

The City carries flood insurance through the North Carolina League of Municipalities. The City has areas that have been mapped and designated by the Federal Emergency Management Agency as not being in a flood zone and some are in a flood zone. The City's insurance carrier will provide coverage for those areas in the flood zones B, C, and X, but no coverage is provided for property located in the other flood zones. The City does not have any additional insurance to cover this damage should it occur.

In accordance with G.S. 159-29, The City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. . The finance officer is bonded for \$100,000. The tax collector is bonded for \$10,000. The remaining employees are that have access to funds are bonded under a blanket bond for \$50,000.

5. Claims, Judgments and Contingent Liabilities

As of June 30, 2018, the City was not involved in any civil or legal actions which in the opinion of management and the City's attorney, would have an adverse or material effect on the City's financial position.

6. Long-Term Obligations

a. Capital Leases

The City has entered several agreements to lease vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

There are three outstanding lease agreements. The first agreement was executed on December 14, 2016 to lease four vehicles and requires three annual payments of \$45,428 including interest of 5.99%. The second agreement was executed on June 24, 2017 to lease one vehicle and requires three annual payments of \$11,091, including interest of 6.0%. The third agreement was executed on January 11, 2018 to lease eight vehicles and requires three annual payments of \$100,039, including interest at 6%. Title passes to the City at the end of the lease term.

The following is an analysis of the assets recorded under capital leases at June 30, 2018:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles - Governmental	\$ 314,048	\$ 110,965	\$ 203,083
Vehicles - Enterprise	138,414	24,672	113,742
Total	<u>\$ 452,462</u>	<u>\$ 135,637</u>	<u>\$ 316,825</u>

The future minimum lease obligations and the net present value of these minimum lease payment as of June 30, 2018 were as follows:

	<u>Governmental</u>	<u>Enterprise</u>
2019	\$ 114,915	\$ 41,645
2020	67,026	33,013
2021	-	-
2022	-	-
Total Minimum Lease Payments	<u>181,941</u>	<u>74,658</u>
Less: Amount representing interest	<u>(13,479)</u>	<u>(5,795)</u>
Present value of the minimum lease payments	<u>\$ 168,462</u>	<u>\$ 68,863</u>

b. Installment Loans

**Serviced by Governmental Activities:**

Note Payable – BB&T

\$540,000 BB&T Loan issued for the purchase of a Rescue Pumper Fire Truck on August 14, 2013. Annual installments of \$47,320, including interest at 3.630% are due in 15 payments. Final payment is scheduled for August 2028. \$ 422,943

Note Payable – BB&T

\$520,000 BB&T Loan issued for improvements to Nolan Park fitness center and recreation complex on July 13, 2015. Annual installments of \$34,667, including interest at 2.87% are due in 15 payments. Final payment is scheduled for July, 2031. 450,667

Note Payable – BB&T

\$2,000,000 BB&T Loan issued for building the new Town Hall on March 13, 2018. Annual installments of \$200,000, plus interest at 3.01% are due in 10 annual payments. Final payment is scheduled for March 2028. 2,000,000

Total Serviced by Governmental Activities \$ 2,873,610

**Serviced by the Enterprise Funds:**

Note Payable - North Carolina Water Pollution Control Revolving Loan Proceeds

\$2,200,000 NC Water Pollution Control Revolving Loan, issued for wastewater treatment plant improvements. Principal installments are due annually on May 1 with a semiannual interest payment due on May 1 and November 1, at an interest rate of 2.27%. \$ 628,571

Note Payable - North Carolina Water Pollution Control Revolving Loan Proceeds

\$2,250,000 NC Water Pollution Control Revolving Loan, issued for wastewater treatment plant improvements. Principal installments are due annually on May 1 with a semiannual interest payment due on May 1 and November 1, at an interest rate of 2.265%. 648,980

Note Payable – North Carolina Drinking Water State Revolving Loan Proceeds

\$462,104 NC Drinking Water Revolving Loan issued for a well replacement project. Principal installments in the amount of \$11,183 are due annually on May 1. In July 2013, the City was awarded ARRA funds to refinance the loan, which reduced the principal to \$201,288 and reduced the interest rate to 0%. 145,365

Total Serviced by Enterprise Funds \$ 1,422,916

Annual debt service requirements to maturity for the City's Governmental activities are as follows:

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 266,634	\$ 88,487	\$ 330,570	\$ 28,968	\$ 597,204	\$ 117,455
2020	267,795	80,311	330,570	21,402	598,365	101,713
2021	268,997	72,094	330,570	14,268	599,567	86,362
2022	270,243	63,833	330,568	7,134	600,811	70,967
2023	271,535	55,526	11,182	-	282,717	55,526
2024-2028	1,378,745	151,337	55,913	-	1,434,658	151,337
2029-2033	149,662	7,627	33,541	-	183,203	7,627
<b>Total</b>	<b>\$ 2,873,611</b>	<b>\$ 519,215</b>	<b>\$ 1,422,914</b>	<b>\$ 71,772</b>	<b>\$ 4,296,525</b>	<b>\$ 590,987</b>

c. Changes in Long – Term Liabilities

	Balance July 01, 2017	Increases	Decreases	Balance June 30, 2018	Current Portion Balance
<b>Governmental Activities:</b>					
Loans	\$ 939,125	\$ 2,000,000	\$ 65,514	\$ 2,873,611	\$ 266,634
Capital Leases	147,116	190,307	168,961	168,462	105,092
Total OPEB liability	1,754,831	138,051	31,929	1,860,953	-
Net pension liability (LGERS)	725,846	-	158,142	567,704	-
Net pension liability (LEOSSA)	330,342	-	56,382	273,960	-
Compensated Absences	162,527	23,413	-	185,940	-
<b>Governmental activity long term liabilities</b>	<b>\$ 4,059,787</b>	<b>\$ 2,351,771</b>	<b>\$ 480,928</b>	<b>\$ 5,930,630</b>	<b>\$ 371,726</b>
<b>Business-type Activities:</b>					
NC Water Pollution Control Revolving Loan	\$ 1,596,938	\$ -	\$ 319,388	\$ 1,277,550	\$ 319,388
NC Drinking Water Revolving Loan/ARRA Loan	156,547	-	11,183	145,364	11,182
Capital Leases	23,157	93,733	48,027	68,863	37,653
Net pension liability (LGERS)	293,511	-	90,174	203,337	-
Total OPEB liability	659,005	52,505	12,652	698,858	-
Compensated Absences	45,968	-	1,918	44,050	-
<b>Business-type activity long term liabilities</b>	<b>\$ 2,775,126</b>	<b>\$ 146,238</b>	<b>\$ 483,342</b>	<b>\$ 2,438,022</b>	<b>\$ 368,223</b>

