

NORTHAMPTON COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2017

NORTHAMPTON COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2017

COUNTY MANAGER

Robert M. Murphy, Interim

BOARD OF COUNTY COMMISSIONERS

Charles R. Tyner- Chairman
Geneva Riddick-Faulkner - Vice Chair

Kelvin M. Edwards
Nicole J. Boone
Joyce V. Buffaloe

Finance Director

Tameka Green, Interim

NORTHAMPTON COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2017

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditors' Report		1-3
Management's Discussion and Analysis		4-11
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements:		
Statement of Net Position	1	12
Statement of Activities	2	13
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3	14
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	4	15
Reconciliation Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	4a	16
Statement of Revenues, Expenses, and Changes in Fund Balance- Budget and Actual General Fund	5	17
Statement of Fund Net Position –Proprietary Funds	6	18
Statement of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds	7	19
Statement of Cash Flows – Proprietary Funds	8	20-21
Statement of Fiduciary Net Position – Fiduciary Funds	9	22
Notes to the Financial Statements		23-58
REQUIRED SUPPLEMENTAL FINANCIAL DATA		
Other Post-Employment Benefits- Retiree Health Plan Schedule of Funding Progress	A-1	59
Other Post-Employment Benefits- Retiree Health Plan Schedule of Employer Contributions	A-1	59
Schedule of County's Proportionate Share of Net Pension Asset (LGERS)	A-2	60
Schedule of County Contributions (LGERS)	A-3	61
Schedule of County's Proportionate Share of Net Pension Asset (ROD)	A-4	62
Schedule of County Contributions (ROD)	A-5	63
Schedule of Changes in Total Pension Liability (LEOSSA)	A-6	64
Schedule of Changes in Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)	A-7	65

NORTHAMPTON COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2017

	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules:		
Major Governmental Funds		
Statement of Revenues, Expenditures and Changes in Fund Balances - Actual - Consolidated	B-1	66
General Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	B-2	67-79
Revaluation Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual	B-3	80
Revolving Loan Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual	B-4	81
Non-Major Governmental Funds:		
Combining Balance Sheet – Non-Major Governmental Funds	C-1	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	C-2	83
<u>Special Revenue Funds</u>		
Combining Balance Sheet - Special Revenue Funds	C-3	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Funds	C-4	85
Mid-Atlantic Distribution Park		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-5	86
Emergency Telephone System Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	C-6	87
Fire District Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	C-7	88
Solar Farm Trust Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	C-8	89

NORTHAMPTON COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2017

	<u>Exhibit</u>	<u>Page</u>
<u>Capital Project Funds</u>		
Combining Balance Sheet - Capital Projects	D-1	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Capital Projects	D-2	91
Enviva Infrastructure Project Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	D-3	92
Capital Reserve Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	D-4	93
Ambulance Capital Reserve Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	D-5	94
EDC Capital Project Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	D-6	95
Public School Building Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	D-7	96
EDC Reep Project Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	D-8	97
Severn Peanut Natural Gas Project Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	D-9	98
Non-Major Debt Service Fund		
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	D-10	99

NORTHAMPTON COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2017

	<u>Exhibit</u>	<u>Page</u>
<u>Enterprise Fund</u>		
Water Sewer Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Non-GAAP)	E-1	100-101
Phase V Water Project Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Non-GAAP)	E-1a	102
Garysburg Water and Sewer District Statement of Revenues, Expenditures, and Changes in Fund Balances (Non-GAAP)	E-2	103-104
Solid Waste Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Non-GAAP)	E-3	105
 <u>Agency Funds</u>		
Trust and Agency Fund Combining Statement of Changes in Assets and Liabilities	F-1	106
 Other Schedules:		
Schedule of Ad Valorem Taxes Receivable - General Fund	G-1	107
Analysis of Current Tax Levy-County-wide Levy	G-2	108
Analysis of Current Tax Levy - Secondary Market Disclosures	G-3	109
Ten Largest Tax Payers	G-4	110
 COMPLIANCE SECTION		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .		111-112
Reporting on Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance With Applicable Sections of OMB Uniform Guidance and the State Single Audit Implementation Act		113-114
Reporting on Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with the Uniform Guidance and the State Single Audit Implementation Act		115-116
Schedule of Findings and Questioned Costs		117-122
Corrective Action Plan		123-124
Summary Schedule of Prior Year Audit Findings		125
Schedule of Expenditures of Federal and State Awards		126-130

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, 2017, 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 78.26%, 68.62%, and 93.19% 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, 2017, 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 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, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Other Postemployment Benefits schedules of Changes in the Net OPEB Liability and Related Ratios, County Contributions, and Investment Returns, on pages 4 through 11 and 49 through 55, 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 March 27, 2019 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
March 27, 2019

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, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

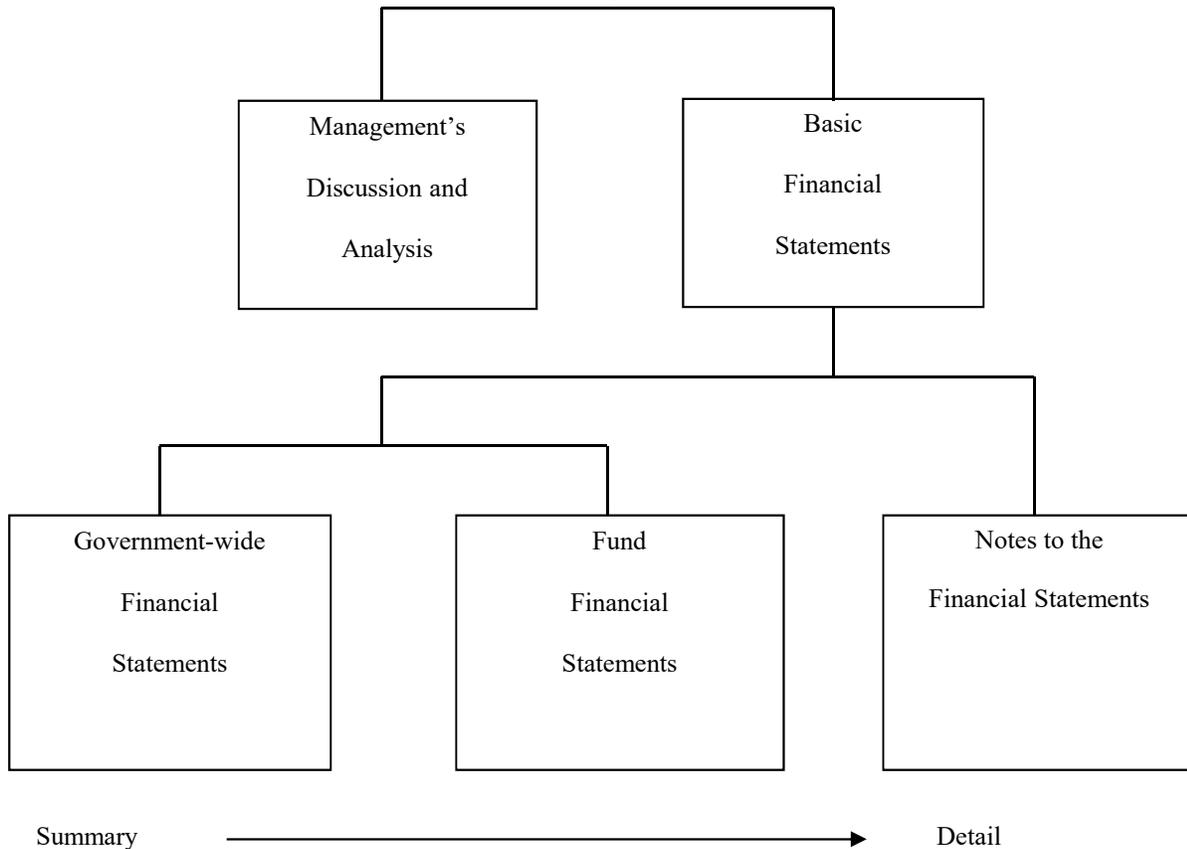
- The assets and deferred outflows of resources of Northampton County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$24,940,254 (*net position*).
- The government's total net position increased by \$1,213,829 primarily due to increased net position in 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 \$12,926,898, an increase of \$452,864 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,396,386 or 24.23 percent of total general fund expenditures for the fiscal year.
- Northampton County's total general obligation and installment debt decreased by \$1,223,995 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 \$24,940,254 as of June 30, 2017. The County's net position increased by \$1,213,829 for the fiscal year ended June 30, 2017. 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 Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 19,199,102	\$ 15,869,141	\$ 1,540,060	\$ 1,413,006	\$ 20,739,162	\$ 17,282,147
Capital assets	19,114,413	19,505,655	22,715,910	23,233,443	41,830,323	42,739,098
Total assets	<u>38,313,515</u>	<u>35,374,796</u>	<u>24,255,970</u>	<u>24,646,449</u>	<u>62,569,485</u>	<u>60,021,245</u>
Total deferred outflows of resources	<u>3,331,544</u>	<u>827,642</u>	<u>138,052</u>	<u>34,279</u>	<u>3,469,596</u>	<u>861,921</u>
Current liabilities outstanding	2,801,940	1,329,336	997,454	951,105	3,799,393	2,280,441
Long-term liabilities outstanding	25,147,658	22,048,213	11,773,325	12,239,120	36,920,984	34,287,333
Total liabilities	<u>27,949,598</u>	<u>23,377,549</u>	<u>12,770,779</u>	<u>13,190,225</u>	<u>40,720,377</u>	<u>36,567,774</u>
Total deferred inflows of resources	<u>372,715</u>	<u>581,153</u>	<u>5,735</u>	<u>17,575</u>	<u>378,450</u>	<u>598,728</u>
Net position:						
Net investment in capital assets	9,468,454	9,873,469	10,805,410	10,711,175	20,273,864	20,584,644
Restricted	2,040,988	2,326,179	-	-	2,040,988	2,326,179
Unrestricted	1,813,304	44,088	812,098	761,753	2,625,402	805,841
Total net position	<u>\$ 13,322,746</u>	<u>\$ 12,243,736</u>	<u>\$ 11,617,508</u>	<u>\$ 11,472,928</u>	<u>\$ 24,940,254</u>	<u>\$ 23,716,664</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
- Increase in property taxes collected

NORTHAMPTON COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental		Business-type		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 3,993,963	\$ 4,139,221	\$ 5,346,131	\$ 5,351,682	\$ 9,340,094	\$ 9,490,903
Operating grants and contributions	10,363,612	9,457,492	43,601	40,222	10,407,213	9,497,714
Capital grants and contributions	-	75,000	-	-	-	75,000
General revenues:						
Property taxes	19,588,572	18,594,014	-	-	19,588,572	18,594,014
Other taxes	2,625,073	2,049,617	-	-	2,625,073	2,049,617
Other	368,547	154,913	1,253	394	369,800	155,307
Total revenues	<u>36,939,767</u>	<u>34,470,257</u>	<u>5,390,985</u>	<u>5,392,298</u>	<u>42,330,752</u>	<u>39,862,555</u>
Expenses:						
General government	4,045,440	3,696,400	-	-	4,045,440	3,696,400
Public safety	10,537,843	9,497,542	-	-	10,537,843	9,497,542
Transportation	32,500	26,500	-	-	32,500	26,500
Environmental protection	97,950	80,000	-	-	97,950	80,000
Economic and physical development	1,405,033	977,671	-	-	1,405,033	977,671
Human services	13,796,803	13,328,700	-	-	13,796,803	13,328,700
Cultural and recreation	843,287	547,123	-	-	843,287	547,123
Education	4,520,775	4,379,552	-	-	4,520,775	4,379,552
Interest and fees	562,763	570,297	-	-	562,763	570,297
Water and sewer	-	-	3,028,930	3,067,271	3,028,930	3,067,271
Solid waste	-	-	2,245,599	2,219,958	2,245,599	2,219,958
Total expenses	<u>35,842,394</u>	<u>33,103,785</u>	<u>5,274,529</u>	<u>5,287,229</u>	<u>41,116,923</u>	<u>38,391,014</u>
Increase in net position before transfers	1,097,373	1,366,472	116,456	105,069	1,213,829	1,471,541
Transfers	-	(600,244)	-	600,244	-	-
Change in net position	<u>1,097,373</u>	<u>766,228</u>	<u>116,456</u>	<u>705,313</u>	<u>1,213,829</u>	<u>1,471,541</u>
Beginning of year - July 1, as previously stated	12,243,736	11,149,603	11,472,928	10,979,579	23,716,664	22,129,182
Restatement / Prior Period Adjustment	(18,363)	327,905	28,124	(211,964)	9,761	115,941
Net position, beginning, restated	<u>12,225,373</u>	<u>11,477,508</u>	<u>11,501,052</u>	<u>10,767,615</u>	<u>23,726,425</u>	<u>22,245,123</u>
Net position, ending	<u>\$ 13,322,746</u>	<u>\$ 12,243,736</u>	<u>\$ 11,617,508</u>	<u>\$ 11,472,928</u>	<u>\$ 24,940,254</u>	<u>\$ 23,716,664</u>

Governmental activities. Governmental activities increased the County’s net position by \$1,097,393. Key elements of this increase are as follows:

- Increase in local option sales tax revenue
- Increase in property taxes collected

Business-type activities. Business-type activities increased Northampton County’s net position by \$116,456. Key elements of this increase are as follows:

- Decrease in water and sewer 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 \$10,473,492, while total fund balance reached \$12,170,274. The County currently has an available fund balance of 30.22 percent of total General Fund expenditures, while total fund balance represents 35.11 percent of that same amount.

At June 30, 2017, the governmental funds of Northampton County reported a combined fund balance of \$12,926,898, a 5.58% percent increase from the previous year. The General Fund accounted for an increase in fund balance of \$188,923, while all other governmental funds combined accounted for an increase in fund balance of \$263,941. 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 \$824,532, which was 2.29 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 \$116,456. 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, 2017, totals \$41,830,323 (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, Inspections, EMS, Animal Control, Environmental Health, and the Governing Body

NORTHAMPTON COUNTY'S CAPITAL ASSETS

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,700,800	\$ 1,700,800	\$ -	\$ -	\$ 1,700,800	\$ 1,700,800
Construction in Progress	-	364,992	5,364,051	5,364,051	5,364,051	5,729,043
Buildings and improvements	15,578,368	16,011,875	-	-	15,578,368	16,011,875
Vehicles	1,500,527	813,359	100,888	76,177	1,601,415	889,536
Furniture, fixtures and equipment	334,718	489,921	20,127	26,348	354,845	516,269
Distributions systems	-	-	17,230,844	17,766,867	17,230,844	17,766,867
Total	\$ 19,114,413	\$ 19,380,947	\$ 22,715,910	\$ 23,233,443	\$ 41,830,323	\$ 42,614,390

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, 2017, Northampton County had total bonded debt outstanding of \$26,450,459.

NORTHAMPTON COUNTY'S OUTSTANDING DEBT

Notes Payable and General Obligation Bonds

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Installment notes payable	\$ 9,645,959	\$ 9,542,291	\$ -	\$ 12,768	\$ 9,645,959	\$ 9,555,059
Capital leases	-	89,895	-	-	-	89,895
General obligation bonds	4,894,000	5,529,000	11,910,500	12,509,500	16,804,500	18,038,500
Total	\$ 14,539,959	\$ 15,161,186	\$ 11,910,500	\$ 12,522,268	\$ 26,450,459	\$ 27,683,454

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 \$147,019,079.

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 6.3% at June 30, 2017. This was higher than the non-seasonally adjusted State average of 3.6%.

Budget Highlights for Fiscal Year Ending June 30, 2018

Governmental Activities. The general fund operating budget reflects a decrease of approximately 2.91% compared to fiscal year 2017.

Business Type Activities. Solid waste budgeted expenditures are \$2,317,535 which is a decrease of .03% compared to fiscal year 2017. The water and sewer budgeted expenditures are \$3,196,768 which is a .51% decrease compared to fiscal year 2017.

