

CAMDEN COUNTY, NORTH CAROLINA

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2018

BOARD OF COMMISSIONERS

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

OFFICIALS

County Manager
Kenneth Bowman

Clerk to the Board
Karen Davis

Finance Officer
Sally Norfleet

Register of Deeds
Tammie Krauss

Tax Administrator
Lisa Anderson

Sheriff
Tony E. Perry

County Attorney
John Morrison

**CAMDEN COUNTY
TABLE OF CONTENTS
June 30, 2018**

Exhibit

	Financial Section	
	Independent Auditor's Report	1 - 3
	Management's Discussion and Analysis	4 - 13
	Basic Financial Statements:	
	Government-Wide Financial Statements:	
1	Statement of Net Position	14
2	Statement of Activities	15
	Fund Financial Statements:	
3	Balance Sheet-Governmental Funds Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	16
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	17 - 18
5	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General, Courthouse and Shiloh FD, & Special Capital Funds	19 - 20
6	Statement of Fund Net Position - Proprietary Fund	21
7	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	22
8	Statement of Cash Flows - Proprietary Fund	23
9	Statement of Fiduciary Net Position - Fiduciary Fund	24
	Notes to the Financial Statements	25 - 53

Required Supplemental Financial Data:

Schedule of the Proportionate Share of the Net Pension Liability – Local Government Employees’ Retirement System	54
Schedule of County Contributions – Local Government Employees’ Retirement System	55
Schedule of the Proportionate Share of the Net Pension Asset – Register of Deeds’	56
Schedule of County Contributions – Register of Deeds’	57
Schedule of Changes in Total Pension Liability (LEO)	58
Schedule of Total Pension Liability as a Percentage of Covered - Employee Payroll (LEO)	59
Schedule of Changes in the Net OPEB Liability and Related Ratios	60
Combining and Individual Fund Statements and Schedules:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -	
General Fund	61 - 65
Special Capital Fund	66
Fire District Funds- Courthouse and Shiloh	67
Combining Balance Sheet for Non-Major Governmental Funds	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Non-Major Governmental Funds	69
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Automation Enhancement and Preservation Fund	70
Watershed Fund	71
Dismal Swamp Visitor Center Fund	72
School Capital Fund	73
South Mills Fire District	74
Joyce Creek Drainage District	75
Community Park Trust Fund	76
Eco Dev Fund	77
School Fund	78
Revaluation Fund	79
Scattered Housing Capital Project Fund	80
Enterprise Fund - South Camden Water & Sewer District	81 - 82
Water and Sewer Capital Project Funds	83 - 84
Combining Statement of Fiduciary Assets and Liabilities-Agency Funds	85

Other Schedules:

Schedule of Ad Valorem Taxes Receivable	86
Analysis of Current Tax Levy County-Wide Levy	87
Secondary Market Disclosures	88
Schedule of Ten Largest Taxpayers	89

Compliance Section:

Report on Internal Control Over Financial Reporting and on Compliance and Other matters Based on an Audit of Financial Statements performed in Accordance With <i>Government Auditing Standards</i>	90 - 91
Schedule of Findings and Responses	92 - 95

FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 3
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 395-4872

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, 2018, 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, 2018, 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 Changes in the Net OPEB Liability and related Ratios, 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, and other 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, and other schedules 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 and, other schedules 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 May 8, 2019 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

May 8, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

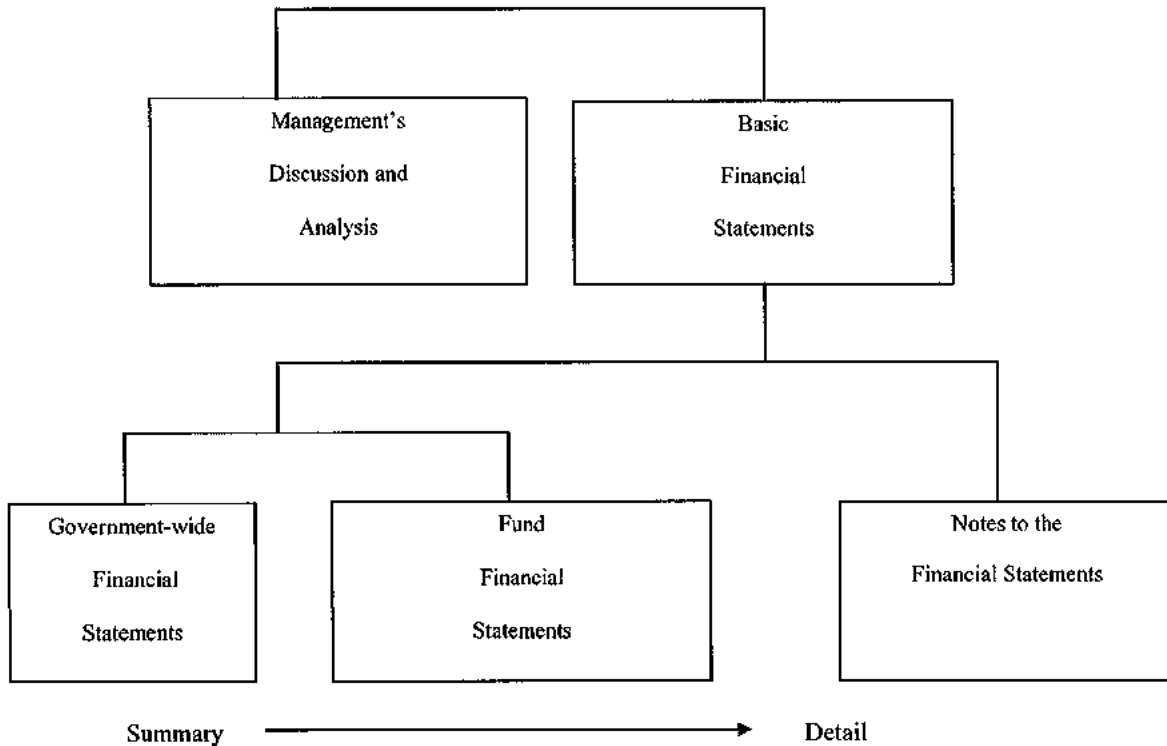
Financial Highlights

- 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 \$36,462,916 (*net position*). The County's net assets are impacted considerably by bonds 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 \$10,296,342 or 74% total General Fund expenditures for the current fiscal year. Approximately \$6,533,053 remains as unassigned fund balance. This General Fund balance represents an increase of \$426,736, reflective in part by fund balance appropriated to fund the \$285,600 increase in School Current Expense appropriation for the fiscal year ending June 30, 2018.
- The County's combined governmental funds reported ending fund balances of \$12,576,582, after the net increase in fund balance of \$664,951.
- The County's Net Position increased by \$1,258,152 for the fiscal year ending June 30, 2018.
- The County's total debt increased during the fiscal year by \$2,561,776 due to a new 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 12,837,050	\$ 12,306,576	\$ 5,037,281	\$ 2,282,428	\$ 17,874,331	\$ 14,589,004
Restricted Cash	283,553	171,108	-	-	283,553	171,108
Capital assets	14,415,704	13,910,111	21,915,414	21,880,423	36,331,118	35,790,534
Total assets	<u>27,536,307</u>	<u>26,387,795</u>	<u>26,952,695</u>	<u>24,162,851</u>	<u>54,489,002</u>	<u>50,550,646</u>
Deferred outflows of resources	583,626	876,036	60,146	97,146	643,772	973,182
Long-term liabilities outstanding	12,117,910	11,449,899	4,634,507	2,052,982	16,752,417	13,502,881
Other liabilities	887,871	1,503,935	861,455	425,822	1,749,326	1,929,757
Total liabilities	<u>13,005,781</u>	<u>12,953,834</u>	<u>5,495,962</u>	<u>2,478,804</u>	<u>18,501,743</u>	<u>15,432,638</u>
Deferred inflows of resources	156,695	55,392	11,420	3,800	168,115	59,192
Net Position:						
Net investment						
in capital assets	(25,646)	(52,016)	17,196,752	19,734,463	17,171,106	19,682,447
Restricted	1,378,112	1,331,735	-	-	1,378,112	1,331,735
Unrestricted	13,604,991	12,974,886	4,308,707	2,042,930	17,913,698	15,017,816
Total net position	<u>\$ 14,957,457</u>	<u>\$ 14,254,605</u>	<u>\$ 21,505,459</u>	<u>\$ 21,777,393</u>	<u>\$ 36,462,916</u>	<u>\$ 36,031,998</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 \$36,462,916 as of June 30, 2018. The County's Net Position increased by \$1,258,152 for the fiscal year ending June 30, 2018. At June 30, 2018, the increase 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 \$17,171,106 (47%), Restricted assets of \$1,378,112 (4%), and Unrestricted net position of \$17,913,698 (49%). 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 increased by \$46,377 for a total of \$1,378,112 at June 30, 2018. 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, 2018, the total unrestricted net position increased to \$2,895,882. The increased 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 97.66%.

Camden County
Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues						
Charges for Services	\$ 1,379,474	\$ 1,332,808	\$ 1,408,783	\$ 1,232,965	\$ 2,788,257	\$ 2,565,773
Operating grants and contributions	1,154,757	1,139,732	-	-	1,154,757	1,139,732
Capital grants and contributions	-	-	-	13,465	-	13,465
General revenues:						
Property taxes	8,812,339	7,422,887	-	-	8,812,339	7,422,887
Other taxes	3,619,340	4,148,352	-	-	3,619,340	4,148,352
Investment earnings	86,956	64,011	22,518	12,857	109,474	76,868
Other	22,173	-	-	-	22,173	-
Total revenues	15,075,039	14,107,790	1,431,301	1,259,287	16,506,340	15,367,077
Expenses:						
General government	2,639,490	2,827,163	-	-	2,639,490	2,827,163
Public Safety	4,151,576	4,211,061	-	-	4,151,576	4,211,061
Economic and physical development	868,908	1,047,052	-	-	868,908	1,047,052
Human services	1,322,806	1,420,799	-	-	1,322,806	1,420,799
Cultural and recreation	631,222	629,997	-	-	631,222	629,997
Education	2,736,484	2,739,483	-	-	2,736,484	2,739,483
Interest on long-term debt	479,396	409,553	-	-	479,396	409,553
Environmental protection	700,103	621,998	-	-	700,103	621,998
Water	-	-	1,718,203	1,555,529	-	1,555,529
Total expenses	13,529,985	13,907,106	1,718,203	1,555,529	13,529,985	15,462,635
Increase (decrease) in net position before transfers and special items	1,545,054	200,684	(286,902)	(296,242)	2,976,355	(95,558)
Transfers	(62,941)	(72,403)	62,941	72,403	-	-
Increase (decrease) in net position	1,482,113	128,281	(223,961)	(223,839)	1,258,152	(95,558)
Net position, beginning	14,254,605	14,384,434	21,777,393	22,001,232	36,031,998	36,385,666
Restatement	(779,261)	(258,110)	(47,973)	-	(827,234)	-
Net position, beginning, Restated	13,475,344	14,126,324	21,729,420	22,001,232	35,204,764	36,127,556
Net position, June 30, ending	\$ 14,957,457	\$ 14,254,605	\$ 21,505,459	\$ 21,777,393	\$ 36,462,916	\$ 36,031,998

Governmental activities: Governmental activities increased the County's net position by \$1,482,113.