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2018 consist of the following:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Golden Leaf Storm Water Study	\$ 24,225
General Fund	FEMA Firefighter Grant Fnd	4,723
General Fund	Golden Leaf Vehicle Replacement Fund	176,764
Hurricane Matthew	General Fund	1,085
Water Fund	Hurricane Matthew	1,007
		<u>\$ 207,804</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers to/from other funds at June 30, 2018, consist of the following:

Transfer from General Fund to City Hall Construction Fund - to provide local funds	\$ 936,852
Transfer from Water Fund to City Hall Construction Fund - to provide local funds	406,400
Transfer from CDBG Fund to General Fund - to close out project	3,316
Transfer from General Fund to FEMA Firefighters Grant Fund - to provide local match	3,357
<b>Total Transfers</b>	<u><u>\$ 1,343,252</u></u>

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	\$ 5,880,044	\$ 15,372,432
less: long-term debt	3,042,073	1,491,777
plus: unspent bond proceeds	944,724	-
Net investment in capital assets	<u>\$ 3,782,695</u>	<u>\$ 13,880,655</u>

E. 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	<u>\$ 4,109,666</u>
Less:	
Prepaid Expenses	-
Stabilization by State Statute	901,553
Street - Powell Bill	514,772
USDA Reserve	17,292
Appropriated Fund Balance in 2019 budget	609,900
Working Capital/Fund Balance Policy	-
Remaining Fund Balance	<u><u>\$ 2,066,149</u></u>

NOTE 4: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

NOTE 5: SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through February 18, 2019, the date the financial statements were available to be issued. No items were noted for disclosure.

NOTE 6: CHANGE IN ACCOUNTING PRINCIPLES / RESTATEMENT

The City implemented Governmental Accounting Standards Board (GASB) No. Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the City to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the City related to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for governmental activities increased \$682,332 and \$221,006 for business-type activities.

## REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

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- Schedule of Proportionate Share of Net Pension Asset for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability
- Schedule of Total Pension Liability as a Percentage of Covered Payrol
- Schedule of Changes in the Total OPEB Liability and Related Ratios

**City of Whiteville, North Carolina**  
**City of Whiteville'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>
City of Whiteville's proportion of the net pension liability (asset) (%)	0.05047%	0.04803%	0.05282%	0.04803%	0.04850%
City of Whiteville's proportion of the net pension liability (asset) (\$)	\$ 771,042	\$ 1,019,358	\$ 237,053	\$ (283,255)	\$ 584,611
City of Whiteville's covered-employee payroll	\$ 2,747,989	\$ 2,567,451	\$ 2,431,308	\$ 2,387,209	\$ 2,298,610
City of Whiteville's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	28.06%	39.70%	9.75%	-11.87%	25.43%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

**City of Whiteville, North Carolina  
City of Whiteville'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	\$ 215,529	\$ 206,837	\$ 176,546	\$ 174,463	\$ 170,382
Contributions in relation to the contractually required contribution	215,529	206,837	176,546	174,463	170,382
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Whiteville's covered-employee payroll	\$ 2,770,507	\$ 2,747,989	\$ 2,567,451	\$ 2,431,308	\$ 2,387,209
Contributions as a percentage of covered-employee payroll	7.78%	7.53%	6.88%	7.18%	7.14%



**City of Whiteville, 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	\$ 330,342	\$ 328,706
Service Cost	19,188	20,906
Interest on the total pension liability	12,326	11,356
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(85,640)	-
Changes of assumptions or other inputs	19,774	(9,386)
Benefit payments	(22,030)	(21,240)
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 273,960</u>	<u>\$ 330,342</u>

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

**City of Whiteville, 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	\$ 273,960	\$ 330,342
Covered payroll	\$ 829,890	851,737
Total pension liability as a percentage of payroll	33.01%	38.78%

Notes to the schedules:

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

**City of Whiteville, North Carolina  
Other Postemployment Benefits  
Required Supplementary Information  
Schedule of Changes in the Total OPEB Liability and Related Ratios**

<b>Total OPEB Liability</b>	<b>2018</b>
Service Cost	\$ 139,194
Interest	78,733
Changes in benefit terms	-
Difference between expected and actual experience	1,903
Changes of assumptions or other inputs	(250,702)
Benefit payments	(49,675)
Other	-
<b>Net change in total OPEB liability</b>	<b>\$ (80,547)</b>
<b>Total OPEB Liability - beginning</b>	<b>\$ 2,640,358</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 2,559,811</b>
<b>Covered payroll</b>	<b>\$ 2,757,830</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>92.82%</b>

**Notes to the 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:

Fiscal year	Rate
2018	3.56%

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

City of Whiteville, North Carolina  
 General Fund  
 Comparative Balance Sheets  
 June 30, 2018 and June 30, 2017

Exhibit B-1

	June 30, 2018	June 30, 2017
<b>Assets</b>		
Cash and cash equivalents	\$ 3,089,554	\$ 3,553,367
Restricted Cash	556,772	539,035
Receivables, net:		
Taxes	28,894	35,574
Accounts	158,857	167,450
Due from other governments	497,179	497,945
Due from other funds	205,712	102,158
Due from component unit	39,805	11,537
Total assets	\$ 4,576,773	\$ 4,907,066
<b>Liabilities and fund balances</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 436,768	\$ 243,944
Due to other funds	1,085	-
Total liabilities	437,853	243,944
Deferred Inflows of Resources		
Property taxes	28,894	35,574
Prepaid Licenses	360	360
Total deferred inflows of resources	29,254	35,934
Fund balances:		
Restricted:		
Stabilization by State Statute	901,553	779,090
Streets	514,772	521,743
Debt Reserve	17,292	17,292
Assigned		
Subsequent year's expenditures	609,900	250,000
Unassigned	2,066,149	3,059,063
Total fund balances	4,109,666	4,627,188
Total liabilities, deferred inflows of resources and fund balances	\$ 4,576,773	\$ 4,907,066

