollected taxes at June 30, 2017 | | | <u>160,752</u> | <u>160,752</u> | <u>-</u> |
| Current year's taxes collected | | | <u>\$ 7,146,653</u> | <u>\$ 6,427,165</u> | <u>\$ 719,488</u> |
| Current levy collection percentage | | | <u>97.80%</u> | <u>97.56%</u> | <u>100.00%</u> |

Camden 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 | \$ 897,737,391 |
| Personal Property ³ | 138,071,014 |
| Public Service Companies ² | <u>23,235,797</u> |
| Total Assessed Valuation | <u>1,059,044,202</u> |
| Tax Rate per \$100 | 0.69 |
| Levy (includes discoveries, releases and abatements) ³ | <u><u>\$ 7,307,405</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>\$ 102,126</u></u> |
|---------------------------|--------------------------|

¹ Percentage of appraised value has been established by statute.

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

³ The levy includes penalties and multi-rate for motor vehicles.

Camden 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 |
|--------------------------------|-------------------------|----------------------------------------|-------------------------------------------------------|
| E & J Holding LLC | Training Facility | \$ 44,686,618 | 4.22% |
| Norther Agri III, LLC | Farm | 13,348,393 | 1.26% |
| Albemarle Elec Membership Corp | Utility | 9,961,324 | 0.94% |
| Dominion North Carolina Power | Utility | 6,790,147 | 0.64% |
| Blue Sky Development, LLC | Apartment Complex | 6,109,853 | 0.58% |
| Academi Training Center, Inc. | Training Facility | 3,526,471 | 0.33% |
| Carolina Telephone & Telegraph | Utility | 2,365,147 | 0.22% |
| John E Ferbee Farming, Inc. | Farm | 2,313,971 | 0.22% |
| Cherry Hill Farms | Farm | 2,232,500 | 0.21% |
| Abby Group, Inc. | Real Estate | 2,189,706 | 0.21% |
| Total | | <u>\$ 93,524,130</u> | <u>8.83%</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
Camden 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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Camden County, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprises the Camden County's basic financial statements, and have issued our report thereon dated December 10, 2017. Our report includes a reference to other auditors who audited the financial statements of the Camden County ABC Board, as described in our report on Camden County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Camden County ABC Board and Camden County TDA were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Camden 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 the Camden County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be

prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camden County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
Wilmington, North Carolina
December 10, 2017



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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County Commissioners
Camden County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Camden County, 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 Camden County's major federal programs for the year ended June 30, 2017. Camden 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 Camden 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Camden 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 Camden County's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Camden 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 Camden 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

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

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

Wilmington, North Carolina

December 10, 2017



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Report On Compliance For Each Major State Program; 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
Camden County, North Carolina

Report on Compliance for Each Major State Program

We have audited Camden 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 Camden County's major state programs for the year ended June 30, 2017. Camden 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 Camden County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Camden 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 Camden County's compliance.

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of Camden 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 Camden 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

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

Wilmington, North Carolina

December 10, 2017

Camden County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section I. Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified? Yes No
 Significant Deficiency(s) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? Yes No
 Significant Deficiency(s) identified? Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

| <u>CFDA Numbers</u> | <u>Names of Federal Program or Cluster</u> |
|---------------------|---------------------------------------------------|
| 93.778 | Medical Assistance Program (Title XIX - Medicaid) |

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

Auditee qualified as low-risk auditee? Yes No

Camden County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section II. Financial Statement Findings

None Reported.

Section III. Federal Award Findings and Question Costs

None Reported.

Section IV. State Award Findings and Question Costs

None Reported.

