

NORTHAMPTON COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2016

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COUNTY MANAGER

Kimberly Turner

BOARD OF COUNTY COMMISSIONERS

Robert V. Carter- Chairman
Fannie P. Greene- Vice Chair

Joseph Barrett
Chester J. Deloatch, SR.
Virginia Spruill

Finance Director

Leslie Edwards

NORTHAMPTON COUNTY, NORTH CAROLINA
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FINANCIAL SECTION



INDEPENDENT AUDITORS' 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 the Northampton County, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise Northampton County basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Northampton County ABC Board, which represents 81.25%, 74.13%, and 93.73% of the assets, net position, and revenues of the aggregate discretely presented component units, respectively. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northampton County ABC Board is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Northampton County ABC Board was not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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, business-type activities, the aggregate discretely presents component units, each major fund, and the aggregate remaining fund information Northampton County, North Carolina as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement 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 on pages 4 through 11 and 49 through 54, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Northampton County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated April 27, 2018 on our consideration of Northampton County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northampton County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
April 27, 2018

Managements' 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, 2016. 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

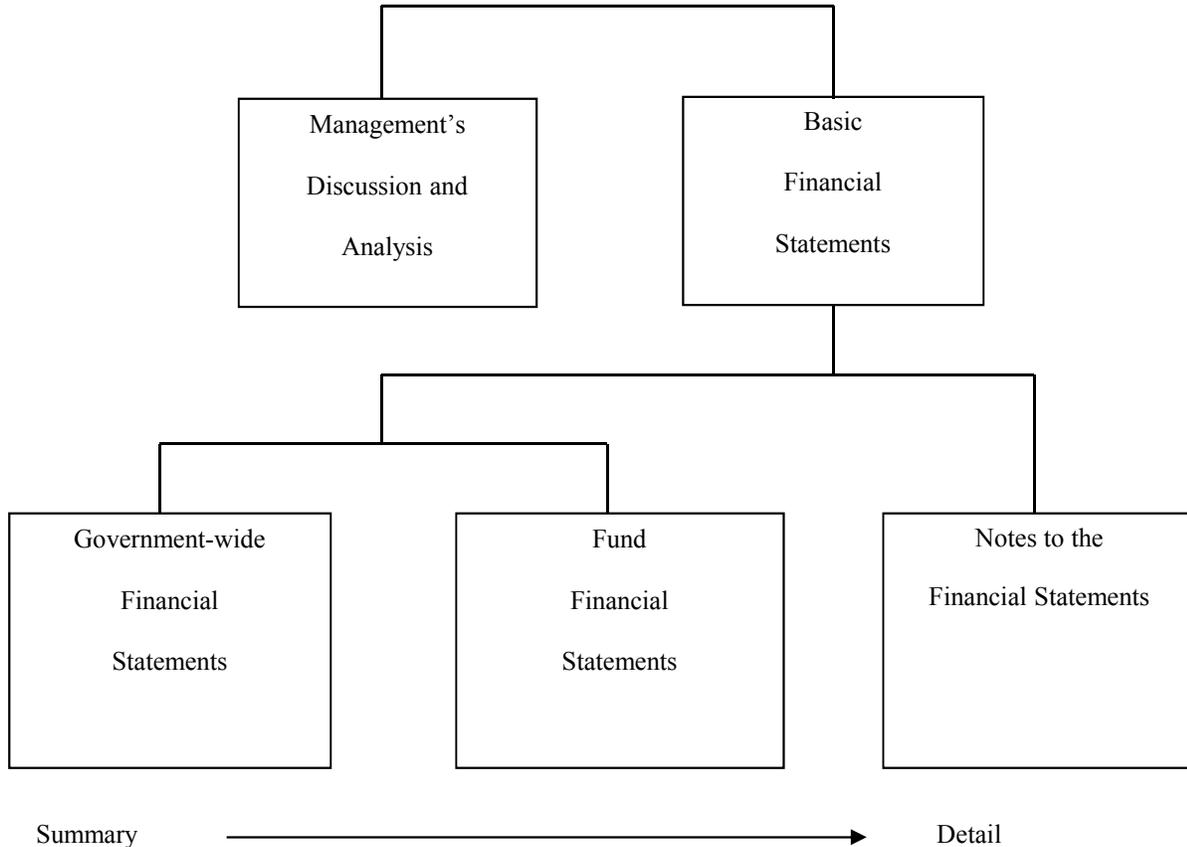
- The assets and deferred outflows of resources of Northampton County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$23,716,664 (*net position*).
- The government's total net position increased by \$1,471,541 primarily due to increased net position in both the Governmental and Business-Type Activities.
- As of the close of the current fiscal year, Northampton County's governmental funds reported combined ending fund balances of \$12,352,551, a decrease of \$268,838 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,434,617 or 19.30 percent of total general fund expenditures for the fiscal year.
- Northampton County's total general obligation and installment debt decreased by \$1,968,218 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are 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 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 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into 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 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Northampton County, like all other governmental entities, 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 government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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 funds. 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 9.

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 beginning at Exhibit A-1, directly after the notes.

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 \$23,716,664 as of June 30, 2016. The County's net position increased by \$1,471,541 for the fiscal year ended June 30, 2016. 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 need 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		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 15,869,141	\$ 16,816,079	\$ 1,413,006	\$ 1,177,681	\$ 17,282,147	\$ 17,993,760
Capital assets	19,505,655	19,583,691	23,233,443	23,789,101	42,739,098	43,372,792
Total assets	<u>35,374,796</u>	<u>36,399,770</u>	<u>24,646,449</u>	<u>24,966,782</u>	<u>60,021,245</u>	<u>61,366,552</u>
Total deferred outflows of resources	<u>827,642</u>	<u>877,819</u>	<u>34,279</u>	<u>36,505</u>	<u>861,921</u>	<u>914,324</u>
Current liabilities outstanding	1,329,336	2,185,159	951,105	1,127,196	2,280,441	3,312,355
Long-term liabilities outstanding	22,048,213	21,223,843	12,239,120	12,786,065	34,287,333	34,009,908
Total liabilities	<u>23,377,549</u>	<u>23,409,002</u>	<u>13,190,225</u>	<u>13,913,261</u>	<u>36,567,774</u>	<u>37,322,263</u>
Total deferred inflows of resources	<u>581,153</u>	<u>2,718,984</u>	<u>17,575</u>	<u>110,447</u>	<u>598,728</u>	<u>2,829,431</u>
Net position:						
Net investment in capital assets	9,873,469	9,246,623	10,711,175	10,637,497	20,584,644	19,884,120
Restricted	2,326,179	4,078,338	-	-	2,326,179	4,078,338
Unrestricted	44,088	(2,175,358)	761,753	342,082	805,841	(1,833,276)
Total net position	<u>\$ 12,243,736</u>	<u>\$ 11,149,603</u>	<u>\$ 11,472,928</u>	<u>\$ 10,979,579</u>	<u>\$ 23,716,664</u>	<u>\$ 22,129,182</u>

Several particular aspects of the County’s financial operations contributed to the increase in the total unrestricted governmental net position:

- Decrease in overall expenditures in Business-Type Activities
- Year-end pension entry

NORTHAMPTON COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 4,139,221	\$ 3,764,799	\$ 5,351,682	\$ 5,823,077	\$ 9,490,903	\$ 9,587,876
Operating grants and contributions	9,457,492	7,429,935	40,222	-	9,497,714	7,429,935
Capital grants and contributions	75,000	1,360,390	-	979,938	75,000	2,340,328
General revenues:						
Property taxes	18,594,014	20,014,611	-	-	18,594,014	20,014,611
Other taxes	1,978,358	1,919,307	-	-	1,978,358	1,919,307
Other	226,172	13,704	394	593	226,566	14,297
Total revenues	<u>34,470,257</u>	<u>34,502,746</u>	<u>5,392,298</u>	<u>6,803,608</u>	<u>39,862,555</u>	<u>41,306,354</u>
Expenses:						
General government	3,696,400	3,684,708	-	-	3,696,400	3,684,708
Public safety	9,497,542	8,676,447	-	-	9,497,542	8,676,447
Transportation	26,500	29,000	-	-	26,500	29,000
Environmental protection	80,000	79,000	-	-	80,000	79,000
Economic and physical development	977,671	2,656,289	-	-	977,671	2,656,289
Human services	13,328,700	11,011,321	-	-	13,328,700	11,011,321
Cultural and recreation	547,123	514,798	-	-	547,123	514,798
Education	4,379,552	3,973,435	-	-	4,379,552	3,973,435
Interest and fees	570,297	636,950	-	-	570,297	636,950
Water and sewer	-	-	3,067,271	3,253,410	3,067,271	3,253,410
Solid waste	-	-	2,219,958	2,271,383	2,219,958	2,271,383
Total expenses	<u>33,103,785</u>	<u>31,261,948</u>	<u>5,287,229</u>	<u>5,524,793</u>	<u>38,391,014</u>	<u>36,786,741</u>
Increase in net position before transfers	1,366,472	3,240,798	105,069	1,278,815	1,471,541	4,519,613
Transfers	(600,244)		600,244		-	-
Change in net position	<u>766,228</u>	<u>3,240,798</u>	<u>705,313</u>	<u>1,278,815</u>	<u>1,471,541</u>	<u>4,519,613</u>
Beginning of year - July 1, as previously stated	11,149,633	9,245,665	10,979,579	9,757,929	22,129,212	19,003,594
Prior Period Adjustments	327,905	(1,336,830)	(211,964)	(57,165)	115,941	(1,393,995)
Beginning of year - July 1	<u>11,477,538</u>	<u>7,908,835</u>	<u>10,767,615</u>	<u>9,700,764</u>	<u>22,245,153</u>	<u>17,609,599</u>
Net position, ending	<u>\$ 12,243,766</u>	<u>\$ 11,149,633</u>	<u>\$ 11,472,928</u>	<u>\$ 10,979,579</u>	<u>\$ 23,716,694</u>	<u>\$ 22,129,212</u>

Governmental activities. Governmental activities increased the County’s net position by \$766,228. Key elements of this increase are as follows:

- Increase in local option sales tax revenue
- Increase in sales and service revenue due to additional service provided

Business-type activities. Business-type activities increased Northampton County’s net position by \$705,313. Key elements of this increase are as follows:

- Decrease in water and sewer and solid waste expenses

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 \$10,121,930, while total fund balance reached \$11,981,381. The County currently has an available fund balance of 30.35 percent of total General Fund expenditures, while total fund balance represents 35.93 percent of that same amount.

At June 30, 2016, the governmental funds of Northampton County reported a combined fund balance of \$12,352,551, a 10.79% percent increase from the previous year. The General Fund accounted for a decrease in fund balance of \$774,280, while all other governmental funds combined accounted for an increase in fund balance of \$505,442. 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 \$2,587,121, which was 7.51 percent more than originally budgeted.

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 these funds was an increase of \$705,313. Other factors concerning the finances of these 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, 2016, totals \$42,739,098 (net of accumulated depreciation). These assets include building and land, equipment, vehicles, water and sewer systems, and construction in progress.

Major capital asset transactions during the year include:

- Purchased new vehicles for Sheriff's Department
- Improvements at EMS center
- Construction of distribution lines to the County's Water & Sewer Districts

NORTHAMPTON COUNTY'S CAPITAL ASSETS

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,700,800	\$ 1,700,800	\$ -	\$ -	\$ 1,700,800	\$ 1,700,800
Construction in Progress	364,992	-	5,364,051	5,358,094	5,729,043	5,358,094
Buildings and improvements	16,136,583	16,570,747	-	-	16,136,583	16,570,747
Vehicles	813,359	664,183	76,177	94,740	889,536	758,923
Furniture, fixtures and equipment	489,921	647,961	26,348	33,377	516,269	681,338
Distributions systems	-	-	17,766,867	18,302,890	17,766,867	18,302,890
Total	\$ 19,505,655	\$ 19,583,691	\$ 23,233,443	\$ 23,789,101	\$ 42,739,098	\$ 43,372,792

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

Long-term Debt. As of June 30, 2016, Northampton County had total bonded debt outstanding of \$27,683,454.

NORTHAMPTON COUNTY'S OUTSTANDING DEBT

Notes Payable and General Obligation Bonds

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Installment notes payable	\$ 9,542,291	\$ 10,158,642	\$ 12,768	\$ 44,104	\$ 9,555,059	\$ 10,202,746
Capital leases	89,895	178,426	-	-	89,895	178,426
General obligation bonds	5,529,000	6,163,000	12,509,500	13,107,500	18,038,500	19,270,500
Total	\$ 15,161,186	\$ 16,500,068	\$ 12,522,268	\$ 13,151,604	\$ 27,683,454	\$ 29,651,672

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 \$140,989,336.

Additional information regarding Northampton County's long-term debt can be found in the notes to the financial statements under Section B.

Economic Factors and Next Year's Budgets and Rates

The County was experiencing an unemployment rate of 7.3% at June 30, 2016. This was higher than the non-seasonally adjusted State average of 5.2%.

Budget Highlights for Fiscal Year Ending June 30, 2017

Governmental Activities. The general fund operating budget reflects an increase of approximately 5.58% compared to fiscal year 2016.

Business Type Activities. Solid waste budgeted expenditures are \$2,318,222 which is a decrease of 1.8% compared to fiscal year 2016. The water and sewer budgeted expenditures are \$3,213,096 which is a 1.7% increase compared to fiscal year 2016.

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 for more information.

**BASIC
FINANCIAL STATEMENTS**

Northampton County, North Carolina
Statement of Net Position
June 30, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Northampton County Tourism Development Authority	Northampton County ABC Board
ASSETS					
Current:					
Cash and cash equivalents	\$ 11,017,547	\$ 470,851	\$ 11,488,398	\$ 51,338	\$ 134,314
Taxes receivable (net)	1,710,032	-	1,710,032	-	-
Accounts receivables (net)	2,573,990	553,824	3,127,814	4,333	-
Due from other governments	528,072	-	528,072	-	117,594
Inventories	-	-	-	-	-
Prepaid items	-	-	-	-	2,013
Internal balance	-	-	-	-	-
Cash and cash equivalents, restricted	-	388,331	388,331	-	-
Net pension assets	39,500	-	39,500	-	-
Capital assets:			-		-
Land, improvements, and construction in progress	2,065,792	5,364,051	7,429,843	-	-
Other capital assets, net of depreciation	17,439,863	17,869,392	35,309,255	6,229	13,066
Total assets	<u>35,374,796</u>	<u>24,646,449</u>	<u>60,021,245</u>	<u>61,900</u>	<u>266,987</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	75,851	3,071	78,922	-	-
Contributions to pension plan in current year	751,791	31,208	782,999	-	1,256
Total Deferred outflows of Resources	<u>827,642</u>	<u>34,279</u>	<u>861,921</u>	<u>-</u>	<u>1,256</u>
LIABILITIES					
Current Liabilities					
Accounts payable	155,164	30,793	185,957	30	65,813
Accrued interest payable	87,345	33,529	120,874	-	-
Payable from restricted assets	-	271,385	271,385	-	-
Current portion of compensated absences	96,034	3,630	99,664	-	-
Current portion of long-term debt	990,793	611,768	1,602,561	-	-
Long term liabilities:					
Net Pension Liability	795,463	33,144	828,607	-	3,546
Net Pension Obligation	346,115	-	346,115	-	-
Non-current portion of compensated absences	864,303	32,670	896,973	-	-
Non-current portion of long-term debt	20,042,332	12,173,306	32,215,638	-	19,625
Total liabilities	<u>23,377,549</u>	<u>13,190,225</u>	<u>36,567,774</u>	<u>30</u>	<u>88,984</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	423,793	17,575	441,368	-	1,989
Prepaid taxes	157,360	-	157,360	-	-
Total Deferred inflows of resources	<u>581,153</u>	<u>17,575</u>	<u>598,728</u>	<u>-</u>	<u>1,989</u>
NET POSITION					
Net investment in capital assets	9,873,469	10,711,175	20,584,644	6,229	13,066
Restricted for:					
Stabilization by state statute	2,046,552	-	2,046,552	6,029	-
Other	279,627	-	279,627	-	72,194
Unrestricted (deficit)	44,088	761,753	805,841	49,612	92,010
Total net position	<u>\$ 12,243,736</u>	<u>\$ 11,472,928</u>	<u>\$ 23,716,664</u>	<u>\$ 61,870</u>	<u>\$ 177,270</u>

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

Northampton County, North Carolina
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Northampton County Tourism Development Authority	Northampton County ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Primary government:									
Governmental Activities:									
General government	\$ 3,696,400	\$ 254,673	\$ -	\$ -	\$ (3,441,727)	\$ -	\$ (3,441,727)		
Public safety	9,497,542	2,167,711	247,808	-	(7,082,023)	-	(7,082,023)		
Transportation	26,500	-	51,181	-	24,681	-	24,681		
Environmental protection	80,000	-	-	-	(80,000)	-	(80,000)		
Economic and physical development	977,671	-	593,514	-	(384,157)	-	(384,157)		
Human services	13,328,700	1,681,139	8,540,382	-	5,433,203	-	5,433,203		
Cultural and recreation	547,123	35,698	24,607	-	(486,818)	-	(486,818)		
Education	4,379,552	-	-	75,000	(4,304,552)	-	(4,304,552)		
Interest on long-term debt	570,297	-	-	-	(570,297)	-	(570,297)		
Total governmental activities	<u>33,103,785</u>	<u>4,139,221</u>	<u>9,457,492</u>	<u>75,000</u>	<u>(19,432,072)</u>	<u>-</u>	<u>(19,432,072)</u>		
Business-type activities:									
Water and Sewer	3,067,271	3,214,205	-	-	-	146,934	146,934		
Solid Waste	2,219,958	2,137,477	40,222	-	-	(42,259)	(42,259)		
Total business-type activities	<u>5,287,229</u>	<u>5,351,682</u>	<u>40,222</u>	<u>-</u>	<u>-</u>	<u>104,675</u>	<u>104,675</u>		
Total primary government	<u>38,391,014</u>	<u>9,490,903</u>	<u>9,497,714</u>	<u>75,000</u>	<u>(19,432,072)</u>	<u>104,675</u>	<u>(19,327,397)</u>		
Component Units:									
Northampton County Tourism Development Authority	40,973	-	-	-	-	-	(40,973)	-	
Northampton County ABC Board	994,670	1,008,684	-	-	-	-	-	14,014	
Total component units	<u>\$ 1,035,643</u>	<u>\$ 1,008,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(40,973)</u>	<u>14,014</u>	
General revenues:									
Taxes:									
Property taxes, levied for general purpose					18,594,014	-	18,594,014	-	-
Local option sales tax					1,916,059	-	1,916,059	-	-
Other taxes and licenses					62,299	-	62,299	67,426	-
Unrestricted Intergovernmental					71,259	-	71,259	-	-
Investment earnings, unrestricted					26,837	394	27,231	3	150
Miscellaneous, unrestricted					128,076	-	128,076	61	-
Transfers					(600,244)	600,244	-	-	-
Total general revenues, special items, and transfers					<u>20,198,300</u>	<u>600,638</u>	<u>20,798,938</u>	<u>67,490</u>	<u>150</u>
Change in net position					766,228	705,313	1,471,541	26,517	14,164
Net position-beginning					11,149,603	10,979,579	22,129,182	35,353	163,106
Prior Period Adjustment					327,905	(211,964)	115,941	-	-
Net position-beginning, restated					<u>11,477,508</u>	<u>10,767,615</u>	<u>22,245,123</u>	<u>35,353</u>	<u>163,106</u>
Net position-ending					<u>\$ 12,243,736</u>	<u>\$ 11,472,928</u>	<u>\$ 23,716,664</u>	<u>\$ 61,870</u>	<u>\$ 177,270</u>

