

**NORTHAMPTON COUNTY  
JACKSON, NORTH CAROLINA**

**BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2015**

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**NORTHAMPTON COUNTY  
JACKSON, NORTH CAROLINA**

**BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**BOARD OF COMMISSIONERS**

**Robert V. Carter – Chairman**

**Fannie P. Greene – Vice-Chair**

**Joseph Barrett**

**Chester J. Deloatch, Sr.**

**Virginia Spruill**

**COUNTY MANAGER**

**Kimberly Turner**

**FINANCE DIRECTOR**

**Leslie Edwards**

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# NORTHAMPTON COUNTY, NORTH CAROLINA

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Independent Auditor's Report**

To the Board of County Commissioners  
Northampton County  
Jackson, North Carolina

### **Report On the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Northampton 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Northampton County ABC Board which represents 87% of the assets, 82% of the net position, and 94% of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northampton County ABC Board are 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 of material misstatement. The financial statements of the Northampton County ABC Board and the Northampton County Tourism Development Authority were not audited in accordance with *Government 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based upon 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Northampton County as of June 30, 2015, and the respective changes in financial position, and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Law Enforcement Officers' and Other Post-Employment Benefits' Special Separation Allowance Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset 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 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist 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 Northampton County's basic financial statements. The combining and individual fund financial statements, budget and actual schedules, other schedules, and supplemental ad valorem tax schedules 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, budget and actual schedules, other schedules, and supplemental ad valorem tax 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. In our opinion, the combining and individual fund financial statements, budget and actual schedules, other schedules, and supplemental ad valorem tax 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 February 29, 2016 on our consideration of the Northampton County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that 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 Northampton County's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
February 29, 2016

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## Management's Discussion and Analysis

As management of Northampton County, we offer readers of Northampton County's financial statements this narrative overview and analysis of the financial activities of Northampton County for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### Financial Highlights

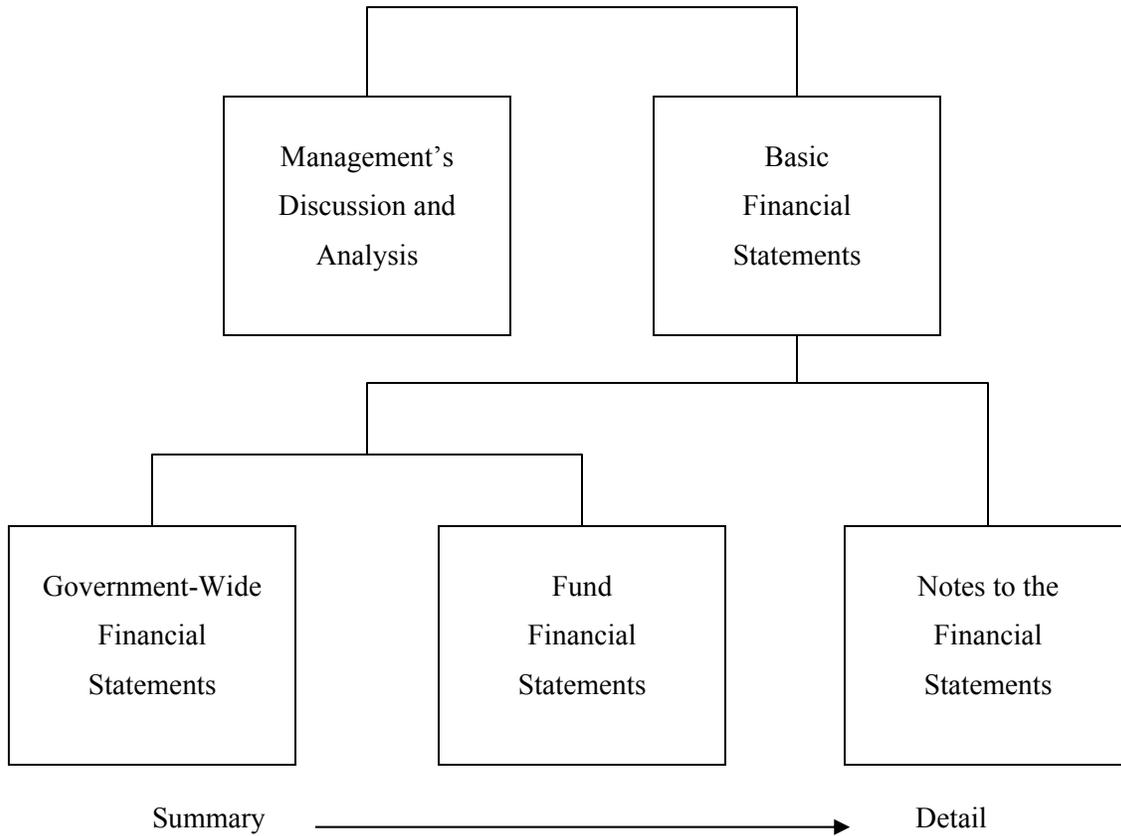
- The assets and deferred outflows of resources of Northampton County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$22,129,182 (*net position*).
- The government's total net position increased by \$4,519,583, primarily due to increased net position in governmental activities.
- As of the close of the current fiscal year, Northampton County's governmental funds reported combined ending fund balances of \$12,439,482, an increase of \$2,471,077 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,841,805, or 28.7%, of total General Fund expenditures for the fiscal year.
- Northampton County's total general obligation and installment debt decreased by \$1,827,900 during the current fiscal year.

### Overview of the Financial Statements

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

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (Exhibits A and B) 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 C through J) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary fund statements, and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's nonmajor governmental funds, which are added together in one column on the basic financial statements. This section contains funding information about the County's pension plans. Budgetary information required by the General Statutes also can be found in this part of the statements.

### **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 they have changed. Net position is the difference between the total of the County's assets and 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 two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the County's basic services, such as public safety, human services, education, and general government administration. Property taxes and federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and solid waste services offered by Northampton County.

The government-wide financial statements are on Exhibits A and B of this report.

### **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Northampton County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Northampton County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in-and-out and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental 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.

Northampton 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.** Northampton 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. Northampton County uses enterprise funds to account for its water and sewer activity and for its landfill operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Northampton County has four fiduciary funds, all of which are agency funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start after Exhibit J of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Northampton County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on Schedules A-1 through A-6 after the notes to the financial statements.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Northampton County exceeded liabilities and deferred inflows of resources by \$22,129,182 as of June 30, 2015. The County's net position increased by \$4,519,583 for the fiscal year ended June 30, 2015. The largest portion of the County's net position reflects the County's net investment in capital assets (e.g. buildings, equipment, and water infrastructure). Northampton County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Northampton County's net investment in 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.

## Northampton County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets:</b>						
Current and other assets	\$ 16,816,079	\$ 13,242,162	\$ 1,177,681	\$ 1,213,492	\$ 17,993,760	\$ 14,455,654
Capital assets	<u>19,583,691</u>	<u>20,517,082</u>	<u>23,789,101</u>	<u>23,383,173</u>	<u>43,372,792</u>	<u>43,900,255</u>
Total assets	<u>36,399,770</u>	<u>33,759,244</u>	<u>24,966,782</u>	<u>24,596,665</u>	<u>61,366,552</u>	<u>58,355,909</u>
<b>Deferred Outflows of Resources</b>	<u>877,819</u>	<u>-</u>	<u>36,505</u>	<u>-</u>	<u>914,324</u>	<u>-</u>
<b>Liabilities:</b>						
Current liabilities outstanding	846,464	1,056,844	497,860	883,399	1,344,324	1,940,243
Long-term liabilities outstanding	<u>21,223,843</u>	<u>23,364,686</u>	<u>12,786,065</u>	<u>13,955,337</u>	<u>34,009,908</u>	<u>37,320,023</u>
Total liabilities	<u>22,070,307</u>	<u>24,421,530</u>	<u>13,283,925</u>	<u>14,838,736</u>	<u>35,354,232</u>	<u>39,260,266</u>
<b>Deferred Inflows of Resources</b>	<u>2,718,984</u>	<u>92,049</u>	<u>110,447</u>	<u>-</u>	<u>2,829,431</u>	<u>92,049</u>
<b>Net Position:</b>						
Net investment in capital assets	9,246,623	9,363,261	10,637,497	9,666,233	19,884,120	19,029,494
Restricted	4,078,338	4,878,936	-	-	4,078,338	4,878,936
Unrestricted	<u>(2,175,358)</u>	<u>(4,996,532)</u>	<u>342,082</u>	<u>91,696</u>	<u>(1,833,276)</u>	<u>(4,904,836)</u>
Total net position	<u>\$ 11,149,603</u>	<u>\$ 9,245,665</u>	<u>\$ 10,979,579</u>	<u>\$ 9,757,929</u>	<u>\$ 22,129,182</u>	<u>\$ 19,003,594</u>

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

- Continued diligence in the collection of property taxes
- Continued low cost of debt due to low interest rates
- Continued conservative budgeting

## Northampton County's Changes in Net Position

**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,764,799	\$ 3,415,923	\$ 5,823,077	\$ 4,542,929	\$ 9,587,876	\$ 7,958,852
Operating grants and contributions	7,429,935	7,548,606	-	-	7,429,935	7,548,606
Capital grants and contributions	1,360,390	1,895,907	979,938	26,313	2,340,328	1,922,220
General revenues:						
Property taxes	20,014,611	19,211,476	-	-	20,014,611	19,211,476
Other taxes	1,919,307	1,834,314	-	-	1,919,307	1,834,314
Other	13,704	12,764	593	843	14,297	13,607
<b>Total revenues</b>	<b>34,502,746</b>	<b>33,918,990</b>	<b>6,803,608</b>	<b>4,570,085</b>	<b>41,306,354</b>	<b>38,489,075</b>
<b>Expenses:</b>						
General government	3,684,708	3,590,275	-	-	3,684,708	3,590,275
Public safety	8,676,477	8,999,219	-	-	8,676,477	8,999,219
Transportation	29,000	24,000	-	-	29,000	24,000
Environmental protection	79,000	54,000	-	-	79,000	54,000
Economic and physical development	2,656,289	1,360,596	-	-	2,656,289	1,360,596
Human services	11,011,321	11,040,604	-	-	11,011,321	11,040,604
Cultural and recreation	514,798	581,099	-	-	514,798	581,099
Education	3,973,435	3,828,837	-	-	3,973,435	3,828,837
Interest and fees	636,950	870,761	-	-	636,950	870,761
Water and sewer	-	-	3,253,410	3,090,445	3,253,410	3,090,445
Solid waste	-	-	2,271,383	2,282,676	2,271,383	2,282,676
<b>Total expenses</b>	<b>31,261,978</b>	<b>30,349,391</b>	<b>5,524,793</b>	<b>5,373,121</b>	<b>36,786,771</b>	<b>35,722,512</b>
<b>Change in net position</b>	<b>3,240,768</b>	<b>3,569,599</b>	<b>1,278,815</b>	<b>(803,036)</b>	<b>4,519,583</b>	<b>2,766,563</b>
<b>Net Position:</b>						
Beginning of year - July 1, as previously stated	9,245,665	5,676,066	9,757,929	10,560,965	19,003,594	16,237,031
Restatement	(1,336,830)	-	(57,165)	-	(1,393,995)	-
Beginning of year - July 1	<u>7,908,835</u>	<u>5,676,066</u>	<u>9,700,764</u>	<u>10,560,965</u>	<u>17,609,599</u>	<u>16,237,031</u>
End of year - June 30	<b>\$ 11,149,603</b>	<b>\$ 9,245,665</b>	<b>\$ 10,979,579</b>	<b>\$ 9,757,929</b>	<b>\$ 22,129,182</b>	<b>\$ 19,003,594</b>

**Governmental Activities.** Governmental activities increased the County's net position by \$3,240,768. Key elements of this increase are as follows:

- Increase in property tax revenues and local option sales tax revenue
- Increase in sales and services revenue due to additional services provided

**Business-Type Activities.** Business-type activities increased the County's net position by \$1,278,815. Key elements of this decrease are as follows:

- Increase in water and sewer charges for services revenues
- Increase in capital grants and contributions

### **Financial Analysis of the County's Funds**

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

**Governmental Funds.** The focus of Northampton County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Northampton County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Northampton County. At the end of the current fiscal year, Northampton County's fund balance available in the General Fund was \$9,291,167, while total fund balance was \$12,573,754. The County currently has an available fund balance of 33.96% of General Fund expenditures, while total fund balance represents 45.96% of that same amount.

At June 30, 2015, the governmental funds of Northampton County reported a combined fund balance of \$12,439,482, a 24.8% percent increase over last year. The General Fund accounted for an increase in fund balance of \$2,586,602, while all other governmental funds combined accounted for a decrease in fund balance of \$115,525. Detailed schedules for the General Fund and each governmental fund follow the notes in this financial report.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by approximately \$1,021,380, which was 3.4% more than originally budgeted.

Restricted intergovernmental revenues being budgeted conservatively accounted for the primary difference between the originally adopted budget and the final budget.

**Proprietary Funds.** Northampton County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. The total change in net position for the enterprise funds was an increase of \$1,278,815. Other factors concerning the finances of the enterprise funds have already been addressed in the discussion of Northampton County's business-type activities.

### **Capital Asset and Debt Administration**

**Capital Assets.** Northampton County's capital assets for its governmental and business-type activities as of June 30, 2015 totaled \$43,372,792 (net of accumulated depreciation). These assets include buildings and land, equipment, vehicles, water and sewer systems, and construction in progress.

Major capital asset transactions during the year include:

- Building construction for DSS building
- Phase V Water Project

### Northampton County's Capital Assets

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Construction in progress	\$ -	\$ -	\$ 5,358,094	\$ 4,415,908	\$ 5,358,094	\$ 4,415,908
Buildings and land	22,657,709	22,657,709	2,250	2,250	22,659,959	22,659,959
Equipment	2,192,919	2,142,240	475,665	475,665	2,668,584	2,617,905
Vehicles	3,254,347	3,254,347	476,403	452,547	3,730,750	3,706,894
Distribution system	-	-	26,766,233	26,766,233	26,766,233	26,766,233
	28,104,975	28,054,296	33,078,645	32,112,603	61,183,620	60,166,899
Accumulated depreciation	(8,521,284)	(7,537,214)	(9,289,544)	(8,729,430)	(17,810,828)	(16,266,644)
Total	<u>\$ 19,583,691</u>	<u>\$ 20,517,082</u>	<u>\$ 23,789,101</u>	<u>\$ 23,383,173</u>	<u>\$ 43,372,792</u>	<u>\$ 43,900,255</u>

Additional information on the County's capital assets can be found in the notes to the basic financial statements.

**Long-Term Debt.** As of June 30, 2015, Northampton County had total debt outstanding of \$29,651,672.

### Northampton County's Outstanding Debt Notes Payable and General Obligation Bonds

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Installment notes payable	\$ 10,158,642	\$ 10,888,206	\$ 44,104	\$ 75,440	\$ 10,202,746	\$ 10,963,646
Capital leases	178,426	265,615	-	-	178,426	265,615
General obligation bonds	6,163,000	6,696,000	13,107,500	13,641,500	19,270,500	20,337,500
Total	<u>\$ 16,500,068</u>	<u>\$ 17,849,821</u>	<u>\$ 13,151,604</u>	<u>\$ 13,716,940</u>	<u>\$ 29,651,672</u>	<u>\$ 31,566,761</u>

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Northampton County is approximately \$156,200,000.

Additional information regarding Northampton County's long-term debt can be found in the Notes of this audited financial report.

### **Economic Factors and Next Year's Budgets and Rates**

The County was experiencing an unemployment rate of 8.4% at June 30, 2015. This was higher than the non-seasonally adjusted State average of 6.1%.

### **Budget Highlights for the Fiscal Year Ending June 30, 2016**

**Governmental Activities.** The General Fund operating budget reflects an increase of approximately 3.7% compared to fiscal year 2015.

**Business-Type Activities.** Solid waste budgeted expenditures are \$2,276,912 which is a decrease of 1.7% compared to fiscal year 2015. The water and sewer budgeted expenditures are \$3,158,533 which is a 3.5% increase compared to fiscal year 2015.

### **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 (including information related to the Northampton County Tourism Development Authority and the Northampton County ABC Board, the discretely presented component units) should be directed to the Director of Finance, Northampton County, PO Box 663, Jackson, North Carolina 27845. You can also call (252) 534-2501 or visit our website at [www.northamptonnc.com](http://www.northamptonnc.com) for more information.