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, 2017

	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	\$ 13,102,167	\$ 522,810	\$ 13,624,977	\$ 72,889	\$ 162,663
Taxes receivable (net)	2,577,437	-	2,577,437	-	-
Accounts receivables (net)	2,901,900	647,674	3,549,574	9,633	-
Due from other governments	584,280	-	584,280	-	-
Inventories	-	-	-	-	132,606
Prepaid items	-	-	-	-	2,098
Internal balance	-	-	-	-	-
Cash and cash equivalents, restricted	-	369,576	369,576	-	-
Net pension assets	33,318	-	33,318	-	-
Capital assets:			-		-
Land, improvements, and construction in progress	1,700,800	5,364,051	7,064,851	-	-
Other capital assets, net of depreciation	17,413,613	17,351,859	34,765,472	6,455	11,704
Total assets	38,313,515	24,255,970	62,569,485	88,977	309,071
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	3,331,544	138,052	3,469,596	-	11,276
Total Deferred outflows of Resources	3,331,544	138,052	3,469,596	-	11,276
LIABILITIES					
Current Liabilities					
Accounts payable	1,623,442	99,333	1,722,775	140	79,682
Accrued interest payable	90,532	32,232	122,764	-	-
Payable from restricted assets	-	252,556	252,556	-	-
Current portion of compensated absences	95,912	3,833	99,745	-	-
Current portion of long-term debt	992,054	609,500	1,601,554	-	-
Long term liabilities:					
Net Pension Liability - LGERS	3,752,152	132,889	3,885,041	-	16,767
Total pension liability - LEOSA	399,443	-	399,443	-	-
Non-current portion of compensated absences	863,209	34,495	897,704	-	-
Non-current portion of long-term debt	20,132,854	11,605,941	31,738,795	-	28,970
Total liabilities	27,949,598	12,770,779	40,720,377	140	125,419
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	150,679	5,735	156,414	-	696
Prepaid taxes	222,036	-	222,036	-	-
Total Deferred inflows of resources	372,715	5,735	378,450	-	696
NET POSITION					
Net investment in capital assets	9,468,454	10,805,410	20,273,864	6,455	11,704
Restricted for:					
Stabilization by state statute	1,710,975	-	1,710,975	9,633	-
Register of Deeds' pension plan			-		
Other	330,013	-	330,013	-	73,085
Unrestricted (deficit)	1,813,304	812,098	2,625,402	72,749	109,443
Total net position	\$ 13,322,746	\$ 11,617,508	\$ 24,940,254	\$ 88,837	\$ 194,232

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, 2017

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	\$ 4,045,440	\$ 239,306	\$ -	\$ -	\$ (3,806,134)	\$ -	\$ (3,806,134)		
Public safety	10,537,843	2,391,212	40,799	-	(8,105,832)	-	(8,105,832)		
Transportation	32,500	-	57,606	-	25,106	-	25,106		
Enviornmental protection	97,950	-	-	-	(97,950)	-	(97,950)		
Economic and physical development	1,405,033	157,200	460,722	-	(787,111)	-	(787,111)		
Human services	13,796,803	1,177,717	9,509,387	-	(3,109,699)	-	(3,109,699)		
Cultural and recreation	843,287	28,528	295,098	-	(519,661)	-	(519,661)		
Education	4,520,775	-	-	-	(4,520,775)	-	(4,520,775)		
Interest on long-term debt	562,763	-	-	-	(562,763)	-	(562,763)		
Total governmental activities	<u>35,842,394</u>	<u>3,993,963</u>	<u>10,363,612</u>	<u>-</u>	<u>(21,484,819)</u>	<u>-</u>	<u>(21,484,819)</u>		
Business-type activities:									
Water and Sewer	2,715,510	2,713,831	-	-	-	(1,679)	(1,679)		
Garysburg Water and Sewer	313,420	482,153	-	-	-	168,733	168,733		
Solid Waste	2,245,599	2,150,147	43,601	-	-	(51,851)	(51,851)		
Total business-type activities	<u>5,274,529</u>	<u>5,346,131</u>	<u>43,601</u>	<u>-</u>	<u>-</u>	<u>115,203</u>	<u>115,203</u>		
Total primary government	<u>41,116,923</u>	<u>9,340,094</u>	<u>10,407,213</u>	<u>-</u>	<u>(21,484,819)</u>	<u>115,203</u>	<u>(21,369,616)</u>		
Component Units:									
Northampton County Tourism Development Authority	49,594	-	-	-	-	-	(49,594)		-
Northampton County ABC Board	1,031,072	1,048,034	-	-	-	-	-		16,962
Total component units	<u>\$ 1,080,666</u>	<u>\$ 1,048,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(49,594)</u>		<u>16,962</u>
General revenues:									
Taxes:									
Property taxes, levied for general purpose					19,588,572	-	19,588,572	-	-
Local option sales tax					2,551,756	-	2,551,756	-	-
Other taxes and licenses					73,317	-	73,317	76,429	-
Unrestricted Intergovernmental					72,648	-	72,648	-	-
Investment earnings, unrestricted					39,961	1,253	41,214	43	-
Miscellaneous, unrestricted					255,938	-	255,938	89	-
Transfers					-	-	-	-	-
Total general revenues, special items, and transfers					<u>22,582,192</u>	<u>1,253</u>	<u>22,583,445</u>	<u>76,561</u>	<u>-</u>
Change in net position					1,097,373	116,456	1,213,829	26,967	16,962
Net position-beginning					12,243,736	11,472,928	23,716,664	61,870	177,270
Restatement					(18,363)	-	(18,363)	-	-
Prior Period Adjustment					-	28,124	28,124	-	-
Net position-beginning, restated					<u>12,225,373</u>	<u>11,501,052</u>	<u>23,726,425</u>	<u>61,870</u>	<u>177,270</u>
Net position-ending					<u>\$ 13,322,746</u>	<u>\$ 11,617,508</u>	<u>\$ 24,940,254</u>	<u>\$ 88,837</u>	<u>\$ 194,232</u>

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

Northampton County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2017

	Major Governmental	Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Other Governmental Funds	
ASSETS			
Cash and cash equivalents	\$ 12,301,972	\$ 800,195	\$ 13,102,167
Taxes Receivable	2,088,016	125,185	2,213,201
Accounts Receivable	2,882,663	19,237	2,901,900
Due from other funds	45,810	-	45,810
Due from other governments	584,280	-	584,280
Total assets	<u>\$ 17,902,741</u>	<u>\$ 944,617</u>	<u>\$ 18,847,358</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	1,606,444	16,998	1,623,442
Due to other funds	-	45,810	45,810
Total liabilities	<u>1,606,444</u>	<u>62,808</u>	<u>1,669,252</u>
Deferred Inflows of Resources:			
Tax Receivable	2,088,016	125,185	2,213,201
Ambulance fees receivables	1,815,971	-	1,815,971
Prepaid taxes	222,036	-	222,036
Total deferred inflows of resources	<u>4,126,023</u>	<u>125,185</u>	<u>4,251,208</u>
Fund balances:			
Restricted:			
Stabilization by State statute	1,696,782	14,193	1,710,975
Restricted, other	206,958	123,055	330,013
Committed:			
Committed, other	363,058	183,793	546,851
Assigned:			
Assigned, other	1,507,090	158,397	1,665,487
Unassigned:	8,396,386	277,186	8,673,572
Total fund balances	<u>12,170,274</u>	<u>756,624</u>	<u>12,926,898</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,902,741</u>	<u>\$ 944,617</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	\$ 19,114,413
Accrued interest on taxes receivable	364,236
Net pension asset	33,318
Net pension liability	(3,752,152)
Contributions to the pension plans in the current fiscal year are deferred	859,054
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	5,408
Deferred outflows of resources - pensions	2,467,082
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.	(22,574,004)
Pension related deferrals	(150,679)
Deferred inflows of resources for taxes and ambulance fees receivable	<u>4,029,172</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 13,322,746</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, 2017

	Major Governmental	Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Other Governmental Funds	
REVENUES			
Ad valorem taxes	\$ 18,023,350	\$ 701,043	\$ 18,724,393
Other taxes and licenses	2,625,917	-	2,625,917
Unrestricted intergovernmental	69,924	-	69,924
Restricted intergovernmental	10,071,939	191,036	10,262,975
Permits and fees	289,333	-	289,333
Sales and services	2,913,066	320,313	3,233,379
Investment earnings	39,704	257	39,961
Special project fund	25,328	-	25,328
Miscellaneous	420,090	22,852	442,942
Total revenues	<u>34,478,651</u>	<u>1,235,500</u>	<u>35,714,151</u>
EXPENDITURES			
Current:			
General government	3,917,622	-	3,917,622
Public safety	9,228,364	849,263	10,077,627
Transportation	32,500	-	32,500
Environmental protection	121,000	-	121,000
Economic and physical development	1,249,932	122,297	1,372,229
Human Services	13,305,813	-	13,305,813
Cultural and recreational	732,918	-	732,918
Education	4,520,775	-	4,520,775
Debt service:			
Principal	133,222	857,570	990,792
Interest	2,031	557,545	559,576
Total expenditures	<u>33,244,177</u>	<u>2,386,675</u>	<u>35,630,852</u>
Revenues over expenditures	<u>1,234,474</u>	<u>(1,151,175)</u>	<u>83,299</u>
OTHER FINANCING SOURCES (USES)			
Transfers (to) from other funds	(1,415,116)	1,415,116	-
Loan proceeds	369,565	-	369,565
Total other financing sources and uses	<u>(1,045,551)</u>	<u>1,415,116</u>	<u>369,565</u>
Net change in fund balance	188,923	263,941	452,864
Fund balances-beginning	11,981,351	492,683	12,474,034
Fund balances-ending	<u>\$ 12,170,274</u>	<u>\$ 756,624</u>	<u>\$ 12,926,898</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, 2017

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

Net changes in fund balances - total governmental funds (Exhibit 4)	\$	452,864
<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		694,335
Ambulance and other miscellaneous revenues		361,437
<p>Expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement.</p>		
Accrued interest payable		(3,187)
Compensated absences		1,216
Other Postemployment benefits		(713,011)
<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>		
		517,595
<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>		
		(784,129)
<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>		
		990,792
<p>New debt issued during the year is recorded as a source of funds on the fund statements but affect only the statement of net position in the government-wide statements.</p>		
		(369,565)
<p>Change in accrued interest on taxes receivable.</p>		
		169,844
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.</p>		
		859,054
<p>Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position</p>		
		5,408
Pension expense		<u>(1,085,282)</u>
Total changes in net position of governmental activities	<u>\$</u>	<u>1,097,373</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 Balances -
Budget and Actual - General Fund
For the Year Ended June 30, 2017

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 17,978,959	\$ 17,978,959	\$ 18,023,350	\$ 44,391
Other taxes and licenses	2,173,800	2,173,800	2,625,917	452,117
Unrestricted intergovernmental	69,000	69,000	69,924	924
Restricted intergovernmental	9,403,204	10,014,904	10,071,939	57,035
Permits and fees	219,200	219,200	289,333	70,133
Sales and services	3,036,707	2,904,089	2,913,066	8,977
Investment earnings	19,815	19,815	39,704	19,889
Special Project revenue	-	-	25,328	25,328
Miscellaneous	298,623	347,250	420,090	72,840
Total revenues	<u>33,199,308</u>	<u>33,727,017</u>	<u>34,478,651</u>	<u>751,634</u>
Expenditures				
Current:				
General government	4,196,432	4,329,579	3,917,622	411,957
Public safety	8,550,333	9,673,987	9,228,364	445,623
Transportation	32,500	32,500	32,500	-
Environmental Protection	121,000	121,000	121,000	-
Economic and physical development	1,323,890	1,365,584	1,249,932	115,652
Human services	14,846,579	14,644,443	13,305,813	1,338,630
Cultural and recreational	429,606	745,188	732,918	12,270
Education	4,555,000	4,555,000	4,520,775	34,225
Debt service				
Principal payments	391,080	192,091	133,222	58,869
Interest	80,000	76,566	2,031	74,535
Total expenditures	<u>34,526,420</u>	<u>35,735,938</u>	<u>33,244,177</u>	<u>2,491,761</u>
Revenues over (under) expenditures	<u>(1,327,112)</u>	<u>(2,008,921)</u>	<u>1,234,474</u>	<u>3,243,395</u>
Other financing sources (uses):				
Transfers (to) from other funds	(1,415,116)	(1,635,116)	(1,415,116)	220,000
Loan proceeds	100,000	604,986	369,565	(235,421)
Appropriated fund balance	2,742,228	3,039,051	-	(3,039,051)
Contingency	(100,000)	-	-	-
Total other financing sources (uses)	<u>1,327,112</u>	<u>2,008,921</u>	<u>(1,045,551)</u>	<u>(3,054,472)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>188,923</u>	<u>\$ 188,923</u>
Fund balances:				
Beginning of year, July 1			11,981,351	
Prior Period Adjustment			<u>-</u>	
End of year, June 30			<u>\$ 12,170,274</u>	

Northampton County, North Carolina
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	MAJOR			Total Enterprise Funds
	Water and Sewer Fund	Garysburg Water and Sewer	Solid Waste Fund	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 352,898	\$ 169,862	\$ 50	\$ 522,810
Accounts receivable (net)	545,495	91,873	10,306	647,674
Due from other funds	31,230	-	-	31,230
Restricted assets:				
Cash and cash equivalents, restricted	318,706	50,870	-	369,576
Total current assets	<u>1,248,329</u>	<u>312,605</u>	<u>10,356</u>	<u>1,571,290</u>
Non-current assets:				
Land and construction in progress	5,364,051	-	-	5,364,051
Other capital assets, net	16,847,544	504,315	-	17,351,859
Total non-current assets	<u>22,211,595</u>	<u>504,315</u>	<u>-</u>	<u>22,715,910</u>
Total assets	<u>23,459,924</u>	<u>816,920</u>	<u>10,356</u>	<u>24,287,200</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Deferrals	82,831	20,708	34,513	138,052
Total deferred outflows of resources	<u>82,831</u>	<u>20,708</u>	<u>34,513</u>	<u>138,052</u>
LIABILITIES:				
Current liabilities:				
Accounts payable and accrued liabilities	78,452	13,653	7,228	99,333
Accrued interest	30,697	1,535	-	32,232
Due to other funds	-	-	31,230	31,230
Compensated absences-current	2,604	466	763	3,833
Current portion of long-term debt	600,000	9,500	-	609,500
Liabilities payable from restricted assets:				
Customer Deposits	201,686	50,870	-	252,556
Total current liabilities	<u>913,439</u>	<u>76,024</u>	<u>39,221</u>	<u>1,028,684</u>
Noncurrent liabilities:				
Compensated absences-non current	23,434	4,192	6,869	34,495
Non-current portion of long-term debt	10,937,000	364,000	-	11,301,000
Net pension liability	93,804	23,451	39,085	156,340
Other post-employment benefits	194,839	34,854	51,797	281,490
Total noncurrent liabilities	<u>11,249,077</u>	<u>426,497</u>	<u>97,751</u>	<u>11,773,325</u>
Total liabilities	<u>12,162,516</u>	<u>502,521</u>	<u>136,972</u>	<u>12,802,009</u>
DEFERRED INFLOWS OF RESOURCES:				
Pension Deferrals	3,441	860	1,434	5,735
NET POSITION:				
Net investment in capital assets	10,674,595	130,815	-	10,805,410
Unrestricted	702,203	203,432	(93,537)	812,098
Total net position	<u>\$ 11,376,798</u>	<u>\$ 334,247</u>	<u>\$ (93,537)</u>	<u>\$ 11,617,508</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, 2017

	Enterprise Funds			Totals
	Water and Sewer	Garysburg Water and Sewer	Solid Waste Fund	
Operating Revenues:				
Charges for services	\$ 2,658,310	\$ 472,223	\$ 2,093,608	\$ 5,224,141
Water and sewer taps	23,785	4,255	-	28,040
White goods and tire disposal tax	-	-	28,214	28,214
Solid waste disposal tax	-	-	15,387	15,387
Other operating revenues	31,736	5,675	56,539	93,950
Total operating revenues	<u>2,713,831</u>	<u>482,153</u>	<u>2,193,748</u>	<u>5,389,732</u>
Operating Expenses:				
Water distribution and sewage treatment	1,706,964	276,774	-	1,983,738
Solid waste	-	-	2,245,599	2,245,599
Depreciation	549,629	15,986	-	565,615
Total operating expenses	<u>2,256,593</u>	<u>292,760</u>	<u>2,245,599</u>	<u>4,794,952</u>
Operating income (loss)	<u>457,238</u>	<u>189,393</u>	<u>(51,851)</u>	<u>594,780</u>
Non-Operating Revenues (Expenses):				
Grant revenue	-	-	-	-
Interest earned on investments	661	105	487	1,253
Interest and fees	(458,917)	(20,660)	-	(479,577)
Total non-operating revenues (expenses)	<u>(458,256)</u>	<u>(20,555)</u>	<u>487</u>	<u>(478,324)</u>
Income (loss) before capital contributions and transfers	<u>(1,018)</u>	<u>168,838</u>	<u>(51,364)</u>	<u>116,456</u>
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	-
Change in net position	<u>(1,018)</u>	<u>168,838</u>	<u>(51,364)</u>	<u>116,456</u>
Net Position:				
Beginning of year - July 1	11,515,101	-	(42,173)	11,472,928
Prior period adjustment	28,124	-	-	28,124
Restatement	(165,409)	165,409	-	-
Beginning of year - July 1, restated	<u>11,377,816</u>	<u>165,409</u>	<u>(42,173)</u>	<u>11,501,052</u>
End of year - June 30	<u>\$ 11,376,798</u>	<u>\$ 334,247</u>	<u>\$ (93,537)</u>	<u>\$ 11,617,508</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, 2017