City of Whiteville, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

Exhibit B-2

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
<b>Ad Valorem taxes:</b>				
Taxes	\$ 2,441,500	\$ 2,462,235	\$ 20,735	\$ 2,400,116
Penalties and interest	10,000	14,649	4,649	14,897
Total	<u>\$ 2,451,500</u>	<u>\$ 2,476,884</u>	<u>\$ 25,384</u>	<u>\$ 2,415,013</u>
<b>Other taxes and licenses:</b>				
Assessments	\$ -	\$ 210	\$ 210	\$ 25
In Lieu of Taxes	4,900	5,725	825	4,841
Privilege license	-	725	725	625
Total	<u>\$ 4,900</u>	<u>\$ 6,660</u>	<u>\$ 1,760</u>	<u>\$ 5,491</u>
<b>Unrestricted intergovernmental:</b>				
Beer and Wine Tax	\$ 25,250	\$ 23,146	\$ (2,104)	\$ 24,224
Court Cost and Fees	1,600	2,156	556	2,224
Hold Harmless	267,030	258,794	(8,236)	249,604
Local Option Sales Tax	923,221	981,677	58,456	928,579
Sales Tax Refund	-	-	-	-
ABC Profit Distribution	25,000	36,186	11,186	31,852
Telecommunications Tax	75,480	65,764	(9,716)	71,664
Video Franchise Fee	51,500	48,246	(3,254)	50,283
Utilities Sales Tax & Piped Natural Gas Sales Tax	400,088	415,969	15,881	414,292
Total	<u>\$ 1,769,169</u>	<u>\$ 1,831,938</u>	<u>\$ 62,769</u>	<u>\$ 1,772,722</u>
<b>Restricted intergovernmental revenues:</b>				
ABC Revenue - Law Enforcement	\$ 6,000	\$ 6,000	\$ -	\$ 6,000
ABC Revenue - Fire	2,000	3,619	1,619	2,883
Controlled Substance Tax	-	131	131	478
Christmas Cops	1,200	1,260	60	1,215
Waste Disposal Tax	2,751	3,650	899	3,607
Reimbursement Whiteville City Schools	71,000	69,871	(1,129)	67,836
Powell Bill allocation	160,000	163,280	3,280	164,500
Total	<u>\$ 242,951</u>	<u>\$ 247,811</u>	<u>\$ 4,860</u>	<u>\$ 246,519</u>
<b>Permits and fees:</b>				
Building Permits	\$ 15,000	\$ 12,612	\$ (2,388)	\$ 16,552
Inspection Fees	43,000	22,797	(20,203)	46,524
Total	<u>\$ 58,000</u>	<u>\$ 35,409</u>	<u>\$ (22,591)</u>	<u>\$ 63,076</u>
<b>Sales and Services:</b>				
Refuse Collection Fees	\$ 1,232,685	\$ 1,196,911	\$ (35,774)	\$ 1,087,508
Rent	11,000	10,044	(956)	10,104
Cablevision	-	-	-	-
Concessions	-	711	711	-
Emergency Services	6,000	5,918	(82)	9,861
Fire Protection Fees	-	-	-	-
Recreation Department Fees & Insurance Pymts.	22,000	23,520	1,520	22,785
Total	<u>\$ 1,271,685</u>	<u>\$ 1,237,104</u>	<u>\$ (34,581)</u>	<u>\$ 1,130,258</u>

City of Whiteville, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

Exhibit B-2

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Other Revenue</b>				
Insurance recovery	\$ -	\$ 29,436	\$ 29,436	\$ 25,068
Investment earnings	1,500	4,175	2,675	1,730
Sale of Fixed Assets	-	20,579	20,579	15,000
Miscellaneous	6,505	16,331	9,826	41,188
Total	<u>\$ 8,005</u>	<u>\$ 70,521</u>	<u>\$ 62,516</u>	<u>\$ 82,986</u>
Total Revenues	<u>\$ 5,806,210</u>	<u>\$ 5,906,327</u>	<u>\$ 100,117</u>	<u>\$ 5,716,065</u>
<b>Expenditures</b>				
<b>General Government:</b>				
<b>Governing body:</b>				
Salaries and employee benefits	\$ 11,837	\$ 11,707	\$ 130	\$ 15,226
Professional services	-	75	(75)	-
Operating expenditures	11,636	11,324	312	11,375
Total	<u>\$ 23,473</u>	<u>\$ 23,106</u>	<u>\$ 367</u>	<u>\$ 26,601</u>
<b>Administration:</b>				
Salaries and employee benefits	\$ 288,352	\$ 260,202	\$ 28,150	\$ 236,471
Professional services	22,252	30,514	(8,262)	14,751
Operating expenditures	86,796	97,418	(10,622)	116,411
Capital outlay	-	11,645	(11,645)	-
Total	<u>\$ 397,400</u>	<u>\$ 399,779</u>	<u>\$ (2,379)</u>	<u>\$ 367,633</u>
<b>Public Buildings:</b>				
Operating expenditures	\$ 63,240	\$ 45,391	\$ 17,849	\$ 62,536
Capital outlay	-	-	-	-
Total	<u>\$ 63,240</u>	<u>\$ 45,391</u>	<u>\$ 17,849</u>	<u>\$ 62,536</u>
Total general government	<u>\$ 484,113</u>	<u>\$ 468,276</u>	<u>\$ 15,837</u>	<u>\$ 456,770</u>
<b>Public safety:</b>				
<b>Police department:</b>				
Salaries and employee benefits	\$ 1,557,713	\$ 1,368,511	\$ 189,202	\$ 1,430,263
Professional services	62,606	96,387	(33,781)	65,503
Operating expenditures	274,782	253,977	20,805	251,344
Capital outlay	113,833	136,070	(22,237)	163,428
Total	<u>\$ 2,008,934</u>	<u>\$ 1,854,945</u>	<u>\$ 153,989</u>	<u>\$ 1,910,538</u>
<b>Fire and rescue:</b>				
Salaries and employee benefits	\$ 630,613	\$ 552,334	\$ 78,279	\$ 572,595
Professional services	15,544	20,903	(5,359)	13,238
Operating expenditures	188,686	161,600	27,086	150,172
Capital outlay	15,000	10,288	4,712	10,886
Total	<u>\$ 849,843</u>	<u>\$ 745,125</u>	<u>\$ 104,718</u>	<u>\$ 746,891</u>

City of Whiteville, North Carolina  
 General Fund  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended June 30, 2018  
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