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## NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2015

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Northampton	Northampton
	Activities	Activities		County	County
			ABC Board	Tourism	Development
				Authority	
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 11,303,370	\$ 149,367	\$ 11,452,737	\$ 98,034	\$ 22,556
Taxes receivable, net	1,383,044	-	1,383,044	-	-
Accounts receivable, net	2,451,290	843,189	3,294,479	34	-
Due from other governments	432,514	-	432,514	-	5,739
Inventories	-	-	-	125,787	-
Prepaid items	-	-	-	2,356	-
Internal balance	120,702	(120,702)	-	-	-
Cash and cash equivalents, restricted	-	260,511	260,511	-	-
Net pension asset	1,125,159	45,316	1,170,475	5,543	-
Capital assets:					
Land and construction in progress	1,700,800	5,358,094	7,058,894	-	-
Other capital assets, net	17,882,891	18,431,007	36,313,898	14,427	8,305
Total assets	36,399,770	24,966,782	61,366,552	246,181	36,600
<b>Deferred Outflows of Resources:</b>					
Pension deferrals	98,691	4,098	102,789	-	-
Contributions to pension plan in current year	779,128	32,407	811,535	4,375	-
Total deferred outflows of resources	877,819	36,505	914,324	4,375	-
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	646,294	191,705	837,999	75,341	1,247
Accrued interest payable	121,201	42,533	163,734	-	-
Payable from restricted assets	-	260,511	260,511	-	-
Current portion of compensated absences	78,969	3,111	82,080	-	-
Current portion of long-term debt	1,338,695	629,336	1,968,031	-	-
Long-term liabilities:					
Non-current portion of compensated absences	710,721	27,995	738,716	-	-
Non-current portion of long-term debt	20,513,122	12,758,070	33,271,192	-	-
Total liabilities	23,409,002	13,913,261	37,322,263	75,341	1,247
<b>Deferred Inflows of Resources:</b>					
Pension deferrals	2,652,045	110,447	2,762,492	12,109	-
Prepaid taxes	66,939	-	66,939	-	-
Total deferred inflows of resources	2,718,984	110,447	2,829,431	12,109	-
<b>Net Position:</b>					
Net investment in capital assets	9,246,623	10,637,497	19,884,120	14,827	8,305
Restricted for:					
Restricted for stabilization by State statute	3,628,715	-	3,628,715	-	5,739
Restricted - other	449,623	-	449,623	70,498	21,309
Unrestricted	(2,175,358)	342,082	(1,833,276)	77,781	-
Total net position	\$ 11,149,603	\$ 10,979,579	\$ 22,129,182	\$ 163,106	\$ 35,353

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 3,684,708	\$ 548,612	\$ 239,531	\$ -
Public safety	8,676,477	1,907,667	191,939	-
Transportation	29,000	-	47,424	-
Environmental protection	79,000	-	21,137	-
Economic and physical development	2,656,289	7,790	372,419	1,099,494
Human services	11,011,321	1,288,473	6,509,069	54,896
Cultural and recreational	514,798	12,257	48,416	-
Education	3,973,435	-	-	206,000
Interest on long-term debt	636,950	-	-	-
Total governmental activities	<u>31,261,978</u>	<u>3,764,799</u>	<u>7,429,935</u>	<u>1,360,390</u>
<b>Business-Type Activities:</b>				
Water and sewer	3,253,410	3,597,407	-	971,000
Solid waste	2,271,383	2,225,670	-	8,938
Total business-type activities	<u>5,524,793</u>	<u>5,823,077</u>	<u>-</u>	<u>979,938</u>
Total primary government	<u>\$ 36,786,771</u>	<u>\$ 9,587,876</u>	<u>\$ 7,429,935</u>	<u>\$ 2,340,328</u>
<b>Component Units:</b>				
Northampton County ABC Board	<u>\$ 979,477</u>	<u>\$ 993,974</u>	<u>\$ -</u>	<u>\$ -</u>
Northampton County Tourism Development Authority	<u>\$ 49,422</u>	<u>\$ 56,889</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Northampton County ABC Board	Northampton County Tourism Development Authority
<b>Functions/Programs:</b>					
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
General government	\$ (2,896,565)	\$ -	\$ (2,896,565)		
Public safety	(6,576,871)	-	(6,576,871)		
Transportation	18,424	-	18,424		
Environmental protection	(57,863)	-	(57,863)		
Economic and physical development	(1,176,586)	-	(1,176,586)		
Human services	(3,158,883)	-	(3,158,883)		
Cultural and recreational	(454,125)	-	(454,125)		
Education	(3,767,435)	-	(3,767,435)		
Interest on long-term debt	(636,950)	-	(636,950)		
Total governmental activities	<u>(18,706,854)</u>	<u>-</u>	<u>(18,706,854)</u>		
<b>Business-Type Activities:</b>					
Water and sewer	-	1,314,997	1,314,997		
Solid waste	-	(36,775)	(36,775)		
Total business-type activities	<u>-</u>	<u>1,278,222</u>	<u>1,278,222</u>		
Total primary government	<u>(18,706,854)</u>	<u>1,278,222</u>	<u>(17,428,632)</u>		
<b>Component Units:</b>					
Northampton County ABC Board				\$ 14,497	
Northampton County Tourism Development Authority					\$ 7,467
<b>General Revenues:</b>					
Taxes:					
Ad valorem taxes	20,014,611	-	20,014,611	-	-
Local option sales tax	1,785,871	-	1,785,871	-	-
Other taxes and licenses	133,436	-	133,436	-	-
Interest earned on investments, unrestricted	13,704	593	14,297	-	13
Total general revenues	<u>21,947,622</u>	<u>593</u>	<u>21,948,215</u>	<u>-</u>	<u>13</u>
Change in net position	<u>3,240,768</u>	<u>1,278,815</u>	<u>4,519,583</u>	<u>14,497</u>	<u>7,480</u>
<b>Net Position:</b>					
Beginning of year - July 1	9,245,665	9,757,929	19,003,594	154,475	27,873
Prior period adjustment	<u>(1,336,830)</u>	<u>(57,165)</u>	<u>(1,393,995)</u>	<u>(5,866)</u>	<u>-</u>
Beginning of year - July 1, as restated	<u>7,908,835</u>	<u>9,700,764</u>	<u>17,609,599</u>	<u>148,609</u>	<u>27,873</u>
End of year - June 30	<u>\$ 11,149,603</u>	<u>\$ 10,979,579</u>	<u>\$ 22,129,182</u>	<u>\$ 163,106</u>	<u>\$ 35,353</u>

The accompanying notes are an integral part of the financial statements.

## NORTHAMPTON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Major			Nonmajor	Total Governmental Funds
	General Fund	DSS Building Project Fund	Enviva Infrastructure Project	Other Governmental Funds	
<b>Assets:</b>					
Cash and cash equivalents	\$ 10,293,151	\$ 316,698	\$ 150,840	\$ 542,681	\$ 11,303,370
Taxes receivable, net	1,273,206	-	-	109,838	1,383,044
Accounts receivable, net	2,401,388	-	31,907	17,995	2,451,290
Due from other funds	1,603,846	-	-	296,226	1,900,072
Due from other governments	432,514	-	-	-	432,514
Total assets	<u>\$ 16,004,105</u>	<u>\$ 316,698</u>	<u>\$ 182,747</u>	<u>\$ 966,740</u>	<u>\$ 17,470,290</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 638,819	\$ -	\$ 777	\$ 6,698	\$ 646,294
Due to other funds	296,226	429,754	171,496	881,894	1,779,370
Total liabilities	<u>935,045</u>	<u>429,754</u>	<u>172,273</u>	<u>888,592</u>	<u>2,425,664</u>
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	1,273,206	-	-	109,838	1,383,044
Ambulance fees receivable	1,155,161	-	-	-	1,155,161
Prepaid taxes	66,939	-	-	-	66,939
Total deferred inflows of resources	<u>2,495,306</u>	<u>-</u>	<u>-</u>	<u>109,838</u>	<u>2,605,144</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	3,282,587	-	31,907	314,221	3,628,715
Restricted, other	206,958	-	-	242,665	449,623
Committed:					
Committed, other	312,969	-	-	184,419	497,388
Assigned:					
Assigned, other	929,435	-	-	113,966	1,043,401
Unassigned	7,841,805	(113,056)	(21,433)	(886,961)	6,820,355
Total fund balances	<u>12,573,754</u>	<u>(113,056)</u>	<u>10,474</u>	<u>(31,690)</u>	<u>12,439,482</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,004,105</u>	<u>\$ 316,698</u>	<u>\$ 182,747</u>	<u>\$ 966,740</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	19,583,691
Net pension asset	1,125,159
Contributions to pension plans in the current fiscal year are deferred	779,128
Long-term debt, accrued interest, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(22,762,708)
Pension related deferrals	(2,553,354)
Deferred inflows of resources for taxes and ambulance fees receivable	2,538,205
Net position of governmental activities (Exhibit A)	<u>\$ 11,149,603</u>

The accompanying notes are an integral part of the financial statements.

## NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Major			Nonmajor	Total Governmental Funds
	General Fund	DSS Building Project Fund	Enviva Infrastructure Project	Other Governmental Funds	
<b>Revenues:</b>					
Ad valorem taxes	\$ 19,309,105	\$ -	\$ -	\$ 716,048	\$ 20,025,153
Other taxes and licenses	1,843,434	-	-	-	1,843,434
Unrestricted intergovernmental revenues	75,873	-	-	-	75,873
Restricted intergovernmental revenues	6,958,041	34,206	302,166	1,395,003	8,689,416
Permits and fees	212,936	-	-	-	212,936
Sales and services	3,105,301	-	-	215,936	3,321,237
Interest earned on investments	13,211	93	-	400	13,704
Special project revenue	25,359	-	-	-	25,359
Miscellaneous	78,421	-	-	22,488	100,909
Total revenues	<u>31,621,681</u>	<u>34,299</u>	<u>302,166</u>	<u>2,349,875</u>	<u>34,308,021</u>
<b>Expenditures:</b>					
Current:					
General government	3,653,464	-	-	-	3,653,464
Public safety	7,501,407	-	-	747,213	8,248,620
Transportation	29,000	-	-	-	29,000
Environmental protection	79,000	-	-	-	79,000
Economic and physical development	816,464	-	301,543	1,538,816	2,656,823
Human services	10,807,615	2,235	-	-	10,809,850
Cultural and recreational	389,234	-	-	-	389,234
Education	3,759,335	-	-	214,100	3,973,435
Debt service:					
Principal repayments	309,892	-	-	1,039,861	1,349,753
Interest	11,199	-	-	636,566	647,765
Total expenditures	<u>27,356,610</u>	<u>2,235</u>	<u>301,543</u>	<u>4,176,556</u>	<u>31,836,944</u>
Revenues over (under) expenditures	<u>4,265,071</u>	<u>32,064</u>	<u>623</u>	<u>(1,826,681)</u>	<u>2,471,077</u>
<b>Other Financing Sources (Uses):</b>					
Transfers (to) from other funds	<u>(1,678,469)</u>	<u>-</u>	<u>-</u>	<u>1,678,469</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,678,469)</u>	<u>-</u>	<u>-</u>	<u>1,678,469</u>	<u>-</u>
Net change in fund balances	2,586,602	32,064	623	(148,212)	2,471,077
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>9,987,152</u>	<u>(145,120)</u>	<u>9,851</u>	<u>116,522</u>	<u>9,968,405</u>
End of year - June 30	<u>\$ 12,573,754</u>	<u>\$ (113,056)</u>	<u>\$ 10,474</u>	<u>\$ (31,690)</u>	<u>\$ 12,439,482</u>

The accompanying notes are an integral part of the financial statements.

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 2,471,077
<p>Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:</p>	
Property taxes	(10,542)
Ambulance and other miscellaneous revenues	205,267
Expenses related to accrued interest, compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	87,121
Expenses related to other post-employment benefits and net pension obligation that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(616,280)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	50,679
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(984,070)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	1,349,753
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	779,128
Pension expense	<u>(91,365)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 3,240,768</u>

*The accompanying notes are an integral part of the financial statements.*

## NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance from
	Original	Final		Final Budget Over/Under
<b>Revenues:</b>				
Ad valorem taxes	\$ 18,282,508	\$ 18,630,962	\$ 19,309,105	\$ 678,143
Other taxes and licenses	1,521,400	1,521,400	1,843,434	322,034
Unrestricted intergovernmental revenues	74,000	74,000	75,873	1,873
Restricted intergovernmental revenues	7,240,764	7,764,259	6,958,041	(806,218)
Permits and fees	185,150	186,711	212,936	26,225
Sales and services	2,770,702	2,894,440	3,105,301	210,861
Investment earnings	5,600	5,600	12,640	7,040
Special project revenue	10,000	15,804	25,359	9,555
Miscellaneous	47,720	66,048	78,421	12,373
Total revenues	<u>30,137,844</u>	<u>31,159,224</u>	<u>31,621,110</u>	<u>461,886</u>
<b>Expenditures:</b>				
General government	3,905,081	3,967,682	3,616,773	350,909
Public safety	8,265,673	8,560,133	7,501,407	1,058,726
Transportation	24,000	29,000	29,000	-
Environmental protection	79,000	79,000	79,000	-
Economic and physical development	892,933	1,250,215	816,464	433,751
Human services	11,988,536	12,445,613	10,807,615	1,637,998
Cultural and recreational	402,993	410,674	389,234	21,440
Education	3,755,000	3,768,214	3,759,335	8,879
Debt service:				
Principal repayments	314,395	309,892	309,892	-
Interest	-	11,207	11,199	8
Total expenditures	<u>29,627,611</u>	<u>30,831,630</u>	<u>27,319,919</u>	<u>3,511,711</u>
Revenues over (under) expenditures	<u>510,233</u>	<u>327,594</u>	<u>4,301,191</u>	<u>3,973,597</u>
<b>Other Financing Sources (Uses):</b>				
Transfers (to) from other funds	(1,458,469)	(1,678,469)	(1,678,469)	-
Intrafund transfers	(50,000)	(350,000)	(350,000)	-
Long-term debt issued	-	163,980	-	(163,980)
Appropriated fund balance	1,098,236	1,571,740	-	(1,571,740)
Contingency	(100,000)	(34,845)	-	34,845
Total other financing sources (uses)	<u>(510,233)</u>	<u>(327,594)</u>	<u>(2,028,469)</u>	<u>(1,700,875)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,272,722</u>	<u>\$ 2,272,722</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>9,677,720</u>	
End of year - June 30			<u>\$ 11,950,442</u>	

The accompanying notes are an integral part of the financial statements.

## NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 149,367	\$ -	\$ 149,367
Accounts receivable, net	836,171	7,018	843,189
Due from other funds	398,830	-	398,830
Restricted assets:			
Cash and cash equivalents, restricted	260,511	-	260,511
Total current assets	1,644,879	7,018	1,651,897
Non-current assets:			
Net pension asset	33,987	11,329	45,316
Land and construction in progress	5,358,094	-	5,358,094
Other capital assets, net	18,431,007	-	18,431,007
Total non-current assets	23,823,088	11,329	23,834,417
Total assets	25,467,967	18,347	25,486,314
<b>Deferred Outflows of Resources:</b>			
Pension deferrals	3,073	1,025	4,098
Contributions to pension plan in current fiscal year	24,305	8,102	32,407
Total deferred outflows of resources	27,378	9,127	36,505
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	170,042	21,663	191,705
Accrued interest payable	42,533	-	42,533
Due to other funds	-	519,532	519,532
Compensated absences - current	2,454	657	3,111
Current portion of long-term debt	629,336	-	629,336
Liabilities payable from restricted assets:			
Customer deposits	260,511	-	260,511
Total current liabilities	1,104,876	541,852	1,646,728
Non-current liabilities:			
Compensated absences - non-current	22,082	5,913	27,995
Non-current portion of long-term debt	12,522,268	-	12,522,268
Other post-employment benefits	183,461	52,341	235,802
Total non-current liabilities	12,727,811	58,254	12,786,065
Total liabilities	13,832,687	600,106	14,432,793
<b>Deferred Inflows of Resources:</b>			
Pension deferrals	82,835	27,612	110,447
<b>Net Position:</b>			
Net investment in capital assets	10,637,497	-	10,637,497
Unrestricted	942,326	(600,244)	342,082
Total net position	\$ 11,579,823	\$ (600,244)	\$ 10,979,579

The accompanying notes are an integral part of the financial statements.

## NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	
<b>Operating Revenues:</b>			
Charges for services	\$ 3,558,285	\$ 2,123,991	\$ 5,682,276
Water and sewer taps	18,400	-	18,400
White goods and tire disposal tax	-	30,468	30,468
Solid waste disposal tax	-	11,901	11,901
Other operating revenues	<u>20,722</u>	<u>59,310</u>	<u>80,032</u>
Total operating revenues	<u>3,597,407</u>	<u>2,225,670</u>	<u>5,823,077</u>
<b>Operating Expenses:</b>			
Water distribution and sewage treatment	2,132,917	-	2,132,917
Solid waste	-	2,271,383	2,271,383
Depreciation	<u>560,114</u>	<u>-</u>	<u>560,114</u>
Total operating expenses	<u>2,693,031</u>	<u>2,271,383</u>	<u>4,964,414</u>
Operating income (loss)	<u>904,376</u>	<u>(45,713)</u>	<u>858,663</u>
<b>Non-Operating Revenues (Expenses):</b>			
Grant revenue	971,000	-	971,000
Interest earned on investments	504	89	593
Interest and fees	<u>(560,379)</u>	<u>-</u>	<u>(560,379)</u>
Total non-operating revenues (expenses)	<u>411,125</u>	<u>89</u>	<u>411,214</u>
Income (loss) before capital contributions	1,315,501	(45,624)	1,269,877
Capital contributions	<u>-</u>	<u>8,938</u>	<u>8,938</u>
Change in net position	<u>1,315,501</u>	<u>(36,686)</u>	<u>1,278,815</u>
<b>Net Position:</b>			
Beginning of year - July 1	10,307,196	(549,267)	9,757,929
Restatement	<u>(42,874)</u>	<u>(14,291)</u>	<u>(57,165)</u>
Beginning of year - July 1, restated	<u>10,264,322</u>	<u>(563,558)</u>	<u>9,700,764</u>
End of year - June 30	<u>\$ 11,579,823</u>	<u>\$ (600,244)</u>	<u>\$ 10,979,579</u>

The accompanying notes are an integral part of the financial statements.

## NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 3,300,541	\$ 2,248,185	\$ 5,548,726
Cash paid for goods and services	(2,028,491)	(2,168,421)	(4,196,912)
Cash paid to employees for services	(483,144)	(126,572)	(609,716)
Net cash provided (used) by operating activities	<u>788,906</u>	<u>(46,808)</u>	<u>742,098</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Loans from (to) other funds	-	37,781	37,781
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>37,781</u>	<u>37,781</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(966,042)	-	(966,042)
Principal paid on long-term debt	(565,336)	-	(565,336)
Capital grant	971,000	-	971,000
Interest and fees	(560,379)	-	(560,379)
Capital contributions	-	8,938	8,938
Net cash provided (used) by capital and related financing activities	<u>(1,120,757)</u>	<u>8,938</u>	<u>(1,111,819)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	504	89	593
Net increase (decrease) in cash and cash equivalents	(331,347)	-	(331,347)
<b>Cash and Cash Equivalents:</b>			
Beginning of year - July 1	<u>741,225</u>	<u>-</u>	<u>741,225</u>
End of year - June 30	<u>\$ 409,878</u>	<u>\$ -</u>	<u>\$ 409,878</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 904,376	\$ (45,713)	\$ 858,663
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	560,114	-	560,114
Pension expense	2,901	967	3,868
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(310,516)	22,515	(288,001)
Increase (decrease) in accounts payable and accrued liabilities	(377,753)	(20,334)	(398,087)
(Increase) decrease in deferred outflows of resources for pensions	(24,305)	(8,102)	(32,407)
Increase (decrease) in accrued interest payable	(993)	-	(993)
Increase (decrease) in customer deposits	13,650	-	13,650
Increase (decrease) in accrued vacation pay	256	(1,350)	(1,094)
Increase (decrease) in OPEB payable	21,176	5,209	26,385
Net cash provided (used) by operating activities	<u>\$ 788,906</u>	<u>\$ (46,808)</u>	<u>\$ 742,098</u>

The accompanying notes are an integral part of the financial statements.