	Enterprise Funds			Total
	Water and Sewer Fund	Garysburg Water and Sewer Fund	Solid Waste Fund	
Cash flows from operating activities:				
Cash received from customers	\$ 2,638,239	\$ 478,474	\$ 2,191,191	\$ 5,307,904
Cash paid for goods and services	(1,199,425)	(170,623)	(2,136,221)	(3,506,269)
Cash paid to employees for services	(463,341)	(59,099)	(106,520)	(628,960)
Net cash provided (used) by operating activities	<u>975,473</u>	<u>248,752</u>	<u>(51,550)</u>	<u>1,172,675</u>
Cash flows from non-capital financing activities				
Loans from (to) other funds	367,600	-	(367,600)	-
Transfer from other funds	-	-	-	-
Net cash provided (used) by non-capital financial activities	<u>367,600</u>	<u>-</u>	<u>(367,600)</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(48,082)	-	-	(48,082)
Principal paid on long-term debt	(602,768)	(9,000)	-	(611,768)
Interest and fees	(461,749)	(19,125)	-	(480,874)
Capital contributions	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(1,112,599)</u>	<u>(28,125)</u>	<u>-</u>	<u>(1,140,724)</u>
Cash flows from investing activities:				
Interest on investments	<u>661</u>	<u>105</u>	<u>487</u>	<u>1,253</u>
Net increase (decrease) in cash and cash equivalents	231,135	220,732	(418,663)	33,204
Cash and cash equivalents, July 1	<u>440,469</u>	<u>-</u>	<u>418,713</u>	<u>859,182</u>
Cash and cash equivalents, June 30	<u><u>\$ 671,604</u></u>	<u><u>\$ 220,732</u></u>	<u><u>\$ 50</u></u>	<u><u>\$ 892,386</u></u>

Northampton County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2017

	Enterprise Funds			
	Water and Sewer Fund	Garysburg Water and Sewer Fund	Solid Waste Fund	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 457,238	\$ 189,393	\$ (51,851)	\$ 594,780
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	549,629	15,986	-	565,615
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(82,284)	(9,009)	(2,557)	(93,850)
(Increase) decrease in deferred outflows of resources for pensions	(57,122)	4,951	(25,943)	(78,114)
Increase (decrease) in deferred inflows of resources for pensions	(9,740)	860	(2,960)	(11,840)
Increase (decrease) in accounts payable and accrued liabilities	44,915	13,653	7,515	66,083
Increase (decrease) in net pension liability	43,017	23,451	30,799	97,267
Increase (decrease) in deposits	6,692	5,330	-	12,022
Increase (decrease) in OPEB payable	19,941	3,567	(4,824)	18,684
Increase (decrease) in compensated absences	3,187	570	(1,729)	2,028
Total adjustments	<u>518,235</u>	<u>59,359</u>	<u>301</u>	<u>577,895</u>
Net cash provided (used) by operating activities	<u>\$ 975,473</u>	<u>\$ 248,752</u>	<u>\$ (51,550)</u>	<u>\$ 1,172,675</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, 2017

	Agency Funds
Assets:	
Cash and investments	\$ 192,488
Accounts receivable	607,643
	\$ 800,131
 Liabilities:	
Intergovernmental payable	\$ 454,648
Accounts payable	345,482
Total liabilities	\$ 800,130

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2017

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.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2017

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 Solar Farm Trust 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 seven capital project funds: Capital Reserve Fund, Ambulance Capital Reserve Fund , Enviva Infrastructure Project, EDC Capital Reserve Fund, Public School Building Fund, EDC REEP Project Fund, and Severn Peanut Natural Gas Project.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2017

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 three enterprise funds: the Water and Sewer Fund, the Garysburg Water and Sewer Fund, and Solid Waste Fund.

Fiduciary Funds

Fiduciary funds account for the assets held 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 municipalities 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, 2017.

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.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2017

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 judgements, 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.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2017

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.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

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 \$252,556 in the Water and Sewer Fund and \$50,870 in the Garysburg Water and Sewer District Fund. In addition, there was a cash balance of \$117,020 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, 2016.

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

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2017

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.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>
<i>Restricted for Stabilization of State Statute</i> - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].	\$ 1,696,782	\$ 14,193	\$ -
Restricted - Other			
<i>Restricted for Public Safety- E911</i> - portion of fund balance that is restricted by revenue source E911 expenditures.	78,806	123,055	-
<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>\$ 1,903,740</u>	<u>\$ 137,248</u>	<u>\$ -</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

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.

	<u>General Fund</u>	<u>Capital Project Fund</u>
<i>Committed for Tax Revaluation</i> - portion of fund balance that is committed by revenue source to pay for property tax revaluations purpose.	\$ 363,058	\$ -
<i>Committed for Public Safety</i> - portion of fund balance that is committed for public safety expenditures.	-	904
<i>Committed for Economic and Physical Development</i> - portion of fund balance that is committed to pay for economic development expenditures.	-	3,798
<i>Committed for Capital Outlay</i> - portion of fund balance that is committed for future capital expenditures	-	136,197
<i>Committed for Education</i> - portion of fund balance that is committed for education expenditures	-	42,894
	<u> -</u>	<u> 42,894</u>
Total	<u>\$ 363,058</u>	<u>\$ 183,793</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
<i>Assigned for Debt Service</i> - portion of fund balance that is assigned for debt service expenditures	\$ 310,343	\$ -	\$ 65,848
<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.	1,196,747	-	-
<i>Assigned for Economic and Physical Development</i> - portion of fund balance that is assigned to pay for economic development expenditures.	-	92,549	-
	<u> -</u>	<u> 92,549</u>	<u> -</u>
Total	<u>\$ 1,507,090</u>	<u>\$ 92,549</u>	<u>\$ 65,848</u>

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2017

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)	\$ 12,170,274
Less:	
Stabilization by State statute	<u>(1,696,782)</u>
Available for appropriation	<u>\$ 10,473,492</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.

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2017

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	\$	29,104
--------------------	----	--------

Capital Project Fund:

Severn Peanut Natural Gas Project Fund		23,955
--	--	--------

Enterprise Fund:

Solid Waste Fund		93,537
------------------	--	--------

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 fun balance at year-end.

B. Timeliness of Audit

The audit report was issued 18 months after the required due date of October 31, 2017. The County experienced turnover in the finance officer position, and key items had not been reconciled. Additional time was required to reconcile the ledger and obtain necessary information to complete the audit.

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.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

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, 2017 the County's deposits had a carrying amount of \$8,492,796 and a bank balance of \$9,179,878. Of the bank balance, \$547,544 was covered by federal depository insurance, and \$8,632,334 was covered by collateral held under the Pooling Method. At June 30, 2017, the County had \$2,650 cash on hand.

Investments

At June 30, 2017, the County had \$5,724,853 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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,337,139	\$ 765,413	\$ 3,102,552
2014	2,346,568	557,310	2,903,878
2015	2,472,546	364,701	2,837,247
2016	2,496,662	143,558	2,640,220
Total	<u>\$ 9,652,915</u>	<u>\$ 1,830,982</u>	<u>\$ 11,483,897</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

Receivables

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

	<u>Accounts</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,085,929	\$ 3,244,252	\$ 584,280	\$ 4,914,461
Ambulance	1,815,971	-	-	1,815,971
Fire district	-	125,185	-	125,185
Total Receivables	<u>2,901,900</u>	<u>3,369,437</u>	<u>584,280</u>	<u>6,855,617</u>
Allowance for doubtful accounts	<u>-</u>	<u>(792,000)</u>	<u>-</u>	<u>(792,000)</u>
 Total governmental activities	 <u>\$ 2,901,900</u>	 <u>\$ 2,577,437</u>	 <u>\$ 584,280</u>	 <u>\$ 6,063,617</u>
 Business-type Activities:				
Solid Waste	\$ 10,306	\$ -	\$ -	\$ 10,306
Garysburg Water and Sewer	148,676	-	-	148,676
Water and sewer	863,027	-	-	863,027
Total Receivables	<u>1,022,009</u>	<u>-</u>	<u>-</u>	<u>1,022,009</u>
Allowance for doubtful accounts	<u>(374,335)</u>	<u>-</u>	<u>-</u>	<u>(374,335)</u>
 Total business-type activities	 <u>\$ 647,674</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 647,674</u>

Due from other governments consisted of the following:

Governmental Activities:	
Local option sales tax	\$ 424,384
Sales tax refund	159,896
Total	<u>\$ 584,280</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

Capital Assets

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

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
Non- Depreciable Assets:				
Land	\$ 1,700,800	\$ -	\$ -	\$ 1,700,800
Construction in Process	364,992	-	364,992	-
Depreciable Assets:				
Buildings and Improvements	20,832,201	-	-	20,832,201
Equipment	2,192,919	14,204	-	2,207,123
Vehicles and Motor Equipment	3,633,894	868,383	-	4,502,277
Total Capital Assets	<u>28,724,806</u>	<u>882,587</u>	<u>364,992</u>	<u>29,242,401</u>
Less accumulated depreciati				
Buildings and Improvements	(4,820,326)	(433,507)	-	(5,253,833)
Equipment	(1,702,998)	(169,407)	-	(1,872,405)
Vehicles and motor equipment	(2,820,535)	(181,215)	-	(3,001,750)
Total Accumulated Depreciation	<u>(9,343,859)</u>	<u>\$ (784,129)</u>	<u>\$ -</u>	<u>\$ (10,127,988)</u>
Capital Assets, net	<u>\$ 19,380,947</u>			<u>\$ 19,114,413</u>

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

Government Activities :

General Government	\$ 110,531
Public Safety	360,954
Economic and physical development	1,698
Human Services	189,047
Cultural and Recreational	121,899
Total	<u>\$ 784,129</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

Summary of Proprietary Capital Assets

Capital assets for the proprietary funds of the County at June 30, 2017 are as follows:

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
Water and Sewer Fund				
Non- Depreciable Assets:				
Construction in progress	\$ 5,364,051	\$ -	\$ -	\$ 5,364,051
Depreciable Assets:				
Plant and distribution systems	25,966,909	-	-	25,966,909
Furniture and equipment	292,060	-	-	292,060
Vehicles	322,479	48,082	-	370,561
Total Capital Assets	<u>31,945,499</u>	<u>48,082</u>	<u>-</u>	<u>31,993,581</u>
Less accumulated depreciation:				
Plant and distribution systems	(8,720,343)	(520,037)	-	(9,240,380)
Furniture and equipment	(265,712)	(6,221)	-	(271,933)
Vehicles	(246,302)	(23,371)	-	(269,673)
Total Accumulated Depreciation	<u>(9,232,357)</u>	<u>\$ (549,629)</u>	<u>\$ -</u>	<u>(9,781,986)</u>
Total Water and Sewer Fund	<u>\$ 22,713,142</u>			<u>\$ 22,211,595</u>
	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
Garysburg Water and Sewer District Fund				
Non- Depreciable Assets:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Depreciable Assets:				
Plant and distribution systems	799,324	-	-	799,324
Furniture and equipment	-	-	-	-
Vehicles	-	-	-	-
Total Capital Assets	<u>799,324</u>	<u>-</u>	<u>-</u>	<u>799,324</u>
Less accumulated depreciation:				
Plant and distribution systems	(279,023)	(15,986)	-	(295,009)
Furniture and equipment	-	-	-	-
Vehicles	-	-	-	-
Total Accumulated Depreciation	<u>(279,023)</u>	<u>\$ (15,986)</u>	<u>\$ -</u>	<u>(295,009)</u>
Total Water and Sewer Fund	<u>\$ 520,301</u>			<u>\$ 504,315</u>
	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
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	<u>339,779</u>	<u>-</u>	<u>-</u>	<u>339,779</u>
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	<u>(339,779)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(339,779)</u>
Total Solid Waste Fund	<u>\$ -</u>			<u>\$ -</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

B. Liabilities

Payables

Payables at Exhibit 1 at June 30, 2017 were as follows:

Type of Payable	Governmental Activities	Business-Type Activities	Total
Trade Payable	\$ 1,376,895	\$ 93,967	\$ 1,470,862
Accrued expenses and withholdings	246,547	5,366	251,913
Total	\$ 1,623,442	\$ 99,333	\$ 1,722,775

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.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017, was 8.00% of compensation for law enforcement officers and 7.36% 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 \$890,761 for the year ended June 30, 2017.

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

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

At June 30, 2017, the County reported a liability of \$3,908,492 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the County's proportion was 0.18416%, which was a decrease of 0.00047% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the County recognized pension expense of \$1,080,339. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>\$</u>	<u>\$</u>
Differences between expected and actual experience	73,434	136,958
Changes of assumptions	267,697	-
Net difference between projected and actual earnings on pension plan investments	2,160,904	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	58,499	6,413
County contributions subsequent to the measurement date	890,761	-
Total	<u>\$ 3,451,295</u>	<u>\$ 143,371</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

\$890,761 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ 384,368
2019	384,408
2020	1,025,899
2021	622,493
2022	-
Thereafter	-
Total	<u>\$ 2,417,168</u>

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary	3.50 to 7.75 percent, including inflation and productivity factor
Investment	7.25 percent, net of pension plan investment expense, including inflation

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	<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)	9,276,675	3,908,492	(575,413)

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

Law Enforcement Officers' Special Separation Allowance

Plan Description. Northampton County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation allowance is equal to .85 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, 2016, the Separation Allowance's membership consisted of:

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2017

Retirees receiving benefits	1
Terminated plan members entitled to, but not yet receiving benefits.	-
Active plan members	<u>31</u>
Total	<u><u>32</u></u>

A separate report was not issued for the Plan.

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

Inflation	2.5 Percent
Salary	3.50 to 7.35 percent, including inflation and productivity factor
Increases	
Investment	3.16 percent, net of pension plan investment expense, including inflation
Rate of	
Return	

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

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

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.

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

At June 30, 2017 the County reported a total pension liability of \$399,443. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$45,762.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	10,797
Benefit payments and administrative expenses subsequent to the Total	<u>5,408</u>	<u>-</u>
	<u>\$ 5,408</u>	<u>\$ 10,797</u>

\$5,408 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ (1,791)
2019	(1,791)
2020	(1,791)
2021	(1,791)
2022	(1,791)
Thereafter	(1,842)
Total	<u>\$ (10,797)</u>

\$5,408 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.86%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86%) or 1-percentage-point higher (4.86%) than the current rate

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
County's proportionate share	\$ 444,549	\$ 399,443	\$ 358,973

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

Beginning balance	\$ 377,621
Service Cost	33,873
Interest on the total pension liability	13,254
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes in assumptions or other inputs	(12,588)
Benefit payments	(12,717)
Other changes	-
Ending balance of the total pension liability	<u>\$ 399,443</u>

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2017

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

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

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, 2017 were \$62,833, which consisted of \$54,868 from the County and \$7,965 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 (LTERS) 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 LTERS 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 LTERS. 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.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,923 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of \$33,318 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2016, the County's proportion was 0.1782%, which was an increase of 0.0078% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$2,394. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>\$</u>	<u>\$</u>
Differences between expected and actual experience	\$ 36	\$ 431
Net difference between projected and actual earnings on pension plan investments	57	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,815
Changes of assumptions	8,877	-
County contributions subsequent to the measurement date	3,923	-
Total	<u>\$ 12,893</u>	<u>\$ 431</u>

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2017

\$3,923 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:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ 2,577
2019	3,163
2020	1,352
2021	(368)
2022	-
Thereafter	-
Total	<u>\$ 6,724</u>

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. 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, 2016 is 1.4%.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from 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 3.75 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 (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	<u>1% Decrease (2.75%)</u>	<u>Discount Rate (3.75%)</u>	<u>1% Increase (4.75%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ (26,865)</u>	<u>\$ (33,318)</u>	<u>\$ (38,739)</u>

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

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2017

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, 2016, the date of the latest actuarial valuation:

Retirees receiving benefits	47
Terminated plan members entitled to but not yet receiving benefits	-
Active members, general employees	287
Active members, law enforcement officers	34
Total	<u>368</u>

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

The current ARC rate is 8.86% of annual covered payroll. For the current year, the County contributed \$200,689 or 1.77% 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.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

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>(200,689)</u>
Annual OPEB cost (expense)	1,015,506
Contributions made	<u>(283,811)</u>
Increase (decrease) in net OPEB obligation	731,695
Net OPEB obligation:	
Net OPEB obligation, beginning of year	6,134,745
Net OPEB obligation, end of year	<u><u>\$ 6,866,440</u></u>

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

Three-Year Trend Information			
Year Ended	Annual OPEB	Percentage of	Net OPEB
June 30	Cost	Annual OPEB	Obligation
		Cost Contributed	
2014	\$ 959,169	22.69%	\$ 4,613,286
2015	923,444	30.84%	5,251,919
2016	1,015,506	27.95%	6,866,440

Funded Status and Funding Progress. As of December 31, 2016, 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 \$14,633,992. The covered payroll (annual payroll of active employees covered by the plan) was \$11,358,157, and the ratio of UAAL to the covered payroll was 128.8 %. 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, 2016, 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 7.75 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, 2016, was 30 years.