Exhibit B-2

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Planning:</b>				
Salaries and employee benefits	\$ 71,360	\$ 74,382	\$ (3,022)	\$ 58,059
Professional services	6,376	6,763	(387)	12,627
Operating expenditures	11,832	10,059	1,773	9,791
Capital outlay	-	-	-	-
Total	\$ 89,568	\$ 91,204	\$ (1,636)	\$ 80,477
<b>Safety</b>				
Salaries and employee benefits	\$ 90,140	\$ 88,440	\$ 1,700	\$ 86,496
Professional services	19,802	19,919	(117)	10,315
Operating expenditures	6,376	7,238	(862)	5,216
Capital outlay	-	-	-	37,150
Total	\$ 116,318	\$ 115,597	\$ 721	\$ 139,177
<b>Inspections</b>				
Salaries and employee benefits	\$ 94,626	\$ 106,511	\$ (11,885)	\$ 94,974
Professional services	22,000	8,691	13,309	12,076
Operating expenditures	51,321	8,971	42,350	7,588
Capital outlay	-	29,088	(29,088)	-
Total	\$ 167,947	\$ 153,261	\$ 14,686	\$ 114,638
Total public safety	\$ 3,232,610	\$ 2,960,132	\$ 272,478	\$ 2,991,721
<b>Transportation:</b>				
<b>Streets and highways:</b>				
Salaries and employee benefits	\$ 98,392	\$ 126,053	\$ (27,661)	\$ 97,129
Operating expenditures	171,917	165,804	6,113	151,114
Professional services	11,917	17,706	(5,789)	5,042
Maintenance - sidewalks	60,000	57,950	2,050	23,500
Maintenance - streets	325,000	116,800	208,200	26,274
Capital outlay	60,000	16,348	43,652	43,387
Total	\$ 727,226	\$ 500,661	\$ 226,565	\$ 346,446
<b>Garage:</b>				
Salaries and employee benefits	\$ 1,411	\$ -	\$ 1,411	\$ -
Professional services	7,375	9,553	(2,178)	12,709
Operating expenditures	29,535	28,740	795	38,208
Capital outlay	-	-	-	-
Total	\$ 38,321	\$ 38,293	\$ 28	\$ 50,917
Total transportation	\$ 765,547	\$ 538,954	\$ 226,593	\$ 397,363
<b>Environmental protection:</b>				
<b>Sanitation:</b>				
Salaries and employee benefits	\$ 38,297	\$ 15,293	\$ 23,004	\$ 17,877
Operating expenditures	40,493	26,142	14,351	25,843
Capital outlay	-	-	-	-
Garbage service contract	855,000	940,482	(85,482)	863,739
Total	\$ 933,790	\$ 981,917	\$ (48,127)	\$ 907,459
Total environmental protection	\$ 933,790	\$ 981,917	\$ (48,127)	\$ 907,459
<b>Economic development:</b>				
Whiteville Downtown development	\$ 6,720	\$ 6,720	\$ -	\$ 6,720
Total economic development	\$ 6,720	\$ 6,720	\$ -	\$ 6,720



City of Whiteville, North Carolina  
 General Fund  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended June 30, 2018  
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

Exhibit B-2

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Cultural &amp; Recreational:</b>				
Parks and recreation:				
Salaries and employee benefits	\$ 245,795	\$ 219,391	\$ 26,404	\$ 186,945
Professional services	13,602	29,426	(15,824)	21,325
Operating expenditures	185,785	138,772	47,013	137,079
Depot restoration	-	-	-	-
Chamber of Commerce donation	4,000	4,000	-	4,000
Columbus County Arts Council	350	350	-	350
Dream Center donation	750	750	-	750
NC Natural Sciences Museum	-	-	-	-
Capital Outlay	35,400	57,104	(21,704)	5,835
Total cultural and recreation	<u>485,682</u>	<u>449,793</u>	<u>35,889</u>	<u>356,284</u>
Debt Service:				
Principal retirement	\$ 230,570	\$ 234,475	\$ (3,905)	\$ 193,878
Interest and fees	5,128	36,996	(31,868)	39,842
Total debt service	<u>\$ 235,698</u>	<u>\$ 271,471</u>	<u>\$ (35,773)</u>	<u>\$ 233,720</u>
<b>Total expenditures</b>	<u>\$ 6,144,160</u>	<u>\$ 5,677,263</u>	<u>\$ 466,897</u>	<u>\$ 5,350,037</u>
<b>Revenues over (under) expenditures</b>	<u>\$ (337,950)</u>	<u>\$ 229,064</u>	<u>\$ 567,014</u>	<u>\$ 366,028</u>
<b>Other financing sources (uses):</b>				
Transfer to Special Revenue Funds	\$ (940,209)	\$ (940,209)	\$ -	\$ (9,774)
Transfer from Special Revenue Funds	-	3,316	3,316	-
Capital Lease Proceeds	200,000	190,307	(9,693)	135,696
Appropriated Fund Balance	1,078,159	-	(1,078,159)	-
Total	<u>\$ 337,950</u>	<u>\$ (746,586)</u>	<u>\$ (1,084,536)</u>	<u>\$ 125,922</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (517,522)</u>	<u>\$ (517,522)</u>	<u>\$ 491,950</u>
<b>Fund balance:</b>				
Beginning of year, July 1		4,627,188		4,038,612
Prior Period Adjustment		-		96,626
End of year, June 30		<u>\$ 4,109,666</u>		<u>\$ 4,627,188</u>

City of Whiteville, North Carolina  
 Capital Project Fund - City Hall Construction  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Years		
<b>Revenues:</b>					
Miscellaneous Revenue	\$ 65,000	\$ -	\$ 60	\$ 60	\$ (64,940)
Total revenues	65,000	-	60	60	(64,940)
<b>Expenditures:</b>					
Professional Fees	26,500	-	201,421	201,421	(174,921)
Design Fees	278,098	-	-	-	278,098
Building & Site Work	2,556,000	-	571,894	571,894	1,984,106
Miscellaneous Expense	10,000	-	44,685	44,685	(34,685)
Generator	65,000	-	-	-	65,000
Equipment and Furnishings	171,520	-	-	-	171,520
Construction Contingency	30,000	-	-	-	30,000
Demolition	271,134	-	237,276	237,276	33,858
Total expenditures	3,408,252	-	1,055,276	1,055,276	2,352,976
Revenues Over (Under) Expenditures	(3,343,252)	-	(1,055,216)	(1,055,216)	2,288,036
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	936,852	-	936,852	936,852	-
Transfer from Utility Fund	406,400	-	406,400	406,400	-
Loan Proceeds	2,000,000	-	2,000,000	2,000,000	-
Total Other Sources (Uses)	3,343,252	-	3,343,252	3,343,252	-
Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ -	2,288,036	\$ 2,288,036	\$ 2,288,036
<b>Fund balances:</b>					
Beginning of year, July 1			-		
End of year, June 30			\$ 2,288,036		

City of Whiteville, North Carolina  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2018