Business-type activities: Business-type activities decreased the County's net position by \$223,961.

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, 2018, the governmental funds of the County reported a combined fund balance of \$12,576,582, a 6% 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 \$6,533,053 while total fund balance reached \$10,296,342. The County currently has an unassigned fund balance of 47% of GF expenditures while total fund balance represents 74% of the same amount. General Fund balance increased \$426,736, reflective in part by fund balance appropriated to fund the \$83,950 increase in School Current Expense appropriation for the fiscal year ending June 30, 2018.

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 \$223,961.

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, 2018, totals \$36,331,118 (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	
	2018	2017	2018	2017	2018	2017
Land	\$ 5,126,521	\$ 5,015,871	\$ 1,050,394	\$ 1,050,394	\$ 6,176,915	\$ 6,066,265
Buildings	3,467,572	3,350,512	-	-	3,467,572	3,350,512
Furniture, fixtures and equipment, vehicles	2,252,090	1,732,559	515,322	72,103	2,767,412	1,804,662
Other improvements	3,569,521	3,711,169	19,753,815	20,293,695	23,323,336	24,004,864
Construction in Progress	-	100,000	595,883	464,231	595,883	564,231
Total	\$ 14,415,704	\$ 13,910,111	\$ 21,915,414	\$ 21,880,423	\$ 36,331,118	\$ 35,790,534

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, 2018, the South Camden Water & Sewer District had total bonded debt outstanding of \$994,793. Other outstanding loans include: Drinking Water State Revolving Loan, \$161,716; State Clean Water Bond Loan, \$303,576. Camden County has \$457,576 in outstanding debt that is related to the capital improvement and additional schools built on behalf of the Camden County School Board; Camden County also has new loan with Sterling National Bank in the amount of \$2,800,000. The County has several installment notes outstanding as well. A summary of total long-term debt as of June 30, 2018 is shown below:

**Camden County's Outstanding Debt
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Debt	\$ -	\$ -	\$ 4,718,661	\$ 2,145,960	\$ 4,718,661	\$ 2,145,960
Installment Purchases	10,206,034	10,644,283	-	-	10,206,034	10,644,283
Total	\$ 10,206,034	\$ 10,644,283	\$ 4,718,661	\$ 2,145,960	\$ 14,924,695	\$ 12,790,243

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 0.31% or \$15,352,019. 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 4.2% on June 30, 2018, compared with a federal rates of 4.0% and a State rate of 4.2%. The rate for Camden County reduced from the 4.3% at June 30, 2017.
- New residential unit construction permits were 70 units this year. Total building permits increased to 352 from 264 last fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2019

Governmental Activities

The County has approved an \$12,594,409 general budget for the fiscal year 2019. This will be accomplished with an expected increase in Sales Tax Revenues, county ad valorem tax growth, and a portion of Appropriated Fund Balance. Budgeted expenditures for education in the General Fund for 2019 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 \$578,122 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. 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. Broadband is being expanded throughout the county due to a USDA grant awarded to Eastern Shore Communications.

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 County has allocated an additional \$2.65 million in funds for engineering, design and construction of a second wastewater treatment plant to be located in the Courthouse Township. Upon completion, 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, 2018

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Camden County ABC Board</u>	<u>Camden County TDA</u>
ASSETS					
Cash and cash equivalents	\$ 12,200,911	\$ 4,918,387	\$ 17,119,298	\$ 89,096	\$ 91,225
Restricted cash	283,553	-	283,553	-	-
Taxes receivable, net	191,001	-	191,001	-	-
Accounts receivable, net	406,454	118,894	525,348	-	3,176
Inventories	-	-	-	156,389	-
Prepaid expenses	-	-	-	8,993	-
Accrued interest on taxes receivable	20,494	-	20,494	-	-
Net pension asset	18,190	-	18,190	-	-
Capital assets:					
Land, non-depreciable improvements, and construction in progress	5,126,521	1,646,277	6,772,798	77,086	-
Other capital assets, net of depreciation	9,289,183	20,269,137	29,558,320	51,652	-
Total assets	<u>27,536,307</u>	<u>26,952,695</u>	<u>54,489,002</u>	<u>383,216</u>	<u>94,401</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>583,626</u>	<u>60,146</u>	<u>643,772</u>	<u>19,322</u>	<u>-</u>
LIABILITIES					
Accounts payable and accrued liabilities	303,257	500,842	804,099	120,201	109
Accrued interest payable	89,158	19,262	108,420	-	-
Compensated absences payable	83,000	14,000	97,000	-	-
Current-portion of long-term liabilities	412,456	327,351	739,807	-	-
Long-term liabilities					
Net OPEB Liability	1,256,428	139,603	1,396,031	-	-
Total pension liability - LEOSA	263,319	-	263,319	-	-
Net pension liability - LGERS	683,350	75,928	759,278	14,819	-
Compensated absences payable	121,235	27,665	148,900	-	-
Due in more than one year	9,793,578	4,391,311	14,184,889	-	-
Total liabilities	<u>13,005,781</u>	<u>5,495,962</u>	<u>18,501,743</u>	<u>135,020</u>	<u>109</u>
DEFERRED INFLOWS OF RESOURCES	<u>156,695</u>	<u>11,420</u>	<u>168,115</u>	<u>418</u>	<u>-</u>
Total deferred inflows of resources	<u>156,695</u>	<u>11,420</u>	<u>168,115</u>	<u>418</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	(25,646)	17,196,752	17,171,106	125,404	-
Stabilization by State Statute	406,454	-	406,454	-	3,176
Register of Deeds	2,125	-	2,125	-	-
Fire Protection	683,933	-	683,933	-	-
School Capital	285,600	-	285,600	-	-
Unrestricted	13,604,991	4,308,707	17,913,698	141,696	91,116
Total net position	<u>\$ 14,957,457</u>	<u>\$ 21,505,459</u>	<u>\$ 36,462,916</u>	<u>\$ 267,100</u>	<u>\$ 94,292</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, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Camden County ABC Board	Camden County TDA
					Governmental Activities	Business-type Activities			
Primary government:									
Governmental Activities:									
General government	\$ 2,639,490	\$ 725,522	\$ 142,857	\$ -	\$ (1,771,111)	\$ -	\$ (1,771,111)		
Public safety	4,151,576	427,462	115,374	-	(3,608,740)	-	(3,608,740)		
Cultural and recreation	631,222	-	-	-	(631,222)	-	(631,222)		
Economic and physical development	868,908	-	-	-	(868,908)	-	(868,908)		
Human services	1,322,806	-	844,001	-	(478,805)	-	(478,805)		
Education	2,736,484	150,000	-	-	(2,586,484)	-	(2,586,484)		
Environmental protection	700,103	76,490	52,525	-	(571,088)	-	(571,088)		
Interest on long-term debt	479,396	-	-	-	(479,396)	-	(479,396)		
Total governmental activities	13,529,985	1,379,474	1,154,757	-	(10,995,754)	-	(10,995,754)		
Business-type activities:									
Water	1,718,203	1,408,703	-	-	-	(309,420)	(309,420)		
Total business-type activities	1,718,203	1,408,703	-	-	-	(309,420)	(309,420)		
	\$ 15,248,188	\$ 2,788,257	\$ 1,154,757	\$ -	\$ (10,995,754)	\$ (309,420)	\$ (11,305,174)		
Component units:									
TDA	\$ 37,994	\$ -	\$ -	\$ -			\$ -	\$ (37,994)	
ABC Board	1,453,952	1,458,088	-	-			4,136	-	
Total component units	1,453,952	1,458,088	-	-			4,136	(37,994)	
General revenues:									
Taxes:									
Property taxes, levied for general purpose					7,886,020	-	7,886,020	-	-
Local option sales tax					926,319	-	926,319	-	-
Other taxes and licenses					3,619,340	-	3,619,340	-	25,580
Grants and contributions not restricted to specific programs					-	-	-	-	-
Investment earnings, unrestricted					90,956	22,519	109,474	-	647
Miscellaneous, unrestricted					22,173	-	22,173	-	1,550
Transfer to component unit					-	-	-	-	-
Transfers					(62,941)	62,941	-	-	-
Total general revenues, special items, and transfers					12,477,867	85,459	12,563,326	-	27,777
Change in net position					1,482,113	(223,961)	1,258,152	4,136	(10,217)
Net position, beginning, previously reported					14,254,605	21,777,393	36,031,998	262,964	104,509
Restatement					(779,261)	(47,973)	(827,234)	-	-
Net position, beginning, restated					13,475,344	21,729,420	35,204,764	262,964	104,509
Net position, ending					\$ 14,957,457	\$ 21,505,459	\$ 36,462,916	\$ 267,100	\$ 94,292

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

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

	Major		NonMajor	Total Governmental Funds
	General Fund	Courthouse and Shiloh FD	Other Governmental Funds	
ASSETS				
Cash, including time deposits	\$ 10,200,715	\$ 327,382	\$ 1,672,814	\$ 12,200,911
Restricted cash	-	-	283,553	283,553
Accounts receivable, net	586,601	6,787	3,867	597,455
Due from other funds	-	-	-	-
Total assets	<u>\$ 10,787,516</u>	<u>\$ 334,169</u>	<u>\$ 1,960,234</u>	<u>\$ 13,081,919</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	291,028	3,261	8,968	303,257
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>291,028</u>	<u>3,261</u>	<u>8,968</u>	<u>303,257</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	189,067	1,372	562	191,001
Prepaid taxes	11,079	-	-	11,079
Total deferred inflows of resources	<u>200,146</u>	<u>1,372</u>	<u>562</u>	<u>202,080</u>
Fund balances:				
Restricted				
Stabilization by State Statute	397,734	5,415	3,305	406,454
Register of Deeds	-	-	2,125	2,125
Fire Protection	-	324,121	359,812	683,933
School Capital	-	-	285,600	285,600
Committed				
Capital Reserve	3,365,555	-	-	3,365,555
Tax Revaluation	-	-	352,239	352,239
Economic Development	-	-	947,623	947,623
Unassigned	6,533,053	-	-	6,533,053
Total fund balances	<u>10,296,342</u>	<u>329,536</u>	<u>1,950,704</u>	<u>12,576,582</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,787,516</u>	<u>\$ 334,169</u>	<u>\$ 1,960,234</u>	

