

NORTHAMPTON COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2019

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COUNTY MANAGER

Charles M. Jackson

BOARD OF COUNTY COMMISSIONERS

Charles R. Tyner- Chairman
Geneva Riddick-Faulkner - Vice Chair
Nicole J. Boone
Joyce V. Buffaloe

Finance Director

Angela Cahoon

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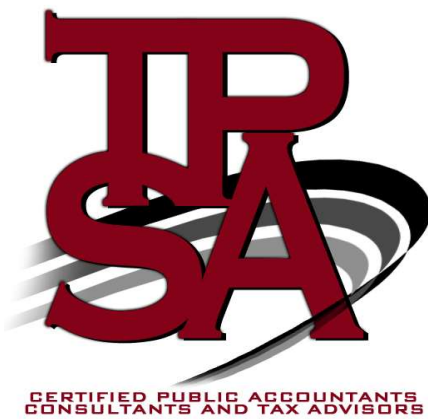
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FINANCIAL SECTION



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, 2019, 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 71.04%, 37.25%, and 92.88% 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, 2019, 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 Schedule of Changes in the Net OPEB Liability and Related Ratios, 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 July 2, 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
July 2, 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, 2019. 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.

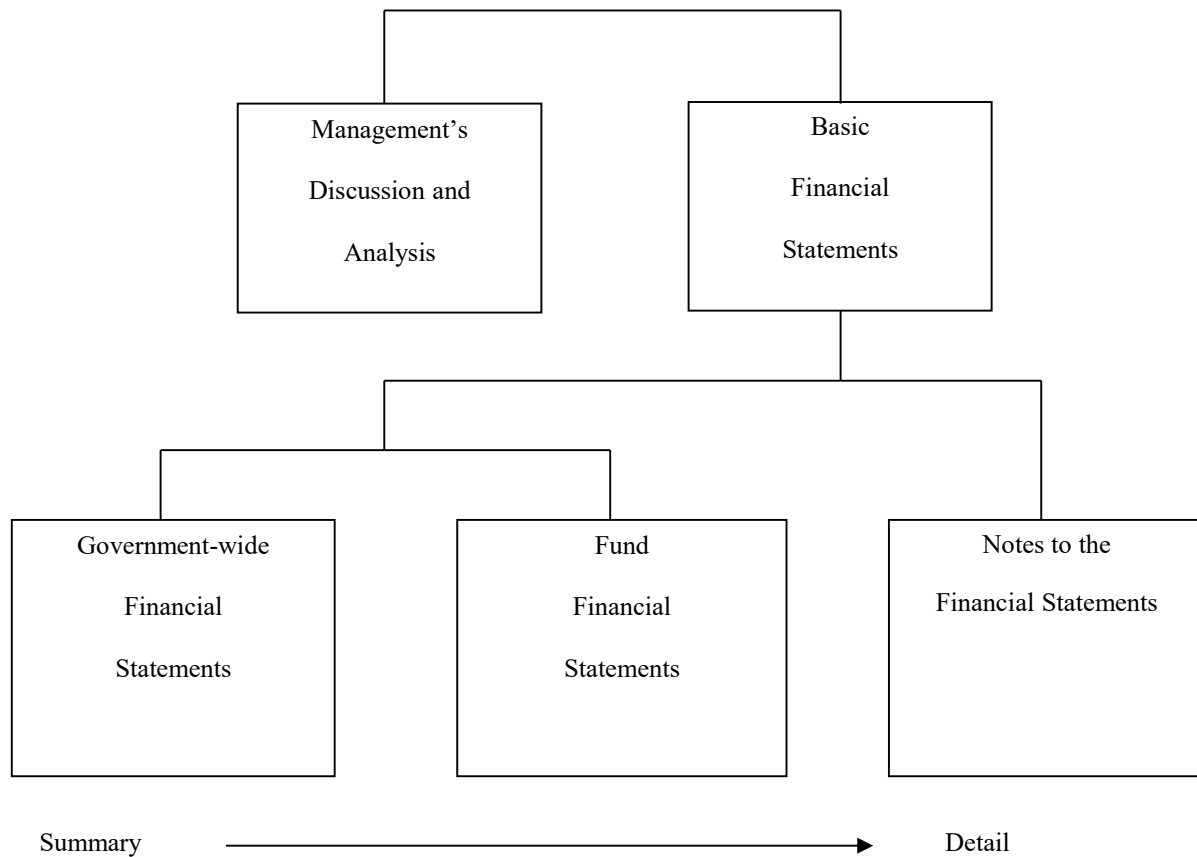
Financial Highlights

- 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 \$17,464,829 (*net position*).
- The government's total net position increased by \$2,532,039 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 \$18,785,148 an increase of \$1,816,493 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,063,077 or 42.57 percent of total general fund expenditures for the fiscal year.
- Northampton County's total general obligation and installment debt decreased by \$1,755,942 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 \$17,464,829 as of June 30, 2019. The County's net position increased by \$2,532,039 for the fiscal year ended June 30, 2019. 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	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 24,741,596	\$ 22,723,876	\$ 1,896,651	\$ 1,550,020	\$ 26,638,247	\$ 24,273,896
Capital assets	17,697,056	18,333,646	21,503,283	22,126,185	39,200,339	40,459,831
Total assets	42,438,652	41,057,522	23,399,934	23,676,205	65,838,586	64,733,727
Total deferred outflows of resources	3,567,215	2,488,920	149,851	105,162	3,717,066	2,594,082
Current liabilities outstanding	1,951,662	2,065,286	1,151,712	975,470	3,103,374	3,040,756
Long-term liabilities outstanding	33,904,986	35,215,764	11,154,416	11,830,423	45,059,402	47,046,187
Total liabilities	35,856,648	37,281,050	12,306,128	12,805,893	48,162,776	50,086,943
Total deferred inflows of resources	3,752,829	2,213,307	175,218	94,769	3,928,047	2,308,076
Net position:						
Net investment in capital assets	8,419,562	8,538,237	10,781,227	10,777,102	19,200,789	19,315,339
Restricted	2,461,273	1,887,744	-	-	2,461,273	1,887,744
Unrestricted	(4,484,445)	(6,373,896)	287,212	103,603	(4,197,233)	(6,270,293)
Total net position	\$ 6,396,390	\$ 4,052,085	\$ 11,068,439	\$ 10,880,705	\$ 17,464,829	\$ 14,932,790

NORTHAMPTON COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 3,622,211	\$ 4,157,219	\$ 5,736,717	\$ 5,354,663	\$ 9,358,928	\$ 9,511,882
Operating grants and contributions	8,841,550	8,790,227	42,673	39,946	8,884,223	8,830,173
Capital grants and contributions	-	142,000	-	-	-	142,000
General revenues:						
Property taxes	20,013,235	19,546,497	-	-	20,013,235	19,546,497
Other taxes	3,198,924	2,999,207	-	-	3,198,924	2,999,207
Other	674,348	329,358	21,659	10,919	696,007	340,277
Total revenues	36,350,268	35,964,508	5,801,049	5,405,528	42,151,317	41,370,036
Expenses:						
General government	4,634,133	4,039,202	-	-	4,634,133	4,039,202
Public safety	10,761,064	10,382,348	-	-	10,761,064	10,382,348
Transportation	47,500	47,500	-	-	47,500	47,500
Environmental protection	5,000	5,000	-	-	5,000	5,000
Economic and physical development	1,216,319	1,278,060	-	-	1,216,319	1,278,060
Human services	11,906,458	11,905,357	-	-	11,906,458	11,905,357
Cultural and recreation	557,852	542,654	-	-	557,852	542,654
Education	4,196,576	4,418,403	-	-	4,196,576	4,418,403
Interest and fees	681,061	533,153	-	-	681,061	533,153
Water and sewer	-	-	3,373,820	3,163,759	3,373,820	3,163,759
Solid waste	-	-	2,239,495	2,276,149	2,239,495	2,276,149
Total expenses	34,005,963	33,151,677	5,613,315	5,439,908	39,619,278	38,591,585
Increase in net position before transfers	2,344,305	2,812,831	187,734	(34,380)	2,532,039	2,778,451
Transfers	-	-	-	-	-	-
Change in net position	2,344,305	2,812,831	187,734	(34,380)	2,532,039	2,778,451
Beginning of year - July 1, as previously stated	4,052,085	13,322,746	10,880,705	11,617,508	14,932,790	24,940,254
Restatement / Prior Period Adjustment	-	(12,083,492)	-	(702,423)	-	(12,785,915)
Net position, beginning, restated	4,052,085	1,239,254	10,880,705	10,915,085	14,932,790	12,154,339
Net position, ending	\$ 6,396,390	\$ 4,052,085	\$ 11,068,439	\$ 10,880,705	\$ 17,464,829	\$ 14,932,790

Governmental activities. Governmental activities increased the County's net position by \$2,344,305. Key elements of this increase are as follows:

- Increase in local option sales tax revenue
- Increase in charges for services and other revenue (insurance proceeds, rent payments, etc.)

Business-type activities. Business-type activities increased Northampton County's net position by \$187,734. Key elements of this decrease are as follows:

- Increase in charges for services

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 \$15,800,030, while total fund balance reached \$17,880,673. The County currently has an available fund balance of 47.82 percent of total General Fund expenditures, while total fund balance represents 54.12 percent of that same amount.

At June 30, 2019, the governmental funds of Northampton County reported a combined fund balance of \$18,785,148, a 10.70% percent increase from the previous year. The General Fund accounted for an increase in fund balance of \$1,794,785 while all other governmental funds combined accounted for an increase in fund balance of \$21,708. 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 \$719,240, which was 2.02 percent more than originally budgeted.

Proprietary Funds. Northampton County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The total change in net position for these funds was an increase of \$187,734. 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, 2019, totals \$39,200,339 (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:

- Purchase of new vehicles & equipment for various departments
- Purchased a transceiver unit for the Water Fund

NORTHAMPTON COUNTY'S CAPITAL ASSETS

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,700,800	\$ 1,700,800	\$ -	\$ -	\$ 1,700,800	\$ 1,700,800
Construction in Progress	-	-	51,742	37,042	51,742	37,042
Buildings and improvements	14,711,354	15,144,861	-	-	14,711,354	15,144,861
Vehicles	1,153,759	1,263,357	54,146	77,517	1,207,905	1,340,874
Furniture, fixtures and equipment	131,143	224,628	73,120	60,034	204,263	284,662
Distributions systems	-	-	21,324,275	21,951,592	21,324,275	21,951,592
Total	\$ 17,697,056	\$ 18,333,646	\$ 21,503,283	\$ 22,126,185	\$ 39,200,339	\$ 40,459,831

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, 2019, Northampton County had total bonded debt outstanding of \$23,635,549.

