

NORTHAMPTON COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2018

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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

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Northampton County, North Carolina, as of and for the year ended June 30, 2018, 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 72.28%, 63.13%, and 92.73% of the assets, net position, and revenues of the aggregate discretely presented component units, respectively. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northampton County ABC Board is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Northampton County ABC Board was not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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, 2018, 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 59 through 65, 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 February 7, 2020 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
February 7, 2020

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

Financial Highlights

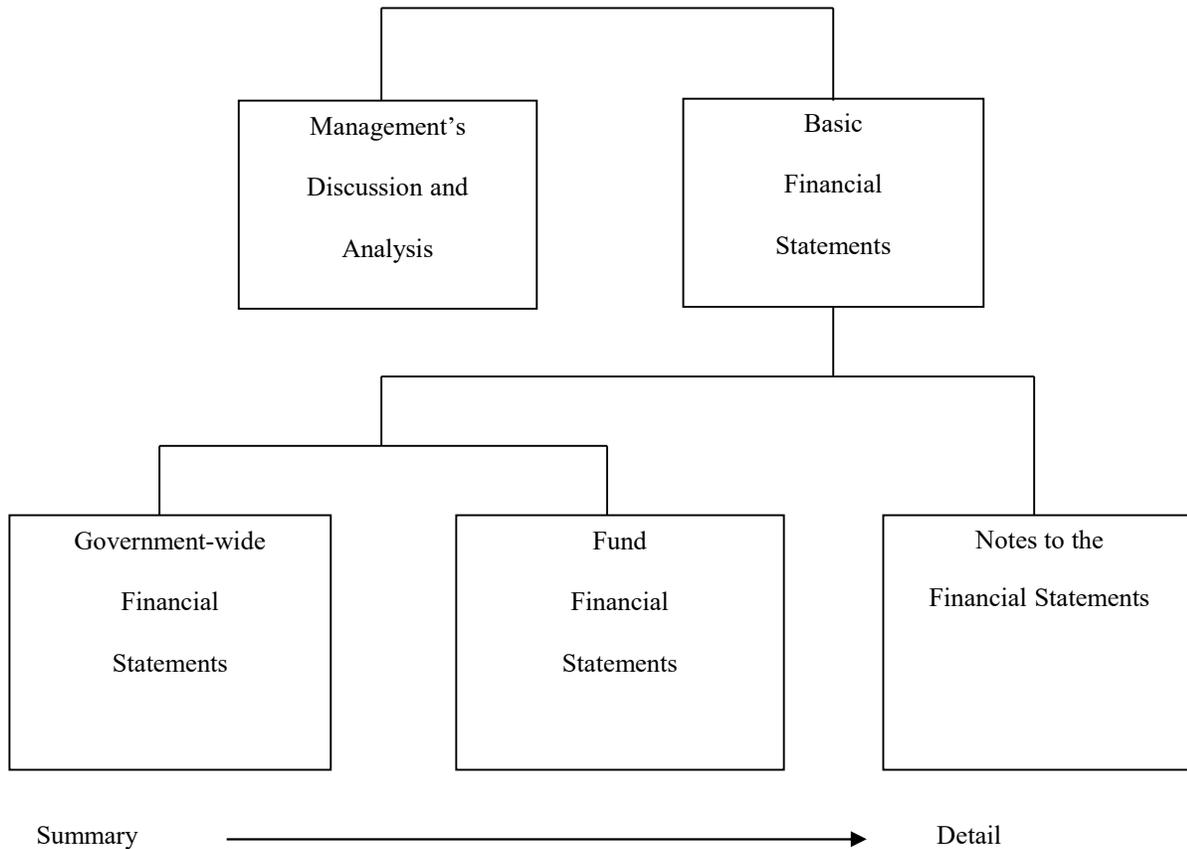
- The assets and deferred outflows of resources of Northampton County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$14,932,790 (*net position*).
- The government's total net position increased by \$2,778,451 primarily due to increased net position in the Governmental Activities.
- As of the close of the current fiscal year, Northampton County's governmental funds reported combined ending fund balances of \$16,968,655, an increase of \$3,638,950 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,336,795 or 35.94 percent of total general fund expenditures for the fiscal year.
- Northampton County's total general obligation and installment debt decreased by \$1,039,468 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 \$14,932,790 as of June 30, 2018. The County's net position increased by \$2,778,451 for the fiscal year ended June 30, 2018. The County implemented GASB 75 which resulted in a restatement that decreased beginning net position of \$13,188,722. The County also recorded a prior period adjustment which increased beginning net position by \$402,807. 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 22,723,876	\$ 19,199,102	\$ 1,550,020	\$ 1,540,060	\$ 24,273,896	\$ 20,739,162
Capital assets	18,333,646	19,114,413	22,126,185	22,715,910	40,459,831	41,830,323
Total assets	41,057,522	38,313,515	23,676,205	24,255,970	64,733,727	62,569,485
Total deferred outflows of resources	2,488,920	3,331,544	105,162	138,052	2,594,082	3,469,596
Current liabilities outstanding	2,065,286	2,801,940	975,470	997,454	3,040,756	3,799,394
Long-term liabilities outstanding	35,215,764	25,147,658	11,830,423	11,773,325	47,046,187	36,920,983
Total liabilities	37,281,050	27,949,598	12,805,893	12,770,779	50,086,943	40,720,377
Total deferred inflows of resources	2,213,307	372,715	94,769	5,735	2,308,076	378,450
Net position:						
Net investment in capital assets	8,538,237	9,468,454	10,777,102	10,805,410	19,315,339	20,273,864
Restricted	1,887,744	2,040,988	-	-	1,887,744	2,040,988
Unrestricted	(6,373,896)	1,813,304	103,603	812,098	(6,270,293)	2,625,402
Total net position	\$ 4,052,085	\$ 13,322,746	\$ 10,880,705	\$ 11,617,508	\$ 14,932,790	\$ 24,940,254

The County’s decrease in the total unrestricted net position was a result of the implementation of GASB 75

NORTHAMPTON COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 4,157,219	\$ 3,993,963	\$ 5,354,663	\$ 5,346,131	\$ 9,511,882	\$ 9,340,094
Operating grants and contributions	8,790,227	10,363,612	39,946	43,601	8,830,173	10,407,213
Capital grants and contributions	142,000	-	-	-	142,000	-
General revenues:						
Property taxes	19,546,497	19,588,572	-	-	19,546,497	19,588,572
Other taxes	2,999,207	2,625,073	-	-	2,999,207	2,625,073
Other	329,358	368,547	10,919	1,253	340,277	369,800
Total revenues	<u>35,964,508</u>	<u>36,939,767</u>	<u>5,405,528</u>	<u>5,390,985</u>	<u>41,370,036</u>	<u>42,330,752</u>
Expenses:						
General government	4,039,202	4,045,440	-	-	4,039,202	4,045,440
Public safety	10,382,348	10,537,843	-	-	10,382,348	10,537,843
Transportation	47,500	32,500	-	-	47,500	32,500
Environmental protection	5,000	97,950	-	-	5,000	97,950
Economic and physical development	1,278,060	1,405,033	-	-	1,278,060	1,405,033
Human services	11,905,357	13,796,803	-	-	11,905,357	13,796,803
Cultural and recreation	542,654	843,287	-	-	542,654	843,287
Education	4,418,403	4,520,775	-	-	4,418,403	4,520,775
Interest and fees	533,153	562,763	-	-	533,153	562,763
Water and sewer	-	-	3,163,759	3,028,930	3,163,759	3,028,930
Solid waste	-	-	2,276,149	2,245,599	2,276,149	2,245,599
Total expenses	<u>33,151,677</u>	<u>35,842,394</u>	<u>5,439,908</u>	<u>5,274,529</u>	<u>38,591,585</u>	<u>41,116,923</u>
Increase in net position before transfers	2,812,831	1,097,373	(34,380)	116,456	2,778,451	1,213,829
Transfers	-	-	-	-	-	-
Change in net position	<u>2,812,831</u>	<u>1,097,373</u>	<u>(34,380)</u>	<u>116,456</u>	<u>2,778,451</u>	<u>1,213,829</u>
Beginning of year - July 1, as previously stated	13,322,746	12,243,736	11,617,508	11,472,928	24,940,254	23,716,664
Restatement / Prior Period Adjustment	(12,083,492)	(18,363)	(702,423)	28,124	(12,785,915)	9,761
Net position, beginning, restated	<u>1,239,254</u>	<u>12,225,373</u>	<u>10,915,085</u>	<u>11,501,052</u>	<u>12,154,339</u>	<u>23,726,425</u>
Net position, ending	<u>\$ 4,052,085</u>	<u>\$ 13,322,746</u>	<u>\$ 10,880,705</u>	<u>\$ 11,617,508</u>	<u>\$ 14,932,790</u>	<u>\$ 24,940,254</u>

Governmental activities. Governmental activities increased the County's net position by \$2,812,831. Key elements of this increase are as follows:

- Increase in local option sales tax revenue
- Significant decrease in expenditures

Business-type activities. Business-type activities decreased Northampton County's net position by \$34,380. Key elements of this decrease are as follows:

- Increase 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 \$14,437,901, while total fund balance reached \$16,085,888. The County currently has an available fund balance of 45.77 percent of total General Fund expenditures, while total fund balance represents 51.00 percent of that same amount.

At June 30, 2018, the governmental funds of Northampton County reported a combined fund balance of \$16,968,655, a 27.30% percent increase from the previous year. The General Fund accounted for an increase in fund balance of \$3,512,807, while all other governmental funds combined accounted for an increase in fund balance of \$126,143. 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 \$209,736, which was 0.59 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 a decrease of \$34,380. 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, 2018, totals \$40,459,831 (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 a new vehicle for EMS
- Purchased an excavator for the Water Fund

NORTHAMPTON COUNTY'S CAPITAL ASSETS

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,700,800	\$ 1,700,800	\$ -	\$ -	\$ 1,700,800	\$ 1,700,800
Construction in Progress	-	-	37,042	5,364,051	37,042	5,364,051
Buildings and improvements	15,144,861	15,578,368	-	-	15,144,861	15,578,368
Vehicles	1,263,357	1,500,527	77,517	100,888	1,340,874	1,601,415
Furniture, fixtures and equipment	224,628	334,718	60,034	20,127	284,662	354,845
Distributions systems	-	-	21,951,592	17,230,844	21,951,592	17,230,844
Total	\$ 18,333,646	\$ 19,114,413	\$ 22,126,185	\$ 22,715,910	\$ 40,459,831	\$ 41,830,323

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, 2018, Northampton County had total bonded debt outstanding of \$25,401,491.

NORTHAMPTON COUNTY'S OUTSTANDING DEBT

Notes Payable and General Obligation Bonds

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Installment notes payable	\$ 9,795,409	\$ 9,645,959	\$ 48,082	\$ -	\$ 9,843,491	\$ 9,645,959
General obligation bonds	4,257,000	4,894,000	11,301,000	11,910,500	15,558,000	16,804,500
Total	\$ 14,052,409	\$ 14,539,959	\$ 11,349,082	\$ 11,910,500	\$ 25,401,491	\$ 26,450,459

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 \$151,110,096.

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, 2018. This was higher than the non-seasonally adjusted State average of 3.6%.

Budget Highlights for Fiscal Year Ending June 30, 2019

Governmental Activities. The general fund operating budget reflects an increase of approximately 0.72% compared to fiscal year 2018.

Business Type Activities. Solid waste budgeted expenditures are \$2,343,436 which is an increase of 1.12% compared to fiscal year 2018. The water and sewer budgeted expenditures are \$3,212,194 which is a .48% increase compared to fiscal year 2018.

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, 2018

	Primary Government			Component Units		Total Reporting Unit
	Governmental Activities	Business-type Activities	Total Primary Government	Northampton County Tourism Development Authority	Northampton County ABC Board	
ASSETS						
Current:						
Cash and cash equivalents	\$ 15,883,207	\$ 606,067	\$ 16,489,274	\$ 122,852	\$ 163,932	\$ 16,776,058
Taxes receivable (net)	2,692,108	-	2,692,108	-	-	2,692,108
Accounts receivables (net)	2,915,596	559,742	3,475,338	6,867	-	3,482,205
Due from other governments	648,804	-	648,804	-	-	648,804
Inventories	-	-	-	-	124,078	124,078
Prepaid items	-	-	-	-	1,963	1,963
Internal balance	-	-	-	-	-	-
Cash and cash equivalents, restricted	556,999	384,211	941,210	-	-	941,210
Net pension assets	27,162	-	27,162	-	-	27,162
Capital assets:						
Land, improvements, and construction in progress	1,700,800	37,042	1,737,842	-	-	1,737,842
Other capital assets, net of depreciation	16,632,846	22,089,143	38,721,989	3,869	28,270	38,754,128
Total assets	<u>41,057,522</u>	<u>23,676,205</u>	<u>64,733,727</u>	<u>133,588</u>	<u>318,243</u>	<u>65,185,558</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension deferrals	2,138,030	87,061	2,225,091	-	12,226	2,237,317
OPEB deferrals	350,890	18,101	368,991	-	-	368,991
Total Deferred Outflows of Resources	<u>2,488,920</u>	<u>105,162</u>	<u>2,594,082</u>	<u>-</u>	<u>12,226</u>	<u>2,606,308</u>
LIABILITIES						
Current Liabilities						
Accounts payable	835,490	67,934	903,424	451	63,933	967,808
Accrued interest payable	90,881	29,547	120,428	-	-	120,428
Payable from restricted assets	-	266,989	266,989	-	-	266,989
Current portion of long-term debt	1,138,915	611,000	1,749,915	-	-	1,749,915
Long term liabilities:						
Net Pension Liability - LGERS	2,664,691	111,028	2,775,719	-	11,611	2,787,330
Total Pension liability - LEOSA	371,520	-	371,520	-	-	371,520
Total OPEB liability	18,280,454	943,114	19,223,568	-	38,349	19,261,917
Compensated absences	985,605	38,198	1,023,803	-	-	1,023,803
Long-term debt	12,913,494	10,738,083	23,651,577	-	-	23,651,577
Total liabilities	<u>37,281,050</u>	<u>12,805,893</u>	<u>50,086,943</u>	<u>451</u>	<u>113,893</u>	<u>50,201,287</u>
DEFERRED INFLOWS OF RESOURCES						
Pension deferrals	168,585	3,308	171,893	-	399	172,292
OPEB deferrals	1,772,798	91,461	1,864,259	-	-	1,864,259
Prepaid taxes	271,924	-	271,924	-	-	271,924
Total Deferred inflows of resources	<u>2,213,307</u>	<u>94,769</u>	<u>2,308,076</u>	<u>-</u>	<u>399</u>	<u>2,308,475</u>
NET POSITION						
Net investment in capital assets	8,538,237	10,777,102	19,315,339	3,869	28,270	19,347,478
Restricted for:						
Stabilization by state statute	1,674,445	-	1,674,445	6,867	-	1,681,312
Register of Deeds' pension plan	27,162	-	27,162	-	-	27,162
Other	186,137	-	186,137	-	55,750	241,887
Unrestricted (deficit)	<u>(6,373,896)</u>	<u>103,603</u>	<u>(6,270,293)</u>	<u>122,401</u>	<u>132,157</u>	<u>(6,015,735)</u>
Total net position	<u>\$ 4,052,085</u>	<u>\$ 10,880,705</u>	<u>\$ 14,932,790</u>	<u>\$ 133,137</u>	<u>\$ 216,177</u>	<u>\$ 15,282,104</u>