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

Northampton County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2016

	Major Governmental	Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Other Governmental Funds	
ASSETS			
Cash and cash equivalents	\$ 10,685,525	\$ 332,022	\$ 11,017,547
Taxes Receivable	1,403,927	111,713	1,515,640
Accounts Receivable	2,551,547	22,443	2,573,990
Due from other funds	234,366	296,226	530,592
Due from other governments	528,072	-	528,072
Total assets	<u>\$ 15,403,437</u>	<u>\$ 762,404</u>	<u>\$ 16,165,841</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	110,009	45,155	155,164
Due to other funds	296,226	234,366	530,592
Total liabilities	<u>406,235</u>	<u>279,521</u>	<u>685,756</u>
Deferred Inflows of Resources:			
Tax Receivable	1,403,927	111,713	1,515,640
Ambulance fees receivables	1,454,534	-	1,454,534
Prepaid taxes	157,360	-	157,360
Total deferred inflows of resources	<u>3,015,821</u>	<u>111,713</u>	<u>3,127,534</u>
Fund balances:			
Restricted:			
Stabilization by State statue	1,859,451	187,101	2,046,552
Restricted, other	206,958	72,669	279,627
Committed:			
Committed, other	312,969	184,468	497,437
Assigned:			
Assigned, other	3,167,386	135,444	3,302,830
Unassigned:	6,434,617	(208,512)	6,226,105
Total fund balances	<u>11,981,381</u>	<u>371,170</u>	<u>12,352,551</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,403,437</u>	<u>\$ 762,404</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	\$ 19,505,655
Accrued interest on taxes receivable	194,392
Net pension asset	39,500
Net pension liability	(795,463)
Contributions to the pension plans in the current fiscal year are deferred	751,791
Deferred outflows of resources - pensions	75,851
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.	(22,426,922)
Pension related deferrals	(423,793)
Deferred inflows of resources for taxes and ambulance fees receivable	<u>2,970,174</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 12,243,736</u>

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

Northampton County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2016

	Major Governmental	Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Other Governmental Funds	
REVENUES			
Ad valorem taxes	\$ 17,723,293	\$ 689,721	\$ 18,413,014
Other taxes and licenses	1,983,514	-	1,983,514
Unrestricted intergovernmental	70,153	-	70,153
Restricted intergovernmental	8,902,539	495,000	9,397,539
Permits and fees	264,672	-	264,672
Sales and services	3,272,196	208,566	3,480,762
Investment earnings	26,163	674	26,837
Special project fund	29,888	-	29,888
Miscellaneous	301,536	22,511	324,047
Total revenues	<u>32,573,954</u>	<u>1,416,472</u>	<u>33,990,426</u>
EXPENDITURES			
Current:			
General government	3,497,292	-	3,497,292
Public safety	8,302,180	1,195,815	9,497,995
Transportation	26,500	-	26,500
Environmental protection	80,000	-	80,000
Economic and physical development	835,461	122,281	957,742
Human Services	12,868,582	-	12,868,582
Cultural and recreational	407,795	-	407,795
Education	4,304,552	75,000	4,379,552
Debt service:			
Principal	310,707	1,028,175	1,338,882
Interest	7,242	597,438	604,680
Total expenditures	<u>30,640,311</u>	<u>3,018,709</u>	<u>33,659,020</u>
Revenues over expenditures	<u>1,933,643</u>	<u>(1,602,237)</u>	<u>331,406</u>
OTHER FINANCING SOURCES (USES)			
Transfers (to) from other funds	(2,707,923)	2,107,679	(600,244)
Debt proceeds	-	-	-
Total other financing sources and uses	<u>(2,707,923)</u>	<u>2,107,679</u>	<u>(600,244)</u>
Net change in fund balance	(774,280)	505,442	(268,838)
Fund balances-beginning	12,573,754	(134,272)	12,439,482
Prior Period Adjustment	181,907	-	181,907
Fund balances-ending	<u>\$ 11,981,381</u>	<u>\$ 371,170</u>	<u>\$ 12,352,551</u>

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

Northampton County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2016

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

Net changes in fund balances - total governmental funds (Exhibit 4)	\$	(268,838)
<p>Exhibit 4 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 2 reported revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition difference for the following revenue types:</p>		
Property taxes		132,596
Ambulance and other miscellaneous revenues		299,358
<p>Expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement.</p>		
Accrued interest payable		33,856
Compensated absences		(170,647)
Net Pension Obligation		(10,483)
Other Postemployment benefits		(855,822)
<p>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.</p>		
		744,539
<p>Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.</p>		
		(822,575)
<p>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.</p>		
		1,338,882
<p>Change in accrued interest on taxes receivable.</p>		
		48,404
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.</p>		
		751,791
<p>Pension expense</p>		
		(454,833)
		(454,833)
Total changes in net position of governmental activities		\$ 766,228

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

Northampton County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Year Ended June 30, 2016

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 18,031,512	\$ 18,031,512	\$ 17,723,293	\$ (308,219)
Other taxes and licenses	1,673,700	1,673,700	1,983,514	309,814
Unrestricted intergovernmental	69,000	69,000	70,153	1,153
Restricted intergovernmental	9,367,102	9,610,886	8,902,539	(708,347)
Permits and fees	211,700	211,700	264,672	52,972
Sales and services	3,004,210	3,009,688	3,272,196	262,508
Investment earnings	10,700	10,700	26,163	15,463
Special Project revenue	20,000	20,000	29,888	9,888
Miscellaneous	404,096	815,378	301,536	(513,842)
Total revenues	<u>32,792,020</u>	<u>33,452,564</u>	<u>32,573,954</u>	<u>(878,610)</u>
Expenditures				
Current:				
General government	3,848,106	3,939,827	3,497,292	442,535
Public safety	8,412,953	9,062,426	8,302,180	760,246
Transportation	26,500	26,500	26,500	-
Environmental Protection	80,000	80,000	80,000	-
Economic and physical development	1,240,009	1,304,727	835,461	469,266
Human services	14,284,296	14,349,426	12,868,582	1,480,844
Cultural and recreational	402,263	426,573	407,795	18,778
Education	3,759,000	4,309,000	4,304,552	4,448
Debt service				-
Principal payments	365,000	310,000	310,707	(707)
Interest	12,530	43	7,242	(7,199)
Total expenditures	<u>32,430,657</u>	<u>33,808,522</u>	<u>30,640,311</u>	<u>3,168,211</u>
Revenues over (under) expenditures	<u>361,363</u>	<u>(355,958)</u>	<u>1,933,643</u>	<u>2,289,601</u>
Other financing sources (uses):				
Transfers (to) from other funds	(1,919,069)	(3,222,420)	(2,707,923)	514,497
Long-term debt issued	-	-	-	-
Appropriated fund balance	1,657,706	3,584,283	-	(3,584,283)
Contingency	(100,000)	(5,905)	-	5,905
Total other financing sources (uses)	<u>(361,363)</u>	<u>355,958</u>	<u>(2,707,923)</u>	<u>(3,063,881)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(774,280)</u>	<u>\$ (774,280)</u>
Fund balances:				
Beginning of year, July 1			12,573,754	
Prior Period Adjustment			<u>181,907</u>	
End of year, June 30			<u>\$ 11,981,381</u>	

Northampton County, North Carolina
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	MAJOR		Total Enterprise Funds
	Water and Sewer Fund	Solid Waste Fund	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 52,138	\$ 418,713	\$ 470,851
Accounts receivable (net)	546,075	7,749	553,824
Due from other funds	398,830	-	398,830
Restricted assets:			
Cash and cash equivalents, restricted	388,331	-	388,331
Total current assets	<u>1,385,374</u>	<u>426,462</u>	<u>1,811,836</u>
Non-current assets:			
Net pension asset	-	-	-
Land and construction in progress	5,364,051	-	5,364,051
Other capital assets, net	17,869,392	-	17,869,392
Total non-current assets	<u>23,233,443</u>	<u>-</u>	<u>23,233,443</u>
Total assets	<u>24,618,817</u>	<u>426,462</u>	<u>25,045,279</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Deferrals	2,303	768	3,071
Contributions to Pension Plan in Current fiscal year	23,406	7,802	31,208
Total deferred outflows of resources	<u>25,709</u>	<u>8,570</u>	<u>34,279</u>
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued liabilities	31,080	(287)	30,793
Accrued interest	33,529	-	33,529
Due to other funds	-	398,830	398,830
Compensated absences-current	2,694	936	3,630
Current portion of long-term debt	611,768	-	611,768
Liabilities payable from restricted assets:			
Customer Deposits	271,385	-	271,385
Total current liabilities	<u>950,456</u>	<u>399,479</u>	<u>1,349,935</u>
Noncurrent liabilities:			
Compensated absences-non current	24,245	8,425	32,670
Non-current portion of long-term debt	11,910,500	-	11,910,500
Net pension liability	24,858	8,286	33,144
Other post-employment benefits	206,185	56,621	262,806
Total noncurrent liabilities	<u>12,165,788</u>	<u>73,332</u>	<u>12,239,120</u>
Total liabilities	<u>13,116,244</u>	<u>472,811</u>	<u>13,589,055</u>
DEFERRED INFLOWS OF RESOURCES:			
Pension Deferrals	13,181	4,394	17,575
NET POSITION:			
Net investment in capital assets	10,711,175	-	10,711,175
Unrestricted	803,926	(42,173)	761,753
Total net position	<u>\$ 11,515,101</u>	<u>\$ (42,173)</u>	<u>\$ 11,472,928</u>

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

Northampton County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Enterprise Funds		Totals
	Water and Sewer	Solid Waste Fund	
Operating Revenues:			
Charges for services	\$ 3,160,852	\$ 2,080,815	\$ 5,241,667
Water and sewer taps	24,200	-	24,200
White goods and tire disposal tax	-	28,218	28,218
Solid waste disposal tax	-	12,004	12,004
Other operating revenues	29,153	56,662	85,815
Total operating revenues	<u>3,214,205</u>	<u>2,177,699</u>	<u>5,391,904</u>
Operating Expenses:			
Water distribution and sewage treatment	2,010,707	-	2,010,707
Solid waste	-	2,219,958	2,219,958
Depreciation	561,615	-	561,615
Total operating expenses	<u>2,572,322</u>	<u>2,219,958</u>	<u>4,792,280</u>
Operating income (loss)	<u>641,883</u>	<u>(42,259)</u>	<u>599,624</u>
Non-Operating Revenues (Expenses):			
Grant revenue	-	-	-
Interest earned on investments	308	86	394
Interest and fees	(494,949)	-	(494,949)
Total non-operating revenues (expenses)	<u>(494,641)</u>	<u>86</u>	<u>(494,555)</u>
Income (loss) before capital contributions and transfers	147,242	(42,173)	105,069
Capital contributions	-	-	-
Transfers from other funds	-	600,244	600,244
Change in net position	<u>147,242</u>	<u>558,071</u>	<u>705,313</u>
Net Position:			
Beginning of year - July 1	11,579,823	(600,244)	10,979,579
Restatement/ prior period adjustment	(211,964)	-	(211,964)
Beginning of year - July 1, restated	<u>11,367,859</u>	<u>(600,244)</u>	<u>10,767,615</u>
End of year - June 30	<u>\$ 11,515,101</u>	<u>\$ (42,173)</u>	<u>\$ 11,472,928</u>

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

Northampton County, North Carolina
Proprietary Fund
Combining Statement of Cash Flows
For the Year Ended June 30, 2016

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 3,345,740	\$ 2,176,968	\$ 5,522,708
Cash paid for goods and services	(1,663,311)	(2,128,514)	(3,791,825)
Cash paid to employees for services	(512,900)	(109,370)	(622,270)
Net cash provided (used) by operating activities	<u>1,169,529</u>	<u>(60,916)</u>	<u>1,108,613</u>
Cash flows from non-capital financing activities			
Loans from (to) other funds	-	(120,701)	(120,701)
Transfer from other funds	-	600,244	600,244
Net cash provided (used) by non-capital financial activities	<u>-</u>	<u>479,543</u>	<u>479,543</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(5,957)	-	(5,957)
Principal paid on long-term debt	(629,336)	-	(629,336)
Capital grant	-	-	-
Interest and fees	(503,953)	-	(503,953)
Capital contributions	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(1,139,246)</u>	<u>-</u>	<u>(1,139,246)</u>
Cash flows from investing activities:			
Interest on investments	<u>308</u>	<u>86</u>	<u>394</u>
Net increase (decrease) in cash and cash equivalents	30,591	418,713	449,304
Cash and cash equivalents, July 1	<u>409,878</u>	<u>-</u>	<u>409,878</u>
Cash and cash equivalents, June 30	<u>\$ 440,469</u>	<u>\$ 418,713</u>	<u>\$ 859,182</u>

Northampton County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2016

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 641,883	\$ (42,259)	\$ 599,624
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	561,615	-	561,615
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	120,661	(731)	119,930
(Increase) decrease in deferred outflows of resources for pensions	1,669	557	2,226
Increase (decrease) in deferred inflows of resources for pensions	(69,654)	(23,218)	(92,872)
Increase (decrease) in accounts payable and accrued liabilities	(176,685)	(21,951)	(198,636)
Increase (decrease) in net pension liability	58,845	19,615	78,460
Increase (decrease) in deposits	10,874	-	10,874
Increase (decrease) in OPEB payable	22,724	4,280	27,004
Increase (decrease) in compensated absences	(2,403)	2,791	388
Total adjustments	<u>527,646</u>	<u>(18,657)</u>	<u>508,989</u>
Net cash provided (used) by operating activities	<u>\$ 1,169,529</u>	<u>\$ (60,916)</u>	<u>\$ 1,108,613</u>

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

Northampton County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

	Agency Funds
Assets:	
Cash and investments	\$ 106,174
Accounts receivable	704,561
	\$ 810,735
 Liabilities:	
Intergovernmental payable	\$ 441,386
Accounts payable	369,348
Total liabilities	\$ 810,734

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2016**

1. Summary of Significant Accounting Policies

The accounting policies of Northampton County and its discretely presented component unit 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. The discretely presented component unit is reported in a separate column in the basic financial statements in order to emphasize that it is legally separate from the County.

Discretely Presented Component Unit

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 business 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 any hotel, motel, inn, tourist camp, or similar place within the County. Collections are remitted to the Tourism Development Authority, less than 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 the 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 – Basis of Accounting

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 non-major funds.

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

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, it is consolidated in the General Fund.

Special Revenue Fund. 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 Fund. Capital Project Funds account for financial resources to be used for the acquisition and construction for major capital facilities (other than those financed by proprietary funds and trusts funds). The County maintains ten capital project funds: Wellness and Recreational Centers Fund, First Responder Training Center Fund, DSS Building Project Fund, Capital Reserve Fund, Ambulance Capital Reserve 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 for the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on the 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 appropriated for capital maintained, public policy, management control, accountability, or other purposes. The County has two enterprises funds: the Water and Sewer Fund, and Solid Waste Fund.

Fiduciary Funds

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

Agency Fund. 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 Service 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 municipals within the County; the Rescue Squad Fund, which accounts for the 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, Water and Sewer Fund, and Solid Waste Fund are considered major funds for the year ended June 30, 2016.

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 governmental-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds which have no measurement focus. The government-wide, proprietary, 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 the liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) values 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) charged 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 revenue, rather than as program revenues. Likewise, general revenues include all taxes.

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 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 period 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.

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, the Special Revenue Funds (excluding the CDBG Fund), certain capital project funds (capital reserve funds), and the enterprise funds. All annual appropriation lapse at the fiscal year-end. Project ordinances are adopted for the 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 funds 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 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.

Cash and Cash Equivalents

The County pools money from several funds, except the Social Services Fund, 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 \$271,385 in the Water and Sewer Fund. In addition, there was a cash balance of \$116,946 remaining in the project fund which was also considered restricted.

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 July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 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

Purchased or constructed capital assets are reported at original cost or estimated historical cost. Donated capital 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 as a whole. Any interest incurred during the construction phase of capital assets is reflected in the capitalized value of the assets constructed. Minimum capitalization costs are: \$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 that 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, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Northampton County Board of Education.

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

<u>Assets</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 financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meets this criterion - a charge on refunding that had previously been classified as an asset, pension related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has two items that meet the criterion for this category - prepaid taxes and other pension related deferrals.

Long-Term Obligations

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

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

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is 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.

Fund Balances

In the governmental fund financial statements, fund balance is composed of four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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.

	General Fund	Special Revenue Fund	Capital Project Fund
<i>Restricted for Stabilization of State Statute</i> - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].	\$ 1,859,451	\$ 17,381	\$ 169,720
Restricted - Other			
<i>Restricted for Public Safety- E911</i> - portion of fund balance that is restricted by revenue source E911 expenditures.	78,806	72,669	-
<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 Deed's office.	66,238	-	-
<i>Restricted Debt Service-</i> portion of fund balance that is restricted by lender to be maintained in fund balance.	61,914	-	-
Total	<u>\$ 2,066,409</u>	<u>\$ 90,050</u>	<u>\$ 169,720</u>

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by resolution of the County's Board of Commissioners (highest level of decision making authority). Any changes or removal of specific purposes requires majority action by the Board of Commissioners.

	General Fund	Capital Project Fund
<i>Committed for Tax Revaluation</i> - portion of fund balance that is committed by revenue source to pay for property tax revaluations purpose.	\$ 312,969.00	\$ -
<i>Committed for Public Safety</i> - portion of fund balance that is committed for public safety expenditures.	-	1,667
<i>Committed for Economic and Physical Development</i> - portion of fund balance that is committed to pay for economic development expenditures.	-	3,796
<i>Committed for Capital Outlay</i> - portion of fund balance that is committed for future capital expenditures	-	136,111
<i>Committed for Education</i> - portion of fund balance that is committed for education expenditures	-	42,894
Total	<u>\$ 312,969</u>	<u>\$ 184,468</u>

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

	General Fund	Special Revenue Fund	Debt Service Fund
<i>Assigned for Debt Service-</i> portion of fund balance that is assigned for debt service expenditures	\$ 310,343	\$ -	\$ 65,801
<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.	2,857,043	-	-
<i>Assigned for Economic and Physical Development</i> - portion of fund balance that is assigned to pay for economic development expenditures.	-	69,643	-
Total	<u>\$ 3,167,386</u>	<u>\$ 69,643</u>	<u>\$ 65,801</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, local non-city 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's 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 3)	\$ 11,981,381
Less:	
Stabilization by State statute	<u>(1,859,451)</u>
Available for appropriation	<u>\$ 10,121,930</u>

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 employee 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.