Exhibit C-1

	Special Revenue				Capital Proj		Total Nonmajor Governmental Funds
	FY11 CDBG Catalyst Grant	WDDC Tax Fund	Hurricane Matthew Recovery	Golden Leaf Grant	FEMA Firefighters Grant	Firehouse Subs Grant	
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ 555	\$ 14,479	\$ -	\$ -	\$ -	\$ 15,034
Taxes Receivable	-	848	-	-	-	-	848
Due from other governments	-	-	46	30,000	4,723	877	277,488
Due from other funds	-	-	1,085	-	-	-	1,085
Total assets	\$ -	\$ 1,403	\$ 15,610	\$ 30,000	\$ 4,723	\$ 877	\$ 294,455
<b>Liabilities and fund balances</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ -	\$ 1,731	\$ -	\$ -	\$ -	\$ -	\$ 61,102
Due to other funds	-	-	1,007	24,225	4,723	-	206,719
Total liabilities	-	1,731	1,007	24,225	4,723	-	267,821
Deferred inflows of resources		848	-	-	-	-	848
<b>Fund balances:</b>							
Restricted							
Economic Development	-	-	-	-	-	-	-
Assigned							
WDDC Tax Fund	-	-	-	-	-	-	-
Hurricane Recovery	-	-	14,603	5,775	-	-	20,378
Public Safety	-	-	-	-	-	877	877
Capital Outlay	-	-	-	-	-	-	-
Unassigned	-	(1,176)	-	-	-	-	4,531
Total fund balances	-	(1,176)	14,603	5,775	-	877	25,786
Total liabilities and fund balances	\$ -	\$ 1,403	\$ 15,610	\$ 30,000	\$ 4,723	\$ 877	\$ 294,455

City of Whiteville, North Carolina  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the Fiscal Year Ended June 30, 2018

Exhibit C-2

	Special Revenue				Capital Project		Total Nonmajor Governmental Funds
	FY11 CDBG Catalyst Grant	WDDC Tax Fund	Hurricane Matthew Recovery	Golden Leaf Grant	Golden Leaf Vehicle/Equip	Total Nonmajor Governmental Funds	
<b>Revenues:</b>							
Ad Valorem taxes	\$ -	\$ 27,347	\$ -	\$ -	\$ -	\$ -	\$ 27,347
Restricted intergovernmental	-	-	278,144	150,000	-	236,475	745,608
Investment earnings	-	-	-	-	-	-	-
Insurance Proceeds	-	-	105,058	-	-	-	105,058
Total Revenues	-	27,347	383,202	150,000	-	236,475	878,013
<b>Expenditures:</b>							
General government	-	-	28,674	-	-	-	28,674
Public safety	-	-	41,905	-	-	-	41,905
Environmental protection	-	-	9,449	144,225	-	-	153,674
Cultural and recreation	-	-	171,674	-	-	-	171,674
Economic and physical development	-	27,347	-	-	-	-	27,347
Capital Outlay	-	27,347	-	-	12,969	230,768	314,237
Total Expenditures	-	27,347	251,702	144,225	70,500	230,768	737,511
<b>Revenues over expenditures</b>	-	-	131,500	5,775	(3,357)	5,707	140,502
<b>Other Financing Sources (Uses)</b>							
Transfer (to) from General Fund	(3,316)	-	-	-	3,357	-	41
Transfer (to) from Enterprise Fund	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,316)	-	-	-	3,357	-	41
<b>Net Change in Fund Balance</b>	(3,316)	-	131,500	5,775	-	5,707	140,543
Fund balance, beginning	3,316	(1,176)	(116,897)	-	-	-	(114,757)
Fund balance, ending	\$ -	\$ (1,176)	\$ 14,603	\$ 5,775	\$ -	\$ 5,707	\$ 25,786

City of Whiteville, North Carolina  
Special Revenue Fund - FY11 CDBG Catalyst Grant  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2018

	Budget Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Years		
<b>Revenues:</b>					
CDBG Grant	\$ 500,000	\$ 487,754	\$ -	\$ 487,754	\$ (12,246)
Total revenues	500,000	487,754	-	487,754	(12,246)
<b>Expenditures:</b>					
Acquisition	1,000	1,000	-	1,000	-
Clearance	35,000	25,424	-	25,424	9,576
Rehabilitation	419,100	415,807	-	415,807	3,293
Administration	44,900	42,207	-	42,207	2,693
Local Expenditure	45,000	45,000	-	45,000	-
Total expenditures	545,000	529,438	-	529,438	15,562
Revenues Over (Under) Expenditures	(45,000)	(41,684)	-	(41,684)	3,316
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund (Local Commitment)	45,000	-	(3,316)	(3,316)	(48,316)
Total Other Sources (Uses)	45,000	-	(3,316)	(3,316)	(48,316)
Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ (41,684)	(3,316)	\$ (45,000)	\$ (45,000)
<b>Fund balances:</b>					
Beginning of year, July 1			3,316		
End of year, June 30			\$ -		

City of Whiteville, North Carolina  
Special Revenue Fund - WDDC Tax District Fund  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

Exhibit C-4

WDDC Tax District Fund	2018		Variance Positive (Negative)	2017
	Final Budget	Actual		Actual
Revenues:				
Ad Valorem Taxes - Current Year	\$ 27,000	\$ 26,908	\$ 92	\$ 26,673
Ad Valorem Taxes - Prior Year	439	439	-	530
Total revenues	27,439	27,347	92	27,203
Expenditures:				
Economic and Physical Development	27,439	27,347	92	27,203
Total expenditures	27,439	27,347	92	27,203
Revenues Over (Under) Expenditures	\$ -	-	\$ -	\$ -
Fund balances:				
Beginning of year, July 1		(1,176)		
End of year, June 30		\$ (1,176)		

City of Whiteville, North Carolina  
Special Revenue Fund - Hurricane Matthew Recovery  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
FEMA Proceeds	\$ 356,250	\$ 12,199	\$ 278,144	\$ 290,343	\$ (65,907)
State of NC Proceeds	118,750	-	-	-	(118,750)
Insurance Proceeds	70,000	60,664	105,058	165,722	95,722
Total revenues	<u>545,000</u>	<u>72,863</u>	<u>383,202</u>	<u>456,065</u>	<u>(88,935)</u>
<b>Expenditures:</b>					
Administration	15,000	124	15,196	15,320	(320)
Police Hurricane Expenditures	50,000	4,176	31,679	35,855	14,145
Fire Hurricane Expenditures	40,000	40,102	10,226	50,328	(10,328)
Public Works Hurricane Expenditures	150,000	117,410	13,478	130,888	19,112
Parks and Recreation Hurricane Expenditures	165,000	5,719	171,674	177,393	(12,393)
WWTP Hurricane Expenditures	35,000	22,229	9,449	31,678	3,322
Contribution to Fund Balance	90,000	-	-	-	90,000
Total expenditures	<u>545,000</u>	<u>189,760</u>	<u>251,702</u>	<u>441,462</u>	<u>103,538</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(116,897)</u>	<u>131,500</u>	<u>14,603</u>	<u>14,603</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (116,897)</u>	<u>131,500</u>	<u>\$ 14,603</u>	<u>\$ 14,603</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>(116,897)</u>		
End of year, June 30			<u>\$ 14,603</u>		