NORTHAMPTON COUNTY'S OUTSTANDING DEBT

Notes Payable and General Obligation Bonds

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Installment notes payable	\$ 9,277,494	\$ 9,795,409	\$ 32,055	\$ 48,082	\$ 9,309,549	\$ 9,843,491
General obligation bonds	3,636,000	4,257,000	10,690,000	11,301,000	14,326,000	15,558,000
Total	\$ 12,913,494	\$ 14,052,409	\$ 10,722,055	\$ 11,349,082	\$ 23,635,549	\$ 25,401,491

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 \$153,625,932.

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 6.1% at June 30, 2019. This was higher than the non-seasonally adjusted State average of 4.1%.

Budget Highlights for Fiscal Year Ending June 30, 2020

Governmental Activities. The general fund operating budget reflects a decrease of approximately 10.1% compared to fiscal year 2019.

Business Type Activities. Solid waste budgeted expenditures are \$2,355,129 which is an increase of 0.25% compared to fiscal year 2019. The water and sewer budgeted expenditures are \$3,245,330 which is a 0.5% decrease compared to fiscal year 2019.

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, 2019

	Primary Government			Component Units		
				Northampton County Tourism Development Authority	Northampton County ABC Board	Total Reporting Unit
	Governmental Activities	Business-type Activities	Total Primary Government			
ASSETS						
Current:						
Cash and cash equivalents	\$ 17,074,615	\$ 740,234	\$ 17,814,849	\$ 141,660	\$ 215,675	\$ 18,172,184
Taxes receivable (net)	2,997,979	-	2,997,979	-	-	2,997,979
Accounts receivables (net)	2,909,203	819,582	3,728,785	9,546	-	3,738,331
Notes receivable (net)	221,473	-	221,473	-	-	221,473
Due from other governments	895,294	-	895,294	-	-	895,294
Inventories	-	-	-	-	132,446	132,446
Prepaid items	-	-	-	-	1,954	1,954
Internal balance	61,185	(61,185)	-	-	-	-
Cash and cash equivalents, restricted	558,299	398,020	956,319	-	-	956,319
Net pension assets	23,548	-	23,548	-	-	23,548
Capital assets:			-	-	-	-
Land, improvements, and construction in progress	1,700,800	51,742	1,752,542	-	-	1,752,542
Other capital assets, net of depreciation	15,996,256	21,451,541	37,447,797	6,765	23,557	37,478,119
Total assets	42,438,652	23,399,934	65,838,586	157,971	373,632	66,370,189
DEFERRED OUTFLOWS OF RESOURCES						
Pension deferrals	3,191,180	130,450	3,321,630	-	13,928	3,335,558
OPEB deferrals	376,035	19,401	395,436	-	-	395,436
Total Deferred Outflows of Resources	3,567,215	149,851	3,717,066	-	13,928	3,730,994
LIABILITIES						
Current Liabilities						
Accounts payable	734,626	210,121	944,747	327	86,862	1,031,936
Accrued interest payable	84,121	28,766	112,887	-	-	112,887
Payable from restricted assets	-	280,798	280,798	-	-	280,798
Current portion of long-term debt	1,132,915	632,027	1,764,942	-	-	1,764,942
Long term liabilities:						
Net Pension Liability - LGERS	3,958,888	164,953	4,123,841	-	13,285	4,137,126
Total Pension liability - LEOSSA	409,801	-	409,801	-	-	409,801
Total OPEB liability	16,978,672	875,953	17,854,625	-	193,333	18,047,958
Compensated absences	777,046	23,481	800,527	-	-	800,527
Long-term debt	11,780,579	10,090,029	21,870,608	-	-	21,870,608
Total liabilities	35,856,648	12,306,128	48,162,776	327	293,480	48,456,583
DEFERRED INFLOWS OF RESOURCES						
Pension deferrals	183,032	3,979	187,011	-	100	187,111
OPEB deferrals	3,319,133	171,239	3,490,372	-	404	3,490,776
Prepaid taxes	250,664	-	250,664	-	-	250,664
Total Deferred inflows of resources	3,752,829	175,218	3,928,047	-	504	3,928,551
NET POSITION						
Net investment in capital assets	8,419,562	10,781,227	19,200,789	6,765	23,557	19,231,111
Restricted for:						
Stabilization by state statute	2,167,577	-	2,167,577	9,546	-	2,177,123
Register of Deeds' pension plan	23,548	-	23,548	-	-	23,548
Other	270,148	-	270,148	-	57,894	328,042
Unrestricted (deficit)	(4,484,445)	287,212	(4,197,233)	141,333	12,125	(4,043,775)
Total net position	\$ 6,396,390	\$ 11,068,439	\$ 17,464,829	\$ 157,644	\$ 93,576	\$ 17,716,049

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, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
					Primary Government					
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	Northampton County Tourism Development Authority	Northampton County ABC Board	Total Reporting Unit
Primary government:										
Governmental Activities:										
General government	\$ 4,634,133	\$ 130,833	\$ -	\$ -	\$ (4,503,300)	\$ -	\$ (4,503,300)	\$ -	\$ -	\$ (4,503,300)
Public safety	10,761,064	2,492,250	41,724	-	(8,227,090)	-	(8,227,090)	-	-	(8,227,090)
Transportation	47,500	-	44,881	-	(2,619)	-	(2,619)	-	-	(2,619)
Enviornmental protection	5,000	-	-	-	(5,000)	-	(5,000)	-	-	(5,000)
Economic and physical development	1,216,319	-	318,350	-	(897,969)	-	(897,969)	-	-	(897,969)
Human services	11,906,458	974,954	8,425,495	-	(2,506,009)	-	(2,506,009)	-	-	(2,506,009)
Cultural and recreation	557,852	24,174	11,100	-	(522,578)	-	(522,578)	-	-	(522,578)
Education	4,196,576	-	-	-	(4,196,576)	-	(4,196,576)	-	-	(4,196,576)
Interest on long-term debt	681,061	-	-	-	(681,061)	-	(681,061)	-	-	(681,061)
Total governmental activities	34,005,963	3,622,211	8,841,550	-	(21,542,202)	-	(21,542,202)	(21,542,202)	(43,084,404)	(64,626,606)
Business-type activities:										
Water and Sewer	3,217,598	3,358,198	-	-	-	140,600	140,600	-	-	140,600
Garysburg Water and Sewer	156,222	204,106	-	-	-	47,884	47,884	-	-	47,884
Solid Waste	2,239,495	2,174,413	42,673	-	-	(22,409)	(22,409)	-	-	(22,409)
Total business-type activities	5,613,315	5,736,717	42,673	-	-	166,075	166,075	-	-	166,075
Total primary government	39,619,278	9,358,928	8,884,223	-	(21,542,202)	166,075	(21,376,127)	(21,542,202)	(43,084,404)	(64,460,531)
Component Units:										
Northampton County Tourism Development Authority										
Development Authority	60,053	-	-	-	-	-	-	(60,053)	-	(60,053)
Northampton County ABC Board	1,075,277	1,102,698	-	-	-	-	-	-	27,421	27,421
Total component units	\$ 1,135,330	\$ 1,102,698	\$ -	\$ -	-	-	-	(60,053)	27,421	(32,632)
General revenues:										
Taxes:										
Property taxes, levied for general purpose					20,013,235	-	20,013,235	-	-	20,013,235
Local option sales tax					3,127,487	-	3,127,487	-	-	3,127,487
Other taxes and licenses					71,437	-	71,437	83,191	-	154,628
Unrestricted Intergovernmental					90,375	-	90,375	-	-	90,375
Investment earnings, unrestricted					295,463	4,934	300,397	400	-	300,797
Miscellaneous, unrestricted					288,510	16,725	305,235	969	-	306,204
Transfers					-	-	-	-	-	-
Total general revenues, special items, and transfers					23,886,507	21,659	23,908,166	84,560	-	23,992,726
Change in net position					2,344,305	187,734	2,532,039	24,507	27,421	2,583,967
Net position-beginning					4,052,085	10,880,705	14,932,790	133,137	66,155	15,132,082
Net position-ending					\$ 6,396,390	\$ 11,068,439	\$ 17,464,829	\$ 157,644	\$ 93,576	\$ 17,716,049

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

Northampton County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

	<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	\$ 16,241,003	\$ 833,612	\$ 17,074,615
Taxes Receivable	2,400,138	148,753	2,548,891
Accounts Receivable	2,884,574	24,629	2,909,203
Notes Receivable	221,473	-	221,473
Due from other funds	91,238	-	91,238
Due from other governments	895,294	-	895,294
Restricted Cash	455,405	102,894	558,299
Total assets	<u>\$ 23,189,125</u>	<u>\$ 1,109,888</u>	<u>\$ 24,299,013</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 708,019	\$ 26,607	\$ 734,626
Due to other funds	-	30,053	30,053
Total liabilities	<u>708,019</u>	<u>56,660</u>	<u>764,679</u>
Deferred Inflows of Resources:			
Tax Receivable	2,400,138	148,753	2,548,891
Ambulance fees receivables	1,949,631	-	1,949,631
Prepaid taxes	250,664	-	250,664
Total deferred inflows of resources	<u>4,600,433</u>	<u>148,753</u>	<u>4,749,186</u>
Fund balances:			
Restricted:			
Stabilization by State statute	2,142,948	24,629	2,167,577
Restricted, other	21,493	248,655	270,148
Committed:			
Committed, other	775,873	338,230	1,114,103
Assigned:			
Assigned, other	877,282	341,269	1,218,551
Unassigned:	14,063,077	(48,308)	14,014,769
Total fund balances	<u>17,880,673</u>	<u>904,475</u>	<u>18,785,148</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,189,125</u>	<u>\$ 1,109,888</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			\$ 17,697,056
Accrued interest on taxes receivable			449,088
Net pension asset			23,548
Contributions to the pension plans in the current fiscal year are deferred			913,847
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			336,260
Deferred outflows of resources - pensions			2,271,925
Deferred outflows of resources - OPEB			39,775
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			(12,913,494)
Compensated absences			(777,046)
Accrued interest			(84,121)
Net pension liability (LGERS)			(3,958,888)
Total pension liability (LEOSSA)			(409,801)
Total OPEB liability			(16,978,672)
Pension related deferrals			(183,032)
OPEB related deferrals			(3,319,133)
Deferred inflows of resources for taxes and ambulance fees receivable			4,498,522
Net position of governmental activities (Exhibit 1)			<u>\$ 6,396,390</u>