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 ultimate 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 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 principals 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 a deficit fund balance of as follows:

Special Revenue Funds:	
Fire District Fund	\$ 4,000
Capital Project Fund:	
Seyern Peanut Natural Gas Project Fund	214,991
Enterprise Fund:	
Solid Waste Fund	42,173

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 balance at year-end.

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 exceeding the federal depository insurance coverage level are collateralized with securities held by the County's and the Board's agent, and the Company's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. 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 amount of collateral pledged for the County under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have formal policies regarding custodial credit risk for deposits.

At June 30, 2016 the County's deposits had a carrying amount of \$4,221,202 and a bank balance of \$5,869,607. Of the bank balance, \$548,349 was covered by federal depository insurance, and \$5,321,257 was covered by collateral held under the Pooling Method. At June 30, 2016, the County had \$2,650 cash on hand.

Investments

At June 30, 2016, the County had \$7,761,701 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 Lands

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

Year Levied	Tax	Interest	Total
2012	\$ 2,340,236	\$ 766,427	\$ 3,106,663
2013	2,345,614	557,083	2,902,697
2014	2,354,965	347,357	2,702,322
2015	2,458,874	141,385	2,600,259
Total	<u>\$ 9,499,689</u>	<u>\$ 1,812,252</u>	<u>\$ 11,311,941</u>

Receivables

Receivables at the government-wide level at June 30, 2016, were as follows:

	Accounts	Taxes	Due From Other Governments	Total
Governmental Activities:				
General	\$ 1,119,456	\$ 2,813,319	\$ 528,072	\$ 4,460,847
Ambulance	1,454,534	-	-	1,454,534
Fire district	-	111,713	-	111,713
Total Receivables	<u>2,573,990</u>	<u>2,925,032</u>	<u>528,072</u>	<u>6,027,094</u>
Allowance for doubtful accounts	-	(1,215,000)	-	(1,215,000)
Total governmental activities	<u>\$ 2,573,990</u>	<u>\$ 1,710,032</u>	<u>\$ 528,072</u>	<u>\$ 4,812,094</u>
Business-type Activities:				
Solid Waste	\$ 7,749	\$ -	\$ -	\$ 7,749
Water and sewer	735,839	-	-	735,839
Total Receivables	<u>743,588</u>	<u>-</u>	<u>-</u>	<u>743,588</u>
Allowance for doubtful accounts	(189,764)	-	-	(189,764)
Total business-type activities	<u>\$ 553,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 553,824</u>

Due from other governments consisted of the following:

Governmental Activities:	
Local option sales tax	\$ 297,892
Sales tax refund	124,734
Total	<u>\$ 422,626</u>

Capital Assets

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

	July 1, 2015	Additions	Retirements	June 30, 2016
Non- Depreciable Assets:				
Land	\$ 1,700,800	\$ -	\$ -	\$ 1,700,800
Construction in Process	-	364,992	-	364,992
Depreciable Assets:				
Buildings and Improvements	20,956,909	-	-	20,956,909
Equipment	2,192,919	-	-	2,192,919
Vehicles and Motor Equipment	3,254,347	379,547	-	3,633,894
Total Capital Assets	28,104,975	744,539	-	28,849,514
Less accumulated depreciation:				
Buildings and Improvements	(4,386,162)	(434,164)	-	(4,820,326)
Equipment	(1,544,958)	(158,040)	-	(1,702,998)
Vehicles and motor equipment	(2,590,164)	(230,371)	-	(2,820,535)
Total Accumulated Depreciation	(8,521,284)	\$ (822,575)	\$ -	\$ (9,343,859)
Capital Assets, net	\$ 19,583,691			\$ 19,505,655

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

Government Activities :	
General Government	\$ 115,951
Public Safety	378,652
Economic and physical development	1,781
Human Services	198,316
Cultural and Recreational	127,875
Total	\$ 822,575

Summary of Proprietary Capital Assets

Capital assets for the proprietary funds of the County at June 30, 2016 are as follows:

	July 1, 2015	Additions	Retirements	June 30, 2016
Water and Sewer Fund				
Non- Depreciable Assets:				
Construction in progress	\$ 5,358,094	\$ 5,957	\$ -	\$ 5,364,051
Depreciable Assets:				
Plant and distribution systems	26,766,233	-	-	26,766,233
Furniture and equipment	292,060	-	-	292,060
Vehicles	322,479	-	-	322,479
Total Capital Assets	27,380,772	5,957	-	32,744,823
Less accumulated depreciation:				
Plant and distribution systems	(8,463,343)	(536,023)	-	(8,999,366)
Furniture and equipment	(258,683)	(7,029)	-	(265,712)
Vehicles	(227,739)	(18,563)	-	(246,302)
Total Accumulated Depreciation	(8,949,765)	\$ (561,615)	\$ -	(9,511,380)
Total Water and Sewer Fund	\$ 18,431,007			\$ 23,233,443
Solid Waste Fund:				
Depreciable Assets:				
Plant and distribution systems	\$ 2,250	\$ -	\$ -	\$ 2,250
Furniture and equipment	183,605	-	-	183,605
Vehicles	153,924	-	-	153,924
Total Capital Assets	339,779	-	-	339,779
Less accumulated depreciation:				
Plant and distribution systems	(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	\$ -			\$ -

B. Liabilities

Payables

Payables at Exhibit 1 at June 30, 2016 were as follows:

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Trade Payable	\$ 118,024	\$ 32,741	\$ 150,765
Accrued expenses and withholdings	37,140	(1,948)	35,192
Total	<u>\$ 155,164</u>	<u>\$ 30,793</u>	<u>\$ 185,957</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.

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2016, was 7.15% of compensation for law enforcement officers and 6.77% 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 \$780,212 for the year ended June 30, 2016.

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, 2016, the County reported a liability of \$828,608 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was 0.18463%, which was an increase of 0.007% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$475,559. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 194,770
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	235,902
Changes in proportion and differences between County Contributions and proportionate share of contributions	76,769	8,688
County contributions subsequent to the measurement date	780,212	-
Total	<u>\$ 856,981</u>	<u>\$ 439,360</u>

\$780,212 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (251,466)
2018	(251,466)
2019	(251,425)
2020	391,766
2021	-
Thereafter	-
Total	<u>\$ (362,591)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment Rate of	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2014 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of the net pension liability (asset)	5,777,999	828,608	(3,341,144)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued

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 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to, but not yet receiving benefits.	-
Active plan members	<u>33</u>
Total	<u>34</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 are paid as they come due.

Contributions. The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions by employees.

The annual required contributions for the current year was determined as part of the December 31, 2015 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions include (a) 3.57% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 3.50% to 7.35% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postretirement 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 percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2015 was 15 years.

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

Annual required contribution	\$ 41,619
Interest on net pension obligation	16,782
Adjustment to annual required contribution	<u>(29,494)</u>
Annual pension cost	28,907
Contributions made	<u>18,424</u>
Increase (decrease) in net pension obligation	10,483
Net Pension obligation:	
Beginning of year - July 1	<u>335,632</u>
End of year - June 30	<u><u>\$ 346,115</u></u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2014	\$ 19,573	94.28%	331,600
6/30/2015	26,261	84.65%	335,632
6/30/2016	28,907	63.74%	346,115

Funded Status and Funding Progress. As of December 31, 2015, 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 \$377,621. The covered payroll was \$1,297,266, 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 multiyear 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 the State Treasurer and a Board of Trustees. The plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2016 were \$67,352, which consisted of \$59,667 from the County and \$7,685 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 by 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.

Registers 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 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. 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 \$2,787 for the year ended June 30, 2016.

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

At June 30, 2016, the County reported an asset of \$39,500 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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 RODSPF employers, actuarially determined. At June 30, 2015, the County's proportion was 0.17045%, which was an increase of 0.0047% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension revenue of \$1,700. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 194	\$ 654
Net difference between projected and actual earnings on pension plan investments	1,959	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	-	1,353
County contributions subsequent to the measurement date	2,787	-
Total	\$ 4,940	\$ 2,007

\$2,787 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 inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2017	\$ (506)
2018	(227)
2019	350
2020	529
2021	-
Thereafter	-
Total	\$ 146

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment Rate of	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, 2014 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 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, 2015 is 2.2%.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 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 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 5.75 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (35,638)	\$ (39,500)	\$ (42,824)

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.

Other Postemployment 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 Employee's 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 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 become 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 members, general employees	263
Active members, law enforcement officers	30
Total	<u>337</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 12.31% of annual covered payroll. For the current year, the County contributed \$176,285 or 1.42% 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 HCB Plan is established and may be amended by the Board of Commissioners.

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

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

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

Annual required contribution	\$ 1,006,118
Interest on net OPEB obligation	210,077
Adjustment to annual required contribution	<u>(176,285)</u>
Annual OPEB cost (expense)	1,039,910
Contributions made	<u>(157,084)</u>
Increase (decrease) in net OPEB obligation	882,826
Net OPEB obligation:	
Net OPEB obligation, beginning of year	<u>5,251,919</u>
Net OPEB obligation, end of year	<u><u>\$ 6,134,745</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

Three-Year Trend Information			
Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 959,169	22.69%	\$ 4,613,286
2015	923,444	30.84%	5,251,919
2016	1,039,910	15.11%	6,134,745

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 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 UAAL to the covered payroll was 118.92%. Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with the 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 multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefit.

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

In the December 31, 2013, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0 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 fund level of the plan at the valuation date, an annual medical cost trend up to 7.50 to 5.00% annually. The investment rate included a 3.00 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected unit credit on a level percent of pay, open basis. The remaining amortization period at December 31, 2013, was 30 years.

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will 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 participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are established for employees not engaged in laws enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

For the fiscal year ended June, 30, 2016 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.

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	\$ 782,999
Pension deferrals	78,922
Total	<u>\$ 861,921</u>

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

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 441,368
Taxes receivables, net	1,515,640
Prepaid Taxes	157,360
Ambulance fees receivables, net	1,454,534
Total	<u>\$ 3,568,902</u>

Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three 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 losses 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.

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 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 Judgment

At June 30, 2016, the County was a defendant to various lawsuits. In opinion of the County's management and the County 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

Northampton County has entered into a lease agreement to lease vehicles. The lease agreement 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.

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles	\$ 265,615	\$ 103,493	\$ 162,122

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30 ,2016 were as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2017	\$ 91,279
2018	-
Total minimum lease payment	<u>91,279</u>
Less: amount representing interest	<u>1,384</u>
Present Value of minimum lease payments	<u><u>\$ 89,895</u></u>

Installment Notes Payable

Governmental Activities

Governmental Funds:

\$ 1,474,430 USDA Rural Development loan issues March 2002; due in equal annual installments of \$94,573, including interest at 4.75%; final payment due March 2032; secured by equipment	\$ 1,038,244
\$130,570 USDA Rural Development loan issues January 2003; due in equal annual installments of \$8,135, including interest at 4.625%; final payment due January 2033; secured equipment.	90,218
\$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.	1,629,739
\$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.	28,281
\$6,966,000 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.	6,712,481
\$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>43,327</u>
Total Governmental funds	<u>9,542,290</u>

Business-Type Activities

Proprietary Funds:

\$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>\$ 12,768</u>
Total proprietary funds	<u>12,768</u>
Total all funds	<u><u>\$ 9,555,058</u></u>

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

Governmental Activities:

Year Ending June 30	Principal	Interest	Total
2017	\$ 265,898	\$ 391,518	\$ 657,416
2018	231,866	381,577	613,443
2019	226,559	371,889	598,448
2020	236,052	362,396	598,448
2021	245,946	352,502	598,448
2022-2026	1,393,364	1,598,876	2,992,240
2027-2031	1,711,356	1,280,884	2,992,240
2032-2036	1,658,474	918,907	2,577,381
2037-2041	1,904,991	572,809	2,477,800
2042-2047	1,493,821	174,251	1,668,072
2047-2048	173,963	10,826	184,789
Total	<u>\$ 9,542,290</u>	<u>\$ 6,416,435</u>	<u>\$ 15,958,725</u>

Business-Type Activities:

Year Ending June 30	Principal	Interest	Total
2017	\$ 12,768	\$ 190	\$ 12,958
2018	-	-	-
Total	<u>\$ 12,768</u>	<u>\$ 190</u>	<u>\$ 12,958</u>

General Obligation Indebtedness

All general obligation bonds serviced by the County’s General Fund are collateralized by the full faith credit and taxing power of the County. The County has \$5,529,000 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 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, 2016 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%	\$ 1,170,000
\$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 the governmental funds and \$4,836,000 serviced by the Water Sewer Fund	<u>4,359,000</u>
Total serviced by the General Fund	<u>\$ 5,529,000</u>

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%.	\$ 382,500
\$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%	2,431,000
\$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%.	930,000
\$430,000 Public Improvements Series 2005 Water Bonds issued May 2005; due in annual installments of \$15,000 to \$45,000 through June 1, 202; interest at 4.00% to 5.00%	30,000
\$9,363,000 Refunding Series 2013 Bonds issued August 2013; due in annual installments of \$260,000 or \$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.	3,915,000
\$4,876,000 2014 Water Bonds issued February 2014; due in annual installments of \$55,000 or \$142,000 through June 1, 2053; interest at 4.375%	<u>4,821,000</u>
Total serviced by Water and Sewer	<u>\$ 12,509,500</u>

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 635,000	\$ 166,672	\$ 599,000	\$ 490,387
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	584,000	83,078	599,500	415,628
2022-2026	2,388,000	178,557	2,176,500	1,819,203
2027-2031	-	-	2,074,000	1,437,331
2032-2036	-	-	1,212,000	1,043,980
2037-2041	-	-	1,415,000	751,763
2042-2046	-	-	1,157,000	452,989
2047-2051	-	-	1,078,000	222,292
2052-2053	-	-	362,000	22,049
Total	\$ 5,480,000	\$ 787,262	\$ 12,509,500	\$ 8,015,965

At June 30, 2016, the County had a legal debt margin of approximately \$140,989,336.

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, 2016:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 6,163,000	\$ -	\$ 634,000	\$ 5,529,000	\$ 635,000
Installment note	10,158,642	-	616,351	9,542,291	265,898
Capital Leases	178,426	-	88,531	89,895	89,895
Compensated Absences	789,690	170,647	-	960,337	96,034
Net pension obligation (LEO)	335,632	10,483	-	346,115	-
Net pension liability (LGERS)	-	795,463	-	795,463	-
Post-employment Benefits	5,016,117	999,758	143,936	5,871,939	-
Total governmental activities	\$ 22,641,507	\$ 1,976,351	\$ 1,482,818	\$ 23,135,040	\$ 1,086,827
Business-type Activities:					
Water and Sewer Activity:					
General Obligation Bonds	\$ 13,107,500	\$ -	\$ 598,000	\$ 12,509,500	\$ 599,000
Installment note	44,104	-	31,336	12,768	12,768
Net pension liability (LGERS)	-	24,858	-	24,858	-
Compensated Absences	24,536	2,403	-	26,939	2,694
Postemployment Benefits	183,459	33,244	10,518	206,185	-
Total Water and Sewer Activity	13,359,599	35,647	639,854	12,780,250	614,462
Solid Waste Activity:					
Net pension liability (LGERS)	-	8,286	-	8,286	-
Compensated Absences	6,570	2,791	-	9,361	936
Postemployment Benefits	52,343	6,907	2,630	56,620	-
Total Solid Waste Activity	58,913	17,984	2,630	74,267	936
Total Business-type activities	\$ 13,418,512	\$ 53,631	\$ 642,484	\$ 12,854,517	\$ 615,398

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.

Net Investments in Capital Assets

The total net investment in capital assets at June 30, 2016 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital Assets	\$ 19,505,655	\$ 23,233,443
Long-term obligations	23,135,040	12,854,517
Compensated Absences	(960,337)	(36,300)
Net pension obligation	(346,115)	-
Net pension liability	(795,463)	(33,144)
Unfunded OPEB liability	(5,871,939)	(262,805)
Long-term debt for assets not owned by the County	(5,529,000)	-
Long-term debt, net, related to capital assets	<u>9,632,186</u>	<u>12,522,268</u>
Net investments in capital assets	<u>\$ 9,873,469</u>	<u>\$ 10,711,175</u>

Interfund Balance and Activities

Transfers

From the General Fund to the Capital Project Funds to fund capital projects.	\$ 479,508
From the General Fund to the Special Revenue Funds to provide additional resources to close out the funds.	3,599
From the General Fund to the Solid Waste Fund to supplement the fund.	600,244
From the General Fund to the Debt Service Fund to cover debt service payments.	<u>1,624,572</u>
	<u>\$ 2,707,923</u>

Due from/to other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Emergency Telephone System Fund	\$ 11,057	To cover temporary bank overdrafts
General Fund	Fire District Fund	8,655	To cover temporary bank overdrafts
General Fund	Severn Peanut Capital Project Fund	214,654	For operations, cash overdrafts
Capital Reserve Fund	General Fund	169,720	To finance future capital outlay
Emergency Telephone System Fund	General Fund	126,506	For operations, cash overdrafts
Water and Sewer Fund	Solid Waste Fund	<u>398,830</u>	For operations, cash overdrafts
	Total	<u>\$ 929,422</u>	

4. Related Organizations

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, 2016. 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, so no equity interest has been reflected in the financial statements at June 30, 2016. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$137,981 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's office on 303 West Tryon 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 made \$2,500 in contributions to the Transportation Authority during the fiscal year ended June 30, 2016. 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, 2016. The County appropriated \$12,000 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 (Hertford County and Bertie County). Northampton County appoints two members to the nine-member Board of 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, 2016. The County appropriated \$12,000 to the Regional Airport Authority to supplement its activities.

6. Joint Governed Organization

The County, in conjunction with five other counties, established the Regional 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 \$9,943 to the Council during the fiscal year ended June 30, 2016.

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 the County recipients, which do not appear in the general purpose financial statements, because they are not revenues and expenditures of the County.