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2017

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.

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	\$ 894,684
LEOSSA	5,408
Pension deferrals	2,569,504
Total	<u>\$ 3,469,596</u>

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

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 145,617
LEOSSA	10,797
Taxes receivables, net	2,213,201
Prepaid Taxes	222,036
Ambulance fees receivables, net	1,815,971
Total	<u>\$ 4,407,622</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.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

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, 2017, 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

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	\$ 993,145
\$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.	86,445
\$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.	1,604,319
\$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.	14,418
\$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.	6,578,066
\$369,565 note issued November 28, 2016; due in three (3) annual principal payments of \$123,188.33 with interest of 2.49% final payment due November 28, 2019; secured by vehicles.	369,565
\$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.	-
Total Governmental funds	<u>9,645,958</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

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.

\$ -

Total proprietary funds

-

Total all funds

\$ 9,645,958

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

Governmental Activities:

Year Ending June 30	Principal	Interest	Total
2018	\$ 355,054	\$ 390,779	\$ 745,833
2019	349,747	378,024	727,771
2020	359,241	365,463	724,704
2021	245,946	352,502	598,448
2022	256,257	342,191	598,448
2023-2027	1,451,817	1,540,423	2,992,240
2028-2032	1,775,936	1,209,010	2,984,946
2033-2037	1,630,755	851,032	2,481,787
2038-2042	1,981,578	496,222	2,477,800
2043-2047	1,151,134	114,024	1,265,158
2048	88,493	3,650	92,143
Total	<u>\$ 9,645,958</u>	<u>\$ 6,043,320</u>	<u>\$ 15,689,278</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 \$4,894,000 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, 2017 are comprised of the following individual issues:

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2017

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%	\$ 585,000
\$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>4,309,000</u>
Total serviced by the General	<u>\$ 4,894,000</u>

General Obligation Bonds:

Serviced by the Garysburg Water and Sewer

\$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%.	<u>\$ 373,500</u>
Total serviced by Garysburg Water and Sewer Fund	<u>\$ 373,500</u>

Serviced by the Water and Sewer Fund:

\$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%	2,380,000
\$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%.	755,000
\$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%	15,000
\$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.	3,623,000
\$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>4,764,000</u>
Total serviced by Water and	<u>\$ 11,537,000</u>
Total serviced by the	<u>\$ 11,910,500</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

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
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	577,000	67,017	419,000	396,289
2023-2027	1,860,000	111,540	2,197,500	1,740,977
2028-2032	-	-	1,858,000	1,353,696
2033-2037	-	-	1,260,000	984,395
2038-2042	-	-	1,436,000	690,223
2043-2047	-	-	1,069,000	402,690
2048-2052	-	-	1,093,000	175,129
2053-2057	-	-	142,000	6,212
Total	\$ 4,894,000	\$ 620,590	\$ 11,910,500	\$ 7,525,582

At June 30, 2017, the County had a legal debt margin of approximately \$147,019,079.

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

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 5,529,000	\$ -	\$ 635,000	\$ 4,894,000	\$ 637,000
Installment note	9,542,291	369,565	265,897	9,645,959	355,054
Capital Leases	89,895	-	89,895	-	-
Compensated Absences	960,337	-	1,216	959,121	95,912
Net pension obligation (LEOSSA)	364,478	34,965	-	399,443	-
Net pension liability (LGERS)	795,463	2,956,689	-	3,752,152	-
Post-employment Benefits	5,871,939	978,803	265,792	6,584,950	-
Total governmental activities	\$ 23,153,403	\$ 4,340,022	\$ 1,257,801	\$ 26,235,624	\$ 1,087,966
Business-type Activities:					
Water and Sewer Activity:					
General Obligation Bonds	\$ 12,127,000	\$ -	\$ 590,000	\$ 11,537,000	\$ 600,000
Installment note	12,768	-	12,768	-	-
Net pension liability (LGERS)	24,858	68,946	-	93,804	-
Compensated Absences	22,851	3,186	-	26,037	2,604
Postemployment Benefits	174,898	25,811	5,870	194,839	-
Total Water and Sewer Activity	12,362,375	28,997	608,638	11,851,680	602,604

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

Garysburg Water and Sewer Activity:

General Obligation Bonds	\$ 382,500	\$ -	\$ 9,000	\$ 373,500	\$ 9,500
Net pension liability (LGERS)	-	23,451	-	23,451	-
Compensated Absences	4,088	570	-	4,658	466
Postemployment Benefits	31,287	4,617	1,050	34,854	-
Total Garysburg Water and Sewer Activity	417,875	5,187	10,050	436,463	9,966

Solid Waste Activity:

Net pension liability (LGERS)	8,286	30,799	-	39,085	-
Compensated Absences	9,361	-	1,729	7,632	763
Postemployment Benefits	56,620	6,275	11,099	51,796	-
Total Solid Waste Activity	74,267	37,074	12,828	98,513	763
Total Business-type activities	\$ 12,854,517	\$ 71,258	\$ 631,516	\$ 12,386,656	\$ 613,333

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, 2017 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital Assets	\$ 19,114,413	\$ 22,715,910
Long-term obligations	26,235,624	12,386,656
Compensated Absences	(959,121)	(38,327)
Net pension obligation	(399,443)	-
Net pension liability	(3,752,152)	(156,340)
Unfunded OPEB liability	(6,584,950)	(281,489)
Long-term debt for assets not owned by the County	(4,894,000)	-
Long-term debt, net, related to capital assets	9,645,959	11,910,500
Net investments in capital assets	\$ 9,468,454	\$ 10,805,410

Interfund Balance and Activities

Transfers

From the General Fund to the Revaluation Fund to supplement the fund.	50,000
From the General Fund to the Debt Service Fund to cover debt service payments.	1,415,116
	<u>\$ 1,465,116</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

Due from/to other funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Fire District Fund	\$ 22,192	To cover temporary bank overdrafts
General Fund	Severn Peanut Capital Project Fund	23,618	For operations, cash overdrafts
Capital Reserv	General Fund	-	To finance future capital outlay
Water and Sew	Solid Waste Fund	<u>31,230</u>	For operations, cash overdrafts
Total		<u><u>\$ 77,040</u></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, 2017. 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, 2017. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$156,430 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, 2017. 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.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2017

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, 2017. The County appropriated \$15,000 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, 2017. The County appropriated \$15,000 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 \$9,805 to the Council during the fiscal year ended June 30, 2017.

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	\$ 26,491,207	\$ 14,912,297
NC Health Choice	174,267	489
Woman, Infants and Children	229,768	-
Food and Nutrition Services	7,705,495	-
IV-E Adopt & Vendor & Gua	47,791	11,919
Family	1,044	-
TANF Payments & Penalties	155,191	-
CWS Adopt, Vendor, Guard	-	40,594
SAA/SAD HB1030	-	15,555
SC/SA Domiciliary Care	-	358,054
Total	<u>\$ 34,804,763</u>	<u>\$ 15,338,908</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.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

9. Separation of Garysburg Water & Sewer District from the Water & Sewer Operating Fund

Per USDA requirements, the County had to create a separate fund for the Garysburg Water & Sewer District Fund. A restatement of beginning fund balance was recorded to move the net book value of the assets, the remaining debt balance, and beginning balances for other balance sheet accounts. The restatement moved net position from the Water & Sewer Fund to the Garysburg Water & Sewer District to attempt to separate these funds.

10. Prior Period Adjustment

A prior period adjustment was recorded in the Water and Sewer Fund to adjust beginning customer deposits and to clear out old balance sheet liability accounts that have carried forward for several years. This adjustment resulted in a net increase in net position of \$28,124.

11. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for the governmental activities decreased \$18,363. The County also implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* for the Healthcare Benefits Plan. The implementation of this statement had no effect on net position.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- ~ 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)
- ~ Schedule of Changes in Total Pension Liability (LEOSSA)
- ~ Schedule of Changes in Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)

Northampton County, North Carolina
 Other Post-Employment Benefits- Retiree Health Plan
 Required Supplementary Information
 June 30, 2017

Exhibit A-1

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
12/31/2016	\$ -	\$ 14,633,992	\$ 14,633,992	0.00%	\$ 11,358,157	128.80%
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	28.21%
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	12/31/2016
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	7.75%-5.00%
Year of ultimate trend rate	2022
*Includes inflation at	3.00%

Northampton County, North Carolina
Schedule of Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last Four Fiscal Years*

Local Government Employees' Retirement System				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's proportion of the net pension liability (asset) (%)	0.1842%	0.1846%	0.1920%	0.1400%
Northampton County's proportion of the net pension liability (asset) (\$)	\$ 3,908,492	\$ 828,608	\$ (1,132,903)	\$ 2,226,344
Northampton County's covered-employee payroll	\$ 11,455,286	\$ 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	34.12%	7.26%	-10.04%	21.66%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

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

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

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

Local Government Employees' Retirement System				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 890,761	\$ 780,212	\$ 810,171	\$ 797,232
Contributions in relation to the contractually required contribution	890,761	780,212	810,171	797,232
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 11,977,708	\$ 11,455,286	\$ 11,415,786	\$ 11,288,695
Contributions as a percentage of covered-employee payroll	7.44%	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 Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's proportionate share of the net pension (asset) liability (%)	0.17821%	0.17045%	0.16571%	0.15807%
Northampton County's proportionate share of the net pension (asset) liability (\$)	\$ (33,318)	\$ (39,500)	\$ (37,572)	\$ (33,764)
Northampton County's covered-employee payroll	\$ 41,157	\$ 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	-80.95%	-66.44%	-60.21%	-54.59%
Plan fiduciary net position as a percentage of the total pension liability	160.17%	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 Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's required contribution	\$ 3,923	\$ 2,787	\$ 1,364	\$ 1,353
Contributions in relation to contractually required contribution	<u>3,923</u>	<u>2,787</u>	<u>1,364</u>	<u>1,353</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Northampton County's covered-employee payroll	\$ 53,515	\$ 41,157	\$ 59,455	\$ 62,397
Contributions as a percentage of covered-employee payroll	7.33%	6.77%	2.29%	2.17%

Northampton County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2017

	2017
Beginning balance	\$ 377,621
Service Cost	33,873
Interest on the total pension liability	13,254
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(12,588)
Benefit payments	(12,717)
Other changes	-
Ending balance of the total pension liability	\$ 399,443

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

Northampton County, North Carolina
Schedule of Changes in Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2017

	<u>2017</u>
Total pension liability	\$ 399,443
Covered payroll	\$ 1,142,943
Total pension liability as a percentage of covered payroll	34.95%

Notes to the schedules:

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

GENERAL FUND

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

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

	2017			
	General Fund	Revaluation Fund	Revolving Loan Fund	Total
Revenues				
Ad Valorem Taxes	\$ 18,023,350	\$ -	\$ -	\$ 18,023,350
Other Taxes and licenses	2,625,917	-	-	2,625,917
Unrestricted intergovernmental	69,924	-	-	69,924
Restricted intergovernmental	10,071,939	-	-	10,071,939
Permits and fees	289,333	-	-	289,333
Sales and services	2,913,066	-	-	2,913,066
Investment earnings	39,326	233	145	39,704
Special project revenue	25,328	-	-	25,328
Miscellaneous	294,603	-	125,487	420,090
Total Revenues	<u>34,352,786</u>	<u>233</u>	<u>125,632</u>	<u>34,478,651</u>
Expenditures				
Current:				
General Government	3,914,248	3,374	-	3,917,622
Public Safety	9,228,364	-	-	9,228,364
Transportation	32,500	-	-	32,500
Environmental protection	121,000	-	-	121,000
Economic and physical development	1,249,932	-	-	1,249,932
Human Services	13,305,813	-	-	13,305,813
Cultural and recreational	732,918	-	-	732,918
Education	4,520,775	-	-	4,520,775
Debt Service:				
Principal	133,222	-	-	133,222
Interest	2,031	-	-	2,031
Total Expenditures	<u>33,240,803</u>	<u>3,374</u>	<u>-</u>	<u>33,244,177</u>
Revenues over (under) expenditures	<u>1,111,983</u>	<u>(3,141)</u>	<u>125,632</u>	<u>1,234,474</u>
Other financing Sources (uses)				
Transfers (to) from funds	(1,415,116)	-	-	(1,415,116)
Intrafund transfers	(50,000)	50,000	-	-
Loan Proceeds	369,565	-	-	369,565
Total other financing sources (uses)	<u>(1,095,551)</u>	<u>50,000</u>	<u>-</u>	<u>(1,045,551)</u>
Net change in fund balances	16,432	46,859	125,632	188,923
Fund Balance				
Beginning of year- July 1	11,425,271	363,056	193,024	11,981,351
Prior Period Adjustment	-	-	-	-
End of year- June 30	<u>\$ 11,441,703</u>	<u>\$ 409,915</u>	<u>\$ 318,656</u>	<u>\$ 12,170,274</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, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Revenues				
Ad valorem Taxes				
Taxes	\$ 17,733,959	\$ 17,789,576	\$ (55,617)	\$ 17,512,932
Penalties and interest	245,000	233,774	(11,226)	210,361
Total	<u>17,978,959</u>	<u>18,023,350</u>	<u>(66,843)</u>	<u>17,723,293</u>
Other Taxes and Licenses				
Privilege License	600	1,275	675	1,465
Local option sales tax	2,125,300	2,551,756	426,456	1,916,059
Excise tax	40,000	65,279	25,279	58,784
Hold harmless	1,100	2,367	1,267	2,050
Utility franchise tax	6,800	5,240	(1,560)	5,156
Total	<u>2,173,800</u>	<u>2,625,917</u>	<u>452,117</u>	<u>1,983,514</u>
Unrestricted Intergovernmental Revenues				
Beer and wine	64,000	67,408	3,408	66,103
Food Stamp tax reimbursements	5,000	2,516	(2,484)	4,050
Indirect costs	-	-	-	-
Total	<u>69,000</u>	<u>69,924</u>	<u>924</u>	<u>70,153</u>
Restricted Intergovernmental Revenues				
Federal and state grants	9,915,804	9,988,149	72,345	8,820,571
Court facilities fees	25,000	21,416	(3,584)	22,267
Fines and forfeitures	70,000	57,977	(12,023)	55,396
ABC bottles taxes	4,100	4,397	297	4,305
Total	<u>10,014,904</u>	<u>10,071,939</u>	<u>57,035</u>	<u>8,902,539</u>
Permits and Fees				
Building permits	111,900	178,994	67,094	152,729
Register of Deeds	80,000	83,356	3,356	87,963
Other fees	27,300	26,983	(317)	23,980
Total	<u>219,200</u>	<u>289,333</u>	<u>70,133</u>	<u>264,672</u>
Sales and Services				
Court costs and fees	20,000	19,562	(438)	17,417
Jail fees	1,500	804	(696)	2,030
Ambulance and rescue squad fees	1,095,000	793,391	(301,609)	1,195,312
Sheriff fees	121,835	145,995	24,160	57,634
Health department fees	1,114,762	1,189,387	74,625	1,217,823
Inmate housing fees	140,000	270,215	130,215	225,560
Wellness Center fees	10,000	9,178	(822)	11,578
Other	400,992	484,534	83,542	544,842
Total	<u>2,904,089</u>	<u>2,913,066</u>	<u>8,977</u>	<u>3,272,196</u>
Interest on investments	<u>4,000</u>	<u>39,326</u>	<u>35,326</u>	<u>26,027</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, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Special Project Revenue				
Fees and Reimbursements	-	25,328	25,328	29,888
Total	-	25,328	25,328	29,888
Miscellaneous				
Reimbursements	-	1,700	1,700	3,400
Miscellaneous DSS	154,182	161,497	7,315	163,958
Other	94,068	131,406	37,338	101,546
Total	248,250	294,603	46,353	268,904
Total Revenues	33,612,202	34,352,786	629,350	32,541,186
Expenditures				
General Government:				
Governing Body				
Salaries and employee benefits	49,729	49,210	519	47,478
Other operating expenditures	46,825	39,197	7,628	37,769
Capital Outlay	36,018	35,766	252	-
Total	132,572	124,173	8,399	85,247
Administration				
Salaries and employee benefits	233,120	202,546	30,574	155,551
Other operating expenditures	15,492	8,184	7,308	9,613
	2,210	2,210	-	-
Total	250,822	212,940	37,882	165,164
Human Resources				
Salaries and employee benefits	173,814	171,468	2,346	165,404
Other operating expenditures	24,431	21,402	3,029	25,231
Total	198,245	192,870	5,375	190,635
Finance				
Salaries and employee benefits	390,709	388,101	2,608	353,549
Other operating expenditures	251,639	251,402	237	227,374
Total	642,348	639,503	2,845	580,923
Hospitalization- Retirees				
Other operating expenditures	283,811	283,811	-	252,475
Total	283,811	283,811	-	252,475
Wellness Grant				
Other operating expenditures	3,767	-	3,767	1,206
Total	3,767	-	3,767	1,206