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 124,813
Accounts receivable	<u>561,716</u>
Total assets	<u>\$ 686,529</u>
<b>Liabilities:</b>	
Intergovernmental payable	\$ 312,042
Accounts payable	<u>374,487</u>
Total liabilities	<u>\$ 686,529</u>

*The accompanying notes are an integral part of the financial statements.*

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# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 1. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

The County, which is governed by a 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. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. The discretely presented component units presented below are reported in separate columns in the County's financial statements in order to emphasize they are legally separate from the County.

#### **Discretely Presented Component Units**

##### **Northampton County Industrial Facilities and Pollution Control Financing Authority**

Northampton County Industrial Facilities and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a five-member Board of Commissioners, all of whom are appointed by the County Commissioners. The County can remove any Commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

##### **Northampton County ABC Board**

The members of the ABC Board's governing board are appointed by the County. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at the Northampton County ABC Board, Highway 158 East, Jackson, North Carolina 27845.

##### **Northampton County Tourism Development Authority**

The Northampton County Tourism Development Authority ("Tourism Development Authority") is governed by a five-member Board appointed by the County Commissioners as Tourism Development Authority members' terms expire. The County is authorized by State statute to collect an occupancy tax up to six percent (6%) on gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp,

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

or similar place within the County. Collections are remitted to the Tourism Development Authority, less a 3% administration charge, on a monthly basis. The County is financially accountable for the Tourism Development Authority, which is reported as a discretely presented component unit separate from the financial information of the primary government. Complete financial statements for the Tourism Development Authority may be obtained from the entity's administrative offices at the Northampton County Tourism Development Authority, 100 West Jefferson Street, Jackson, North Carolina 27845.

### **B. Basis of Presentation**

*Government-Wide Statements.* The Statement of Net Position and the Statement of Activities display information about the primary government net position and its component unit. 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. Separate statements for each fund category – *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The County has the following fund categories (further divided by fund type):

### **Governmental Funds**

Governmental funds are used to account for Northampton County's general governmental activities. Governmental funds include the following fund types:

**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 Revaluation Fund and the Revolving Loan Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, these funds are consolidated in the General Fund.

**Special Revenue Funds.** Special revenue funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains four special revenue funds: Mid-Atlantic Distribution Park Fund, Emergency Telephone System Fund, Fire District Fund, and CDBG Fund.

**Capital Project Funds.** Capital project funds account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County maintains ten capital project funds: Wellness and Recreation Centers Fund, First Responder Training Center Fund, DSS Building Project Fund, Capital Reserve Fund, Ambulance Capital Reserve Fund, EDC Capital Reserve Fund, Public Schools Building Fund, EDC REEP Project Fund, Enviva Infrastructure Project, and Severn Peanut Natural Gas Project.

**Debt Service Fund.** The Debt Service Fund is used to account for all expenditures for principal and interest for all debt not accounted for in the enterprise funds. The other governmental fund types provide the resources to the Debt Service Fund to make the payments through transfers.

### **Proprietary Funds**

**Enterprise Funds.** Enterprise funds account for those operations that (a) are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The County has two enterprise funds: the Water and Sewer Fund and the Solid Waste Fund.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **Fiduciary Funds**

Fiduciary funds account for the assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds include the following funds:

**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 five agency funds: Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; Inmate Trust Fund, which accounts for funds deposited by inmates of the County's jail; Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities within the County; the Rescue Squad Fund, which accounts for rescue squad charges that are billed and collected by the County for the area rescue squads; State Fund, which accounts for interest on delinquent motor vehicles taxes which is required to be remitted to the State of North Carolina.

### **Major Funds**

The General Fund, DSS Building Project Fund, Enviva Infrastructure Project, Water and Sewer Fund, and Solid Waste Fund are considered major funds for the year ended June 30, 2015.

### **C. Measurement Focus, Basis of Accounting**

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

*Government-Wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary, 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.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Proprietary funds distinguish operating revenues and expenses from non-operating 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 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 non-operating revenues and expenses.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes 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. Grant revenues which are unearned at year-end are recorded as unearned 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 is 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.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **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, special revenue funds (excluding the CDBG Fund), certain capital project funds (capital reserve funds), and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the special revenue funds listed above, and the capital project funds, excluding the capital reserve funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, special revenue funds, enterprise funds, and at the object level for the capital project funds. The County Manager is authorized to transfer appropriations between departments within a fund up to \$5,000; however, any revisions that alter the total expenditures of any fund, or exceed \$5,000, must be approved by the governing board. During the year, several 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 Inflows and Outflows, and Fund Equity**

#### **Deposits and Investments**

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

The County's 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 value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **Cash and Cash Equivalents**

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

### **Restricted Assets**

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected totaled \$260,511 in the Water and Sewer Fund.

### **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; however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2014.

### **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.

### **Capital Assets**

The County's purchased or constructed capital assets are recorded at original cost or estimated historical cost. Donated assets are recorded at their estimated fair value at the date of donation. Certain items acquired before July 1, 1980 are recorded at an estimated original cost. The total of such estimates is not considered large enough that the errors would be material when capital assets are considered as a whole. Any interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed. Minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Northampton County Board of Education properties which have not been included in 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 after 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 Northampton County Board of Education.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings	20-75 years
Equipment	5-10 years
Vehicles	5-10 years
Water distribution system	20-50 years

### Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net 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 two items that meet this criterion - pension related deferrals and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the Statement of Net 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 several items that meet the criterion for this category - prepaid taxes, taxes receivable, ambulance fees receivable, and other pension related deferrals.

### Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

In fund financial statements, governmental fund types report the face amount of debt issued as an other financing source.

### 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 represents 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.

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**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 balance as follows:

**Non-spendable Fund Balance.** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted Fund Balance.** This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>
<i>Restricted for Stabilization by State Statute</i> - portion of fund balance that is restricted by State statute [G.S. 159-8(a)]	\$ 3,282,587	\$ 144,501	\$ 201,627
<b>Restricted - Other:</b>			
<i>Restricted for Public Safety - E911</i> - portion of fund balance that is restricted by revenue source for E911 expenditures	78,806	242,665	-
<i>Restricted for General Government</i> - portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds' office	66,238	-	-
<i>Restricted for Debt Service</i> - portion of fund balance that is restricted by lender to be maintained in fund balance	61,914	-	-
Total	<u>\$ 3,489,545</u>	<u>\$ 387,166</u>	<u>\$ 201,627</u>

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

**Committed Fund Balance** - portion of fund balance that can only be used for specific purpose imposed by majority vote of the County’s governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

	<u>General Fund</u>	<u>Capital Project Funds</u>
<i>Committed for Tax Revaluation</i> - portion of fund balance that is committed by revenue source to pay for property tax revaluation purposes	\$ 312,969	\$ -
<i>Committed for Public Safety</i> - portion of fund balance that is committed for public safety expenditures	-	756
<i>Committed for Economic and Physical Development</i> - portion of fund balance that is committed to pay for economic development expenditures	-	3,793
<i>Committed for Capital Outlay</i> - portion of fund balance that is committed for future capital expenditures	-	136,976
<i>Committed for Education</i> - portion of fund balance that is committed for education expenditures	-	42,894
<b>Total</b>	<u>\$ 312,969</u>	<u>\$ 184,419</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>
<i>Assigned for Debt Service</i> - portion of fund balance that is assigned for debt service expenditures	\$ 310,343	\$ -	\$ 66,838
 <i>Assigned for Subsequent Year's Expenditures</i> - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager to modify appropriations up to \$5,000 between departments within a fund.	 619,092	 -	 -
 <i>Assigned for Economic and Physical Development</i> - portion of fund balance that is assigned to pay for economic development expenditures	 -	 47,128	 -
 Total	 <u>\$ 929,435</u>	 <u>\$ 47,128</u>	 <u>\$ 66,838</u>

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

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

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 (Exhibit C)	\$ 12,573,754
Less:	
Stabilization by State statute	<u>(3,282,587)</u>
Available for appropriation	<u>\$ 9,291,167</u>

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, 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 the Statement of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual – General Fund to the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds

A legally budgeted Tax Revaluation Fund and Revolving Loan Fund are consolidated into the General Fund for reporting purposes on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund (Exhibit D).

Fund balance for the General Fund is reconciled as follows:

Fund balance, ending (Exhibit F)	\$ 11,950,442
<b>Revaluation Fund:</b>	
Revenues:	
Investment earnings	191
Expenditures:	
General government	(36,691)
Transfers in - General Fund	50,000
Fund balance, beginning	299,469
<b>Revolving Loan Fund:</b>	
Revenues:	
Investment earnings	380
Transfers in - General Fund	300,000
Fund balance:	
Beginning of year	9,963
End of year (Exhibit D)	<u>\$ 12,573,754</u>

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### F. Revenues, Expenditures, and Expenses

#### Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave, with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide statements.

The County's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor its component unit has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

### G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## 2. Stewardship, Compliance, and Accountability

### A. Deficit Fund Balance or Net Position of Individual Funds

The following funds had deficit fund balances/net position at June 30, 2015:

#### Special Revenue Funds:

Fire District Fund – \$4,200

CDBG Fund – \$3,599

#### Capital Project Funds:

DSS Building Project Fund – \$113,056

Wellness and Recreation Centers Capital Project Fund – \$366,452

Severn Peanut Natural Gas Project Fund – \$512,710

#### Enterprise Fund:

Solid Waste Fund – \$600,244

**Corrective Action Plan.** Deficits, caused by timing issues, will be eliminated with future revenues. Budgeted transfers will be made in a timely manner to eliminate deficit fund balances at year-end.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### B. Excess of Expenditures over Appropriations

Excess of expenditures over appropriations are in violation of State law. At June 30, 2015, several funds' expenditures exceeded appropriation. The County plans closer monitoring of the expenditure process to assure adequate appropriations prior to incurring expenditures.

	<u>Amount</u>
<b>General Fund:</b>	
Administration	\$ 4,113
Central garage	<u>9,835</u>
	<u>\$ 13,948</u>
 <b>Capital Project Funds:</b>	
DSS Building Project Fund	\$ 112,811
Public School Building Fund	<u>278,528</u>
	<u>\$ 391,339</u>

### 3. Detail Notes On All Funds

#### A. Assets

##### Deposits

All the deposits of the County are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the County's agent in the unit's name. 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 these deposits are considered to be held by the County's agent in their 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 with the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, 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.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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 County does not have a policy regarding custodial credit risk for deposits.

At June 30, 2015, the County's deposits had a carrying amount of \$4,461,758 and a bank balance of \$5,201,484. Of the bank balance, \$549,098 was covered by federal depository insurance, and \$4,652,386 was covered by collateral held under the Pooling Method.

At June 30, 2015, the County had \$1,362 cash on hand.

### Investments

At June 30, 2015, the County had \$7,374,941 invested with the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy regarding credit risk.

### Property Tax – Use-Value Assessment On Certain Land

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

<u>Tax Year</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,180,389	\$ 517,842	\$ 2,698,231
2013	2,340,236	345,185	2,685,421
2014	2,345,614	134,873	2,480,487
2015	2,354,965	135,410	2,490,375
Total	<u>\$ 9,221,204</u>	<u>\$ 1,133,310</u>	<u>\$ 10,354,514</u>

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Receivables

Receivables at Exhibit A at June 30, 2015 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 611,963	\$ 2,488,206	\$ 432,514	\$ 3,532,683
Ambulance	1,430,163	-	-	1,430,163
E911 fees	17,995	-	-	17,995
Fire district	-	109,838	-	109,838
Enviva receivables	31,907	-	-	31,907
DSS receivable	<u>634,262</u>	<u>-</u>	<u>-</u>	<u>634,262</u>
Total receivables	2,726,290	2,598,044	432,514	5,756,848
Allowance for doubtful accounts	<u>(275,000)</u>	<u>(1,215,000)</u>	<u>-</u>	<u>(1,490,000)</u>
 Total governmental activities	 <u>\$ 2,451,290</u>	 <u>\$ 1,383,044</u>	 <u>\$ 432,514</u>	 <u>\$ 4,266,848</u>
<b>Business-Type Activities:</b>				
Solid waste	\$ 850,835	\$ -	\$ -	\$ 850,835
Water and sewer	<u>836,171</u>	<u>-</u>	<u>-</u>	<u>836,171</u>
Total receivables	1,687,006	-	-	1,687,006
Allowance for doubtful accounts	<u>(843,817)</u>	<u>-</u>	<u>-</u>	<u>(843,817)</u>
 Total business-type activities	 <u>\$ 843,189</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 843,189</u>

Due from other governments consisted of the following:

Local option sales tax	\$ 305,213
Sales tax refund	<u>127,301</u>
Total	<u>\$ 432,514</u>

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Capital Assets

A summary of changes in the County's governmental capital assets follows:

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2015</u>
<b>Non-Depreciable Assets:</b>				
Land	\$ 1,700,800	\$ -	\$ -	\$ 1,700,800
<b>Depreciable Assets:</b>				
Buildings and improvements	20,956,909	-	-	20,956,909
Equipment	2,142,240	50,679	-	2,192,919
Vehicles and motor equipment	3,254,347	-	-	3,254,347
Total capital assets	<u>28,054,296</u>	<u>50,679</u>	<u>-</u>	<u>28,104,975</u>
<b>Less Accumulated Depreciation:</b>				
Buildings and improvements	(3,950,205)	(435,957)	-	(4,386,162)
Equipment	(1,349,077)	(195,881)	-	(1,544,958)
Vehicles and motor equipment	(2,237,932)	(352,232)	-	(2,590,164)
Total accumulated depreciation	<u>(7,537,214)</u>	<u>\$ (984,070)</u>	<u>\$ -</u>	<u>(8,521,284)</u>
Capital assets, net	<u>\$ 20,517,082</u>			<u>\$ 19,583,691</u>

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

#### Governmental Activities:

General government	\$ 138,715
Public safety	452,992
Economic and physical development	2,131
Human services	237,251
Cultural and recreational	152,981
Total	<u>\$ 984,070</u>

#### Business-Type Activities:

Water and sewer	\$ 560,114
Total	<u>\$ 560,114</u>

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Summary of Proprietary Capital Assets

Capital assets for the proprietary funds of the County at June 30, 2015 are as follows:

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2015</u>
<b>Water and Sewer Fund:</b>				
<b>Non-Depreciable Assets:</b>				
Construction in progress	\$ 4,415,908	\$ 942,186	\$ -	\$ 5,358,094
<b>Depreciable Assets:</b>				
Plant and distribution systems	26,766,233	-	-	26,766,233
Furniture and equipment	292,060	-	-	292,060
Vehicles	298,623	23,856	-	322,479
Total capital assets	27,356,916	966,042	-	32,738,866
<b>Less Accumulated Depreciation:</b>				
Plant and distribution systems	(7,927,320)	(536,023)	-	(8,463,343)
Furniture and equipment	(249,179)	(9,504)	-	(258,683)
Vehicles	(213,152)	(14,587)	-	(227,739)
Total accumulated depreciation	(8,389,651)	\$ (560,114)	\$ -	(8,949,765)
Total Water and Sewer Fund	\$ 18,967,265			\$ 23,789,101
 <b>Solid Waste Fund:</b>				
<b>Depreciable Assets:</b>				
Buildings	\$ 2,250	\$ -	\$ -	\$ 2,250
Furniture and equipment	183,605	-	-	183,605
Vehicles	153,924	-	-	153,924
Total capital assets	339,779	-	-	339,779
<b>Less Accumulated Depreciation:</b>				
Buildings	(2,250)	-	-	(2,250)
Furniture and equipment	(183,605)	-	-	(183,605)
Vehicles	(153,924)	-	-	(153,924)
Total accumulated depreciation	(339,779)	\$ -	\$ -	(339,779)
Total Solid Waste Fund	\$ -			\$ -

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### B. Liabilities

#### Payables

Payables at Exhibit A at June 30, 2015 were as follows:

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Trade payables	\$ 643,046	\$ 190,873	\$ 833,919
Accrued expenses and withholdings	3,248	832	4,080
Total	<u>\$ 646,294</u>	<u>\$ 191,705</u>	<u>\$ 837,999</u>

#### Pension Plan Obligations

##### Local Governmental Employees' Retirement System

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

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$810,171 for the year ended June 30, 2015.

**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, 2015, the County reported an asset of \$1,132,903 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 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, 2014, the County's proportion was .192%, which was an increase of .007% from its proportion measured as of June 30, 2013.

## NORTHAMPTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

For the year ended June 30, 2015, the County recognized pension expense of \$96,702. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 123,789
Net difference between projected and actual earnings on pension plan investments	-	2,637,372
Changes in proportion and differences between employer contributions and proportionate share of contributions	102,444	-
County contributions subsequent to the measurement date	810,171	-
Total	\$ 912,615	\$ 2,761,161

\$810,171 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2016	\$ (664,693)
2017	(664,693)
2018	(664,693)
2019	(664,638)
Total	\$ (2,658,717)

**Actuarial Assumptions.** The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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, 2014 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8%, and Inflation Protection 3.4%.

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

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

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 3,845,561	\$ (1,132,903)	\$ (5,324,608)

**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.

### **Law Enforcement Officers' Special Separation Allowance**

**Plan Description.** Northampton 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. The Separation Allowance is equal to .85% 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.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

All full-time County law officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>34</u>
Total	<u><u>36</u></u>

A separate report was not issued for the Plan.

### Summary of Significant Accounting Policies

*Basis of Accounting.* The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

*Method Used to Value Investments.* No funds are set aside to pay benefits and administration costs. These expenditures will be paid as they come due.

**Contributions.** The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefit payments 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. There were no contributions made by employees.

The annual required contribution for the current year was determined as of December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases of 4.25 - 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-employment benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar of projected payroll on a closed basis. The remaining amortization period at December 31, 2013 was 17 years.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

**Annual Pension Cost and Net Pension Obligation.** The County's annual pension costs and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$	37,693
Interest on net pension obligation		16,580
Adjustment to annual required contribution		(28,012)
Annual pension cost		26,261
Contributions made		22,229
Increase (decrease) in net pension obligation		4,032
Net pension obligation:		
Beginning of year - July 1		331,600
End of year - June 30	\$	335,632

### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 23,496	47.40%	\$ 330,480
6/30/2014	19,573	94.28%	331,600
6/30/2015	26,261	84.65%	335,632

**Funded Status and Funding Progress.** As of December 31, 2014, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$249,182. The covered payroll was \$1,257,747, and the ratio of the UAAL to the covered payroll was 19.81 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, relative to the actuarial accrued liability for benefits.