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

Northampton County, North Carolina
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Northampton County Tourism Development Authority	Northampton County ABC Board	Total Reporting Unit
					Governmental Activities	Business-type Activities	Total Primary Government			
Primary government:										
Governmental Activities:										
General government	\$ 4,039,202	\$ 143,301	\$ -	\$ -	\$ (3,895,901)	\$ -	\$ (3,895,901)	\$ -	\$ -	\$ (3,895,901)
Public safety	10,382,348	2,881,028	63,765	-	(7,437,555)	-	(7,437,555)	-	-	(7,437,555)
Transportation	47,500	-	56,591	-	9,091	-	9,091	-	-	9,091
Environmental protection	5,000	-	-	-	(5,000)	-	(5,000)	-	-	(5,000)
Economic and physical development	1,278,060	50,000	259,189	-	(968,871)	-	(968,871)	-	-	(968,871)
Human services	11,905,357	1,053,230	8,400,486	-	(2,451,641)	-	(2,451,641)	-	-	(2,451,641)
Cultural and recreation	542,654	29,660	10,196	-	(502,798)	-	(502,798)	-	-	(502,798)
Education	4,418,403	-	-	142,000	(4,276,403)	-	(4,276,403)	-	-	(4,276,403)
Interest on long-term debt	533,153	-	-	-	(533,153)	-	(533,153)	-	-	(533,153)
Total governmental activities	<u>33,151,677</u>	<u>4,157,219</u>	<u>8,790,227</u>	<u>142,000</u>	<u>(20,062,231)</u>	<u>-</u>	<u>(20,062,231)</u>	<u>(20,062,231)</u>	<u>(40,124,462)</u>	<u>(60,186,693)</u>
Business-type activities:										
Water and Sewer	2,857,800	2,677,701	-	-	-	(180,099)	(180,099)	-	-	(180,099)
Garysburg Water and Sewer	305,959	509,158	-	-	-	203,199	203,199	-	-	203,199
Solid Waste	2,276,149	2,167,804	39,946	-	-	(68,399)	(68,399)	-	-	(68,399)
Total business-type activities	<u>5,439,908</u>	<u>5,354,663</u>	<u>39,946</u>	<u>-</u>	<u>-</u>	<u>(45,299)</u>	<u>(45,299)</u>	<u>-</u>	<u>-</u>	<u>(45,299)</u>
Total primary government	<u>38,591,585</u>	<u>9,511,882</u>	<u>8,830,173</u>	<u>142,000</u>	<u>(20,062,231)</u>	<u>(45,299)</u>	<u>(20,107,530)</u>	<u>(20,062,231)</u>	<u>(40,124,462)</u>	<u>(60,231,992)</u>
Component Units:										
Northampton County Tourism Development Authority	46,549	-	-	-	-	-	-	(46,549)	-	(46,549)
Northampton County ABC Board	1,055,538	1,071,214	-	-	-	-	-	-	15,676	15,676
Total component units	<u>\$ 1,102,087</u>	<u>\$ 1,071,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,549)</u>	<u>15,676</u>	<u>(30,873)</u>
General revenues:										
Taxes:										
Property taxes, levied for general purpose					19,546,497	-	19,546,497	-	-	19,546,497
Local option sales tax					2,907,308	-	2,907,308	-	-	2,907,308
Other taxes and licenses					91,899	-	91,899	90,541	-	182,440
Unrestricted Intergovernmental					70,168	-	70,168	-	-	70,168
Investment earnings, unrestricted					114,052	3,358	117,410	191	-	117,601
Miscellaneous, unrestricted					145,138	7,561	152,699	117	-	152,816
Transfers					-	-	-	-	-	-
Total general revenues, special items, and transfers					<u>22,875,062</u>	<u>10,919</u>	<u>22,885,981</u>	<u>90,849</u>	<u>-</u>	<u>22,976,830</u>
Change in net position					2,812,831	(34,380)	2,778,451	44,300	15,676	2,838,427
Net position-beginning					13,322,746	11,617,508	24,940,254	88,837	194,232	25,223,323
Restatement					(12,486,299)	(702,423)	(13,188,722)	-	6,269	(13,182,453)
Prior Period Adjustment					402,807	-	402,807	-	-	402,807
Net position-beginning, restated					<u>1,239,254</u>	<u>10,915,085</u>	<u>12,154,339</u>	<u>88,837</u>	<u>200,501</u>	<u>12,443,677</u>
Net position-ending					<u>\$ 4,052,085</u>	<u>\$ 10,880,705</u>	<u>\$ 14,932,790</u>	<u>\$ 133,137</u>	<u>\$ 216,177</u>	<u>\$ 15,282,104</u>

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

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

	<u>Major</u>	<u>Non-Major</u>	<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 15,050,032	\$ 833,175	\$ 15,883,207
Taxes Receivable	2,170,335	133,548	2,303,883
Accounts Receivable	2,889,138	26,458	2,915,596
Due from other funds	38,582	-	38,582
Due from other governments	648,804	-	648,804
Restricted Cash	454,105	102,894	556,999
Total assets	<u>\$ 21,250,996</u>	<u>\$ 1,096,075</u>	<u>\$ 22,347,071</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 794,312	\$ 41,178	\$ 835,490
Due to other funds	-	38,582	38,582
Total liabilities	<u>794,312</u>	<u>79,760</u>	<u>874,072</u>
Deferred Inflows of Resources:			
Tax Receivable	2,170,335	133,548	2,303,883
Ambulance fees receivables	1,928,537	-	1,928,537
Prepaid taxes	271,924	-	271,924
Total deferred inflows of resources	<u>4,370,796</u>	<u>133,548</u>	<u>4,504,344</u>
Fund balances:			
Restricted:			
Stabilization by State statute	1,647,987	26,458	1,674,445
Restricted, other	21,493	164,644	186,137
Committed:			
Committed, other	773,556	406,229	1,179,785
Assigned:			
Assigned, other	2,306,057	333,424	2,639,481
Unassigned:			
	11,336,795	(47,988)	11,288,807
Total fund balances	<u>16,085,888</u>	<u>882,767</u>	<u>16,968,655</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,250,996</u>	<u>\$ 1,096,075</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	\$ 18,333,646
Accrued interest on taxes receivable	388,225
Net pension asset	27,162
Contributions to the pension plans in the current fiscal year are deferred	865,250
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	5,408
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	304,063
Deferred outflows of resources - pensions	1,267,372
Deferred outflows of resources - OPEB	46,827
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.	
Long-term debt	(14,052,409)
Compensated absences	(985,605)
Accrued interest	(90,881)
Net pension liability (LGERS)	(2,664,691)
Total pension liability (LEOSSA)	(371,520)
Total OPEB liability	(18,280,454)
Pension related deferrals	(168,585)
OPEB related deferrals	(1,772,798)
Deferred inflows of resources for taxes and ambulance fees receivable	<u>4,232,420</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 4,052,085</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, 2018

	Major Governmental	Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Other Governmental Funds	
REVENUES			
Ad valorem taxes	\$ 18,700,810	\$ 731,021	\$ 19,431,831
Other taxes and licenses	3,001,133	-	3,001,133
Unrestricted intergovernmental	67,406	-	67,406
Restricted intergovernmental	8,711,508	142,000	8,853,508
Permits and fees	675,209	-	675,209
Sales and services	2,936,826	303,809	3,240,635
Investment earnings	112,335	1,717	114,052
Special project fund	27,000	-	27,000
Miscellaneous	317,793	23,500	341,293
Total revenues	<u>34,550,020</u>	<u>1,202,047</u>	<u>35,752,067</u>
EXPENDITURES			
Current:			
General government	3,885,103	-	3,885,103
Public safety	8,666,860	925,905	9,592,765
Transportation	47,500	-	47,500
Environmental protection	5,000	-	5,000
Economic and physical development	1,227,517	18,000	1,245,517
Human Services	11,495,827	-	11,495,827
Cultural and recreational	402,648	-	402,648
Education	4,336,403	82,000	4,418,403
Debt service:			
Principal	123,188	868,866	992,054
Interest	9,330	523,474	532,804
Total expenditures	<u>30,199,376</u>	<u>2,418,245</u>	<u>32,617,621</u>
Revenues over expenditures	<u>4,350,644</u>	<u>(1,216,198)</u>	<u>3,134,446</u>
OTHER FINANCING SOURCES (USES)			
Transfers (to) from other funds	(1,342,341)	1,342,341	-
Loan proceeds	504,504	-	504,504
Total other financing sources and uses	<u>(837,837)</u>	<u>1,342,341</u>	<u>504,504</u>
Net change in fund balance	3,512,807	126,143	3,638,950
Fund balances-beginning	12,170,274	756,624	12,926,898
Prior Period Adjustment (See Note 10)	402,807	-	402,807
Fund balances-ending	<u>\$ 16,085,888</u>	<u>\$ 882,767</u>	<u>\$ 16,968,655</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, 2018

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

Net changes in fund balances - total governmental funds (Exhibit 4)	\$	3,638,950
<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		90,677
Ambulance and other miscellaneous revenues		112,566
<p>Expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement.</p>		
Accrued interest payable		(349)
Compensated absences		(26,484)
OPEB Expense		(935,176)
<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>		
		43,067
<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>		
		(809,043)
<p>Gain (loss) on the disposal of assets are not recorded in the governmental funds statements.</p>		
		(14,791)
<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>		
		992,054
<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>		
		(504,504)
<p>Change in accrued interest on taxes receivable.</p>		
		23,989
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.</p>		
		865,250
<p>Benefit payments and pension administration costs for LEOWSA are deferred outflows of resources on the Statement of Net Position</p>		
		5,408
<p>Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position</p>		
		304,063
<p>Pension expense</p>		
		(972,846)
<p>Total changes in net position of governmental activities</p>		
	\$	<u>2,812,831</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, 2018

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 18,468,830	\$ 18,468,830	\$ 18,700,810	\$ 231,980
Other taxes and licenses	2,227,700	2,227,700	3,001,133	773,433
Unrestricted intergovernmental	64,100	64,100	67,406	3,306
Restricted intergovernmental	9,446,487	9,467,080	8,711,508	(755,572)
Permits and fees	232,400	232,400	675,209	442,809
Sales and services	2,994,134	3,019,384	2,936,826	(82,558)
Investment earnings	11,000	11,000	112,335	101,335
Special Project revenue	-	-	27,000	27,000
Miscellaneous	324,023	386,310	317,793	(68,517)
Total revenues	<u>33,768,674</u>	<u>33,876,804</u>	<u>34,550,020</u>	<u>673,216</u>
Expenditures				
Current:				
General government	4,134,994	4,223,877	3,885,103	338,774
Public safety	8,673,696	8,970,259	8,666,860	303,399
Transporation	47,500	47,500	47,500	-
Enviornmental Protection	121,000	121,000	5,000	116,000
Economic and physical development	1,280,117	1,329,506	1,227,517	101,989
Human services	13,997,431	14,016,069	11,495,827	2,520,242
Cultural and recreational	424,154	425,972	402,648	23,324
Education	4,343,000	4,368,849	4,336,403	32,446
Debt service				
Principal payments	265,188	192,091	123,188	68,903
Interest	80,000	51,851	9,330	42,521
Total expenditures	<u>33,367,080</u>	<u>33,746,974</u>	<u>30,199,376</u>	<u>3,547,598</u>
Revenues over (under) expenditures	<u>401,594</u>	<u>129,830</u>	<u>4,350,644</u>	<u>4,220,814</u>
Other financing sources (uses):				
Transfers (to) from other funds	(1,856,838)	(1,556,838)	(1,342,341)	214,497
EDC Loan to Resinall	-	(300,000)	-	300,000
Loan proceeds	-	30,610	504,504	473,894
Appropriated fund balance	1,605,244	1,706,850	-	(1,706,850)
Contingency	(150,000)	(10,452)	-	10,452
Total other financing sources (uses)	<u>(401,594)</u>	<u>(129,830)</u>	<u>(837,837)</u>	<u>(708,007)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,512,807	<u>\$ 3,512,807</u>
Fund balances:				
Beginning of year, July 1			12,170,274	
Prior Period Adjustment (see Note 10)			<u>402,807</u>	
End of year, June 30			<u>\$ 16,085,888</u>	

Northampton County, North Carolina
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	MAJOR		NONMAJOR	Total Enterprise Funds
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 218,759	\$ 50	\$ 387,258	\$ 606,067
Accounts receivable (net)	468,283	8,063	83,396	559,742
Due from other funds	80,942	-	-	80,942
Restricted assets:				
Cash and cash equivalents, restricted	333,341	-	50,870	384,211
Total current assets	<u>1,101,325</u>	<u>8,113</u>	<u>521,524</u>	<u>1,630,962</u>
Non-current assets:				
Land and construction in progress	37,042	-	-	37,042
Other capital assets, net	21,600,814	-	488,329	22,089,143
Total non-current assets	<u>21,637,856</u>	<u>-</u>	<u>488,329</u>	<u>22,126,185</u>
Total assets	<u>22,739,181</u>	<u>8,113</u>	<u>1,009,853</u>	<u>23,757,147</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Deferrals	52,236	21,765	13,060	87,061
OPEB Deferrals	12,884	2,960	2,257	18,101
Total deferred outflows of resources	<u>65,120</u>	<u>24,725</u>	<u>15,317</u>	<u>105,162</u>
LIABILITIES:				
Current liabilities:				
Accounts payable and accrued liabilities	48,868	10,978	8,088	67,934
Accrued interest	28,051	-	1,496	29,547
Due to other funds	-	80,942	-	80,942
Current portion of long-term debt	601,000	-	10,000	611,000
Liabilities payable from restricted assets:				
Customer Deposits	216,119	-	50,870	266,989
Total current liabilities	<u>894,038</u>	<u>91,920</u>	<u>70,454</u>	<u>1,056,412</u>
Noncurrent liabilities:				
Compensated absences-non current	25,908	7,632	4,658	38,198
Non-current portion of long-term debt	10,384,083	-	354,000	10,738,083
Net pension liability	66,617	27,757	16,654	111,028
Total OPEB Liability	671,254	154,235	117,625	943,114
Total noncurrent liabilities	<u>11,147,862</u>	<u>189,624</u>	<u>492,937</u>	<u>11,830,423</u>
Total liabilities	<u>12,041,900</u>	<u>281,544</u>	<u>563,391</u>	<u>12,886,835</u>
DEFERRED INFLOWS OF RESOURCES:				
Pension Deferrals	1,985	827	496	3,308
OPEB Deferrals	65,097	14,957	11,407	91,461
Total deferred inflows of resources	<u>67,082</u>	<u>15,784</u>	<u>11,903</u>	<u>94,769</u>
NET POSITION:				
Net investment in capital assets	10,652,773	-	124,329	10,777,102
Unrestricted	42,546	(264,490)	325,547	103,603
Total net position	<u>\$ 10,695,319</u>	<u>\$ (264,490)</u>	<u>\$ 449,876</u>	<u>\$ 10,880,705</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, 2018

	MAJOR		NONMAJOR	Totals
	Water and Sewer	Solid Waste Fund	Garysburg Water and Sewer	
Operating Revenues:				
Charges for services	\$ 2,641,248	\$ 2,110,851	\$ 502,662	\$ 5,254,761
Water and sewer taps	26,704	-	4,777	31,481
White goods and tire disposal tax	-	27,766	-	27,766
Solid waste disposal tax	-	12,180	-	12,180
Other operating revenues	9,749	56,953	1,719	68,421
Total operating revenues	<u>2,677,701</u>	<u>2,207,750</u>	<u>509,158</u>	<u>5,394,609</u>
Operating Expenses:				
Water distribution and sewage treatment	1,759,754	-	271,336	2,031,090
Solid waste	-	2,276,149	-	2,276,149
Depreciation	657,834	-	15,987	673,821
Total operating expenses	<u>2,417,588</u>	<u>2,276,149</u>	<u>287,323</u>	<u>4,981,060</u>
Operating income (loss)	<u>260,113</u>	<u>(68,399)</u>	<u>221,835</u>	<u>413,549</u>
Non-Operating Revenues (Expenses):				
Gain on Sale of Assets	2,250	5,311	-	7,561
Interest earned on investments	1,823	1,245	290	3,358
Interest and fees	(440,212)	-	(18,636)	(458,848)
Total non-operating revenues (expenses)	<u>(436,139)</u>	<u>6,556</u>	<u>(18,346)</u>	<u>(447,929)</u>
Income (loss) before capital contributions and transfers	(176,026)	(61,843)	203,489	(34,380)
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	-
Change in net position	<u>(176,026)</u>	<u>(61,843)</u>	<u>203,489</u>	<u>(34,380)</u>
Net Position:				
Beginning of year - July 1	11,376,798	(93,537)	334,247	11,617,508
Restatement	(505,453)	(109,110)	(87,860)	(702,423)
Beginning of year - July 1, restated	<u>10,871,345</u>	<u>(202,647)</u>	<u>246,387</u>	<u>10,915,085</u>
End of year - June 30	<u>\$ 10,695,319</u>	<u>\$ (264,490)</u>	<u>\$ 449,876</u>	<u>\$ 10,880,705</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, 2018

	<u>MAJOR</u>		<u>NONMAJOR</u>	
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Garysburg Water and Sewer Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$ 2,769,347	\$ 2,209,993	\$ 517,634	\$ 4,979,340
Cash paid for goods and services	(1,361,732)	(2,171,787)	(200,330)	(3,533,519)
Cash paid to employees for services	(402,609)	(94,474)	(72,023)	(497,083)
Net cash provided (used) by operating activities	<u>1,005,006</u>	<u>(56,268)</u>	<u>245,281</u>	<u>948,738</u>
Cash flows from non-capital financing activities:				
Loans from (to) other funds	(49,712)	49,712	-	-
Transfer from other funds	-	-	-	-
Net cash provided (used) by non-capital financial activities	<u>(49,712)</u>	<u>49,712</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(84,095)	-	-	(84,095)
Gain on Sale of Assets	2,250	5,311	-	7,561
Principal paid on long-term debt	(600,000)	-	(9,500)	(600,000)
Issuance of long-term debt proceeds	48,082	-	-	48,082
Interest and fees	(442,858)	-	(18,675)	(442,858)
Capital contributions	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(1,076,621)</u>	<u>5,311</u>	<u>(28,175)</u>	<u>(1,071,310)</u>
Cash flows from investing activities:				
Interest on investments	1,823	1,245	290	3,068
Net increase (decrease) in cash and cash equivalents	(119,504)	-	217,396	(119,504)
Cash and cash equivalents, July 1	<u>671,604</u>	<u>50</u>	<u>220,732</u>	<u>892,386</u>
Cash and cash equivalents, June 30	<u>\$ 552,100</u>	<u>\$ 50</u>	<u>\$ 438,128</u>	<u>\$ 990,278</u>

Northampton County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2018

	MAJOR		NONMAJOR	Total
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer Fund	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 260,113	\$ (68,399)	\$ 221,835	\$ 191,714
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	657,834	-	15,987	657,834
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	77,213	2,243	8,476	79,456
(Increase) decrease in deferred outflows of resources for pensions	30,595	12,748	7,648	43,343
(Increase) decrease in deferred outflows of resources for OPEB	(12,884)	(2,960)	(2,257)	(15,844)
Increase (decrease) in deferred inflows of resources for pensions	(1,456)	(607)	(364)	(2,063)
Increase (decrease) in deferred inflows of resources for OPEB	65,097	14,957	11,407	80,054
Increase (decrease) in accounts payable and accrued liabilities	(29,584)	3,750	(5,565)	(25,834)
Increase (decrease) in net pension liability	(27,187)	(11,328)	(6,797)	(38,515)
Increase (decrease) in deposits	14,433	-	-	14,433
Increase (decrease) in net OPEB liability	(29,038)	(6,672)	(5,089)	(35,710)
Increase (decrease) in compensated absences	(130)	-	-	(130)
Total adjustments	744,893	12,131	23,446	757,024
Net cash provided (used) by operating activities	\$ 1,005,006	\$ (56,268)	\$ 245,281	\$ 948,738

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, 2018

	Agency Funds
Assets:	
Cash and investments	\$ 190,099
Accounts receivable	651,490
	\$ 841,589
 Liabilities:	
Intergovernmental payable	\$ 591,260
Accounts payable	250,329
Total liabilities	\$ 841,589

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies

The accounting policies of 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, 2018

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, 2018

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

Fiduciary Funds

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

Agency Fund. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains five agency funds: Social Service Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; Inmate Trust Fund, which accounts for funds deposited by inmates of the County's jail; Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for Various municipals within the County; the Rescue Squad Fund, which accounts for the rescue squad charges that are billed and collected by the County for the area rescue squads; State Fund, which accounts for interest on delinquent motor vehicles taxes which is required to be remitted to the State of North Carolina.