Northampton County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	Major Governmental	Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Other Governmental Funds	
REVENUES			
Ad valorem taxes	\$ 18,940,922	\$ 766,442	\$ 19,707,364
Other taxes and licenses	3,200,220	-	3,200,220
Unrestricted intergovernmental	90,420	-	90,420
Restricted intergovernmental	8,746,152	-	8,746,152
Permits and fees	261,137	-	261,137
Sales and services	2,995,843	228,207	3,224,050
Investment earnings	293,908	1,555	295,463
Special project fund	21,900	-	21,900
Miscellaneous	281,678	233,500	515,178
Total revenues	<u>34,832,180</u>	<u>1,229,704</u>	<u>36,061,884</u>
EXPENDITURES			
Current:			
General government	4,504,308	-	4,504,308
Public safety	9,354,212	913,862	10,268,074
Transportation	47,500	-	47,500
Environmental protection	5,000	-	5,000
Economic and physical development	920,816	279,406	1,200,222
Human Services	11,774,367	-	11,774,367
Cultural and recreational	422,608	-	422,608
Education	4,196,576	-	4,196,576
Debt service:			
Principal	123,188	1,015,727	1,138,915
Interest	187,309	500,512	687,821
Total expenditures	<u>31,535,884</u>	<u>2,709,507</u>	<u>34,245,391</u>
Revenues over expenditures	<u>3,296,296</u>	<u>(1,479,803)</u>	<u>1,816,493</u>
OTHER FINANCING SOURCES (USES)			
Transfers (to) from other funds	(1,501,511)	1,501,511	-
Loan proceeds	-	-	-
Total other financing sources and uses	<u>(1,501,511)</u>	<u>1,501,511</u>	<u>-</u>
Net change in fund balance	1,794,785	21,708	1,816,493
Fund balances-beginning	<u>16,085,888</u>	<u>882,767</u>	<u>16,968,655</u>
Fund balances-ending	<u>\$ 17,880,673</u>	<u>\$ 904,475</u>	<u>\$ 18,785,148</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, 2019

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

Net changes in fund balances - total governmental funds (Exhibit 4)	\$ 1,816,493
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:	
Property taxes	245,008
Ambulance and other miscellaneous revenues	21,094
Expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement.	
Accrued interest payable	6,760
Compensated absences	208,559
OPEB Expense	(555,666)
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.	221,556
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(819,565)
Gain (loss) on the disposal of assets are not recorded in the governmental funds statements.	(38,581)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	1,138,915
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.	-
Change in accrued interest on taxes receivable.	60,863
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	913,847
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	336,260
Pension expense	(1,216,646)
Total changes in net position of governmental activities	<u>\$ 2,344,305</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, 2019

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 18,444,772	\$ 18,444,772	\$ 18,940,922	\$ 496,150
Other taxes and licenses	2,498,400	2,498,400	3,200,220	701,820
Unrestricted intergovernmental	64,400	64,400	90,420	26,020
Restricted intergovernmental	8,750,296	8,823,343	8,746,152	(77,191)
Permits and fees	247,000	247,000	261,137	14,137
Sales and services	2,869,277	2,845,671	2,995,843	150,172
Investment earnings	33,000	33,000	293,908	260,908
Special Project revenue	-	-	21,900	21,900
Miscellaneous	355,023	423,943	281,678	(142,265)
Total revenues	<u>33,262,168</u>	<u>33,380,529</u>	<u>34,832,180</u>	<u>1,451,651</u>
Expenditures				
Current:				
General government	4,869,868	4,990,703	4,504,308	486,395
Public safety	9,363,445	9,639,197	9,354,212	284,985
Transportation	47,500	47,500	47,500	-
Environmental Protection	105,000	105,000	5,000	100,000
Economic and physical development	1,596,955	1,677,772	920,816	756,956
Human services	13,034,786	13,093,271	11,774,367	1,318,904
Cultural and recreational	445,102	446,175	422,608	23,567
Education	3,935,000	4,194,453	4,196,576	(2,123)
Debt service				
Principal payments	181,616	192,091	123,188	68,903
Interest	221,099	221,099	187,309	33,790
Total expenditures	<u>33,800,371</u>	<u>34,607,261</u>	<u>31,535,884</u>	<u>3,071,377</u>
Revenues over (under) expenditures	<u>(538,203)</u>	<u>(1,226,732)</u>	<u>3,296,296</u>	<u>4,523,028</u>
Other financing sources (uses):				
Transfers (to) from other funds	(1,716,008)	(1,716,008)	(1,501,511)	214,497
Appropriated fund balance	2,404,211	3,005,090	-	(3,005,090)
Contingency	(150,000)	(62,350)	-	62,350
Total other financing sources (uses)	<u>538,203</u>	<u>1,226,732</u>	<u>(1,501,511)</u>	<u>(2,728,243)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,794,785</u>	<u>\$ 1,794,785</u>
Fund balances:				
Beginning of year, July 1			<u>16,085,888</u>	
End of year, June 30			<u>\$ 17,880,673</u>	

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

Northampton County, North Carolina
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	MAJOR		NONMAJOR	Total
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer	Enterprise Funds
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 299,295	\$ 50	\$ 440,889	\$ 740,234
Accounts receivable (net)	729,031	7,155	83,396	819,582
Due from other funds	31,230	-	-	31,230
Restricted assets:				
Cash and cash equivalents, restricted	347,150	-	50,870	398,020
Total current assets	<u>1,406,706</u>	<u>7,205</u>	<u>575,155</u>	<u>1,989,066</u>
Non-current assets:				
Land and construction in progress	51,742	-	-	51,742
Other capital assets, net	20,979,198	-	472,343	21,451,541
Total non-current assets	<u>21,030,940</u>	<u>-</u>	<u>472,343</u>	<u>21,503,283</u>
Total assets	<u>22,437,646</u>	<u>7,205</u>	<u>1,047,498</u>	<u>23,492,349</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Deferrals	78,271	32,612	19,567	130,450
OPEB Deferrals	13,808	3,173	2,420	19,401
Total deferred outflows of resources	<u>92,079</u>	<u>35,785</u>	<u>21,987</u>	<u>149,851</u>
LIABILITIES:				
Current liabilities:				
Accounts payable and accrued liabilities	182,907	19,126	8,088	210,121
Accrued interest	27,313	-	1,453	28,766
Due to other funds	-	92,415	-	92,415
Current portion of long-term debt	621,027	-	11,000	632,027
Liabilities payable from restricted assets:				
Customer Deposits	229,928	-	50,870	280,798
Total current liabilities	<u>1,061,175</u>	<u>111,541</u>	<u>71,411</u>	<u>1,244,127</u>
Noncurrent liabilities:				
Compensated absences-non current	19,514	2,781	1,186	23,481
Non-current portion of long-term debt	9,747,029	-	343,000	10,090,029
Net pension liability	98,972	41,238	24,743	164,953
Total OPEB Liability	623,453	143,251	109,249	875,953
Total noncurrent liabilities	<u>10,488,968</u>	<u>187,270</u>	<u>478,178</u>	<u>11,154,416</u>
Total liabilities	<u>11,550,143</u>	<u>298,811</u>	<u>549,589</u>	<u>12,398,543</u>
DEFERRED INFLOWS OF RESOURCES:				
Pension Deferrals	2,387	995	597	3,979
OPEB Deferrals	121,878	28,004	21,357	171,239
Total deferred inflows of resources	<u>124,265</u>	<u>28,999</u>	<u>21,954</u>	<u>175,218</u>
NET POSITION:				
Net investment in capital assets	10,662,884	-	118,343	10,781,227
Unrestricted	192,433	(284,820)	379,599	287,212
Total net position	<u>\$ 10,855,317</u>	<u>\$ (284,820)</u>	<u>\$ 497,942</u>	<u>\$ 11,068,439</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, 2019

	MAJOR		NONMAJOR	
	Water and Sewer	Solid Waste Fund	Garysburg Water and Sewer	Totals
Operating Revenues:				
Charges for services	\$ 3,334,794	\$ 2,112,212	\$ 202,683	\$ 5,649,689
Water and sewer taps	17,534	-	1,066	18,600
White goods and tire disposal tax	-	28,928	-	28,928
Solid waste disposal tax	-	13,745	-	13,745
Other operating revenues	5,870	62,201	357	68,428
Total operating revenues	<u>3,358,198</u>	<u>2,217,086</u>	<u>204,106</u>	<u>5,779,390</u>
Operating Expenses:				
Water distribution and sewage treatment	2,146,277	-	122,077	2,268,354
Solid waste	-	2,239,495	-	2,239,495
Depreciation	649,116	-	15,986	665,102
Total operating expenses	<u>2,795,393</u>	<u>2,239,495</u>	<u>138,063</u>	<u>5,172,951</u>
Operating income (loss)	<u>562,805</u>	<u>(22,409)</u>	<u>66,043</u>	<u>606,439</u>
Non-Operating Revenues (Expenses):				
Gain on Sale of Assets	16,725	-	-	16,725
Interest earned on investments	2,673	2,079	182	4,934
Interest and fees	(422,205)	-	(18,159)	(440,364)
Total non-operating revenues (expenses)	<u>(402,807)</u>	<u>2,079</u>	<u>(17,977)</u>	<u>(418,705)</u>
Income (loss) before capital contributions and transfers	159,998	(20,330)	48,066	187,734
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	-
Change in net position	<u>159,998</u>	<u>(20,330)</u>	<u>48,066</u>	<u>187,734</u>
Net Position:				
Beginning of year - July 1	<u>10,695,319</u>	<u>(264,490)</u>	<u>449,876</u>	<u>10,880,705</u>
End of year - June 30	<u>\$ 10,855,317</u>	<u>\$ (284,820)</u>	<u>\$ 497,942</u>	<u>\$ 11,068,439</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, 2019

	MAJOR		NONMAJOR	
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer Fund	Total
Cash flows from operating activities:				
Cash received from customers	\$ 3,111,259	\$ 2,217,994	\$ 204,106	\$ 5,533,359
Cash paid for goods and services	(1,555,398)	(2,127,423)	(95,200)	(3,778,021)
Cash paid to employees for services	(448,456)	(104,123)	(27,255)	(579,834)
Net cash provided (used) by operating activities	1,107,405	(13,552)	81,651	1,175,504
Cash flows from non-capital financing activities				
Loans from (to) other funds	49,712	11,473	-	61,185
Transfer from other funds	-	-	-	-
Net cash provided (used) by non-capital financial activities	49,712	11,473	-	61,185
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(42,200)	-	-	(42,200)
Gain on Sale of Assets	16,725	-	-	16,725
Principal paid on long-term debt	(617,027)	-	(10,000)	(627,027)
Issuance of long-term debt proceeds	-	-	-	-
Interest and fees	(422,943)	-	(18,202)	(441,145)
Capital contributions	-	-	-	-
Net cash provided (used) by capital and related financing activities	(1,065,445)	-	(28,202)	(1,093,647)
Cash flows from investing activities:				
Interest on investments	2,673	2,079	182	4,934
Net increase (decrease) in cash and cash equivalents	94,345	-	53,631	147,976
Cash and cash equivalents, July 1	552,100	50	438,128	990,278
Cash and cash equivalents, June 30	\$ 646,445	\$ 50	\$ 491,759	\$ 1,138,254