### Supplemental Retirement Income Plan for Law Enforcement Officers

**Plan Description.** The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) Plan

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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-end June 30, 2015 were \$70,898, which consisted of \$61,638 from the County and \$9,260 from the law enforcement officers.

### **Deferred Compensation Plan**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

The County complies with the laws which govern the County's Deferred Compensation Plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts which had been deferred by the plan participants were required to be reported as assets of the County. In accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", the County's Deferred Compensation Plan is no longer reported within the County's agency funds.

### **Register of Deeds' Supplemental Pension Fund**

**Plan Description.** Northampton 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](http://www.osc.nc.gov).

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

**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 \$1,364 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported an asset of \$37,572 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 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, 2014, the County's proportion was .166%, which was an increase of .008% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(1,468). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 345	\$ -
Net difference between projected and actual earnings on pension plan investments	-	202
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,129
County contributions subsequent to the measurement date	1,364	-
Total	\$ 1,709	\$ 1,331

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

\$1,364 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Amount</b>
2016	\$ (407)
2017	(407)
2018	(122)
2019	(50)
Total	<u>\$ (986)</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 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, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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, 2014 is 2.5%.

## NORTHAMPTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.** The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	<b>1% Decrease (4.75%)</b>	<b>Discount Rate (5.75%)</b>	<b>1% Increase (6.75%)</b>
County's proportionate share of the net pension liability (asset)	\$ (33,737)	\$ (37,572)	\$ (40,866)

**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.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Other Post-Employment Benefits

#### Healthcare Benefits

**Plan Description.** Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB plan). The HCB plan provides post-employment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have thirty or more years of service, with a minimum of twenty years of service with the County, or early retirement at age sixty with twenty years of service with the County. The County will pay the total cost of continued health insurance for the retiring employee up to the time the employee becomes eligible for Medicare, at which time the County will pay the premiums for the standard Medicare supplement policy as provided by the County. For employees hired on or after July 1, 2013 and forward, the County will pay 50% of the total cost of continued individual health insurance up to a maximum of \$350.00 monthly for the retiring employee until such time as the employee becomes eligible for Medicare. The County will not pay for a Medicare supplemental policy. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the HCB plan.

Membership of the HCB plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation.

Retirees receiving benefits	44
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members, general employees	263
Active plan members, law enforcement officers	<u>30</u>
Total	<u><u>337</u></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 Board of Commissioners. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 8.26% of annual covered payroll. For the current year, the County contributed \$284,811, or 2.57% of annual covered payroll. The County obtains healthcare coverage through private insurers. There were no contributions made by employees. The County's obligation to contribute to the HCB Plan is established and may be amended by the Board of Commissioners.

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

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

**Annual OPEB Cost and Net OPEB Obligation.** The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits.

Annual required contribution	\$	915,198
Interest on net OPEB obligation		184,531
Adjustment to annual required contribution		<u>(176,285)</u>
Annual OPEB cost (expense)		923,444
Contributions made		<u>(284,811)</u>
Increase (decrease) in net OPEB obligation		638,633
Net OPEB obligation:		
Beginning of year - July 1		<u>4,613,286</u>
End of year - June 30		<u><u>\$ 5,251,919</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

<b>Three-Year Trend Information</b>			
<b>Year Ended</b>	<b>Annual</b>	<b>Percentage of</b>	<b>Net</b>
<b>June 30</b>	<b>OPEB Cost</b>	<b>Annual OPEB</b>	<b>OPEB</b>
		<b>Cost Contributed</b>	<b>Obligation</b>
2013	\$ 957,899	25.87%	\$ 3,871,724
2014	959,169	22.69%	4,613,286
2015	923,444	30.84%	5,251,919

**Funded Status and Funding Progress.** As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and thus, the unfunded actuarial accrued liability (UAAL), was \$13,168,792. The covered payroll (annual payroll of active employees covered by the plan) was \$11,073,846, and the ratio of the UAAL to the covered payroll was 118.92 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing, over time, relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.50 to 5.00 percent annually. The investment rate included a 3 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of pay, on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

### **Other Employee 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. Separates rates are set for employees not engaged in law enforcement and law enforcement officers. The County considers these contributions to be immaterial.

For the fiscal year ended June 30, 2015, the County made contributions to the State for death benefits of \$0. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed as of December 31, 2010 was established. The period of reprieve is determined separately for law enforcement officers. The County will have a 3 year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

### Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
Contributions to pension plans in current fiscal year	\$ 811,535
Pension deferrals	102,789
Total	<u>\$ 914,324</u>

Deferred inflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 2,762,492
Taxes receivable, net	1,383,044
Prepaid taxes	66,939
Ambulance fees receivable, net	1,155,161
Total	<u>\$ 5,367,636</u>

### 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 two self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property insurance coverage equal to replacement cost values of owned property subject to a limit of \$250 million per occurrence; general, auto, professional, and employment practices liability coverage of \$2 million per occurrence; auto physical damage coverage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers' compensation coverage up to statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 retention up to a \$2 million limit for liability coverage, and \$1,750,000 of each loss in excess of \$250,000 per occurrence retention for property, auto physical damage. For workers compensation there is a per occurrence retention of \$750,000.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The County does not carry flood insurance through the NFIP.

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 Director of Finance is bonded for \$450,000. The Tax Collector, Sheriff, and Register of Deeds are each individually bonded for \$25,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

### Claims and Judgments

At June 30, 2015, the County was a defendant to various lawsuits. In the opinion of the County's management and the County's attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the County's financial position.

### Long-Term Obligations

#### Capital Leases

The County has entered into an agreement to lease vehicles. The lease agreements qualifies as a 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 lease inception.

An agreement was executed on February 28, 2014 for the lease of vehicles and requires three annual payments of \$91,279, beginning in 2015 and ending in 2017. Under the terms of the agreement, title passes to the County at the end of the lease term.

At June 30, 2015, the County leased equipment and vehicles valued at:

<u>Class of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles	\$ 265,615	\$ 87,189	\$ 178,426

## NORTHAMPTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30	Amount
2016	\$ 91,279
2017	91,279
Total minimum lease payments	182,558
Less: amount representing interest	4,132
Present value of the minimum lease payments	\$ 178,426

#### **Installment Notes Payable**

##### **Governmental Activities**

##### **Governmental Funds:**

\$1,474,430 USDA Rural Development loan issued March 2002; due in equal annual installments of \$94,573, including interest at 4.75%; final payment due March 2032; secured by equipment	\$ 1,081,299
\$130,570 USDA Rural Development loan issued January 2003; due in equal annual installments of \$8,135, including interest at 4.625%; final payment due January 2033; secured by equipment	93,824
\$1,800,000 note issued May 2006; due in ten (10) annual payments of \$180,000, plus interest at 3.75%; final payment due May 2016; secured by land	180,000
\$1,800,000 USDA Rural Development loan issued May 2008; due in equal annual installments of \$92,646, including interest at 4.125%; final payment due May 2048; secured by facility	1,654,151
\$90,000 USDA loan issued March 2011; due in seven (7) annual installments of \$14,995, including interest of 4.00%; final payment due March 2018; secured by equipment	41,612
\$538,128 note issued December 2012; due in three (3) annual payments of \$179,376, plus interest at 1.49%; final payment due November 2015; secured by equipment and vehicles	179,376

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

\$6,996,000 USDA loan issued April 2014; due in thirty (30) annual installments of \$402,914; including interest of 4.00%; final payment due April 2044; secured by facility	6,841,726
\$129,981 note issued June 2014; due in three (3) annual payments of \$43,327, plus interest at 1.49%; final payment due June 2017; secured by vehicles	<u>86,654</u>
Total governmental funds	<u>10,158,642</u>
<b>Business-Type Activities</b>	
<b>Proprietary Funds:</b>	
\$55,701 note issued December 2012; due in three (3) annual payments of \$18,567, plus interest at 1.49%; final payment due November 2015; secured by vehicles	18,567
\$38,306 note issued June 2014; due in three (3) annual payments of \$12,769, plus interest at 1.49%; final payment due June 2017; secured by vehicles	<u>25,537</u>
Total proprietary funds	<u>44,104</u>
Total all funds	<u>\$ 10,202,746</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

Annual debt service payments to maturity for the County's notes payable are as follows:

**Governmental Activities:**

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 616,164	\$ 410,289	\$ 1,026,453
2017	265,701	391,308	657,009
2018	231,660	381,377	613,037
2019	226,343	371,698	598,041
2020	235,827	362,215	598,042
2021 - 2025	1,335,982	1,654,227	2,990,209
2026 - 2030	1,640,766	1,349,443	2,990,209
2031 - 2035	1,697,393	992,317	2,689,710
2036 - 2040	1,831,365	646,435	2,477,800
2041 - 2045	1,823,347	247,640	2,070,987
2046 - 2048	<u>254,094</u>	<u>21,388</u>	<u>275,482</u>
Total	<u>\$ 10,158,642</u>	<u>\$ 6,828,337</u>	<u>\$ 16,986,979</u>

**Business-Type Activities:**

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 31,336	\$ 658	\$ 31,994
2017	<u>12,768</u>	<u>190</u>	<u>12,958</u>
Total	<u>\$ 44,104</u>	<u>\$ 848</u>	<u>\$ 44,952</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**General Obligation Indebtedness**

The County's general obligation bonds serviced by the General Fund are collateralized by the full faith credit and taxing power of the County. The County has \$6,163,000 of debt outstanding for the acquisition and construction of public school and community college facilities.

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

The County's general obligation bonds payable at June 30, 2015 are comprised of the following individual issues:

**General Obligation Bonds**

**Serviced by the General Fund:**

\$9,000,000 2005 General Obligation Bonds; due in annual installments of \$135,000 to \$585,000 through June 1, 2026, interest at 4.00% to 5.00%	\$ 1,755,000
\$9,363,000 Refunding Series 2013 Bonds issued August 2013; due in annual installments of \$260,000 to \$1,105,000 through June 1, 2028, interest at 2.75%; with \$4,527,000 serviced by governmental funds and \$4,836,000 serviced by the Water and Sewer Fund	<u>4,408,000</u>
Total serviced by the General Fund	<u>\$ 6,163,000</u>

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### General Obligation Bonds

#### Serviced by the Water and Sewer Fund:

\$492,000 2000 Sanitary Sewer Bond issued March 2000; due in annual installments of \$5,500 to \$22,000 through June 1, 2039; interest at 5.00%	\$ 391,500
\$2,870,000 2003 Water Bond issued September 2003; due in annual installments of \$32,000 to \$107,000 through June 1, 2043; interest at 4.25%	2,480,000
\$4,835,000 Refunding Series 2005 Water Bonds issued May 2005; due in annual installments of \$105,000 to \$290,000 through June 1, 2030; interest at 3.50% to 4.00%	1,105,000
\$430,000 Public Improvement Series 2005 Water Bonds issued May 2005; due in annual installments of \$15,000 to \$45,000 through June 1, 2025; interest at 4.00% to 5.00%	45,000
\$9,363,000 Refunding Series 2013 Bonds issued August 2013; due in annual installments of \$260,000 to \$1,105,000 through June 1, 2028, interest at 2.75%; with \$4,527,000 serviced by governmental funds and \$4,836,000 serviced by the Water and Sewer Fund	4,210,000
\$4,876,000 2014 Water Bonds issued February 2014; due in annual installments of \$55,000 to \$142,000 through June 1, 2053; interest at 4.375%	<u>4,876,000</u>
Total serviced by the Water and Sewer Fund	<u>\$ 13,107,500</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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

<b>Year Ending June 30</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2016	\$ 634,000	\$ 191,420	\$ 598,000	\$ 514,720
2017	635,000	166,672	599,000	494,187
2018	637,000	141,898	609,500	473,664
2019	621,000	117,067	611,000	451,924
2020	615,000	99,990	616,000	434,755
2021 - 2025	2,843,000	256,740	2,345,000	1,901,075
2026 - 2030	178,000	4,895	2,001,000	1,514,463
2031 - 2035	-	-	1,454,000	1,114,305
2036 - 2040	-	-	1,391,000	812,412
2041 - 2045	-	-	1,247,000	507,065
2046 - 2050	-	-	1,054,000	268,405
2051 - 2053	-	-	582,000	47,511
<b>Total</b>	<b>\$ 6,163,000</b>	<b>\$ 978,682</b>	<b>\$ 13,107,500</b>	<b>\$ 8,534,486</b>

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

At June 30, 2015, the County had a legal debt margin of approximately \$156,200,000.

### Changes in General Long-Term Debt

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2015:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 6,696,000	\$ -	\$ (533,000)	\$ 6,163,000	\$ 634,000
Installment note	10,888,206	-	(729,564)	10,158,642	616,164
Capital lease	265,615	-	(87,189)	178,426	88,531
Compensated absences	865,996	664,781	(741,087)	789,690	78,969
Net pension obligation - LEO	331,600	26,261	(22,229)	335,632	-
Net pension obligation - LGERS	2,137,291	-	(2,137,291)	-	-
Post-employment benefits	4,403,869	885,289	(273,041)	5,016,117	-
Total governmental activities	<u>\$ 25,588,577</u>	<u>\$ 1,576,331</u>	<u>\$ (4,523,401)</u>	<u>\$ 22,641,507</u>	<u>\$ 1,417,664</u>
<b>Business-Type Activities:</b>					
<b>Water and Sewer Activity:</b>					
General obligation bonds	\$ 13,641,500	\$ -	\$ (534,000)	\$ 13,107,500	\$ 598,000
Installment note	75,440	-	(31,336)	44,104	31,336
Net pension obligation - LGERS	66,790	-	(66,790)	-	-
Compensated absences	24,280	21,309	(21,053)	24,536	2,454
Post-employment benefits	162,285	30,620	(9,446)	183,459	-
Total water and sewer activity	<u>13,970,295</u>	<u>51,929</u>	<u>(662,625)</u>	<u>13,359,599</u>	<u>631,790</u>
<b>Solid Waste Activity:</b>					
Net pension obligation - LGERS	22,263	-	(22,263)	-	-
Compensated absences	7,920	7,592	(8,942)	6,570	657
Post-employment benefits	47,132	7,535	(2,324)	52,343	-
Total solid waste activity	<u>77,315</u>	<u>15,127</u>	<u>(33,529)</u>	<u>58,913</u>	<u>657</u>
Total business-type activities	<u>\$ 14,047,610</u>	<u>\$ 67,056</u>	<u>\$ (696,154)</u>	<u>\$ 13,418,512</u>	<u>\$ 632,447</u>

Net pension obligation typically has been liquidated in the General Fund. Compensated absences and post-employment benefits have been liquidated in the General Fund and enterprise funds. Compensated absences are accounted for on an FIFO basis, assuming that employees are taking leave time as it is earned. The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Net Investment in Capital Assets**

The total net investment in capital assets at June 30, 2015 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	\$ 19,583,691	\$ 23,789,101
Long-term obligations	22,641,507	13,418,512
Compensated absences	(789,690)	(31,106)
Net pension obligation	(335,632)	-
Unfunded OPEB liability	(5,016,117)	(235,802)
Long-term debt for assets not owned by the County	<u>(6,163,000)</u>	<u>-</u>
Long-term debt, net, related to capital assets	<u>10,337,068</u>	<u>13,151,604</u>
Net investment in capital assets	<u>\$ 9,246,623</u>	<u>\$ 10,637,497</u>

**Interfund Balances and Activities**

**Transfers**

	<u>Transfers</u>		
	<u>From</u>	<u>To</u>	<u>Purpose</u>
<b>Operating Transfers</b>			
<b>From/To Other Funds:</b>			
General Fund	\$ 1,678,469	\$ -	
Debt Service Fund	<u>-</u>	<u>1,678,469</u>	Debt service
Total transfers	<u>\$ 1,678,469</u>	<u>\$ 1,678,469</u>	

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Wellness/Recreation Centers Capital Project Fund	\$ 366,779	Recreation center equipment and capital improvements
General Fund	Enviva Infrastructure Project Fund	171,496	Short-term cash flows for project
General Fund	DSS Building Project Fund	429,754	Land purchase and architect fees
General Fund	CDBG Fund	2,743	For operations, cash overdrafts
General Fund	Severn Peanut Capital Project Fund	512,372	For operations, cash overdrafts
Capital Reserve Fund	General Fund	169,720	To finance future capital outlay
Emergency Telephone System Fund	General Fund	126,506	Operations
General Fund	Solid Waste Fund	120,702	For operations, cash overdrafts
Water and Sewer Fund	Solid Waste Fund	<u>398,830</u>	Operations
Total		<u>\$2,298,902</u>	

#### 4. Related Organization

The County's governing board is responsible for appointing the members of the Board of Choanoke Area Development Association, Choanoke Public Transportation Authority, Roanoke River Basin Association, and the Lake Gaston Weed Control Council, but the County's accountability for these organizations does not extend beyond making these appointments.

#### 5. Joint Ventures

The County participates in a joint venture to operate East Carolina Behavioral Health, which serves as an area mental health authority. The County appoints two of the eighteen members to the Board of the Organization. The County has an ongoing financial responsibility for the joint venture because the Organization's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Organization, so no equity interest has been reflected in the financial statements at June 30, 2015. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$81,614 to the Organization to supplement its activities. Complete financial statements for the Organization can be obtained from the Organization's office at 144 Community College Road, Ahoskie, North Carolina 27910.

The County also participates in a joint venture to operate the Albemarle Regional Library (the "Library"), which serves a four-county district. The County appoints three members to the ten-member district Library Board. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library,

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

so no equity interest has been reflected in the financial statements at June 30, 2015. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$137,809 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's office on 303 West Tyron Street, Winton, North Carolina 27986.

The County, in conjunction with the Counties of Bertie, Hertford, and Halifax, participates in a joint venture to operate the Choanoke Public Transportation Authority (the "Transportation Authority"). The County appoints three members to the Transportation Authority Board. The Transportation Authority is a joint venture established to aid citizens of the County that do not have other means of transportation. The County has an ongoing financial responsibility for the Transportation Authority because it and the other three governmental entities are legally obligated under the intergovernmental agreement that created the Transportation Authority to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County did not make any contributions to the Transportation Authority during the fiscal year ended June 30, 2015. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2015. Complete financial statements of the Transportation Authority can be obtained from the Transportation Authority's administrative offices at Choanoke Public Transportation Authority, 106 North Main Street, Rich Square, North Carolina 27869.