Major Funds

The General Fund, Water and Sewer Fund, and Solid Waste Fund are considered major funds for the year ended June 30, 2018.

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 he 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, 2018

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, 2018

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, 2018

Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the tax revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the School Capital Projects Fund is classified as restricted because its restricted per North Carolina General Statutes 159-18 through 22. In addition, there was a cash balance remaining in the project fund which was also considered restricted. The following table illustrates the breakdown of the County's restricted cash.

Governmental Activities

General Fund	
Tax Revaluation	\$ 454,105
Total General Fund	<u>454,105</u>
Other Governmental Funds	
School Capital Fund	102,894
Total Other Governmental Funds	<u>102,894</u>
Total - Governmental Activities	<u>\$ 556,999</u>

Business-Type Activities

Water & Sewer Fund	
Customer Deposits	\$ 216,119
Unexpended Project Funds	117,222
Total Water & Sewer Fund	<u>333,341</u>
Garysburg Water & Sewer Fund	
Customer Deposits	50,870
Total Water & Sewer Fund	<u>50,870</u>
Total - Business Type Activities	<u>\$ 384,211</u>
Total Restricted Cash	<u><u>\$ 941,210</u></u>

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, 2017.

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.

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2018

Capital Assets

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

The County holds title to certain Northampton County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Northampton County Board of Education.

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

<u>Assets</u>	<u>Estimated Useful Lives</u>
Buildings	20-75 years
Equipment	5-10 years
Vehicles	5-10 years
Water Distribution System	20-50 years

Deferred Outflows/Inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meets this criterion - pension related deferrals and OPEB related deferrals. 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 four items that meet the criterion for this category - prepaid taxes, taxes receivable, other pension related deferrals and OPEB 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.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

	General Fund	Special Revenue Fund	Capital Project Fund
	<u> </u>	<u> </u>	<u> </u>
<i>Restricted for Stabilization of State Statute</i> - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].	\$ 1,647,987	\$ 26,458	\$ -
Restricted - Other			
<i>Restricted for Public Safety- E911</i> - portion of fund balance that is restricted by revenue source E911 expenditures.	-	164,644	-
<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.	21,493	-	-
	<u>21,493</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,669,480</u>	<u>\$ 191,102</u>	<u>\$ -</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

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>Special Revenue 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.	\$ 454,350	\$ -	\$ -
<i>Committed for Public Safety</i> - portion of fund balance that is committed for public safety expenditures.	-	-	906
<i>Committed for Economic and Physical Development</i> - portion of fund balance that is committed to pay for economic development expenditures.	319,206	-	14,279
<i>Committed for Capital Outlay</i> - portion of fund balance that is committed for future capital expenditures	-	-	288,150
<i>Committed for Education</i> - portion of fund balance that is committed for education expenditures	-	-	102,894
	<u>-</u>	<u>-</u>	<u>102,894</u>
Total	<u>\$ 773,556</u>	<u>\$ -</u>	<u>\$ 406,229</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	\$ -	\$ 16,706
<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.	1,995,714	-	-
<i>Assigned for Economic and Physical Development</i> - portion of fund balance that is assigned to pay for economic development expenditures.	-	316,718	-
	<u>-</u>	<u>316,718</u>	<u>-</u>
Total	<u>\$ 2,306,057</u>	<u>\$ 316,718</u>	<u>\$ 16,706</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

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)	\$ 16,085,888
Less:	
Stabilization by State statute	<u>(1,647,987)</u>
Available for appropriation	<u>\$ 14,437,901</u>

Defined Benefit Cost Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employee's Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

F. Revenues, Expenditures, and Expenses

Compensated Absences

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

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

G. Use of Estimates

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

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2018

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	\$	18,726
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Capital Project Fund:

Severn Peanut Natural Gas Project Fund		23,955
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Enterprise Fund:

Solid Waste Fund		264,490
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Corrective Action Plan. Deficits, caused by timing issues, will be eliminated with future revenues. Budgeted transfers will be made in a timely manner to eliminate deficit fund balance at year-end.

B. Timeliness of Audit

The audit report was issued 16 months after the required due date of October 31, 2018. 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.

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, 2018, the County's deposits had a carrying amount of \$8,591,619 and a bank balance of \$9,685,300. Of the bank balance, \$652,613 was covered by federal depository insurance, and \$9,032,687 was covered by collateral held under the Pooling Method. At June 30, 2018, the County had \$2,650 cash on hand.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Investments

At June 30, 2018, the County had \$9,028,964 invested with the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy regarding credit risk.

Property Tax - Use-Value Assessment on Certain Lands

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

Year Levied	Tax	Interest	Total
2015	\$ 2,480,694	\$ 812,427	\$ 3,293,121
2016	2,502,045	594,236	3,096,281
2017	2,495,177	368,039	2,863,216
2018	2,489,626	143,154	2,632,780
Total	<u>\$ 9,967,542</u>	<u>\$ 1,917,856</u>	<u>\$ 11,885,398</u>

Receivables

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

	Accounts	Taxes	Due From Other Governments	Total
Governmental Activities:				
General	\$ 987,059	\$ 3,501,560	\$ 648,804	\$ 5,137,423
Ambulance	1,928,537	-	-	1,928,537
Fire district	-	133,548	-	133,548
Total Receivables	<u>2,915,596</u>	<u>3,635,108</u>	<u>648,804</u>	<u>7,199,508</u>
Allowance for doubtful accounts	-	(943,000)	-	(943,000)
Total governmental activities	<u>\$ 2,915,596</u>	<u>\$ 2,692,108</u>	<u>\$ 648,804</u>	<u>\$ 6,256,508</u>
Business-type Activities:				
Solid Waste	\$ 8,063	\$ -	\$ -	\$ 8,063
Garysburg Water and Sewer	140,637	-	-	140,637
Water and sewer	788,263	-	-	788,263
Total Receivables	<u>936,963</u>	<u>-</u>	<u>-</u>	<u>936,963</u>
Allowance for doubtful accounts	<u>(377,221)</u>	<u>-</u>	<u>-</u>	<u>(377,221)</u>
Total business-type activities	<u>\$ 559,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 559,742</u>

Due from other governments consisted of the following:

Governmental Activities:	
Local option sales tax	\$ 488,908
Sales tax refund	159,896
Total	<u>\$ 648,804</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Capital Assets

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

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</u>
Non- Depreciable Assets:				
Land	\$ 1,700,800	\$ -	\$ -	\$ 1,700,800
Depreciable Assets:				
Buildings and Improvements	20,832,201	-	-	20,832,201
Equipment	2,207,123	-	-	2,207,123
Vehicles and Motor Equipment	4,502,277	43,067	99,210	4,446,134
Total Capital Assets	<u>29,242,401</u>	<u>43,067</u>	<u>99,210</u>	<u>29,186,258</u>
Less accumulated depreciation:				
Buildings and Improvements	(5,253,833)	(433,507)	-	(5,687,340)
Equipment	(1,872,405)	(110,090)	-	(1,982,495)
Vehicles and motor equipment	(3,001,750)	(265,446)	(84,419)	(3,182,777)
Total Accumulated Depreciation	<u>(10,127,988)</u>	<u>\$ (809,043)</u>	<u>\$ (84,419)</u>	<u>\$(10,852,612)</u>
Capital Assets, net	<u>\$ 19,114,413</u>			<u>\$ 18,333,646</u>

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

Government Activities :

General Government	\$ 114,043
Public Safety	372,423
Economic and physical development	1,752
Human Services	195,054
Cultural and Recreational	125,772
Total	<u>\$ 809,044</u>

Summary of Proprietary Capital Assets

Capital assets for the proprietary funds of the County at June 30, 2018 are as follows:

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</u>
Water and Sewer Fund				
Non- Depreciable Assets:				
Construction in progress	\$ 5,364,051	\$ 37,042	\$ 5,364,051	\$ 37,042
Depreciable Assets:				
Plant and distribution systems	25,966,909	5,364,051	-	31,330,960
Furniture and equipment	292,060	47,053	-	339,113
Vehicles	370,561	-	-	370,561
Total Capital Assets	<u>31,993,581</u>	<u>5,448,146</u>	<u>5,364,051</u>	<u>32,077,676</u>
Less accumulated depreciation:				
Plant and distribution systems	(9,240,380)	(627,317)	-	(9,867,697)
Furniture and equipment	(271,933)	(7,146)	-	(279,079)
Vehicles	(269,673)	(23,371)	-	(293,044)
Total Accumulated Depreciation	<u>(9,781,986)</u>	<u>\$ (657,834)</u>	<u>\$ -</u>	<u>(10,439,820)</u>
Total Water and Sewer Fund	<u>\$ 22,211,595</u>			<u>\$ 21,637,856</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</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	(295,009)	(15,986)	-	(310,995)
Furniture and equipment	-	-	-	-
Vehicles	-	-	-	-
Total Accumulated Depreciation	<u>(295,009)</u>	<u>\$ (15,986)</u>	<u>\$ -</u>	<u>(310,995)</u>
Total Water and Sewer Fund	<u>\$ 504,315</u>			<u>\$ 488,329</u>
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</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>

B. Liabilities

Payables

Payables at Exhibit 1 at June 30, 2018 were as follows:

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Trade Payable	\$ 835,490	\$ 67,934	\$ 903,424
Accrued expenses and withholdings	-	-	-
Total	<u>\$ 835,490</u>	<u>\$ 67,934</u>	<u>\$ 903,424</u>

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2018

Pension Plan Obligations

Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers and 7.58% 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 \$789,243 for the year ended June 30, 2018.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

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

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

At June 30, 2018, the County reported a liability of \$2,775,720 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension asset was based on 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, 2018, the County’s proportion was 0.1817%, which was a decrease of 0.0025% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the County recognized pension expense of \$977,441. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 159,907	\$ 78,572
Changes of assumptions	396,411	-
Net difference between projected and actual earnings on pension plan investments	673,948	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	50,154	4,139
County contributions subsequent to the measurement date	896,046	
Total	<u>\$ 2,176,466</u>	<u>\$ 82,711</u>

\$896,046 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2019	\$ 177,544
2020	810,085
2021	412,121
2022	(202,041)
2023	-
Thereafter	-
Total	<u>\$ 1,197,709</u>

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2018

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

Inflation	3.0 Percent
Salary	3.50 to 8.10 percent, including inflation and productivity factor
Investment	7.20 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2015.

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	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 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

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

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	\$ 8,332,774	\$ 2,775,720	\$ (1,862,666)

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

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

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Actuarial Assumptions

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

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

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

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, 2018 the County reported a total pension liability of \$371,520. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$27,134.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 79,263
Changes of assumptions	27,823	9,006
Benefit payments and administrative expenses subsequent to the Total	5,408	
	<u>\$ 33,231</u>	<u>\$ 88,269</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
2019	\$ (12,420)
2020	(12,420)
2021	(12,420)
2022	(12,420)
2023	(10,715)
Thereafter	(51)
Total	<u>\$ (60,446)</u>

\$10,815 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.16%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16%) or 1-percentage-point higher (4.16%) than the current rate

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
County's proportionate share of the net pension liability (asset)	\$ 411,314	\$ 371,520	\$ 335,786

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

Beginning balance	\$ 399,443
Service Cost	29,751
Interest on the total pension liability	15,210
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(95,640)
Changes in assumptions or other inputs	33,571
Benefit payments	(10,815)
Other changes	-
Ending balance of the total pension liability	<u>\$ 371,520</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.86 percent at June 30, 2016 to 3.16 at June 30, 2017.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2018

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were \$77,962, which consisted of \$62,166 from the County and \$15,796 from the law enforcement officers.

Deferred Compensation Plan

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

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

Registers of Deeds' Supplemental Pension Fund

Plan Description. Northampton County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$5,046 for the year ended June 30, 2018.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

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

At June 30, 2018, the County reported an asset of \$27,162 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on 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, 2018, the County's proportion was 0.1591%, which was a decrease of 0.0191% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the County recognized pension expense of \$7,369. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>\$</u>	<u>\$</u>
Differences between expected and actual experience	466	88
Net difference between projected and actual earnings on pension plan investments	4,583	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,309	-
Changes of assumptions	2,988	825
County contributions subsequent to the measurement date	5,046	-
Total	<u>\$ 15,392</u>	<u>\$ 913</u>

\$5,046 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	Amount
<u>June 30</u>	<u>\$</u>
2019	5,081
2020	3,499
2021	264
2022	589
2023	-
Thereafter	-
Total	<u>\$ 9,433</u>

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

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

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2018

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2015.

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, 2017 is 1.4%.

<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 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

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:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ 21,349	\$ 27,162	\$ 32,050

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.

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

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

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 2,775,720	\$ (27,162)	\$ -	\$ 2,748,558
Proportion of the Net Pension Liability (Asset)	0.1817%	0.1591%	n/a	
Total Pension Liability	-	-	371,520	371,520
Pension Expense	977,441	7,369	27,134	1,011,944

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

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 159,907	\$ 466	\$ -	\$ 160,373
Changes of assumptions	396,411	4,583	27,823	428,817
Net difference between projected and actual earnings on pension plan investments	673,948	2,309	-	676,257
Changes in proportion and differences between County contributions and proportionate share of contributions	50,154	2,988	-	53,142
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date.	896,046	5,046	5,408	906,500

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Deferred Inflows of Resources

Differences between expected and actual experience	\$	78,572	\$	88	\$	79,263	\$	157,923
Changes of assumptions		-		825		9,006		9,831
Changes in proportion and differences between County contributions and proportionate share of contributions		4,139		-		-		4,139

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, 2017, 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><u>368</u></u>

Total OPEB Liability

The County's total OPEB liability of \$19,223,568 was measured as of December 31, 2017 and was determined by an actuarial valuation of that date.

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

Inflation	2.5 percent
Salary increases	3.5-7.75 percent, average, including inflation
Discount Rate	3.56 percent
Healthcare cost trend rates	Pre-Medicare - 7.75% for 2016 decreasing to an ultimate rate of 5.00% for 2022
	Medicare - 5.75% for 2016 decreasing to an ultimate rate of 5.00% by 2019

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Changes in the Total OPEB Liability

Balance at July 1, 2017	\$ 20,396,021
Changes for the year	
Service cost	647,941
Interest	608,828
Changes of benefit terms	-
Differences between expected and actual experience	56,659
Changes in assumptions or other inputs	(2,145,021)
Benefit payments	<u>(340,860)</u>
Net Changes	<u>(1,172,453)</u>
Balance at June 30, 2018	<u><u>\$ 19,223,568</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

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

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

	<u>1% Decrease (2.56%)</u>	<u>Discount Rate (3.56%)</u>	<u>1% Increase (4.56%)</u>
Total OPEB liability	\$ 23,372,482	\$ 19,223,568	\$ 16,023,315

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 15,642,915	\$ 19,223,568	\$ 23,966,687

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$983,423. At June 30, 2018 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,243	\$ -
Net difference between projected and actual earnings on pension plan	-	-
Changes in proportion and differences between employer contributions	-	-
Changes of assumptions	-	1,864,259
Benefit payments and administrative costs made subsequent to the measurement date	319,750	-
Total	<u>\$ 368,993</u>	<u>\$ 1,864,259</u>

\$319,750 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ (273,346)
2020	(273,346)
2021	(273,346)
2022	(273,346)
2023	(273,346)
Thereafter	(448,286)

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.