	Federal	State
Medicaid	\$ 26,131,550	\$ 14,868,801
NC Health Choice	179,364	9,035
Woman, Infants and Children (WIC)	215,560	-
Temporary Assistance to Needy Families	182,556	377
Foster Care	57,365	17,496
Energy Assistance	182,168	-
State/ County Special Assistance for Adults	-	388,237
CWS Adoption Subsidy	-	42,627
State Foster Home	-	6,584
SFHF Maximization	-	1,065
Total	<u>\$ 26,948,563</u>	<u>\$ 15,334,222</u>

8. Summary Disclosure of Significant Commitments and Contingencies

Federal State-Assisted Program

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. Prior Period Adjustment

An adjustment was recorded in the General Fund that increased fund balance by \$181,907. This adjustment was to adjust beginning fund balance per the general ledger to the prior year audited fund balance, including an adjustment to correct beginning sales tax refunds due.

An adjustment was recorded in the Water and Sewer Fund that decreased net position by \$169,435. This adjustment was to record a beginning amount as allowance for doubtful accounts for the water and sewer receivable balance. An additional decrease of \$42,529 was recorded to adjust beginning net position to agree with the prior year audit report.

An adjustment was recorded on the Government-wide statements that increased fund balance by \$145,988. This adjustment was to record a beginning balance for accrued interest on taxes receivable.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- ~ Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.
- ~ Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.
- ~ Schedule of Funding Progress for the Other Postemployment Benefits
- ~ Schedule of Employer Contributions for the Other Postemployment Benefits
- ~ Schedule of County's Proportionate Share of Net Pension Liability (Asset) for (LGERS)
- ~ Schedule of County Contributions (LGERS)
- ~ Schedule of County's Proportionate Share of Net Pension Asset (ROD)
- ~ Schedule of County Contributions (ROD)

Northampton County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress
June 30, 2016

Exhibit A-1

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll for Year Ending On Val Date (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2015	\$ -	\$ 377,621	\$ 377,621	0.00%	\$ 1,297,266	29.11%
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%

Northampton County, North Carolina
Other Post-Employment Benefits- Retiree Health Plan
 Required Supplementary Information
 June 30, 2016

Exhibit A-2

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
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%	9,575,690	111.01%
12/31/2008	-	10,090,152	10,090,152	0.00%	9,900,282	101.92%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2016	\$ 1,006,118	15.61%
2015	915,198	31.12%
2014	952,248	22.85%
2013	952,248	26.03%
2012	924,513	16.65%
2011	911,676	12.97%
2010	878,724	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 asset
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
Schedule of Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last Three Fiscal Years*

Local Government Employees' Retirement System			
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's proportion of the net pension liability (asset) (%)	0.1846%	0.1920%	0.140%
Northampton County's proportion of the net pension liability (asset) (\$)	\$ 828,608	\$ (1,132,903)	\$ 2,226,344
Northampton County's covered-employee payroll	\$ 11,415,786	\$ 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	7.26%	-10.04%	21.66%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	102.64%	94.35%

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

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

Northampton County, North Carolina
Schedule of County Contributions
Local Government Employees' Retirement System
Last Three Fiscal Years

	2016	2015	2014
Contractually required contribution	\$ 780,212	\$ 810,171	\$ 797,232
Contributions in relation to the contractually required contribution	780,212	810,171	797,232
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 11,455,286	\$ 11,415,786	\$ 11,288,695
Contributions as a percentage of covered-employee payroll	6.81%	7.10%	7.06%

Northampton County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last Three Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's proportionate share of the net pension liability (%)	0.17045%	0.16571%	0.15807%
Northampton County's proportionate share of the net pension liability (\$)	\$ (39,500)	\$ (37,572)	\$ (33,764)
Northampton County's covered-employee payroll	\$ 59,455	\$ 62,397	\$ 61,849
Northampton County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-66.44%	-60.21%	-54.59%
Plan fiduciary net position as a percentage of the total pension liability	197.29%	193.88%	190.50%

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

Northampton County, North Carolina
Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Last Three Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's required contribution	\$ 2,787	\$ 1,364	\$ 1,353
Contributions in relation to contractually required contribution	<u>2,787</u>	<u>1,364</u>	<u>1,353</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Northampton County's covered-employee payroll	\$ 41,157	\$ 59,455	\$ 62,397
Contributions as a percentage of covered-employee payroll	6.77%	2.29%	2.17%

GENERAL FUND

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

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Actual Consolidated
For the Year Ended June 30, 2016

	2016			
	General Fund	Revaluation Fund	Revolving Loan Fund	Total
Revenues				
Ad Valorem Taxes	\$ 17,723,293	\$ -	\$ -	\$ 17,723,293
Other Taxes and licenses	1,983,514	-	-	1,983,514
Unrestricted intergovernmental	70,153	-	-	70,153
Restricted intergovernmental	8,902,539	-	-	8,902,539
Permits and fees	264,672	-	-	264,672
Sales and services	3,272,196	-	-	3,272,196
Investment earnings	26,027	87	49	26,163
Special project revenue	29,888	-	-	29,888
Miscellaneous	268,904	-	32,632	301,536
Total Revenues	<u>32,541,186</u>	<u>87</u>	<u>32,681</u>	<u>32,573,954</u>
Expenditures				
Current:				
General Government	3,497,292	-	-	3,497,292
Public Safety	8,302,180	-	-	8,302,180
Transportation	26,500	-	-	26,500
Environmental protection	80,000	-	-	80,000
Economic and physical development	835,461	-	-	835,461
Human Services	12,868,582	-	-	12,868,582
Cultural and recreational	407,795	-	-	407,795
Education	4,304,552	-	-	4,304,552
Debt Service:				
Principal	310,707	-	-	310,707
Interest	7,242	-	-	7,242
Total Expenditures	<u>30,640,311</u>	<u>-</u>	<u>-</u>	<u>30,640,311</u>
Revenues over (under) expenditures	<u>1,900,875</u>	<u>87</u>	<u>32,681</u>	<u>1,933,643</u>
Other financing Sources (uses)				
Transfers (to) from funds	(2,707,923)	-	-	(2,707,923)
Intrafund transfers	(50,000)	50,000	-	-
Total other financing sources (uses)	<u>(2,757,923)</u>	<u>50,000</u>	<u>-</u>	<u>(2,707,923)</u>
Net change in fund balances	(857,048)	50,087	32,681	(774,280)
Fund Balance				
Beginning of year- July 1	11,950,442	312,969	310,343	12,573,754
Prior Period Adjustment	<u>331,907</u>	<u>-</u>	<u>(150,000)</u>	<u>181,907</u>
End of year- June 30	<u>\$ 11,425,301</u>	<u>\$ 363,056</u>	<u>\$ 193,024</u>	<u>\$ 11,981,381</u>

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Revenues				
Ad valorem Taxes				
Taxes	\$ 17,758,995	\$ 17,512,932	\$ 246,063	\$ 19,071,158
Penalties and interest	272,517	210,361	(62,156)	237,947
Total	<u>18,031,512</u>	<u>17,723,293</u>	<u>183,907</u>	<u>19,309,105</u>
Other Taxes and Licenses				
Privilege License	500	1,465	965	1,290
Local option sales tax	1,625,300	1,916,059	290,759	1,785,871
Excise tax	40,000	58,784	18,784	47,162
Hold harmless	1,100	2,050	950	1,759
Utility franchise tax	6,800	5,156	(1,644)	7,352
Total	<u>1,673,700</u>	<u>1,983,514</u>	<u>309,814</u>	<u>1,843,434</u>
Unrestricted Intergovernmental Revenues				
Beer and wine	62,000	66,103	4,103	71,693
Food Stamp tax reimbursements	5,000	4,050	(950)	4,180
Indirect costs	2,000	-	(2,000)	-
Total	<u>69,000</u>	<u>70,153</u>	<u>1,153</u>	<u>75,873</u>
Restricted Intergovernmental Revenues				
Federal and state grants	9,501,786	8,820,571	(681,215)	6,858,925
Court facilities fees	25,000	22,267	(2,733)	23,576
Fines and forfeitures	80,000	55,396	(24,604)	71,121
ABC bottles taxes	4,100	4,305	205	4,419
Total	<u>9,610,886</u>	<u>8,902,539</u>	<u>(708,347)</u>	<u>6,958,041</u>
Permits and Fees				
Building permits	107,900	152,729	44,829	106,763
Register of Deeds	77,000	87,963	10,963	81,831
Other fees	26,800	23,980	(2,820)	24,342
Total	<u>211,700</u>	<u>264,672</u>	<u>52,972</u>	<u>212,936</u>
Sales and Services				
Court costs and fees	20,000	17,417	(2,583)	19,426
Jail fees	1,500	2,030	530	593
Ambulance and rescue squad fees	1,125,000	1,195,312	70,312	1,153,205
Sheriff fees	53,770	57,634	3,864	73,646
Health department fees	1,294,391	1,217,823	(76,568)	1,293,010
Inmate housing fees	92,000	225,560	133,560	139,440
Wellness Center fees	10,000	11,578	1,578	12,257
Other	413,027	544,842	131,815	413,724
Total	<u>3,009,688</u>	<u>3,272,196</u>	<u>262,508</u>	<u>3,105,301</u>
Interest on investments	<u>3,700</u>	<u>26,027</u>	<u>22,327</u>	<u>12,640</u>
Special Project Revenue				

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Fees and Reimbursements	20,000	29,888	9,888	25,359
Total	<u>20,000</u>	<u>29,888</u>	<u>9,888</u>	<u>25,359</u>
Miscellaneous				
Reimbursements	-	3,400	3,400	-
Miscellaneous DSS	165,218	163,958	(1,260)	4,350
Other	551,160	101,546	(449,614)	74,071
Total	<u>716,378</u>	<u>268,904</u>	<u>(447,474)</u>	<u>78,421</u>
Total Revenues	<u>33,346,564</u>	<u>32,541,186</u>	<u>(313,252)</u>	<u>31,621,110</u>
Expenditures				
General Government:				
Governing Body				
Salaries and employee benefits	47,477	47,478	(1)	46,476
Other operating expenditures	39,144	37,769	1,375	31,095
Total	<u>86,621</u>	<u>85,247</u>	<u>1,374</u>	<u>77,571</u>
Administration				
Salaries and employee benefits	190,773	155,551	35,222	142,161
Other operating expenditures	14,450	9,583	4,867	89,529
Total	<u>205,223</u>	<u>165,134</u>	<u>40,089</u>	<u>231,690</u>
Human Resources				
Salaries and employee benefits	172,872	165,404	7,468	153,826
Other operating expenditures	27,635	25,231	2,404	27,959
Total	<u>200,507</u>	<u>190,635</u>	<u>9,872</u>	<u>181,785</u>
Finance				
Salaries and employee benefits	355,051	353,549	1,502	417,759
Other operating expenditures	233,770	227,374	6,396	210,412
Total	<u>588,821</u>	<u>580,923</u>	<u>7,898</u>	<u>628,171</u>
Hospitalization- Retirees				
Other operating expenditures	252,481	252,475	6	236,691
Total	<u>252,481</u>	<u>252,475</u>	<u>6</u>	<u>236,691</u>
Wellness Grant				
Other operating expenditures	4,295	1,206	3,089	3,503
Total	<u>4,295</u>	<u>1,206</u>	<u>3,089</u>	<u>3,503</u>

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Taxes				
Salaries and employee benefits	484,699	404,633	80,066	446,557
Other operating expenditures	172,675	85,312	87,363	83,802
Capital Outlay	53	53	-	586
Total	<u>657,427</u>	<u>489,998</u>	<u>167,429</u>	<u>530,945</u>
Land Records				
Salaries and employee benefits	158,170	154,146	4,024	150,207
Other operating expenditures	19,845	12,630	7,215	16,185
Total	<u>178,015</u>	<u>166,776</u>	<u>11,239</u>	<u>166,392</u>
Census Program				
Salaries and employee benefits	-	-	-	-
Other operating expenditures	-	-	-	136
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>136</u>
Legal				
Other operating expenditures	71,702	71,687	15	52,740
Total	<u>71,702</u>	<u>71,687</u>	<u>15</u>	<u>52,740</u>
Court Facilities				
Other operating expenditures	19,050	15,664	3,386	15,829
Total	<u>19,050</u>	<u>15,664</u>	<u>3,386</u>	<u>15,829</u>
Elections				
Salaries and employee benefits	140,391	120,762	19,629	88,969
Other operating expenditures	105,345	92,186	13,159	64,855
Total	<u>245,736</u>	<u>212,948</u>	<u>32,788</u>	<u>153,824</u>
Register of Deeds				
Salaries	156,139	150,110	6,029	173,142
Other operating expenditures	55,932	50,655	5,277	82,190
Total	<u>212,071</u>	<u>200,765</u>	<u>11,306</u>	<u>255,332</u>
Public Buildings				
Salaries and employee benefits	353,166	336,036	17,130	330,064
Other operating expenditures	464,927	398,111	66,816	394,147
Capital Outlay	-	-	-	26,515
Total	<u>818,093</u>	<u>734,147</u>	<u>83,946</u>	<u>750,726</u>
Management Information Systems				
Salaries and employee benefits	61,229	60,613	616	53,641
Other operating expenditures	208,042	189,223	18,819	192,879
Total	<u>269,271</u>	<u>249,836</u>	<u>19,435</u>	<u>246,520</u>

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Central Garage				
Salaries and employee benefits	56,644	49,938	6,706	48,894
Other Operating expenditures	48,570	27,158	21,412	29,330
Capital Outlay	1,350	-	1,350	5,999
Total	<u>106,564</u>	<u>77,096</u>	<u>22,762</u>	<u>84,223</u>
Central Stores				
Other operating expenditures	14,200	2,755	11,445	695
Total	<u>14,200</u>	<u>2,755</u>	<u>11,445</u>	<u>695</u>
Total General Government	<u>3,889,827</u>	<u>3,497,292</u>	<u>426,079</u>	<u>3,616,773</u>
Public safety:				
Sheriff				
Salaries	1,925,995	1,726,958	199,037	1,712,594
Other operating expenditures	446,339	343,109	103,230	367,345
Capital Outlay	22,567	12,354	10,213	20,985
Total	<u>2,394,901</u>	<u>2,082,421</u>	<u>312,480</u>	<u>2,100,924</u>
Sheriff- School Rescue Officer				
Salaries	140,591	129,053	11,538	124,951
Total	<u>140,591</u>	<u>129,053</u>	<u>11,538</u>	<u>124,951</u>
Sheriff-Governor's Highway Safety Program				
Other operating expenditures	-	-	-	60
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>
Sheriff-Execution Account				
Other operating expenditures	27,000	23,521	3,479	25,127
Total	<u>27,000</u>	<u>23,521</u>	<u>3,479</u>	<u>25,127</u>
Criminal Justice Partnership Program				
Salaries	194,619	138,388	56,231	91,334
Other operating expenditures	95,732	38,480	57,252	27,014
Total	<u>290,351</u>	<u>176,868</u>	<u>113,483</u>	<u>118,348</u>
Jail				
Salaries and employee benefits	989,643	937,049	52,594	852,802
Other operating expenditures	472,711	386,876	85,835	339,053
Total	<u>1,462,354</u>	<u>1,323,925</u>	<u>138,429</u>	<u>1,191,855</u>
Emergency Communications				
Salaries and employee benefits	905,276	801,398	103,878	831,552
Other operating expenditures	41,998	33,347	8,651	21,423
Total	<u>947,274</u>	<u>834,745</u>	<u>112,529</u>	<u>852,975</u>

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
911 County				
Other operating expenditures	126,521	126,280	241	37,779
Total	<u>126,521</u>	<u>126,280</u>	<u>241</u>	<u>37,779</u>
Emergency Management				
Salaries	115,923	113,258	2,665	94,649
Other operating expenditures	67,555	88,591	(21,036)	41,934
Total	<u>183,478</u>	<u>201,849</u>	<u>(18,371)</u>	<u>136,583</u>
Fire				
Assistance to local departments	14,500	14,500	-	14,500
Contribution to N.C. Forestry	104,040	98,818	5,222	87,646
Total	<u>118,540</u>	<u>113,318</u>	<u>5,222</u>	<u>102,146</u>
Building Inspections				
Salaries and employee benefit	158,238	155,218	3,020	143,623
Other operating expenditures	19,354	13,180	6,174	12,405
Total	<u>177,592</u>	<u>168,398</u>	<u>9,194</u>	<u>156,028</u>
Medical examiner				
Contracted services	12,350	12,350	-	7,550
Total	<u>12,350</u>	<u>12,350</u>	<u>-</u>	<u>7,550</u>
Ambulance Service				
Salaries and employee benefits	2,424,439	2,400,290	24,149	2,289,688
Other operating expenditures	637,756	616,122	21,634	269,012
Assistance to local rescue units	14,000	14,000	-	9,334
Total	<u>3,076,195</u>	<u>3,030,412</u>	<u>21,634</u>	<u>2,568,034</u>
Animal Control				
Salaries and employee benefits	52,027	51,587	440	50,532
Other operating expenditures	53,252	27,453	25,799	28,515
Total	<u>105,279</u>	<u>79,040</u>	<u>26,239</u>	<u>79,047</u>
Total Public Safety	<u>9,062,426</u>	<u>8,302,180</u>	<u>736,097</u>	<u>7,501,407</u>
Transportation				
Contribution to Tri-County Airport	26,500	26,500	-	29,000
Total Transportation	<u>26,500</u>	<u>26,500</u>	<u>-</u>	<u>29,000</u>
Environmental Protection				
Contribution to Lake Gaston weed control	76,000	76,000	-	75,000
Drainage and watershed protection	4,000	4,000	-	4,000
Total Environmental Protection	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>79,000</u>

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Economic and Physical Development:				
Planning and zoning				
Salaries and employee benefits	138,574	120,853	17,721	125,579
Other operating expenditures	21,418	11,280	10,138	17,157
Total	<u>159,992</u>	<u>132,133</u>	<u>27,859</u>	<u>142,736</u>
Economic Development				
Salaries and employee benefits	159,037	155,568	3,469	154,277
Other operating expenditures	558,912	187,802	371,110	193,766
COG membership dues	9,943	9,943	-	9,090
Contribution to Chamber of Commerce	11,950	11,950	-	11,950
Contribution to CADA	2,500	2,500	-	5,000
Miscellaneous contributions	500	500	-	500
Total	<u>742,842</u>	<u>368,263</u>	<u>374,579</u>	<u>374,583</u>
Cooperative Extension				
Salaries and employee benefits	241,715	189,559	52,156	180,010
Other operating expenditures	33,366	23,872	9,494	25,507
Total	<u>275,081</u>	<u>213,431</u>	<u>61,650</u>	<u>205,517</u>
Environmental Equity Grant				
Other operating expenditures	1,073	-	1,073	-
Total	<u>1,073</u>	<u>-</u>	<u>1,073</u>	<u>-</u>
YESS Mini-Society Grant				
Other operating expenditures	1,856	172	1,684	1,124
Total	<u>1,856</u>	<u>172</u>	<u>1,684</u>	<u>1,124</u>
Soil and Water Conservation				
Salaries and employee benefits	89,373	88,419	954	87,026
Other operating expenditures	34,510	33,043	1,467	5,478
Total	<u>123,883</u>	<u>121,462</u>	<u>2,421</u>	<u>92,504</u>
Total Economic and Physical Development	<u>1,304,727</u>	<u>835,461</u>	<u>469,266</u>	<u>816,464</u>
Human services:				
Health				
Salaries and employee benefits	584,621	434,580	150,041	451,338
Other operating expenditures	176,160	142,023	34,137	93,433
Total	<u>760,781</u>	<u>576,603</u>	<u>184,178</u>	<u>544,771</u>
Communicable Disease				
Salaries and employee benefits	34,197	30,274	3,923	19,062
Other operating expenditures	2,983	1,661	1,322	1,338
Total	<u>37,180</u>	<u>31,935</u>	<u>5,245</u>	<u>20,400</u>