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

Net pension asset.	18,190
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	563,176
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	20,450
Deferred inflows of resources in fund statements for taxes receivable.	191,001
Other assets are not available to pay for current-period expenditures and therefore are not accrued as income in the funds.	20,494
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,415,704
OPEB and Pension related deferrals.	(145,616)
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.)	(10,499,427)
Net pension liability - LEOSSA.	(263,319)
Net OPEB liability.	(1,256,428)
Net pension liability - LGERS.	(683,350)
Net position of governmental activities	<u>\$ 14,957,457</u>

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

	Major		NonMajor	Total
	General Fund	Courthouse and Shiloh FD	Other Governmental Funds	
REVENUES				
Ad valorem taxes	\$ 7,770,508	\$ 67,064	\$ 74,296	\$ 7,911,868
Other taxes and licenses	2,725,574	268,273	1,058,852	4,052,699
Unrestricted intergovernmental	103,486	-	-	103,486
Restricted intergovernmental	1,264,876	-	142,857	1,407,733
Local Contributions	-	-	150,000	150,000
Permits and fees	834,811	9,216	76,490	920,517
Sales and services	241,836	-	28,663	270,499
Investment earnings	70,246	2,606	14,104	86,956
Miscellaneous	452,943	-	18,594	471,537
Total revenues	<u>13,464,280</u>	<u>347,159</u>	<u>1,563,856</u>	<u>15,375,295</u>
EXPENDITURES				
Current:				
General government	2,646,221	-	213,533	2,859,754
Public safety	3,690,827	743,546	189,758	4,624,131
Environmental protection	629,331	-	21,477	650,808
Economic and physical development	793,120	-	57,076	850,196
Culture and recreation	624,088	-	-	624,088
Human services	1,254,974	-	-	1,254,974
Intergovernmental:				
Education	2,852,368	-	11,412	2,863,780
Debt service:				
Principal	988,901	-	-	988,901
Interest	481,423	-	-	481,423
Total expenditures	<u>13,961,253</u>	<u>743,546</u>	<u>493,256</u>	<u>15,198,055</u>
Excess (deficiency) of revenues over expenditures	<u>(496,973)</u>	<u>(396,387)</u>	<u>1,070,600</u>	<u>177,240</u>
OTHER FINANCING SOURCES				
Proceeds of long-term debt	-	550,652	-	550,652
Transfer to component unit	-	-	-	-
Transfers to other funds	(62,941)	-	-	(62,941)
Transfers from other funds	986,650	-	(986,650)	-
Total other financing sources and uses	<u>923,709</u>	<u>550,652</u>	<u>(986,650)</u>	<u>487,711</u>
Net change in fund balance	426,736	154,265	83,950	664,951
Fund balances-beginning, restated	9,869,606	175,271	1,866,754	11,911,631
Fund balances-ending	<u>\$ 10,296,342</u>	<u>\$ 329,536</u>	<u>\$ 1,950,704</u>	<u>\$ 12,576,582</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 Balance
Governmental Funds
For the Year Ended June 30, 2018

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

Net changes in fund balance - total government funds	\$	664,951
<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	1,165,657	
Depreciation expense for governmental assets	<u>(638,023)</u>	527,634
Cost of asset disposed of during the year		(22,042)
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position		27,360
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		14,349
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		212,080
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		(25,848)
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.		438,249
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	2,027	
Compensated absences	(1,587)	
Pension expense	(274,080)	
Other postemployment benefits	<u>(80,980)</u>	(354,620)
Total changes in net position of governmental activities		<u>\$ 1,482,113</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, 2018

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 7,700,032	\$ 7,720,502	\$ 7,770,508	\$ 50,006
Other taxes and licenses	2,258,365	2,380,600	2,181,821	(198,779)
Unrestricted intergovernmental revenues	78,400	82,300	103,486	21,186
Restricted intergovernmental revenues	1,221,078	1,505,165	1,264,876	(240,289)
Permits and fees	728,223	779,761	834,811	55,050
Sales and services	260,778	238,259	241,836	3,577
Local contributions	-	-	-	-
Investment earnings	46,000	46,000	49,407	3,407
Miscellaneous	17,880	445,204	452,943	7,739
Total revenues	<u>12,310,756</u>	<u>13,197,791</u>	<u>12,899,688</u>	<u>(298,103)</u>
Expenditures				
Current:				
General government	2,674,375	2,648,717	2,509,959	138,758
Public safety	3,253,762	3,721,301	3,690,827	30,474
Economic and physical development	687,003	712,866	629,331	83,535
Environmental protection	807,812	845,755	793,120	52,635
Human Services	1,621,621	1,502,646	1,254,974	247,672
Cultural and recreational	666,183	706,258	624,088	82,170
Intergovernmental:				
Education	2,600,000	2,852,368	2,852,368	-
Debt service:				
Principal retirement	561,672	561,672	988,901	(427,229)
Interest	481,423	481,423	481,423	-
Total expenditures	<u>13,353,851</u>	<u>14,033,006</u>	<u>13,824,991</u>	<u>208,015</u>
Revenues over (under) expenditures	(1,043,095)	(835,215)	(925,303)	(90,088)
Other financing sources (Uses)				
Transfers from other funds	986,650	986,650	986,650	-
Transfers to other funds	(401,941)	(401,941)	(206,888)	195,053
Proceeds from Installment Loan	-	-	-	-
Fund Balance Appropriated	458,386	677,830	-	(677,830)
Total other financing sources and uses	<u>1,043,095</u>	<u>1,262,539</u>	<u>779,762</u>	<u>(482,777)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 427,324</u>	<u>(145,541)</u>	<u>\$ (572,865)</u>
Fund Balances - Beginning			7,076,328	
Fund Balances - Ending			<u>\$ 6,930,787</u>	
A legally budgeted Special Capital Fund is consolidated into the General Fund for reporting purposes:				
Other taxes and licenses			\$ 543,753	
Investment earnings			20,839	
Transfer-in from General Fund			143,947	
Expenditures			(136,262)	
Fund Balance, Beginning			<u>2,793,278</u>	
Fund Balance, Ending (Exhibit 4)			<u>\$ 10,296,342</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, 2018

	Courthouse and Shiloh FD			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 67,209	\$ 67,209	\$ 67,064	\$ (145)
Other taxes and licenses	268,836	268,836	268,273	(563)
Unrestricted intergovernmental revenues	-	-	-	-
Restricted intergovernmental revenues	-	-	-	-
Permits and fees	9,000	9,000	9,216	216
Sales and services	-	-	-	-
Local contributions	-	-	-	-
Investment earnings	1,500	1,500	2,606	1,106
Miscellaneous	-	-	-	-
Total revenues	<u>346,545</u>	<u>346,545</u>	<u>347,159</u>	<u>614</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	346,545	897,545	743,546	153,999
Economic and physical development	-	-	-	-
Environmental protection	-	-	-	-
Human Services	-	-	-	-
Cultural and recreational	-	-	-	-
Intergovernmental:				
Education	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>346,545</u>	<u>897,545</u>	<u>743,546</u>	<u>153,999</u>
Revenues over (under) expenditures	-	(551,000)	(396,387)	154,613
Other financing sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Proceeds from Installment Loan	-	551,000	550,652	348
Fund Balance Appropriated	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>551,000</u>	<u>550,652</u>	<u>(348)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>154,265</u>	<u>\$ 154,265</u>
Fund Balances - Beginning			175,271	
Fund Balances - Ending			<u>\$ 329,536</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, 2018**

Exhibit 6

	Major
	South Camden Water & Sewer District
Assets	
Current Assets:	
Cash and cash equivalents	\$ 4,918,387
Accounts receivable, net	118,894
Total Current Assets	5,037,281
Noncurrent assets:	
Capital assets:	
Land and non-depreciable assets	1,646,277
Other capital assets, net of depreciation	20,269,137
Capital assets (net)	21,915,414
Total noncurrent assets	21,915,414
Total Assets	26,952,695
Deferred Outflows of Resources	
Contributions to pension plan in current fiscal year	60,146
Total deferred outflows of resources	60,146
Liabilities	
Current Liabilities:	
Accounts payable & accrued liabilities	500,842
Current portion of long-term debt	327,351
Compensated absences	14,000
Accrued Interest	19,262
Due to other funds	-
Total Current Liabilities	861,455
Noncurrent liabilities:	
Compensated absences	27,665
Other postemployment benefits	139,603
Net pension liability	75,928
Long term obligations payable	4,391,311
Total noncurrent liabilities	4,634,507
Total Liabilities	5,495,962
Deferred Inflows of Resources	
Total deferred inflows of resources	11,420
Net Position	
Net investment in capital assets	17,196,752
Unrestricted	4,308,707
Total Net Position	\$ 21,505,459

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, 2018

Exhibit 7

	Major
	South Camden
	Water & Sewer
	District
Operating revenues:	
Charges for Services - Water	\$ 1,140,856
Charges for Services - Sewer	124,882
Hook-up connection fees and taps	74,950
Penalties	40,360
Miscellaneous	27,735
Total Operating Revenues	1,408,783
Operating expenses:	
Reverse osmosis plant	504,934
Water distribution	385,928
Wastewater operations	218,769
Depreciation	557,347
Total operating expenses	1,666,978
Total Operating Income (Loss)	(258,195)
Nonoperating Revenues(Expenses):	
Interest income	22,518
Interest expense	(51,225)
Total Nonoperating Revenues (Expenses)	(28,707)
Capital Contributions	-
Transfers from other funds	62,941
Changes in net position	(223,961)
Net position, beginning, previously reported	21,777,393
Restatement	(47,973)
Net position, beginning, restated	21,729,420
Total net position, Ending	\$ 21,505,459

Camden County, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Year Ended June 30, 2018

Exhibit 8

	Major South Camden Water & Sewer District
Cash Flows From Operating Activities:	
Cash Received from Customers/others	\$ 1,385,828
Cash paid to suppliers for goods and services	(100,690)
Cash paid to employees for services	(567,836)
Net cash provided by (used for) operating activities	717,302
Cash Flows from (use by) capital and related financing activities:	
Capital contributions	
Federal and State grants	-
Principal repayments on long-term debt	(227,299)
Debt proceeds	2,800,000
Acquisition of capital assets	(592,339)
Interest income	22,518
Interest expense	(51,225)
Net cash flows provided (used) by capital financing activities	1,951,655
Cash Flows from (used for) noncapital financing activities:	
Transfers in/out (net)	62,941
Net cash flows provided (used) by noncapital financing activities	62,941
Net increase (decrease) in cash and cash equivalents	2,731,898
Cash and cash equivalents, beginning of year	2,186,489
Cash and cash equivalents, end of year	\$ 4,918,387
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (258,195)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	557,347
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	(22,955)
Increase (decrease) in accounts payable and accrued liabilities	426,523
Increase (decrease) in net pension liability	(32,523)
Increase (decrease) in accrued interest	(536)
Increase (decrease) in OPEB liability	420
(Increase) decrease in deferred outflows of resources for pensions	37,000
Increase (decrease) in deferred inflows of resources for pensions	7,620
Increase (decrease) in accrued vacation pay	2,601
Net cash provided (used) by operating activities	\$ 717,302

**Camden County, North Carolina
Statement of Fiduciary Net Position
June 30, 2018**

Exhibit 9

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ <u>23,343</u>
Liabilities and Net Position	
Miscellaneous liabilities	<u>23,343</u>
Total liabilities	<u>23,343</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, 2018

1. 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 method 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.