The County also participates in the Tri-County Airport Authority (the "Airport Authority") with two other local governments (Hertford County and Bertie County). The County appoints three members to the nine-member Board of the Airport Authority. The Airport Authority is a joint venture established to develop, maintain, operate, regulate, and improve the Airport Authority. The County has an ongoing financial responsibility for the joint venture because the Airport Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Airport Authority, so no equity interest has been reflected in the financial statements at June 30, 2015. The County appropriated \$17,000 to the Airport Authority to supplement its activities. Complete financial statements for the Tri-County Airport Authority can be obtained from the offices at 140 Tri-County Airport Road, Aulander, North Carolina 27805.

The County also participates in the Halifax-Northampton Regional Airport Authority (the "Regional Airport Authority") with two other local governments. Northampton County appoints two members to the nine-member Board of the Regional Airport Authority. The Regional Airport Authority is a joint venture established to develop, maintain, operate, regulate, and improve the Regional Airport. The County has an ongoing financial responsibility for the joint venture because the Regional Airport Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Regional Airport Authority, so no equity interest has been reflected in the financial statements at June 30, 2015. The County appropriated \$12,000 to the Regional Airport Authority to supplement its activities.

# NORTHAMPTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 6. Jointly Governed Organization

The County, in conjunction with five other counties, established the Region L Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$9,090 to the Council during the fiscal year ended June 30, 2015.

### 7. Benefit Payments Issued by the State

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

	<b>Federal</b>	<b>State</b>
Medicaid	\$ 26,736,619	\$ 15,278,173
NC Health Choice	209,010	66,344
Women, Infants, and Children	237,647	-
Temporary Assistance to Needy Families	180,578	-
Chafee Foster Care Independence Program	709	-
Foster Care	60,200	15,972
Adoption Assistance	37,406	9,889
State/County Special Assistance for Adults	-	379,323
CWS Adoption Subsidy	-	46,219
State Foster Home	-	9,610
SFHF Maximization	-	5,787
Total	\$ 27,462,169	\$ 15,811,317

### 8. Summary Disclosure of Significant Commitments and Contingencies

#### Federal and State-Assisted Programs

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

### 9. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27), in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$1,336,830 and \$57,165, respectively.

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## NORTHAMPTON COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued		Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b-a)/c]
		Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)			
12/31/2014	\$ -	\$ 249,182	\$ 249,182	0.00%	\$ 1,257,747	19.81%
12/31/2013	-	239,273	239,273	0.00%	1,171,023	20.43%
12/31/2012	-	195,724	195,724	0.00%	1,048,567	18.67%
12/31/2011	-	182,650	182,650	0.00%	1,003,678	18.20%
12/31/2010	-	172,460	172,460	0.00%	1,040,507	16.57%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2015	\$ 37,693	58.97%
2014	29,974	61.56%
2013	27,387	40.66%
2012	26,127	42.62%
2011	26,127	42.62%

## Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows:

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	5.00%
Projected salary increases *	4.25 - 7.85%
Cost-of-living adjustments	N/A

\* Includes inflation at 3.00%

## NORTHAMPTON COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS - RETIREE HEALTH PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL) Projected Unit Credit</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percent of Covered Payroll</b>
12/31/2014	\$ -	\$ 13,168,792	\$ 13,168,792	0.00%	\$ 11,073,846	118.92%
12/31/2012	-	10,052,870	10,052,870	0.00%	10,382,785	96.82%
12/31/2010	-	10,831,695	10,831,695	0.00%	9,757,690	111.01%
12/31/2008	-	10,090,152	10,090,152	0.00%	9,900,282	101.92%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Annual Required Contribution (ARC)</b>	<b>Amount Contributed By Employer</b>	<b>Percentage of ARC Contributed</b>
2015	\$ 915,198	\$ 284,811	31.12%
2014	952,248	217,607	22.85%
2013	952,248	247,837	26.03%
2012	924,513	153,943	16.65%
2011	911,676	118,284	12.97%
2010	878,724	91,684	10.43%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate	7.50% - 5.00%
Year of ultimate trend rate	2020

\* Includes inflation at 3.00%

**NORTHAMPTON COUNTY, NORTH CAROLINA****NORTHAMPTON COUNTY'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TWO FISCAL YEARS\*****Local Governmental Employees' Retirement System**

	<u>2015</u>	<u>2014</u>
Northampton County's proportion of the net pension liability (asset) (%)	0.19210%	0.18470%
Northampton County's proportion of the net pension liability (asset) (\$)	\$ (1,132,903)	\$ 2,226,344
Northampton County's covered-employee payroll	\$ 11,288,695	\$ 10,278,792
Northampton County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10.04%	21.66%
Plan fiduciary net position as a percentage of the total pension liability**	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.

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NORTHAMPTON COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TWO FISCAL YEARS**

**Local Governmental Employees' Retirement System**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 810,171	\$ 797,232
Contributions in relation to the contractually required contribution	<u>810,171</u>	<u>797,232</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Northampton County's covered-employee payroll	\$ 11,415,786	\$ 11,288,695
Contributions as a percentage of covered-employee payroll	7.10%	7.06%

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NORTHAMPTON COUNTY'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TWO FISCAL YEARS\***

**Register of Deeds' Supplemental Pension Fund**

	<u>2015</u>	<u>2014</u>
Northampton County's proportion of the net pension liability (asset) (%)	0.16600%	0.15800%
Northampton County's proportion of the net pension liability (asset) (\$)	\$ (37,572)	\$ (33,764)
Northampton County's covered-employee payroll	\$ 62,397	\$ 61,849
Northampton County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-60.21%	-54.59%
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

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

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NORTHAMPTON COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TWO FISCAL YEARS**

**Register of Deeds' Supplemental Pension Fund**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,364	\$ 1,353
Contributions in relation to the contractually required contribution	<u>1,364</u>	<u>1,353</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Northampton County's covered-employee payroll	\$ 59,455	\$ 62,397
Contributions as a percentage of covered-employee payroll	2.29%	2.17%

## NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - ACTUAL - GENERAL FUND CONSOLIDATED  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Revaluation Fund	Revolving Loan Fund	Total
<b>Revenues:</b>				
Ad valorem taxes	\$ 19,309,105	\$ -	\$ -	\$ 19,309,105
Other taxes and licenses	1,843,434	-	-	1,843,434
Unrestricted intergovernmental	75,873	-	-	75,873
Restricted intergovernmental	6,958,041	-	-	6,958,041
Permits and fees	212,936	-	-	212,936
Sales and services	3,105,301	-	-	3,105,301
Investment earnings	12,640	191	380	13,211
Special project revenue	25,359	-	-	25,359
Miscellaneous	78,421	-	-	78,421
Total revenues	<u>31,621,110</u>	<u>191</u>	<u>380</u>	<u>31,621,681</u>
<b>Expenditures:</b>				
Current:				
General government	3,616,773	36,691	-	3,653,464
Public safety	7,501,407	-	-	7,501,407
Transportation	29,000	-	-	29,000
Environmental protection	79,000	-	-	79,000
Economic and physical development	816,464	-	-	816,464
Human services	10,807,615	-	-	10,807,615
Cultural and recreational	389,234	-	-	389,234
Education	3,759,335	-	-	3,759,335
Debt service:				
Principal	309,892	-	-	309,892
Interest	11,199	-	-	11,199
Total expenditures	<u>27,319,919</u>	<u>36,691</u>	<u>-</u>	<u>27,356,610</u>
Revenues over (under) expenditures	<u>4,301,191</u>	<u>(36,500)</u>	<u>380</u>	<u>4,265,071</u>
<b>Other Financing Sources (Uses):</b>				
Transfers (to) from other funds	(1,678,469)	-	-	(1,678,469)
Intrafund transfers	(350,000)	50,000	300,000	-
Total other financing sources (uses)	<u>(2,028,469)</u>	<u>50,000</u>	<u>300,000</u>	<u>(1,678,469)</u>
Net change in fund balances	2,272,722	13,500	300,380	2,586,602
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>9,677,720</u>	<u>299,469</u>	<u>9,963</u>	<u>9,987,152</u>
End of year - June 30	<u>\$ 11,950,442</u>	<u>\$ 312,969</u>	<u>\$ 310,343</u>	<u>\$ 12,573,754</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Taxes	\$ 18,420,962	\$ 19,071,158	\$ 650,196	\$ 18,732,181
Penalties and interest	210,000	237,947	27,947	296,633
Total	<u>18,630,962</u>	<u>19,309,105</u>	<u>678,143</u>	<u>19,028,814</u>
<b>Other Taxes and Licenses:</b>				
Privilege licenses	400	1,290	890	625
Local option sales tax	1,475,000	1,785,871	310,871	1,709,365
Excise tax	35,000	47,162	12,162	44,475
Hold harmless	1,000	1,759	759	1,297
Utility franchise tax	10,000	7,352	(2,648)	9,773
Total	<u>1,521,400</u>	<u>1,843,434</u>	<u>322,034</u>	<u>1,765,535</u>
<b>Unrestricted Intergovernmental:</b>				
Beer and wine tax	62,000	71,693	9,693	67,071
Food stamp tax reimbursements	5,000	4,180	(820)	1,708
Other	7,000	-	(7,000)	-
Total	<u>74,000</u>	<u>75,873</u>	<u>1,873</u>	<u>68,779</u>
<b>Restricted Intergovernmental:</b>				
Federal and State grants	7,655,159	6,858,925	(796,234)	7,043,355
Court facility fees	25,000	23,576	(1,424)	30,648
Fines and forfeitures	80,000	71,121	(8,879)	77,214
ABC bottles taxes	4,100	4,419	319	4,341
Total	<u>7,764,259</u>	<u>6,958,041</u>	<u>(806,218)</u>	<u>7,155,558</u>
<b>Permits and Fees:</b>				
Building permits	79,650	106,763	27,113	108,364
Register of Deeds	77,000	81,831	4,831	82,142
Other fees	30,061	24,342	(5,719)	26,415
Total	<u>186,711</u>	<u>212,936</u>	<u>26,225</u>	<u>216,921</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>Sales and Services:</b>				
Court costs and fees	20,000	19,426	(574)	26,285
Jail fees	1,500	593	(907)	1,949
Ambulance and rescue squad fees	906,738	1,153,205	246,467	1,167,290
Sheriff's fees	55,000	73,646	18,646	41,268
Health department fees	1,493,020	1,293,010	(200,010)	1,419,707
Inmate housing	81,000	139,440	58,440	33,000
Wellness Center fees	10,000	12,257	2,257	12,526
Other fees	327,182	413,724	86,542	263,944
Total	<u>2,894,440</u>	<u>3,105,301</u>	<u>210,861</u>	<u>2,965,969</u>
<b>Investment Earnings</b>	<u>5,600</u>	<u>12,640</u>	<u>7,040</u>	<u>10,394</u>
<b>Special Project Revenue:</b>				
Fees and reimbursements	<u>15,804</u>	<u>25,359</u>	<u>9,555</u>	<u>30,334</u>
Total	<u>15,804</u>	<u>25,359</u>	<u>9,555</u>	<u>30,334</u>
<b>Miscellaneous:</b>				
Reimbursements	-	-	-	38,674
Miscellaneous DSS	8,914	4,350	(4,564)	5,390
Other	<u>57,134</u>	<u>74,071</u>	<u>16,937</u>	<u>90,131</u>
Total	<u>66,048</u>	<u>78,421</u>	<u>12,373</u>	<u>134,195</u>
Total revenues	<u>31,159,224</u>	<u>31,621,110</u>	<u>461,886</u>	<u>31,376,499</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Body:</b>				
Salaries and employee benefits	47,916	46,476		48,247
Other operating expenditures	<u>38,575</u>	<u>31,095</u>		<u>28,184</u>
Total	<u>86,491</u>	<u>77,571</u>	<u>8,920</u>	<u>76,431</u>
<b>Administration:</b>				
Salaries and employee benefits	209,502	142,161		181,383
Other operating expenditures	<u>18,075</u>	<u>89,529</u>		<u>16,101</u>
Total	<u>227,577</u>	<u>231,690</u>	<u>(4,113)</u>	<u>197,484</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>Human Resources:</b>				
Salaries and employee benefits	171,535	153,826		137,859
Other operating expenditures	32,077	27,959		24,967
Total	203,612	181,785	21,827	162,826
<b>Finance:</b>				
Salaries and employee benefits	421,431	417,759		398,577
Other operating expenditures	215,386	210,412		187,527
Total	636,817	628,171	8,646	586,104
<b>Hospitalization - Retirees:</b>				
Operating expenditures	245,482	236,691		217,607
Total	245,482	236,691	8,791	217,607
<b>Wellness Grant:</b>				
Other operating expenditures	7,798	3,503		-
Total	7,798	3,503	4,295	-
<b>Taxes:</b>				
Salaries and employee benefits	473,164	446,557		429,153
Other operating expenditures	152,293	83,802		132,412
Capital outlay	767	586		-
Total	626,224	530,945	95,279	561,565
<b>Land Records:</b>				
Salaries and employee benefits	153,845	150,207		152,922
Other operating expenditures	19,824	16,185		13,527
Total	173,669	166,392	7,277	166,449
<b>Census Program:</b>				
Salaries and employee benefits	39,093	-		-
Other operating expenditures	310	136		-
Total	39,403	136	39,267	-
<b>Legal:</b>				
Other operating expenditures	70,475	52,740		27,405
Total	70,475	52,740	17,735	27,405

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>Court Facilities:</b>				
Other operating expenditures	19,100	15,829		13,078
Total	19,100	15,829	3,271	13,078
<b>Elections:</b>				
Salaries and employee benefits	120,813	88,969		83,384
Other operating expenditures	69,247	64,855		65,916
Total	190,060	153,824	36,236	149,300
<b>Register of Deeds:</b>				
Salaries and employee benefits	180,992	173,142		180,074
Other operating expenditures	82,609	82,190		55,005
Total	263,601	255,332	8,269	235,079
<b>Public Buildings:</b>				
Salaries and employee benefits	338,801	330,064		341,836
Other operating expenditures	433,607	394,147		345,337
Capital outlay	26,546	26,515		-
Total	798,954	750,726	48,228	687,173
<b>Management Information Systems:</b>				
Salaries and employee benefits	69,563	53,641		54,775
Other operating expenditures	195,076	192,879		201,671
Total	264,639	246,520	18,119	256,446
<b>Central Garage:</b>				
Salaries and employee benefits	49,606	48,894		48,922
Other operating expenditures	18,783	29,330		18,444
Capital outlay	5,999	5,999		-
Total	74,388	84,223	(9,835)	67,366
<b>Central Stores:</b>				
Operating expenditures	39,392	695		34,823
Total	39,392	695	38,697	34,823
Total general government	3,967,682	3,616,773	350,909	3,439,136

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>Public Safety:</b>				
<b>Sheriff:</b>				
Salaries and employee benefits	1,889,698	1,712,594		1,699,901
Other operating expenditures	457,746	367,345		644,741
Capital outlay	25,000	20,985		-
Total	<u>2,372,444</u>	<u>2,100,924</u>	271,520	<u>2,344,642</u>
<b>Sheriff - School Resource Officer:</b>				
Salaries and employee benefits	143,091	124,951		124,204
Total	<u>143,091</u>	<u>124,951</u>	18,140	<u>124,204</u>
<b>Sheriff - Governor's Highway Safety Program:</b>				
Operating expenditures	60	60		-
Total	<u>60</u>	<u>60</u>	-	<u>-</u>
<b>Sheriff - Execution Account:</b>				
Operating expenditures	27,000	25,127		10,605
Total	<u>27,000</u>	<u>25,127</u>	1,873	<u>10,605</u>
<b>Criminal Justice Partnership Program:</b>				
Salaries and employee benefits	106,592	91,334		95,329
Other operating expenditures	88,844	27,014		44,601
Total	<u>195,436</u>	<u>118,348</u>	77,088	<u>139,930</u>
<b>Jail:</b>				
Salaries and employee benefits	913,488	852,802		897,942
Other operating expenditures	449,379	339,053		371,850
Total	<u>1,362,867</u>	<u>1,191,855</u>	171,012	<u>1,269,792</u>
<b>Emergency Communications:</b>				
Salaries and employee benefits	893,100	831,552		782,563
Other operating expenditures	32,925	21,423		17,913
Total	<u>926,025</u>	<u>852,975</u>	73,050	<u>800,476</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	<u>2015</u>		<u>Variance Over /Under</u>	<u>2014</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>911 County:</b>				
Other operating expenditures	164,300	37,779		51,968
Total	<u>164,300</u>	<u>37,779</u>	<u>126,521</u>	<u>51,968</u>
<b>Emergency Management:</b>				
Salaries and employee benefits	95,533	94,649		81,053
Other operating expenditures	76,086	41,934		58,450
Total	<u>171,619</u>	<u>136,583</u>	<u>35,036</u>	<u>139,503</u>
<b>Fire:</b>				
Assistance to local fire departments	14,500	14,500		13,650
Contribution to N.C. Forestry	90,840	87,646		87,995
Total	<u>105,340</u>	<u>102,146</u>	<u>3,194</u>	<u>101,645</u>
<b>Building Inspections:</b>				
Salaries and employee benefits	159,047	143,623		151,938
Other operating expenditures	17,803	12,405		13,076
Total	<u>176,850</u>	<u>156,028</u>	<u>20,822</u>	<u>165,014</u>
<b>Medical Examiner:</b>				
Contracted services	10,000	7,550		7,250
Total	<u>10,000</u>	<u>7,550</u>	<u>2,450</u>	<u>7,250</u>
<b>Ambulance Services:</b>				
Salaries and employee benefits	2,346,554	2,289,688		2,274,794
Other operating expenditures	440,518	269,012		423,198
Assistance to local rescue units	9,334	9,334		7,000
Total	<u>2,796,406</u>	<u>2,568,034</u>	<u>228,372</u>	<u>2,704,992</u>
<b>Animal Control:</b>				
Salaries and employee benefits	51,645	50,532		50,669
Other operating expenditures	57,050	28,515		27,489
Total	<u>108,695</u>	<u>79,047</u>	<u>29,648</u>	<u>78,158</u>
Total public safety	<u>8,560,133</u>	<u>7,501,407</u>	<u>1,058,726</u>	<u>7,938,684</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>Transportation:</b>				
Contribution to Tri-County Airport	29,000	29,000	-	24,000
Total transportation	29,000	29,000	-	24,000
<b>Environmental Protection:</b>				
Contribution to Lake Gaston weed control	75,000	75,000		50,000
Drainage and watershed protection	4,000	4,000		4,000
Total environmental protection	79,000	79,000	-	54,000
<b>Economic and Physical Development:</b>				
<b>Planning and Zoning:</b>				
Salaries and employee benefits	134,860	125,579		118,922
Other operating expenditures	42,495	17,157		9,527
Total	177,355	142,736	34,619	128,449
<b>Economic Development:</b>				
Salaries and employee benefits	157,057	154,277		155,961
Other operating expenditures	203,694	193,766		186,649
COG membership dues	9,089	9,090		9,090
Contribution to Chamber of Commerce	11,950	11,950		11,950
Contribution to CADA	5,000	5,000		6,000
Miscellaneous contributions	500	500		500
Total	387,290	374,583	12,707	370,150
<b>Economic Development Pass-Through Grants:</b>				
Operating expenditures	348,454	-		3,576
Total	348,454	-	348,454	3,576
<b>Cooperative Extension:</b>				
Salaries and employee benefits	204,203	180,010		186,843
Other operating expenditures	35,112	25,507		39,438
Total	239,315	205,517	33,798	226,281
<b>Environmental Equity Grant:</b>				
Operating expenditures	1,073	-		-
Total	1,073	-	1,073	-