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Healthy Carolinian				
Other operating expenditures	-	-	-	300
Total	-	-	-	300
Kate B. Reynolds Grant				
Salaries and employee benefits	62,084	53,816	8,268	75,508
Other operating expenditures	9,950	5,521	4,429	5,185
Capital Outlay	41,276	39,848	1,428	-
Total	113,310	99,185	14,125	80,693
Healthy Start Initiative				
Salaries and employee benefits	-	-	-	-
Other operating expenditures	16,491	15,505	986	10,009
Total	16,491	15,505	986	10,009
Immunization Program				
Salaries and employee benefits	2,947	2,918	29	8,149
Other operating expenditures	2,311	1,623	688	4,961
Total	5,258	4,541	717	13,110
Restaurant Heart Health				
Operating expenditures	1,123	928	195	1,126
Total	1,123	928	195	1,126
Carolina Access III				
Salaries and employee benefits	300,487	96,561	203,926	176,393
Other operating expenditures	17,995	6,010	11,985	12,066
Total	318,482	102,571	215,911	188,459
Tuberculosis Program				
Salaries and employee benefits	6,380	5,562	818	18,948
Other operating expenditures	10,161	4,050	6,111	5,417
Total	16,541	9,612	6,929	24,365
Health-Jail Site Testing				
Salaries and employee benefits	50,124	49,997	127	46,971
Other operating expenditures	8,977	7,481	1,496	12,301
Total	59,101	57,478	1,623	59,272
Pregnancy Care Management				
Salaries and employee benefits	81,297	77,812	3,485	56,398
Other operating expenditures	5,525	3,865	1,660	3,418
Total	86,822	81,677	5,145	59,816
Mosquito Control				
Other operating expenditures	7,000	5,093	1,907	-
Total	7,000	5,093	1,907	-

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Nurse Family Partnership				
Salaries and employees benefits	297,786	282,930	14,856	277,007
Other operating expenditures	207,969	173,859	34,110	188,458
Total	505,755	456,789	48,966	465,465
School Nurse Program				
Salaries and employees benefits	150,000	149,997	3	150,000
Other operating expenditures	-	-	-	-
Total	150,000	149,997	3	150,000
Healthy Communities				
Salaries and employees benefits	21,489	20,306	1,183	14,823
Other operating expenditures	10,424	9,088	1,336	10,467
Total	31,913	29,394	2,519	25,290
Health- Susan Koman				
Salaries and employees benefits	3,947	3,948	(1)	15,731
Other operating expenditures	3,482	3,338	144	1,839
Total	7,429	7,286	143	17,570
Health- STD Prevention				
Other operating expenditures	2,461	2,095	366	680
Total	2,461	2,095	366	680
Breast and Cervical Cancer				
Salaries and employee benefits	8,076	7,687	389	9,648
Other operating expenditures	19,719	12,109	7,610	20,824
Total	27,795	19,796	7,999	30,472
Home Health				
Salaries and employee benefit	670,215	630,333	39,882	603,321
Other operating expenditures	593,625	342,942	250,683	338,993
Total	1,263,840	973,275	290,565	942,314
School Health-Kate B.Reynolds				
Salaries and employee benefit	35,691	34,764	927	33,929
Other operating expenditures	4,285	2,206	2,079	2,422
Total	39,976	36,970	3,006	36,351
Child Health				
Salaries and employee benefit	110,518	102,924	7,594	210,580
Other operating expenditures	31,463	26,838	4,625	19,303
Total	141,981	129,762	12,219	229,883

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Child Service Coordination				
Salaries and employee benefit	90,266	88,011	2,255	50,875
Other operating expenditures	9,736	8,829	907	7,315
Total	<u>100,002</u>	<u>96,840</u>	<u>3,162</u>	<u>58,190</u>
Maternal Care Coordination				
Other operating expenditures	-	-	-	1
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Maternal Child Health				
Salaries and employee benefit	99,296	67,920	31,376	56,748
Other operating expenditures	21,064	13,642	7,422	14,600
Total	<u>120,360</u>	<u>81,562</u>	<u>38,798</u>	<u>71,348</u>
Family Planning				
Salaries and employee benefit	187,823	182,278	5,545	130,516
Other operating expenditures	67,758	36,982	30,776	31,752
Total	<u>255,581</u>	<u>219,260</u>	<u>36,321</u>	<u>162,268</u>
Health Promotions- Clinical (adult)				
Salaries and employee benefit	30,319	24,500	5,819	12,116
Other operating expenditures	8,530	3,536	4,994	3,952
Total	<u>38,849</u>	<u>28,036</u>	<u>10,813</u>	<u>16,068</u>
Health-Head Start				
Salaries and employee benefit	30,299	28,948	1,351	28,573
Other operating expenditures	3,200	2,261	939	2,571
Total	<u>33,499</u>	<u>31,209</u>	<u>2,290</u>	<u>31,144</u>
Woman, Infants, and Children				
Salaries and employee benefit	116,083	112,451	3,632	114,683
Other operating expenditures	11,834	10,279	1,555	18,536
Total	<u>127,917</u>	<u>122,730</u>	<u>5,187</u>	<u>133,219</u>
Peer Counseling				
Salaries and employee benefit	6,589	3,913	2,676	4,503
Other operating expenditures	4,265	2,995	1,270	1,595
Total	<u>10,854</u>	<u>6,908</u>	<u>3,946</u>	<u>6,098</u>
Wise Woman Project				
Salaries and employee benefit	8,511	6,406	2,105	7,998
Other operating expenditures	1,669	1,013	656	901
Total	<u>10,180</u>	<u>7,419</u>	<u>2,761</u>	<u>8,899</u>

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Bio-Terrorism Grant				
Salaries and employee benefit	21,180	20,505	675	27,595
Other operating expenditures	10,484	9,676	808	6,196
Total	<u>31,664</u>	<u>30,181</u>	<u>1,483</u>	<u>33,791</u>
Environmental Health				
Salaries and employee benefit	169,338	163,471	5,867	161,446
Other operating expenditures	19,358	10,335	9,023	8,797
Total	<u>188,696</u>	<u>173,806</u>	<u>14,890</u>	<u>170,243</u>
Elderly and Handicapped				
Other operating expenditures	94,214	94,214	-	116,217
Total	<u>94,214</u>	<u>94,214</u>	<u>-</u>	<u>116,217</u>
Home Delivered Meals				
Salaries and employee benefit	15,514	14,928	586	14,803
Other operating expenditures	91,019	58,410	32,609	72,527
Total	<u>106,533</u>	<u>73,338</u>	<u>33,195</u>	<u>87,330</u>
Home and Community Care Block Grant				
Salaries and employee benefit	-	-	-	1,977
Other operating expenditures	117,756	103,665	14,091	111,906
Total	<u>117,756</u>	<u>103,665</u>	<u>14,091</u>	<u>113,883</u>
AIDS Control				
Salaries and employee benefit	31,890	27,289	4,601	24,225
Other operating expenditures	3,260	1,111	2,149	1,109
Total	<u>35,150</u>	<u>28,400</u>	<u>6,750</u>	<u>25,334</u>
Health- WIC Crossroads				
Other operating expenditures	-	-	-	496
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>496</u>
Ebola				
Salaries and employee benefits	10,427	8,558	1,869	-
Other operating expenditures	4,573	3,555	1,018	-
Total	<u>15,000</u>	<u>12,113</u>	<u>2,887</u>	<u>-</u>
NFP Nash				
Salaries and employee benefits	28,205	14,201	14,004	-
Other operating expenditures	38,879	18,238	20,641	-
Capital outlay	3,601	3,082	519	-
Total	<u>70,685</u>	<u>35,521</u>	<u>35,164</u>	<u>-</u>
Health Promotion - Communities				
Other operating expenditures	-	71	(71)	-
Total	<u>-</u>	<u>71</u>	<u>(71)</u>	<u>-</u>

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Total Health	4,950,179	3,935,765	1,014,414	3,934,875
Mental Health				
Contribution to mental health	81,614	81,614	-	81,614
Total	81,614	81,614	-	81,614
Aging				
Salaries and employee benefits	48,368	48,270	98	46,987
Other operating expenditures	4,518	4,349	169	4,522
Total	52,886	52,619	267	51,509
Veterans Assistance				
Salaries and employee benefits	44,717	39,286	5,431	33,392
Other operating expenditures	5,441	3,744	1,697	4,123
Total	50,158	43,030	7,128	37,515
Community Based Alternatives				
Other operating expenditures	110,181	110,168	13	108,360
Total	110,181	110,168	13	108,360
Social Services:				
Administration				
Salaries and employee benefits	3,704,753	3,485,184	219,569	3,306,664
Other operating expenditures	3,490,187	3,365,734	124,453	1,366,937
Total	7,194,940	6,850,918	344,022	4,673,601
Program Expenditures				
Federal and State Expenditures				
AFDC-FC	111,554	83,868	27,686	109,686
Crisis fuel	196,677	196,415	262	126,807
Board home	48,521	11,426	37,095	23,194
Smart Start daycare	87,684	87,207	477	88,418
CAP/DA federal and State expenditures	71,000	55,941	15,059	58,763
Child Daycare	703,689	703,688	1	767,912
Adoption assistance	-	-	-	1,215
Special adoption assistance	18,988	5,643	13,345	1,372
Total federal and state expenditures	1,238,113	1,144,188	93,925	1,177,367

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
County Expenditures				
Foster Care	857	-	857	-
Medicaid	-	-	-	394
Aid to blind	2,094	1,994	100	2,107
OAA/AD	391,321	388,848	2,473	387,605
AFDC-FC	24,879	20,262	4,617	26,261
General assistance	10,000	3,160	6,840	3,685
Board income	11,827	11,826	1	23,794
Food stamp issuance	14,146	9,159	4,987	9,772
IV-E adoption assistance	25,030	23,832	1,198	20,526
Low income energy assistance	182,400	182,400	-	265,700
CAP/DA	-	-	-	-
Other	8,801	8,799	2	2,930
Total County Expenditures	<u>671,355</u>	<u>650,280</u>	<u>21,075</u>	<u>742,774</u>
Total Social Services	<u>9,104,408</u>	<u>8,645,386</u>	<u>459,022</u>	<u>6,593,742</u>
Total Human Services	<u>14,349,426</u>	<u>12,868,582</u>	<u>1,480,844</u>	<u>10,807,615</u>
Cultural and Recreational				
Recreation				
Salaries and employee benefits	198,960	185,649	13,311	184,767
Other operating expenditures	77,543	72,263	5,280	55,000
Total	<u>276,503</u>	<u>257,912</u>	<u>18,591</u>	<u>239,767</u>
Libraries				
Contribution to regional library	137,981	137,981	-	137,809
Total	<u>137,981</u>	<u>137,981</u>	<u>-</u>	<u>137,809</u>
Northampton Cultural Arts				
Cultural	9,089	8,902	187	8,658
Total	<u>9,089</u>	<u>8,902</u>	<u>187</u>	<u>8,658</u>
Museums				
Contribution to museums	3,000	3,000	-	3,000
Total	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Cultural and Recreational	<u>426,573</u>	<u>407,795</u>	<u>18,778</u>	<u>389,234</u>
Education:				
Public School- current expenses	3,575,511	3,575,511	-	3,300,000
Public School- capital outlay	619,489	619,489	-	358,214
Public Schools- Fines and Forfeitures	84,000	79,552	4,448	71,121
Community College-current	30,000	30,000	-	30,000
Total Education	<u>4,309,000</u>	<u>4,304,552</u>	<u>4,448</u>	<u>3,759,335</u>

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
With Comparative Actual Amounts for Year Ended June 30, 2015

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Debt service:				
Principal	310,000	310,707	(707)	309,892
Interest payments	43	7,242	(7,199)	11,199
Total debt service	<u>310,043</u>	<u>317,949</u>	<u>(7,906)</u>	<u>321,091</u>
Total expenditures	<u>33,758,522</u>	<u>30,640,311</u>	<u>3,127,606</u>	<u>27,319,919</u>
Revenue over (under) expenditures	<u>(411,958)</u>	<u>1,900,875</u>	<u>2,312,833</u>	<u>4,301,191</u>
Other Financing Sources (Uses)				
Transfers to other funds				
Special Revenue Funds	(3,599)	(3,599)	-	-
Capital Project Funds	(479,508)	(479,508)	-	-
Solid Waste Fund	(600,244)	(600,244)	-	-
Debt Service Fund	(1,624,572)	(1,624,572)	-	(1,678,469)
Intrafund transfers:				
Revaluation fund	(50,000)	(50,000)	-	(50,000)
Revolving loan fund	-	-	-	(300,000)
Long-term debt issued	-	-	-	-
Appropriated fund balance	3,175,786	-	(3,175,786)	-
Contingency	(5,905)	-	5,905	-
Total other financing sources (uses)	<u>411,958</u>	<u>(2,757,923)</u>	<u>(3,169,881)</u>	<u>(2,028,469)</u>
Net change in fund balance	<u>\$ -</u>	<u>(857,048)</u>	<u>\$ (857,048)</u>	<u>2,272,722</u>
Fund balance- July 1		11,950,442		9,677,720
Prior Period Adjustment		<u>331,907</u>		<u>-</u>
Fund balance- June 30		<u>\$ 11,425,301</u>		<u>\$ 11,950,442</u>

Northampton County, North Carolina
Revaluation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Revenues:				
Interest on investments	\$ -	\$ 87	\$ 87	\$ 191
Expenditures:				
General government:				
Other operating expenditures	50,000	-	50,000	36,691
Revenues over (under) expenditures	(50,000)	87	(49,913)	(36,500)
<u>Other financing sources</u>				
Transfer in (out)	50,000	50,000	-	50,000
Net change in fund balance	\$ -	50,087	\$ 50,087	13,500
Fund balance, beginning		312,969		299,469
Fund balance, ending		\$ 363,056		\$ 312,969

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, 2016
With Comparative Actual Amounts For the Year Ended June 30, 2015

	2016			2015
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Interest on Investments	\$ 7,000	\$ 49	\$ (6,951)	\$ 380
Payment - Interest	-	4,547	4,547	-
Payment - Principal	-	28,085	28,085	-
Miscellaneous	99,000	-	(99,000)	-
Total Revenues	106,000	32,681	(73,319)	380
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from General funds	600,000	-	(600,000)	300,000
Transfers to other funds	(1,114,497)	-	1,114,497	-
Appropriated fund balance	408,497	-	(408,497)	-
Total other financing sources (uses)	(106,000)	-	106,000	300,000
 Net change in fund balances	\$ -	32,681	\$ 32,681	300,380
 FUND BALANCE				
Beginning of year- July 1		310,343		9,963
Prior Period Adjustment		(150,000)		-
End of year- June 30		\$ 193,024		\$ 310,343

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specific purpose.

- **Mid-Atlantic Distribution Park Fund**
- **Emergency Telephone (911) Fund**
- **Fire District Fund**
- **CDBG Fund**

Capital Project Fund

Capital Project Funds are used to account for the acquisition and construction of major capital facilities and equipment.

- **DSS Building Project Fund**
- **Enviva Infrastructure Project Fund**
- **Wellness and Recreation Centers Fund**
- **First Responder Training Fund**
- **Capital Reserve Fund**
- **Ambulance Capital Reserve Fund**
- **EDC Capital Reserve Fund**
- **Public Schools Building Fund**
- **EDC REEP Project Fund**
- **Severn Peanut Natural Gas Project Fund**

Debt Service Fund

- **Debt Service Fund**

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 70,498	\$ 195,723	\$ 65,801	\$ 332,022
Taxes receivable (net)	111,713	-	-	111,713
Accounts receivable (net)	22,443	-	-	22,443
Due from other funds	126,506	169,720	-	296,226
Total assets	<u>\$ 331,160</u>	<u>\$ 365,443</u>	<u>\$ 65,801</u>	<u>\$ 762,404</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued	\$ 44,042	1,113	-	45,155
Due to other funds	19,712	214,654	-	234,366
Total liabilities	<u>63,754</u>	<u>215,767</u>	<u>-</u>	<u>279,521</u>
DEFERRED INFLOWS OF RESOURCES				
Tax receivable	<u>111,713</u>	<u>-</u>	<u>-</u>	<u>111,713</u>
Fund balances:				
Restricted:				
Stabilization by State statute	17,381	169,720	-	187,101
Restricted, other	72,669	-	-	72,669
Committed:				
Committed, other	-	184,468	-	184,468
Debt service	-	-	-	-
Assigned:				
Assigned, other	69,643	-	65,801	135,444
Unassigned	(4,000)	(204,512)	-	(208,512)
Total fund balances	<u>155,693</u>	<u>149,676</u>	<u>65,801</u>	<u>371,170</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 331,160</u>	<u>\$ 365,443</u>	<u>\$ 65,801</u>	<u>\$ 762,404</u>

Northampton, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Ad valorem taxes	\$ 689,721	\$ -	\$ -	\$ 689,721
Restricted intergovernmental	-	495,000	-	495,000
Sales and services	208,566	-	-	208,566
Investment earnings	616	54	4	674
Miscellaneous	22,511	-	-	22,511
Total revenues	<u>921,414</u>	<u>495,054</u>	<u>4</u>	<u>1,416,472</u>
Expenditures:				
Current:				
Public safety	1,195,815	-	-	1,195,815
Economic and physical development	-	122,281	-	122,281
Human services	-	-	-	-
Education	-	75,000	-	75,000
Debt Service:				
Principal	-	-	1,028,175	1,028,175
Interest	-	-	597,438	597,438
Total expenditures	<u>1,195,815</u>	<u>197,281</u>	<u>1,625,613</u>	<u>3,018,709</u>
Revenues over (under) expenditures	<u>(274,401)</u>	<u>297,773</u>	<u>(1,625,609)</u>	<u>(1,602,237)</u>
Other financing sources (uses):				
Transfers in (out)	3,599	479,508	1,624,572	2,107,679
Intrafund transfers	-	-	-	-
Loan expenditures	-	-	-	-
Debt Proceeds	-	-	-	-
Total other financing sources (uses)	<u>3,599</u>	<u>479,508</u>	<u>1,624,572</u>	<u>2,107,679</u>
Net change in fund balance	(270,802)	777,281	(1,037)	505,442
Fund balances, beginning	<u>426,495</u>	<u>(627,605)</u>	<u>66,838</u>	<u>(134,272)</u>
Fund balances, ending	<u>\$ 155,693</u>	<u>\$ 149,676</u>	<u>\$ 65,801</u>	<u>\$ 371,170</u>