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Taxes				
Salaries and employee benefits	484,321	450,336	33,985	404,633
Other operating expenditures	161,606	80,244	81,362	85,312
Capital Outlay	-	-	-	53
Total	<u>645,927</u>	<u>530,580</u>	<u>115,347</u>	<u>489,998</u>
Land Records				
Salaries and employee benefits	165,199	162,487	2,712	154,146
Other operating expenditures	19,445	9,933	9,512	12,630
Total	<u>184,644</u>	<u>172,420</u>	<u>12,224</u>	<u>166,776</u>
Legal				
Other operating expenditures	70,375	51,399	18,976	71,687
Total	<u>70,375</u>	<u>51,399</u>	<u>18,976</u>	<u>71,687</u>
Court Facilities				
Other operating expenditures	23,050	15,983	7,067	15,664
Total	<u>23,050</u>	<u>15,983</u>	<u>7,067</u>	<u>15,664</u>
Elections				
Salaries and employee benefits	129,115	110,185	18,930	120,762
Other operating expenditures	89,382	72,232	17,150	92,186
Total	<u>218,497</u>	<u>182,417</u>	<u>36,080</u>	<u>212,948</u>
Register of Deeds				
Salaries	171,220	148,746	22,474	150,110
Other operating expenditures	71,634	39,969	31,665	50,655
Total	<u>242,854</u>	<u>188,715</u>	<u>54,139</u>	<u>200,765</u>
Public Buildings				
Salaries and employee benefits	357,447	353,477	3,970	336,036
Other operating expenditures	413,415	396,608	16,807	305,004
Capital Outlay	216,170	214,251	1,919	93,107
Total	<u>987,032</u>	<u>964,336</u>	<u>22,696</u>	<u>734,147</u>
Management Information Systems				
Salaries and employee benefits	58,058	57,884	174	60,613
Other operating expenditures	201,750	194,903	6,847	189,223
	19,502	19,343	159	-
Total	<u>279,310</u>	<u>272,130</u>	<u>7,180</u>	<u>249,836</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, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Central Garage				
Salaries and employee benefits	51,352	51,313	39	49,938
Other Operating expenditures	50,273	34,614	15,659	27,158
Capital Outlay	-	-	-	-
Total	<u>101,625</u>	<u>85,927</u>	<u>15,659</u>	<u>77,096</u>
Central Stores				
Other operating expenditures	14,700	(2,956)	17,656	2,755
Total	<u>14,700</u>	<u>(2,956)</u>	<u>17,656</u>	<u>2,755</u>
Total General Government	<u>4,279,579</u>	<u>3,914,248</u>	<u>365,292</u>	<u>3,497,322</u>
Public safety:				
Sheriff				
Salaries	1,935,521	1,873,175	62,346	1,726,958
Other operating expenditures	384,442	295,825	88,617	312,294
Capital Outlay	255,214	233,048	22,166	43,169
Total	<u>2,575,177</u>	<u>2,402,048</u>	<u>173,129</u>	<u>2,082,421</u>
Sheriff- School Rescue Officer				
Salaries	118,918	117,485	1,433	129,053
Other operating expenditures	7,541	249	7,292	-
Total	<u>126,459</u>	<u>117,734</u>	<u>8,725</u>	<u>129,053</u>
Sheriff-Execution Account				
Other operating expenditures	101,435	101,435	-	23,521
Total	<u>101,435</u>	<u>101,435</u>	<u>-</u>	<u>23,521</u>
Criminal Justice Partnership Program				
Salaries	184,717	172,504	12,213	138,388
Other operating expenditures	103,150	51,758	51,392	38,480
Total	<u>287,867</u>	<u>224,262</u>	<u>63,605</u>	<u>176,868</u>
Jail				
Salaries and employee benefits	1,000,930	999,230	1,700	937,049
Other operating expenditures	446,067	380,550	65,517	386,876
Total	<u>1,446,997</u>	<u>1,379,780</u>	<u>67,217</u>	<u>1,323,925</u>
Emergency Communications				
Salaries and employee benefits	850,347	786,290	64,057	801,398
Other operating expenditures	46,982	33,122	13,860	33,347
Total	<u>897,329</u>	<u>819,412</u>	<u>77,917</u>	<u>834,745</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, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
911 County				
Other operating expenditures	264,300	245,872	18,428	126,280
Total	<u>264,300</u>	<u>245,872</u>	<u>18,428</u>	<u>126,280</u>
Emergency Management				
Salaries	100,117	99,986	131	113,258
Other operating expenditures	24,845	24,395	450	88,591
Capital Outlay	124,946	124,945	1	-
Total	<u>249,908</u>	<u>249,326</u>	<u>582</u>	<u>201,849</u>
Fire				
Assistance to local departments	14,500	14,500	-	14,500
Contribution to N.C. Forestry	91,877	91,877	-	98,818
Total	<u>106,377</u>	<u>106,377</u>	<u>-</u>	<u>113,318</u>
Building Inspections				
Salaries and employee benefit	173,787	161,901	11,886	155,218
Other operating expenditures	21,257	13,297	7,960	13,180
Capital Outlay	56,905	55,764	1,141	-
Total	<u>251,949</u>	<u>230,962</u>	<u>20,987</u>	<u>168,398</u>
Medical examiner				
Contracted services	27,175	27,175	-	12,350
Total	<u>27,175</u>	<u>27,175</u>	<u>-</u>	<u>12,350</u>
Ambulance Service				
Salaries and employee benefits	2,781,620	2,781,513	107	2,400,290
Other operating expenditures	419,530	414,819	4,711	616,122
Assistance to local rescue units	14,000	14,000	-	14,000
Capital Outlay	7,228	7,228	-	-
Total	<u>3,222,378</u>	<u>3,217,560</u>	<u>4,818</u>	<u>3,030,412</u>
Animal Control				
Salaries and employee benefits	54,498	54,363	135	51,587
Other operating expenditures	37,410	27,331	10,079	27,453
Capital Outlay	24,728	24,727	1	-
Total	<u>116,636</u>	<u>106,421</u>	<u>10,215</u>	<u>79,040</u>
Total Public Safety	<u>9,673,987</u>	<u>9,228,364</u>	<u>445,623</u>	<u>8,302,180</u>
Transportation				
Contribution to Tri-County Airport	32,500	32,500	-	26,500
Total Transportation	<u>32,500</u>	<u>32,500</u>	<u>-</u>	<u>26,500</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, 2017

Exhibit B-2
(continued)

With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Environmental Protection				
Contribution to Lake Gaston weed control	117,000	117,000	-	76,000
Drainage and watershed protection	4,000	4,000	-	4,000
Total Environmental Protection	121,000	121,000	-	80,000
Economic and Physical Development:				
Planning and zoning				
Salaries and employee benefits	142,294	127,998	14,296	120,853
Other operating expenditures	34,769	8,114	26,655	11,280
Total	177,063	136,112	40,951	132,133
Economic Development				
Salaries and employee benefits	162,703	154,031	8,672	155,568
Other operating expenditures	598,513	572,648	25,865	187,802
COG membership dues	9,805	9,805	-	9,943
Contribution to Chamber of Commerce	18,459	18,459	-	11,950
Contribution to CADA	2,500	2,500	-	2,500
Miscellaneous contributions	500	500	-	500
Total	792,480	757,943	34,537	368,263
Cooperative Extension				
Salaries and employee benefits	253,365	232,800	20,565	189,559
Other operating expenditures	36,627	24,487	12,140	23,872
Total	289,992	257,287	32,705	213,431
YESS Mini-Society Grant				
Other operating expenditures	1,684	248	1,436	172
Total	1,684	248	1,436	172
Soil and Water Conservation				
Salaries and employee benefits	95,140	94,738	402	88,420
Other operating expenditures	9,225	3,604	5,621	33,042
Total	104,365	98,342	6,023	121,462
Total Economic and Physical Development	1,365,584	1,249,932	115,652	835,461
Human services:				
Health				
Salaries and employee benefits	712,024	582,064	129,960	434,580
Other operating expenditures	140,057	102,674	37,383	142,023
Total	852,081	684,738	167,343	576,603
Communicable Disease				
Salaries and employee benefits	25,488	12,122	13,366	30,274
Other operating expenditures	2,414	1,485	929	1,661
Total	27,902	13,607	14,295	31,935

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Kate B. Reynolds Grant				
Salaries and employee benefits	61,256	58,223	3,033	53,817
Other operating expenditures	27,938	7,450	20,488	5,520
Capital Outlay	40,475	39,547	928	39,848
Total	<u>129,669</u>	<u>105,220</u>	<u>24,449</u>	<u>99,185</u>
Healthy Start Initiative				
Other operating expenditures	31,160	12,476	18,684	15,505
Total	<u>31,160</u>	<u>12,476</u>	<u>18,684</u>	<u>15,505</u>
Immunization Program				
Salaries and employee benefits	5,467	3,471	1,996	2,918
Other operating expenditures	3,547	2,417	1,130	1,623
Total	<u>9,014</u>	<u>5,888</u>	<u>3,126</u>	<u>4,541</u>
Restaurant Heart Health				
Operating expenditures	1,123	767	356	928
Total	<u>1,123</u>	<u>767</u>	<u>356</u>	<u>928</u>
Carolina Access III				
Salaries and employee benefits	5,840	5,839	1	96,561
Other operating expenditures	278	225	53	6,010
Total	<u>6,118</u>	<u>6,064</u>	<u>54</u>	<u>102,571</u>
Tuberculosis Program				
Salaries and employee benefits	9,649	4,858	4,791	5,562
Other operating expenditures	7,358	4,119	3,239	4,050
Total	<u>17,007</u>	<u>8,977</u>	<u>8,030</u>	<u>9,612</u>
Health-Jail Site Testing				
Salaries and employee benefits	49,173	48,566	607	49,997
Other operating expenditures	9,888	5,159	4,729	7,481
Total	<u>59,061</u>	<u>53,725</u>	<u>5,336</u>	<u>57,478</u>
Pregnancy Care Management				
Salaries and employee benefits	83,322	82,584	738	77,812
Other operating expenditures	3,550	3,550	-	3,865
Total	<u>86,872</u>	<u>86,134</u>	<u>738</u>	<u>81,677</u>
Mosquito Control				
Other operating expenditures	-	-	-	5,093
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,093</u>
Nurse Family Partnership				
Salaries and employees benefits	314,724	312,012	2,712	282,930
Other operating expenditures	176,362	131,734	44,628	173,859
Total	<u>491,086</u>	<u>443,746</u>	<u>47,340</u>	<u>456,789</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, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
School Nurse Program				
Salaries and employees benefits	150,000	150,000	-	149,997
Other operating expenditures	-	-	-	-
Total	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>149,997</u>
Healthy Communities				
Salaries and employees benefits	25,981	25,598	383	20,306
Other operating expenditures	7,986	6,852	1,134	9,088
Total	<u>33,967</u>	<u>32,450</u>	<u>1,517</u>	<u>29,394</u>
Health- Susan Koman				
Salaries and employees benefits	-	-	-	3,948
Other operating expenditures	-	-	-	3,338
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,286</u>
Health- STD Prevention				
Other operating expenditures	3,579	3,232	347	2,095
Total	<u>3,579</u>	<u>3,232</u>	<u>347</u>	<u>2,095</u>
Breast and Cervical Cancer				
Salaries and employee benefits	8,709	8,652	57	7,687
Other operating expenditures	22,086	11,006	11,080	12,109
Total	<u>30,795</u>	<u>19,658</u>	<u>11,137</u>	<u>19,796</u>
Home Health				
Salaries and employee benefit	715,381	639,442	75,939	630,333
Other operating expenditures	572,660	404,233	168,427	342,942
Total	<u>1,288,041</u>	<u>1,043,675</u>	<u>244,366</u>	<u>973,275</u>
School Health-Kate B.Reynolds				
Salaries and employee benefit	37,570	37,355	215	34,764
Other operating expenditures	2,680	1,713	967	2,206
Total	<u>40,250</u>	<u>39,068</u>	<u>1,182</u>	<u>36,970</u>
Child Health				
Salaries and employee benefit	86,669	45,426	41,243	102,924
Other operating expenditures	17,912	16,109	1,803	26,838
Total	<u>104,581</u>	<u>61,535</u>	<u>43,046</u>	<u>129,762</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, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Child Service Coordination				
Salaries and employee benefit	54,653	54,572	81	88,011
Other operating expenditures	4,457	4,456	1	8,829
Total	<u>59,110</u>	<u>59,028</u>	<u>82</u>	<u>96,840</u>
Maternal Child Health				
Salaries and employee benefit	145,406	82,621	62,785	67,920
Other operating expenditures	17,271	12,007	5,264	13,642
Total	<u>162,677</u>	<u>94,628</u>	<u>68,049</u>	<u>81,562</u>
Family Planning				
Salaries and employee benefit	256,315	224,265	32,050	182,278
Other operating expenditures	43,868	37,259	6,609	36,982
Total	<u>300,183</u>	<u>261,524</u>	<u>38,659</u>	<u>219,260</u>
Health Promotions- Clinical (adult)				
Salaries and employee benefit	73,578	47,467	26,111	24,500
Other operating expenditures	3,739	2,627	1,112	3,536
Total	<u>77,317</u>	<u>50,094</u>	<u>27,223</u>	<u>28,036</u>
Health-Head Start				
Salaries and employee benefit	31,231	31,123	108	28,948
Other operating expenditures	2,661	2,379	282	2,261
Total	<u>33,892</u>	<u>33,502</u>	<u>390</u>	<u>31,209</u>
Woman, Infants, and Children				
Salaries and employee benefit	121,366	118,957	2,409	112,451
Other operating expenditures	8,093	5,880	2,213	10,279
Total	<u>129,459</u>	<u>124,837</u>	<u>4,622</u>	<u>122,730</u>
Peer Counseling				
Salaries and employee benefit	6,315	6,315	-	3,913
Other operating expenditures	2,149	2,148	1	2,995
Total	<u>8,464</u>	<u>8,463</u>	<u>1</u>	<u>6,908</u>
Wise Woman Project				
Salaries and employee benefit	10,283	7,987	2,296	6,406
Other operating expenditures	2,171	1,070	1,101	1,013
Total	<u>12,454</u>	<u>9,057</u>	<u>3,397</u>	<u>7,419</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, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Bio-Terrorism Grant				
Salaries and employee benefit	21,030	20,730	300	20,505
Other operating expenditures	10,634	10,187	447	9,676
Total	31,664	30,917	747	30,181
Environmental Health				
Salaries and employee benefit	175,477	174,012	1,465	163,471
Other operating expenditures	15,280	12,078	3,202	10,335
	23,748	23,748	-	-
Total	214,505	209,838	4,667	173,806
Elderly and Handicapped				
Other operating expenditures	95,513	95,513	-	94,214
Total	95,513	95,513	-	94,214
Home Delivered Meals				
Salaries and employee benefit	16,089	16,003	86	14,928
Other operating expenditures	97,158	66,463	30,695	58,410
Total	113,247	82,466	30,781	73,338
Home and Community Care Block Grant				
Salaries and employee benefit	-	-	-	-
Other operating expenditures	118,416	118,369	47	103,665
Total	118,416	118,369	47	103,665
AIDS Control				
Salaries and employee benefit	24,859	12,114	12,745	27,289
Other operating expenditures	4,775	1,804	2,971	1,111
Total	29,634	13,918	15,716	28,400
Ebola				
Salaries and employee benefits	0	0	-	8,558
Other operating expenditures	5,000	4,691	309	3,555
Total	5,000	4,691	309	12,113
NFP Nash				
Salaries and employee benefits	91,777	91,321	456	14,201
Other operating expenditures	33,223	14,443	18,780	18,238
Capital outlay	0	0	-	3,082
Total	125,000	105,764	19,236	35,521
Health Promotion - Communities				
Other operating expenditures	-	-	-	71
Total	-	-	-	71
Total Health	4,878,841	4,073,569	805,272	3,935,765