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2018

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	\$ 901,092
LEOSSA	5,408
OPEB contributions	319,750
Pension deferrals	1,318,589
OPEB deferrals	49,243
Total	<u>\$ 2,594,082</u>

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

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 83,624
LEOSSA	88,269
OPEB deferrals	1,864,259
Taxes receivables, net	2,303,883
Prepaid Taxes	271,924
Ambulance fees receivables, net	1,928,537
Total	<u>\$ 6,540,496</u>

Risk Management

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

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

The County does not carry flood insurance through the NFIP.

In accordance with G.S. 159-29, the County's employees that access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance is bonded for \$450,000. The Tax Collector, Sheriff and Register of Deeds are each individually bonded for \$25,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2018

Claims and Judgment

At June 30, 2018, 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:

\$ 1,475,430 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	\$ 945,903
\$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.	82,497
\$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.	1,577,852
\$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.	6,438,275
\$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.	246,377
\$504,504 note issued November 2, 2017; due in three (3) annual principal payments of \$168,168 plus interest of 2.49%, with final payment due November 2, 2020; secured by vehicles.	<u>504,504</u>
Total Governmental funds	<u>\$ 9,795,408</u>

Business-Type Activities

Proprietary Funds:

\$48,082 note issued November 2, 2017; due in three (3) annual principal payments of \$16,027 plus interest of 2.49%, with final payment due November 2, 2020; secured by vehicles.	<u>\$ 48,082</u>
Total proprietary funds	<u>\$ 48,082</u>
Total all funds	<u><u>\$ 9,843,490</u></u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 517,915	\$ 390,586	\$ 16,027	\$ 1,197
2020	527,409	373,838	16,027	798
2021	414,114	356,701	16,028	400
2022	256,257	342,191	-	-
2023	267,002	331,446	-	-
2024-2028	1,512,736	1,479,504	-	-
2029-2033	1,751,934	1,134,110	-	-
2034-2038	1,692,540	785,260	-	-
2039-2043	2,061,245	416,555	-	-
2044-2048	794,256	67,485	-	-
2049	-	-	-	-
Total	\$ 9,795,408	\$ 5,677,676	\$ 48,082	\$ 2,395

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 \$4,257,000 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, 2018 are comprised of the following individual issues:

General Obligation Bonds:

Serviced by the General Fund:

\$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 \$ 4,257,000

Total serviced by the General Fund \$ 4,257,000

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%. \$ 364,000

Total serviced by Garysburg Water and Sewer Fund \$ 364,000

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

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%	\$ 2,327,000
\$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%.	570,000
\$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.	3,335,000
\$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>4,705,000</u>
Total serviced by Water and	<u>\$ 10,937,000</u>
Total serviced by the Proprietary Funds	<u><u>\$ 11,301,000</u></u>

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	570,000	51,150	425,500	380,336
2024-2028	1,290,000	60,390	2,790,000	1,666,765
2029-2033	-	-	1,073,000	1,268,724
2034-2038	-	-	1,310,000	929,255
2039-2043	-	-	1,453,000	627,914
2044-2048	-	-	982,000	356,081
2049-2053	-	-	1,022,000	127,310
2054-2058	-	-	-	-
Total	<u>\$ 4,257,000</u>	<u>\$ 478,692</u>	<u>\$ 11,301,000</u>	<u>\$ 7,054,981</u>

At June 30, 2018, the County had a legal debt margin of approximately \$151,110,096.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Changes in General Long-Term Debt

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2018:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 4,894,000	\$ -	\$ 637,000	\$ 4,257,000	\$ 621,000
Installment note	9,645,959	504,504	355,054	9,795,409	517,915
Compensated Absences	959,121	26,484	-	985,605	-
Total Pension Liability (LEOSSA)	399,443	-	27,923	371,520	-
Net pension liability (LGERS)	3,752,152	-	1,087,461	2,664,691	-
Total OPEB liability	19,070,952	-	790,498	18,280,454	-
Total governmental activities	<u>\$ 38,721,627</u>	<u>\$ 530,988</u>	<u>\$ 2,897,936</u>	<u>\$ 36,354,679</u>	<u>\$ 1,138,915</u>
Business-type Activities:					
Water and Sewer Activity:					
General Obligation Bonds	\$ 11,537,000	\$ -	\$ 600,000	\$ 10,937,000	\$ 601,000
Installment note	-	48,082	-	48,082	-
Net pension liability (LGERS)	93,804	-	27,187	66,617	-
Compensated Absences	26,037	-	130	25,907	-
Total OPEB liability	700,591	-	29,337	671,254	-
Total Water and Sewer Activity	<u>12,357,432</u>	<u>-</u>	<u>656,654</u>	<u>11,748,860</u>	<u>601,000</u>
Garysburg Water and Sewer Activity:					
General Obligation Bonds	373,500	-	9,500	364,000	10,000
Net pension liability (LGERS)	23,451	-	6,797	16,654	-
Compensated Absences	4,658	-	-	4,658	-
Total OPEB liability	122,712	-	5,087	117,625	-
Total Garysburg Water and Sewer Activity	<u>524,321</u>	<u>-</u>	<u>21,384</u>	<u>502,937</u>	<u>10,000</u>
Solid Waste Activity:					
Net pension liability (LGERS)	39,085	-	11,328	27,757	-
Compensated Absences	7,632	-	-	7,632	-
Total OPEB liability	160,905	-	6,670	154,235	-
Total Solid Waste Activity	<u>207,622</u>	<u>-</u>	<u>17,998</u>	<u>189,624</u>	<u>-</u>
Total Business-type activities	<u>\$ 13,089,375</u>	<u>\$ -</u>	<u>\$ 696,036</u>	<u>\$ 12,441,421</u>	<u>\$ 611,000</u>

Net Pension obligation typically has been liquidated in the General Fund. Compensated absences and post-employment benefits have been liquidated in the General Fund and enterprise funds. Compensated absences are accounted for on a FIFO basis, assuming that employees are taking leave time as it is earned.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Net Investments in Capital Assets

The total net investment in capital assets at June 30, 2018 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital Assets	\$ 18,333,646	\$ 22,126,185
Long-term obligations	36,354,679	12,441,422
Compensated Absences	(985,605)	(38,197)
Net pension obligation	(371,520)	-
Net pension liability	(2,664,691)	(111,028)
Total OPEB liability	(18,280,454)	(943,114)
Long-term debt for assets not owned by the County	(4,257,000)	-
Long-term debt, net, related to capital assets	<u>9,795,409</u>	<u>11,349,083</u>
Net investments in capital assets	<u>\$ 8,538,237</u>	<u>\$ 10,777,102</u>

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.	<u>1,342,341</u>
	<u>\$ 1,392,341</u>

Due from/to other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Fire District Fund	\$ 14,964	To cover temporary bank overdrafts
General Fund	Severn Peanut Capital Project Fund	23,618	To cover temporary bank overdrafts
Water and Sewer Fund	Solid Waste Fund	<u>80,942</u>	To cover temporary bank overdrafts
Total		<u>\$ 134,488</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.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2018

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, 2018. 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, 2018. 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, 2018. Complete financial statements of the Transportation Authority can be obtained from the Transportation Authority's administrative offices at Choanoke Public Transportation Authority, 106 North Main Street, Rich Square, North Carolina 27869.

The County also participates in the Tri-County Airport Authority (the "Airport Authority") with two other local governments (Hertford County and Bertie County). The County appoints three members to the nine-member Board of the Airport Authority. The Airport Authority is a joint venture established to develop, maintain, operate, regulate, and improve the Airport Authority. The County has an ongoing financial responsibility for the joint venture because the Airport Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Airport Authority, so no equity interest has been reflected in the financial statements at June 30, 2018. 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, 2018. The County appropriated \$15,000 to the Regional Airport Authority to supplement its activities.

Northampton County, North Carolina

Notes to the Financial Statements
For the Year Ended June 30, 2018

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 \$9,733 to the Council during the fiscal year ended June 30, 2018.

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.

<u>Program Title</u>	<u>CFDA No.</u>	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	172,519	-
Supplemental Nutrition Assistance Program	10.551	6,582,213	-
Temporary Assistance for Needy Families	93.558	202,896	-
Adoption Assistance	93.659	67,661	16,272
Medical Assistance Program	93.778	28,449,759	15,493,828
Children's Health Insurance Program	93.767	180,189	-
Child Welfare Services Adoption	N/A	-	40,054
SAA/SAD HB 1030	N/A	-	18,564
SC/SA Domiciliary Care	N/A	-	318,658

8. Summary Disclosure of Significant Commitments and Contingencies

Federal State-Assisted Program

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

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

Per USDA requirements, the County had to separately report the Garysburg Water & Sewer District for financial statement presentation. The County does not maintain a separate fund, but simply allocates a percentage of revenues and expenses for the financial statement presentation.

10. Prior Period Adjustment

A prior period adjustment was recorded in the General Fund to reconcile the Central Depository bank accounts in the amount of \$402,807. An entry from the prior year was posted backwards, so the County was attempting to reconcile to an incorrect number the entire year.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

11. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 75, *Accounting and Financial Reporting for Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning net OPEB liability and the effects on net position of contributions paid by the County to the OPEB Trust during the measurement period, as well as the removal of the net OPEB obligation. As a result, net position for the governmental and business-type activities decreased by \$12,486,299 and \$702,423 respectively.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- ~ 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)
- ~ Schedule of Changes in the Total OPEB Liability

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's proportionate share of the net pension (asset) liability (%)	0.18169%	0.18416%	0.18460%	0.19200%	0.14000%
Northampton County's proportionate share of the net pension (asset) liability (\$)	\$ 2,775,720	\$ 3,908,492	\$ 828,608	\$ (1,132,903)	\$ 2,226,344
Northampton County's covered-employee payroll	\$ 11,977,708	\$ 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	23.17%	34.12%	7.26%	-10.04%	21.66%
Plan fiduciary net position as a percentage of the total pension liability	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

Local Government Employees' Retirement System					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 896,046	\$ 890,761	\$ 780,212	\$ 810,171	\$ 797,232
Contributions in relation to the contractually required contribution	896,046	890,761	780,212	810,171	797,232
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	\$ 11,706,739	\$ 11,977,708	\$ 11,455,286	\$ 11,415,786	\$ 11,288,695
Contributions as a percentage of covered payroll	7.65%	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 Five Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's proportionate share of the net pension (asset) liability (%)	0.15913%	0.17821%	0.17045%	0.16571%	0.15807%
Northampton County's proportionate share of the net pension (asset) liability (\$)	\$ (27,162)	\$ (33,318)	\$ (39,500)	\$ (37,572)	\$ (33,764)
Northampton County's covered payroll	\$ 53,515	\$ 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 payroll	-50.76%	-80.95%	-66.44%	-60.21%	-54.59%
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's required contribution	\$ 5,046	\$ 3,923	\$ 2,787	\$ 1,364	\$ 1,353
Contributions in relation to contractually required contribution	<u>5,046</u>	<u>3,923</u>	<u>2,787</u>	<u>1,364</u>	<u>1,353</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Northampton County's covered payroll	\$ 66,564	\$ 53,515	\$ 41,157	\$ 59,455	\$ 62,397
Contributions as a percentage of covered payroll	7.58%	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, 2018

	2018	2017
Beginning balance	\$ 399,443	\$ 377,621
Service Cost	29,751	33,873
Interest on the total pension liability	15,210	13,254
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(95,640)	-
Changes of assumptions or other inputs	33,571	(12,588)
Benefit payments	(10,815)	(12,717)
Other changes	-	-
Ending balance of the total pension liability	\$ 371,520	\$ 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, 2018

	2018	2017
Total pension liability	\$ 371,520	\$ 399,443
Covered payroll	\$ 1,276,077	\$ 1,142,943
Total pension liability as a percentage of covered payroll	29.11%	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

Northampton County, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

	2018
Total OPEB Liability	
Service cost	\$ 647,941
Interest	608,828
Changes of benefit terms	-
Differences between expected and actual experience	56,659
Changes of assumptions	(2,145,021)
Benefit payments	(340,860)
Net change in total OPEB liability	(1,172,453)
Total OPEB liability - beginning	20,396,021
Total OPEB liability - ending	\$ 19,223,568
Covered payroll	\$ 11,358,156
Total OPEB liability as a percentage of covered payroll	169.25%

Notes to Schedule

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

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

GENERAL FUND

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

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Actual Consolidated
For the Year Ended June 30, 2018

	2018			Total
	General Fund	Revaluation Fund	Revolving Loan Fund	
Revenues				
Ad Valorem Taxes	\$ 18,700,810	\$ -	\$ -	\$ 18,700,810
Other Taxes and licenses	3,001,133	-	-	3,001,133
Unrestricted intergovernmental	67,406	-	-	67,406
Restricted intergovernmental	8,711,508	-	-	8,711,508
Permits and fees	675,209	-	-	675,209
Sales and services	2,936,826	-	-	2,936,826
Investment earnings	111,076	709	550	112,335
Special project revenue	27,000	-	-	27,000
Miscellaneous	317,793	-	-	317,793
Total Revenues	<u>34,548,761</u>	<u>709</u>	<u>550</u>	<u>34,550,020</u>
Expenditures				
Current:				
General Government	3,878,829	6,274	-	3,885,103
Public Safety	8,666,860	-	-	8,666,860
Transportation	47,500	-	-	47,500
Environmental protection	5,000	-	-	5,000
Economic and physical development	1,227,517	-	-	1,227,517
Human Services	11,495,827	-	-	11,495,827
Cultural and recreational	402,648	-	-	402,648
Education	4,336,403	-	-	4,336,403
Debt Service:				
Principal	123,188	-	-	123,188
Interest	9,330	-	-	9,330
Total Expenditures	<u>30,193,102</u>	<u>6,274</u>	<u>-</u>	<u>30,199,376</u>
Revenues over (under) expenditures	<u>4,355,659</u>	<u>(5,565)</u>	<u>550</u>	<u>4,350,644</u>
Other financing Sources (uses)				
Transfers (to) from funds	(1,342,341)	-	-	(1,342,341)
Intrafund transfers	(50,000)	50,000	-	-
Loan Proceeds	504,504	-	-	504,504
Total other financing sources (uses)	<u>(887,837)</u>	<u>50,000</u>	<u>-</u>	<u>(837,837)</u>
Net change in fund balances	3,467,822	44,435	550	3,512,807
Fund Balance				
Beginning of year- July 1	11,441,703	409,915	318,656	12,170,274
Prior Period Adjustment (see Note 10)	<u>402,807</u>	<u>-</u>	<u>-</u>	<u>402,807</u>
End of year- June 30	<u>\$ 15,312,332</u>	<u>\$ 454,350</u>	<u>\$ 319,206</u>	<u>\$ 16,085,888</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, 2018
With Comparative Actual Amounts for Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues				
Ad valorem Taxes				
Taxes	\$ 18,265,830	\$ 18,487,756	\$ (221,926)	\$ 17,789,576
Penalties and interest	203,000	213,054	10,054	233,774
Total	<u>18,468,830</u>	<u>18,700,810</u>	<u>(211,872)</u>	<u>18,023,350</u>
Other Taxes and Licenses				
Privilege License	900	1,085	185	1,275
Local option sales tax	2,140,300	2,907,308	767,008	2,551,756
Excise tax	80,000	83,412	3,412	65,279
Hold harmless	1,500	2,839	1,339	2,367
Utility franchise tax	5,000	6,489	1,489	5,240
Total	<u>2,227,700</u>	<u>3,001,133</u>	<u>773,433</u>	<u>2,625,917</u>
Unrestricted Intergovernmental Revenues				
Beer and wine	62,000	63,678	1,678	67,408
Food Stamp tax reimbursements	2,100	3,728	1,628	2,516
Indirect costs	-	-	-	-
Total	<u>64,100</u>	<u>67,406</u>	<u>3,306</u>	<u>69,924</u>
Restricted Intergovernmental Revenues				
Federal and state grants	9,390,880	8,634,320	(756,560)	9,988,149
Lottery Fund	-	0	-	-
Court facilities fees	20,000	21,222	1,222	21,416
Fines and forfeitures	52,000	51,403	(597)	57,977
ABC bottles taxes	4,200	4,563	363	4,397
Total	<u>9,467,080</u>	<u>8,711,508</u>	<u>(755,572)</u>	<u>10,071,939</u>
Permits and Fees				
Building permits	117,600	566,209	448,609	178,994
Register of Deeds	80,000	73,825	(6,175)	83,356
Other fees	34,800	35,175	375	26,983
Total	<u>232,400</u>	<u>675,209</u>	<u>442,809</u>	<u>289,333</u>
Sales and Services				
Court costs and fees	17,000	16,497	(503)	19,562
Jail fees	500	1,822	1,322	804
Ambulance and rescue squad fees	1,120,000	1,168,223	48,223	793,391
Sheriff fees	41,941	53,224	11,283	145,995
Health department fees	1,202,007	1,035,693	(166,314)	1,189,387
Inmate housing fees	200,000	194,615	(5,385)	270,215
Wellness Center fees	8,500	9,317	817	9,178
Other	429,436	457,435	27,999	484,534
Total	<u>3,019,384</u>	<u>2,936,826</u>	<u>(82,558)</u>	<u>2,913,066</u>
Interest on investments	4,000	111,076	107,076	39,326