Camden 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 | 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 | \$ 94,714 | \$ - | \$ - | \$ 94,714 |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Public Health: | | | | | |
| Direct Benefit Payments: | | | | | |
| Special Supplemental Nutrition Program for Women, Infants, & Children | 10.557 | 16,473 | - | - | - |
| Total U.S. Dept. of Agriculture | | 111,187 | - | - | 94,714 |
| <u>U.S. Dept. of Justice</u> | | | | | |
| Direct Program: | | | | | |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 4,386 | - | - | - |
| Total U.S. Dept. of Justice | | 4,386 | - | - | - |
| <u>U.S. Dept. of Health & Human Services</u> | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| <u>Division of Social Services</u> | | | | | |
| <u>Temporary Assistance for Needy Families Cluster</u> | | | | | |
| Work First Administration | 93.558 | 29,081 | - | - | 10,263 |
| Work First Service | 93.558 | 63,910 | - | - | 54,210 |
| Payments and Penalties | 93.558 | 22,645 | - | - | 40,733 |
| Total TANF Cluster | | 115,636 | - | - | 105,206 |
| Child Support Enforcement Section | 93.563 | 50,790 | - | - | 26,164 |
| Low-Income Home Energy Assistance: | | | | | |
| Administration | 93.568 | 3,602 | - | - | - |
| Energy Assistance Payments- Direct Benefit Payments | 93.568 | 21,850 | - | - | - |
| Crisis Intervention Program - Direct benefit payments | 93.568 | 21,918 | - | - | - |
| Stephanie Tubbs jones Child Welfare Services-State Grants | | | | | |
| - Permanency Planning - Families for Kids | 93.645 | 2,040 | - | - | 680 |
| Social Services Block Grant - Other Service and Training | 93.667 | 30,034 | 3,001 | - | 11,011 |
| In Home Services | 93.667 | 109 | - | - | 16 |

Camden 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 | Fed. (Direct & Pass-through) Expenditures | State Expenditures | Passed-through to Subrecipients | Local Expenditures |
|-------------------------------------------------------------|---------------------------|-------------------------------------------------|-----------------------|---------------------------------------|-----------------------|
| Foster Care and Adoption Cluster:(Note 2) | | | | | |
| Title IV-E Foster Care-Administration | 93.658 | 682 | 239 | - | 442 |
| Foster Care-Direct Benefit Payments | 93.658 | 5,392 | 714 | - | 6,057 |
| Adoption Assistance-Direct Benefit Payments | 93.659 | 19,066 | 9,984 | - | 6,498 |
| Total Foster Care and Adoption Cluster | | 25,140 | 10,937 | - | 12,997 |
| Division of Child Development and Early Education: | | | | | |
| Subsidized Child Care (Note 3) | | | | | |
| <u>Child Care Development Fund Cluster</u> | | | | | |
| Division of Social Services: | | | | | |
| Child Care Development Fund-Administration | 93.596 | 43,754 | - | - | - |
| Division of Child Development: | | | | | |
| Child Care and Development Block Grant | 93.575 | 39,840 | - | - | - |
| Child Care and Development Fund - Mandatory | 93.596 | 14,493 | - | - | - |
| Child Care and Development Fund - Match | 93.596 | 3,712 | - | - | - |
| Total Child Care Development Fund Cluster | | 101,799 | - | - | - |
| Foster Care IV-E | 93.658 | 1,214 | 607 | - | - |
| Temporary Assistance for Needy Families | 93.558 | 12,306 | - | - | - |
| State Appropriations | | - | 43,823 | - | - |
| TANF - MOE | | - | 8,013 | - | - |
| Total Subsidized Child Care Cluster | | 115,319 | 52,443 | - | - |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Medical Assistance: | | | | | |
| Direct Benefit Payments: | | | | | |
| Medical Assistance Program | 93.778 | 4,311,431 | 2,260,287 | - | - |
| State Children's Insurance Program - N.C. Health Choice | 93.767 | 162,118 | 423 | - | - |
| Division of Social Services: | | | | | |
| Administration: | | | | | |
| Medical Assistance Program | 93.778 | 355,101 | 166 | - | 145,319 |
| State Children's Insurance Program - N.C. Health Choice | 93.767 | 26,206 | 33 | - | 42 |
| Total U.S. Dept. of Health and Human Services | | 5,241,294 | 2,327,290 | - | 301,435 |
| <u>U. S. Department of Homeland Security</u> | | | | | |
| Passed-through N.C. Department of Public Safety: | | | | | |
| Division of Emergency Management | | | | | |
| Disaster Grants-Public Assistance | | | | | |
| (Presidentially Declared Disasters) | 97.036 | 2,755 | 918 | - | - |
| Emergency Management Grant | 97.067 | 13,015 | - | - | - |
| | | 15,770 | 918 | - | - |
| Total Federal Awards | | 5,372,637 | 2,328,208 | - | 396,149 |