City of Whiteville, North Carolina  
Special Revenue Fund - Golden Leaf Grant  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Golden Leaf Grant	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	\$ -
Total revenues	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
<b>Expenditures:</b>					
Professional Fees Engineering	150,000	-	144,225	144,225	5,775
Total expenditures	<u>150,000</u>	<u>-</u>	<u>144,225</u>	<u>144,225</u>	<u>5,775</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>5,775</u>	<u>5,775</u>	<u>5,775</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>5,775</u>	<u>\$ 5,775</u>	<u>\$ 5,775</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 5,775</u>		



City of Whiteville, North Carolina  
 Special Revenue Fund - FEMA Firefighters Grant  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2018

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
Revenues:					
FEMA Firefighters Grant	\$ 67,143	\$ -	\$ 67,143	\$ 67,143	\$ -
Total revenues	<u>67,143</u>	<u>-</u>	<u>67,143</u>	<u>67,143</u>	<u>-</u>
Expenditures:					
Equipment	70,500	-	70,500	70,500	-
Total expenditures	<u>70,500</u>	<u>-</u>	<u>70,500</u>	<u>70,500</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(3,357)</u>	<u>-</u>	<u>(3,357)</u>	<u>(3,357)</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer from General Fund	3,357	-	3,357	3,357	-
Total Other Sources (Uses)	<u>3,357</u>	<u>-</u>	<u>3,357</u>	<u>3,357</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

City of Whiteville, North Carolina  
Special Revenue Fund - Firehouse Subs Grant  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2018

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Firehouse Subs Grant	\$ 13,846	\$ -	\$ 13,846	\$ 13,846	\$ -
Total revenues	<u>13,846</u>	<u>-</u>	<u>13,846</u>	<u>13,846</u>	<u>-</u>
<b>Expenditures:</b>					
Equipment	13,846	-	12,969	12,969	877
Total expenditures	<u>13,846</u>	<u>-</u>	<u>12,969</u>	<u>12,969</u>	<u>877</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>877</u>	<u>877</u>	<u>877</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>877</u>	<u>\$ 877</u>	<u>\$ 877</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 877</u>		

City of Whiteville, North Carolina  
 Special Revenue Fund - Golden Leaf Vehicle / Equipment Grant  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2018

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Golden Leaf Grant	\$ 236,500	\$ -	\$ 236,475	\$ 236,475	\$ (25)
Total revenues	<u>236,500</u>	<u>-</u>	<u>236,475</u>	<u>236,475</u>	<u>(25)</u>
<b>Expenditures:</b>					
Equipment	236,500	-	230,768	230,768	5,732
Total expenditures	<u>236,500</u>	<u>-</u>	<u>230,768</u>	<u>230,768</u>	<u>5,732</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>5,707</u>	<u>5,707</u>	<u>5,707</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>5,707</u>	<u>\$ 5,707</u>	<u>\$ 5,707</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 5,707</u>		

City of Whiteville, North Carolina  
Water and Sewer Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

Exhibit D-1

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018		Variance Favorable (Unfavorable)	2017
	Final Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Water Sales	\$ 661,000	\$ 674,408	\$ 13,408	\$ 663,925
Sewer Charges	1,900,000	1,909,191	9,191	1,902,668
Water Connections	1,500	3,110	1,610	2,410
Sewer Connections	500	-	(500)	600
Reconnection Fees	110,000	97,790	(12,210)	120,456
Total Operating Revenues	<u>2,673,000</u>	<u>2,684,499</u>	<u>11,499</u>	<u>2,690,059</u>
<b>Nonoperating Revenues:</b>				
Interest on Investments	90	-	(90)	67
Water Tank Lease	28,000	28,854	854	27,744
Sewer Line Expansion Revenue	84,000	77,231	(6,769)	88,465
DENR Grant	-	23,000	23,000	-
Miscellaneous	2,500	2,473	(27)	31,577
Total Nonoperating Revenues	<u>114,590</u>	<u>131,558</u>	<u>16,968</u>	<u>147,853</u>
<b>Total Revenues</b>	<u>2,787,590</u>	<u>2,816,057</u>	<u>28,467</u>	<u>2,837,912</u>
<b>Expenditures:</b>				
<b>Water &amp; Sewer Administration:</b>				
Salaries and Employee Benefits	310,604	313,348	(2,744)	308,517
Postage and Telephone	4,800	1,966	2,834	3,375
Supplies	-	-	-	-
Other Departmental Expenses	83,978	72,487	11,491	65,595
DENR Grant	-	23,000	(23,000)	-
Capital Outlay	-	11,645	(11,645)	-
<b>Governing Body</b>				
Salaries and Employee Benefits	11,837	11,707	130	9,373
Other Expenses	11,632	9,600	2,032	4,444
Total Administration	<u>422,851</u>	<u>443,753</u>	<u>(20,902)</u>	<u>391,304</u>
<b>Water Operations:</b>				
Salaries and Employee Benefits	296,865	291,954	4,911	348,271
Utilities	59,000	61,911	(2,911)	60,787
Supplies	44,400	34,858	9,542	43,773
Other Departmental Expenses	187,261	198,784	(11,523)	112,586
Capital Outlay	22,000	16,349	5,651	20,000
Total Water Operations	<u>609,526</u>	<u>603,856</u>	<u>5,670</u>	<u>585,417</u>
<b>Sewer Operations:</b>				
Salaries and Employee Benefits	287,983	256,583	31,400	278,980
Utilities	24,000	24,280	(280)	19,640
Supplies	20,000	19,989	11	17,758
Other Departmental Expenses	97,757	74,940	22,817	103,324
Capital Outlay	136,000	150,566	(14,566)	1,599,638
Total Sewer Operations	<u>565,740</u>	<u>526,358</u>	<u>39,382</u>	<u>2,019,340</u>

City of Whiteville, North Carolina  
Water and Sewer Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