Northampton County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2019

	MAJOR		NONMAJOR	
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer Fund	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 562,805	\$ (22,409)	\$ 66,043	\$ 606,439
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	649,116	-	15,986	665,102
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(260,748)	908	-	(259,840)
(Increase) decrease in deferred outflows of resources for pensions	(26,035)	(10,847)	(6,507)	(43,389)
(Increase) decrease in deferred outflows of resources for OPEB	(924)	(213)	(163)	(1,300)
Increase (decrease) in deferred inflows of resources for pensions	402	168	101	671
Increase (decrease) in deferred inflows of resources for OPEB	56,781	13,047	9,950	79,778
Increase (decrease) in accounts payable and accrued liabilities	134,039	8,148	-	142,187
Increase (decrease) in net pension liability	32,355	13,481	8,089	53,925
Increase (decrease) in deposits	13,809	-	-	13,809
Increase (decrease) in Total OPEB liability	(47,801)	(10,984)	(8,376)	(67,161)
Increase (decrease) in compensated absences	(6,394)	(4,851)	(3,472)	(14,717)
Total adjustments	544,600	8,857	15,608	569,065
Net cash provided (used) by operating activities	\$ 1,107,405	\$ (13,552)	\$ 81,651	\$ 1,175,504

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, 2019

	Agency Funds
Assets:	
Cash and investments	\$ 208,975
Accounts receivable	859,073
	<u>\$ 1,068,048</u>
Liabilities:	
Intergovernmental payable	\$ 817,735
Accounts payable	250,313
Total liabilities	<u>\$ 1,068,048</u>

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

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, 2019

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, Severn Peanut Natural Gas Project, and Courthouse/Admin/DSS Renovation Fund.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

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

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

Major Funds

The General Fund, Water and Sewer Fund, and Solid Waste Fund are considered major funds for the year ended June 30, 2019.

C. Measurement Focus, Basis of Accounting

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

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The governmental-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds which have no measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) values without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

Amounts reported as program revenues include; 1) charged to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue, rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Grant revenues which are unearned at year-end are recorded as unearned revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

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 are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust (NCCMT) is an SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining a AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolio's securities are reported at fair value.

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, 2019**

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	\$ 455,405
Total General Fund	<u>455,405</u>
Other Governmental Funds	
School Capital Fund	102,894
Total Other Governmental Funds	<u>102,894</u>
Total - Governmental Activities	<u>\$ 558,299</u>

Business-Type Activities

Water & Sewer Fund	
Customer Deposits	\$ 229,928
Unexpended Project Funds	117,222
Total Water & Sewer Fund	<u>347,150</u>
Garysburg Water & Sewer Fund	
Customer Deposits	50,870
Total Water & Sewer Fund	<u>50,870</u>
Total - Business Type Activities	<u>\$ 398,020</u>
Total Restricted Cash	<u><u>\$ 956,319</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, 2018.

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, 2019

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:

Assets	Estimated Useful Lives
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, 2019

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

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.

Restricted for Stabilization of State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceeding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted - Other

Restricted for Public Safety- E911 - portion of fund balance that is restricted by revenue source E911 expenditures.

Restricted for General Government - 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.

	General Fund	Special Revenue Fund	Capital Project Fund
Restricted for Stabilization of State Statute	\$ 2,142,948	\$ 24,629	\$ -
Restricted - Other			
Restricted for Public Safety- E911	-	248,655	-
Restricted for General Government	21,493	-	-
Total	<u>\$ 2,164,441</u>	<u>\$ 273,284</u>	<u>\$ -</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

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.	\$ 455,649	\$ -	\$ -
<i>Committed for Public Safety</i> - portion of fund balance that is committed for public safety expenditures.	-	-	967
<i>Committed for Economic and Physical Development</i> - portion of fund balance that is committed to pay for economic development expenditures.	320,224	-	14,289
<i>Committed for Capital Outlay</i> - portion of fund balance that is committed for future capital expenditures	-	-	220,080
<i>Committed for Education</i> - portion of fund balance that is committed for education expenditures	-	-	102,894
Total	<u>\$ 775,873</u>	<u>\$ -</u>	<u>\$ 338,230</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	\$ -	\$ -	\$ -
<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.	877,282	-	-
<i>Assigned for Economic and Physical Development</i> - portion of fund balance that is assigned to pay for economic development expenditures.	-	341,269	-
Total	<u>\$ 877,282</u>	<u>\$ 341,269</u>	<u>\$ -</u>

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

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)	\$ 17,880,673
Less:	
Stabilization by State statute	(2,142,948)
Available for appropriation	<u>\$ 15,737,725</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, 2019

2. Stewardship, Compliance and Accountability

A. Deficit Fund Balance or Net Position of Individual Funds not appropriated in subsequent year's budget ordinance

The following funds had a deficit fund balance of as follows:

Special Revenue Funds:

Fire District Fund	\$	19,816
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Capital Project Fund:

Severn Peanut Natural Gas Project Fund		23,955
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Courthouse/Admin/DSS Renovations		1,120
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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. Unbudgeted funds

Fund 31 & 32 were unbudgeted. These were new projects applied for in the current year for which funding was unconfirmed.

C. Excess of Expenditures over Appropriations

Excess of expenditures over appropriations are in violation of the State law. At June 30, 2019, several departments expenditures exceeded appropriation. The County plans closer monitoring of the expenditure process to assure adequate appropriations prior to incurring expenditures.

D. Timeliness of Audit

The audit report was issued 8 months after the required due date of October 31, 2019. 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.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

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, 2019, the County's deposits had a carrying amount of \$7,144,180 and a bank balance of \$8,181,631. Of the bank balance, \$652,613 was covered by federal depository insurance, and \$7,426,425 was covered by collateral held under the Pooling Method. At June 30, 2019, the County had \$2,650 cash on hand.

Investments

At June 30, 2019, the County had \$11,833,313 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>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

Receivables

Receivables at the government-wide level at June 30, 2019, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 959,572	\$ 3,778,226	\$ 895,294	\$ 5,633,092
Ambulance	1,949,631	-	-	1,949,631
Fire district	-	148,753	-	148,753
Total Receivables	2,909,203	3,926,979	895,294	7,731,476
Allowance for doubtful accounts	-	(929,000)	-	(929,000)
Total governmental activities	<u>\$ 2,909,203</u>	<u>\$ 2,997,979</u>	<u>\$ 895,294</u>	<u>\$ 6,802,476</u>
Business-type Activities:				
Solid Waste	\$ 7,155	\$ -	\$ -	\$ 7,155
Garysburg Water and Sewer	140,637	-	-	140,637
Water and sewer	1,049,011	-	-	1,049,011
Total Receivables	1,196,803	-	-	1,196,803
Allowance for doubtful accounts	(377,221)	-	-	(377,221)
Total business-type activities	<u>\$ 819,582</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 819,582</u>

Due from other governments consisted of the following:

Governmental Activities:	
Local option sales tax	\$ 521,819
Sales tax refund	373,475
Total	<u>\$ 895,294</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

Capital Assets

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

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2019</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	18,667	-	2,225,790
Vehicles and Motor Equipment	4,446,134	202,889	43,067	4,605,956
Total Capital Assets	<u>29,186,258</u>	<u>221,556</u>	<u>43,067</u>	<u>29,364,747</u>
Less accumulated depreciati				
Buildings and Improvements	5,687,340	433,507	-	6,120,847
Equipment	1,982,495	112,152	-	2,094,647
Vehicles and motor equipment	3,182,777	273,906	(4,486)	3,452,197
Total Accumulated Depreciation	<u>10,852,612</u>	<u>\$ 819,565</u>	<u>\$ (4,486)</u>	<u>\$ 11,667,691</u>
Capital Assets, net	<u>\$ 18,333,646</u>			<u>\$ 17,697,056</u>

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

Government Activities :

General Government	\$ 115,526
Public Safety	377,266
Economic and physical development	1,775
Human Services	197,590
Cultural and Recreational	127,408
Total	<u>\$ 819,565</u>

Summary of Proprietary Capital Assets

Capital assets for the proprietary funds of the County at June 30, 2019 are as follows:

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2019</u>
Water and Sewer Fund				
Non- Depreciable Assets:				
Construction in progress	\$ 37,042	\$ 14,700	\$ -	\$ 51,742
Depreciable Assets:				
Plant and distribution systems	31,330,960	-	-	31,330,960
Furniture and equipment	339,113	27,500	-	366,613
Vehicles	370,561	-	-	370,561
Total Capital Assets	<u>32,077,676</u>	<u>42,200</u>	<u>-</u>	<u>32,119,876</u>
Less accumulated depreciation:				
Plant and distribution systems	9,867,697	611,331	-	10,479,028
Furniture and equipment	279,079	14,414	-	293,493
Vehicles	293,044	23,371	-	316,415
Total Accumulated Depreciation	<u>10,439,820</u>	<u>\$ 649,116</u>	<u>\$ -</u>	<u>11,088,936</u>
Total Water and Sewer Fund	<u>\$ 21,637,856</u>			<u>\$ 21,030,940</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2019</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	310,995	15,986	-	326,981
Furniture and equipment	-	-	-	-
Vehicles	-	-	-	-
Total Accumulated Depreciation	<u>310,995</u>	<u>\$ 15,986</u>	<u>\$ -</u>	<u>326,981</u>
Total Water and Sewer Fund	<u>\$ 488,329</u>			<u>\$ 472,343</u>
	<u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2019</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 government-wide level at June 30, 2019 were as follows:

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Vendors	\$ 734,626	\$ 210,121	\$ 944,747
Other	-	-	-
Total	<u>\$ 734,626</u>	<u>\$ 210,121</u>	<u>\$ 944,747</u>

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

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, 2019, was 8.50% of compensation for law enforcement officers and 7.83% 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 \$946,670 for the year ended June 30, 2019.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

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, 2019, the County reported a liability of \$4,123,842 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2019, the County's proportion was 0.17383%, which was a decrease of 0.00786% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized pension expense of \$1,226,742. At June 30, 2019, 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	\$ 636,211	\$ 21,348
Changes of assumptions	1,094,309	-
Net difference between projected and actual earnings on pension plan investments	566,081	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	18,007	78,122
County contributions subsequent to the measurement date	946,670	-
Total	<u>\$ 3,261,278</u>	<u>\$ 99,470</u>

\$946,670 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, 2020. 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	\$ 1,084,850
2020	704,173
2021	116,510
2022	309,605
2023	-
Thereafter	-
Total	<u>\$ 2,215,138</u>

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary	3.50 Percent
Investment	7.00 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, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 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.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 9,905,826	\$ 4,123,842	\$ (707,674)

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

Law Enforcement Officers' Special Separation Allowance

Plan Description. Northampton County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 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	33
Total	34

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, 2019**

Actuarial Assumptions

Inflation	2.50 Percent
Salary Increases	3.50 to 7.35 percent, including inflation and productivity factor
Investment Rate of Return	3.64 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, 2018.