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Mental Health				
Contribution to mental health	81,614	81,614	-	81,614
Total	81,614	81,614	-	81,614
Aging				
Salaries and employee benefits	51,414	51,271	143	48,270
Other operating expenditures	5,659	5,613	46	4,349
Total	57,073	56,884	189	52,619
Veterans Assistance				
Salaries and employee benefits	45,626	36,186	9,440	39,286
Other operating expenditures	7,122	5,400	1,722	3,744
Total	52,748	41,586	11,162	43,030
E H R				
Other operating expenditures	24,394	24,393	1	-
Capital Outlay	16,856	16,592	264	-
Total	41,250	40,985	265	-
MIECHV Centralized Intake				
Other operating expenditures	40,000	175	39,825	-
Total	40,000	175	39,825	-
Anne Wolfe Mini Grant				
Other operating expenditures	8,000	5,737	2,263	-
Total	8,000	5,737	2,263	-
Community Based Alternatives				
Other operating expenditures	112,684	112,672	12	110,168
Total	112,684	112,672	12	110,168
Social Services:				
Administration				
Salaries and employee benefits	3,818,106	3,634,394	183,712	3,485,184
Other operating expenditures	3,879,162	3,639,879	239,283	3,365,734
Total	7,697,268	7,274,273	422,995	6,850,918
Program Expenditures				
Federal and State Expenditures				
AFDC-FC	46,140	46,140	-	83,868
Crisis fuel	154,097	154,097	-	196,415
Board home	1,224	1,224	-	11,426
Smart Start daycare	124,073	124,073	-	87,207
CAP/DA federal and State expenditures	50,767	50,767	-	55,941
Child Daycare	653,527	653,527	-	703,688
Special adoption assistance	1,423	1,423	-	5,643
Total federal and state expenditures	1,031,251	1,031,251	-	1,144,188

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
County Expenditures				
Aid to blind	25,648	25,648	-	1,994
OAA/AD	367,549	347,099	20,450	388,848
AFDC-FC	26,652	9,622	17,030	20,262
General assistance	10,000	5,260	4,740	3,160
Board income	1,224	1,224	-	11,826
Food stamp issuance	14,146	8,192	5,954	9,159
IV-E adoption assistance	28,669	22,134	6,535	23,832
Low income energy assistance	162,600	162,600	-	182,400
CAP/DA	-	-	-	-
Other	7,226	5,288	1,938	8,799
Total County Expenditures	<u>643,714</u>	<u>587,067</u>	<u>56,647</u>	<u>650,280</u>
Total Social Services	<u>9,372,233</u>	<u>8,892,591</u>	<u>479,642</u>	<u>8,645,386</u>
Total Human Services	<u>14,644,443</u>	<u>13,305,813</u>	<u>1,296,277</u>	<u>12,868,582</u>
Cultural and Recreational				
Recreation				
Salaries and employee benefits	207,974	202,612	5,362	185,649
Other operating expenditures	44,848	40,404	4,444	50,022
Capital Outlay	321,153	318,694	2,459	22,241
Total	<u>573,975</u>	<u>561,710</u>	<u>12,265</u>	<u>257,912</u>
Libraries				
Contribution to regional library	156,430	156,430	-	137,981
Total	<u>156,430</u>	<u>156,430</u>	<u>-</u>	<u>137,981</u>
Northampton Cultural Arts				
Cultural	10,783	10,778	5	8,902
Total	<u>10,783</u>	<u>10,778</u>	<u>5</u>	<u>8,902</u>
Museums				
Contribution to museums	4,000	4,000	-	3,000
Total	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>3,000</u>
Total Cultural and Recreational	<u>745,188</u>	<u>732,918</u>	<u>12,270</u>	<u>407,795</u>
Education:				
Public School- current expenses	3,650,000	3,650,000	-	3,575,511
Public School- capital outlay	795,000	769,151	25,849	619,489
Public Schools- Fines and Forfeitures	70,000	61,624	8,376	79,552
Community College-current	40,000	40,000	-	30,000
Total Education	<u>4,555,000</u>	<u>4,520,775</u>	<u>34,225</u>	<u>4,304,552</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, 2017
With Comparative Actual Amounts for Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Debt service:				
Principal	192,091	133,222	58,869	310,707
Interest payments	76,566	2,031	74,535	7,242
Total debt service	<u>268,657</u>	<u>135,253</u>	<u>133,404</u>	<u>317,949</u>
Total expenditures	<u>35,685,938</u>	<u>33,240,803</u>	<u>2,402,743</u>	<u>30,640,341</u>
Revenue over (under) expenditures	<u>(2,073,736)</u>	<u>1,111,983</u>	<u>3,185,719</u>	<u>1,900,845</u>
Other Financing Sources (Uses)				
Transfers to other funds				
Special Revenue Funds	-	-	-	(3,599)
Capital Project Funds	-	-	-	(479,508)
Solid Waste Fund	-	-	-	(600,244)
Debt Service Fund	(1,635,116)	(1,415,116)	220,000	(1,624,572)
Intrafund transfers:				
Revaluation fund	(50,000)	(50,000)	-	(50,000)
Revolving loan fund	-	-	-	-
Loan proceeds	604,986	369,565	(235,421)	-
Appropriated fund balance	3,153,866	-	(3,153,866)	-
Contingency	-	-	-	-
Total other financing sources (uses)	<u>2,073,736</u>	<u>(1,095,551)</u>	<u>(3,389,287)</u>	<u>(2,757,923)</u>
Net change in fund balance	<u>\$ -</u>	16,432	<u>\$ (203,568)</u>	(857,078)
Fund balance- July 1		11,425,271		11,950,442
Prior Period Adjustment		<u>-</u>		<u>331,907</u>
Fund balance- June 30		<u>\$ 11,441,703</u>		<u>\$ 11,425,271</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, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Revenues:				
Interest on investments	\$ -	\$ 233	\$ 233	\$ 87
Expenditures:				
General government:				
Other operating expenditures	50,000	3,374	46,626	-
Revenues over (under) expenditures	(50,000)	(3,141)	(46,393)	87
<u>Other financing sources</u>				
Transfer in (out)	50,000	50,000	-	50,000
Net change in fund balance	\$ -	46,859	\$ 46,859	50,087
Fund balance, beginning		363,056		312,969
Fund balance, ending		\$ 409,915		\$ 363,056

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, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Interest on Investments	\$ 15,815	\$ 145	\$ (15,670)	\$ 49
Payment - Interest	-	3,572	3,572	4,547
Payment - Principal	-	121,915	121,915	28,085
Miscellaneous	99,000	-	(99,000)	-
Total Revenues	114,815	125,632	10,817	32,681
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from General funds	-	-	-	-
Transfers to other funds	-	-	-	-
Appropriated fund balance	(114,815)	-	114,815	-
Total other financing sources (uses)	(114,815)	-	114,815	-
 Net change in fund balances	\$ -	125,632	\$ 125,632	32,681
 <u>FUND BALANCE</u>				
Beginning of year- July 1		193,024		310,343
Prior Period Adjustment		-		(150,000)
End of year- June 30		\$ 318,656		\$ 193,024

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**
- **Solar Farm Trust Fund**

Capital Project Fund

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

- **Enviva Infrastructure Project 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, 2017

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 369,583	\$ 364,764	\$ 65,848	\$ 800,195
Taxes receivable (net)	125,185	-	-	125,185
Accounts receivable (net)	19,237	-	-	19,237
Due from other funds	-	-	-	-
Total assets	<u>\$ 514,005</u>	<u>\$ 364,764</u>	<u>\$ 65,848</u>	<u>\$ 944,617</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued	\$ 15,885	1,113	-	16,998
Due to other funds	22,192	23,618	-	45,810
Total liabilities	<u>38,077</u>	<u>24,731</u>	<u>-</u>	<u>62,808</u>
DEFERRED INFLOWS OF RESOURCES				
Tax receivable	<u>125,185</u>	<u>-</u>	<u>-</u>	<u>125,185</u>
Fund balances:				
Restricted:				
Stabilization by State statute	14,193	-	-	14,193
Restricted, other	123,055	-	-	123,055
Committed:				
Committed, other	-	183,793	-	183,793
Debt service	-	-	-	-
Assigned:				
Assigned, other	92,549	-	65,848	158,397
Unassigned	120,946	156,240	-	277,186
Total fund balances	<u>350,743</u>	<u>340,033</u>	<u>65,848</u>	<u>756,624</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 514,005</u>	<u>\$ 364,764</u>	<u>\$ 65,848</u>	<u>\$ 944,617</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, 2017

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Ad valorem taxes	\$ 701,043	\$ -	\$ -	\$ 701,043
Restricted intergovernmental	-	191,036	-	191,036
Sales and services	320,313	-	-	320,313
Investment earnings	122	89	46	257
Miscellaneous	22,851	-	-	22,851
Total revenues	<u>1,044,329</u>	<u>191,125</u>	<u>46</u>	<u>1,235,499</u>
Expenditures:				
Current:				
Public safety	849,263	-	-	849,263
Economic and physical development	16	122,281	-	122,297
Human services	-	-	-	-
Education	-	-	-	-
Debt Service:				
Principal	-	-	857,570	857,570
Interest	-	-	557,545	557,545
Total expenditures	<u>849,279</u>	<u>122,281</u>	<u>1,415,115</u>	<u>2,386,675</u>
Revenues over (under) expenditures	<u>195,050</u>	<u>68,844</u>	<u>(1,415,069)</u>	<u>(1,151,176)</u>
Other financing sources (uses):				
Transfers in (out)	-	-	1,415,116	1,415,116
Intrafund transfers	-	-	-	-
Loan expenditures	-	-	-	-
Debt Proceeds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,415,116</u>	<u>1,415,116</u>
Net change in fund balance	195,050	68,844	47	263,941
Fund balances, beginning	<u>155,693</u>	<u>271,189</u>	<u>65,801</u>	<u>492,683</u>
Fund balances, ending	<u>\$ 350,743</u>	<u>\$ 340,033</u>	<u>\$ 65,848</u>	<u>\$ 756,624</u>

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Fund
June 30, 2017

	Special Revenue Funds				Total
	Mid-Atlantic Distribution Park Fund	Emergency Telephone System Fund	Fire District Fund	Solar Farm Trust Fund	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 92,549	\$ 126,984	\$ -	\$ 150,050	\$ 369,583
Accounts receivable	-	14,193	5,044	-	19,237
Taxes Receivable	-	-	125,185	-	125,185
Due from other funds	-	-	-	-	-
Total assets	<u>92,549</u>	<u>141,177</u>	<u>130,229</u>	<u>150,050</u>	<u>514,005</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	3,929	11,956	-	15,885
Due to other funds	-	-	22,192	-	22,192
Total liabilities	<u>-</u>	<u>3,929</u>	<u>34,148</u>	<u>-</u>	<u>38,077</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes Receivable	-	-	125,185	-	125,185
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>125,185</u>	<u>-</u>	<u>125,185</u>
Fund balances:					
Restricted:					
Stabilization by State Statute	-	14,193	-	-	14,193
Restricted, other	-	123,055	-	-	123,055
Assigned:					
Assigned, other	92,549	-	-	-	92,549
Unassigned	-	-	(29,104)	150,050	120,946
Total fund balances	<u>92,549</u>	<u>137,248</u>	<u>(29,104)</u>	<u>150,050</u>	<u>350,743</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 92,549</u>	<u>\$ 141,177</u>	<u>\$ 130,229</u>	<u>\$ 150,050</u>	<u>\$ 514,005</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, 2017

	Mid-Atlantic Distribution Park Fund	Emergency Telephone System Fund	Fire District Fund	Solar Farm Trust Fund	Total
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ 701,043	\$ -	\$ 701,043
Restricted intergovernmental	-	-	-	-	-
Sales and service	-	170,313	-	150,000	320,313
Investment earnings	55	-	1	66	122
Miscellaneous	22,851	-	-	-	22,851
Total revenues	<u>22,906</u>	<u>170,313</u>	<u>701,044</u>	<u>150,066</u>	<u>1,044,329</u>
Expenditures:					
Public safety	-	123,115	726,148	-	849,263
Human services	-	-	-	-	-
Economic and physical development	-	-	-	16	16
Total expenditures	<u>-</u>	<u>123,115</u>	<u>726,148</u>	<u>16</u>	<u>849,279</u>
Other Financing Sources (Uses)					
Long-term debt issued	-	-	-	-	-
Transfers in (out)	-	-	-	-	-
Transfers-intrafund	-	-	-	-	-
Loan expenditures (closing costs)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	22,906	47,198	(25,104)	150,050	195,050
Fund balances, beginning	<u>69,643</u>	<u>90,050</u>	<u>(4,000)</u>	<u>-</u>	<u>155,693</u>
Fund balances, ending	<u>\$ 92,549</u>	<u>\$ 137,248</u>	<u>\$ (29,104)</u>	<u>\$ 150,050</u>	<u>\$ 350,743</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, 2017
With Comparative Actual Amounts for the Year Ended June, 30 2016

	2017			2016
	Budget	Actual	Variance over/under	Actual
Revenues				
Investment earnings	\$ -	\$ 55	\$ 55	\$ 4
Miscellaneous	285,664	22,851	(262,813)	22,511
Total revenues	<u>285,664</u>	<u>22,906</u>	<u>(262,758)</u>	<u>22,515</u>
Expenditures				
Economic and physical development	1,457,664	-	1,457,664	-
Total expenditures	<u>1,457,664</u>	<u>-</u>	<u>1,457,664</u>	<u>-</u>
Revenues over (under) Expenditures	<u>(1,172,000)</u>	<u>22,906</u>	<u>1,194,906</u>	<u>22,515</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)	-	-	-	-
Total other financing sources (uses)	<u>1,172,000</u>	<u>-</u>	<u>(1,172,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	22,906	<u>\$ 22,906</u>	22,515
Fund Balance- July 1		<u>69,643</u>		<u>47,128</u>
Fund Balance- June 30		<u>\$ 92,549</u>		<u>\$ 69,643</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, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		Variance over/under	2016
	Budget	Actual		Actual
Revenues				
Telephone surcharge	\$ 170,312	\$ 170,313	\$ 1	\$ 208,566
Investment earnings	-	-	-	4
Miscellaneous	-	-	-	-
Total revenues	<u>170,312</u>	<u>170,313</u>	<u>1</u>	<u>208,570</u>
Expenditures				
Current:				
Public Safety				
Construction/ capital outlay	153,088	72	153,016	364,992
Other expenditures	131,300	123,043	8,257	140,694
Total expenditures	<u>284,388</u>	<u>123,115</u>	<u>161,273</u>	<u>505,686</u>
Revenues over (under) Expenditures	<u>(114,076)</u>	<u>47,198</u>	<u>161,274</u>	<u>(297,116)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in (out)	-	-	-	-
Appropriated fund balance	114,076	-	(114,076)	-
Total other financing sources (uses)	<u>114,076</u>	<u>-</u>	<u>(114,076)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>47,198</u>	<u>\$ 47,198</u>	<u>(297,116)</u>
Fund Balance- July 1		<u>90,050</u>		<u>387,166</u>
Fund Balance- June 30		<u>\$ 137,248</u>		<u>\$ 90,050</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	\$ 137,248
Cumulative prior period revenues and expenditures not reported in the fund schedule (difference in beginning fund balance-budget to actual vs.PSAP Report)	24,026
A portion of 911 expenditures on budget to actual, not reported on PSAP report	<u>-</u>
Ending balance, PSAP Revenue- Expenditure Report	<u>\$ 161,274</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, 2017
With Comparative Actual Amounts For The Year Ended June 30, 2016

	2017		Variance over/under	2016
	Budget	Actual		Actual
Revenues				
Roanoke Wildwood Fire District Tax	\$ 185,090	\$ 163,854	\$ (21,236)	\$ 179,008
Garysburg Fire District tax	73,388	91,784	18,396	84,626
Gaston Fire District tax	168,805	205,933	37,128	195,294
Jackson Fire District tax	34,352	36,762	2,410	37,620
Lasker Fire District tax	21,071	24,763	3,692	24,436
Seaboard Fire District Tax	61,655	66,786	5,131	61,329
Rich Square Fire District tax	75,330	55,389	(19,941)	55,271
Woodland Fire District tax	43,685	55,772	12,087	52,137
Refund of motor vehicle interest	-	-	-	-
Interest Earnings	-	1	1	608
Total revenues	663,376	701,044	37,668	690,329
Expenditures				
Current:				
Public Safety:				
Roanoke Wildwood levy	185,090	182,507	2,583	180,224
Garysburg levy	73,388	91,509	(18,121)	83,933
Gaston levy	168,805	211,518	(42,713)	188,472
Jackson levy	34,352	37,227	(2,875)	45,398
Lasker levy	21,071	24,972	(3,901)	24,013
Seaboard Fire District levy	61,655	66,767	(5,112)	61,109
Rich Square levy	75,330	55,589	19,741	55,562
Woodland levy	43,685	56,059	(12,374)	51,418
Total expenditures	663,376	726,148	(62,772)	690,129
Net Change in Fund Balances	\$ -	(25,104)	\$ (25,104)	200
Fund Balance- July 1		(4,000)		(4,200)
Fund Balance- June 30		\$ (29,104)		\$ (4,000)