Camden 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 | Fed. (Direct & Pass-through) Expenditures | State Expenditures | Passed-through to Subrecipients | Local Expenditures |
|-----------------------------------------------------------------|---------------------------|-------------------------------------------------|-----------------------|---------------------------------------|-----------------------|
| State Awards: | | | | | |
| <u>N.C. Dept. of Health and Human Services</u> | | | | | |
| Division of Aging and Adult Services: | | | | | |
| County Funded Programs/Non Allocating costs | | - | - | - | 75,694 |
| State/County Special Assistance for Adults | | - | 55,486 | - | 55,486 |
| Passed through Albemarle Commission: | | | | | |
| Senior Center Grant | | - | 1,000 | - | - |
| Nutrition Grant | | - | 5,321 | - | - |
| Division of Social Services: | | | | | |
| State Foster Care Benefits Program | | - | 9,955 | - | 8,696 |
| Total N. C. Department of Health and Human Services | | - | 71,762 | - | 139,876 |
| <u>N.C. Dept. of Public Safety</u> | | | | | |
| Juvenile Crime Prevention Program | | - | 51,907 | - | - |
| <u>N.C. Dept. of Agriculture</u> | | | | | |
| Soil and Water Technical Assistance | | - | 32,180 | - | - |
| <u>N.C. Dept. of Transportation</u> | | | | | |
| Camden ECO Park Access Road | | - | - | - | - |
| Dismal Swamp Welcome/Visitor Center | DOT - 13 | - | 142,857 | - | - |
| Total N. C. Dept. Of Transportation | | - | 142,857 | - | - |
| <u>N.C. Dept. of Public Instruction</u> | | | | | |
| Public School Building Capital Fund Lottery Proceeds | | - | - | - | - |
| <u>N.C. Department of Environment and Environmental Quality</u> | | | | | |
| White Goods Management Program | | - | 2,730 | - | - |
| Soil and Water Conservation Funds | | - | - | - | - |
| Solid Waste Disposal | | - | 8,485 | - | - |
| Park and Recreation Trust Fund | | - | - | - | - |
| Scrap Tire Program | | - | 3,488 | - | - |
| Total N.C. Dept. EHNHR | | - | 14,703 | - | - |
| <u>N.C. Dept. of Insurance</u> | | | | | |
| SHIP Gant | | - | 6,911 | - | - |
| South Mills Fire Grant | | - | 3,673 | - | - |
| Total N.C. Dept. of Insurance | | - | 10,584 | - | - |
| Total State Awards | | - | 323,993 | - | 139,876 |
| Total Federal and State Awards | | \$ 5,372,637 | \$ 2,652,201 | \$ - | \$ 536,025 |

Camden County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2017

| Grantor/Pass-through <u>Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Fed. (Direct & Pass-through) Expenditures</u> | <u>State Expenditures</u> | <u>Passed-through to Subrecipients</u> | <u>Local Expenditures</u> |
|------------------------------------------------------|------------------------------------|--------------------------------------------------------------|-------------------------------|------------------------------------------------|-------------------------------|
|------------------------------------------------------|------------------------------------|--------------------------------------------------------------|-------------------------------|------------------------------------------------|-------------------------------|

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 Camden 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 Camden County, it is not intended to and does not present the financial position, changes in net position or cash flows of Camden County.

Note 2: Summary of Significant Accounting Policies

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