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

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, 2019 the County reported a total pension liability of \$409,801. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$28,612.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,817	\$ 62,886
Changes of assumptions	22,075	23,375
Benefit payments and administrative expenses subsequent to the	5,408	-
Total	<u>\$ 46,300</u>	<u>\$ 86,261</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, 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
2020	\$ (11,863)
2021	(11,863)
2022	(11,863)
2023	(10,158)
2024	378
Thereafter	-
Total	<u>\$ (45,369)</u>

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

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

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 3.64%, 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 (2.64%) or 1-percentage-point higher (4.64%) than the current rate

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
County's proportionate share of the net pension liability (asset)	\$ 451,680	\$ 409,801	\$ 372,186

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

Beginning balance	\$ 371,520
Service Cost	34,313
Interest on the total pension liability	11,569
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	22,762
Changes in assumptions or other inputs	(19,548)
Benefit payments	(10,815)
Other changes	-
Ending balance of the total pension liability	<u>\$ 409,801</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.16 percent at June 30, 2017 to 3.64 at June 30, 2018.

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, 2017 valuation were based on the results of an actuarial experience study for the five year period ending 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, 2019

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, 2019 were \$85,826 which consisted of \$69,951 from the County and \$15,875 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

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 \$5,044 for the year ended June 30, 2019.

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

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

At June 30, 2019, the County reported an asset of \$23,548 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2019, the County's proportion was 0.14217%, which was a decrease of 0.01696% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized pension expense of \$10,364. At June 30, 2019, 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	\$ 208	\$ 1,075
Net difference between projected and actual earnings on pension plan investments	3,753	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,939	205
Changes of assumptions	1,108	-
County contributions subsequent to the measurement date	5,044	-
Total	<u>\$ 14,052</u>	<u>\$ 1,280</u>

\$5,044 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 4,533
2021	1,506
2022	1,106
2023	583
2024	-
Thereafter	-
Total	<u>\$ 7,728</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 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, 2019

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, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2019 is 1.4%.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 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, 2019**

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)	\$ 18,566	\$ 23,548	\$ 27,749

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, 2017, 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, 2018, with an actuarial valuation date of December 31, 2017. 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

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 4,123,842	\$ (23,548)	\$ -	\$ 4,100,294
Proportion of the Net Pension Liability (Asset)	0.1738%	0.1591%	n/a	
Total Pension Liability	-	-	409,801	409,801
Pension Expense	1,226,742	10,365	28,612	1,265,719

At June 30, 2019, 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	\$ 636,211	\$ 208	\$ 18,817	\$ 655,236
Changes of assumptions	1,094,309	3,753	22,075	1,120,137
Net difference between projected and actual earnings on pension plan investments	566,081	3,939	-	570,020
Changes in proportion and differences between County contributions and proportionate share of contributions	18,007	1,108	-	19,115
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date.	946,670	5,044	5,408	957,122

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

Deferred Inflows of Resources

Differences between expected and actual experience	\$	21,348	\$	1,075	\$	62,886	\$	85,309
Changes of assumptions		-		-		23,375		23,375
Changes in proportion and differences between County contributions and proportionate share of contributions		78,122		205		-		78,327

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 June 30, 2018, the date of the latest actuarial valuation:

Retirees receiving benefits	63
Terminated plan members entitled to but not yet receiving benefits	-
Active members, general employees	270
Active members, law enforcement officers	34
Total	<u><u>367</u></u>

Total OPEB Liability

The County's total OPEB liability of \$17,854,625 was measured as of June 30, 2018 and was determined by an actuarial valuation of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 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	3.89 percent
Healthcare cost trend rates	Pre-Medicare - 7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
	Medicare - 5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

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, 2018	\$ 19,223,568
Changes for the year	
Service cost	562,847
Interest	677,618
Changes of benefit terms	-
Differences between expected and actual experience	(1,161,216)
Changes in assumptions or other inputs	(1,066,142)
Benefit payments	<u>(382,050)</u>
Net Changes	<u>(1,368,943)</u>
Balance at June 30, 2019	<u><u>\$ 17,854,625</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

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 June 30, 2018 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 (2.89 percent) and 1-percentage-point higher (4.89 percent) than the current discount rate.

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	\$ 14,955,468	\$ 17,854,625	\$ 21,609,080

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:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 21,365,547	\$ 17,854,625	\$ 15,113,889

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$646,636. At June 30, 2019 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	\$ 41,827	\$ 994,135
Net difference between projected and actual earnings on pension plan	-	-
Changes in proportion and differences between employer	-	-
Changes of assumptions	-	2,496,237
Benefit payments and administrative costs made subsequent to the measurement date	353,608	-
Total	<u>\$ 395,435</u>	<u>\$ 3,490,372</u>

\$353,608 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	\$ (593,829)
2020	(593,829)
2021	(593,829)
2022	(593,829)
2023	(593,829)
Thereafter	(479,400)

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, 2019

Deferred Outflows and Inflows of Resources

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

Source	Amount
Contributions to pension plans in current fiscal year	\$ 951,714
LEOSSA	5,408
OPEB contributions	353,608
Pension deferrals	2,364,508
OPEB deferrals	41,827
Total	<u>\$ 3,717,065</u>

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

Source	Amount
Pension deferrals	\$ 100,750
LEOSSA	86,261
OPEB deferrals	3,490,372
Taxes receivables, net	2,548,891
Prepaid Taxes	250,664
Ambulance fees receivables, net	1,949,631
Total	<u>\$ 8,426,569</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

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, 2019**

Claims and Judgment

At June 30, 2019, 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 direct borrowing loan issued March 2002; due in equal annual installments of \$94,573, including interest at 4.75%; final payment due March 2032; secured by equipment. In the event of default the lender may declare all or any part of any such indebtedness immediately due and payable. \$ 896,417

\$130,570 USDA Rural Development direct borrowing loan issued January 2003; due in equal annual installments of \$8,135, including interest at 4.625%; final payment due January 2033; secured equipment. In the event of default the lender may declare all or any part of any such indebtedness immediately due and payable. 78,367

\$1,800,000 USDA Rural Development direct borrowing 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. In the event of default the lender may declare all or any part of any such indebtedness immediately due and payable. 1,550,292

\$6,966,000 USDA direct borrowing 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. In the event of default the lender may a) declare the entire balance immediately due and payable, b) proceed by appropriate court action to enforce performance by the County on any or all covenants, c) exercise all the rights and remedies of a secured party or creditor with respect to the security interest granted and d) terminate the contract. 6,292,892

\$369,565 direct borrowing 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. In the event of default the lender may a) declare the entire balance immediately due and payable, b) proceed by appropriate court action to enforce performance by the County on any or all covenants, c) exercise all the rights and remedies of a secured party or creditor with respect to the security interest granted, d) terminate the contract and e) take possession of any proceeds of the Equipment, including net proceeds. 123,188

\$504,504 direct borrowing 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. In the event of default the lender may a) declare the entire balance immediately due and payable, b) proceed by appropriate court action to enforce performance by the County on any or all covenants, c) exercise all the rights and remedies of a secured party or creditor with respect to the security interest granted, d) terminate the contract and e) take possession of any proceeds of the Equipment, including net proceeds. 336,336

Total Governmental funds \$ 9,277,492

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

Business-Type Activities

Proprietary Funds:

\$48,082 direct borrowing 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. In the event of default the lender may a) declare the entire balance immediately due and payable, b) proceed by appropriate court action to enforce performance by the County on any or all covenants, c) exercise all the rights and remedies of a secured party or creditor with respect to the security interest granted, d) terminate the contract and e) take possession of any proceeds of the Equipment, including net proceeds.

\$ 32,055

Total proprietary funds

\$ 32,055

Total all funds

\$ 9,309,547

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
2020	\$ 517,915	\$ 390,586	\$ 16,027	\$ 798
2021	414,114	356,702	16,028	400
2022	256,257	342,191	-	-
2023	267,002	331,446	-	-
2024	278,200	320,248	-	-
2025-2029	1,585,718	1,416,015	-	-
2030-2034	1,722,608	1,060,549	-	-
2035-2039	1,760,584	717,216	-	-
2040-2044	2,140,215	333,686	-	-
2045-2049	334,879	35,202	-	-
Total	<u>\$ 9,277,492</u>	<u>\$ 5,303,841</u>	<u>\$ 32,055</u>	<u>\$ 1,198</u>

General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith credit and taxing power of the County. The County has \$3,636,000 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

The County's general obligation bonds payable at June 30, 2019 are comprised of the following individual issues:

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

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 \$ 3,636,000

Total serviced by the General Fund \$ 3,636,000

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%. \$ 354,000

Total serviced by Garysburg Water and Sewer Fund \$ 354,000

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% \$ 2,272,000

\$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. 2,851,000

\$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% 4,643,000

Total serviced by Water and Sewer Fund \$10,336,000

Total serviced by the Proprietary Funds \$10,690,000

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

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
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	377,273
2024	562,000	35,475	439,000	363,156
2025-2029	728,000	24,915	1,978,000	1,591,288
2030-2034	-	-	1,688,000	1,188,924
2035-2039	-	-	1,362,000	871,956
2040-2044	-	-	1,339,000	565,006
2045-2049	-	-	1,022,000	313,118
2050-2054	-	-	802,000	82,598
2055-2059	-	-	-	-
Total	<u>\$ 3,636,000</u>	<u>\$ 361,625</u>	<u>\$ 10,690,000</u>	<u>\$ 6,599,991</u>

At June 30, 2019, the County had a legal debt margin of approximately \$129,570,857.