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>YESS Mini-Society Grant:</b>				
Operating expenditures	2,980	1,124		-
Total	2,980	1,124	1,856	-
<b>Soil and Water Conservation:</b>				
Salaries and employee benefits	88,098	87,026		82,847
Other operating expenditures	5,650	5,478		5,862
Total	93,748	92,504	1,244	88,709
Total economic and physical development	1,250,215	816,464	85,297	817,165
<b>Human Services:</b>				
<b>Health:</b>				
Salaries and employee benefits	660,989	451,338		517,732
Other operating expenditures	129,920	93,433		127,780
Total	790,909	544,771	246,138	645,512
<b>Communicable Disease:</b>				
Salaries and employee benefits	20,768	19,062		15,909
Other operating expenditures	2,370	1,338		1,626
Total	23,138	20,400	2,738	17,535
<b>Healthy Carolinian:</b>				
Operating expenditures	300	300		-
Total	300	300	-	-
<b>Kate B. Reynolds Grant:</b>				
Salaries and employee benefits	93,061	75,508		76,595
Other operating expenditures	10,655	5,185		5,247
Capital outlay	2,500	-		-
Total	106,216	80,693	25,523	81,842
<b>Healthy Start Initiative:</b>				
Salaries and employee benefits	-	-		74,223
Other operating expenditures	11,129	10,009		24,726
Total	11,129	10,009	1,120	98,949

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>Immunization Program:</b>				
Salaries and employee benefits	8,230	8,149		7,717
Other operating expenditures	7,066	4,961		1,330
Total	15,296	13,110	2,186	9,047
<b>Restaurant Heart Health:</b>				
Operating expenditures	1,127	1,126	1	-
<b>Carolina Access III:</b>				
Salaries and employee benefits	302,573	176,393		235,628
Other operating expenditures	29,235	12,066		17,544
Total	331,808	188,459	143,349	253,172
<b>Tuberculosis Program:</b>				
Salaries and employee benefits	21,767	18,948		15,511
Other operating expenditures	12,294	5,417		3,930
Total	34,061	24,365	9,696	19,441
<b>Health - Jail Site Testing:</b>				
Salaries and employee benefits	50,089	46,971		40,211
Other operating expenditures	15,477	12,301		10,945
Total	65,566	59,272	6,294	51,156
<b>Pregnancy Care Management:</b>				
Salaries and employee benefits	59,353	56,398		68,705
Other operating expenditures	8,948	3,418		4,416
Total	68,301	59,816	8,485	73,121
<b>Mosquito Control:</b>				
Other operating expenditures	-	-		4,354
Total	-	-	-	4,354
<b>Nurse Family Partnership:</b>				
Salaries and employee benefits	337,153	277,007		303,699
Other operating expenditures	232,779	188,458		94,435
Total	569,932	465,465	104,467	398,134

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	<u>2015</u>		<u>Variance Over /Under</u>	<u>2014</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>School Nurse Program:</b>				
Salaries and employee benefits	150,000	150,000		137,568
Other operating expenditures	-	-		484
Total	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>138,052</u>
<b>Healthy Communities:</b>				
Salaries and employee benefits	15,502	14,823		5,646
Other operating expenditures	11,330	10,467		6,107
Total	<u>26,832</u>	<u>25,290</u>	<u>1,542</u>	<u>11,753</u>
<b>Health - Susan Koman:</b>				
Salaries and employee benefits	22,226	15,731		-
Other operating expenditures	2,774	1,839		3,500
Total	<u>25,000</u>	<u>17,570</u>	<u>7,430</u>	<u>3,500</u>
<b>Health - STD Prevention:</b>				
Other operating expenditures	1,050	680		-
Total	<u>1,050</u>	<u>680</u>	<u>370</u>	<u>-</u>
<b>Breast and Cervical Cancer:</b>				
Salaries and employee benefits	9,993	9,648		13,397
Other operating expenditures	24,610	20,824		21,161
Total	<u>34,603</u>	<u>30,472</u>	<u>4,131</u>	<u>34,558</u>
<b>Home Health:</b>				
Salaries and employee benefits	657,202	603,321		609,916
Other operating expenditures	576,795	338,993		319,527
Total	<u>1,233,997</u>	<u>942,314</u>	<u>291,683</u>	<u>929,443</u>
<b>School Health - Kate B. Reynolds:</b>				
Salaries and employee benefits	35,125	33,929		33,801
Other operating expenditures	4,095	2,422		3,338
Total	<u>39,220</u>	<u>36,351</u>	<u>2,869</u>	<u>37,139</u>
<b>Child Health:</b>				
Salaries and employee benefits	234,218	210,580		176,669
Other operating expenditures	28,240	19,303		22,533
Total	<u>262,458</u>	<u>229,883</u>	<u>32,575</u>	<u>199,202</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>Child Services Coordination:</b>				
Salaries and employee benefits	50,994	50,875		41,417
Other operating expenditures	7,318	7,315		4,421
Total	58,312	58,190	122	45,838
<b>Maternal Care Coordination:</b>				
Other operating expenditures	-	1		-
Total	-	1	(1)	-
<b>Maternal Child Health:</b>				
Salaries and employee benefits	148,775	56,748		42,009
Other operating expenditures	29,676	14,600		13,533
Total	178,451	71,348	107,103	55,542
<b>Family Planning:</b>				
Salaries and employee benefits	149,462	130,516		113,909
Other operating expenditures	70,630	31,752		38,668
Total	220,092	162,268	57,824	152,577
<b>Health Promotions - Clinical (Adult):</b>				
Salaries and employee benefits	12,529	12,116		4,550
Operating expenditures	4,566	3,952		2,424
Total	17,095	16,068	1,027	6,974
<b>Health-Head Start:</b>				
Salaries and employee benefits	34,640	28,573		29,542
Other operating expenditures	3,195	2,571		2,035
Total	37,835	31,144	6,691	31,577
<b>Women, Infants, and Children:</b>				
Salaries and employee benefits	119,686	114,683		141,984
Other operating expenditures	23,429	18,536		11,995
Total	143,115	133,219	9,896	153,979
<b>Peer Counseling:</b>				
Salaries and employee benefits	8,284	4,503		5,847
Other operating expenditures	2,570	1,595		1,370
Total	10,854	6,098	4,756	7,217

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>Wise Woman Project:</b>				
Salaries and employee benefits	9,617	7,998		8,542
Other operating expenditures	1,224	901		687
Total	10,841	8,899	1,942	9,229
<b>Bio-Terrorism Grant:</b>				
Salaries and employee benefits	28,837	27,595		30,229
Operating expenditures	8,101	6,196		8,226
Total	36,938	33,791	3,147	38,455
<b>Environmental Health:</b>				
Salaries and employee benefits	169,517	161,446		161,239
Other operating expenditures	20,075	8,797		9,461
Total	189,592	170,243	19,349	170,700
<b>Elderly and Handicapped:</b>				
Operating expenditures	116,318	116,217	101	120,255
<b>Home Delivered Meals:</b>				
Salaries and employee benefits	16,929	14,803		14,739
Other operating expenditures	100,593	72,527		69,212
Total	117,522	87,330	30,192	83,951
<b>Home and Community Care Block Grant:</b>				
Salaries and employee benefits	1,977	1,977		8,426
Other operating expenditures	111,906	111,906		98,610
Total	113,883	113,883	-	107,036
<b>AIDS Control:</b>				
Salaries and employee benefits	27,929	24,225		19,515
Other operating expenditures	2,085	1,109		802
Total	30,014	25,334	4,680	20,317
<b>Health - WIC Crossroads:</b>				
Other operating expenditures	1,091	496		-
Total	1,091	496	595	-
Total health	5,072,896	3,934,875	1,138,021	4,009,557

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>Mental Health:</b>				
Contribution to mental health center	81,614	81,614		81,614
Total	81,614	81,614	-	81,614
<b>Aging:</b>				
Salaries and employee benefits	49,102	46,987		52,803
Other operating expenditures	5,525	4,522		4,696
Total	54,627	51,509	3,118	57,499
<b>Veterans Assistance:</b>				
Salaries and employee benefits	39,794	33,392		30,090
Other operating expenditures	6,241	4,123		5,296
Total	46,035	37,515	8,520	35,386
<b>Community Based Alternatives:</b>				
Operating expenditures	108,811	108,360		110,200
Total	108,811	108,360	451	110,200
<b>Social Services:</b>				
<b>Administration:</b>				
Salaries and employee benefits	3,427,509	3,306,664		3,313,568
Other operating expenditures	1,561,821	1,366,937		1,294,238
Total	4,989,330	4,673,601	315,729	4,607,806
<b>Program Expenditures:</b>				
<b>Federal and State Expenditures:</b>				
AFDC - FC	109,686	109,686		62,784
Crisis fuel	133,050	126,807		139,778
Board home	23,194	23,194		6,122
Smart Start daycare	88,763	88,418		87,722
CAP/DA federal and State expenditures	71,000	58,763		59,799
Child daycare	875,822	767,912		751,510
Adoption assistance	1,250	1,215		-
Special adoption assistance	19,513	1,372		6,753
Total federal and State expenditures	1,322,278	1,177,367	144,911	1,114,468

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over /Under	2014
	Budget	Actual		Actual
<b>County Expenditures:</b>				
Foster care	57	-		-
Medicaid	400	394		506
Aid to blind	2,119	2,107		2,094
OAA/AD	387,628	387,605		419,963
AFDC - FC	26,262	26,261		13,058
General assistance	3,690	3,685		5,525
Board home	23,794	23,794		6,112
Food stamp issuances	9,846	9,772		9,544
IV-E adoption assistance	20,530	20,526		19,798
Low income energy assistance	292,696	265,700		206,950
CAP/DA	-	-		319
Other	3,000	2,930		-
Total county expenditures	<u>770,022</u>	<u>742,774</u>	<u>27,248</u>	<u>683,869</u>
Total social services	<u>7,081,630</u>	<u>6,593,742</u>	<u>487,888</u>	<u>6,406,143</u>
Total human services	<u>12,445,613</u>	<u>10,807,615</u>	<u>1,637,998</u>	<u>10,700,399</u>
<b>Cultural and Recreational:</b>				
<b>Recreation:</b>				
Salaries and employee benefits	192,001	184,767		188,942
Other operating expenditures	<u>69,209</u>	<u>55,000</u>		<u>64,720</u>
Total	<u>261,210</u>	<u>239,767</u>	<u>21,443</u>	<u>253,662</u>
<b>Libraries:</b>				
Contribution to regional library	<u>137,809</u>	<u>137,809</u>		<u>136,260</u>
Total	<u>137,809</u>	<u>137,809</u>	<u>-</u>	<u>136,260</u>
<b>Northampton Cultural Arts:</b>				
Contribution	<u>8,655</u>	<u>8,658</u>		<u>8,692</u>
Total	<u>8,655</u>	<u>8,658</u>	<u>(3)</u>	<u>8,692</u>
<b>Museums:</b>				
Contribution to museum	<u>3,000</u>	<u>3,000</u>		<u>3,000</u>
Total	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total cultural and recreational	<u>410,674</u>	<u>389,234</u>	<u>21,443</u>	<u>401,614</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	<u>2015</u>		<u>Variance Over /Under</u>	<u>2014</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Education:</b>				
Public schools - current expenses	3,300,000	3,300,000		3,161,538
Public schools - capital outlay	358,214	358,214		351,385
Public schools - fines and forfeitures	80,000	71,121		77,214
Community colleges - current	<u>30,000</u>	<u>30,000</u>		<u>24,000</u>
Total education	<u>3,768,214</u>	<u>3,759,335</u>	8,879	<u>3,614,137</u>
<b>Debt Service:</b>				
Principal retirement	309,892	309,892		7,329,854
Interest and fees	<u>11,207</u>	<u>11,199</u>		<u>8,888</u>
Total debt service	<u>321,099</u>	<u>321,091</u>	8	<u>7,338,742</u>
Total expenditures	<u>30,831,630</u>	<u>27,319,919</u>	<u>3,163,260</u>	<u>34,327,877</u>
Revenues over (under) expenditures	<u>327,594</u>	<u>4,301,191</u>	<u>3,973,597</u>	<u>(2,951,378)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds:				
Special revenue funds	-	-	-	(268,178)
Debt Service Fund	(1,678,469)	(1,678,469)	-	(1,316,972)
Intrafund transfers:				
Revaluation Fund	(50,000)	(50,000)	-	(50,000)
Revolving loan fund	(300,000)	(300,000)	-	-
Long-term debt issued	163,980	-	(163,980)	7,361,596
Appropriated fund balance	1,571,740	-	(1,571,740)	-
Contingency	<u>(34,845)</u>	<u>-</u>	<u>34,845</u>	<u>-</u>
Total other financing sources (uses)	<u>(327,594)</u>	<u>(2,028,469)</u>	<u>(1,700,875)</u>	<u>5,726,446</u>
Net change in fund balance	<u>\$ -</u>	<u>2,272,722</u>	<u>\$ 2,272,722</u>	<u>2,775,068</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>9,677,720</u>		<u>6,902,652</u>
End of year - June 30		<u>\$ 11,950,442</u>		<u>\$ 9,677,720</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## REVALUATION FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 191	\$ 191	\$ 194
<b>Expenditures:</b>				
Current:				
General government:				
Other operating expenditures	50,000	36,691	13,309	36,902
Revenues over (under) expenditures	(50,000)	(36,500)	13,500	(36,708)
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	50,000	50,000	-	50,000
Net change in fund balance	\$ -	13,500	\$ 13,500	13,292
<b>Fund Balance:</b>				
Beginning of year - July 1		299,469		286,177
End of year - June 30		\$ 312,969		\$ 299,469

## NORTHAMPTON COUNTY, NORTH CAROLINA

## REVOLVING LOAN FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 7,000	\$ 380	\$ (6,620)	\$ 10
Miscellaneous	99,000	-	(99,000)	-
Total revenues	<u>106,000</u>	<u>380</u>	<u>(105,620)</u>	<u>10</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from General Fund	585,503	300,000	(285,503)	-
Transfers from (to) other funds	(1,100,000)	-	1,100,000	-
Appropriated fund balance	<u>408,497</u>	<u>-</u>	<u>(408,497)</u>	<u>-</u>
Total other financing sources (uses)	<u>(106,000)</u>	<u>300,000</u>	<u>406,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>300,380</u>	<u>\$ 300,380</u>	<u>10</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>9,963</u>		<u>9,953</u>
End of year - June 30		<u>\$ 310,343</u>		<u>\$ 9,963</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## MAJOR CAPITAL PROJECT FUND

## DSS BUILDING PROJECT FUND

## SCHEDULE OF REVENUES AND EXPENDITURES -

## BUDGET AND ACTUAL

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Restricted intergovernmental:					
FHA grant	\$ 500,000	\$ 457,450	\$ 34,206	\$ 491,656	\$ (8,344)
Investment earnings	-	8,006	93	8,099	8,099
Total revenues	<u>500,000</u>	<u>465,456</u>	<u>34,299</u>	<u>499,755</u>	<u>(245)</u>
<b>Expenditures:</b>					
Human services:					
Land	150,000	140,359	-	140,359	9,641
DSS building	<u>7,316,000</u>	<u>7,436,217</u>	<u>2,235</u>	<u>7,438,452</u>	<u>(122,452)</u>
Total expenditures	<u>7,466,000</u>	<u>7,576,576</u>	<u>2,235</u>	<u>7,578,811</u>	<u>(112,811)</u>
Revenues over (under) expenditures	(6,966,000)	(7,111,120)	32,064	(7,079,056)	(113,056)
<b>Other Financing Sources (Uses):</b>					
Long-term debt issued	<u>6,966,000</u>	<u>6,966,000</u>	-	<u>6,966,000</u>	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (145,120)</u>	<u>\$ 32,064</u>	<u>\$ (113,056)</u>	<u>\$ (113,056)</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## MAJOR CAPITAL PROJECT FUND

## ENVIVA INFRASTRUCTURE PROJECT

## SCHEDULE OF REVENUES AND EXPENDITURES -

## BUDGET AND ACTUAL

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted intergovernmental:					
CDBG	\$ 930,000	\$ 1,046,180	\$ 226,907	\$ 1,273,087	\$ 343,087
NC Rural center	620,000	440,747	54,569	495,316	(124,684)
USDA	2,002,088	1,027,926	-	1,027,926	(974,162)
Highway Planning and Construction	-	200,000	20,690	220,690	220,690
Miscellaneous	31,000	18,910	-	18,910	(12,090)
Total revenues	<u>3,583,088</u>	<u>2,733,763</u>	<u>302,166</u>	<u>3,035,929</u>	<u>(547,159)</u>
<b>Expenditures:</b>					
Economic and physical development:					
EDA expenditures	2,002,088	1,901,960	95,543	1,997,503	4,585
CDBG expenditures	930,000	87,848	-	87,848	842,152
NC Rural center expenditures	220,000	9,500	11,000	20,500	199,500
Access road expenditures	400,000	695,859	-	695,859	(295,859)
General expenditures	31,000	28,745	195,000	223,745	(192,745)
Total expenditures	<u>3,583,088</u>	<u>2,723,912</u>	<u>301,543</u>	<u>3,025,455</u>	<u>557,633</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,851</u>	<u>\$ 623</u>	<u>\$ 10,474</u>	<u>\$ 10,474</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015