Notes to the Financial Statements

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.

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 School Capital 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).

Notes to the Financial Statements

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, 2017. 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.

Notes to the Financial Statements

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: other OPEB or Pension 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 OPEB or pension plan 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	\$ 283,553
Total	<u>\$ 283,553</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 and OPEB Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LERS) 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 \$1,953,551 consists of the following elements as follows:

<u>Description</u>	<u>Amount</u>
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)	\$ 22,314,115
Less accumulated depreciation	<u>(7,898,411)</u>
Net capital assets	14,415,704
Net pension asset.	18,190
Benefit payments and pension administration costs for LEOSSA.	20,450
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	563,176
Deferred inflows of resources reported in the fund statements but not the government-wide	191,001
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	20,494
Other assets not available for current expenditures	-
OPEB and pension related deferrals.	(145,616)
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	(10,633,358)
Accrued interest payable	(89,158)
Net pension liability - LERS	(683,350)
Net pension liability - LEOSSA	(263,319)
OPEB payable	(1,256,428)
Compensated absences	(204,235)
Total adjustment	<u>\$ 1,953,551</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 \$389,838 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	\$ 1,165,657
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	(638,023)
Cost of asset disposed of during the year	(22,042)
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	561,577
New long-term debt issued	(550,652)
Contributions to the OPEB and pension plan in the current fiscal year are not included on the Statement of Activities	239,440
Benefit payments and administration costs for LEOSSA	14,349
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	(25,848)
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>(354,620)</u>
Total adjustment	<u>\$ 389,838</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, 2018, the County's deposits had a carrying amount of \$10,657,731 and a bank balance of \$10,801,596. Of the bank balance, \$0 was covered by federal depository insurance, the remainder was covered by the pooling method.

At June 30, 2018, Camden County had a carrying and bank balance amount of \$23,343 in the fiduciary fund.

At June 30, 2018, Camden County had \$425 of cash on hand.

At June 30, 2018, the carrying amount of deposits for Camden County ABC Board was \$89,096. All of these amounts were covered by federal depository insurance.

At June 30, 2018, the carrying amount of deposits for Camden County TDA was \$91,225. All of these amounts were covered by federal depository insurance.

2. Investments

As of June 30, 2018, the County's investments consisted of \$6,744,695 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, 2018.

Notes to the Financial Statements

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

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the 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
2015	1,101,127	162,416	\$ 1,263,543
2016	1,109,759	-	1,109,759
2017	-	-	-
Total	\$ 2,210,886	\$ 162,416	\$ 2,373,302

4. Receivables

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

	Accounts	Taxes & Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 50,631	\$ 313,067	\$ 345,169	\$ 708,867
Other Governmental	-	1,934	10,654	12,588
Total Receivables	50,631	315,001	-	365,632
Allowance for Doubtful Activities	-	(124,000)	-	(124,000)
	\$ 50,631	\$ 191,001	\$ 355,823	\$ 597,455
Business-Type Activities:				
Water/Sewer receivables	\$ 167,697	\$ -	\$ -	\$ 167,697
Allowance for Doubtful Accounts Activities	(48,803)	-	-	(48,803)
	\$ 118,894	\$ -	\$ -	\$ 118,894

Notes to the Financial Statements

5. Capital Assets

Primary Government

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

	Beginning Balances July 1, 2017	Increases	Decreases	Ending Balances June 30, 2018
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 5,015,871	\$ 110,650	\$ -	\$ 5,126,521
Construction in Progress	100,000	-	(100,000)	-
Total capital assets not being depreciated	<u>5,115,871</u>	<u>110,650</u>	<u>(100,000)</u>	<u>5,126,521</u>
Capital assets being depreciated:				
Buildings	5,765,636	318,077	-	6,083,713
Other improvements	5,120,732	17,612	-	5,138,344
Equipment	2,063,868	29,879	-	2,093,747
Vehicles and motor equipment	3,292,409	789,440	(210,059)	3,871,790
Total capital assets being depreciated	<u>16,242,645</u>	<u>1,155,008</u>	<u>(210,059)</u>	<u>17,187,594</u>
Less accumulated depreciation for:				
Buildings	2,415,124	201,017	-	2,616,141
Other improvements	1,409,563	159,260	-	1,568,823
Equipment	1,148,669	79,345	-	1,228,014
Vehicles and motor equipment	2,475,049	198,401	(188,017)	2,485,433
Total accumulated depreciation	<u>7,448,405</u>	<u>\$ 638,023</u>	<u>\$ (188,017)</u>	<u>7,898,411</u>
Total capital assets being depreciated, net	<u>8,794,240</u>			<u>9,289,183</u>
Governmental activity capital assets, net	<u>\$ 13,910,111</u>			<u>\$ 14,415,704</u>

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

General government	\$ 124,294
Public Safety	285,005
Environmental Protection	7,797
Economic and Physical Development	42,187
Human Services	125,073
Cultural and Recreational	53,667
Total Depreciation Expense	<u>\$ 638,023</u>

Notes to the Financial Statements

	Beginning Balances July 1, 2017	Increases	Decreases	Ending Balances June 30, 2018
Business-type Activities				
Water & Sewer District				
Capital assets not being depreciated:				
Land	\$ 1,050,394	\$ -	\$ -	\$ 1,050,394
Construction in progress	464,231	526,587	(394,936)	595,882
Total capital assets not being depreciated	<u>1,514,625</u>	<u>526,587</u>	<u>(394,936)</u>	<u>1,646,277</u>
Capital assets being depreciated:				
Plant and distribution systems	26,198,364	-	-	26,198,364
Furniture and equipment	100,326	-	-	100,326
Vehicles and motor equipment	156,276	460,687	-	616,963
Total capital assets being depreciated	<u>26,454,966</u>	<u>460,687</u>	<u>-</u>	<u>26,915,653</u>
Less accumulated depreciation for:				
Plant and distribution systems	5,904,669	539,879	-	6,444,548
Furniture and equipment	68,726	3,208	-	71,934
Vehicles and motor equipment	115,774	14,260	-	130,034
Total accumulated depreciation	<u>6,089,169</u>	<u>\$ 557,347</u>	<u>\$ -</u>	<u>6,646,516</u>
Total capital assets being depreciated, net	<u>20,365,797</u>			<u>20,269,137</u>
Total Water and Sewer Fund District, Net	<u>\$ 21,880,422</u>			<u>\$ 21,915,414</u>
Discretely presented component unit				
ABC Board:				
Land	\$ 25,405			
Buildings	161,798			
Equipment	55,258			
Construction in progress	51,681			
Less A/D	(165,404)			
Property and Equipment, net	<u>\$ 128,738</u>			

B. Liabilities

1. Payables

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

	Vendors	Accrued Interest	Total
Governmental Activities	\$ 303,257	\$ 89,158	\$ 392,415
Business-type Activities	\$ 500,842	\$ 19,262	\$ 520,104

2. Pension Plan and Other Post Employment Obligations

a. 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, 2018, was 8.25% of compensation for law enforcement officers and 7.60% 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 \$240,595 for the year ended June 30, 2018.

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

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

At June 30, 2018, the County reported a liability of \$759,278 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension asset was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the County’s proportion was .0497%, which was a decrease of .0014% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$275,678. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 43,741	\$ 21,493
Changes of assumptions	108,435	
Net difference between projected and actual earnings on pension plan investments	184,353	-
Changes in proportion and differences between County contributions and proportionate share of contributions	24,430	6,922
County contributions subsequent to the measurement date	240,505	-
Total	<u>\$ 601,464</u>	<u>\$ 28,415</u>

\$240,505 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2019	55,864
2020	223,303
2021	111,693
2022	(58,316)
2023	-
Thereafter	-
Total	<u>\$ 332,544</u>

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

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

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 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 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	\$2,279,371	\$759,278	(\$509,519)

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	1
Terminated Plan Members Entitled to, But Not Yet Receiving Benefits	-
Active Plan Members	<u>16</u>
Total	<u>17</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, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

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

(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, 2018, the County reported a total pension liability of \$263,319. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$21,307.

Notes to the Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 41,307
Changes of assumptions and other inputs	19,230	5,502
County benefit payments and administrative expenses subsequent to the measurement date.	6,958	-
	<u>\$ 26,188</u>	<u>\$ 46,809</u>

The County paid \$6,958 in benefit payments and \$0 in administrative expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2019	(5,339)
2020	(5,339)
2021	(5,339)
2022	(5,339)
2023	(4,741)
Thereafter	(1,482)
	<u>\$ (27,579)</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 3.16 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	\$ 291,191	\$ 263,319	\$ 237,974

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

	2018
Beginning balance	\$ 269,827
Service Cost	16,365
Interest on the total pension liability	10,281
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(49,014)
Changes of assumptions or other inputs	22,818
Benefit payments	(6,958)
Other changes	-
Ending balance of the total pension liability	<u>\$ 263,319</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, 2016 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, 2018 were \$227,918, which consisted of \$155,400 from the County and \$72,518 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 \$3,592 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$18,190 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2017, the County's proportion was 0.10657%, which was a decrease of 0.00373% from its proportion measured as of June 30, 2016.

Notes to the Financial Statements

For the year ended June 30, 2018, the County recognized pension expense of \$5,239. At June 30, 2018, 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	\$ 312	\$ 59
Changes of assumptions	3,069	
Net difference between projected and actual earnings on pension plan investments	1,546	-
Changes in proportion and differences between County contributions and proportionate share of contributions	667	1,475
County contributions subsequent to the measurement date	3,592	-
Total	<u>\$ 9,186</u>	<u>\$ 1,534</u>

\$3,592 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2019	2,117
2020	1,374
2021	177
2022	392
2023	-
Total	<u>\$ 4,060</u>

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

Inflation	3.0 percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2017 is 1.4%.