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, 2019:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 4,257,000	\$ -	\$ 621,000	\$ 3,636,000	\$ 615,000
Direct Borrowing Installment Note	9,795,409	-	517,915	9,277,494	517,915
Compensated Absences	985,605	-	208,559	777,046	-
Total Pension Liability (LEOSSA)	371,520	38,281	-	409,801	-
Net pension liability (LGRS)	2,664,691	1,294,197	-	3,958,888	-
Total OPEB liability	18,280,454	-	1,301,782	16,978,672	-
Total governmental activities	<u>\$ 36,354,679</u>	<u>\$ 1,332,478</u>	<u>\$ 2,649,256</u>	<u>\$ 35,037,901</u>	<u>\$ 1,132,915</u>

Business-type Activities:

Water and Sewer Activity:

General Obligation Bonds	\$ 10,937,000	\$ -	\$ 601,000	\$ 10,336,000	\$ 605,000
Direct Borrowing Installment note	48,082	-	16,027	32,055	16,027
Net pension liability (LGRS)	66,617	32,355	-	98,972	-
Compensated Absences	25,908	-	6,394	19,514	-
Total OPEB liability	671,254	-	47,801	623,453	-
Total Water and Sewer Activity	<u>11,748,861</u>	<u>-</u>	<u>671,222</u>	<u>11,109,994</u>	<u>621,027</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

Garysburg Water and Sewer Activity:	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
General Obligation Bonds	364,000	-	10,000	354,000	11,000
Net pension liability (LGERS)	16,654	8,089	-	24,743	-
Compensated Absences	4,658	-	3,472	1,186	-
Total OPEB liability	117,625	-	8,376	109,249	-
Total Garysburg Water and Sewer Activity	502,937	-	21,848	489,178	11,000
Solid Waste Activity:					
Net pension liability (LGERS)	27,757	13,481	-	41,238	-
Compensated Absences	7,632	-	4,851	2,781	-
Total OPEB liability	154,235	-	10,984	143,251	-
Total Solid Waste Activity	189,624	13,481	15,835	187,270	-
Total Business-type activities	<u>\$ 12,441,422</u>	<u>\$ 13,481</u>	<u>\$ 708,905</u>	<u>\$ 11,786,442</u>	<u>\$ 632,027</u>

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

Net Investments in Capital Assets

The total net investment in capital assets at June 30, 2019 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital Assets	<u>\$ 17,697,056</u>	<u>\$ 21,503,283</u>
Long-term obligations	35,037,901	11,786,443
Compensated Absences	(777,046)	(23,481)
Net pension obligation	(409,801)	-
Net pension liability	(3,958,888)	(164,953)
Total OPEB liability	(16,978,672)	(875,953)
Long-term debt for assets not owned by the County	(3,636,000)	-
Long-term debt, net, related to capital assets	<u>9,277,494</u>	<u>10,722,056</u>
Net investments in capital assets	<u><u>\$ 8,419,562</u></u>	<u><u>\$ 10,781,227</u></u>

Interfund Balance and Activities

Transfers

From the General Fund to the Debt Service Fund to cover debt service payments.	<u>\$ 1,501,511</u>
	<u>\$ 1,501,511</u>

Northampton County, North Carolina

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

Due from/to other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Fire District Fund	\$ 5,315	To cover temporary bank overdrafts
General Fund	Severn Peanut Capital Project Fund	23,618	To cover temporary bank overdrafts
General Fund	Courthouse/Admin/DSS Renovations	1,120	To cover temporary bank overdrafts
General Fund	Solid Waste Fund	61,148	To cover temporary bank overdrafts
Water and Sewer Fund	Solid Waste Fund	<u>31,230</u>	To cover temporary bank overdrafts
Total		<u>\$ 122,431</u>	

4. Related Organizations

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

5. Joint Ventures

The County participates in a joint venture to operate East Carolina Behavioral Health, which serves as an area mental health authority. The County appoints two of the eighteen members to the Board of the Organization. The County has an ongoing financial responsibility for the joint venture because the Organization's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Organization, so no equity interest has been reflected in the financial statements at June 30, 2019. 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, 2019. 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.

Northampton County, North Carolina

Notes to the Financial Statements For the Year Ended June 30, 2019

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, 2019. 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, 2019. The County appropriated \$20,000 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, 2019. The County appropriated \$25,000 to the Regional Airport Authority to supplement its activities.

6. Joint Governed Organization

The County, in conjunction with five other counties, established the Regional L Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$9,605 to the Council during the fiscal year ended June 30, 2019.

7. 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.

8. 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 expenses based on billings for the financial statement presentation.

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 Six Fiscal Years*

	<u>2019</u>	<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 (%)	0.17383%	0.18169%	0.18416%	0.18460%	0.19200%	0.14000%
Northampton County's proportionate share of the net pension (asset) liability (\$)	\$ 4,123,842	\$ 2,775,720	\$ 3,908,492	\$ 828,608	\$ (1,132,903)	\$ 2,226,344
Northampton County's covered payroll	\$ 11,706,739	\$ 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 payroll	35.23%	23.17%	34.12%	7.26%	-10.04%	21.66%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	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 Six Fiscal Years

	Local Government Employees' Retirement System					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 946,670	\$ 896,046	\$ 890,761	\$ 780,212	\$ 810,171	\$ 797,232
Contributions in relation to the contractually required contribution	946,670	896,046	890,761	780,212	810,171	797,232
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 11,971,960	\$ 11,706,739	\$ 11,977,708	\$ 11,455,286	\$ 11,415,786	\$ 11,288,695
Contributions as a percentage of covered payroll	7.91%	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 Six Fiscal Years*

	<u>2019</u>	<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 (%)	0.14217%	0.15913%	0.17821%	0.17045%	0.16571%	0.15807%
Northampton County's proportionate share of the net pension (asset) liability (\$)	\$ (23,548)	\$ (27,162)	\$ (33,318)	\$ (39,500)	\$ (37,572)	\$ (33,764)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	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 Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's required contribution	\$ 5,044	\$ 5,046	\$ 3,923	\$ 2,787	\$ 1,364	\$ 1,353
Contributions in relation to contractually required contribution	<u>5,044</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Northampton County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 371,520	\$ 399,443	\$ 377,621
Service Cost	34,313	29,751	33,873
Interest on the total pension liability	11,569	15,210	13,254
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	22,762	(95,640)	-
Changes of assumptions or other inputs	(19,548)	33,571	(12,588)
Benefit payments	(10,815)	(10,815)	(12,717)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 409,801</u>	<u>\$ 371,520</u>	<u>\$ 399,443</u>

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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 409,801	\$ 371,520	\$ 399,443
Covered payroll	\$ 1,389,796	\$ 1,276,077	\$ 1,142,943
Total pension liability as a percentage of covered payroll	29.49%	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, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 562,847	\$ 647,941
Interest	677,618	608,828
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,161,216)	56,659
Changes of	(1,066,142)	(2,145,021)
Benefit payments	<u>(382,050)</u>	<u>(340,860)</u>
Net change in total OPEB liability	<u>(1,368,943)</u>	<u>(1,172,453)</u>
Total OPEB liability - beginning	<u>19,223,568</u>	<u>20,396,021</u>
Total OPEB liability - ending	<u><u>\$ 17,854,625</u></u>	<u><u>\$ 19,223,568</u></u>
 Covered payroll	 \$ 10,972,849	 \$ 11,358,156
Total OPEB liability as a percentage of covered payroll	162.72%	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%
2019	3.89%

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, 2019

	2019			
	General Fund	Revaluation Fund	Revolving Loan Fund	Total
Revenues				
Ad Valorem Taxes	\$ 18,940,922	\$ -	\$ -	\$ 18,940,922
Other Taxes and licenses	3,200,220	-	-	3,200,220
Unrestricted intergovernmental	90,420	-	-	90,420
Restricted intergovernmental	8,746,152	-	-	8,746,152
Permits and fees	261,137	-	-	261,137
Sales and services	2,995,843	-	-	2,995,843
Investment earnings	292,094	1,299	515	293,908
Special project revenue	21,900	-	-	21,900
Miscellaneous	281,175	-	503	281,678
Total Revenues	<u>34,829,863</u>	<u>1,299</u>	<u>1,018</u>	<u>34,832,180</u>
Expenditures				
Current:				
General Government	4,504,308	-	-	4,504,308
Public Safety	9,354,212	-	-	9,354,212
Transportation	47,500	-	-	47,500
Environmental protection	5,000	-	-	5,000
Economic and physical development	920,816	-	-	920,816
Human Services	11,774,367	-	-	11,774,367
Cultural and recreational	422,608	-	-	422,608
Education	4,196,576	-	-	4,196,576
Debt Service:				
Principal	123,188	-	-	123,188
Interest	187,309	-	-	187,309
Total Expenditures	<u>31,535,884</u>	<u>-</u>	<u>-</u>	<u>31,535,884</u>
Revenues over (under) expenditures	<u>3,293,979</u>	<u>1,299</u>	<u>1,018</u>	<u>3,296,296</u>
Other financing Sources (uses)				
Transfers (to) from funds	(1,501,511)	-	-	(1,501,511)
Total other financing sources (uses)	<u>(1,501,511)</u>	<u>-</u>	<u>-</u>	<u>(1,501,511)</u>
Net change in fund balances	1,792,468	1,299	1,018	1,794,785
Fund Balance				
Beginning of year- July 1	<u>15,312,332</u>	<u>454,350</u>	<u>319,206</u>	<u>16,085,888</u>
End of year- June 30	<u>\$ 17,104,800</u>	<u>\$ 455,649</u>	<u>\$ 320,224</u>	<u>\$ 17,880,673</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, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Ad valorem Taxes				
Taxes	\$ 18,267,772	\$ 18,719,992	\$ 452,220	\$ 18,487,756
Penalties and interest	177,000	220,930	43,930	213,054
Total	18,444,772	18,940,922	496,150	18,700,810
Other Taxes and Licenses				
Privilege License	1,000	1,250	250	1,085
Local option sales tax	2,350,000	3,127,487	777,487	2,907,308
Excise tax	140,000	63,031	(76,969)	83,412
Hold harmless	2,400	2,587	187	2,839
Utility franchise tax	5,000	5,865	865	6,489
Total	2,498,400	3,200,220	701,820	3,001,133
Unrestricted Intergovernmental Revenues				
Beer and wine	62,000	84,510	22,510	63,678
Food Stamp tax reimbursements	2,400	5,910	3,510	3,728
Total	64,400	90,420	26,020	67,406
Restricted Intergovernmental Revenues				
Federal and state grants	8,749,073	8,669,883	(79,190)	8,634,320
Court facilities fees	20,000	19,577	(423)	21,222
Fines and forfeitures	50,000	52,123	2,123	51,403
ABC bottles taxes	4,270	4,569	299	4,563
Total	8,823,343	8,746,152	(77,191)	8,711,508
Permits and Fees				
Building permits	137,600	158,373	20,773	566,209
Register of Deeds	72,000	77,876	5,876	73,825
Other fees	37,400	24,888	(12,512)	35,175
Total	247,000	261,137	14,137	675,209
Sales and Services				
Court costs and fees	14,000	16,513	2,513	16,497
Jail fees	1,400	2,500	1,100	1,822
Ambulance and rescue squad fees	1,190,000	1,182,686	(7,314)	1,168,223
Sheriff fees	52,241	71,987	19,746	53,224
Health department fees	960,747	959,655	(1,092)	1,035,693
Inmate housing fees	150,000	223,979	73,979	194,615
Wellness Center fees	8,500	8,578	78	9,317
Other	468,783	529,945	61,162	457,435
Total	2,845,671	2,995,843	150,172	2,936,826
Interest on investments	26,000	292,094	266,094	111,075

(continued)