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Fund
June 30, 2016

	Special Revenue Funds				Total
	Mid-Atlantic Distribution Park Fund	Emergency Telephone System Fund	Fire District Fund	CDBG Fund	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 69,643	\$ -	\$ -	\$ 855	\$ 70,498
Accounts receivable	-	17,381	5,062	-	22,443
Taxes Receivable	-	-	111,713	-	111,713
Due from other funds	-	126,506	-	-	126,506
Total assets	<u>69,643</u>	<u>143,887</u>	<u>116,775</u>	<u>855</u>	<u>331,160</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	42,780	407	855	44,042
Due to other funds	-	11,057	8,655	-	19,712
Total liabilities	<u>-</u>	<u>53,837</u>	<u>9,062</u>	<u>855</u>	<u>63,754</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes Receivable	-	-	111,713	-	111,713
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>111,713</u>	<u>-</u>	<u>111,713</u>
Fund balances:					
Restricted:					
Stabilization by State Statute	-	17,381	-	-	17,381
Restricted, other	-	72,669	-	-	72,669
Assigned:					
Assigned, other	69,643	-	-	-	69,643
Unassigned	-	-	(4,000)	-	(4,000)
Total fund balances	<u>69,643</u>	<u>90,050</u>	<u>(4,000)</u>	<u>-</u>	<u>155,693</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 69,643</u>	<u>\$ 143,887</u>	<u>\$ 116,775</u>	<u>\$ 855</u>	<u>\$ 331,160</u>

Northampton County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016

	Mid-Atlantic Distribution Park Fund	Emergency Telephone System Fund	Fire District Fund	CDBG Fund	Total
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ 689,721	\$ -	\$ 689,721
Restricted intergovernmental	-	-	-	-	-
Sales and service	-	208,566	-	-	208,566
Investment earnings	4	4	608	-	616
Miscellaneous	22,511	-	-	-	22,511
Total revenues	<u>22,515</u>	<u>208,570</u>	<u>690,329</u>	<u>-</u>	<u>921,414</u>
Expenditures:					
Public safety	-	505,686	690,129	-	1,195,815
Human services	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Total expenditures	<u>-</u>	<u>505,686</u>	<u>690,129</u>	<u>-</u>	<u>1,195,815</u>
Other Financing Sources (Uses)					
Long-term debt issued	-	-	-	-	-
Transfers in (out)	-	-	-	3,599	3,599
Transfers-intrafund	-	-	-	-	-
Loan expenditures (closing costs)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,599</u>	<u>3,599</u>
Net change in fund balances	22,515	(297,116)	200	3,599	(270,802)
Fund balances, beginning	<u>47,128</u>	<u>387,166</u>	<u>(4,200)</u>	<u>(3,599)</u>	<u>426,495</u>
Fund balances, ending	<u>\$ 69,643</u>	<u>\$ 90,050</u>	<u>\$ (4,000)</u>	<u>\$ -</u>	<u>\$ 155,693</u>

Northampton County, North Carolina
Mid- Atlantic Distribution Park
Schedule of Revenues, Expenditures, and Changes
In Fund Balance- Budget and Actual
For Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June, 30 2015

	2016			2015
	Budget	Actual	Variance over/under	Actual
Revenues				
Investment earnings	\$ -	\$ 4	\$ 4	\$ 26
Miscellaneous	285,664	22,511	(263,153)	22,453
Total revenues	<u>285,664</u>	<u>22,515</u>	<u>(263,149)</u>	<u>22,479</u>
Expenditures				
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>22,515</u>	<u>988,805</u>	<u>22,479</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
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)	(205,710)	-	205,710	-
Total other financing sources (uses)	<u>966,290</u>	<u>-</u>	<u>(966,290)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>22,515</u>	<u>\$ 22,515</u>	<u>22,479</u>
Fund Balance- July 1		<u>47,128</u>		<u>24,649</u>
Fund Balance- June 30		<u>\$ 69,643</u>		<u>\$ 47,128</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, 2016
With Comparative Actual Amounts For the Year Ended June 30, 2015

	2016		Variance over/under	2015
	Budget	Actual		Actual
Revenues				
Telephone surcharge	\$ 208,567	\$ 208,566	\$ (1)	\$ 215,936
Investment earnings	-	4	4	40
Miscellaneous	-	-	-	35
Total revenues	<u>208,567</u>	<u>208,570</u>	<u>3</u>	<u>216,011</u>
Expenditures				
Current:				
Public Safety				
Construction/ capital outlay	422,556	364,992	57,564	2,171
Other expenditures	179,991	140,694	39,297	29,858
Total expenditures	<u>602,547</u>	<u>505,686</u>	<u>96,861</u>	<u>32,029</u>
Revenues over (under) Expenditures	<u>(393,980)</u>	<u>(297,116)</u>	<u>96,864</u>	<u>183,982</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in (out)	-	-	-	-
Appropriated fund balance	393,980	-	(393,980)	-
Total other financing sources (uses)	<u>393,980</u>	<u>-</u>	<u>(393,980)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>(297,116)</u>	<u>\$ (297,116)</u>	<u>183,982</u>
Fund Balance- July 1		<u>387,166</u>		<u>203,184</u>
Fund Balance- June 30		<u>\$ 90,050</u>		<u>\$ 387,166</u>

PSAP RECONCILIATION

FOR YEAR ENDED JUNE 30, 2016

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	\$ 90,050
Cumulative prior period revenues and expenditures not reported in the fund schedule (difference in beginning fund balance-budget to actual vs.PSAP Report)	6,814
A portion of 911 expenditures on budget to actual, not reported on PSAP report	<u>12,835</u>
Ending balance, PSAP Revenue- Expenditure Report	<u>\$ 109,699</u>

Northampton County, North Carolina
Fire District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016
With Comparative Actual Amounts For The Year Ended June 30, 2015

	2016		Variance over/under	2015
	Budget	Actual		Actual
Revenues				
Roanoke Wildwood Fire District Tax	\$ 166,427	\$ 179,008	\$ 12,581	\$ 182,041
Garysburg Fire District tax	74,561	84,626	10,065	75,154
Gaston Fire District tax	164,233	195,294	31,061	215,535
Jackson Fire District tax	32,826	37,620	4,794	42,846
Lasker Fire District tax	21,156	24,436	3,280	26,299
Seaboard Fire District Tax	56,416	61,329	4,913	57,107
Rich Square Fire District tax	47,280	55,271	7,991	63,086
Woodland Fire District tax	56,606	52,137	(4,469)	53,980
Refund of motor vehicle interest	-	-	-	-
Interest Earnings	-	608	608	225
Total revenues	619,505	690,329	70,824	716,273
Expenditures				
Current:				
Public Safety:				
Roanoke Wildwood levy	166,427	180,224	(13,797)	181,298
Garysburg levy	74,561	83,933	(9,372)	75,123
Gaston levy	164,233	188,472	(24,239)	215,465
Jackson levy	32,826	45,398	(12,572)	42,777
Lasker levy	21,156	24,013	(2,857)	26,292
Seaboard Fire District levy	56,416	61,109	(4,693)	57,115
Rich Square levy	47,280	55,562	(8,282)	63,123
Woodland levy	56,606	51,418	5,188	53,991
Total expenditures	619,505	690,129	(70,624)	715,184
Net Change in Fund Balances	\$ -	200	\$ 200	1,089
Fund Balance- July 1		(4,200)		(5,289)
Fund Balance- June 30		\$ (4,000)		\$ (4,200)

Northampton County, North Carolina
CDBG Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2016

	Project Authorization	Actual				Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Closed Out Project	Actual Total to Date	
Revenues:						
Restricted intergovernmental						
Community Development	\$ -	\$ 784,325	\$ -	\$ (784,325)	\$ -	\$ -
Investment earnings	-	-	-	-	-	-
Redevelopment Assistance	-	14,374	-	(14,374)	-	-
Small Business Entrepreneurial	-	249,000	-	(249,000)	-	-
Barrow Mill Road Wastewater	-	-	-	-	-	-
Miscellaneous	-	100,000	-	(100,000)	-	-
Total Revenue	-	<u>1,147,699</u>	-	<u>(1,147,699)</u>	-	-
Expenditures:						
Economic development						
Administration	-	786,315	-	(786,315)	-	-
Redevelopment Assistance Loan	-	11,689	-	(11,689)	-	-
Contributions to other agencies	-	100,000	-	(100,000)	-	-
Small Business Entrepreneurial Grant	-	249,336	-	(249,336)	-	-
Barrow Mill Road Wastewater	-	10,860	-	(10,860)	-	-
Debt Service:						
Principal	-	100,000	-	(100,000)	-	-
Total Expenditures	-	<u>1,258,200</u>	-	<u>(1,258,200)</u>	-	-
Revenues over (under) expenditures	-	<u>(110,501)</u>	-	<u>110,501</u>	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	6,902	3,599	(6,902)	3,599	3,599
Long-term debt issued	-	100,000	-	(100,000)	-	-
Total other financing sources (uses)	-	<u>106,902</u>	<u>3,599</u>	<u>(106,902)</u>	<u>3,599</u>	<u>3,599</u>
Net change in fund balance	\$ -	<u>\$ (3,599)</u>	3,599	3,599	<u>\$ 3,599</u>	<u>\$ 3,599</u>
Fund balance, beginning			<u>(3,599)</u>			
Fund balance, ending			<u>\$ -</u>			

CAPITAL PROJECT FUNDS

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2016

	Capital Project Funds										
	DSS Building Project Fund	Enviva Infrastructure Project	Wellness and Recreation Centers Fund	First Responder Training Fund	Capital Reserve Fund	Ambulance Capital Reserve Fund	EDC Capital Reserve Fund	Public Schools Building Fund	EDC REEP Project Fund	Severn Peanut Natural Gas Project	Total
ASSETS											
Current Assets:											
Cash and cash equivalents	\$ 4	\$ 11,250	\$ -	\$ 764	\$ 1	\$ 903	\$ 136,111	\$ 42,894	\$ 3,796	\$ -	\$ 195,723
Due from other funds	-	-	-	-	169,720	-	-	-	-	-	169,720
Total assets	<u>\$ 4</u>	<u>\$ 11,250</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 169,721</u>	<u>\$ 903</u>	<u>\$ 136,111</u>	<u>\$ 42,894</u>	<u>\$ 3,796</u>	<u>\$ -</u>	<u>\$ 365,443</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ -	\$ 776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337	\$ 1,113
Due to other funds	-	-	-	-	-	-	-	-	-	214,654	214,654
Total liabilities	<u>-</u>	<u>776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,991</u>	<u>215,767</u>
Fund balances:											
Restricted:											
Stabilization by State Statute	-	-	-	-	169,720	-	-	-	-	-	169,720
Committed, other	-	-	-	764	-	903	136,111	42,894	3,796	-	184,468
Unassigned	4	10,474	-	-	1	-	-	-	-	(214,991)	(204,512)
Total fund balances	<u>4</u>	<u>10,474</u>	<u>-</u>	<u>764</u>	<u>169,721</u>	<u>903</u>	<u>136,111</u>	<u>42,894</u>	<u>3,796</u>	<u>(214,991)</u>	<u>149,676</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4</u>	<u>\$ 11,250</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 169,721</u>	<u>\$ 903</u>	<u>\$ 136,111</u>	<u>\$ 42,894</u>	<u>\$ 3,796</u>	<u>\$ -</u>	<u>\$ 365,443</u>

Northampton County, North Carolina
Non-Major Capital Project Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016

	DSS Building Project Fund	Enviva Infrastructure Project	Wellness and Recreational Centers Fund	First Responder Training Center Fund	Capital Reserve Fund	Ambulance Capital Reserve Fund	EDC Capital Reserve Fund	Public Schools Building Fund	EDC REEP Project Fund	Severn Peanut Natural Gas Project	Total
Revenues:											
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 420,000	\$ 495,000
Investment earnings	4	-	-	8	1	1	37	-	3	-	54
Total revenues	<u>4</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>1</u>	<u>1</u>	<u>37</u>	<u>75,000</u>	<u>3</u>	<u>420,000</u>	<u>495,054</u>
Expenditures:											
Current:											
Economic and physical development	-	-	-	-	-	-	-	-	-	122,281	122,281
Human services	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	75,000	-	-	75,000
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>122,281</u>	<u>197,281</u>
Other Financing Sources (Uses)											
Transfers in	113,056	-	366,452	-	-	-	-	-	-	-	479,508
Long term debt issued	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>113,056</u>	<u>-</u>	<u>366,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>479,508</u>
Net change in fund balances	113,060	-	366,452	8	1	1	37	-	3	297,719	777,281
Fund balances, beginning	(113,056)	10,474	(366,452)	756	169,720	902	136,074	42,894	3,793	(512,710)	(627,605)
Fund balances, ending	<u>\$ 4</u>	<u>\$ 10,474</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 169,721</u>	<u>\$ 903</u>	<u>\$ 136,111</u>	<u>\$ 42,894</u>	<u>\$ 3,796</u>	<u>\$ (214,991)</u>	<u>\$ 149,676</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, 2016

	Actual					
	Project Authorization	Prior Years	Current Year	Closed Out Project	Total to Date	Variance Over/Under
REVENUES						
Restricted intergovernmental						
FHA grant	\$ 500,000	\$ 491,656	\$ -	\$ (491,656)	\$ -	\$ (500,000)
Investment earning	-	8,099	4	(8,099)	4	4
Total Revenue	<u>500,000</u>	<u>499,755</u>	<u>4</u>	<u>(499,755)</u>	<u>4</u>	<u>(499,996)</u>
Total						
EXPENDITURES						
Human Service						
Land	150,000	140,359	-	(140,359)	-	150,000
DSS Building	7,316,000	7,438,452	-	(7,438,452)	-	7,316,000
Total Expenditures	<u>7,466,000</u>	<u>7,578,811</u>	<u>-</u>	<u>(7,578,811)</u>	<u>-</u>	<u>7,466,000</u>
Revenues Over (Under) Expenditures	<u>(6,966,000)</u>	<u>(7,079,056)</u>	<u>4</u>	<u>7,079,056</u>	<u>4</u>	<u>6,966,004</u>
OTHER FINANCING SOURCES (USES)						
Transfer from General Fund	-	-	113,056	(113,056)	-	-
Long-term debt issued	6,966,000	6,966,000	-	(6,966,000)	-	(6,966,000)
Total Other Sources (Uses)	<u>6,966,000</u>	<u>6,966,000</u>	<u>113,056</u>	<u>(7,079,056)</u>	<u>-</u>	<u>(6,966,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (113,056)</u>	<u>\$ 113,060</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</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, 2016

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<u>REVENUES</u>					
Restricted intergovernmental revenues:					
CDBG	\$ 726,000	\$ 1,273,087	\$ -	\$ 1,273,087	\$ 547,087
NC Rural Center	620,000	495,316	-	495,316	(124,684)
USDA	2,002,088	1,027,926	-	1,027,926	(974,162)
Highway Planning and Construction	-	220,690	-	220,690	220,690
Miscellaneous	31,000	18,910	-	18,910	(12,090)
Total Revenues	<u>3,379,088</u>	<u>3,035,929</u>	<u>-</u>	<u>3,035,929</u>	<u>(343,159)</u>
<u>EXPENDITURES</u>					
Economic and physical development:					
EDA expenditures	2,002,088	1,997,503	-	1,997,503	4,585
CDBG expenditures	470,000	87,848	-	87,848	382,152
NC Rural center expenditures	220,000	20,500	-	20,500	199,500
Access road expenditures	400,000	695,859	-	695,859	(295,859)
General expenditures	287,000	223,745	-	223,745	63,255
Total expenditures	<u>3,379,088</u>	<u>3,025,455</u>	<u>-</u>	<u>3,025,455</u>	<u>353,633</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,474</u>	<u>\$ -</u>	<u>\$ 10,474</u>	<u>\$ 10,474</u>

Northampton County, North Carolina
Non-Major Capital Project Fund
Wellness and Recreation Centers
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2016

	Project Authorization	Actual		Actual	Actual	Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Project	Total to Date	
Revenues:						
Restricted intergovernmental						
USDA Grant	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)	\$ -	\$ (500,000)
Other grants	599,000	599,000	-	(599,000)	-	(599,000)
Investments earnings	-	5,146	-	(5,146)	-	-
Miscellaneous	25,000	26,500	-	(26,500)	-	(25,000)
Total Revenue	<u>1,124,000</u>	<u>1,130,646</u>	<u>-</u>	<u>(1,130,646)</u>	<u>-</u>	<u>(1,124,000)</u>
Expenditures:						
Human Services						
Wellness Center- capital outlay	2,300,000	2,300,000	-	(2,300,000)	-	2,300,000
Cultural and recreational:						
Recreation Center- Capital outlay	<u>2,216,748</u>	<u>2,462,613</u>	<u>-</u>	<u>(2,462,613)</u>	<u>-</u>	<u>2,216,748</u>
Total Expenditures	<u>4,516,748</u>	<u>4,762,613</u>	<u>-</u>	<u>(4,762,613)</u>	<u>-</u>	<u>4,516,748</u>
Revenues over (under) expenditures	<u>(3,392,748)</u>	<u>(3,631,967)</u>	<u>-</u>	<u>3,631,967</u>	<u>-</u>	<u>3,392,748</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	947,233	820,000	366,452	(1,186,452)	-	947,233
Long-term debt issued	<u>2,445,515</u>	<u>2,445,515</u>	<u>-</u>	<u>(2,445,515)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>3,392,748</u>	<u>3,265,515</u>	<u>366,452</u>	<u>(3,631,967)</u>	<u>-</u>	<u>947,233</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (366,452)</u>	<u>\$ 366,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,339,981</u>

Northampton County, North Carolina
Non-Major Capital Project Fund
First Responder Training Center
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2016

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Revenues:					
Restricted intergovernmental					
Investments earning	\$ -	\$ 6	\$ 8	\$ 14	\$ 14
Miscellaneous	2,250	2,250	-	2,250	-
Total Revenue	<u>2,250</u>	<u>2,256</u>	<u>8</u>	<u>2,264</u>	<u>14</u>
Expenditures:					
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	<u>(3,000)</u>	<u>(2,244)</u>	<u>8</u>	<u>(2,236)</u>	<u>764</u>
OTHER FINANCING SOURCES (USES)					
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>\$ 8</u>	<u>\$ 764</u>	<u>\$ 764</u>

Northampton County, North Carolina
Non-Major Capital Project Fund
Capital Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2016
With Comparative Actual Amounts For the Year Ended June 30, 2015