Exhibit D-1

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018		Variance Favorable (Unfavorable)	2017
	Final Budget	Actual		Actual
<b>Wastewater Treatment:</b>				
Salaries and Employee Benefits	316,087	314,994	1,093	288,153
Utilities	130,000	136,332	(6,332)	118,833
Supplies	55,300	44,261	11,039	56,579
Other Departmental Expenses	170,035	148,045	21,990	164,774
Capital Outlay	8,500	9,921	(1,421)	25,194
Total Wastewater Treatment	<u>679,922</u>	<u>653,553</u>	<u>26,369</u>	<u>653,533</u>
<b>Debt service:</b>				
Principal Retirement	344,592	378,597	(34,005)	411,413
Interest and other charges	38,543	37,931	612	44,707
Total Debt Service	<u>383,135</u>	<u>416,528</u>	<u>(33,393)</u>	<u>456,120</u>
Total Expenditures	<u>2,661,174</u>	<u>2,644,048</u>	<u>17,126</u>	<u>4,105,714</u>
<b>Other Financing Sources (Uses):</b>				
Transfer from (to) General Fund	(526,416)	(406,400)	120,016	-
Transfer from (to) IT Hardware ERP Software Fund	-	-	-	-
Transfer from Bolton - Sewer Lift Station	-	-	-	1,500,000
Loan Proceeds	50,000	93,733	43,733	24,458
Contribution to Capital Reserve	-	-	-	-
Appropriated From (Transfer to) Fund Balance	350,000	-	(350,000)	-
Total Other Sources (Uses)	<u>(126,416)</u>	<u>(312,667)</u>	<u>(186,251)</u>	<u>1,524,458</u>
Revenues and Other Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>(140,658)</u>	<u>\$ (140,658)</u>	<u>256,656</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>				
<b>Reconciling Items:</b>				
Principal retirement		378,597		411,413
Capital outlay		111,786		1,564,320
Increase (decrease) in deferred outflows of resources - pensions		(100,552)		-
Increase (decrease) in deferred outflows of resources - OPEB		12,634		-
(Increase) decrease in net pension liability		90,174		-
(Increase) decrease in OPEB liability		8,429		-
(Increase) decrease in deferred inflows of resources - pensions		8,646		-
(Increase) decrease in deferred inflows of resources - OPEB		(60,915)		-
Deferred outflows of resources for contributions made to pension plan in current fiscal year		-		59,557
Pension expense		-		(82,159)
OPEB		-		(153,785)
Loan Proceeds		(93,733)		(24,458)
Depreciation		(480,918)		(461,059)
Total Reconciling items		<u>(125,852)</u>		<u>1,313,829</u>
Change in net position		<u>\$ (266,510)</u>		<u>\$ 1,570,485</u>

City of Whiteville, North Carolina  
 Stormwater Construction Fund - Capital Project Fund  
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2018

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Golden Leaf Grant	\$ 400,000	\$ -	\$ -	\$ -	\$ (400,000)
Total revenues	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>
<b>Expenditures:</b>					
Professional Fees	96,345	-	-	-	96,345
Stormwater Construction	303,655	-	-	-	303,655
Total expenditures	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## OTHER SCHEDULES

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This section contains additional information on property taxes.

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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

City of Whiteville, North Carolina  
 General Fund  
 Schedule of Ad Valorem Taxes Receivable  
 June 30, 2018

Exhibit E-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2017</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2018</u>
2017-2018	\$ -	\$ 2,449,702	\$ 2,421,858	\$ 27,844
2016-2017	26,015		20,599	5,416
2015-2016	4,159	-	1,413	2,746
2014-2015	2,531	-	441	2,090
2013-2014	6,398	-	234	6,164
2012-2013	13,476	-	140	13,336
2011-2012	8,726	-	262	8,464
2010-2011	9,753	-	235	9,518
2009-2010	2,772	-	235	2,537
2008-2009	3,048	-	269	2,779
2007-2008	1,696	-	1,696	-
<b>Totals</b>	<u>\$ 78,574</u>	<u>\$ 2,449,702</u>	<u>\$ 2,447,382</u>	<u>80,894</u>

Less: Allowance for Uncollectible Accounts:

General Fund 52,000

Ad valorem taxes receivable - net \$ 28,894

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 2,476,884
Reconciling items:	
Interest & Penalties Collected	(14,649)
Tax releases, written off & adjustments	(14,853)
Subtotal	<u>(29,502)</u>
 Total collections and credits	 <u>\$ 2,447,382</u>



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

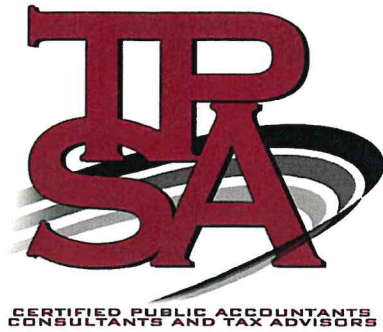
Exhibit E-2

	City - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Net levy					
Property taxed at current year's rate	\$ 462,207,925	0.5300	\$ 2,449,702	\$ 2,238,318	\$ 211,384
Total Property Valuation			<u>2,449,702</u>	<u>2,238,318</u>	<u>211,384</u>
Net levy			2,449,702	2,238,318	211,384
Uncollected taxes at June 30, 2018			<u>27,844</u>	<u>27,766</u>	<u>78</u>
Current year's taxes collected			<u>\$ 2,421,858</u>	<u>\$ 2,210,552</u>	<u>\$ 211,306</u>
Current levy collection percentage			<u>98.86%</u>	<u>98.76%</u>	<u>99.96%</u>



## Compliance Section

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**Alan W. Thompson, CPA**

**R. Bryon Scott, CPA**

**Gregory S. Adams, CPA**

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards**

**Independent Auditors' Report**

To the Honorable Mayor and  
Members of the City Council  
City of Whiteville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whiteville, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises the City of Whiteville's basic financial statements, and have issued our report thereon dated February 18, 2019. Our report includes a reference to other auditors who audited the financial statements of the Whiteville ABC Board, as described in our report on the City of Whiteville's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Whiteville ABC Board 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 the City of Whiteville'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 City of Whiteville's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses [18-01, 18-02].

*Members*

*American Institute of CPAs - N.C. Association of CPAs - AICPA Division of firms*

A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We considered the deficiencies described in the accompany schedule of findings and responses to be significant deficiencies [18-03].

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Whiteville'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*.

#### City of Whiteville's Response to Findings

The City of Whiteville's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City'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 City'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, Rice, Scott, Adams & Co., P.A.*

*Whiteville, NC*  
February 18, 2019



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

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Alan W. Thompson, CPA  
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Report On Compliance With Requirements Applicable to Each Major State Program And  
Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the  
State Single Audit Implementation Act

Independent Auditors' Report

To the Board of Directors  
City of Whiteville  
Whiteville, North Carolina

**Report on Compliance for Each Major State Program**

We have audited the City of Whiteville's compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Whiteville's major state programs for the year ended June 30, 2018. The City of Whiteville's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

*Members  
American Institute of CPAs - N.C. Association of CPAs - AICPA Division of firms*

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

### **Report on Internal Control Over Compliance**

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

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

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

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

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

---

Whiteville, NC  
February 18, 2019

CITY OF WHITEVILLE, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2018

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**Section I. Summary of Auditors' Results**

---

Financial Statements

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

Internal control over financial reporting:

Material Weakness (es) identified?                     Yes             No

Significant Deficiency(s)                             Yes             None Reported

Noncompliance material to financial statements noted                     Yes             No

State Awards

Internal control over major State programs:

Material weaknesses identified?                     Yes             No

Significant Deficiency(s) identified                     Yes             None Reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?                     Yes             No

Identification of major State programs:

Program Name  
Golden Leaf Foundation

CITY OF WHITEVILLE, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2018

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**Section II. Financial Statement Findings**

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Prior year findings repeated in the current year are indicated by an asterisk (\*).