Northampton County, North Carolina
Solar Farm Trust Fund
Schedule of Revenues, Expenditures, and Changes
In Fund Balance- Budget and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		Variance over/under	2016
	Budget	Actual		Actual
Revenues				
Zoning - Solar Farm	\$ -	\$ 150,000	\$ 150,000	\$ -
Investment earnings	-	66	66	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>150,066</u>	<u>150,066</u>	<u>-</u>
Expenditures				
Current:				
Economic and Physical Development				
Construction/ capital outlay	-	-	-	-
Other expenditures	-	16	(16)	-
Total expenditures	<u>-</u>	<u>16</u>	<u>(16)</u>	<u>-</u>
Revenues over (under) Expenditures	<u>-</u>	<u>150,050</u>	<u>150,050</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in (out)	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>150,050</u>	<u>\$ 150,050</u>	<u>-</u>
Fund Balance- July 1		<u>-</u>		<u>-</u>
Fund Balance- June 30		<u>\$ 150,050</u>		<u>\$ -</u>

CAPITAL PROJECT FUNDS

**Northampton County, North Carolina
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2017**

	Enviva Infrastructure Project	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	\$ 11,250	\$ 169,721	\$ 904	\$ 136,197	\$ 42,894	\$ 3,798	\$ -	\$ 364,764
Due from other funds	-	-	-	-	-	-	-	-
Total assets	<u>\$ 11,250</u>	<u>\$ 169,721</u>	<u>\$ 904</u>	<u>\$ 136,197</u>	<u>\$ 42,894</u>	<u>\$ 3,798</u>	<u>\$ -</u>	<u>\$ 364,764</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337	\$ 1,113
Due to other funds	-	-	-	-	-	-	23,618	23,618
Total liabilities	<u>776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,955</u>	<u>24,731</u>
Fund balances:								
Restricted:								
Stabilization by State Statute	-	-	-	-	-	-	-	-
Committed, other			904	136,197	42,894	3,798	-	183,793
Unassigned	10,474	169,721	-	-	-	-	(23,955)	156,240
Total fund balances	<u>10,474</u>	<u>169,721</u>	<u>904</u>	<u>136,197</u>	<u>42,894</u>	<u>3,798</u>	<u>(23,955)</u>	<u>340,033</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,250</u>	<u>\$ 169,721</u>	<u>\$ 904</u>	<u>\$ 136,197</u>	<u>\$ 42,894</u>	<u>\$ 3,798</u>	<u>\$ -</u>	<u>\$ 364,764</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, 2017

	Enviva Infrastructure Project	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,036	\$ 191,036
Investment earnings	-	-	1	86	-	2	-	89
Total revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>86</u>	<u>-</u>	<u>2</u>	<u>191,036</u>	<u>191,125</u>
Expenditures:								
Current:								
Economic and physical development	-	-	-	-	-	-	122,281	122,281
Human services	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,281</u>	<u>122,281</u>
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Long term debt issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	1	86	-	2	68,755	68,844
Fund balances, beginning	<u>10,474</u>	<u>169,721</u>	<u>903</u>	<u>136,111</u>	<u>42,894</u>	<u>3,796</u>	<u>(92,710)</u>	<u>271,189</u>
Fund balances, ending	<u><u>\$ 10,474</u></u>	<u><u>\$ 169,721</u></u>	<u><u>\$ 904</u></u>	<u><u>\$ 136,197</u></u>	<u><u>\$ 42,894</u></u>	<u><u>\$ 3,798</u></u>	<u><u>\$ (23,955)</u></u>	<u><u>\$ 340,033</u></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, 2017

	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
Capital Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017			2016
	Budget	Actual	Variance over/ under	Actual
Revenues:				
Total Revenue	\$ -	\$ -	\$ -	\$ 1
Net change in fund balance	<u>\$ -</u>	\$ -	<u>\$ -</u>	1
FUND BALANCE				
Beginning of year-July 1		<u>169,721</u>		<u>169,720</u>
End of year- June 30		<u>\$ 169,721</u>		<u>\$ 169,721</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, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017			2016
	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></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>
FUND BALANCE				
Beginning of year-July 1		<u>903</u>		<u>902</u>
End of year- June 30		<u><u>\$ 904</u></u>		<u><u>\$ 903</u></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, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017			2016
	Budget	Actual	Variance over / under	Actual
Revenues:				
Investment Earnings	\$ 5,448	\$ 86	\$ (5,362)	\$ 37
Miscellaneous	210,000	-	(210,000)	-
Total Revenue	<u>215,448</u>	<u>86</u>	<u>(215,362)</u>	<u>37</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>	86	<u>\$ (404,314)</u>	37
FUND BALANCE				
Beginning of year-July 1		<u>136,111</u>		<u>136,074</u>
End of year- June 30		<u>\$ 136,197</u>		<u>\$ 136,111</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, 2017

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Actual Closed Out Projects</u>	<u>Actual Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:						
Restricted intergovernmental						
State ADM funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State lottery funds	-	-	-	-	-	-
Interest / Investment	-	-	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:						
Current						
Education:						
Land Purchase	-	-	-	-	-	-
Renovation of existing building	-	-	-	-	-	-
Debt service- Principal	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Reimbursement from Board of Education	-	-	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2017

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Revenues:					
Restricted intergovernmental					
Investment earnings	\$ -	\$ 16	\$ 2	\$ 18	\$ 18
Miscellaneous	285,580	65,080	-	65,080	(220,500)
Total Revenue	<u>285,580</u>	<u>65,096</u>	<u>2</u>	<u>65,098</u>	<u>(220,482)</u>
Expenditures:					
Current:					
Economic and physical development:					
Infrastructure	285,580	61,300	-	61,300	224,280
Total Expenditures	<u>285,580</u>	<u>61,300</u>	<u>-</u>	<u>61,300</u>	<u>224,280</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,796</u>	<u>\$ 2</u>	<u>\$ 3,798</u>	<u>\$ 3,798</u>

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, 2017

	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	-	191,036	191,036	(413,170)
Total Revenue	<u>2,154,206</u>	<u>1,549,381</u>	<u>191,036</u>	<u>1,740,417</u>	<u>(413,789)</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>\$ (92,710)</u>	<u>\$ 68,755</u>	<u>\$ (23,955)</u>	<u>\$ (23,955)</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, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		Variance over/ under	2016
	Budget	Actual		Actual
Revenues:				
Investment Earnings	\$ -	\$ 46	\$ (46)	\$ 4
Expenditures				
Debt Service:				
Principal retirement	858,312	857,570	742	1,028,175
Interest	556,804	557,545	(741)	597,438
Total Expenditures	<u>1,415,116</u>	<u>1,415,115</u>	<u>1</u>	<u>1,625,613</u>
Revenues over (under) expenditures	<u>(1,415,116)</u>	<u>(1,415,069)</u>	<u>(45)</u>	<u>(1,625,609)</u>
Other financing resources (uses)				
Transfers in (out)				
Special Revenue Fund	220,000	220,000	-	220,000
General Fund	1,195,116	1,195,116	-	1,404,572
Refunding Bonds Issued	-	-	-	-
Refunded Debt Service- Principal	-	-	-	-
Total other financing sources (uses)	<u>1,415,116</u>	<u>1,415,116</u>	<u>-</u>	<u>1,624,572</u>
Net change in fund balance	<u>\$ -</u>	47	<u>\$ (45)</u>	(1,037)
FUND BALANCE				
Beginning of year-July 1		<u>65,801</u>		<u>66,838</u>
End of year- June 30		<u>\$ 65,848</u>		<u>\$ 65,801</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**
- **Garysburg Water and Sewer District**
- **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, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017			2016
	Budget	Actual	Variance over/ under	Actual
Revenues:				
Operating Revenues:				
Water and sewer sales	\$ 3,183,596	\$ 2,658,310	\$ (525,286)	\$ 3,160,852
Water and sewer taps	20,000	23,785	3,785	24,200
Other operating revenues	33,508	31,736	(1,772)	29,153
Total operating revenues	<u>3,237,104</u>	<u>2,713,831</u>	<u>(523,273)</u>	<u>3,214,205</u>
Non- Operating Revenues				
Interest earned on investments	-	588	588	273
Total Revenue	<u>3,237,104</u>	<u>2,714,419</u>	<u>(522,685)</u>	<u>3,214,478</u>
Expenditures				
Salaries and employee benefits	548,252	434,947	113,305	544,828
Purchased Water	377,015	308,382	68,633	391,505
Sewage treatment	384,404	325,972	58,432	472,992
Other operating expenses	506,243	395,772	110,471	485,570
Capital Outlay	364,666	262,296	102,370	142,516
Debt Service:				
Principal	629,336	602,768	26,568	629,336
Interest and fees	427,188	461,749	(34,561)	503,953
Total Expenditures	<u>3,237,104</u>	<u>2,791,886</u>	<u>445,218</u>	<u>3,170,700</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (77,467)</u>	<u>\$ (967,903)</u>	<u>\$ 43,778</u>

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, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		2016
	Budget	Actual	Actual
Reconciliation from Budetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (77,467)	\$ 43,778
Debt principal		602,768	629,336
Contributions to the pension plan in the current year		21,378	23,406
Pension expense		(25,928)	(14,266)
Decrease in accrued interest payable		2,832	9,004
Increase in compensated absences		(3,187)	(2,659)
Increase in other post-employment benefits		(19,940)	(22,726)
Capital Outlay		48,082	5,957
Depreciation		<u>(549,629)</u>	<u>(561,615)</u>
Total expenditures		<u>\$ (1,091)</u>	<u>\$ 110,215</u>
Activity of Water and Sewer Capital Projects with Project-Based Budgets			
Interest income		\$ 73	\$ 35
Transfers in- Water and Sewer Capital Project		-	-
Grant revenue		-	-
Non capitalized capital project expense		-	-
Change in net position		<u>\$ (1,018)</u>	<u>\$ 110,250</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, 2017

	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	-	1,032	73	1,105	1,105
Total Revenue	<u>971,000</u>	<u>972,032</u>	<u>73</u>	<u>972,105</u>	<u>1,105</u>
Expenditures:					
Legal	40,000	11,127	-	11,127	28,873
Land and right-of-way purchase	-	-	-	-	-
Capital outlay purchases	1,300,000	1,482,230	-	1,482,230	(182,230)
Engineering	470,412	198,397	-	198,397	272,015
Construction	3,776,882	4,038,898	-	4,038,898	(262,016)
Contingency	248,706	-	-	-	248,706
Total Expenditures	<u>5,836,000</u>	<u>5,730,652</u>	<u>-</u>	<u>5,730,652</u>	<u>105,348</u>
Revenues over (under) expenditures	<u>(4,865,000)</u>	<u>(4,758,620)</u>	<u>73</u>	<u>(4,758,547)</u>	<u>106,453</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>\$ 6,000</u>	<u>\$ (244,922)</u>	<u>\$ 73</u>	<u>\$ (244,849)</u>	<u>\$ 463,755</u>

Northampton County, North Carolina
Enterprise Fund- Garysburg Water and Sewer District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the year ended June 30, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		Variance over/ under	2016
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Water and sewer sales	\$ -	\$ 472,223	\$ 472,223	\$ -
Water and sewer taps	-	4,255	4,255	-
Other operating revenues	-	5,675	5,675	-
Total operating revenues	-	482,153	482,153	-
Non- Operating Revenues				
Interest earned on investments	-	105	105	-
Total Revenue	-	482,258	482,258	-
Expenditures				
Salaries and employee benefits	-	87,224	(87,224)	-
Purchased Water	-	55,166	(55,166)	-
Sewage treatment	-	58,312	(58,312)	-
Other operating expenses	-	70,798	(70,798)	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal		9,000	(9,000)	-
Interest and fees		19,125	(19,125)	-
Total Expenditures	-	299,625	(299,625)	-
Revenues over (under) expenditures	-	182,633	781,883	-
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	\$ -	\$ 182,633	\$ 781,883	\$ -

Northampton County, North Carolina
Enterprise Fund- Garysburg Water and Sewer District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the year ended June 30, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		Variance over/ under	2016
	Budget	Actual		Actual
Reconciliation from Budetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 182,633		\$ -
Debt principal		9,000		-
Contributions to the pension plan in the current year		5,345		-
Pension expense		(6,482)		-
Increase in accrued interest payable		(1,535)		-
Increase in compensated absences		(570)		-
Increase in other post-employment benefits		(3,567)		-
Capital Outlay		-		-
Depreciation		(15,986)		-
Total expenditures		<u>\$ 168,838</u>		<u>\$ -</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, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance over/ under	2016
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Solid waste fees	\$ 2,241,222	\$ 2,093,608	\$ 147,614	\$ 2,080,815
White goods and tire disposal tax	26,000	28,214	(2,214)	28,218
Solid waste disposal tax	11,000	15,387	(4,387)	12,004
Other operating revenues	42,329	56,539	(14,210)	56,662
Total operating revenues	<u>2,320,551</u>	<u>2,193,748</u>	<u>126,803</u>	<u>2,177,699</u>
Non- Operating Revenues				
Capital contributions	-	-	-	-
Interest earned on investments	-	487	(487)	86
Total non-operating revenues	<u>-</u>	<u>487</u>	<u>(487)</u>	<u>86</u>
Total Revenue	<u>2,320,551</u>	<u>2,194,235</u>	<u>126,316</u>	<u>2,177,785</u>
Expenditures				
Salaries and employee benefits	112,588	103,063	9,525	122,639
Solid waste pickup	2,112,051	2,057,447	54,604	2,039,732
Other operating expenses	95,912	86,289	9,623	66,831
Total Expenditures	<u>2,320,551</u>	<u>2,246,799</u>	<u>73,752</u>	<u>2,229,202</u>
Revenues over (under) expenditures	<u>-</u>	<u>(52,564)</u>	<u>52,564</u>	<u>(51,417)</u>
Other Financing Sources				
Transfer from General Fund	-	-	-	600,244
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,244</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (52,564)</u>	<u>\$ 52,564</u>	<u>\$ 548,827</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (52,564)		\$ 548,827
Contributions to the pension plan in the current year		8,908		7,802
Pension expense		(10,803)		(4,755)
Increase in compensated absences		(1,729)		1,441
Increase in other post-employment benefits		4,824		(4,278)
Change in net position		<u>\$ (51,364)</u>		<u>\$ 549,037</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, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Social Services:				
Assets				
Cash and cash equivalents	\$ 14,177	\$ 56,222	\$ 47,973	\$ 22,426
Liabilities				
Accounts Payable	\$ 14,177	\$ 56,222	\$ 47,973	\$ 22,426
Inmate Trust Fund:				
Assets				
Cash and cash equivalents	\$ 89,688	\$ 57,610	\$ 42,125	\$ 105,173
Liabilities				
Accounts Payable	\$ 89,688	\$ 57,610	\$ 42,125	\$ 105,173
Motor Vehicle Tax:				
Assets				
Cash and cash equivalents	\$ 5,725	\$ 835,788	\$ 788,301	\$ 53,212
Accounts Receivable	263,175	0	110,180	152,995
Total Assets	<u>\$ 268,900</u>	<u>835,788</u>	<u>898,481</u>	<u>206,207</u>
Liabilities				
Accounts Payable	268,900	835,788	898,481	206,207
Total Liabilities	<u>\$ 268,900</u>	<u>\$ 835,788</u>	<u>\$ 898,481</u>	<u>\$ 206,207</u>
Rescue Squad:				
Assets				
Cash and cash equivalents	\$ (3,416)	\$ 214,284	\$ 199,191	\$ 11,677
Accounts Receivable	441,386	13,262		454,648
Total Assets	<u>\$ 437,970</u>	<u>\$ 227,546</u>	<u>\$ 199,191</u>	<u>\$ 466,325</u>
Liabilities				
Intergovernmental payable	\$ 441,386	\$ 13,262	\$ -	\$ 454,648
Accounts Payable	(3,417)	214,284	199,191	11,676
	<u>\$ 437,969</u>	<u>\$ 227,546</u>	<u>\$ 199,191</u>	<u>\$ 466,324</u>
Totals - All Agency Funds:				
Assets				
Cash and cash equivalents	\$ 106,174	\$ 1,163,904	\$ 1,077,590	\$ 192,488
Accounts Receivable	704,561	13,262	110,180	607,643
Total Assets	<u>\$ 810,735</u>	<u>\$ 1,177,166</u>	<u>\$ 1,187,770</u>	<u>\$ 800,131</u>
Liabilities				
Intergovernmental Payable	\$ 441,386	\$ 13,262	\$ -	\$ 454,648
Accounts payable	369,348	1,163,904	1,187,770	345,482
Total Liabilities	<u>\$ 810,734</u>	<u>\$ 1,177,166</u>	<u>\$ 1,187,770</u>	<u>\$ 800,130</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, 2017