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

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Special Project Revenue				
Fees and Reimbursements	-	27,000	27,000	25,328
Total	-	27,000	27,000	25,328
Miscellaneous				
Reimbursements	-	-	-	1,700
Miscellaneous DSS	157,845	160,218	2,373	161,497
Other	129,465	157,575	28,110	131,406
Total	287,310	317,793	30,483	294,603
Total Revenues	33,770,804	34,548,761	334,105	34,352,786
Expenditures				
General Government:				
Governing Body				
Salaries and employee benefits	50,700	50,517	183	49,210
Other operating expenditures	49,448	45,127	4,321	39,197
Capital Outlay	20	20	-	35,766
Total	100,168	95,664	4,504	124,173
Administration				
Salaries and employee benefits	224,402	224,006	396	202,546
Other operating expenditures	15,949	11,974	3,975	8,184
Total	800	-	800	2,210
Total	241,151	235,980	5,171	212,940
Human Resources				
Salaries and employee benefits	171,379	152,205	19,174	171,468
Other operating expenditures	35,856	22,187	13,669	21,402
Total	207,235	174,392	32,843	192,870
Finance				
Salaries and employee benefits	391,130	386,917	4,213	388,101
Other operating expenditures	288,712	285,355	3,357	251,402
Total	679,842	672,272	7,570	639,503
Hospitalization- Retirees				
Other operating expenditures	292,452	319,750	(27,298)	283,811
Total	292,452	319,750	(27,298)	283,811
Wellness Grant				
Other operating expenditures	3,767	420	3,347	-
Total	3,767	420	3,347	-

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

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Taxes				
Salaries and employee benefits	492,774	490,320	2,454	450,336
Other operating expenditures	93,671	72,606	21,065	80,244
Capital Outlay	-	-	-	-
Total	<u>586,445</u>	<u>562,926</u>	<u>23,519</u>	<u>530,580</u>
Land Records				
Salaries and employee benefits	168,232	167,673	559	162,487
Other operating expenditures	14,055	13,386	669	9,933
Total	<u>182,287</u>	<u>181,059</u>	<u>1,228</u>	<u>172,420</u>
Legal				
Other operating expenditures	105,797	92,129	13,668	51,399
Total	<u>105,797</u>	<u>92,129</u>	<u>13,668</u>	<u>51,399</u>
Court Facilities				
Other operating expenditures	18,400	15,999	2,401	15,983
Total	<u>18,400</u>	<u>15,999</u>	<u>2,401</u>	<u>15,983</u>
Elections				
Salaries and employee benefits	134,126	120,169	13,957	110,185
Other operating expenditures	99,098	77,740	21,358	72,232
Total	<u>233,224</u>	<u>197,909</u>	<u>35,315</u>	<u>182,417</u>
Register of Deeds				
Salaries	165,883	161,321	4,562	148,746
Other operating expenditures	50,465	42,673	7,792	39,969
Total	<u>216,348</u>	<u>203,994</u>	<u>12,354</u>	<u>188,715</u>
Public Buildings				
Salaries and employee benefits	390,994	345,719	45,275	353,477
Other operating expenditures	381,616	350,219	31,397	396,608
Capital Outlay	153,307	73,230	80,077	214,251
Total	<u>925,917</u>	<u>769,168</u>	<u>156,749</u>	<u>964,336</u>
Management Information Systems				
Salaries and employee benefits	58,855	58,772	83	57,884
Other operating expenditures	186,034	179,689	6,345	194,903
	29,384	29,384	-	19,343
Total	<u>274,273</u>	<u>267,845</u>	<u>6,428</u>	<u>272,130</u>

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General Fund
Statement of Revenues, Expenditures, and
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For the Year Ended June 30, 2018
With Comparative Actual Amounts for Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Central Garage				
Salaries and employee benefits	55,772	50,584	5,188	51,313
Other Operating expenditures	32,491	28,310	4,181	34,614
Capital Outlay	19,000	17,506	1,494	-
Total	107,263	96,400	5,675	85,927
Central Stores				
Other operating expenditures	(692)	(7,078)	6,386	(2,956)
Total	(692)	(7,078)	6,386	(2,956)
Total General Government	4,173,877	3,878,829	289,860	3,914,248
Public safety:				
Sheriff				
Salaries	1,988,607	1,896,129	92,478	1,873,175
Other operating expenditures	322,284	270,951	51,333	295,825
Capital Outlay	120	120	-	233,048
Total	2,311,011	2,167,200	143,811	2,402,048
Sheriff- School Rescue Officer				
Salaries	133,968	132,491	1,477	117,485
Other operating expenditures	5,000	670	4,330	249
Total	138,968	133,161	5,807	117,734
Sheriff-Execution Account				
Other operating expenditures	27,000	7,375	19,625	101,435
Total	27,000	7,375	19,625	101,435
Criminal Justice Partnership Program				
Salaries	192,913	175,364	17,549	172,504
Other operating expenditures	112,945	68,501	44,444	51,758
Total	305,858	243,865	61,993	224,262
Jail				
Salaries and employee benefits	1,010,864	1,010,826	38	999,230
Other operating expenditures	474,587	506,534	(31,947)	380,550
Total	1,485,451	1,517,360	(31,909)	1,379,780
Emergency Communications				
Salaries and employee benefits	807,597	804,709	2,888	786,290
Other operating expenditures	75,561	73,327	2,234	33,122
Total	883,158	878,036	5,122	819,412

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

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
911 County				
Other operating expenditures	-	-	-	245,872
Total	-	-	-	245,872
Emergency Management				
Salaries	103,985	101,781	2,204	99,986
Other operating expenditures	15,332	12,163	3,169	24,395
Capital Outlay	61,482	49,908	11,574	124,945
Total	180,799	163,852	16,947	249,326
Fire				
Assistance to local departments	14,500	14,500	-	14,500
Contribution to N.C. Forestry	81,435	81,435	-	91,877
Total	95,935	95,935	-	106,377
Building Inspections				
Salaries and employee benefit	115,545	93,000	22,545	161,901
Other operating expenditures	45,166	34,794	10,372	13,297
Capital Outlay	40	40	-	55,764
Total	160,751	127,834	32,917	230,962
Medical examiner				
Contracted services	12,000	8,250	3,750	27,175
Total	12,000	8,250	3,750	27,175
Ambulance Service				
Salaries and employee benefits	2,834,048	2,833,782	266	2,781,513
Other operating expenditures	432,825	388,465	44,360	414,819
Assistance to local rescue units	14,000	14,000	-	14,000
Capital Outlay	-	-	-	7,228
Total	3,280,873	3,236,247	44,626	3,217,560
Animal Control				
Salaries and employee benefits	55,350	54,948	402	54,363
Other operating expenditures	33,085	32,777	308	27,331
Capital Outlay	20	20	-	24,727
Total	88,455	87,745	710	106,421
Total Public Safety	8,970,259	8,666,860	303,399	9,228,364
Transportation				
Contribution to Tri-County Airport	47,500	47,500	-	32,500
Total Transportation	47,500	47,500	-	32,500

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
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For the Year Ended June 30, 2018
With Comparative Actual Amounts for Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Environmental Protection				
Contribution to Lake Gaston weed control	117,000	1,000	116,000	117,000
Drainage and watershed protection	4,000	4,000	-	4,000
Total Environmental Protection	121,000	5,000	116,000	121,000
Economic and Physical Development:				
Planning and zoning				
Salaries and employee benefits	131,002	129,533	1,469	127,998
Other operating expenditures	18,400	8,895	9,505	8,114
Total	149,402	138,428	10,974	136,112
Economic Development				
Salaries and employee benefits	163,588	162,017	1,571	154,031
Other operating expenditures	593,181	566,199	26,982	572,648
COG membership dues	9,733	9,733	-	9,805
Contribution to Chamber of Commerce	18,459	18,459	-	18,459
Contribution to CADA	2,500	2,500	-	2,500
Miscellaneous contributions	500	-	500	500
Total	787,961	758,908	29,053	757,943
Cooperative Extension				
Salaries and employee benefits	250,786	220,656	30,130	232,800
Other operating expenditures	35,533	23,092	12,441	24,487
Total	286,319	243,748	42,571	257,287
YESS Mini-Society Grant				
Other operating expenditures	1,436	448	988	248
Total	1,436	448	988	248
Soil and Water Conservation				
Salaries and employee benefits	95,025	81,369	13,656	94,739
Other operating expenditures	5,363	4,445	918	3,603
Total	100,388	85,814	14,574	98,342
AgCarolina FC Grant				
Other operating expenditures	4,000	171	3,829	-
Total	4,000	171	3,829	-
Total Economic and Physical Development	1,329,506	1,227,517	101,989	1,249,932
Human services:				
Health				
Salaries and employee benefits	669,655	567,436	102,219	582,064
Other operating expenditures	145,656	125,345	20,311	102,674
Total	815,311	692,781	122,530	684,738

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

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Communicable Disease				
Salaries and employee benefits	6,169	-	6,169	12,122
Other operating expenditures	1,271	1,025	246	1,485
Total	7,440	1,025	6,415	13,607
Kate B. Reynolds Grant				
Salaries and employee benefits	76,304	67,911	8,393	58,224
Other operating expenditures	5,385	3,516	1,869	7,449
Capital Outlay	8,640	8,640	-	39,547
Total	90,329	80,067	10,262	105,220
Healthy Start Initiative				
Other operating expenditures	27,547	22,972	4,575	12,476
Total	27,547	22,972	4,575	12,476
Immunization Program				
Salaries and employee benefits	5,411	5,378	33	3,471
Other operating expenditures	3,603	993	2,610	2,417
Total	9,014	6,371	2,643	5,888
Restaurant Heart Health				
Operating expenditures	1,123	400	723	767
Total	1,123	400	723	767
Carolina Access III				
Salaries and employee benefits	-	-	-	5,839
Other operating expenditures	-	-	-	225
Total	-	-	-	6,064
Tuberculosis Program				
Salaries and employee benefits	24,573	5,782	18,791	4,858
Other operating expenditures	8,864	4,402	4,462	4,119
Total	33,437	10,184	23,253	8,977
Health-Jail Site Testing				
Salaries and employee benefits	49,616	45,236	4,380	48,566
Other operating expenditures	8,971	1,960	7,011	5,159
Total	58,587	47,196	11,391	53,725
Pregnancy Care Management				
Salaries and employee benefits	68,200	64,250	3,950	82,584
Other operating expenditures	3,545	3,133	412	3,550
Total	71,745	67,383	4,362	86,134

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

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Mosquito Control				
Other operating expenditures	-	-	-	-
Total	-	-	-	-
Nurse Family Partnership				
Salaries and employees benefits	364,797	280,982	83,815	312,012
Other operating expenditures	150,797	114,113	36,684	131,734
Total	515,594	395,095	120,499	443,746
School Nurse Program				
Salaries and employees benefits	150,000	150,000	-	150,000
Other operating expenditures	-	-	-	-
Total	150,000	150,000	-	150,000
Healthy Communities				
Salaries and employees benefits	31,640	31,247	393	25,598
Other operating expenditures	12,882	5,728	7,154	6,852
Total	44,522	36,975	7,547	32,450
Health- Susan Koman				
Salaries and employees benefits	-	-	-	-
Other operating expenditures	-	-	-	-
Total	-	-	-	-
Health- STD Prevention				
Other operating expenditures	692	84	608	3,232
Total	692	84	608	3,232
Breast and Cervical Cancer				
Salaries and employee benefits	-	-	-	8,652
Other operating expenditures	19,176	8,339	10,837	11,006
Total	19,176	8,339	10,837	19,658
Home Health				
Salaries and employee benefit	632,592	517,186	115,406	639,442
Other operating expenditures	464,319	322,530	141,789	404,233
Total	1,096,911	839,716	257,195	1,043,675
School Health-Kate B.Reynolds				
Salaries and employee benefit	37,495	37,449	46	37,355
Other operating expenditures	2,951	2,950	1	1,713
Total	40,446	40,399	47	39,068

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

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Child Health				
Salaries and employee benefit	65,690	53,975	11,715	45,426
Other operating expenditures	22,321	12,785	9,536	16,109
Total	88,011	66,760	21,251	61,535
Child Service Coordination				
Salaries and employee benefit	44,948	44,253	695	54,572
Other operating expenditures	5,567	5,460	107	4,456
Total	50,515	49,713	802	59,028
Maternal Child Health				
Salaries and employee benefit	109,002	74,365	34,637	82,621
Other operating expenditures	15,321	12,569	2,752	12,007
Total	124,323	86,934	37,389	94,628
Family Planning				
Salaries and employee benefit	210,385	181,621	28,764	224,265
Other operating expenditures	37,123	30,671	6,452	37,259
Total	247,508	212,292	35,216	261,524
Health Promotions- Clinical (adult)				
Salaries and employee benefit	38,943	38,808	135	47,467
Other operating expenditures	3,004	2,221	783	2,627
Total	41,947	41,029	918	50,094
Health-Head Start				
Salaries and employee benefit	31,321	29,573	1,748	31,123
Other operating expenditures	2,831	831	2,000	2,379
Total	34,152	30,404	3,748	33,502
Woman, Infants, and Children				
Salaries and employee benefit	110,183	106,497	3,686	118,957
Other operating expenditures	7,590	5,814	1,776	5,880
Total	117,773	112,311	5,462	124,837
Peer Counseling				
Salaries and employee benefit	8,266	8,246	20	6,315
Other operating expenditures	2,123	1,481	642	2,148
Total	10,389	9,727	662	8,463
Wise Woman Project				
Salaries and employee benefit	8,065	6,096	1,969	7,987
Other operating expenditures	2,210	1,303	907	1,070
Total	10,275	7,399	2,876	9,057

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

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Bio-Terrorism Grant				
Salaries and employee benefit	22,173	21,979	194	20,730
Other operating expenditures	9,491	9,127	364	10,187
Total	31,664	31,106	558	30,917
Environmental Health				
Salaries and employee benefit	174,948	151,107	23,841	174,012
Other operating expenditures	14,390	10,101	4,289	12,078
Capital outlay	20	20	-	23,748
Total	189,358	161,228	28,130	209,838
Elderly and Handicapped				
Other operating expenditures	91,755	92,970	(1,215)	95,513
Total	91,755	92,970	(1,215)	95,513
Home Delivered Meals				
Salaries and employee benefit	18,062	16,238	1,824	16,003
Other operating expenditures	84,541	54,693	29,848	66,463
Total	102,603	70,931	31,672	82,466
Home and Community Care Block Grant				
Other operating expenditures	111,153	103,173	7,980	118,369
Total	111,153	103,173	7,980	118,369
AIDS Control				
Salaries and employee benefit	21,935	3,615	18,320	12,114
Other operating expenditures	4,669	1,335	3,334	1,804
Total	26,604	4,950	21,654	13,918
Ebola				
Other operating expenditures	-	(150)	150	4,691
Total	-	(150)	150	4,691
NFP Nash				
Salaries and employee benefits	92,249	37,711	54,538	91,321
Other operating expenditures	32,751	7,308	25,443	14,443
Total	125,000	45,019	79,981	105,764
Total Health	4,384,904	3,524,783	860,121	4,073,569

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
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For the Year Ended June 30, 2018
With Comparative Actual Amounts for Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	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	51,162	50,604	558	51,271
Other operating expenditures	4,033	3,095	938	5,613
Total	55,195	53,699	1,496	56,884
Veterans Assistance				
Salaries and employee benefits	47,221	47,017	204	36,186
Other operating expenditures	3,731	2,739	992	5,400
Total	50,952	49,756	1,196	41,586
E H R				
Other operating expenditures	20,000	-	20,000	24,393
Capital Outlay	-	-	-	16,592
Total	20,000	-	20,000	40,985
MIECHV Centralized Intake				
Other operating expenditures	1,449	1,449	-	175
Total	1,449	1,449	-	175
Anne Wolfe Mini Grant				
Other operating expenditures	-	-	-	5,737
Total	-	-	-	5,737
Community Based Alternatives				
Other operating expenditures	110,651	110,651	-	112,672
Total	110,651	110,651	-	112,672
Social Services:				
Administration				
Salaries and employee benefits	3,781,807	3,540,864	240,943	3,634,394
Other operating expenditures	3,693,914	3,249,626	444,288	3,639,879
Total	7,475,721	6,790,490	685,231	7,274,273
Program Expenditures				
Federal and State Expenditures				
AFDC-FC	38,822	14,657	24,165	46,140
Crisis fuel	141,720	141,720	-	154,097
Board home	28,499	-	28,499	1,224
Smart Start daycare	87,684	21,010	66,674	124,073
CAP/DA federal and State expenditures	71,000	55,108	15,892	50,767
Child Daycare	689,854	45,194	644,660	653,527
Special adoption assistance	7,308	7,308	-	1,423
Total federal and state expenditures	1,064,887	284,997	779,890	1,031,251