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Special Project Revenue				
Fees and Reimbursements	-	21,900	21,900	27,000
Total	-	21,900	21,900	27,000
Miscellaneous				
Miscellaneous DSS	165,157	167,811	2,654	159,398
Other	159,786	113,364	(46,422)	157,605
Total	324,943	281,175	(43,768)	317,003
Total Revenues	33,274,529	34,829,863	1,555,334	34,547,970
Expenditures				
General Government:				
Governing Body				
Salaries and employee benefits	54,204	55,023	(819)	50,517
Other operating expenditures	49,890	58,277	(8,387)	45,127
Capital Outlay	-	-	-	20
Total	104,094	113,300	(9,206)	95,664
Administration				
Salaries and employee benefits	254,649	249,074	5,575	224,006
Other operating expenditures	19,332	13,263	6,069	11,974
Capital Outlay	2,500	-	2,500	-
Total	276,481	262,337	14,144	235,980
Human Resources				
Salaries and employee benefits	186,380	161,230	25,150	152,205
Other operating expenditures	31,468	25,276	6,192	22,187
Total	217,848	186,506	31,342	174,392
Finance				
Salaries and employee benefits	400,303	390,516	9,787	386,917
Other operating expenditures	377,547	360,540	17,007	285,355
Total	777,850	751,056	26,794	672,272
Hospitalization- Retirees				
Other operating expenditures	363,957	353,608	10,349	319,750
Total	363,957	353,608	10,349	319,750
Wellness Grant				
Other operating expenditures	-	-	-	420
Total	-	-	-	420

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Taxes				
Salaries and employee benefits	541,029	521,710	19,319	490,320
Other operating expenditures	347,458	265,044	82,414	72,606
Capital Outlay	6,229	6,229	-	-
Total	894,716	792,983	101,733	562,926
Land Records				
Salaries and employee benefits	179,792	179,267	525	167,673
Other operating expenditures	14,579	11,841	2,738	13,386
Total	194,371	191,108	3,263	181,059
Legal				
Salaries and employee benefits	66,802	-	66,802	-
Other operating expenditures	135,158	132,763	2,395	92,129
Total	201,960	132,763	69,197	92,129
Court Facilities				
Other operating expenditures	23,601	14,166	9,435	15,999
Total	23,601	14,166	9,435	15,999
Elections				
Salaries and employee benefits	128,992	120,800	8,192	120,169
Other operating expenditures	79,665	55,540	24,125	77,740
Total	208,657	176,340	32,317	197,909
Register of Deeds				
Salaries	166,756	132,052	34,704	161,321
Other operating expenditures	56,060	53,063	2,997	42,673
Total	222,816	185,115	37,701	203,994
Public Buildings				
Salaries and employee benefits	354,380	352,831	1,549	345,719
Other operating expenditures	431,711	408,408	23,303	350,219
Capital Outlay	293,732	287,039	6,693	73,230
Total	1,079,823	1,048,278	31,545	769,168
Management Information Systems				
Salaries and employee benefits	63,311	63,202	109	58,772
Other operating expenditures	220,497	169,805	50,692	179,689
	-	-	-	29,384
Total	283,808	233,007	50,801	267,845

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Central Garage				
Salaries and employee benefits	40,295	39,840	455	50,584
Other Operating expenditures	50,226	20,284	29,942	28,310
Capital Outlay	-	-	-	17,506
Total	90,521	60,124	29,942	96,400
Central Stores				
Other operating expenditures	200	3,617	(3,417)	(7,078)
Total	200	3,617	(3,417)	(7,078)
Total General Government	4,940,703	4,504,308	435,940	3,878,829
Public safety:				
Sheriff				
Salaries	2,198,464	2,030,926	167,538	1,896,129
Other operating expenditures	371,032	325,775	45,257	270,951
Capital Outlay	67,205	66,305	900	120
Total	2,636,701	2,423,006	213,695	2,167,200
Sheriff- School Rescue Officer				
Salaries	124,628	181,610	(56,982)	132,491
Other operating expenditures	1,150	2,175	(1,025)	670
Total	125,778	183,785	(58,007)	133,161
Sheriff-Execution Account				
Other operating expenditures	13,000	4,888	8,112	7,375
Total	13,000	4,888	8,112	7,375
Criminal Justice Partnership Program				
Salaries	201,731	187,895	13,836	175,364
Other operating expenditures	88,294	53,557	34,737	68,501
Capital Outlay	20,833	19,902	931	-
Total	310,858	261,354	49,504	243,865
Jail				
Salaries and employee benefits	1,082,898	986,938	95,960	1,010,826
Other operating expenditures	444,750	560,194	(115,444)	506,534
Total	1,527,648	1,547,132	(19,484)	1,517,360
Emergency Communications				
Salaries and employee benefits	871,153	863,601	7,552	804,709
Other operating expenditures	61,946	55,221	6,725	73,327
Total	933,099	918,822	14,277	878,036

(continued)

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Emergency Management				
Salaries	111,126	110,910	216	101,781
Other operating expenditures	35,167	34,972	195	12,163
Capital Outlay	37,044	37,044	-	49,908
Total	183,337	182,926	411	163,852
Fire				
Assistance to local departments	14,500	14,500	-	14,500
Contribution to N.C. Forestry	120,108	90,407	29,701	81,435
Total	134,608	104,907	29,701	95,935
Building Inspections				
Salaries and employee benefit	111,415	110,684	731	93,000
Other operating expenditures	42,697	32,170	10,527	34,794
Capital Outlay	-	-	-	40
Total	154,112	142,854	11,258	127,834
Medical examiner				
Contracted services	37,300	35,940	1,360	8,250
Total	37,300	35,940	1,360	8,250
Ambulance Service				
Salaries and employee benefits	3,080,332	3,080,332	-	2,833,782
Other operating expenditures	398,630	374,007	24,623	388,465
Assistance to local rescue units	30,000	30,000	-	14,000
Total	3,508,962	3,484,339	24,623	3,236,247
Animal Control				
Salaries and employee benefits	62,117	58,727	3,390	54,948
Other operating expenditures	11,677	5,532	6,145	32,777
Capital Outlay	-	-	-	20
Total	73,794	64,259	9,535	87,745
Total Public Safety	9,639,197	9,354,212	284,985	8,666,860
Transportation				
Contribution to Tri-County Airport	47,500	47,500	-	47,500
Total Transportation	47,500	47,500	-	47,500

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Environmental Protection				
Contribution to Lake Gaston weed control	101,000	1,000	100,000	1,000
Drainage and watershed protection	4,000	4,000	-	4,000
Total Environmental Protection	105,000	5,000	100,000	5,000
Economic and Physical Development:				
Planning and zoning				
Salaries and employee benefits	144,342	138,914	5,428	129,533
Other operating expenditures	13,067	4,365	8,702	8,895
Total	157,409	143,279	14,130	138,428
Economic Development				
Salaries and employee benefits	225,838	177,380	48,458	162,017
Other operating expenditures	550,354	218,433	331,921	566,199
COG membership dues	9,605	9,605	-	9,733
Contribution to Chamber of Commerce	17,519	17,519	-	18,459
Contribution to CADA	2,500	2,500	-	2,500
Total	805,816	425,437	380,379	758,908
Cooperative Extension				
Salaries and employee benefits	270,780	227,846	42,934	220,656
Other operating expenditures	33,775	19,389	14,386	23,092
Total	304,555	247,235	57,320	243,748
YESS Mini-Society Grant				
Other operating expenditures	988	96	892	448
Total	988	96	892	448
Soil and Water Conservation				
Salaries and employee benefits	100,028	99,367	661	81,370
Other operating expenditures	5,147	4,007	1,140	4,444
Total	105,175	103,374	1,801	85,814
AgCarolina FC Grant				
Other operating expenditures	3,829	1,395	2,434	171
Total	3,829	1,395	2,434	171
Total Economic and Physical Development	1,377,772	920,816	456,956	1,227,517
Human services:				
Health				
Salaries and employee benefits	582,426	524,363	58,063	567,436
Other operating expenditures	227,347	183,727	43,620	125,345
Total	809,773	708,090	101,683	692,781

(continued)

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Communicable Disease				
Salaries and employee benefits	18,012	17,602	410	-
Other operating expenditures	1,119	127	992	1,025
Total	19,131	17,729	1,402	1,025
Kate B. Reynolds Grant				
Salaries and employee benefits	104,705	83,368	21,337	67,912
Other operating expenditures	10,382	6,265	4,117	3,515
Capital Outlay	2,115	1,472	643	8,640
Total	117,202	91,105	26,097	80,067
Healthy Start Initiative				
Other operating expenditures	44,264	42,444	1,820	22,972
Total	44,264	42,444	1,820	22,972
Immunization Program				
Salaries and employee benefits	5,590	-	5,590	5,378
Other operating expenditures	3,894	3,504	390	993
Total	9,484	3,504	5,980	6,371
Restaurant Heart Health				
Operating expenditures	1,123	388	735	400
Total	1,123	388	735	400
Tuberculosis Program				
Salaries and employee benefits	28,255	25,071	3,184	5,782
Other operating expenditures	8,268	6,846	1,422	4,402
Total	36,523	31,917	4,606	10,184
Health-Jail Site Testing				
Salaries and employee benefits	55,330	55,185	145	45,236
Other operating expenditures	3,257	2,166	1,091	1,960
Total	58,587	57,351	1,236	47,196
Pregnancy Care Management				
Salaries and employee benefits	65,280	62,733	2,547	64,250
Other operating expenditures	2,998	2,962	36	3,133
Total	68,278	65,695	2,583	67,383

(continued)

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Nurse Family Partnership				
Salaries and employees benefits	308,442	303,482	4,960	280,982
Other operating expenditures	187,126	165,098	22,028	114,113
Total	495,568	468,580	26,988	395,095
School Nurse Program				
Salaries and employees benefits	150,001	150,000	1	150,000
Total	150,001	150,000	1	150,000
Healthy Communities				
Salaries and employees benefits	36,383	35,421	962	31,247
Other operating expenditures	8,335	3,742	4,593	5,728
Total	44,718	39,163	5,555	36,975
Health- STD Prevention				
Other operating expenditures	100	-	100	84
Total	100	-	100	84
Breast and Cervical Cancer				
Other operating expenditures	93	93	-	8,339
Total	93	93	-	8,339
Home Health				
Salaries and employee benefit	602,214	562,326	39,888	517,186
Other operating expenditures	442,778	299,389	143,389	322,530
Total	1,044,992	861,715	183,277	839,716
School Health-Kate B.Reynolds				
Salaries and employee benefit	-	-	-	37,449
Other operating expenditures	-	-	-	2,950
Total	-	-	-	40,399

(continued)