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

Notes to the Financial Statements

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

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

	1 % Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$14,297	\$18,190	\$21,464

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

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 759,278	\$ (18,190)	\$ -	\$ 741,088
Proportion of the Net Pension Liability (Asset)	0.0497%	0.10657%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 263,319	\$ 263,319
Pension Expense	\$ 257,678	\$ 5,239	\$ 21,307	\$ 284,224

Notes to the Financial Statements

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 43,741	\$ 312	\$ -	\$ 44,053
Changes of assumptions	108,435	3,069	19,230	130,734
Net difference between projected and actual earnings on pension plan investments	184,353	1,546	-	185,899
Changes in proportion and differences between County contributions and proportionate share of contributions	24,430	667	-	25,097
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	240,505	3,592	6,958	251,055
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	\$ 21,493	\$ 59	\$ 41,307	\$ 62,859
Changes of assumptions	-	-	5,502	5,502
Changes in proportion and differences between County contributions and proportionate share of contributions	6,922	1,475	-	8,397

f. 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, 2017, the date of latest actuarial valuation:

	General Employees
Retirees and dependents receiving benefits	5
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	41
Total	<u>46</u>

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

Notes to the Financial Statements

Total OPEB Liability

The County's total OPEB liability of \$1,396,031 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5 percent, average, including inflation
Discount rate	3.56 percent
Healthcare cost trend rates	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

<u>Total OPEB Liability</u>	
Balance at July 1, 2017	\$ 1,422,298
Changes for the year	
Service cost	61,214
Interest	42,356
Changes of benefit terms	-
Differences between expected and actual experience	(24,332)
Changes in assumptions or other inputs	(75,041)
Benefit Payments	(30,464)
Net changes	<u>(26,267)</u>
Balance at June 30, 2018	<u>\$ 1,396,031</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.66% to 3.56%.

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	<u>1 % Decrease (2.56%)</u>	<u>Discount Rate (3.56%)</u>	<u>1% Increase (4.56%)</u>
Total OPEB Liability	\$1,535,938	\$1,396,031	\$1,270,908

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1 % Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$1,241,913	\$1,396,031	\$1,579,254

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$89,975. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 21,003
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-
Changes of assumptions	-	59,275
County contributions subsequent to the measurement date	6,934	-
Total	<u>\$ 6,934</u>	<u>\$ 80,278</u>

\$6,934 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2019	(13,595)
2020	(13,595)
2021	(13,595)
2022	(13,595)
2013	(13,595)
Thereafter	(12,303)
Total	<u>\$ (80,278)</u>

Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
(Pensions, OPEB) - difference between expected and actual experience	\$ 44,053	\$ 83,862
(Pensions, OPEB) - Net difference between projected and actual investment earnings	185,899	-
(Pensions) - change in proportion and difference between employer contributions and proportionate share of contributions	25,097	8,397
(Pensions, OPEB) - change in assumptions	130,734	64,777
Contributions to pension plan subsequent to measurement date (LGERS, ROD)	244,097	-
Benefit payments for the OPEB plan paid subsequent to measurement date	6,934	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	6,958	-
Prepaid taxes not yet earned (General)	-	11,079
Taxes receivable, net, less penalties (General)	-	189,067
Taxes receivable, net, less penalties (Special Revenue)	-	1,934
Total	<u>\$ 643,772</u>	<u>\$ 359,116</u>

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, 2018, 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.

Notes to the Financial Statements

6. Long-Term Obligations

a. 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:

<p>\$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.</p>	<p>\$ 260,754</p>
<p>\$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. Paid off during current year.</p>	<p>-</p>
<p>\$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.</p>	<p>133,840</p>
<p>\$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.</p>	<p>87,711</p>
<p>\$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.</p>	<p>471,250</p>
<p>\$550,652 loan from Xenith Bank for the purchase of Sutphen Fire Truck. The loan is secured with the property. The loan calls for annual payments of \$105,331 to \$115,048 for 5 years plus interest at 2.2%. Matures in 2023.</p>	<p>550,652</p>
<p>\$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.</p>	<p><u>8,701,827</u></p>
	<p><u>\$ 10,206,034</u></p>

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, 2018, 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% \$ 994,793

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. 162,716

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 \$32,664 with no stated interest rate. Matures in 2032. 457,576

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. 303,576

Sterling National Bank Loan: A loan of \$2,800,000 dated May 10, 2018 calling for 20 annual principal payments of \$98,000 to \$196,000 plus interest at 3.87%. Matures in 2038. 2,800,000

Total \$ 4,718,661

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
2019	\$ 412,456	\$ 402,993	\$ 327,351	\$ 154,256
2020	422,972	390,643	330,483	148,035
2021	388,680	376,725	336,697	138,983
2022	399,039	364,161	241,806	129,691
2023	409,782	350,414	207,517	122,270
2024-2028	1,307,296	1,577,051	1,143,820	504,312
2029-2033	1,418,872	1,298,380	1,222,987	298,932
2034-2038	1,603,515	996,485	908,000	108,089
2039-2043	1,962,674	637,326	-	-
2044-2048	1,880,748	197,721	-	-
Total	<u>\$ 10,206,034</u>	<u>\$ 6,591,899</u>	<u>\$ 4,718,661</u>	<u>\$ 1,604,568</u>

At June 30, 2018 Camden County had a legal debt margin of \$78,823,125.

Notes to the Financial Statements

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, 2018:

	Balance 6/30/2017	Increases	Decreases	Balance 6/30/2018	Current Portion
Governmental Activities:					
Installment Purchases	\$ 10,644,283	\$ 550,652	\$ (988,901)	\$ 10,206,034	\$ 412,456
OPEB	1,280,068	-	(23,640)	1,256,428	-
Net pension liability (LGERS)	976,062	-	(292,712)	683,350	-
Net pension liability (LEOSSA)	269,827	-	(6,508)	263,319	-
Compensated absences	202,648	84,411	(82,824)	204,235	83,000
Total governmental activities	\$ 13,372,888	\$ 635,063	\$ (1,394,585)	\$ 12,613,366	\$ 495,456
	Balance 6/30/2017	Additions	Retirements	Balance 6/30/2018	Current Portion
Business Type Activities:					
General obligation debt	\$ 2,145,960	\$ 2,800,000	\$ (227,299)	\$ 4,718,661	\$ 327,351
OPEB	142,230	-	(2,627)	139,603	-
Net pension liability (LGERS)	108,451	-	(32,523)	75,928	-
Compensated Absences	39,064	2,601	-	41,665	14,000
Total business type activities	\$ 2,435,705	\$ 2,802,601	\$ (262,449)	\$ 4,975,857	\$ 341,351

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 \$9,389,905 relates to assets the County holds title.

Inter-fund Balances and Activity

Transfers From/To Other Funds at June 30, 2018 consists of the following:

From the General fund to:	
Water and Sewer Fund (Expenditures)	\$ 62,941
Special Capital Fund (Expenditures)	143,947
From School Capital Fund to:	
General Fund (school debt)	986,650
Totals	\$ 1,193,538

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	\$ 10,296,342
Less:	
Stabilization by State Statute	397,734
Capital Reserve	3,365,555
Remaining Fund Balance	\$ 6,533,053

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 \$213,300 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, 2018. 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 \$181,503 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, 2018. 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 \$7,157 to the Commission during the fiscal year ended June 30, 2018.

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 \$374,460 to the Facility during the fiscal year ended June 30, 2018.

Notes to the Financial Statements

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 \$ to ARHS during the year ended June 30, 2018. 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, 2018. 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	\$ 14,992	\$ 3,624
Family Preservation	2,156	-
Food and Nutrition Services	955,469	-
Medicaid	4,743,985	2,409,926
NC Health Choice	111,771	41
TANF Payments & Penalties	26,286	-
WIC	8,656	-
CWS Adopt, Vendor, Guard	-	5,229
SAA/SAD HB 1030	-	3,230
SC/SA Domiciliary Care	-	56,044

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 effect 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 75, *Accounting and Financial Reporting for Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning net OPEB liability and the effects on net position of contributions paid by the County to the OPEB Trust during the measurement period, as well as the removal of the net OPEB obligation. As a result, net position for the governmental and business-type activities decreased by \$779,261 and \$47,973 respectively.

**REQUIRED
SUPPLEMENTAL FINANCIAL DATA**

**This section contains additional information required by generally
accepted accounting principles.**

Schedule of Funding Progress for Other Postemployment Benefits

Schedule of Employer Contributions for Other Postemployment Benefits

**Schedule of Proportionate Share of the Net Pension Asset - 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 Payroll - Law
Enforcement Officers' Special Separation Allowance**

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

Local Government Employees' Retirement System

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset) (%)	0.04970%	0.05110%	0.04870%	0.0489%	0.0452%
Board's proportion of the net pension liability (asset) (\$)	\$ 759,278	\$ 1,084,513	\$ 218,383	\$ (288,268)	\$ 544,834
Board's covered-employee payroll	\$ 3,089,454	\$ 3,034,188	\$ 2,915,721	\$ 2,883,647	\$ 2,788,528
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.58%	35.74%	7.49%	(10.00%)	19.54%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	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 Five Fiscal Years**

Local Government Employees' Retirement System

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 240,505	\$ 235,455	\$ 208,510	\$ 220,612	\$ 219,096
Contributions in relation to the contractually required contribution	240,505	235,455	208,510	220,612	219,096
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 3,112,093	\$ 3,089,454	\$ 3,034,188	\$ 2,915,721	\$ 2,883,647
Contributions as a percentage of covered-employee payroll	7.73%	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 Five Fiscal Years

Registers of Deeds' Supplemental Pension Fund

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.10657%	0.11030%	0.09520%	0.1010%	0.1130%
County's proportion of the net pension liability (asset) (\$)	\$ (18,190)	\$ (20,622)	\$ (22,066)	\$ (22,909)	\$ (24,145)
County's covered-employee payroll	\$ 47,161	\$ 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	(38.57%)	(40.15%)	(40.83%)	(32.41%)	(48.24%)
Plan fiduciary net position as a percentage of the total pension liability**	153.77%	160.17%	197.29%	193.88%	190.50%

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

** 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 Five Fiscal Years**

Registers of Deeds' Supplemental Pension Fund

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,592	\$ 3,476	\$ 3,024	\$ 3,631	\$ 3,821
Contributions in relation to the contractually required contribution	3,592	3,476	3,024	3,631	3,821
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 47,268	\$ 47,161	\$ 51,364	\$ 54,047	\$ 70,695
Contributions as a percentage of covered-employee payroll	7.60%	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, 2018

	<u>2018</u>	<u>2017</u>
Beginning balance	269,827	258,110
Service Cost	16,365	18,554
Interest on the total pension liability	10,281	9,072
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(49,014)	-
Changes of assumptions or other inputs	22,818	(7,942)
Benefit payments	(6,958)	(7,967)
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 263,319</u>	<u>269,827</u>

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, 2018

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 263,319	269,827
Covered payroll	699,488	769,983
Total pension liability as a percentage of covered payroll	37.64%	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.