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
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For the Year Ended June 30, 2018
With Comparative Actual Amounts for Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
County Expenditures				
Aid to blind	1,908	1,908	-	25,648
OAA/AD	460,000	343,612	116,388	347,099
AFDC-FC	20,562	3,026	17,536	9,622
General assistance	10,000	6,486	3,514	5,260
Board income	28,499	-	28,499	1,224
Food stamp issuance	14,146	12,403	1,743	8,192
IV-E adoption assistance	33,154	33,154	-	22,134
Low income energy assistance	193,199	193,199	-	162,600
Other	9,228	4,600	4,628	5,288
Total County Expenditures	<u>770,696</u>	<u>598,388</u>	<u>172,308</u>	<u>587,067</u>
Total Social Services	<u>9,311,304</u>	<u>7,673,875</u>	<u>1,637,429</u>	<u>8,892,591</u>
Total Human Services	<u>14,016,069</u>	<u>11,495,827</u>	<u>2,500,242</u>	<u>13,305,813</u>
Cultural and Recreational				
Recreation				
Salaries and employee benefits	210,748	192,599	18,149	202,612
Other operating expenditures	37,953	33,052	4,901	40,404
Capital Outlay	6,645	6,347	298	318,694
Total	<u>255,346</u>	<u>231,998</u>	<u>23,348</u>	<u>561,710</u>
Libraries				
Contribution to regional library	156,430	156,430	-	156,430
Total	<u>156,430</u>	<u>156,430</u>	<u>-</u>	<u>156,430</u>
Northampton Cultural Arts				
Cultural	10,196	10,220	(24)	10,778
Total	<u>10,196</u>	<u>10,220</u>	<u>(24)</u>	<u>10,778</u>
Museums				
Contribution to museums	4,000	4,000	-	4,000
Total	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total Cultural and Recreational	<u>425,972</u>	<u>402,648</u>	<u>23,324</u>	<u>732,918</u>
Education:				
Public School- current expenses	3,500,000	3,500,000	-	3,650,000
Public School- capital outlay	720,849	695,000	25,849	769,151
Public Schools- Fines and Forfeitures	58,000	51,403	6,597	61,624
Community College-current	90,000	90,000	-	40,000
Total Education	<u>4,368,849</u>	<u>4,336,403</u>	<u>32,446</u>	<u>4,520,775</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, 2018
With Comparative Actual Amounts for Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Debt service:				
Principal	192,091	123,188	68,903	133,222
Interest payments	51,851	9,330	42,521	2,031
Total debt service	<u>243,942</u>	<u>132,518</u>	<u>111,424</u>	<u>135,253</u>
Total expenditures	<u>33,696,974</u>	<u>30,193,102</u>	<u>3,478,684</u>	<u>33,240,803</u>
Revenue over (under) expenditures	<u>73,830</u>	<u>4,355,659</u>	<u>4,281,829</u>	<u>1,111,983</u>
Other Financing Sources (Uses)				
Transfers to other funds				
Debt Service Fund	(1,342,341)	(1,342,341)	-	(1,415,116)
Intrafund transfers:				
Revaluation fund	(50,000)	(50,000)	-	(50,000)
Loan proceeds	30,610	504,504	473,894	369,565
Appropriated fund balance	1,298,353	-	(1,298,353)	-
Contingency	(10,452)	-	10,452	-
Total other financing sources (uses)	<u>(73,830)</u>	<u>(887,837)</u>	<u>(814,007)</u>	<u>(1,095,551)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,467,822</u>	<u>\$ 3,467,822</u>	<u>16,432</u>
Fund balance- July 1		11,441,703		11,425,271
Prior Period Adjustment (see Note 10)		<u>402,807</u>		<u>-</u>
Fund balance- June 30		<u>\$ 15,312,332</u>		<u>\$ 11,441,703</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, 2018

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues:				
Interest on investments	\$ -	\$ 709	\$ 709	\$ 233
Expenditures:				
General government:				
Other operating expenditures	50,000	6,274	43,726	3,374
Revenues over (under) expenditures	(50,000)	(5,565)	(43,017)	(3,141)
<u>Other financing sources</u>				
Transfer in (out)	50,000	50,000	-	50,000
Net change in fund balance	<u>\$ -</u>	44,435	<u>\$ 44,435</u>	46,859
Fund balance, beginning		409,915		363,056
Fund balance, ending		<u>\$ 454,350</u>		<u>\$ 409,915</u>

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, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
<u>REVENUES</u>				
Interest on Investments	\$ 7,000	\$ 550	\$ (6,450)	\$ 145
Payment - Interest	-	-	-	3,572
Payment - Principal	-	-	-	121,915
Miscellaneous	99,000	-	(99,000)	-
Total Revenues	106,000	550	(105,450)	125,632
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds	900,000	-	(900,000)	-
Transfers to other funds	(1,114,497)	-	1,114,497	-
EDC Loan to Resinall	(300,000)	-	300,000	-
Appropriated fund balance	408,497	-	(408,497)	-
Total other financing sources (uses)	(106,000)	-	106,000	-
Net change in fund balances	\$ -	550	\$ 550	125,632
 <u>FUND BALANCE</u>				
Beginning of year- July 1		318,656		193,024
Prior Period Adjustment		-		-
End of year- June 30		\$ 319,206		\$ 318,656

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, 2018

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 512,358	\$ 304,111	\$ 16,706	\$ 833,175
Taxes receivable (net)	133,548	-	-	133,548
Accounts receivable (net)	26,458	-	-	26,458
Due from other funds	-	-	-	-
Restricted cash	-	102,894	-	102,894
Total assets	<u>\$ 672,364</u>	<u>\$ 407,005</u>	<u>\$ 16,706</u>	<u>\$ 1,096,075</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued	\$ 40,065	\$ 1,113	\$ -	\$ 41,178
Due to other funds	14,964	23,618	-	38,582
Total liabilities	<u>55,029</u>	<u>24,731</u>	<u>-</u>	<u>79,760</u>
DEFERRED INFLOWS OF RESOURCES				
Tax receivable	<u>133,548</u>	<u>-</u>	<u>-</u>	<u>133,548</u>
Fund balances:				
Restricted:				
Stabilization by State statute	26,458	-	-	26,458
Restricted, other	164,644	-	-	164,644
Committed:				
Committed, other	-	406,229	-	406,229
Debt service	-	-	-	-
Assigned:				
Assigned, other	316,718	-	16,706	333,424
Unassigned	(24,033)	(23,955)	-	(47,988)
Total fund balances	<u>483,787</u>	<u>382,274</u>	<u>16,706</u>	<u>882,767</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 672,364</u>	<u>\$ 407,005</u>	<u>\$ 16,706</u>	<u>\$ 1,096,075</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, 2018

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Ad valorem taxes	\$ 731,021	\$ -	\$ -	\$ 731,021
Restricted intergovernmental	-	142,000	-	142,000
Sales and services	303,809	-	-	303,809
Investment earnings	619	241	857	1,717
Miscellaneous	23,500	-	-	23,500
Total revenues	<u>1,058,949</u>	<u>142,241</u>	<u>857</u>	<u>1,202,047</u>
Expenditures:				
Current:				
Public safety	925,905	-	-	925,905
Economic and physical development	-	18,000	-	18,000
Human services	-	-	-	-
Education	-	82,000	-	82,000
Debt Service:				
Principal	-	-	868,866	868,866
Interest	-	-	523,474	523,474
Total expenditures	<u>925,905</u>	<u>100,000</u>	<u>1,392,340</u>	<u>2,418,245</u>
Revenues over (under) expenditures	<u>133,044</u>	<u>42,241</u>	<u>(1,391,483)</u>	<u>(1,216,198)</u>
Other financing sources (uses):				
Transfers in (out)	-	-	1,342,341	1,342,341
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,342,341</u>	<u>1,342,341</u>
Net change in fund balance	133,044	42,241	(49,142)	126,143
Fund balances, beginning	<u>350,743</u>	<u>340,033</u>	<u>65,848</u>	<u>756,624</u>
Fund balances, ending	<u>\$ 483,787</u>	<u>\$ 382,274</u>	<u>\$ 16,706</u>	<u>\$ 882,767</u>

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Fund
June 30, 2018

	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	\$ 116,237	\$ 195,640	\$ -	\$ 200,481	\$ 512,358
Accounts receivable	-	21,151	5,307	-	26,458
Taxes Receivable	-	-	133,548	-	133,548
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 116,237</u>	<u>\$ 216,791</u>	<u>\$ 138,855</u>	<u>\$ 200,481</u>	<u>\$ 672,364</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 30,996	\$ 9,069	\$ -	\$ 40,065
Due to other funds	-	-	14,964	-	14,964
Total liabilities	<u>-</u>	<u>30,996</u>	<u>24,033</u>	<u>-</u>	<u>55,029</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes Receivable	-	-	133,548	-	133,548
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>133,548</u>	<u>-</u>	<u>133,548</u>
Fund balances:					
Restricted:					
Stabilization by State Statute	-	21,151	5,307	-	26,458
Restricted, other	-	164,644	-	-	164,644
Assigned:					
Assigned, other	116,237	-	-	200,481	316,718
Unassigned	-	-	(24,033)	-	(24,033)
Total fund balances	<u>116,237</u>	<u>185,795</u>	<u>(18,726)</u>	<u>200,481</u>	<u>483,787</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 116,237</u>	<u>\$ 216,791</u>	<u>\$ 138,855</u>	<u>\$ 200,481</u>	<u>\$ 672,364</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, 2018

	Mid-Atlantic Distribution Park Fund	Emergency Telephone System Fund	Fire District Fund	Solar Farm Trust Fund	Total
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ 731,021	\$ -	\$ 731,021
Restricted intergovernmental	-	-	-	-	-
Sales and service	-	253,809	-	50,000	303,809
Investment earnings	188	-	-	431	619
Miscellaneous	23,500	-	-	-	23,500
Total revenues	<u>23,688</u>	<u>253,809</u>	<u>731,021</u>	<u>50,431</u>	<u>1,058,949</u>
Expenditures:					
Public safety	-	205,262	720,643	-	925,905
Human services	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Total expenditures	<u>-</u>	<u>205,262</u>	<u>720,643</u>	<u>-</u>	<u>925,905</u>
Other Financing Sources (Uses)					
Transfers in (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	23,688	48,547	10,378	50,431	133,044
Fund balances, beginning	<u>92,549</u>	<u>137,248</u>	<u>(29,104)</u>	<u>150,050</u>	<u>350,743</u>
Fund balances, ending	<u>\$ 116,237</u>	<u>\$ 185,795</u>	<u>\$ (18,726)</u>	<u>\$ 200,481</u>	<u>\$ 483,787</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, 2018
With Comparative Actual Amounts for the Year Ended June, 30 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues				
Investment earnings	\$ -	\$ 188	\$ 188	\$ 55
Miscellaneous	285,664	23,500	(262,164)	22,851
Total revenues	<u>285,664</u>	<u>23,688</u>	<u>(261,976)</u>	<u>22,906</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>23,688</u>	<u>1,195,688</u>	<u>22,906</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>	<u>23,688</u>	<u>\$ 23,688</u>	<u>22,906</u>
Fund Balance- July 1		<u>92,549</u>		<u>69,643</u>
Fund Balance- June 30		<u>\$ 116,237</u>		<u>\$ 92,549</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, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues				
Telephone surcharge	\$ 253,809	\$ 253,809	\$ -	\$ 170,313
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>253,809</u>	<u>253,809</u>	<u>-</u>	<u>170,313</u>
Expenditures				
Current:				
Public Safety				
Construction/ capital outlay	60,191	59,592	599	72
Other expenditures	354,892	145,670	209,222	123,043
Total expenditures	<u>415,083</u>	<u>205,262</u>	<u>209,821</u>	<u>123,115</u>
Revenues over (under) Expenditures	<u>(161,274)</u>	<u>48,547</u>	<u>209,821</u>	<u>47,198</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	-	-
Appropriated fund balance	161,274	-	(161,274)	-
Total other financing sources (uses)	<u>161,274</u>	<u>-</u>	<u>(161,274)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>48,547</u>	<u>\$ 48,547</u>	<u>47,198</u>
Fund Balance- July 1		<u>137,248</u>		<u>90,050</u>
Fund Balance- June 30		<u>\$ 185,795</u>		<u>\$ 137,248</u>

PSAP RECONCILIATION
FOR YEAR ENDED JUNE 30, 2018

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	\$ 185,795
Cumulative prior period revenues and expenditures not reported in the fund schedule (difference in beginning fund balance-budget to actual vs.PSAP Report)	28,562
A portion of 911 revenues on PSAP report, not recorded on budget to actual	-
A portion of 911 expenditures on budget to actual, not reported on PSAP report	<u>15,921</u>
Ending balance, PSAP Revenue- Expenditure Report	<u>\$ 230,278</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, 2018
With Comparative Actual Amounts For The Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues				
Roanoke Wildwood Fire District Tax	\$ 186,547	\$ 184,863	\$ (1,684)	\$ 163,854
Garysburg Fire District tax	82,315	93,990	11,675	91,784
Gaston Fire District tax	195,846	209,110	13,264	205,933
Jackson Fire District tax	37,802	36,999	(803)	36,762
Lasker Fire District tax	23,272	24,158	886	24,763
Seaboard Fire District Tax	69,470	72,436	2,966	66,786
Rich Square Fire District tax	79,268	54,440	(24,828)	55,389
Woodland Fire District tax	54,125	55,025	900	55,772
Refund of motor vehicle interest	-	-	-	-
Interest Earnings	-	-	-	1
Total revenues	728,645	731,021	2,376	701,044
Expenditures				
Current:				
Public Safety:				
Roanoke Wildwood levy	186,547	186,234	313	182,506
Garysburg levy	82,315	91,032	(8,717)	91,509
Gaston levy	195,846	206,542	(10,696)	211,629
Jackson levy	37,802	37,463	339	37,227
Lasker levy	23,272	24,265	(993)	24,972
Seaboard Fire District levy	69,470	69,318	152	66,767
Rich Square levy	79,268	55,012	24,256	55,589
Woodland levy	54,125	50,777	3,348	55,949
Total expenditures	728,645	720,643	8,002	726,148
Net Change in Fund Balances	\$ -	10,378	\$ 10,378	(25,104)
Fund Balance- July 1		(29,104)		(4,000)
Fund Balance- June 30		\$ (18,726)		\$ (29,104)

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, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues				
Zoning - Solar Farm	\$ -	\$ 50,000	\$ 50,000	\$ 150,000
Investment earnings	-	431	431	66
Miscellaneous	-	-	-	-
Total revenues	-	50,431	50,431	150,066
Expenditures				
Current:				
Economic and Physical Development				
Construction/ capital outlay	-	-	-	-
Other expenditures	-	-	-	16
Total expenditures	-	-	-	16
Revenues over (under) Expenditures	-	50,431	50,431	150,050
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in (out)	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	\$ -	50,431	\$ 50,431	150,050
Fund Balance- July 1		150,050		-
Fund Balance- June 30		\$ 200,481		\$ 150,050

CAPITAL PROJECT FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2018

	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	\$ 906	\$ 118,429	\$ -	\$ 3,805	\$ -	\$ 304,111
Due from other funds	-	-	-	-	-	-	-	-
Restricted Cash	-	-	-	-	102,894	-	-	102,894
Total assets	<u>\$ 11,250</u>	<u>\$ 169,721</u>	<u>\$ 906</u>	<u>\$ 118,429</u>	<u>\$ 102,894</u>	<u>\$ 3,805</u>	<u>\$ -</u>	<u>\$ 407,005</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	10,474	169,721	906	118,429	102,894	3,805	-	406,229
Unassigned	-	-	-	-	-	-	(23,955)	(23,955)
Total fund balances	<u>10,474</u>	<u>169,721</u>	<u>906</u>	<u>118,429</u>	<u>102,894</u>	<u>3,805</u>	<u>(23,955)</u>	<u>382,274</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,250</u>	<u>\$ 169,721</u>	<u>\$ 906</u>	<u>\$ 118,429</u>	<u>\$ 102,894</u>	<u>\$ 3,805</u>	<u>\$ -</u>	<u>\$ 407,005</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, 2018