	<b>Nonmajor Governmental Funds</b>			
	<b>Special Revenue Funds</b>	<b>Capital Project Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 291,097	\$ 184,746	\$ 66,838	\$ 542,681
Taxes receivable, net	109,838	-	-	109,838
Accounts receivable, net	17,995	-	-	17,995
Due from other funds	<u>126,506</u>	<u>169,720</u>	<u>-</u>	<u>296,226</u>
Total assets	<u>\$ 545,436</u>	<u>\$ 354,466</u>	<u>\$ 66,838</u>	<u>\$ 966,740</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 6,360	\$ 338	\$ -	\$ 6,698
Due to other funds	<u>2,743</u>	<u>879,151</u>	<u>-</u>	<u>881,894</u>
Total liabilities	<u>9,103</u>	<u>879,489</u>	<u>-</u>	<u>888,592</u>
<b>Deferred Inflows of Resources:</b>				
Taxes receivable	<u>109,838</u>	<u>-</u>	<u>-</u>	<u>109,838</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by State statute	144,501	169,720	-	314,221
Restricted, other	242,665	-	-	242,665
Committed:				
Committed, other	-	184,419	-	184,419
Assigned:				
Assigned, other	47,128	-	66,838	113,966
Unassigned	<u>(7,799)</u>	<u>(879,162)</u>	<u>-</u>	<u>(886,961)</u>
Total fund balances	<u>426,495</u>	<u>(525,023)</u>	<u>66,838</u>	<u>(31,690)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 545,436</u>	<u>\$ 354,466</u>	<u>\$ 66,838</u>	<u>\$ 966,740</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Nonmajor Governmental Funds</b>			
	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Debt Service Fund</b>	<b>Total</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 716,048	\$ -	\$ -	\$ 716,048
Restricted intergovernmental	370,985	1,024,018	-	1,395,003
Sales and services	215,936	-	-	215,936
Investment earnings	291	89	20	400
Miscellaneous	22,488	-	-	22,488
Total revenues	<u>1,325,748</u>	<u>1,024,107</u>	<u>20</u>	<u>2,349,875</u>
<b>Expenditures:</b>				
Current:				
Public safety	747,213	-	-	747,213
Economic and physical development	372,637	1,166,179	-	1,538,816
Education	-	214,100	-	214,100
Debt service:				
Principal	-	-	1,039,861	1,039,861
Interest	-	-	636,566	636,566
Total expenditures	<u>1,119,850</u>	<u>1,380,279</u>	<u>1,676,427</u>	<u>4,176,556</u>
Revenues over (under) expenditures	<u>205,898</u>	<u>(356,172)</u>	<u>(1,676,407)</u>	<u>(1,826,681)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>1,678,469</u>	<u>1,678,469</u>
Net change in fund balances	205,898	(356,172)	2,062	(148,212)
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>220,597</u>	<u>(168,851)</u>	<u>64,776</u>	<u>116,522</u>
End of year - June 30	<u>\$ 426,495</u>	<u>\$ (525,023)</u>	<u>\$ 66,838</u>	<u>\$ (31,690)</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015

	<b>Mid-Atlantic Distribution Park Fund</b>	<b>Emergency Telephone System Fund</b>	<b>Fire District Fund</b>	<b>CDBG Fund</b>	<b>Total</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 47,128	\$ 243,076	\$ 893	\$ -	\$ 291,097
Accounts receivable, net	-	17,995	109,838	-	127,833
Due from other funds	-	126,506	-	-	126,506
Total assets	<u>\$ 47,128</u>	<u>\$ 387,577</u>	<u>\$ 110,731</u>	<u>\$ -</u>	<u>\$ 545,436</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 411	\$ 5,093	\$ 856	\$ 6,360
Due to other funds	-	-	-	2,743	2,743
Total liabilities	<u>-</u>	<u>411</u>	<u>5,093</u>	<u>3,599</u>	<u>9,103</u>
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	-	-	109,838	-	109,838
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>109,838</u>	<u>-</u>	<u>109,838</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	-	144,501	-	-	144,501
Restricted, other	-	242,665	-	-	242,665
Assigned:					
Assigned, other	47,128	-	-	-	47,128
Unassigned	-	-	(4,200)	(3,599)	(7,799)
Total fund balances	<u>47,128</u>	<u>387,166</u>	<u>(4,200)</u>	<u>(3,599)</u>	<u>426,495</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 47,128</u>	<u>\$ 387,577</u>	<u>\$ 110,731</u>	<u>\$ -</u>	<u>\$ 545,436</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Mid-Atlantic Distribution Park Fund</b>	<b>Emergency Telephone System Fund</b>	<b>Fire District Fund</b>	<b>CDBG Fund</b>	<b>Total</b>
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ -	\$ 716,048	\$ -	\$ 716,048
Restricted intergovernmental	-	-	-	370,985	370,985
Sales and services	-	215,936	-	-	215,936
Investment earnings	26	40	225	-	291
Miscellaneous	22,453	35	-	-	22,488
Total revenues	<u>22,479</u>	<u>216,011</u>	<u>716,273</u>	<u>370,985</u>	<u>1,325,748</u>
<b>Expenditures:</b>					
Public safety	-	32,029	715,184	-	747,213
Economic and physical development	-	-	-	372,637	372,637
Total expenditures	<u>-</u>	<u>32,029</u>	<u>715,184</u>	<u>372,637</u>	<u>1,119,850</u>
Net change in fund balances	22,479	183,982	1,089	(1,652)	205,898
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>24,649</u>	<u>203,184</u>	<u>(5,289)</u>	<u>(1,947)</u>	<u>220,597</u>
End of year - June 30	<u>\$ 47,128</u>	<u>\$ 387,166</u>	<u>\$ (4,200)</u>	<u>\$ (3,599)</u>	<u>\$ 426,495</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

**MID-ATLANTIC DISTRIBUTION PARK**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over/Under	2014
	Budget	Actual		Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 26	\$ 26	\$ 12
Miscellaneous revenue	285,664	22,453	(263,211)	18,689
Total revenues	<u>285,664</u>	<u>22,479</u>	<u>(263,185)</u>	<u>18,701</u>
<b>Expenditures:</b>				
Current:				
Economic and physical development	1,251,954	-	1,251,954	-
Total expenditures	<u>1,251,954</u>	<u>-</u>	<u>1,251,954</u>	<u>-</u>
Revenues over (under) expenditures	<u>(966,290)</u>	<u>22,479</u>	<u>988,769</u>	<u>18,701</u>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	1,200,000	-	(1,200,000)	-
Transfers in (out)	(55,000)	-	55,000	-
Transfers - Intrafund	27,000	-	(27,000)	-
Loan expenditures (closing costs)	<u>(205,710)</u>	<u>-</u>	<u>205,710</u>	<u>-</u>
Total other financing sources (uses)	<u>966,290</u>	<u>-</u>	<u>(966,290)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>22,479</u>	<u>\$ 22,479</u>	<u>18,701</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>24,649</u>		<u>5,948</u>
End of year - June 30		<u>\$ 47,128</u>		<u>\$ 24,649</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Telephone surcharge	\$ 215,936	\$ 215,936	\$ -	\$ 224,518
Investment earnings	-	40	40	169
Miscellaneous	-	35	35	124
Total revenues	<u>215,936</u>	<u>216,011</u>	<u>75</u>	<u>224,811</u>
<b>Expenditures:</b>				
Current:				
Public safety:				
Construction/capital outlay	253,597	2,171	251,426	1,202
Other expenditures	<u>179,894</u>	<u>29,858</u>	<u>150,036</u>	<u>159,395</u>
Total expenditures	<u>433,491</u>	<u>32,029</u>	<u>401,462</u>	<u>160,597</u>
Revenues over (under) expenditures	<u>(217,555)</u>	<u>183,982</u>	<u>401,537</u>	<u>64,214</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	-	-	-	261,276
Appropriated fund balance	<u>217,555</u>	<u>-</u>	<u>(217,555)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>183,982</u>	<u>\$ 183,982</u>	<u>325,490</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>203,184</u>		<u>(122,306)</u>
End of year - June 30		<u>\$ 387,166</u>		<u>\$ 203,184</u>

**PSAP RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2015**

Amounts reported on the Emergency Telephone System Fund budget to actual are different from the PSAP Revenue-Expenditure Report because:

Ending fund balance, reported on Budget-to-Actual	\$ 387,166
Cumulative prior period revenues and expenditures not reported in the fund schedule (difference in beginning fund balance - budget to actual vs. PSAP Report)	6,933
A portion of 911 revenue reported on budget to actual, not reported on PSAP Report	<u>(69)</u>
Ending balance, PSAP Revenue-Expenditure Report	<u>\$ 394,030</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## FIRE DISTRICT FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Roanoke Wildwood Fire District tax	\$ 185,523	\$ 182,041	\$ (3,482)	\$ 180,836
Garysburg Fire District tax	83,064	75,154	(7,910)	75,812
Gaston Fire District tax	213,944	215,535	1,591	190,728
Jackson Fire District tax	46,919	42,846	(4,073)	43,131
Lasker Fire District tax	27,866	26,299	(1,567)	26,485
Seaboard Fire District tax	60,300	57,107	(3,193)	57,667
Rich Square Fire District tax	68,495	63,086	(5,409)	62,532
Woodland Fire District tax	57,482	53,980	(3,502)	56,299
Refund of motor vehicle interest	-	-	-	1,506
Interest earnings	-	225	225	302
Total revenues	<u>743,593</u>	<u>716,273</u>	<u>(27,320)</u>	<u>695,298</u>
<b>Expenditures:</b>				
Current:				
Public safety:				
Roanoke Wildwood levy	185,523	181,298	4,225	182,737
Garysburg levy	83,064	75,123	7,941	76,376
Gaston levy	215,944	215,465	479	191,539
Jackson levy	44,819	42,777	2,042	43,074
Lasker levy	27,866	26,292	1,574	26,653
Seaboard Fire District levy	60,300	57,115	3,185	57,903
Rich Square levy	68,995	63,123	5,872	62,940
Woodland levy	57,082	53,991	3,091	57,033
Total expenditures	<u>743,593</u>	<u>715,184</u>	<u>28,409</u>	<u>698,255</u>
Net change in fund balance	<u>\$ -</u>	1,089	<u>\$ 1,089</u>	(2,957)
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>(5,289)</u>		<u>(2,332)</u>
End of year - June 30		<u>\$ (4,200)</u>		<u>\$ (5,289)</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## CDBG FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted intergovernmental:					
Community development	\$ 800,000	\$ 413,340	\$ 370,985	\$ 784,325	\$ (15,675)
Redevelopment assistance	2,335	14,374	-	14,374	12,039
Small Business Entrepreneurial Grant	250,000	249,000	-	249,000	(1,000)
Barrow Mill Road wastewater	600,000	-	-	-	(600,000)
Miscellaneous	20,000	100,000	-	100,000	80,000
Total revenues	<u>1,672,335</u>	<u>776,714</u>	<u>370,985</u>	<u>1,147,699</u>	<u>(524,636)</u>
<b>Expenditures:</b>					
Economic development:					
Administration	800,000	413,678	372,637	786,315	13,685
Redevelopment assistance loans	2,335	11,689	-	11,689	(9,354)
Contributions to other agencies	-	100,000	-	100,000	(100,000)
Small Business Entrepreneurial Grant	250,000	249,336	-	249,336	664
Barrow Mill Road wastewater	600,000	10,860	-	10,860	589,140
Debt service:					
Principal	20,000	100,000	-	100,000	(80,000)
Total expenditures	<u>1,672,335</u>	<u>885,563</u>	<u>372,637</u>	<u>1,258,200</u>	<u>414,135</u>
Revenues over (under) expenditures	<u>-</u>	<u>(108,849)</u>	<u>(1,652)</u>	<u>(110,501)</u>	<u>(110,501)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	6,902	-	6,902	6,902
Long-term debt issued	-	100,000	-	100,000	100,000
Total other financing sources (uses)	<u>-</u>	<u>106,902</u>	<u>-</u>	<u>106,902</u>	<u>106,902</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,947)</u>	<u>(1,652)</u>	<u>\$ (3,599)</u>	<u>\$ (3,599)</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>(1,947)</u>		
End of year, June 30			<u>\$ (3,599)</u>		

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NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015

	<u>Wellness and Recreation Centers Fund</u>	<u>First Responder Training Center Fund</u>	<u>Capital Reserve Fund</u>	<u>Ambulance Capital Reserve Fund</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 327	\$ 756	\$ -	\$ 902
Due from other funds	<u>-</u>	<u>-</u>	<u>169,720</u>	<u>-</u>
Total assets	<u>\$ 327</u>	<u>\$ 756</u>	<u>\$ 169,720</u>	<u>\$ 902</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>366,779</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>366,779</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by State statute	-	-	169,720	-
Committed:				
Committed, other	-	756	-	902
Unassigned	<u>(366,452)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(366,452)</u>	<u>756</u>	<u>169,720</u>	<u>902</u>
Total liabilities and fund balances	<u>\$ 327</u>	<u>\$ 756</u>	<u>\$ 169,720</u>	<u>\$ 902</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2015**

	<b>EDC Capital Reserve Fund</b>	<b>Public Schools Building Fund</b>	<b>EDC REEP Project Fund</b>	<b>Severn Peanut Natural Gas Project</b>	<b>Total</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 136,074	\$ 42,894	\$ 3,793	\$ -	\$ 184,746
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,720</u>
Total assets	<u>\$ 136,074</u>	<u>\$ 42,894</u>	<u>\$ 3,793</u>	<u>\$ -</u>	<u>\$ 354,466</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 338	\$ 338
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>512,372</u>	<u>879,151</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>512,710</u>	<u>879,489</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	-	-	-	-	169,720
Committed:					
Committed, other	136,074	42,894	3,793	-	184,419
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(512,710)</u>	<u>(879,162)</u>
Total fund balances	<u>136,074</u>	<u>42,894</u>	<u>3,793</u>	<u>(512,710)</u>	<u>(525,023)</u>
Total liabilities and fund balances	<u>\$ 136,074</u>	<u>\$ 42,894</u>	<u>\$ 3,793</u>	<u>\$ -</u>	<u>\$ 354,466</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Wellness and Recreation Centers Fund</u>	<u>First Responder Training Center Fund</u>	<u>Capital Reserve Fund</u>	<u>Ambulance Capital Reserve Fund</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	1
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Expenditures:</b>				
Current:				
Economic and physical development	-	-	-	-
Education	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	1
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>(366,452)</u>	<u>756</u>	<u>169,720</u>	<u>901</u>
End of year - June 30	<u>\$ (366,452)</u>	<u>\$ 756</u>	<u>\$ 169,720</u>	<u>\$ 902</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>EDC Capital Reserve Fund</b>	<b>Public Schools Building Fund</b>	<b>EDC REEP Project Fund</b>	<b>Severn Peanut Natural Gas Project</b>	<b>Total</b>
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ 206,000	\$ -	\$ 818,018	\$ 1,024,018
Investment earnings	86	-	2	-	89
Total revenues	<u>86</u>	<u>206,000</u>	<u>2</u>	<u>818,018</u>	<u>1,024,107</u>
<b>Expenditures:</b>					
Current:					
Economic and physical development	-	-	-	1,166,179	1,166,179
Education	-	214,100	-	-	214,100
Total expenditures	<u>-</u>	<u>214,100</u>	<u>-</u>	<u>1,166,179</u>	<u>1,380,279</u>
Net change in fund balances	86	(8,100)	2	(348,161)	(356,172)
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>135,988</u>	<u>50,994</u>	<u>3,791</u>	<u>(164,549)</u>	<u>(168,851)</u>
End of year - June 30	<u>\$ 136,074</u>	<u>\$ 42,894</u>	<u>\$ 3,793</u>	<u>\$ (512,710)</u>	<u>\$ (525,023)</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECT FUND  
WELLNESS AND RECREATION CENTERS  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Restricted intergovernmental:					
USDA Grant	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Other grants	599,000	599,000	-	599,000	-
Investment earnings	-	5,146	-	5,146	5,146
Miscellaneous	25,000	26,500	-	26,500	1,500
Total revenues	<u>1,124,000</u>	<u>1,130,646</u>	<u>-</u>	<u>1,130,646</u>	<u>6,646</u>
<b>Expenditures:</b>					
Human services:					
Wellness Center - capital outlay	2,300,000	2,300,000	-	2,300,000	-
Cultural and recreational:					
Recreation Center - capital outlay	<u>2,462,613</u>	<u>2,462,613</u>	<u>-</u>	<u>2,462,613</u>	<u>-</u>
Total expenditures	<u>4,762,613</u>	<u>4,762,613</u>	<u>-</u>	<u>4,762,613</u>	<u>-</u>
Revenues over (under) expenditures	<u>(3,638,613)</u>	<u>(3,631,967)</u>	<u>-</u>	<u>(3,631,967)</u>	<u>6,646</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	1,193,098	820,000	-	820,000	(373,098)
Long-term debt issued	<u>2,445,515</u>	<u>2,445,515</u>	<u>-</u>	<u>2,445,515</u>	<u>-</u>
Total other financing sources (uses)	<u>3,638,613</u>	<u>3,265,515</u>	<u>-</u>	<u>3,265,515</u>	<u>(373,098)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (366,452)</u>	<u>\$ -</u>	<u>\$ (366,452)</u>	<u>\$ (366,452)</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND  
 FIRST RESPONDER TRAINING CENTER  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 6	\$ -	\$ 6	\$ 6
Miscellaneous	<u>2,250</u>	<u>2,250</u>	<u>-</u>	<u>2,250</u>	<u>-</u>
Total revenues	<u>2,250</u>	<u>2,256</u>	<u>-</u>	<u>2,256</u>	<u>6</u>
<b>Expenditures:</b>					
Public safety:					
Capital outlay	<u>5,250</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>750</u>
Revenues over (under) expenditures	(3,000)	(2,244)	-	(2,244)	756
<b>Other Financing Sources (Uses):</b>					
Transfers in	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 756</u>	<u>\$ -</u>	<u>\$ 756</u>	<u>\$ 756</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## NONMAJOR CAPITAL PROJECT FUND