	2016			2015
	Budget	Actual	Variance over/ under	Actual
Revenues:				
Total Revenue	\$ -	\$ 1	\$ -	\$ -
Net change in fund balance	<u>\$ -</u>	\$ 1	<u>\$ -</u>	-
 FUND BALANCE				
Beginning of year-July 1		<u>169,720</u>		<u>169,720</u>
End of year- June 30		<u>\$ 169,721</u>		<u>\$ 169,720</u>

Northampton County, North Carolina
Non-Major Capital Project Fund
Ambulance Capital Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2016
With Comparative Actual Amounts For the Year Ended June 30, 2015

	2016			2015
	Budget	Actual	Variance over/ under	Actual
Revenues:				
Investment Earnings	\$ -	\$ 1	\$ 1	\$ 1
Total Revenue	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>
Revenues over (under) expenditures	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>
FUND BALANCE				
Beginning of year-July 1		<u>902</u>		<u>901</u>
End of year- June 30		<u>\$ 903</u>		<u>\$ 902</u>

Northampton County, North Carolina
Non-Major Capital Project Fund
EDC Capital Project Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2016
With Comparative Actual Amounts For the Year Ended June 30, 2015

	2016			2015
	Budget	Actual	Variance over / under	Actual
Revenues:				
Investment Earnings	\$ 5,448	\$ 37	\$ (5,411)	\$ 86
Miscellaneous	210,000	-	(210,000)	-
Total Revenue	<u>215,448</u>	<u>37</u>	<u>(215,411)</u>	<u>86</u>
Expenditures:				
Architectural & Engineering	12,500	-	12,500	-
EDC Loan	189,700	-	189,700	-
Total Expenditures	<u>202,200</u>	<u>-</u>	<u>202,200</u>	<u>-</u>
Other financing resources (uses)				
Transfers in (out)	(213,018)	-	213,018	-
Intrafund transfers	-	-	-	-
Appropriated fund balance	199,770	-	(199,770)	-
Total other financing sources (uses)	<u>(13,248)</u>	<u>-</u>	<u>13,248</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	37	<u>\$ (404,363)</u>	86
FUND BALANCE				
Beginning of year-July 1		<u>136,074</u>		<u>135,988</u>
End of year- June 30		<u>\$ 136,111</u>		<u>\$ 136,074</u>

Northampton County, North Carolina
Non-Major Capital Project Fund
Public School Building Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2016

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Closed Out Projects	Actual Total to Date	Variance Positive (Negative)
Revenues:						
Restricted intergovernmental						
State ADM funds	\$ -	\$ 2,569,777	\$ -	\$ (2,569,777)	\$ -	\$ -
State lottery funds	75,000	2,043,988	75,000	(2,118,988)	-	(75,000)
Interest / Investment	-	-	-	-	-	-
Total Revenue	<u>75,000</u>	<u>4,613,765</u>	<u>75,000</u>	<u>(4,688,765)</u>	<u>-</u>	<u>(75,000)</u>
Expenditures:						
Current						
Education:						
Land Purchase	-	105,000		(105,000)	-	
Renovation of existing building	75,000	4,707,458	75,000	(4,782,458)	-	75,000
Debt service- Principal	-	260,063	-	(260,063)	-	-
Total Expenditures	<u>75,000</u>	<u>5,072,521</u>	<u>75,000</u>	<u>(5,147,521)</u>	<u>-</u>	<u>75,000</u>
Revenues over (under) expenditures	-	(458,756)	-	458,756	-	-
OTHER FINANCING SOURCES (USES)						
Reimbursement from Board of Education	-	501,650	-	(501,650)	501,650	(501,650)
Net change in fund balance	<u>\$ -</u>	<u>\$ 42,894</u>	-	<u>\$ (42,894)</u>	<u>\$ 501,650</u>	<u>\$ (501,650)</u>
Fund Balance:						
Beginning of year- July 1			<u>42,894</u>			
End of year- June 30			<u>\$ 42,894</u>			

Northampton County, North Carolina
Non-Major Capital Project Fund
EDC Reep Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2016

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Revenues:					
Restricted intergovernmental					
Investment earnings	\$ -	\$ 13	\$ 3	\$ 16	\$ 16
Miscellaneous	285,580	65,080	-	65,080	(220,500)
Total Revenue	285,580	65,093	3	65,096	(220,484)
Expenditures:					
Current:					
Economic and physical development:					
Infrastructure	285,580	61,300	-	61,300	224,280
Total Expenditures	285,580	61,300	-	61,300	224,280
Net change in fund balance	\$ -	\$ 3,793	\$ 3	\$ 3,796	\$ 3,796

Northampton County, North Carolina
Non-Major Capital Project Fund
Severn Peanut Natural Gas Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2016

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Revenues:					
Restricted intergovernmental					
CDBG	\$ 630,000	\$ 629,381	\$ -	\$ 629,381	\$ (619)
Industrial Development Grant	500,000	500,000	-	500,000	-
NC Rural Center Grant	420,000	-	420,000	420,000	-
Piedmont Natural Gas Grant	604,206	-	-	-	(604,206)
Total Revenue	<u>2,154,206</u>	<u>1,129,381</u>	<u>420,000</u>	<u>1,549,381</u>	<u>(604,825)</u>
Expenditures:					
Economic and physical development:					
Piedmont natural gas expenditures	1,553,206	645,279	122,281	767,560	785,646
CDBG expenditures	101,000	354,283	-	354,283	(253,283)
Industrial development expenditures	500,000	642,529	-	642,529	(142,529)
Total Expenditures	<u>2,154,206</u>	<u>1,642,091</u>	<u>122,281</u>	<u>1,764,372</u>	<u>389,834</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (512,710)</u>	<u>\$ 297,719</u>	<u>\$ (214,991)</u>	<u>\$ (214,991)</u>

Northampton County, North Carolina
Non-Major Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2016
With Comparative Actual Amounts For the Year Ended June 30, 2015

	2016		Variance over/ under	2015
	Budget	Actual		Actual
Revenues:				
Investment Earnings	\$ -	\$ 4	\$ (4)	\$ 20
Expenditures				
Debt Service:				
Principal retirement	1,019,590	1,028,175	(8,585)	1,039,861
Interest	604,982	597,438	7,544	636,566
Total Expenditures	<u>1,624,572</u>	<u>1,625,613</u>	<u>(1,041)</u>	<u>1,676,427</u>
Revenues over (under) expenditures	<u>(1,624,572)</u>	<u>(1,625,609)</u>	<u>(1,045)</u>	<u>(1,676,407)</u>
Other financing resources (uses)				
Transfers in (out)				
Special Revenue Fund	220,000	220,000	-	220,000
General Fund	1,404,572	1,404,572	-	1,458,469
Refunding Bonds Issued	-	-	-	-
Refunded Debt Service- Principal	-	-	-	-
Total other financing sources (uses)	<u>1,624,572</u>	<u>1,624,572</u>	<u>-</u>	<u>1,678,469</u>
Net change in fund balance	<u>\$ -</u>	(1,037)	<u>\$ (1,045)</u>	2,062
FUND BALANCE				
Beginning of year-July 1		<u>66,838</u>		<u>64,776</u>
End of year- June 30		<u>\$ 65,801</u>		<u>\$ 66,838</u>

ENTERPRISE FUNDS

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

- **Water & Sewer Fund**
- **Phase V Water Project**
- **Solid Waste Fund**

Northampton County, North Carolina
Enterprise Fund- Water and Sewer
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the year ended June 30, 2016
With Comparative Actual Amounts For the Year Ended June 30, 2015

	2016		Variance over/ under	2015
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Water and sewer sales	\$ 3,129,033	\$ 3,160,852	\$ 31,819	\$ 3,558,285
Water and sewer taps	20,000	24,200	4,200	18,400
Other operating revenues	22,171	29,153	6,982	20,721
Total operating revenues	3,171,204	3,214,205	43,001	3,597,406
Non- Operating Revenues				
Interest earned on investments	-	273	273	164
Total Revenue	3,171,204	3,214,478	43,274	3,597,570
Expenditures				
Salaries and employee benefits	518,167	507,836	10,331	483,170
Purchased Water	391,506	391,505	1	366,289
Sewage treatment	472,993	472,992	1	425,223
Other operating expenses	655,249	622,129	33,120	491,605
Capital Outlay	-	5,957	(5,957)	23,856
Debt Service:				
Principal	629,336	629,336	-	565,336
Interest and fees	503,953	503,953	-	560,378
Total Expenditures	3,171,204	3,133,708	37,496	2,915,857
Revenues over (under) expenditures	-	80,770	5,778	681,713
Other financing resources (uses)				
Issuance of long-term debt				-
Transfers in- Water and Sewer Capital Projects				-
Total other financing sources (uses)	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 80,770	\$ 5,778	\$ 681,713

Northampton County, North Carolina
Enterprise Fund- Water and Sewer
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the year ended June 30, 2016
With Comparative Actual Amounts For the Year Ended June 30, 2015

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

Revenues and other financing sources over (under) expenditures and other financing uses	\$ 80,770	\$ 681,713
Debt principal	629,336	565,336
Contributions to the pension plan in the current year	23,406	24,305
Pension expense	(14,266)	(2,901)
Decrease in accrued interest payable	9,004	(993)
Increase in compensated absences	(2,659)	(256)
Increase in other post-employment benefits	(22,726)	(21,176)
Capital Outlay	5,957	23,856
Depreciation	<u>(561,615)</u>	<u>(560,114)</u>
Total expenditures	<u>\$ 147,207</u>	<u>\$ 709,770</u>

**Activity of Water and Sewer Capital Projects
with Project-Based Budgets**

Interest income	\$ 35	\$ 340
Transfers in- Water and Sewer Capital Project	-	-
Grant revenue	-	971,000
Non capitalized capital project expense	-	<u>(366,601)</u>
Change in net position	<u>\$ 147,242</u>	<u>\$ 1,314,509</u>

Northampton County, North Carolina
Water And Sewer Capital Project
Phase V Water Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception And For The Year Ended June 30, 2016

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Revenues:					
Restricted intergovernmental					
USDA Grant	\$ 971,000	\$ 971,000	\$ -	\$ 971,000	\$ -
Investment Earnings	-	1,016	35	1,032	1,032
Total Revenue	<u>971,000</u>	<u>972,016</u>	<u>35</u>	<u>972,032</u>	<u>1,032</u>
Expenditures:					
Legal	40,000	11,127	-	11,127	28,873
Land and right-of-way purchase	6,000	-	-	-	6,000
Capital outlay purchases	1,300,000	1,482,230	-	1,482,230	(182,230)
Engineering	470,412	194,733	3,664	198,397	272,015
Construction	3,776,882	4,036,605	2,293	4,038,898	(262,016)
Contingency	248,706	-	-	-	248,706
Total Expenditures	<u>5,842,000</u>	<u>5,724,695</u>	<u>5,957</u>	<u>5,730,652</u>	<u>111,348</u>
Revenues over (under) expenditures	<u>(4,871,000)</u>	<u>(4,752,679)</u>	<u>(5,922)</u>	<u>(4,758,620)</u>	<u>112,380</u>
Other Financing Sources					
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>\$ (238,981)</u>	<u>\$ (5,922)</u>	<u>\$ (244,922)</u>	<u>\$ 469,682</u>

Northampton County, North Carolina
Enterprise Fund
Solid Waste Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception And For The Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance over/ under	2015
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Solid waste fees	\$ 2,179,412	\$ 2,080,815	\$ 98,597	\$ 2,124,309
White goods and tire disposal tax	31,500	28,218	3,282	30,468
Solid waste disposal tax	10,000	12,004	(2,004)	11,901
Other operating revenues	52,916	56,662	(3,746)	58,992
Total operating revenues	<u>2,273,828</u>	<u>2,177,699</u>	<u>96,129</u>	<u>2,225,670</u>
Non- Operating Revenues				
Capital contributions	6,000	-	6,000	8,937
Interest earned on investments	-	86	(86)	89
Total non-operating revenues	<u>6,000</u>	<u>86</u>	<u>5,914</u>	<u>9,026</u>
Total Revenue	<u>2,279,828</u>	<u>2,177,785</u>	<u>102,043</u>	<u>2,234,696</u>
Expenditures				
Salaries and employee benefits	110,762	113,605	(2,843)	123,295
Solid waste pickup	2,077,107	2,039,732	37,375	2,052,037
Other operating expenses	91,959	66,831	25,128	80,574
Total Expenditures	<u>2,279,828</u>	<u>2,220,168</u>	<u>59,660</u>	<u>2,255,906</u>
Revenues over (under) expenditures	<u>-</u>	<u>(42,383)</u>	<u>42,383</u>	<u>(21,210)</u>
Other Financing Sources				
Transfer from General Fund	-	600,244	(962,546)	-
Total other financing sources (uses)	<u>-</u>	<u>600,244</u>	<u>(962,546)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 557,861</u>	<u>\$ (920,163)</u>	<u>\$ (21,210)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 557,861		\$ (21,210)
Contributions to the pension plan in the current year		7,802		8,102
Pension expense		(4,755)		(967)
Increase in compensated absences		1,441		1,350
Increase in other post-employment benefits		(4,278)		(5,209)
Change in net position		<u>\$ 558,071</u>		<u>\$ (17,934)</u>

AGENCY FUND

Agency funds are used to account for assets held by the County as an agent for individuals and local governments.

- **Social Services Fund:** This agency fund is used to account for the funds held by the County Department of Social Services for the benefit of certain individuals in the County.
- **Inmate Trust Fund:** This agency fund is used to account for funds deposited by inmates of the county's jail.
- **Motor Vehicle Tax Fund:** This agency fund is used to account for registered motor vehicle property taxes that are billed and collected by the County for various municipalities within the County.
- **Rescue Squad Fund:** This agency fund is used to account for rescue squad charges that are billed and collected by the County for the area rescue squads.

Northampton County, North Carolina
Agency Fund
Combining Statement of Changes in Assets and Liabilities
For Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Social Services:				
Assets				
Cash and cash equivalents	\$ 7,245	\$ 55,568	\$ 48,636	\$ 14,177
Liabilities				
Accounts Payable	\$ 7,245	\$ 55,568	\$ 48,636	\$ 14,177
Inmate Trust Fund:				
Assets				
Cash and cash equivalents	\$ 81,646	\$ 48,666	\$ 40,624	\$ 89,688
Liabilities				
Accounts Payable	\$ 81,646	\$ 48,666	\$ 40,624	\$ 89,688
Motor Vehicle Tax:				
Assets				
Cash and cash equivalents	\$ 14,555	\$ 838,978	\$ 847,808	\$ 5,725
Accounts Receivable	249,674	13,501	-	263,175
Total Assets	<u>\$ 264,229</u>	<u>\$ 852,479</u>	<u>\$ 847,808</u>	<u>\$ 268,900</u>
Liabilities				
Accounts Payable	264,229	852,479	847,808	268,900
Total Liabilities	<u>\$ 264,229</u>	<u>\$ 852,479</u>	<u>\$ 847,808</u>	<u>\$ 268,900</u>
Rescue Squad:				
Assets				
Cash and cash equivalents	\$ 21,368	\$ 282,985	\$ 307,769	\$ (3,416)
Accounts Receivable	312,042	129,344	-	441,386
Total Assets	<u>\$ 333,410</u>	<u>\$ 412,329</u>	<u>\$ 307,769</u>	<u>\$ 437,970</u>
Liabilities				
Intergovernmental payable	\$ 312,042	\$ 129,344	\$ -	\$ 441,386
Accounts Payable	21,367	282,985	307,769	(3,417)
	<u>\$ 333,409</u>	<u>\$ 412,329</u>	<u>\$ 307,769</u>	<u>\$ 437,969</u>
Totals - All Agency Funds:				
Assets				
Cash and cash equivalents	\$ 124,814	\$ 1,226,197	\$ 1,244,837	\$ 106,174
Accounts Receivable	561,716	142,845	-	704,561
Total Assets	<u>\$ 686,530</u>	<u>\$ 1,369,042</u>	<u>\$ 1,244,837</u>	<u>\$ 810,735</u>
Liabilities				
Intergovernmental Payable	\$ 312,042	\$ 129,344	\$ -	\$ 441,386
Accounts payable	374,487	1,239,698	1,244,837	369,348
Total Liabilities	<u>\$ 686,529</u>	<u>\$ 1,369,042</u>	<u>\$ 1,244,837</u>	<u>\$ 810,734</u>

OTHER SCHEDULES

These schedules contain additional information required on property taxes

- Schedule of Ad Valorem Taxes Receivables
- Analysis of Current Tax Levy- County- Wide Levy
- Ten Largest Taxpayers

Northampton County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2016

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2015</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2016</u>
2015-2016	\$ -	\$ 17,798,528	\$ 17,004,263	\$ 794,265
2014-2015	872,157	-	331,311	540,846
2013-2014	553,078	-	162,048	391,030
2012-2013	345,488	-	72,367	273,121
2011-2012	240,221	-	42,599	197,622
2010-2011	161,287	-	22,298	138,989
2009-2010	103,646	-	10,688	92,958
2008-2009	78,220	-	7,535	70,685
2007-2008	53,741	-	5,127	48,614
2006-2007	42,048	-	3,041	39,007
2005-2006	38,320	-	38,320	-
Totals	\$ <u>2,488,206</u>	\$ <u>17,798,528</u>	\$ <u>17,699,597</u>	\$ 2,587,137
				<u>(1,215,000)</u>
				\$ <u>1,372,137</u>
 <u>Reconcilement with revenues:</u>				
				\$ 17,723,293
				(212,518)
				34,554
				123,091
				<u>31,177</u>
				\$ <u>17,699,597</u>

Northampton County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2016

Exhibit G-2

	County - wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current year's rate	\$ 1,919,104,891	0.920	\$ 17,655,765	\$ 16,262,539	\$ 1,393,226
Penalties	-		22,676	22,676	-
Total	<u>1,919,104,891</u>		<u>17,678,441</u>	<u>16,285,215</u>	<u>1,393,226</u>
Discoveries	<u>22,088,804</u>		<u>120,087</u>	<u>120,087</u>	<u>-</u>
Abatements	<u>10,687,826</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 1,951,881,521</u></u>				
Net levy			17,798,528	16,405,302	1,393,226
Uncollected taxes at June 30, 2016			<u>794,265</u>	<u>794,262</u>	<u>3</u>
Current year's taxes collected			<u><u>\$ 17,004,263</u></u>	<u><u>\$ 15,611,040</u></u>	<u><u>\$ 1,393,223</u></u>
Current levy collection percentage			<u><u>95.54%</u></u>	<u><u>95.16%</u></u>	<u><u>100.00%</u></u>

Northampton County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2016

Exhibit G-3

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio	<u>100.00%</u>
Real property	\$ 1,671,052,896
Personal property	151,437,609
Public service companies	<u>112,132,104</u>
Total assessed valuation	<u>\$ 1,934,622,609</u>
Tax rate per \$100	<u>\$ 0.92</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 17,798,528</u>

Northampton County, North Carolina
Ten Largest Taxpayers
For the Year Ended June 30, 2016

Taxpayer	Type of Business	2015 Assessed Valuation	Percentage of Total Assessed Valuation
Enviva Pellets Northampton LLC	Pellet manufacture	\$ 81,006,908	4.15%
Dominion NC Power	Utility	59,477,940	3.05%
Lowe's Home Center	Warehousing/ distribution	45,164,209	2.31%
Severn Peanut	Agriculture/ Nuts	37,677,833	1.93%
Smithfield Carroll's Farms	Hog processing	23,256,005	1.19%
Georgia Pacific	Chemical Manufactuirng	19,444,394	1.00%
West Fraser Inc	Pulp, paper and wood products	18,484,339	0.95%
CSX	Railroad	13,942,186	0.71%
FIATP Timeber LLC	Timber Investment	11,731,856	0.60%
North Caolina & Virginia Railroad	Railroad	11,030,182	0.57%
Total		<u>\$ 321,215,852</u>	<u>16.46%</u>

COMPLIANCE SECTION



Report On Internal Control Over Financial Reporting And On Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
Government Auditing Standards

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, 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, 2016, and the related notes to the financial statements, which collectively comprises Northampton County's basic financial statements, and have issued our report thereon dated April 27, 2018. Our report includes a reference to other auditors who audited the financial statements of the Northampton County ABC Board as described in our report on Northampton County's financial statements. This report does not include the results of the auditors' testing of internal controls over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Northampton County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northampton County's internal control over financial reporting (internal control) to determine the audit procedure that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northampton County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be a material weakness [2016-001, 2016-002, and 2016-003].