Camden County, North Carolina
Schedule of Changes in the Net OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Year Ended June 30, 2018*

		<u>2018</u>
Total OPEB Liability		
Service cost	\$	61,214
Interest		42,356
Changes of benefit terms		-
Differences between expected and actual experience		(24,332)
Changes of assumptions		(75,041)
Benefit payments		<u>(30,464)</u>
Net change in total OPEB liability		<u>(26,267)</u>
Total OPEB liability - beginning		<u>1,422,298</u>
Total OPEB liability - ending	\$	<u><u>1,396,031</u></u>
County's covered-employee payroll	\$	1,812,821
County's OPEB liability as a percentage of its covered-employee payroll		77.01%

* Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

Notes to Schedule

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

<u>Fiscal year</u>	<u>Rate</u>
2018	3.56%

GENERAL FUND

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

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$	\$ 7,715,967	\$
Penalties and Interest		54,541	
Total	<u>7,720,502</u>	<u>7,770,508</u>	<u>50,006</u>
Other Taxes and Licenses:			
Local option sales tax		926,319	
Utilities sales tax		706,027	
Telecommunications tax		-	
Scrap tire disposal tax		13,663	
Video franchise fee		69,402	
White goods tax		5,593	
Medicaid hold harmless		460,817	
Total	<u>2,380,600</u>	<u>2,181,821</u>	<u>(198,779)</u>
Unrestricted Intergovernmental revenues:			
Beer and wine tax		44,361	
Payments in lieu of taxes		699	
ABC profit distribution		58,426	
Total	<u>82,300</u>	<u>103,486</u>	<u>21,186</u>
Restricted Intergovernmental:			
State and Federal Grants		1,233,837	
ABC profits for law enforcement		4,505	
Solid waste disposal tax		6,670	
Court facilities fees		19,864	
Total	<u>1,505,165</u>	<u>1,264,876</u>	<u>(240,289)</u>
Permits and Fees:			
Pet licenses		220	
Gun permits		15,210	
Fines and forfeitures		63,008	
Register of Deeds		521,912	
Election fees		11,376	
Business registration fee		405	
Other fees		30,207	
Building permits and inspections, including land use fees		192,473	
Total	<u>779,761</u>	<u>834,811</u>	<u>55,050</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services:			
Rent and Concessions		51,357	
Jail fees		2,903	
Officer fees		187,576	
Total	<u>238,259</u>	<u>241,836</u>	<u>3,577</u>
Investment Earnings: Interest	<u>46,000</u>	<u>49,407</u>	<u>3,407</u>
Miscellaneous:			
Sale of fixed assets		8,059	
Insurance proceeds		427,324	
Sale of recyclables		10,066	
Other		7,494	
Total	<u>445,204</u>	<u>452,943</u>	<u>7,739</u>
TOTAL REVENUES	<u>13,197,791</u>	<u>12,899,688</u>	<u>(298,103)</u>
Expenditures:			
General Government:			
Governing body		98,063	
Administration		328,961	
Finance		209,960	
Tax administration		417,402	
Personnel		69,846	
Legal		46,584	
Register of deeds		230,120	
Elections		114,881	
Public buildings		353,783	
Fleet vehicles		1,591	
Capital outlay		611,000	
Court facilities		27,768	
Total general government	<u>2,648,717</u>	<u>2,509,959</u>	<u>138,758</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
Public Safety:			
Sheriff		1,660,173	
Jail		181,053	
Regional jail		374,460	
Juvenile justice and delinquency program		62,848	
School resource officer		73,209	
Inspections		144,403	
Contribution to fire districts		432,838	
Emergency management		548,543	
Central communications		213,300	
Total	<u>3,721,301</u>	<u>3,690,827</u>	<u>30,474</u>
Economic and physical development:			
Economic development		104,207	
Agricultural extension		127,318	
Planning		324,797	
Albemarle commission		7,157	
Resource conservation and development		750	
Soil/water conservation		65,102	
Total	<u>712,866</u>	<u>629,331</u>	<u>83,535</u>
Human services:			
Health:			
Albemarle hopeline		2,000	
Camden food pantry/bank		4,000	
Regional health		35,820	
Other health programs		87,232	
Total human services	<u>136,221</u>	<u>129,052</u>	<u>7,169</u>
Transportation: Traffic	<u>3,060</u>	<u>975</u>	<u>2,085</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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Social services:			
Administration		961,619	
Day care		7,312	
Medical travel		11,237	
County provided assistance		58,679	
Adoptions		5,367	
Aid to the blind program		766	
Foster care		23,441	
Crisis intervention		15,210	
Work first program		16,622	
LIEAP expenses		22,600	
Other assistance		2,094	
Total social services	<u>1,363,365</u>	<u>1,124,947</u>	<u>238,418</u>
Total Human Services	<u>1,502,646</u>	<u>1,254,974</u>	<u>247,672</u>
Cultural and Recreational:			
Recreation		250,763	
Library		186,188	
Museum		-	
College of the Albemarle		45,000	
Senior citizens services		142,137	
Total Cultural and Recreational	<u>706,258</u>	<u>624,088</u>	<u>82,170</u>
Environmental protection:			
Public works administration		101,087	
Forestry program		46,223	
Sanitation		645,810	
Total environmental protection	<u>845,755</u>	<u>793,120</u>	<u>52,635</u>
Education:			
Public Schools:			
Current Expense		2,600,000	
Capital Outlay		252,368	
Total Education	<u>2,852,368</u>	<u>2,852,368</u>	<u>-</u>
Debt Service:			
Principal Retirement		988,901	
Interest and Fees		481,423	
Total Debt Service	<u>1,470,419</u>	<u>1,470,324</u>	<u>95</u>
TOTAL EXPENDITURES	<u>14,460,330</u>	<u>13,824,991</u>	<u>635,339</u>
Revenues over Expenditures	<u>(1,262,539)</u>	<u>(925,303)</u>	<u>337,236</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Fund Balance Appropriated		-	
Transfers (to)/from Other Funds:			
Special revenue - school capital fund		986,650	
Special revenue - capital reserve		(143,947)	
Water and sewer district		(62,941)	
Total Other Financing Sources (Uses)	<u>1,262,539</u>	<u>779,762</u>	<u>(482,777)</u>
 Net change in fund balance	 \$ <u>-</u>	 (145,541)	 \$ <u>(145,541)</u>
 Fund balances:			
Beginning of year, July 1		<u>7,076,328</u>	
End of year, June 30		\$ <u>6,930,787</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, 2018**

	2018		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Other taxes	\$	\$ 543,753	\$
Land sale		-	
Investment earnings		20,839	
Total Revenue	<u>435,000</u>	<u>564,592</u>	<u>129,592</u>
Expenditures			
Operating expenses		136,262	
Capital outlay		-	
Total Expenditures	<u>1,250,300</u>	<u>136,262</u>	<u>1,114,038</u>
Revenues Over (Under) Expenditures	<u>(815,300)</u>	<u>428,330</u>	<u>1,243,630</u>
Other Financing Sources (Uses):			
Transfers from other funds	275,000	143,947	(131,053)
Proceeds from Lease Purchase		-	-
Total Other Financing Sources (Uses)	<u>275,000</u>	<u>143,947</u>	<u>(131,053)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(540,300)</u>	<u>572,277</u>	<u>1,112,577</u>
Fund Balance Appropriated	<u>540,300</u>	<u>-</u>	<u>(540,300)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>572,277</u>	\$ <u>572,277</u>
Fund Balance:			
Beginning of Year, July 1		<u>2,793,278</u>	
End of Year, June 30		<u>\$ 3,365,555</u>	

OTHER MAJOR GOVERNMENTAL FUNDS

Major Governmental Funds - Fire Districts Fund- Courthouse & Shiloh
Major Governmental Funds - Special Capital Fund

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, 2018

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Ad valorem taxes	\$	\$ 67,064	\$
Restricted intergovernmental		-	
Other taxes		268,273	
Investment earnings		2,606	
Other fees		9,216	
Miscellaneous		-	
Total Revenues	<u>897,545</u>	<u>347,159</u>	<u>(550,386)</u>
Expenditures:			
Public safety:			
Salaries and benefits		3,835	
Operating expenses		189,059	
Capital outlay		550,652	
Debt service: Principal and Interest		-	
Total Expenditures	<u>897,545</u>	<u>743,546</u>	<u>153,999</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(396,387)</u>	<u>(396,387)</u>
Other Financing Sources (Uses):			
Proceeds from Installment Loan	-	550,652	550,652
Transfer to General Fund	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>550,652</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	-	154,265	(396,387)
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	154,265	\$ <u>(396,387)</u>
Fund Balance:			
Beginning of Year, July 1		<u>175,271</u>	
End of Year, June 30		<u>\$ 329,536</u>	

SPECIAL REVENUE FUNDS

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

**Camdex County, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018**

	Special Revenue Funds									Capital Project Funds				
	Automation Enhancement and Preserva- tion Fund	Watershed Fund	Dismal Swamp Visitor Center	School Cap Fund	South Mills YFP	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	\$ 2,125	\$ 236,968	\$ 75,001	\$ -	\$ 361,899	\$ 272,467	\$ 186,004	\$ 177,454	\$ 2,047	\$ 352,239	\$ 1,666,284	\$ 6,530	\$ 6,530	\$ 1,672,814
Restricted Cash	-	-	-	283,553	-	-	-	-	-	-	283,553	-	-	283,553
Accounts receivable	-	-	295	-	2,519	-	491	-	-	-	3,305	-	-	3,305
Taxes receivable (net)	-	-	-	-	562	-	-	-	-	-	562	-	-	562
Total Assets	\$ 2,125	\$ 236,968	\$ 75,296	\$ 283,553	\$ 364,900	\$ 272,467	\$ 186,575	\$ 177,454	\$ 2,047	\$ 352,239	\$ 1,953,704	\$ 6,530	\$ 6,530	\$ 1,960,234
Liabilities and Fund Balances:														
Current Liabilities:														
Accounts payable	\$ -	\$ -	\$ 4,424	\$ -	\$ 2,087	\$ -	\$ 2,457	\$ -	\$ -	\$ -	\$ 8,968	\$ -	\$ -	\$ 8,968
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	4,424	-	2,087	-	2,457	-	-	-	8,968	-	-	8,968
Deferred Inflows of Resources														
Property taxes receivable	-	-	-	-	562	-	-	-	-	-	562	-	-	562
Total deferred inflows of resources	-	-	-	-	562	-	-	-	-	-	562	-	-	562
Fund Balances:														
Restricted	-	-	295	-	2,519	-	491	-	-	-	3,305	-	-	3,305
Stabilization by State Statute	-	-	-	-	-	-	-	-	-	-	2,125	-	-	2,125
Register of Deeds	2,125	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Protection	-	-	-	-	359,812	-	-	-	-	-	359,812	-	-	359,812
Committed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Revaluation	-	-	-	-	-	-	-	-	352,239	352,239	-	-	-	352,239
School capital	-	-	-	283,553	-	-	-	-	2,047	-	285,600	-	-	285,600
Economic development	-	236,968	70,577	-	-	272,467	181,627	177,454	-	-	941,094	6,530	6,530	947,623
Total fund balances	2,125	236,968	70,872	283,553	362,331	272,467	184,118	177,454	2,047	352,239	1,944,174	6,530	6,530	1,950,704
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,125	\$ 236,968	\$ 75,296	\$ 283,553	\$ 364,900	\$ 272,467	\$ 186,575	\$ 177,454	\$ 2,047	\$ 352,239	\$ 1,953,704	\$ 6,530	\$ 6,530	\$ 1,960,234