## CAPITAL RESERVE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	-	\$ -	-
<b>Fund Balance:</b>				
Beginning of year - July 1		169,720		169,720
End of year - June 30		\$ 169,720		\$ 169,720

## NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND  
 AMBULANCE CAPITAL RESERVE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2015  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 1	\$ 1	\$ 1
Revenues over (under) expenditures	-	1	1	1
Net change in fund balance	<u>\$ -</u>	1	<u>\$ 1</u>	1
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>901</u>		<u>900</u>
End of year - June 30		<u>\$ 902</u>		<u>\$ 901</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## NONMAJOR CAPITAL PROJECT FUND

## EDC CAPITAL RESERVE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 5,448	\$ 86	\$ (5,362)	\$ 91
Miscellaneous	-	-	-	5,560
Total revenues	<u>5,448</u>	<u>86</u>	<u>(5,362)</u>	<u>5,651</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	(152,718)	-	152,718	-
Intrafund transfers	(52,500)	-	52,500	-
Appropriated fund balance	<u>199,770</u>	<u>-</u>	<u>(199,770)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,448)</u>	<u>-</u>	<u>5,448</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>86</u>	<u>\$ 86</u>	<u>5,651</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>135,988</u>		<u>130,337</u>
End of year - June 30		<u>\$ 136,074</u>		<u>\$ 135,988</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND  
PUBLIC SCHOOLS BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
Restricted intergovernmental:					
State ADM funds	\$ 3,094,130	\$ 2,569,777	\$ -	\$ 2,569,777	\$ (524,353)
State lottery funds	1,615,188	1,837,988	206,000	2,043,988	428,800
Total revenues	<u>4,709,318</u>	<u>4,407,765</u>	<u>206,000</u>	<u>4,613,765</u>	<u>(95,553)</u>
<b>Expenditures:</b>					
Current:					
Education:					
Land purchase	105,000	105,000	-	105,000	-
Renovation of existing buildings	4,428,930	4,493,358	214,100	4,707,458	(278,528)
Debt service - principal	260,063	260,063	-	260,063	-
Total expenditures	<u>4,793,993</u>	<u>4,858,421</u>	<u>214,100</u>	<u>5,072,521</u>	<u>(278,528)</u>
Revenues over (under) expenditures	(84,675)	(450,656)	(8,100)	(458,756)	(374,081)
<b>Other Financing Sources (Uses):</b>					
Reimbursement from Board of Education	<u>84,675</u>	<u>501,650</u>	<u>-</u>	<u>501,650</u>	<u>416,975</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 50,994</u>	<u>(8,100)</u>	<u>\$ 42,894</u>	<u>\$ 42,894</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>50,994</u>		
End of year - June 30			<u>\$ 42,894</u>		

## NORTHAMPTON COUNTY, NORTH CAROLINA

## NONMAJOR CAPITAL PROJECT FUND

## EDC REEP PROJECT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 11	\$ 2	\$ 13	\$ 13
Miscellaneous	<u>285,580</u>	<u>65,080</u>	<u>-</u>	<u>65,080</u>	<u>(220,500)</u>
Total revenues	<u>285,580</u>	<u>65,091</u>	<u>2</u>	<u>65,093</u>	<u>(220,487)</u>
<b>Expenditures:</b>					
Current:					
Economic and physical development:					
Infrastructure	<u>285,580</u>	<u>61,300</u>	<u>-</u>	<u>61,300</u>	<u>224,280</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,791</u>	<u>\$ 2</u>	<u>\$ 3,793</u>	<u>\$ 3,793</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## NONMAJOR CAPITAL PROJECT FUND

## SEVERN PEANUT NATURAL GAS PROJECT

## SCHEDULE OF REVENUES AND EXPENDITURES -

## BUDGET AND ACTUAL

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Restricted intergovernmental:					
CDBG	\$ 630,000	\$ 311,363	\$ 318,018	\$ 629,381	\$ (619)
Industrial Development Grant	500,000	-	500,000	500,000	-
NC Rural Center Grant	420,000	-	-	-	(420,000)
Piedmont Natural Gas Grant	604,206	-	-	-	(604,206)
Total revenues	<u>2,154,206</u>	<u>311,363</u>	<u>818,018</u>	<u>1,129,381</u>	<u>(1,024,825)</u>
<b>Expenditures:</b>					
Economic and physical development:					
Piedmont natural gas expenditures	1,553,206	297,118	348,161	645,279	907,927
CDBG expenditures	101,000	36,265	318,018	354,283	(253,283)
Industrial development expenditures	500,000	142,529	500,000	642,529	(142,529)
Total expenditures	<u>2,154,206</u>	<u>475,912</u>	<u>1,166,179</u>	<u>1,642,091</u>	<u>512,115</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (164,549)</u>	<u>\$ (348,161)</u>	<u>\$ (512,710)</u>	<u>\$ (512,710)</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## NONMAJOR DEBT SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		Variance Over/Under	2014
	Budget	Actual		Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 20	\$ 20	\$ 5
<b>Expenditures:</b>				
Debt service:				
Principal retirement	1,039,861	1,039,861	-	932,582
Interest	638,608	636,566	2,042	729,857
Total expenditures	1,678,469	1,676,427	2,042	1,662,439
Revenues over (under) expenditures	(1,678,469)	(1,676,407)	2,062	(1,662,434)
<b>Other Financing Sources (Uses):</b>				
Transfers in (out):				
Special revenue funds	220,000	220,000	-	-
General Fund	1,458,469	1,458,469	-	1,316,972
Refunding bonds issued	-	-	-	4,527,000
Refunded debt service - principal	-	-	-	(4,145,000)
Total other financing sources (uses)	1,678,469	1,678,469	-	1,698,972
Net change in fund balance	\$ -	2,062	\$ 2,062	36,538
<b>Fund Balance:</b>				
Beginning of year - July 1		64,776		28,238
End of year - June 30		\$ 66,838		\$ 64,776

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**ENTERPRISE FUND - WATER AND SEWER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	<u>2015</u>		<u>2014</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Water and sewer sales	\$ 3,020,869	\$ 3,558,285	\$ 537,416	\$ 2,294,045
Water and sewer taps	20,000	18,400	(1,600)	15,000
Other operating revenues	16,884	20,722	3,838	24,852
Total operating revenues	<u>3,057,753</u>	<u>3,597,407</u>	<u>539,654</u>	<u>2,333,897</u>
<b>Non-Operating Revenues:</b>				
Interest earned on investments	-	164	164	167
Total revenues	<u>3,057,753</u>	<u>3,597,571</u>	<u>539,818</u>	<u>2,334,064</u>
<b>Expenditures:</b>				
Salaries and employee benefits	531,726	483,172	48,554	498,850
Purchased water	389,315	366,289	23,026	384,224
Sewage treatment	425,226	425,223	3	479,544
Other operating expenses	623,373	491,604	131,769	518,723
Capital outlay	23,856	23,856	-	41,108
Debt service:				
Debt principal	565,336	565,336	-	570,567
Interest and fees	522,076	559,386	(37,310)	680,230
Total expenditures	<u>3,080,908</u>	<u>2,914,866</u>	<u>166,042</u>	<u>3,173,246</u>
Revenues over (under) expenditures	<u>(23,155)</u>	<u>682,705</u>	<u>705,860</u>	<u>(839,182)</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of long-term debt	23,155	-	(23,155)	38,306
Refunding bonds issued	-	-	-	4,836,000
Refunded debt service - principal	-	-	-	(4,515,000)
Transfers in - Water and Sewer Capital Projects	-	-	-	362,302
Total other financing sources (uses)	<u>23,155</u>	<u>-</u>	<u>(23,155)</u>	<u>721,608</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 682,705</u>	<u>\$ 682,705</u>	<u>\$ (117,574)</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**ENTERPRISE FUND - WATER AND SEWER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	<u>2015</u>		<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
		<u>Variance</u>	
		<u>Over/Under</u>	
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 682,705	\$ (117,574)
Long-term debt issued		-	(38,306)
Refunding bonds issued		-	(4,836,000)
Debt principal		565,336	570,567
Refunded debt service - principal		-	4,515,000
Contributions to the pension plan in the current year		24,305	-
Pension expense		(2,901)	-
Increase in accrued interest payable		(993)	43,526
Increase in compensated absences		(256)	5,249
Increase in other post-employment benefits		(21,176)	(23,670)
Capital outlay		23,856	41,108
Depreciation		<u>(560,114)</u>	<u>(553,979)</u>
Total expenditures		<u>\$ 710,762</u>	<u>\$ (394,079)</u>
<b>Activity of Water and Sewer Capital Projects with Project-Based Budgets:</b>			
Interest income		\$ 340	\$ 676
Transfers in - Water and Sewer Capital Project		-	(362,302)
Grant revenue		971,000	-
Non capitalized capital project expense		<u>(366,601)</u>	<u>-</u>
Change in net position		<u>\$ 1,315,501</u>	<u>\$ (755,705)</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECT  
 PHASE V WATER PROJECT  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
USDA grant	\$ 971,000	\$ -	\$ 971,000	\$ 971,000	\$ -
Investment earnings	-	676	340	1,016	1,016
Total revenues	<u>971,000</u>	<u>676</u>	<u>971,340</u>	<u>972,016</u>	<u>1,016</u>
<b>Expenditures:</b>					
Legal	40,000	11,006	121	11,127	28,873
Land and right-of-way purchase	6,000	-	-	-	6,000
Capital outlay purchases	1,300,000	1,115,750	366,480	1,482,230	(182,230)
Engineering	470,412	101,605	93,128	194,733	275,679
Construction	3,776,882	3,187,547	849,058	4,036,605	(259,723)
Contingency	248,706	-	-	-	248,706
Total expenditures	<u>5,842,000</u>	<u>4,415,908</u>	<u>1,308,787</u>	<u>5,724,695</u>	<u>117,305</u>
Revenues over (under) expenditures	<u>(4,871,000)</u>	<u>(4,415,232)</u>	<u>(337,447)</u>	<u>(4,752,679)</u>	<u>118,321</u>
<b>Other Financing Sources (Uses):</b>					
Transfers out - Enterprise Fund	-	(362,302)	-	(362,302)	(362,302)
USDA long-term debt issued	4,871,000	4,876,000	-	4,876,000	5,000
Total other financing sources (uses)	<u>4,871,000</u>	<u>4,513,698</u>	<u>-</u>	<u>4,513,698</u>	<u>(357,302)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 98,466</u>	<u>\$ (337,447)</u>	<u>\$ (238,981)</u>	<u>\$ (238,981)</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - SOLID WASTE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Solid waste fees	\$ 2,228,104	\$ 2,123,991	\$ (104,113)	\$ 2,106,461
White goods and tire disposal tax	31,500	30,468	(1,032)	32,575
Solid waste disposal tax	10,000	11,901	1,901	11,335
Other operating revenues	41,850	59,310	17,460	58,661
Total operating revenues	<u>2,311,454</u>	<u>2,225,670</u>	<u>(85,784)</u>	<u>2,209,032</u>
<b>Non-Operating Revenues:</b>				
Capital contributions	6,000	8,938	2,938	26,313
Interest earned on investments	-	89	89	-
Total non-operating revenues	<u>6,000</u>	<u>9,027</u>	<u>3,027</u>	<u>26,313</u>
Total revenues	<u>2,317,454</u>	<u>2,234,697</u>	<u>(82,757)</u>	<u>2,235,345</u>
<b>Expenditures:</b>				
Salaries and employee benefits	146,550	123,296	23,254	124,176
Solid waste pickup	2,073,578	2,052,036	21,542	2,065,696
Other operating expenses	97,326	99,327	(2,001)	87,208
Total expenditures	<u>2,317,454</u>	<u>2,274,659</u>	<u>42,795</u>	<u>2,277,080</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (39,962)</u>	<u>\$ (39,962)</u>	<u>\$ (41,735)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (39,962)		\$ (41,735)
Contributions to the pension plan in the current year		8,102		-
Pension expense		(967)		-
Increase (decrease) in compensated absences		1,350		221
Increase (decrease) in other post-employment benefits		(5,209)		(5,817)
Change in net position		<u>\$ (36,686)</u>		<u>\$ (47,331)</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Social Services:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 6,036	\$ 16,061	\$ 14,852	\$ 7,245
<b>Liabilities:</b>				
Accounts payable	\$ 6,036	\$ 16,061	\$ 14,852	\$ 7,245
<b>Inmate Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 78,915	\$ 40,432	\$ 37,701	\$ 81,646
<b>Liabilities:</b>				
Accounts payable	\$ 78,915	\$ 40,432	\$ 37,701	\$ 81,646
<b>Motor Vehicle Tax:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 39,407	\$ 880,882	\$ 905,734	\$ 14,555
Accounts receivable	241,394	8,280	-	249,674
Total assets	<u>\$ 280,801</u>	<u>\$ 889,162</u>	<u>\$ 905,734</u>	<u>\$ 264,229</u>
<b>Liabilities:</b>				
Accounts payable	\$ 280,801	\$ 889,162	\$ 905,734	\$ 264,229
Total liabilities	<u>\$ 280,801</u>	<u>\$ 889,162</u>	<u>\$ 905,734</u>	<u>\$ 264,229</u>
<b>Rescue Squad:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 9,396	\$ 196,308	\$ 184,337	\$ 21,367
Accounts receivable	149,940	162,102	-	312,042
Total assets	<u>\$ 159,336</u>	<u>\$ 358,410</u>	<u>\$ 184,337</u>	<u>\$ 333,409</u>
<b>Liabilities:</b>				
Intergovernmental payable	\$ 149,940	\$ 162,102	\$ -	\$ 312,042
Accounts payable	9,396	196,308	184,337	21,367
Total liabilities	<u>\$ 159,336</u>	<u>\$ 358,410</u>	<u>\$ 184,337</u>	<u>\$ 333,409</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Totals - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 133,754	\$ 1,133,683	\$ 1,142,624	\$ 124,813
Accounts receivable	391,334	170,382	-	561,716
Total assets	<u>\$ 525,088</u>	<u>\$ 1,304,065</u>	<u>\$ 1,142,624</u>	<u>\$ 686,529</u>
<b>Liabilities:</b>				
Intergovernmental payable	\$ 149,940	\$ 162,102	\$ -	\$ 312,042
Accounts payable	375,148	1,141,963	1,142,624	374,487
Total liabilities	<u>\$ 525,088</u>	<u>\$ 1,304,065</u>	<u>\$ 1,142,624</u>	<u>\$ 686,529</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2015**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2014</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2015</u>
2014-2015	\$ -	\$ 19,233,842	\$ 18,361,685	\$ 872,157
2013-2014	1,026,381	-	473,303	553,078
2012-2013	508,203	-	162,715	345,488
2011-2012	325,920	-	85,699	240,221
2010-2011	200,299	-	39,012	161,287
2009-2010	123,662	-	20,016	103,646
2008-2009	87,228	-	9,008	78,220
2007-2008	59,154	-	5,413	53,741
2006-2007	45,882	-	3,834	42,048
2005-2006	41,154	-	2,834	38,320
2004-2005	34,554	-	34,554	-
Total	<u>\$ 2,452,437</u>	<u>\$ 19,233,842</u>	<u>\$ 19,198,073</u>	2,488,206
Less: Allowance for uncollectible accounts - General Fund				<u>(1,215,000)</u>
Ad valorem taxes receivable, net - General Fund				<u>\$ 1,273,206</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 19,309,105
Reconciling items:				
Interest collected				(237,947)
Taxes written off				34,554
Tax refunds				249,952
Miscellaneous adjustments				<u>(157,591)</u>
Total collections and credits				<u>\$ 19,198,073</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2015

	County-Wide		Total Levy		
			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	
	Property Valuation	Rate	Total Levy		
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 2,049,754,022	\$ 0.92	\$ 18,857,737	\$ 17,424,286	\$ 1,433,451
Penalties	-		74,560	74,560	-
Total	<u>2,049,754,022</u>		<u>18,932,297</u>	<u>17,498,846</u>	<u>1,433,451</u>
<b>Discoveries</b>	<u>22,088,804</u>		<u>203,217</u>	<u>203,217</u>	<u>-</u>
<b>Abatements</b>	<u>10,687,826</u>		<u>98,328</u>	<u>98,328</u>	<u>-</u>
Total property valuation	<u>\$ 2,082,530,652</u>				
<b>Net Levy</b>			19,233,842	17,800,391	1,433,451
Uncollected taxes at June 30, 2015			<u>872,157</u>	<u>867,212</u>	<u>4,945</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 18,361,685</u>	<u>\$ 16,933,179</u>	<u>\$ 1,428,506</u>
<b>Current Levy Collection Percentage</b>			<u>95.47%</u>	<u>95.13%</u>	<u>99.66%</u>

**NORTHAMPTON COUNTY, NORTH CAROLINA**

**ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2015**

**Secondary Market Disclosures:**

**Assessed Valuation:**

Assessment ratio	<u>100.00%</u>
Real property	\$ 1,767,062,842
Personal property	208,253,065
Public service companies	<u>107,214,745</u>
Total assessed valuation	<u>\$ 2,082,530,652</u>
Tax rate per \$100	<u>\$ 0.92</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 19,233,842</u>

## NORTHAMPTON COUNTY, NORTH CAROLINA

TEN LARGEST TAXPAYERS  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2014 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Enviva Pellets Northampton LLC	Pellet Manufacturing	\$ 81,796,965	3.93%
Dominion NC Power	Utility	61,203,632	2.94%
Lowes Home Center	Warehousing/distribution	43,172,631	2.07%
Smithfield Carroll's Farms	Hog processing	25,004,620	1.20%
Georgia Pacific	Chemical Manufacturing	22,175,589	1.06%
West Fraser Inc	Pulp, paper and wood products	18,390,446	0.88%
CSX	Railroad	14,326,003	0.69%
Severn Peanut	Agriculture/Nuts	14,296,092	0.69%
FIATP Timber LLC	Timber Investment	13,436,946	0.65%
North Carolina & Virginia Railroad	Railroad	<u>11,069,488</u>	<u>0.53%</u>
Total		<u>\$ 304,872,412</u>	<u>14.64%</u>