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify items that we considered to be a significant deficiency.

Compliance and Other Matters

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

Northampton County's Response to Findings

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

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
April 27, 2018



Report On Compliance With Requirements Applicable To Each Major Federal
Program And Internal Control Over Compliance In Accordance With OMB
Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited Northampton County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Northampton County's major federal programs for the year ended June 30, 2016. Northampton County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Northampton County compliance.

Opinion on Each Major Federal Program

In our opinion, Northampton County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
April 27, 2018



Report On Compliance With Requirements Applicable To Each Major State
Program And Internal Control Over Compliance In Accordance OMB Uniform Guidance
and the State Single Audit Implementation Act

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited Northampton County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Northampton County's major state programs for the year ended June 30, 2016. Northampton County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, Northampton County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
April 27, 2018

NORTHAMPTON COUNTY, NORTH CAROLINA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2016

Section I. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material Weakness(es) identified? X yes no
- Significant Deficiency(s) identified that are not considered to be material weaknesses yes X none reported

Noncompliance material to financial statements noted yes X no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? yes X no
- Significant Deficiency(s) identified that are not considered to be material weaknesses yes X none reported

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

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

Major federal programs for Northampton County, North Carolina, for fiscal year ended June 30, 2016 are:

Program Name	CFDA Number
Medicaid Cluster	93.778
Children's Health Insurance Program (CHIP)	93.767

Dollar threshold used to distinguish between Type A and Type B Programs \$ 946,422

Auditee qualified as low-risk auditee? yes X no

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Section II. Financial Statement Findings

Finding 2016-01*

Lack of Technical Expertise

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: The financial reporting under the accounting standards promulgated by the Financial Accounting Standards Board and Governmental Accounting Standards Board (GAAP) requires a level of technical expertise not possessed by the County's personnel with regard of drafting full accrual, full disclosure GAAP financial statements.

Context: During our planning procedures, we noted that County personnel do not possess the technical expertise required to comply with financial reporting requirements discussed above.

Cause: Financial Reporting under the accounting standards promulgated by the Financial Accounting Standards Board and the Governmental Accounting Standards Board (GAAP) requires a level of technical expertise not possessed by the County's personnel with regard to drafting full accrual, full disclosure GAAP financial statements.

Effect: Material misstatements of financial statements could result.

Recommendation: The cost of acquiring technical expertise to comply with the financial reporting requirements discussed above appears cost prohibitive. Therefore, the County should exercise due care in reviewing the financial statements drafted by the external auditor as the County is responsible for the accuracy of the audited financial statement.

Name of Contact Person: Leslie Edwards, Finance Officer

Corrective Action/ Management Response: Management is aware of the weakness; but due to the cost of benefits analysis, they will continue to rely on the external auditor to draft the year-end financial statements. The County will exercise due care in reviewing the financial statements. The County acknowledges and accepts responsibility for the accuracy of the audited financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Section II. Financial Statement Findings

Finding 2016-002*

Prior Period Adjustments

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: A significant audit adjustment is a proposed correction of the basic financial statements that, in our judgement, may not have been detected except through our auditing procedures. The existence of such material adjustments indicates that the County's system of controls did not detect and prevent such errors. We have provided management with a report of these adjustments.

Context: While performing our audit procedures, significant audit adjustments were required to report the County's financial statements in accordance with Generally Accepted Accounting Principals.

Effect: Material misstatements of financial statements could result.

Cause: Year-end adjustments include adjustments required for drafting full accrual, full disclosure GAAP financial statements, which requires a level of technical expertise not possessed by the County's personnel with regard to drafting full accrual, full disclosure GAAP financial statements.

Recommendation: Management should examine the adjustments required as a result of our audit and assess the costs versus the benefit of improving the internal control system to prevent the adjustments in the future. Management should acknowledge inherent limitations in the internal control system caused by limited resources and modify their oversight function accordingly.

Name of Contact Person: Leslie Edwards, Finance Officer

Corrective Action/ Management Response: Management is aware that year-end audit adjustments are typically required. Management will examine controls in place to see if they can be strengthened, given available resources, thus, reducing the number of audit adjustments required at year-end. In the areas where the cost/benefit does not justify improving the control system, management will exercise due caution in performing their oversight function.

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Section II. Financial Statement Findings

Finding 2016-003*

Reconciliation of Records

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting and ensure the timeliness of financial reporting.

Condition Effective financial reporting requires timely account reconciliation and access to information to management and other users of the financial statements.

Context: The County had delays in account reconciliations. The County annual financial statements are not available in a timely manner for internal uses and are materially past due to outside reporting agencies.

Cause: Availability of adequate number of personnel in the finance and administration departments caused delays in reconciling account information and preparing for the annual audit and preparation of the financial statements.

Effect: The County's management and other users of the financial statements do not have timely information for decisions-making and monitoring of the county's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.

Recommendation: The County should evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available for timely account reconciliations, year-end close and annual financial reporting purposes. Management should consult with outside accountants or auditors if additional assistance is required in order to prepare for the annual audit, determined appropriated accounting for complex transactions, or prepare the financial statements.

Name of Contact Person: Leslie Edwards, Finance Officer

Corrective Action/ Management Response: The County is aware of the circumstances, which lead to the late completion of the annual audit and issuance of the financial statements. Management will dedicate resources accordingly in order to prepare for the annual audit to issue the financial statements in a timely manner.

* Indicates a repeat finding

NORTHAMPTON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2016

2015-001	Lack of technical expertise
Status	Repeated as finding 2016-001
2015-002	Prior Period Adjustments
Status	Repeated as finding 2016-002
2015-003	Non-compliance with pre-audit requirement
Status	Corrected
2015-004	Timeliness in reconciliations
Status	Repeated as finding 2016-003
2015-005	NC FAST information entry errors
Status	Corrected

NORTHAMPTON COUNTY
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Awards:						
<u>U. S. Department of Agriculture</u>						
Passed-through N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
Supplemental Nutrition Assist Program Cluster						
State Administrative Matching Grants for the						
Supplemental Nutrition Assistance Program	10.561		\$ 331,159	\$ -	\$ -	\$ 331,159
Fraud	10.561		1,989	-	-	1,989
Supplemental Nutrition Assist Program Cluster			<u>333,148</u>	<u>-</u>	<u>-</u>	<u>333,148</u>
Passed-through N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program						
for Women, Infants and Children	10.557		133,262	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program						
for Women, Infants and Children	10.557		215,560	-	-	-
NSIP - Supplement	10.570		8,706	-	-	-
Total U.S. Dept. of Agriculture			<u>690,676</u>	<u>-</u>	<u>-</u>	<u>333,148</u>
<u>U.S. Department of Homeland Security</u>						
Passed -through N.C. Department of Public Safety						
Division of Emergency Management						
EMG Performance Grant	97.042		39,242	-	-	-
Total U.S. Department of Homeland Security			<u>39,242</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Dept. of Health and Human Services						
Centers for Disease Control and Prevention						
Passed-through N.C. Department of Health and Human Services:						
Division of Public Health:						
Public Health Emergency Preparedness						
Hospital Preparedness Program (HPP) Cooperative Agreement	93.069		31,664	-	-	-
Preparedness (PHEP) Aligned Cooperative Agreements	93.074		13,896	-	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094		10,980	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis						
Control Programs	93.116		43	-	-	-
Immunization Grants	93.268		6,250	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health funds (PPHF)	93.758		30,991	-	-	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer						
Early Detection Programs	93.919		11,921	-	-	-
HIV Prevention Activities Health Department Base	93.940		60,475	-	-	-

NORTHAMPTON COUNTY
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Preventive Health Services Sexually Transmitted Disease Control Grants	93.977		510	-	-	-
Administration of Children and Families passed through N.C. Department of Health and Human Services Division of Social Services Temporary Assistance for Needy Families	93.558		5,071	-	-	-
Health Resources and Service Administration passed through N.C. Department of Health and Human Services Division of Public Health Maternal and Child Health Federal Consolidation Programs ACA Maternal, Infant and Ear Early Childhood Visiting Program Maternal and Child Health Services Block Grant	93.110 93.505 93.994		30 489,964 53,266	- - 39,954	- - -	- - -
Office of Population Affairs passed through N.C. Department of Health and Human Services Office of Population Affairs Family Planning Services	93.217		40,422	-	-	-
Total Division of Public Health			755,483	39,954	-	-
Passed-through N.C. Dept. of Health and Human Services: Division of Aging and Adult Services: Administration on Aging: Passed-through Upper Coastal Council of Governments Special Programs for the Aging Title IIIB Access In Home Support Services DSS Title IIIC Nutrition - Congregate Title IIIC Nutrition - Home Delivered Total Aging Cluster	93.044 93.044 93.045 93.045		11,330 58,541 20,445 26,585 116,901	666 3,444 1,203 1,564 6,877	- - - - -	- - - - -
SSBG	93.667		12,359	12,359	-	-
Division of Social Services: <u>Temporary Assistance for Needy Families Cluster</u> Temporary Assistance for Needy Families (TANF) Work First Administration Work First Services TANF/Work First - Direct Benefit Payments Total TANF Cluster	93.558 93.558 93.558		111,022 356,265 182,556 649,843	- - 377 377	- - - -	61,215 284,758 - 345,973
AFDC Payments & Penalties	93.560		(67)	(18)	-	(18)

NORTHAMPTON COUNTY
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Foster Care and Adoption Cluster						
Title IV-E Foster Care	93.658		-	-	-	-
Foster Care - Title IV-E Direct Benefit Payment	93.658		57,365	17,496	-	19,039
IV-E CPS	93.658		119,234	9,172	-	107,925
Foster Care	N/A		-	5,822	-	-
Adoption Assistance	93.659		2,557	-	-	2,557
IV-E Adopt	N/A		-	-	-	-
IV-E Adoption Subsidy & Vendor	93.659		43,693	11,637	-	11,637
Total Foster Care and Adoption Cluster			<u>222,849</u>	<u>44,127</u>	<u>-</u>	<u>141,158</u>
Child Support Enforcement	93.563		331,385	-	-	170,714
Low Income Energy Assistance						
Administration	93.568		24,525	-	-	-
Energy Assistance Payments -Direct Benefit Payments	93.568		182,168	-	-	-
Crisis Intervention Program	93.568		196,414	-	-	-
Total Low-Income Home Energy Assistance			<u>403,107</u>	<u>-</u>	<u>-</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning	93.645		2,555	-	-	852
Total Division of Social Services			<u>2,555</u>	<u>-</u>	<u>-</u>	<u>852</u>
SSBG - Other Service and Training	93.667		127,859	24,374	-	50,744
Chafee Foster Care Independence Program	93.674		3,460	864	-	-
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In-Home Services	93.667		73,485	-	-	10,497
Adult Protective Service	93.667		71,241	44,246	-	16,498
Division of Child Development						
Subsidized Child Care (Note 4)						
Child Care Development Fund Cluster						
Division of Social Services:						
Child Care Development Fund - Administration	93.596		72,216	-	-	-
Division of Child Development:						
Child Care and Development Fund - Discretionary	93.575		320,402	-	-	-
Child Care and Development Fund - Mandatory	93.596		101,566	-	-	-
Child Care and Development Fund - Match	93.596		152,305	61,557	-	-
Total Child Care Development Fund Cluster			<u>646,489</u>	<u>61,557</u>	<u>-</u>	<u>-</u>
Social Services Block Grant	93.667		82,637	-	-	-
Foster Care Title IV-E	93.658		6,136	3,151	-	-
State Appropriations			-	4,276	-	-
TANF - MOE			-	57,519	-	-
Total Subsidized Child Care Cluster (Note 4)			<u>735,262</u>	<u>126,503</u>	<u>-</u>	<u>-</u>

NORTHAMPTON COUNTY
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Passed -through the N.C. Dept. Health and Human Services:						
Division of Medical Assistance						
Direct Benefit Payments						
Title XIX - Medicaid	93.778		26,131,550	14,868,801	-	(907)
DMA Equipment	93.778		3,067	-	-	1,022
Division of Social Services						
Administration						
Medical Assistance Program	93.778		970,698	4,982	-	419,272
Total Medical Assistance Program			<u>27,105,315</u>	<u>14,873,783</u>	<u>-</u>	<u>419,387</u>
Direct Benefit Payments:						
State Children's Insurance Program - N.C. Health Choice	93.767		179,364	9,035	-	-
Division of Social Services						
Administration						
State Children's Insurance Program - N.C. Health Choice	93.767		23,385	1,031	-	142
Total State Children's Insurance Program - N.C. Health Choice			<u>202,749</u>	<u>10,066</u>	<u>-</u>	<u>142</u>
Family Preservation	93.556		3,696	-	-	-
Total U.S. Dept. of Health and Human Services			<u>30,817,482</u>	<u>15,183,512</u>	<u>-</u>	<u>1,155,947</u>
Total Federal Awards			\$ <u>31,547,400</u>	\$ <u>15,183,512</u>	\$ <u>-</u>	\$ <u>1,489,095</u>
State Awards:						
N. C. Department of Administration						
Veterans Service			\$ -	\$ 1,525	\$ -	\$ -
Total N. C. Department of Administration			<u>-</u>	<u>1,525</u>	<u>-</u>	<u>-</u>
N.C. Dept. of Health and Human Services						
Division of Public Health						
General Aid to Counties			-	104,240	-	-
Child Health			-	1,818	-	-
HMHC Family Planning			-	13,393	-	-
Food & Lodging Fees			-	3,566	-	-
Maternal Health (HMHC)			-	4,840	-	-
School Nurse Funding Initiative			-	149,997	149,997	-
Nurse Family Partnership			-	27,944	-	-
Communicable Diseases			-	2,440	-	-
HIV STD SSBG Aid			-	500	-	-
Sexually Transmitted Diseases			-	928	-	-
TB Medical Services			-	1,282	-	-
Tuberculosis			-	30,475	-	-
Breast and Cervical Cancer Control			-	6,630	-	-
Total Public Health			<u>-</u>	<u>348,053</u>	<u>149,997</u>	<u>-</u>

NORTHAMPTON COUNTY
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Division of Social Services:						
SC/SA Domiciliary Care - Direct Benefit Payment			-	388,237	-	388,237
County Fund Programs			-	-	-	425,395
Non Allocating County Cost			-	-	-	139,803
St Child Welfare/CPS/CS			-	1,613	-	-
DCD Smart Start			-	6,411	-	-
CWS - Adoption Subsidy & Vendor - Direct Benefit Payment			-	42,627	-	9,349
AFDC Incentive Program Integrity			-	198	-	-
Work First Non Reimbursable			-	-	-	4,371
State Foster Care - Direct Benefit Payment			-	6,584	-	6,584
SFHF Maximization - Direct Benefit Payment			-	1,065	-	1,065
Total Division of Social Services			-	446,735	-	974,804
Total N.C. Dept. of Health and Human Services			-	794,788	149,997	974,804
<u>N.C. Dept. of Transportation</u>						
ROAP RGP		36228.22.6.1	-	51,181	-	-
ROAP EDTAP		36220.10.6.1	-	52,495	-	-
ROAP Employment		36236.11.5.1	-	7,477	-	-
Total of N.C. Dept. of Transportation			-	111,153	-	-
<u>N.C. Dept. of Environmental Quality</u>						
Division of Waste Management						
Scrap Tire Program			-	20,952	-	-
Soil and Water Conservation			-	18,447	-	-
Total of N.C. Dept. of Environmental Quality			-	39,399	-	-
<u>N.C. Dept. of Cultural Resources</u>						
NCARTS Council						
Arts Grant			-	8,864	-	-
Total of N.C. Dept. of Cultural Resources			-	8,864	-	-
<u>N.C. Department of Public Safety</u>						
Second Chance Counts			-	29,000	-	-
JCPC Administrative			-	6,270	-	-
N C Jobs Program			-	31,297	-	-
Children Matter			-	29,047	-	-
Total of N.C. Dept. of Public Safety			-	95,614	-	-
<u>N.C. Rural Center</u>						
Severn Peanut Natural Gas Project			-	122,281	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund-Lottery Proceeds			-	75,000	75,000	-
Total State Awards			\$ -	\$ 1,248,624	\$ 224,997	\$ 974,804
Total Federal and State Awards			\$ 31,547,400	\$ 16,432,136	\$ 224,997	\$ 2,463,899

NORTHAMPTON COUNTY
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2016

Grantor/Pass-through	Federal	State/ Pass-through	Fed (Direct & Pass-through	State	Pass-through	Local
Grantor/Program Title	CFDA	Grantor's	Expenditures	Expenditures	to	Expenditures
	Number	Number	Expenditures	Expenditures	Subrecipients	Expenditures

Notes to the Schedule of Expenditures of Federal and State Awards

1 Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Northampton County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Northampton County, it is not intended to and does not present the financial position, changes in net assets or cash flows of Northampton County.

2 Summary of Significant Accounting Policies

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

Northampton County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3 Loans Outstanding

Northampton County had the following loan balances outstanding at June 30, 2016. The loan made during the year are included in the SEFSA in the federal expenditures presented in the schedule. Balances and transactions related to these programs are included in the County's basic financial statements.

<u>Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>Pass-through</u> <u>Grantor's Number</u>	<u>Amount</u> <u>Outstanding</u>
Clean Water State Revolving Loan	66.458	CS370560	\$ 1,684,259

3 Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:
 Subsidized Child Care, Foster Care and Adoption