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2016</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2017</u>
2016-2017	\$ -	\$ 18,439,186	\$ 17,567,092	\$ 872,094
2015-2016	794,265	-	271,356	522,909
2014-2015	540,846	-	118,046	422,800
2013-2014	391,030	-	47,453	343,576
2012-2013	273,121	-	42,846	230,275
2011-2012	197,622	-	25,909	171,713
2010-2011	138,989	-	15,294	123,695
2009-2010	92,958	-	8,752	84,206
2008-2009	70,685	-	5,277	65,409
2007-2008	48,614	-	5,275	43,339
2006-2007	39,007	-	39,007	-
Totals	<u>\$ 2,587,138</u>	<u>\$ 18,439,186</u>	<u>\$ 18,146,308</u>	<u>\$ 2,880,016</u>
				<u>(792,000)</u>
				<u>\$ 2,088,016</u>
 <u>Reconciliation with revenues:</u>				
				\$ 18,023,350
				(233,774)
				70,837
				326,108
				<u>(40,213)</u>
				<u>\$ 18,146,308</u>

Northampton County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2017

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	\$ 1,960,874,524	0.920	\$ 18,040,046	\$ 16,593,309	\$ 1,446,737
Penalties	-		56,184	56,184	-
Total	<u>1,960,874,524</u>		<u>18,096,230</u>	<u>16,649,493</u>	<u>1,446,737</u>
Discoveries	<u>26,533,771</u>		<u>342,956</u>	<u>342,956</u>	<u>-</u>
Abatements	<u>32,079,678</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 2,019,487,973</u></u>				
Net levy			18,439,186	16,992,449	1,446,737
Uncollected taxes at June 30, 2017			<u>872,094</u>	<u>872,094</u>	<u>-</u>
Current year's taxes collected			<u>\$ 17,567,092</u>	<u>\$ 16,120,355</u>	<u>\$ 1,446,737</u>
Current levy collection percentage			<u>95.27%</u>	<u>94.87%</u>	<u>100.00%</u>

Northampton County, North Carolina
Analysis of Current Tax Levy - Secondary Market Disclosures
County - wide Levy
For the Fiscal Year Ended June 30, 2017

Exhibit G-3

Secondary Market Disclosures:

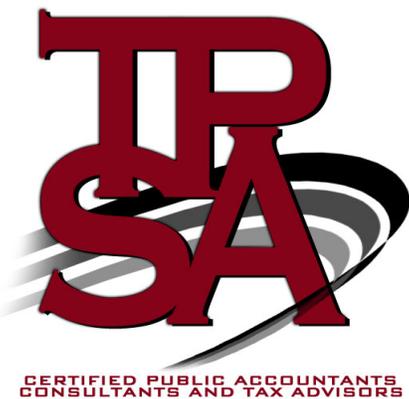
Assessed Valuation:

Assessment ratio	<u>100.00%</u>
Real property	\$ 1,753,620,543
Personal property	157,253,980
Public service companies	<u>93,384,783</u>
Total assessed valuation	<u>\$ 2,004,259,307</u>
Tax rate per \$100	<u>\$ 0.92</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 18,439,186</u>

**Northampton County, North Carolina
Ten Largest Taxpayers
For the Year Ended June 30, 2017**

Taxpayer	Type of Business	2016 Assessed Valuation	Percentage of Total Assessed Valuation
Enviva Pellets Northampton LLC	Pellet Manufacturing	\$ 80,439,743	3.98%
Dominion NC Power	Utility	61,540,897	3.05%
Lowe's Home Center	Warehousing/distribution	44,894,013	2.22%
Severn Peanut	Agriculture/Nuts	36,797,166	1.82%
Smithfield Carroll's Farms	Hog processing	20,925,320	1.04%
Georgia Pacific	Chemical Manufacturing	18,686,005	0.93%
West Fraser Inc	Pulp, paper and wood products	18,672,845	0.92%
CSX	Railroad	13,507,616	0.67%
VFS Leasing Co	Leasing Company	11,879,064	0.59%
FIATP Timber LLC	Timber Investment	11,731,856	0.58%
Total		<u>\$ 319,074,525</u>	<u>15.80%</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, 2017, and the related notes to the financial statements, which collectively comprises Northampton County's basic financial statements, and have issued our report thereon dated March 27, 2019. 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 weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 [2017-001, 2017-002, and 2017-003].

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 consider the deficiencies described in the accompany schedule of findings and responses to be significant deficiencies [2017-04].

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

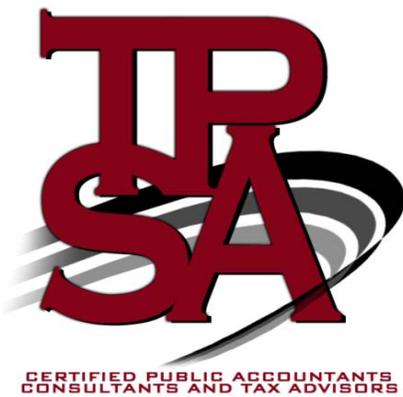
Northampton County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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
March 27, 2019



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, 2017. 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, 2017.

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 a 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 charged with governance.

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 27, 2019



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, 2017. 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, 2017.

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
March 27, 2019

NORTHAMPTON COUNTY, NORTH CAROLINA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2017

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 X yes ___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, 2017 are:

Program Name	CFDA Number
Medicaid Cluster	93.778

Dollar threshold used to distinguish between Type A and Type B Programs \$ 962,031

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, 2017

Section II. Financial Statement Findings

Finding 2017-01*

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: Tameka Green, Interim 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, 2017

Section II. Financial Statement Findings

Finding 2017-002*

Prior Period Adjustments

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

Condition: An 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: Tameka Green, Interim 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, 2017

Section II. Financial Statement Findings

Finding 2017-003*

Reconciliation of Records and Reporting

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's 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: Tameka Green, Interim 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.

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section II. Financial Statement Findings

Finding 2017-004

Budget Adoption and Deficit Fund Balances

Criteria: The County should have adequate monitoring controls to ensure that budgets are adopted for all required funds, amendments are timely approved, and deficit fund balances are cleared up.

Condition: The County has several funds that have carried a deficit fund balance for several years. In addition the County created a new fund during the year and a budget was not adopted to correspond with the activity for the fund.

Context: The creation of new funds requires board approval. Additionally, a budget resolution should be adopted to establish a budget for the fund. The Board should review the general ledger to ensure that transfers are budgeted and recorded, loans from the general fund are established, or other methods considered necessary to ensure that the funds do not report deficit fund balances. It is understandable that a fund may show a deficit for a year as a result of timing differences, but after a year those deficits should be cleared up.

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, to include making all necessary budget amendments and postings to clean up deficit balances and make necessary budget amendments.

Name of Contact Person: Tameka Green, Interim Finance Officer

Corrective Action/ Management Response: The County is aware of the circumstances. 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
Corrective Action Plan
For the Year Ended June 30, 2017

Section II - Financial Statement Findings

Finding: 2017-01 Lack of Technical Expertise

Name of contact person: Tameka Green, Interim Finance Director

Corrective Action: 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.

Proposed Completion Date: Immediately

Finding: 2017-02 Prior Period Adjustment

Name of contact person: Tameka Green, Interim Finance Director

Corrective Action: 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.

Proposed Completion Date: Immediately

Finding: 2017-03 Reconciliation of Records and Reporting

Name of contact person: Tameka Green, Interim Finance Director

Corrective Action: 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.

Proposed Completion Date: Immediately

Finding: 2017-04 Budget Adoption and Deficit Fund Balances

Name of contact person: Tameka Green, Interim Finance Director

Corrective Action: The County is aware of the circumstances. Management will dedicate resources accordingly in order to prepare for the annual audit to issue the financial statements in a timely manner.

Proposed Completion Date: Immediately

NORTHAMPTON COUNTY, NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2017

Section III - Federal Award Findings and Question Costs

None Reported.

Section IV - State Award Findings and Question Costs

None Reported

NORTHAMPTON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2017

2016-001	Lack of technical expertise
Status	Repeated as finding 2017-001
2016-002	Prior Period Adjustments
Status	Repeated as finding 2017-002
2016-003	Timeliness in reconciliations
Status	Repeated as finding 2017-003

Northampton County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	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 Assistance Program Cluster						
State Administrative Matching Grants	10.561		\$ 408,781	\$ -	\$ -	\$ 408,780
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		127,140	-	-	-
Direct Benefits						
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		229,768	-	-	-
Total U. S. Department of Agriculture			765,689	-	-	408,780
<u>U.S. Dept. of Health and Human Services</u>						
Centers of Disease Control and Prevention						
Passed-through N.C. Dept. of Health and Human Services						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		36,355	-	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094		10,425	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-	-
Immunization Grants	93.268		3,731	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and	93.539		5,283	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752		8,160	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		26,708	-	-	-
HIV Prevention Activities_Health Department Based	93.940		60,413	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		380	-	-	-
Administration of Children and Families						
Pass through NC Dept. of Health and Human Services						
Division Of Social Services						
TANF - Work First	93.558		5,071	-	-	-
Health Resources and Service Administration						
Pass through NC Dept. of Health Human Services						
Division of Public Health						
ACA Maternal, Infant and Early Childhood Home Visiting Program	93.505		449,169	-	-	-
Maternal and Child Health Services Block Grant	93.994		56,139	42,110	-	-
Office of Population Affairs						
Pass through NC Dept. of Health and Human Services						
Office of Population Affairs						
Family Planning Services	93.217		40,286	-	-	-
TANF - Work First	93.558		620,285	-	-	262,596
Family Preservation	93.556		1,044	-	-	-

Northampton County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
Low Income Energy Assistance						
Administration	93.568		21,701	-	-	-
Crisis Intervention Payments	93.568		154,097	-	-	-
Energy Assistance	93.568		162,435	-	-	-
Total Low-Income Energy Assistance			338,233	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
- Permanency Planning - Families for Kids	93.645		109	-	-	36
Total Stephanie Tubbs Jones Child Welfare Services Program			109	-	-	36
AFDC Payments and Penalties	93.560		(190)	(52)	-	(52)
Foster Care and Adoption Cluster						
Foster Care - Title IV-E 4	93.658		141,122	17,895	-	105,490
Adoption Assistance	93.659		51,364	11,919	-	12,732
Foster Care	N/A		6,274	-	-	10,259
Total Foster Care and Adoption			198,760	29,814	-	128,481
Child Support Enforcement	93.563		470,274	2	-	242,279
Chafee Foster Care Independence Program	93.674		5,413	1,353	-	-
SSBG - Other Training & Services	93.667		136,013	15,056	-	50,356
Division of Aging and Adult Services						
Division of Social Services						
SSBG - State Adult Day Care	93.667		57,480	51,808	-	15,613
SSBG - State In Home Service Fund	93.667		77,522	-	-	11,075
Pass through Upper Coastal Plain Council of Governments						
Social Service Block Grant - In Home Services	93.667		18,595	531	-	-
Total Social Service Block Grant			289,610	67,395	-	77,044
Passed-through the N.C. Dept. of Health and Human Services						
Subsidized Child Care:						
Child Care Development Fund Cluster						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-	93.596		86,844	-	-	-
Division of Child Development						
Child Care and Development Fund-Discretionary	93.575		285,983	-	-	-
Child Care and Development Fund-Mandatory	93.596		103,006	-	-	-
Child Care and Development Fund-Match	93.596		158,945	61,481	-	-
Total Child Care Development Fund Cluster			634,778	61,481	-	-
Temporary Assistance for Needy Families	93.558		83,810	-	-	-
Foster Care Title IV-E	93.658		9,267	4,630	-	-
Smart Start			-	71	-	-
TANF-MOE	N/A		-	72,220	-	-
Total Subsidized Child Care			727,855	138,402	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance						
Division of Social Services						
Administration						
Medical Assistance Program	93.778		1,095,839	7,281	-	461,114
Direct Benefits						
Medical Assistance Program	93.778		26,491,207	14,912,297	-	-
Total Medical Assistance Program			27,587,046	14,919,578	-	461,114

Northampton County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
Division of Social Services						
Administration						
State Children's Insurance Program-N. C. Health Choice	93.767		29,469	28	-	48
Direct Benefits						
State Children's Insurance Program-N. C. Health Choice	93.767		174,267	489	-	-
Total State Children's Insurance Program- N.C. Health Choice			203,736	517	-	48
Passed-through Cape Fear Council of Government - Aging Cluster						
Division of Aging and Adult Services						
<u>Aging Cluster</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		46,386	2,729	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		64,838	3,814	-	-
NSIP - Nutrition	93.053		7,853	-	-	-
Total Aging Cluster			119,077	6,543	-	-
Total U. S. Department of Health and Human Services			31,263,422	15,205,662	-	1,171,546
<u>U.S. Department of Homeland Security</u>						
Passed through N.C. Dept. of Public Safety						
Division of Emergency Management						
Emergency Mgt. Performance Grant	97.042		38,584	-	-	-
Total U.S. Department of Homeland Security			38,584	-	-	-
Total federal awards			\$ 32,067,695	\$ 15,205,662	\$ -	\$ 1,580,326
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Food & Lodging Fees			\$ -	\$ 3,974	\$ -	\$ -
General Aid to County			-	104,240	-	-
General Communicable Diseases Control			-	2,440	-	-
Breast and Cervical Cancer Program			-	5,865	-	-
Nurse Family Partnership			-	115,816	-	-
Child Health			-	1,818	-	-
HIV/STD State			-	100	-	-
HIV/STD SSBG Aid			-	400	-	-
Sexually Transmitted Diseases			-	767	-	-
School Nurse Funding Initiative			-	150,000	150,000	-
HMHC-Family Planning			-	10,851	-	-
Maternal Health (HMHC)			-	4,347	-	-
Tuberculosis			-	30,475	-	-
TB Medical Service			-	1,282	-	-
Electronic Health Record			-	20,000	-	-
Total Division of Public Health			-	452,375	150,000	-
Division of Social Services:						
State Foster Home		N/A	-	2,607	-	2,607
County Funded Programs		N/A	-	-	-	521,351
DCD Smart Start		N/A	-	(391)	-	-
Non-Allocating County Cost		N/A	-	-	-	168,531
Work First Non Reimbursable		N/A	-	-	-	76,385
AFDC INCENT / Program Integrity		N/A	-	526	-	-
CWS ADOPT, VENDOR, GUARD		N/A	-	40,594	-	8,538
SAA/SAD HB 1030		N/A	-	15,555	-	12,767
SC/SA DOMICILIARY CARE		N/A	-	358,054	-	358,054
Total Division of Social Services			-	416,945	-	1,148,233

Northampton County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
Division of Aging and Adult Services						
State Appropriation - Access			-	10,280	-	-
State Appropriation - Home Delivered Meals			-	21,334	-	-
State Appropriation - In Home Services			-	119,782	-	-
Total Division of Aging and Adult Services			-	151,396	-	-
Total N.C. Dept. of Health and Human Services			-	1,020,716	150,000	1,148,233
<u>N.C. Dept. of Veterans Affairs</u>						
Veteran Grant		N/A	-	2,000	-	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP EDTAP		36220.10.7.1	-	58,940	-	-
ROAP Workfirst		36236.11.6.1	-	1,869	-	-
ROAP RGP		36228.22.7.1	-	57,606	-	-
Total ROAP Cluster			-	118,415	-	-
<u>N.C. Department of Pubic Safety</u>						
Juvenile Crime Prevention Programs						
JCPC Admin			-	6,241	-	-
Second Chance Counts			-	29,000	-	-
NC Vocational Jobs Program			-	31,326	-	-
Children Matters			-	31,547	-	-
Total N.C. Department of Pubic Safety			-	98,114	-	-
<u>N.C. Department of Environmental Quality</u>						
White Goods Disposal Tax			-	8,286	-	-
Video Programming Tax			-	6,588	-	-
Solid Waste Disposal Tax			-	9,443	-	-
Scrap Tire Program			-	28,214	-	-
Soil & Water Conservation			-	24,264	-	-
Total N.C. Dept. of Environmental Quality			-	76,795	-	-
<u>NC Department of Cultural Resources</u>						
NCARTS Council						
Arts Grant			-	10,783	-	-
Total State Awards			\$ -	\$ 1,326,823	\$ 150,000	\$ 1,148,233
Total Federal and State Awards			\$ 32,067,695	\$ 16,532,485	\$ 150,000	\$ 2,728,559

Notes to the Schedule of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Northampton County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Northampton County, it is not intended to and does not present the financial position, change in net position or cash flows of Northampton County.

Northampton County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	State/ Pass-through Grantor's <u>Number</u>	Fed (Direct & Pass-through <u>Expenditures</u>	State <u>Expenditures</u>	Passed through to Sub- recipients	Local <u>Expenditures</u>
--	---	--	---	--------------------------------------	--	--------------------------------------

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: 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 and Foster Care and Adoption