	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	\$ -	\$ -	\$ -	\$ -	\$ 142,000	\$ -	\$ -	\$ 142,000
Investment earnings	-	-	2	232	-	7	-	241
Total revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>232</u>	<u>142,000</u>	<u>7</u>	<u>-</u>	<u>142,241</u>
Expenditures:								
Current:								
Economic and physical development	-	-	-	18,000	-	-	-	18,000
Human services	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Education	-	-	-	-	82,000	-	-	82,000
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>82,000</u>	<u>-</u>	<u>-</u>	<u>100,000</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	-	-	2	(17,768)	60,000	7	-	42,241
Fund balances, beginning	10,474	169,721	904	136,197	42,894	3,798	(23,955)	340,033
Fund balances, ending	<u>\$ 10,474</u>	<u>\$ 169,721</u>	<u>\$ 906</u>	<u>\$ 118,429</u>	<u>\$ 102,894</u>	<u>\$ 3,805</u>	<u>\$ (23,955)</u>	<u>\$ 382,274</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, 2018

	Project Authorization	Actual			Variance Positive (Negative)
		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	531,000	87,848	-	87,848	443,152
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	226,000	223,745	-	223,745	2,255
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
For The Year Ended June 30, 2018

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

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues:				
Total Revenue	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	-
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
For The Year Ended June 30, 2018

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

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues:				
Investment Earnings	\$ -	\$ 2	\$ 2	\$ 1
Total Revenue	<u>-</u>	<u>2</u>	<u>2</u>	<u>1</u>
Revenues over (under) expenditures	<u>-</u>	<u>2</u>	<u>2</u>	<u>1</u>
Net change in fund balance	<u>\$ -</u>	<u>2</u>	<u>\$ 2</u>	<u>1</u>
FUND BALANCE				
Beginning of year-July 1		<u>904</u>		<u>903</u>
End of year- June 30		<u>\$ 906</u>		<u>\$ 904</u>

Northampton County, North Carolina
Non-Major Capital Project Fund
EDC Capital Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2018

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

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues:				
Investment Earnings	\$ 5,448	\$ 232	\$ (5,216)	\$ 86
Miscellaneous	210,000	-	(210,000)	-
Total Revenue	215,448	232	(215,216)	86
Expenditures:				
Building Purchase	75,000	7,500	67,500	-
Architectural & Engineering	12,500	-	12,500	-
EDC Loan	189,700	10,500	179,200	-
Total Expenditures	202,200	18,000	191,700	-
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)	(13,248)	-	13,248	-
Net change in fund balance	\$ -	(17,768)	\$ (393,668)	86
FUND BALANCE				
Beginning of year-July 1		136,197		136,111
End of year- June 30		\$ 118,429		\$ 136,197

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, 2018

	Project Authorization	Actual		Actual		Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Projects	Total to Date	
Revenues:						
Restricted intergovernmental						
State ADM funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State lottery funds	-	-	142,000	-	142,000	142,000
Interest / Investment	-	-	-	-	-	-
Total Revenue	-	-	142,000	-	142,000	142,000
Expenditures:						
Current						
Education:						
Chiller Project	-	-	82,000	-	82,000	(82,000)
Debt service- Principal	-	-	-	-	-	-
Total Expenditures	-	-	82,000	-	82,000	(82,000)
Revenues over (under) expenditures	-	-	60,000	-	60,000	60,000
OTHER FINANCING SOURCES (USES)						
Reimbursement from Board of Education	-	-	-	-	-	-
Net change in fund balance	\$ -	\$ -	60,000	\$ -	\$ 60,000	\$ 60,000
Fund Balance:						
Beginning of year- July 1			42,894			
End of year- June 30			\$ 102,894			

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, 2018

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Revenues:					
Restricted intergovernmental					
Investment earnings	\$ -	\$ 18	\$ 7	\$ 25	\$ 25
Miscellaneous	285,580	65,080	-	65,080	(220,500)
Total Revenue	<u>285,580</u>	<u>65,098</u>	<u>7</u>	<u>65,105</u>	<u>(220,475)</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>\$ 3,798</u>	<u>\$ 7</u>	<u>\$ 3,805</u>	<u>\$ 3,805</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, 2018

	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>1,740,417</u>	<u>-</u>	<u>1,740,417</u>	<u>(413,789)</u>
Expenditures:					
Economic and physical development:					
Piedmont natural gas expenditures	1,553,206	767,560	-	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>1,764,372</u>	<u>-</u>	<u>1,764,372</u>	<u>389,834</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (23,955)</u>	<u>\$ -</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, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues:				
Investment Earnings	\$ -	\$ 857	\$ (857)	\$ 46
Expenditures				
Debt Service:				
Principal retirement	1,562,341	868,866	693,475	857,570
Interest	-	523,474	(523,474)	557,545
Total Expenditures	<u>1,562,341</u>	<u>1,392,340</u>	<u>170,001</u>	<u>1,415,115</u>
Revenues over (under) expenditures	<u>(1,562,341)</u>	<u>(1,391,483)</u>	<u>169,144</u>	<u>(1,415,069)</u>
Other financing resources (uses)				
Transfers in (out)				
Special Revenue Fund	220,000	-	220,000	220,000
General Fund	1,342,341	1,342,341	-	1,195,116
Total other financing sources (uses)	<u>1,562,341</u>	<u>1,342,341</u>	<u>220,000</u>	<u>1,415,116</u>
Net change in fund balance	<u>\$ -</u>	<u>(49,142)</u>	<u>\$ 389,144</u>	<u>47</u>
FUND BALANCE				
Beginning of year-July 1		<u>65,848</u>		<u>65,801</u>
End of year- June 30		<u>\$ 16,706</u>		<u>\$ 65,848</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**
- **West Fraser Wastewater Grant**
- **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, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Water and sewer sales	\$ 3,166,268	\$ 2,641,248	\$ (525,020)	\$ 2,658,310
Water and sewer taps	21,000	26,704	5,704	23,785
Other operating revenues	9,500	9,749	249	31,736
Total operating revenues	<u>3,196,768</u>	<u>2,677,701</u>	<u>(519,067)</u>	<u>2,713,831</u>
Non- Operating Revenues				
Interest earned on investments	-	1,621	1,621	588
Total Revenue	<u>3,196,768</u>	<u>2,679,322</u>	<u>(517,446)</u>	<u>2,714,419</u>
Expenditures				
Salaries and employee benefits	480,247	452,605	27,642	434,947
Purchased Water	406,512	344,826	61,686	308,382
Sewage treatment	419,757	356,062	63,695	325,972
Other operating expenses	470,569	361,428	109,141	395,772
Capital Outlay	345,375	316,885	28,490	262,296
Debt Service:				
Principal	629,336	600,000	29,336	602,768
Interest and fees	444,972	437,566	7,406	461,749
Total Expenditures	<u>3,196,768</u>	<u>2,869,372</u>	<u>327,396</u>	<u>2,791,886</u>
Revenues over (under) expenditures	<u>-</u>	<u>(190,050)</u>	<u>(844,842)</u>	<u>(77,467)</u>
Other financing resources (uses)				
Gain on Sale of Capital Assets	-	2,250	2,250	-
Total other financing sources (uses)	<u>-</u>	<u>2,250</u>	<u>2,250</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (187,800)</u>	<u>\$ (842,592)</u>	<u>\$ (77,467)</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, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Reconciliation from Budetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (187,800)		\$ (77,467)
Debt principal		600,000		602,768
Capital Outlay		47,053		48,082
Depreciation		(657,834)		(549,629)
Contributions to the pension plan in the current year		-		21,378
Pension expense		-		(25,928)
Decrease in deferred outflows of resources		17,711		-
Increase in deferred inflows of resources		63,641		-
Decrease in accrued interest payable		(2,646)		2,832
Decrease in compensated absences		(129)		(3,187)
Decrease in net pension liability		(27,187)		-
Decrease in total OPEB liability		(29,037)		(19,940)
Interest Income (Ex E-1a)		202		73
Total expenditures		<u>\$ (176,026)</u>		<u>\$ (1,018)</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, 2018

	Project Authorization	Actual			Closed Project	Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date		
Revenues:						
Restricted intergovernmental						
USDA Grant	\$ -	\$ 971,000	\$ -	\$ 971,000	\$ (971,000)	\$ 971,000
Investment Earnings	-	1,105	202	1,307	(1,307)	1,307
Total Revenue	-	972,105	202	972,307	(972,307)	972,307
Expenditures:						
Legal	40,000	11,127	-	11,127	(11,127)	28,873
Land and right-of-way purchase	6,000	-	-	-	-	6,000
Capital outlay purchases	1,300,000	1,482,230	-	1,482,230	(1,482,230)	(182,230)
Engineering	470,412	198,397	-	198,397	(198,397)	272,015
Construction	3,776,882	4,038,898	-	4,038,898	(4,038,898)	(262,016)
Contingency	248,706	-	-	-	-	248,706
Total Expenditures	5,842,000	5,730,652	-	5,730,652	(5,730,652)	111,348
Revenues over (under) expenditures	(5,842,000)	(4,758,547)	202	(4,758,345)	4,758,345	1,083,655
Other Financing Sources						
Transfers out- Enterprise Fund	-	(362,302)	-	(362,302)	362,302	(362,302)
USDA long-term debt issued	5,842,000	4,876,000	-	4,876,000	(4,876,000)	(966,000)
Total other financing sources (uses)	5,842,000	4,513,698	-	4,513,698	(4,513,698)	(1,328,302)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (244,849)	\$ 202	\$ (244,647)	\$ 244,647	\$ (244,647)

Northampton County, North Carolina
Water And Sewer Capital Project
West Fraser Wastewater Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception And For The Year Ended June 30, 2018

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Revenues:					
Restricted intergovernmental					
Grant	\$ 568,769	\$ -	\$ -	\$ -	\$ (568,769)
Total Revenue	<u>568,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(568,769)</u>
Expenditures:					
Administration	12,652	-	4,300	4,300	8,352
Contracted Services	514,310	-	32,742	32,742	481,568
Contingency	41,807	-	-	-	41,807
Total Expenditures	<u>568,769</u>	<u>-</u>	<u>37,042</u>	<u>37,042</u>	<u>531,727</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(37,042)</u>	<u>(37,042)</u>	<u>(37,042)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,042)</u>	<u>\$ (37,042)</u>	<u>\$ (37,042)</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, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Water and sewer sales	\$ -	\$ 502,662	\$ 502,662	\$ 472,223
Water and sewer taps	-	4,777	4,777	4,255
Other operating revenues	-	1,719	1,719	5,675
Total operating revenues	-	509,158	509,158	482,153
Non- Operating Revenues				
Interest earned on investments	-	290	290	105
Total Revenue	-	509,448	509,448	482,258
Expenditures				
Salaries and employee benefits	-	81,119	(81,119)	87,224
Purchased Water	-	61,685	(61,685)	55,166
Sewage treatment	-	63,695	(63,695)	58,312
Other operating expenses	-	64,653	(64,653)	70,798
Capital Outlay	-	4,732	(4,732)	-
Debt Service:				
Principal	-	9,500	(9,500)	9,000
Interest and fees	-	18,597	(18,597)	19,125
Total Expenditures	-	303,981	(303,981)	299,625
Revenues over (under) expenditures	-	205,467	205,467	182,633
Other financing resources (uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 205,467	\$ 205,467	\$ 182,633

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, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Reconciliation from Budetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 205,467		\$ 182,633
Debt principal		9,500		9,000
Capital Outlay		-		-
Depreciation		(15,987)		(15,986)
Contributions to the pension plan in the current year		-		5,345
Pension expense		-		(6,482)
Decrease in deferred outflows of resources		5,391		-
Increase in deferred inflows of resources		11,043		-
Increase in accrued interest payable		(39)		(1,535)
Increase in compensated absences		-		(570)
Increase in net pension liability		(6,797)		
Increase in OPEB liability		(5,089)		(3,567)
Total expenditures		\$ 203,489		\$ 168,838

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Solid waste fees	\$ 2,233,035	\$ 2,110,851	\$ 122,184	\$ 2,093,608
White goods and tire disposal tax	28,000	27,766	234	28,214
Solid waste disposal tax	11,500	12,180	(680)	15,387
Other operating revenues	45,000	56,953	(11,953)	56,539
Total operating revenues	<u>2,317,535</u>	<u>2,207,750</u>	<u>109,785</u>	<u>2,193,748</u>
Non- Operating Revenues				
Capital contributions	-	-	-	-
Interest earned on investments	-	1,245	(1,245)	487
Total non-operating revenues	<u>-</u>	<u>1,245</u>	<u>(1,245)</u>	<u>487</u>
Total Revenue	<u>2,317,535</u>	<u>2,208,995</u>	<u>108,540</u>	<u>2,194,235</u>
Expenditures				
Salaries and employee benefits	104,571	106,750	(2,179)	103,063
Solid waste pickup	2,124,060	2,111,828	12,232	2,057,447
Other operating expenses	88,904	63,709	25,195	86,289
Total Expenditures	<u>2,317,535</u>	<u>2,282,287</u>	<u>35,248</u>	<u>2,246,799</u>
Revenues over (under) expenditures	<u>-</u>	<u>(73,292)</u>	<u>73,292</u>	<u>(52,564)</u>
Other Financing Sources				
Transfer from General Fund	-	-	-	-
Gain on Sale of Capital Assets	-	5,311	(5,311)	-
Total other financing sources (uses)	<u>-</u>	<u>5,311</u>	<u>(5,311)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (67,981)</u>	<u>\$ 67,981</u>	<u>\$ (52,564)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (67,981)		\$ (52,564)
Contributions to the pension plan in the current year		-		8,908
Pension expense		-		(10,803)
Decrease in deferred outflows of resources		9,788		-
Increase in deferred inflows of resources		14,350		-
Increase in compensated absences		-		(1,729)
Increase in net pension liability		(11,328)		-
Increase in OPEB liability		(6,672)		4,824
Change in net position		<u>\$ (61,843)</u>		<u>\$ (51,364)</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, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Social Services:				
Assets				
Cash and cash equivalents	\$ 22,426	\$ 41,897	\$ 32,290	\$ 32,033
Liabilities				
Accounts Payable	\$ 22,426	\$ 41,897	\$ 32,290	\$ 32,033
Inmate Trust Fund:				
Assets				
Cash and cash equivalents	\$ 105,173	\$ 61,426	\$ 46,773	\$ 119,826
Liabilities				
Accounts Payable	\$ 105,173	\$ 61,426	\$ 46,773	\$ 119,826
Motor Vehicle Tax:				
Assets				
Cash and cash equivalents	\$ 11,228	\$ 814,769	\$ 825,997	\$ -
Accounts Receivable	152,995	60,230	152,995	60,230
Total Assets	<u>\$ 164,223</u>	<u>874,999</u>	<u>978,992</u>	<u>60,230</u>
Liabilities				
Accounts Payable	164,223	874,999	978,992	60,230
Total Liabilities	<u>\$ 164,223</u>	<u>\$ 874,999</u>	<u>\$ 978,992</u>	<u>\$ 60,230</u>
Rescue Squad:				
Assets				
Cash and cash equivalents	\$ 11,677	\$ 304,277	\$ 277,714	\$ 38,240
Accounts Receivable	454,648	136,612	-	591,260
Total Assets	<u>\$ 466,325</u>	<u>\$ 440,889</u>	<u>\$ 277,714</u>	<u>\$ 629,500</u>
Liabilities				
Intergovernmental payable	\$ 454,648	\$ 136,612	\$ -	\$ 591,260
Accounts Payable	11,677	304,277	277,714	38,240
Total Liabilities	<u>\$ 466,325</u>	<u>\$ 440,889</u>	<u>\$ 277,714</u>	<u>\$ 629,500</u>
Totals - All Agency Funds:				
Assets				
Cash and cash equivalents	\$ 150,504	\$ 1,222,369	\$ 1,182,774	\$ 190,099
Accounts Receivable	607,643	196,842	152,995	651,490
Total Assets	<u>\$ 758,147</u>	<u>\$ 1,419,211</u>	<u>\$ 1,335,769</u>	<u>\$ 841,589</u>
Liabilities				
Intergovernmental Payable	\$ 454,648	\$ 136,612	\$ -	\$ 591,260
Accounts payable	303,499	1,282,599	1,335,769	250,329
Total Liabilities	<u>\$ 758,147</u>	<u>\$ 1,419,211</u>	<u>\$ 1,335,769</u>	<u>\$ 841,589</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, 2018

Exhibit G-1

Fiscal Year	Uncollected Balance June 30, 2017	Additions	Collections And Credits	Uncollected Balance June 30, 2018
2017-2018	\$ -	\$ 18,993,688	\$ 18,136,907	\$ 856,781
2016-2017	872,094	-	287,535	584,559
2015-2016	522,909	-	111,607	411,302
2014-2015	422,800	-	75,197	347,603
2013-2014	343,576	-	39,707	303,869
2012-2013	230,275	-	22,956	207,319
2011-2012	171,713	-	17,467	154,246
2010-2011	123,695	-	12,057	111,638
2009-2010	84,206	-	8,286	75,920
2008-2009	65,409	-	5,311	60,098
2007-2008	43,339	-	43,339	-
Totals	\$ 2,880,016	\$ 18,993,688	\$ 18,760,369	3,113,335
				(943,000)
				\$ 2,170,335
<u>Reconcilement with revenues:</u>				
				\$ 18,700,810
				(213,054)
				43,339
				104,059
				125,215
				\$ 18,760,369