Camden County, North Carolina
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2010

	Special Revenue Funds										Capital Project Fund			
	Auto Enhancement and Preservation 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	\$ -	\$ -	\$ -	\$ -	\$ 41,021	\$ 33,275	\$ -	\$ -	\$ -	\$ -	\$ 74,296	\$ -	\$ -	\$ 74,296
Other taxes	-	-	-	885,740	164,065	-	-	-	9,047	-	1,058,852	-	-	1,058,852
Local contributions	-	-	-	150,000	-	-	-	-	-	-	150,000	-	-	150,000
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	15	1,463	-	3,287	2,479	1,781	1,413	1,189	66	2,392	14,104	-	-	14,104
Sales	-	-	28,663	-	-	-	-	-	-	-	28,663	-	-	28,663
Miscellaneous	-	-	17,844	-	-	-	750	-	-	-	18,594	-	-	18,594
Federal and State grants	-	-	142,857	-	-	-	-	-	-	-	142,857	-	-	142,857
Fees	5,460	71,030	-	-	-	-	-	-	-	-	76,490	-	-	76,490
Total revenues	5,475	72,513	189,364	1,039,027	207,565	35,056	2,163	1,189	9,113	2,392	1,563,856	-	-	1,563,856
Expenditures:														
General government	10,425	-	196,608	-	-	-	-	-	-	6,500	213,533	-	-	213,533
Public safety	-	-	-	-	189,758	-	-	-	-	-	189,758	-	-	189,758
Environmental protection	-	10,750	-	-	-	10,727	-	-	-	-	21,477	-	-	21,477
Economic and physical development	-	-	-	-	-	-	57,076	-	-	-	57,076	-	-	57,076
Cultural and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	11,412	-	11,412	-	-	11,412
Debt service:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	10,425	10,750	196,608	-	189,758	10,727	57,076	-	11,412	6,500	493,256	-	-	493,256
Revenues Over (Under) Expenditures	(4,950)	61,763	(7,244)	1,039,027	17,807	24,329	(54,913)	1,189	(2,299)	(4,108)	1,070,600	-	-	1,070,600
Other Financing Sources (Uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) other sources	-	-	-	(986,650)	-	-	-	-	-	-	(986,650)	-	-	(986,650)
Transfers from (to) CU	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) other sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(986,650)	-	-	-	-	-	-	(986,650)	-	-	(986,650)
Net change in Fund Balance	(4,950)	61,763	(7,244)	52,377	17,807	24,329	(54,913)	1,189	(2,299)	(4,108)	83,950	-	-	83,950
Fund balances:														
Beginning of Year, July 1	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
End of year, June 30	\$ 2,125	\$ 236,968	\$ 70,872	\$ 283,553	\$ 362,331	\$ 272,467	\$ 184,118	\$ 177,454	\$ 2,047	\$ 352,239	\$ 1,944,174	\$ 6,530	\$ 6,530	\$ 1,950,704

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, 2018

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues			
Fees	\$	\$ 5,460	\$
Investment Earnings		15	
Other income		-	
Total revenues	<u>10,425</u>	<u>5,475</u>	<u>(4,950)</u>
Expenditures:			
Operating expenses		10,425	
Total Expenditures	<u>10,425</u>	<u>10,425</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(4,950)</u>	<u>(4,950)</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>(4,950)</u>	<u>(4,950)</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(4,950)</u>	\$ <u>(4,950)</u>
Fund Balance:			
Beginning of Year, July 1		<u>7,075</u>	
End of Year, June 30		\$ <u>2,125</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, 2018**

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues			
Fees	\$	\$ 71,030	\$
Grants		-	
Investment earnings		1,483	
Total revenues	<u>110,275</u>	<u>72,513</u>	<u>37,762</u>
Expenditures:			
Operating expenses		10,750	
Total Expenditures	<u>110,275</u>	<u>10,750</u>	<u>99,525</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>61,763</u>	<u>61,763</u>
Net change in fund balance	-	61,763	61,763
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	61,763	<u>\$ 61,763</u>
Fund Balance:			
Beginning of Year, July 1		<u>175,205</u>	
End of Year, June 30		<u>\$ 236,968</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, 2018**

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues			
Restricted Intergovernmental	\$	\$ 142,857	\$
Sales		28,663	
Miscellaneous		17,844	
Total Revenue	<u>191,100</u>	<u>189,364</u>	<u>(1,736)</u>
Expenditures			
Salaries and benefits		153,931	
Operating expenses		42,677	
Total Expenditures	<u>201,950</u>	<u>196,608</u>	<u>5,342</u>
Revenues Over (Under) Expenditures	<u>(10,850)</u>	<u>(7,244)</u>	<u>3,606</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	<u>(10,850)</u>	<u>(7,244)</u>	<u>3,606</u>
Fund Balance Appropriated	<u>10,850</u>	<u>-</u>	<u>(10,850)</u>
Net change in fund balance	<u>\$ -</u>	<u>(7,244)</u>	<u>\$ (7,244)</u>
Fund Balance:			
Beginning of Year, July 1		<u>78,116</u>	
End of Year, June 30		<u>\$ 70,872</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, 2018**

	2018		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Other taxes	\$	\$ 885,740	\$
Local contributions		150,000	
Miscellaneous		-	
Investment earnings		3,287	
Total Revenues	<u>1,101,000</u>	<u>1,039,027</u>	<u>(61,973)</u>
Expenditures:			
Education:			
Operating expenses		-	
Debt service: Principal		-	
Debt service: Interest		-	
Total Expenditures	<u>143,676</u>	<u>-</u>	<u>143,676</u>
Revenues Over (Under) Expenditures	<u>957,324</u>	<u>1,039,027</u>	<u>81,703</u>
Other Financing Sources (Uses):			
Transfer from other funds	(986,650)	(986,650)	-
Transfer to other funds	-	-	-
Total Other Financing Sources (Uses)	<u>(986,650)</u>	<u>(986,650)</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	(29,326)	52,377	81,703
Fund Balance Appropriated	<u>29,325</u>	<u>-</u>	<u>(29,325)</u>
Net change in fund balance	\$ <u>(1)</u>	52,377	\$ <u>52,378</u>
Fund Balance:			
Beginning of Year, July 1		<u>231,176</u>	
End of Year, June 30		<u>\$ 283,553</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, 2018**

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Ad valorem taxes	\$	\$ 41,021	\$
Other taxes		164,065	
Investment earnings		2,479	
Other grants		-	
Other fees		-	
Total Revenues	<u>239,512</u>	<u>207,565</u>	<u>(31,947)</u>
Expenditures:			
Public safety:			
Salaries and benefits		2,880	
Operating expenses		186,878	
Capital outlay		-	
Debt service: Principal and Interest		-	
Total Expenditures	<u>239,512</u>	<u>189,758</u>	<u>49,754</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>17,807</u>	<u>17,807</u>
Other Financing Sources (Uses):			
Proceeds from Instalment Loan	-	-	-
Transfer to General Fund	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	<u>-</u>	<u>17,807</u>	<u>17,807</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>17,807</u>	<u>\$ 17,807</u>
Fund Balance:			
Beginning of Year, July 1		<u>344,524</u>	
End of Year, June 30		<u>\$ 362,331</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, 2018**

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Ad valorem taxes	\$	\$ 33,275	\$
Grants		-	
Investment earnings		1,781	
Total Revenues	<u>44,680</u>	<u>35,056</u>	<u>(9,624)</u>
Expenditures:			
Environmental Protection:			
Operating expenses		10,727	
Capital outlay		-	
Total Expenditures	<u>44,680</u>	<u>10,727</u>	<u>33,953</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>24,329</u>	<u>24,329</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	-	24,329	24,329
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	24,329	\$ <u>24,329</u>
Fund Balance:			
Beginning of Year, July 1		<u>248,138</u>	
End of Year, June 30		<u>\$ 272,467</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, 2018**

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues			
Restricted Intergovernmental	\$	\$ -	\$
Local Contributions		750	
Investment earnings		1,413	
Total Revenue	<u>70,700</u>	<u>2,163</u>	<u>(68,537)</u>
Expenditures			
Operating expenses		57,076	
Capital outlay		-	
Total Expenditures	<u>70,700</u>	<u>57,076</u>	<u>13,624</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(54,913)</u>	<u>(54,913)</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	<u>-</u>	<u>(54,913)</u>	<u>(54,913)</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(54,913)</u>	<u>\$ (54,913)</u>
Fund Balance:			
Beginning of Year, July 1		<u>239,031</u>	
End of Year, June 30		<u>\$ 184,118</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, 2018

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues			
Local contributions	\$	\$ -	\$
Investment earnings		1,188	
Total Revenue	<u>500</u>	<u>1,188</u>	<u>688</u>
Expenditures			
Operating expenses		-	
Capital outlay		-	
Total Expenditures	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Revenues Over (Under) Expenditures	<u>(39,500)</u>	<u>1,188</u>	<u>40,688</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	<u>(39,500)</u>	<u>1,188</u>	<u>40,688</u>
Fund Balance Appropriated	<u>39,500</u>	<u>-</u>	<u>(39,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,188</u>	<u>\$ 1,188</u>
Fund Balance:			
Beginning of Year, July 1		<u>176,266</u>	
End of Year, June 30		<u>\$ 177,454</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, 2018**

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues			
Tax penalties and interest	\$	\$ 9,047	\$
Investment earnings		66	
Total Revenue	<u>11,412</u>	<u>9,113</u>	<u>(2,299)</u>
Expenditures			
Operating expenses		11,412	
Capital outlay		-	
Total Expenditures	<u>11,412</u>	<u>11,412</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,299)</u>	<u>(2,299)</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	<u>-</u>	<u>(2,299)</u>	<u>(2,299)</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	(2,299) \$	<u>(2,299)</u>
Fund Balance:			
Beginning of Year, July 1		<u>4,346</u>	
End of Year, June 30		\$ <u>2,047</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, 2018