**MATERIAL WEAKNESSES**

**\*FINDING: 18-1**

**Internal Controls**

**Criteria:** Internal controls are enhanced when the responsibilities for executing a transaction, recording the transaction, and maintaining custody of the assets resulting from the transaction are assigned to different individuals.

**Condition:** In reviewing internal control procedures within the Finance Department, we noticed a lack of segregation of duties due to the small number of employees. Internal controls are enhanced when responsibilities for executing a transaction, recording the transaction, and maintaining custody of the assets resulting from the transaction are assigned to different individuals.

**Effect:** While it may be convenient to have one person authorized to handle multiple phases of a transaction, it does not provide the ideal internal control structure.

**Cause:** The small number of employees within the Finance Department makes it difficult to achieve an adequate segregation of duties.

**Recommendation:** The duties should be separated as much as possible and alternative controls should be used to compensate for lack of separation. The governing board should provide some of these controls.

**Views of responsible officials and planned corrective actions:** The City agrees with this finding.

**\*FINDING: 18-2**

**Inadequate Design of Internal Controls over the Preparation of the Financial Statements**

**Criteria:** City should have someone who is familiar with governmental accounting principles that can review its financial statements each year and determine if they had been prepared accurately.

**Condition:** There is no one on staff that has such detailed knowledge.

**Effect:** The City's auditor must prepare the financial statements of the City.

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

**Recommendation:** The City should designate an individual responsible for the review of the financial statements.

**Views of responsible officials and planned corrective actions:** The City agrees with this finding.



CITY OF WHITEVILLE, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2018

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**Section II. Financial Statement Findings (continued)**

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SIGNIFICANT DEFICIENCY

FINDING: 18-3

Budget Violation

Criteria: G.S. 159-8(a) states that all moneys received and expended by a local government or public authority should be included in the budget ordinance.

Condition: The City expended \$48,127 more for environmental protection than appropriated in the annual budget ordinance.

Effect: Moneys were spent that had not been appropriated.

Cause: The City received several invoices for the garbage service contract after year-end that had to be accrued as accounts payable. A budget amendment was not prepared to account for the total amount payable at year-end.

Recommendation: Budget amendments should be adopted when revenues are received that exceed estimated revenues in the budget ordinance prior to expending the funds.

Views of responsible officials and planned corrective actions: The City agrees with this finding. Budget amendments will be adopted prior to making expenditures that exceed budgeted amounts.

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**Section III. State Award Findings and Questioned Costs**

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None reported.



**Darren Currie**  
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# City of Whiteville

**Terry L. Mann**  
Mayor  
**Sara B. Thompson**  
Mayor Pro-Tem  
**Tim Blackmon**  
Council Member  
**Jimmy Clarida**  
Council Member  
**Robert Leder**  
Council Member  
**Timothy Collier**  
Council Member  
**Justin S. Smith**  
Council Member

## Corrective Action Plan For the Fiscal Year Ended June 30, 2018

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### Section II. Financial Statement Findings

---

#### MATERIAL WEAKNESS

18-1 Name of contact person: Colburn Brown, Finance Director

Corrective Action: The duties will be separated as much as possible and alternative controls will be used to compensate for lack of separation. The governing board will become more involved in providing some of these controls.

Proposed Completion Date: The City Council will implement procedures as soon as possible.

18-2 Name of contact person: Colburn Brown, Finance Director

Corrective Action: The City will evaluate steps to take in the future on this issue.

Proposed Completion Date: The Board will implement procedures as soon as possible.

#### SIGNIFICANT DEFICIENCY

18-3 Name of contact person: Colburn Brown, Finance Director

Corrective Action: The City will review the financial statements and make budget amendments throughout the year to ensure that all departments have adequate budget available.

Proposed Completion Date: The Board will implement the above procedure immediately.

CITY OF WHITEVILLE, NORTH CAROLINA  
Summary of Prior Year Audit Findings  
For the Fiscal Year Ended June 30, 2018

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Section II. Financial Statement Findings

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Finding Status: 17-1, 17-2 - Financial Statement Findings - repeated in current year.

Finding Status: 17-3 - corrected

City of Whiteville, North Carolina  
Schedule of Expenditures of Federal and State Awards  
For The Fiscal Year Ended June 30, 2018

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Federal Awards:					
<b><u>U.S. Department of Homeland Security</u></b>					
Assistance to Firefighters Grant	97.044		\$ 67,143	\$ -	\$ -
U.S. Department of Homeland Security Pass-through N.C. Dept. of Public Safety: Division of Emergency Management					
Disaster Grants - Public Assistance (Matthew)	97.036		<u>278,144</u>	<u>-</u>	<u>-</u>
Total Assistance - Federal Programs			<u>\$ 345,287</u>	<u>\$ -</u>	<u>\$ -</u>
State Awards:					
Passed through The Golden Leaf Foundation:					
Stormwater Plan for Downtown Municipal Service District & Emergency Generator			\$ -	\$ 150,000	\$ -
Equipment Replacement / Disaster Recovery - Hurricane Matthew			<u>-</u>	<u>236,475</u>	<u>-</u>
Total - Golden Leaf			<u>-</u>	<u>386,475</u>	<u>-</u>
NC Department of Environmental Quality					
Wastewater - Asset Inventory and Assessment Grant		E-AIA-W- 17-0048	<u>-</u>	<u>23,000</u>	<u>-</u>
N.C. Dept. of Transportation					
Powell Bill			<u>-</u>	<u>174,750</u>	<u>-</u>
Total Assistance - State Programs			<u>\$ -</u>	<u>\$ 584,225</u>	<u>\$ -</u>
Total Assistance			<u>\$ 345,287</u>	<u>\$ 584,225</u>	<u>\$ -</u>

Notes to the Schedule of Expenditures of State Financial Awards

**1. Basis of Presentation**

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

**2 Summary of Significant Accounting Policies**

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

The City of Whiteville has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.