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

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	\$ 2,057,378,696	0.920	\$ 18,927,884	\$ 17,492,349	\$1,435,535
Penalties	-		-		-
Total	<u>2,057,378,696</u>		<u>18,927,884</u>	<u>17,492,349</u>	<u>1,435,535</u>
Discoveries	<u>7,152,609</u>	0.920	<u>65,804</u>	<u>65,804</u>	-
Abatements	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 2,064,531,304</u></u>				
Net levy			18,993,688	17,558,153	1,435,535
Uncollected taxes at June 30, 2018			<u>856,781</u>	<u>856,781</u>	<u>-</u>
Current year's taxes collected			<u><u>\$ 18,136,907</u></u>	<u><u>\$ 16,701,372</u></u>	<u><u>\$1,435,535</u></u>
Current levy collection percentage			<u><u>95.49%</u></u>	<u><u>95.12%</u></u>	<u><u>100.00%</u></u>

Northampton County, North Carolina
Analysis of Current Tax Levy - Secondary Market Disclosures
County - wide Levy
For the Fiscal Year Ended June 30, 2018

Exhibit G-3

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio		<u>100.00%</u>
Real property	\$	1,479,866,837
Personal property		428,602,970
Public service companies		<u>156,061,497</u>
Total assessed valuation	<u>\$</u>	<u>2,064,531,304</u>
Tax rate per \$100	<u>\$</u>	<u>0.92</u>
Levy (includes discoveries, releases and abatements)	<u>\$</u>	<u>18,993,688</u>

**Northampton County, North Carolina
Ten Largest Taxpayers
For the Year Ended June 30, 2018**

Taxpayer	Type of Business	2017 Assessed Valuation	Percentage of Total Assessed Valuation
Enviva Pellets Northampton LLC	Pellet Manufacturing	\$ 80,439,743	3.90%
Dominion NC Power	Utility	61,540,897	2.98%
Lowes Home Center	Warehousing/distribution	44,894,013	2.17%
Severn Peanut	Agriculture/Nuts	36,797,166	1.78%
Smithfield Carroll's Farms	Hog processing	20,925,320	1.01%
Georgia Pacific	Chemical Manufacturing	18,686,005	0.91%
West Fraser Inc	Pulp, paper and wood products	18,672,845	0.90%
CSX	Railroad	13,507,616	0.65%
VFS Leasing Co	Leasing Company	11,879,064	0.58%
FIATP Timber LLC	Timber Investment	11,731,856	0.57%
Total		<u>\$ 319,074,525</u>	<u>15.46%</u>

COMPLIANCE SECTION



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

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**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

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

Independent Auditors' Report

To the 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, 2018, and the related notes to the financial statements, which collectively comprises Northampton County's basic financial statements, and have issued our report thereon dated February 7, 2020. 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 [2018-001, 2018-002, and 2018-003].

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
Page 2

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 [2018-004].

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

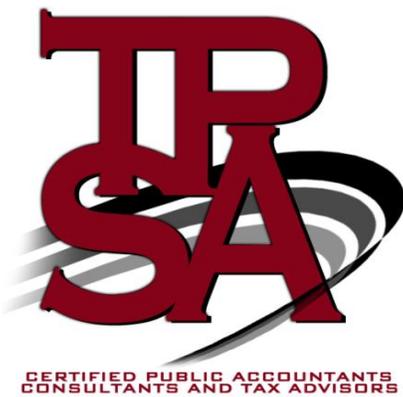
Northampton County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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
February 7, 2020



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, 2018. 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 Federal and State statutes, regulations, and the terms and conditions of its federal awards 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, 2018.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with type of compliance requirement of a federal program that is less severe than material weakness in internal control over compliance, yet important enough to merit attention by those 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item [2018-005] that we consider to be a significant deficiency.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
February 7, 2020



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, 2018. 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 state statutes, regulations, and the terms and conditions of its state awards 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, 2018.

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
February 7, 2020

NORTHAMPTON COUNTY, NORTH CAROLINA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2018

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 X yes 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, 2018 are:

<u>Program Name</u>	<u>CFDA Number</u>
TANF Cluster	93.558
Child Support Enforcement	93.563
Medical Assistance Program	93.778
Aging Cluster	
Special Programs for the Aging - Title III B	
Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging - Title III C	
Nutrition Services	93.045
NSIP - Nutrition	93.053

NORTHAMPTON COUNTY, NORTH CAROLINA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2018

Dollar threshold used to distinguish
 between Type A and Type B Programs

\$ 750,000

Auditee qualified as low-risk auditee?

___yes Xno

State Awards

Internal control over major State programs:

• Material Weakness(es) identified?

___yes Xno

• Significant Deficiency(s) identified that are
 not considered to be material weaknesses

___yes Xnone reported

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

Any audit findings disclosed that are required to be
 reported in accordance with the State Single Audit
 Implementation Act

___yes Xno

Identification of major State programs:

Program Name

Medical Assistance Program

School Nurse Funding Initiative

Aging Cluster

State Appropriation - Access

State Appropriation - Home Delivered Meals

State Appropriation - In Home Services

Public School Building Capital Fund - Lottery Proceeds

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section II. Financial Statement Findings

FINDING 2018-001*

Lack of Technical Expertise

MATERIAL WEAKNESS

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: Angela Cahoon, 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, 2018

Section II. Financial Statement Findings

FINDING 2018-002*

Prior Period Adjustment

MATERIAL WEAKNESS

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, a material audit adjustment was required to report the County's financial statements in accordance with Generally Accepted Accounting Principals. Material items such as the receipt of loan proceeds and debt service payments were not recorded on the general ledger, but were noted as reconciling items on the bank reconciliation. After recording those items, a prior period adjustment OF \$402,807 was recorded to correct the central depository cash balance, as the County had made an entry backwards to adjust the central depository account that resulted in the reconciliation being materially different from the general ledger balances.

Effect: Material misstatements of financial statements could result.

Cause: Bank reconciliations were not prepared timely. In the County's attempt to reconcile the bank statement, they did not post all items that were identified as variances, but simply listed them as reconciling items. In addition, the County was not considering all cash balances on the general ledger in their attempts to reconcile the bank statements. During the year, the County recorded an entry in their attempt to reconcile the cash account, but the entry was made backwards, thereby causing cash to be understated.

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. Management should recognize the importance of timely bank reconciliations and ensure that they are being prepared timely.

Name of Contact Person: Angela Cahoon, 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, 2018

Section II. Financial Statement Findings

Finding 2018-003*

Reconciliation of Records and Reporting

MATERIAL WEAKNESS

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: Angela Cahoon, 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, 2018

Section II. Financial Statement Findings

FINDING 2018-004

Budget Adoption and Deficit Fund Balances

SIGNIFICANT DEFICIENCY

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: Angela Cahoon, 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
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section III. Federal Award Findings

Finding 2018-005

Data Collection Form Filing

SIGNIFICANT DEFICIENCY

Criteria: The county is required to submit a single audit reporting package and data collection form to the Federal Audit Clearinghouse by the due date, which is 30 days after receipt of the auditor's report, or 9 months after the end of the fiscal year, whichever comes first.

Condition: The County failed to submit the single audit reporting package and data collection form by the due date.

Effect: The federal authorities did not get the information they needed concerning the prior year's audit reports timely.

Cause: The County has had significant turnover, and the audits have submitted late over the past several years.

Recommendation: The County should ensure that all efforts are made to complete the audits timely.

Name of Contact Person: Angela Cahoon, 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.

Section IV. State Award Findings

None Reported.



ANGELA CAHOON
FINANCE OFFICER

Northampton County

FINANCE DEPARTMENT

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NORTHAMPTON COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2018

Section II - Financial Statement Findings

Finding: 2018-001 Lack of Technical Expertise

Name of contact person: Angela Cahoon, 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: 2018-002 Prior Period Adjustment

Name of contact person: Angela Cahoon, 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: 2018-003 Reconciliation of Records and Reporting

Name of contact person: Angela Cahoon, 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



ANGELA CAHOON
FINANCE OFFICER

Northampton County

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NORTHAMPTON COUNTY, NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2018

Section II - Financial Statement Findings (continued)

Finding: 2018-004 Budget Adoption and Deficit Fund Balances

Name of contact person: Angela Cahoon, 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

Section III - Federal Award Findings and Question Costs

Finding: 2018-005 Data Collection Form Filing

Name of contact person: Angela Cahoon, 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 and file the single audit package and data collection form by the due date.

Proposed Completion Date: Immediately

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, 2018

2017-001	Lack of technical expertise
Status	Repeated as finding 2018-001
2017-002	Prior Period Adjustments
Status	Repeated as finding 2018-002
2017-003	Reconciliation for Records and Reporting
Status	Repeated as finding 2018-003
2017-004	Budget Adoption and Deficit Fund Balance
Status	Repeated as finding 2018-004

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

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Fed (Direct &</u> <u>Pass-through</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed</u> <u>through</u> <u>to Sub-</u> <u>recipients</u>	<u>Local</u> <u>Expenditures</u>
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		\$ 333,161	\$ -	\$ -	\$ 333,161
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		125,773	-	-	-
Total U. S. Department of Agriculture			<u>458,934</u>	<u>-</u>	<u>-</u>	<u>333,161</u>
<u>U.S. Dept of Justice</u>						
Passed-through N.C. Dept of Public Safety						
Bulletproof Vest Partnership Program	16.607		24,423	-	-	-
Total U.S. Dept of Justice			<u>24,423</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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		31,664	-	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094		7,815	-	-	-
Project Grants and Cooperative Agreements for Family Planning Services	93.116 93.217		50 25,397	-	-	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.505 93.539		423,462 8,475	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		39,984	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		2,550	-	-	-
HIV Prevention Activities Health Department Based	93.940		58,587	-	-	-
Maternal and Child Health Services Block Grant	93.994		40,048	30,040	-	-
Division of Social Services						
TANF - Work First	93.558		440,004	-	-	218,523
Division of Public Health						
TANF - Work First	93.558		5,071	-	-	-
Total TANF Cluster			<u>445,075</u>	<u>-</u>	<u>-</u>	<u>218,523</u>
Refugee and Entrant Assistance - Admin	93.566		155	-	-	-

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

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Fed (Direct &</u> <u>Pass-through</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Passed</u> <u>through</u> <u>to Sub-</u> <u>recipients</u>	<u>Local</u> <u>Expenditures</u>
Low Income Energy Assistance						
Administration	93.568		23,429	-	-	-
Crisis Intervention Payments	93.568		141,868	-	-	-
Energy Assistance	93.568		192,717	-	-	-
Total Low-Income Energy Assistance			<u>358,014</u>	<u>-</u>	<u>-</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program						
- Permanency Planning - Families for Kids	93.645		6,087	-	-	2,029
Total Stephanie Tubbs Jones Child Welfare Services Program			<u>6,087</u>	<u>-</u>	<u>-</u>	<u>2,029</u>
AFDC Payments and Penalties	93.560		(601)	(162)	-	(166)
Foster Care and Adoption Cluster						
Foster Care - Title IV-E 4	93.658		98,218	5,750	-	83,294
Adoption Assistance	93.659		19,635	-	-	19,635
Foster Care	N/A		11,109	-	-	-
Total Foster Care and Adoption			<u>128,962</u>	<u>5,750</u>	<u>-</u>	<u>102,929</u>
Child Support Enforcement	93.563		491,951	(1)	-	253,431
Chafee Foster Care Independence Program	93.674		2,916	507	-	-
SSBG - Other Training & Services	93.667		164,167	-	-	54,722
Division of Aging and Adult Services						
Division of Social Services						
SSBG - State Adult Day Care	93.667		64,500	39,272	-	14,825
SSBG - State In Home Service Fund	93.667		57,332	-	-	8,190
Pass through Upper Coastal Plain Council of Governments						
Social Service Block Grant - In Home Services	93.667		16,158	462	-	-
Total Social Service Block Grant			<u>302,157</u>	<u>39,734</u>	<u>-</u>	<u>77,737</u>
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	93.596		78,529	-	-	-
Division of Child Development						
Child Care and Development Fund-						
Discretionary	93.575		27,552	-	-	-
Child Care and Development Fund- Mandatory	93.596		3,630	-	-	-
Child Care and Development Fund-Match	93.596		22,225	11,167	-	-
Total Child Care Development Fund Cluster			<u>131,936</u>	<u>11,167</u>	<u>-</u>	<u>-</u>
Temporary Assistance for Needy Families	93.558		2,957	-	-	-
State Appropriations			-	173	-	-
TANF-MOE	N/A		-	(3,570)	-	-
Total Subsidized Child Care			<u>134,893</u>	<u>7,770</u>	<u>-</u>	<u>-</u>
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		1,178,196	5,809	-	492,087

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

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		20,156	3	-	-
Passed-through Upper Coastal Plain Council of Government 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		35,703	2,100	-	-
Special Programs for the Aging - Title III C: Nutrition Services	93.045		55,789	3,281	-	-
NSIP - Nutrition	93.053		7,345	-	-	-
Total Aging Cluster			<u>98,837</u>	<u>5,381</u>	-	-
Total U. S. Department of Health and Human Services			<u>3,804,830</u>	<u>94,831</u>	-	<u>1,146,570</u>
<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		38,642	-	-	-
Total U.S. Department of Homeland Security			<u>38,642</u>	-	-	-
Total federal awards			<u>\$ 4,326,829</u>	<u>\$ 94,831</u>	<u>\$ -</u>	<u>\$ 1,479,731</u>
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Food & Lodging Fees			\$ -	\$ 3,982	\$ -	\$ -
General Aid to County			-	104,276	-	-
General Communicable Diseases Control			-	2,440	-	-
Nurse Family Partnership			-	69,022	-	-
Child Health			-	1,818	-	-
HIV/STD State			-	500	-	-
Gonorrhea Partner Services			-	400	-	-
Breast and Cervical Cancer Program			-	7,140	-	-
School Nurse Funding Initiative			-	150,000	-	-
Family Planning - State			-	22,920	-	-
Maternal Health			-	4,347	-	-
Women Health Service Fund			-	3,910	-	-
TB Control			-	31,757	-	-
Total Division of Public Health			<u>-</u>	<u>402,512</u>	<u>-</u>	<u>-</u>
Division of Social Services:						
ST Child Welfare/CPS/CS LD		N/A	-	6,792	-	-
County Funded Programs		N/A	-	-	-	459,498
DCD Smart Start		N/A	-	3,010	-	-
Non-Allocating County Cost		N/A	-	-	-	153,304
Work First Non Reimbursable		N/A	-	-	-	112,214
AFDC INCENT / Program Integrity		N/A	-	2,034	-	-
Total Division of Social Services			<u>-</u>	<u>11,836</u>	<u>-</u>	<u>725,016</u>

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

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
Passed-through Upper Coastal Plain Council of Government						
Division of Aging and Adult Services						
State Appropriation - Access			-	3,881	-	-
State Appropriation - Home Delivered Meals			-	29,168	-	-
State Appropriation - In Home Services			-	134,097	-	-
Total Division of Aging and Adult Services			-	167,146	-	-
Total N.C. Dept. of Health and Human Services			-	581,494	-	725,016
<u>N.C. Dept. of Veterans Affairs</u>						
Veteran Grant		N/A	-	2,175	-	-
Total N.C Dept. of Veterans Affairs			-	2,175	-	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP EDTAP		36220.10.7.1	-	58,961	-	-
ROAP WORKFIRST		36236.11.6.1	-	7,323	-	-
ROAP RGP		36228.22.7.1	-	56,591	-	-
Total ROAP Cluster			-	122,875	-	-
<u>N.C. Department of Pubic Safety</u>						
Juvenile Crime Prevention Programs						
JCPC Admin			-	5,241	-	-
Second Chance Counts			-	30,000	30,000	-
NC Vocational Jobs Program			-	31,326	31,326	-
Children Matters			-	27,547	27,547	-
Total N.C. Department of Pubic Safety			-	94,114	88,873	-
<u>N.C. Department of Environmental Quality</u>						
Scrap Tire Clean Up Grant			-	2,971	-	-
Soil & Water Conservation			-	12,413	-	-
SW REDUCTION & RECYCLING GRANT			-	1,574	-	-
Total N.C. Dept. of Environmental Quality			-	16,958	-	-
<u>N.C. Department of Natural and Cultural Resources</u>						
NCARTS Council						
Arts Grant			-	10,196	-	-
Total of N.C. Department Natural of Cultural Resources			-	10,196	-	-
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	142,000	142,000	-
Total N.C. Dept. of Public Instruction			-	142,000	142,000	-
Total State Awards			-	969,812	88,873	725,016
Total Federal and State Awards			\$ 4,326,829	\$ 1,064,643	\$ 230,873	\$ 2,204,747

Notes to the Schedule of Expenditures 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, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Northampton County, it is not intended to and does not present the financial position, changes in net position or cash flows of

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

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