	2018		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues			
Ad Valorem taxes	\$	\$ -	\$
Investment earnings		2,392	
Total Revenue	<u>1,500</u>	<u>2,392</u>	<u>892</u>
Expenditures			
Operating expenses		6,500	
Capital outlay		-	
Total Expenditures	<u>6,500</u>	<u>6,500</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(5,000)</u>	<u>(4,108)</u>	<u>892</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	<u>(5,000)</u>	<u>(4,108)</u>	<u>892</u>
Fund Balance Appropriated	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(4,108)</u>	<u>\$ (4,108)</u>
Fund Balance:			
Beginning of Year, July 1		<u>356,347</u>	
End of Year, June 30		<u>\$ 352,239</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, 2018**

	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>6,530</u>	\$ <u>6,530</u>
Fund Balance:					
Beginning of Year, July 1			<u>6,530</u>		
End of Year, June 30			<u>\$ <u>6,530</u></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, 2018

	2018		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 1,140,856	\$
Tap on Fees		74,950	
Penalties		40,360	
Miscellaneous		-	
Total water sales	<u>1,253,146</u>	<u>1,256,166</u>	<u>3,020</u>
Waste water sales		124,882	
Miscellaneous		-	
Total waste water sales	<u>120,000</u>	<u>124,882</u>	<u>4,882</u>
Total Operating Revenues	<u>1,373,146</u>	<u>1,381,048</u>	<u>7,902</u>
Nonoperating Revenues			
Interest on Investments	<u>3,000</u>	<u>4,393</u>	<u>1,393</u>
Total Revenues	<u>1,376,146</u>	<u>1,385,441</u>	<u>9,295</u>
Expenditures:			
Reverse osmosis plant			
Salaries and employee benefits		191,314	
Repairs and maintenance		21,155	
Chemicals		29,979	
Utilities		69,838	
Operating expenses		244,641	
Total	<u>613,805</u>	<u>556,927</u>	<u>56,878</u>
Water distribution:			
Salaries and employee benefits		239,128	
Repairs and maintenance		4,706	
Supplies		14,337	
Contracted services		29,874	
Operating expenses		97,883	
Total	<u>441,845</u>	<u>385,928</u>	<u>55,917</u>
Waste Water treatment:			
Salaries and employee benefits		137,394	
Repairs and maintenance		22,293	
Utilities		28,050	
Contracted services		4,524	
Supplies		4,403	
Operating expenses		22,105	
Total	<u>239,533</u>	<u>218,769</u>	<u>20,764</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, 2018

	2018		Variance Positive (Negative)
	Final Budget	Actual	
Budgetary Appropriations:			
Capital Outlay		592,339	
Interest Paid		51,225	
Debt Principal		227,299	
Total	<u>880,963</u>	<u>870,863</u>	<u>10,100</u>
Total Expenditures	<u>2,176,146</u>	<u>2,032,487</u>	<u>143,659</u>
Revenues Over (Under) Expenditures	<u>(800,000)</u>	<u>(647,046)</u>	<u>152,954</u>
Other Financing Sources and (Uses):			
Debt Proceeds	-	-	-
Capital Contributions	600,000	-	-
Transfer from other funds	200,000	62,941	-
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>62,941</u>	<u>(737,059)</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	(584,105)	(584,105)
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (584,105)</u>	<u>\$ (584,105)</u>

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ (584,105)</u>
Reconciling items:	
Capital Outlay	592,339
Interest income from capital projects	18,125
Principal Payments	227,299
Change in accrued vacation pay	(2,601)
(Increase) decrease in net pension liability	32,523
Increase (decrease) in deferred outflows of resources for pensions	(37,000)
(Increase) decrease in deferred inflows of resources for pensions	(7,620)
Other revenues from capital projects	94,310
Change in accrued OPEB	(420)
Change in accrued interest	536
Depreciation	(557,347)
Total reconciling items	<u>360,144</u>
Change in net position	<u>\$ (223,961)</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, 2018

	Project Author - ization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
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	795,052	94,310	889,362	813,457
Interest Income	-	13,957	2,428	16,385	16,385
Total Revenues	7,639,916	7,994,966	96,738	8,091,704	451,788
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	121,846	445,701	308,154
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	121,846	9,224,472	1,865,427
Revenues over expenditures	(3,449,983)	(1,107,660)	(25,108)	(1,132,768)	2,317,215
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	\$ -	\$ 782,440	(25,108)	\$ 757,332	\$ 757,332

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, 2018

	Project Author - ization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
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	-	7,004	15,697	22,701	22,701
Total Revenues	2,383,785	2,213,505	15,697	2,229,202	(154,583)
Expenditures:					
Sewer improvements	5,219,510	2,288,746	-	2,288,746	2,930,764
Professional services	115,000	16,764	3,032	19,796	95,204
Fund reserves	-	-	-	-	-
Total	5,334,510	2,305,510	3,032	2,308,542	3,025,968
Revenues over expenditures	(2,950,725)	(92,005)	12,665	(79,340)	2,871,385
Other Financing Sources (Uses):					
Fund balance appropriated	35,725	-	-	-	(35,725)
Debt proceeds	2,800,000	-	2,800,000	2,800,000	-
Transfers In	115,000	1,307,725	-	1,307,725	1,192,725
Total Other Financing Sources (Uses)	2,950,725	1,307,725	2,800,000	4,107,725	1,157,000
Revenues, Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 1,215,720	2,812,665	\$ 4,028,385	\$ 1,714,385

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, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2018</u>
Social Services Fund:			
Cash and Investments	\$ <u>17,149</u>	\$ <u>4,631</u>	\$ <u>21,780</u>
Liabilities	\$ <u>17,149</u>	\$ <u>4,631</u>	\$ <u>21,780</u>
Nancy M. and H. Clay Ferebee Fund			
Cash and Investments	\$ <u>1,544</u>	\$ <u>19</u>	\$ <u>1,563</u>
Liabilities	\$ <u>1,544</u>	\$ <u>19</u>	\$ <u>1,563</u>
Total - All Agency Funds:			
Cash and Investments	\$ <u>18,693</u>	\$ <u>4,650</u>	\$ <u>23,343</u>
Liabilities	\$ <u>18,693</u>	\$ <u>4,650</u>	\$ <u>23,343</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, 2018**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2017</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2018</u>
2017-2018	\$	\$ 7,678,765	\$ 7,516,459	\$ 162,306
2016-2017	160,752	6,699	121,860	45,591
2015-2016	54,310	10,525	44,392	20,443
2014-2015	28,786	4,331	17,691	15,426
2013-2014	21,207	-	5,372	15,835
2012-2013	17,847	5	2,114	15,738
2011-2012	12,587	-	1,059	11,528
2010-2011	9,950	-	917	9,033
2009-2010	8,727	-	248	8,479
2008-2009	8,817	-	129	8,688
2007-2008	10,235	-	10,235	-
TOTALS	\$ 333,218	\$ 7,700,325	\$ 7,720,476	\$ 313,067
				<u>(124,000)</u>
				\$ 189,067
Reconciliation with revenues:				
				\$ 7,770,508
				Reconciling items:
				Penalties and Interest (54,541)
				Collection of Old Taxes (345)
				Release 4,854
				<u>Total Reconciling Items (50,032)</u>
				\$ 7,720,476

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

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property Taxes at Current Year Rate	\$ 1,112,869,420	0.6900%	\$ 7,678,799	\$ 6,947,714	\$ 731,085
Total Original Levy	<u>1,112,869,420</u>		<u>7,678,799</u>	<u>6,947,714</u>	<u>731,085</u>
Discoveries:					
Current year taxes	302,174	0.6900%	2,085	2,085	-
Total Discoveries	<u>302,174</u>		<u>2,085</u>	<u>2,085</u>	<u>-</u>
Abatements					
Current Year Taxes	(307,101)	0.6900%	(2,119)	(2,119)	-
Total Abatements	<u>(307,101)</u>		<u>(2,119)</u>	<u>(2,119)</u>	<u>-</u>
Total for Year	<u>\$ 1,112,864,493</u>		7,678,765	6,947,680	731,085
Uncollected taxes at June 30, 2018			<u>162,306</u>	<u>162,306</u>	<u>-</u>
Current year's taxes collected			<u>\$ 7,516,459</u>	<u>\$ 6,785,374</u>	<u>\$ 731,085</u>
Current levy collection percentage			<u>97.89%</u>	<u>97.66%</u>	<u>100.00%</u>

**Camden County, North Carolina
 Analysis of Current Tax Levy
 County - wide Levy
 For the Fiscal Year Ended June 30, 2018**

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio ¹	100 %
Real Property	\$ 951,557,681
Personal Property ³	138,071,014
Public Service Companies ²	<u>23,235,797</u>
Total Assessed Valuation	<u>1,112,864,493</u>
Tax Rate per \$100	0.69
Levy (includes discoveries, releases and abatements) ³	<u>\$ 7,678,765</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>\$ 107,518</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, 2018**

Taxpayer	Type of Business	2018 Assessed Valuation	Percentage of Total Assessed Valuation
E & J Holding LLC	Training Facility	\$ 45,980,435	4.13%
Norther Agri III, LLC	Farm	13,735,362	1.23%
Albemarle Elec Membership Corp	Utility	10,152,319	0.91%
Dominion North Carolina Power	Utility	7,146,667	0.64%
Blue Sky Development, LLC	Apartment Complex	6,286,957	0.56%
Academi Training Center, Inc.	Training Facility	3,368,696	0.30%
Abby Group, Inc.	Real Estate	2,253,188	0.20%
Camden Square Associates	Real Estate	2,218,551	0.20%
Carolina Telephone & Telegraph	Utility	2,140,290	0.19%
Cherry Hill Farms	Farm	1,933,623	0.17%
Total		\$ 95,216,087	8.56%

COMPLIANCE SECTION



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 3
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 395-4872

**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 Auditor's 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, 2018, 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 May 8, 2019. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies, listed as 2018-001.

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*.

Camden County's Response to Findings

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

Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
May 8, 2019

**Camden County, North Carolina
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2018**

Section II. Financial Statement Findings

SIGNIFICANT DEFICIENCY

US Department of Agriculture

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

Finding: 2018 - 001

Eligibility

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

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

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

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

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

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

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

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

CAMDEN COUNTY

new energy. new vision.

Post Office Box 70, 117 NC Hwy 343 North
Camden, NC 27921

Corrective Action Plan June 30, 2018

Section II. Financial Statement Findings

Finding 2018 – 001 Name of contact person: Craig Patterson, Director of Social Services

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

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

**Camden County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2018**

None Reported.