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Child Health				
Salaries and employee benefit	56,516	56,397	119	53,975
Other operating expenditures	18,072	16,778	1,294	12,785
Capital outlay	1,606	1,571	35	-
Total	76,194	74,746	1,413	66,760
Child Service Coordination				
Salaries and employee benefit	45,836	45,837	(1)	44,253
Other operating expenditures	3,276	3,276	-	5,460
Total	49,112	49,113	(1)	49,713
Maternal Child Health				
Salaries and employee benefit	49,293	47,583	1,710	74,365
Other operating expenditures	18,272	17,246	1,026	12,569
Capital outlay	13,096	13,096	-	-
Total	80,661	77,925	2,736	86,934
Family Planning				
Salaries and employee benefit	204,625	159,470	45,155	181,621
Other operating expenditures	57,281	48,819	8,462	30,671
Total	261,906	208,289	53,617	212,292
Health Promotions- Clinical (adult)				
Salaries and employee benefit	18,924	18,383	541	38,808
Other operating expenditures	3,896	3,007	889	2,221
Total	22,820	21,390	1,430	41,029
Health-Head Start				
Salaries and employee benefit	34,077	33,969	108	29,573
Other operating expenditures	2,785	1,813	972	831
Total	36,862	35,782	1,080	30,404
Woman, Infants, and Children				
Salaries and employee benefit	118,394	113,949	4,445	106,497
Other operating expenditures	7,781	7,194	587	5,814
Total	126,175	121,143	5,032	112,311
Peer Counseling				
Salaries and employee benefit	8,158	8,157	1	8,246
Other operating expenditures	2,401	771	1,630	1,481
Total	10,559	8,928	1,631	9,727
Wise Woman Project				
Salaries and employee benefit	-	-	-	6,096
Other operating expenditures	-	-	-	1,303
Total	-	-	-	7,399

(continued)

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Bio-Terrorism Grant				
Salaries and employee benefit	20,944	20,944	-	21,979
Other operating expenditures	8,210	8,211	(1)	9,127
Total	29,154	29,155	(1)	31,106
Environmental Health				
Salaries and employee benefit	177,987	124,466	53,521	151,107
Other operating expenditures	12,424	10,394	2,030	10,101
Capital outlay	-	-	-	20
Total	190,411	134,860	55,551	161,228
Elderly and Handicapped				
Other operating expenditures	92,553	100,221	(7,668)	92,970
Total	92,553	100,221	(7,668)	92,970
Home Delivered Meals				
Salaries and employee benefit	19,472	16,585	2,887	16,238
Other operating expenditures	92,760	71,356	21,404	54,693
Total	112,232	87,941	24,291	70,931
Home and Community Care Block Grant				
Other operating expenditures	123,385	123,385	-	103,173
Total	123,385	123,385	-	103,173
AIDS Control				
Salaries and employee benefit	11,305	7,407	3,898	3,615
Other operating expenditures	3,798	2,814	984	1,335
Capital outlay	1,300	1,265	35	-
Total	16,403	11,486	4,917	4,950
Ebola				
Other operating expenditures	-	-	-	(150)
Total	-	-	-	(150)
NFP Nash				
Salaries and employee benefits	88,643	73,121	15,522	37,711
Other operating expenditures	35,964	14,442	21,522	7,308
Capital outlay	300	-	300	-
Total	124,907	87,563	37,344	45,019
Total Health	4,253,171	3,709,701	543,435	3,524,783

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	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	56,199	47,799	8,400	50,604
Other operating expenditures	3,581	2,202	1,379	3,095
Total	59,780	50,001	9,779	53,699
Veterans Assistance				
Salaries and employee benefits	50,930	50,930	-	47,017
Other operating expenditures	4,337	3,026	1,311	2,739
Total	55,267	53,956	1,311	49,756
MIECHV Centralized Intake				
Other operating expenditures	-	-	-	1,449
Total	-	-	-	1,449
Community Based Alternatives				
Other operating expenditures	110,850	125,758	(14,908)	110,651
Total	110,850	125,758	(14,908)	110,651
Social Services:				
Administration				
Salaries and employee benefits	4,024,646	3,650,462	374,184	3,540,864
Other operating expenditures	3,536,912	3,223,672	313,240	3,249,626
Capital outlay	84,002	84,002	-	-
Total	7,645,560	6,958,136	687,424	6,790,490
Program Expenditures				
Federal and State Expenditures				
AFDC-FC	58,524	11,301	47,223	14,657
Crisis fuel	163,615	161,714	1,901	141,720
Board home	27,018	-	27,018	-
CAP/DA federal and State expenditures	65,000	49,889	15,111	55,108
Child Daycare	10,215	-	10,215	45,194
Special adoption assistance	6,589	14,739	(8,150)	7,308
Total federal and state expenditures	330,961	237,643	93,318	284,997

(continued)

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
County Expenditures				
Aid to blind	4,688	4,688	-	1,908
OAA/AD	311,188	305,192	5,996	343,612
AFDC-FC	11,811	2,333	9,478	3,026
General assistance	7,500	4,263	3,237	5,260
Board income	24,017	-	24,017	1,224
Food stamp issuance	8,038	7,204	834	8,192
IV-E adoption assistance	33,856	25,023	8,833	22,134
Low income energy assistance	145,115	203,000	(57,885)	162,600
Other	9,855	5,855	4,000	4,600
Total County Expenditures	556,068	557,558	(1,490)	552,556
Total Social Services	8,532,589	7,753,337	779,252	7,628,043
Total Human Services	13,093,271	11,774,367	1,318,869	11,449,995
Cultural and Recreational				
Recreation				
Salaries and employee benefits	228,445	211,727	16,718	192,599
Other operating expenditures	43,372	36,706	6,666	33,052
Capital Outlay	2,828	2,645	183	6,347
Total	274,645	251,078	23,567	231,998
Libraries				
Contribution to regional library	156,430	156,430	-	156,430
Total	156,430	156,430	-	156,430
Northampton Cultural Arts				
Cultural	11,100	11,100	-	10,220
Total	11,100	11,100	-	10,220
Museums				
Contribution to museums	4,000	4,000	-	4,000
Total	4,000	4,000	-	4,000
Total Cultural and Recreational	446,175	422,608	23,567	402,648
Education:				
Public School- current expenses	3,500,000	3,500,000	-	3,500,000
Public School- capital outlay	354,453	354,453	-	695,000
Public Schools- Fines and Forfeitures	50,000	52,123	(2,123)	51,403
Community College-current	290,000	290,000	-	90,000
Total Education	4,194,453	4,196,576	(2,123)	4,336,403

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for Year Ended June 30, 2018

Exhibit B-2
(continued)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Debt service:				
Principal	192,091	123,188	68,903	133,222
Interest payments	221,099	187,309	33,790	2,031
Total debt service	<u>413,190</u>	<u>310,497</u>	<u>102,693</u>	<u>135,253</u>
Total expenditures	<u>34,257,261</u>	<u>31,535,884</u>	<u>2,720,887</u>	<u>30,150,005</u>
Revenue over (under) expenditures	<u>(982,732)</u>	<u>3,293,979</u>	<u>4,276,711</u>	<u>4,397,965</u>
Other Financing Sources (Uses)				
Transfers to other funds				
Debt Service Fund	(1,501,511)	(1,501,511)	-	(1,342,341)
Intrafund transfers:				
Revaluation fund	(50,000)	-	50,000	(50,000)
Loan proceeds	-	-	-	504,504
Appropriated fund balance	2,596,593	-	(2,596,593)	-
Contingency	(62,350)	-	62,350	-
Total other financing sources (uses)	<u>982,732</u>	<u>(1,501,511)</u>	<u>(2,484,243)</u>	<u>(887,837)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,792,468</u>	<u>\$ 1,792,468</u>	<u>3,510,128</u>
Fund balance- July 1		<u>15,312,332</u>		<u>11,425,271</u>
Fund balance- June 30		<u>\$ 17,104,800</u>		<u>\$ 14,935,399</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, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Interest on investments	\$ -	\$ 1,299	\$ 1,299	\$ 709
Expenditures:				
General government:				
Other operating expenditures	50,000	-	50,000	6,274
Revenues over (under) expenditures	(50,000)	1,299	(48,701)	(5,565)
<u>Other financing sources</u>				
Transfer in (out)	50,000	-	(50,000)	50,000
Net change in fund balance	\$ -	1,299	\$ 1,299	44,435
Fund balance, beginning		454,350		409,915
Fund balance, ending		\$ 455,649		\$ 454,350

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, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Interest on Investments	\$ 7,000	\$ 515	\$ (6,485)	\$ 550
Payment - Interest	-	503	503	-
Payment - Principal	-	3,527	3,527	-
Miscellaneous	99,000	-	(99,000)	-
Total Revenues	<u>106,000</u>	<u>4,545</u>	<u>(101,455)</u>	<u>550</u>
Expenditures:				
Economic and Physical Development				
Industrial Assistance	<u>300,000</u>	<u>225,000</u>	<u>75,000</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(194,000)</u>	<u>(220,455)</u>	<u>(26,455)</u>	<u>550</u>
Other Financing Sources (Uses):				
Transfer from other funds	900,000	-	(900,000)	-
Transfers to other funds	(1,114,497)	-	1,114,497	-
Appropriated fund balance	<u>408,497</u>	<u>-</u>	<u>(408,497)</u>	<u>-</u>
Total other financing sources (uses)	<u>194,000</u>	<u>-</u>	<u>(194,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(220,455)</u>	<u>\$ (220,455)</u>	<u>550</u>
Reconciling Items:				
Debt payments are reclassified against accounts receivable balance		(3,527)		-
Amounts recorded as expenditures are recorded on the balance sheet as a receivable		<u>225,000</u>		<u>-</u>
Total Reconciling Items		221,473		-
Current year change in fund balance		1,018		550
Beginning of year- July 1		<u>319,206</u>		<u>318,656</u>
End of year- June 30		<u>\$ 320,224</u>		<u>\$ 319,206</u>

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**
- **Courthouse/Admin/DSS Renovations**

Debt Service Fund

- **Debt Service Fund**

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 595,305	\$ 236,112	\$ 2,195	\$ 833,612
Taxes receivable (net)	148,753	-	-	148,753
Accounts receivable (net)	24,629	-	-	24,629
Due from other funds	-	-	-	-
Restricted cash	-	102,894	-	102,894
Total assets	<u>\$ 768,687</u>	<u>\$ 339,006</u>	<u>\$ 2,195</u>	<u>\$ 1,109,888</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued	\$ 25,494	\$ 1,113	\$ -	\$ 26,607
Due to other funds	5,315	24,738	-	30,053
Total liabilities	<u>30,809</u>	<u>25,851</u>	<u>-</u>	<u>56,660</u>
DEFERRED INFLOWS OF RESOURCES				
Tax receivable	<u>148,753</u>	<u>-</u>	<u>-</u>	<u>148,753</u>
Fund balances:				
Restricted:				
Stabilization by State statute	24,629	-	-	24,629
Restricted, other	248,655	-	-	248,655
Committed:				
Committed, other	-	338,230	-	338,230
Debt service	-	-	-	-
Assigned:				
Assigned, other	341,269	-	-	341,269
Unassigned	(25,428)	(25,075)	2,195	(48,308)
Total fund balances	<u>589,125</u>	<u>313,155</u>	<u>2,195</u>	<u>904,475</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 768,687</u>	<u>\$ 339,006</u>	<u>\$ 2,195</u>	<u>\$ 1,109,888</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, 2019

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Ad valorem taxes	\$ 766,442	\$ -	\$ -	\$ 766,442
Restricted intergovernmental	-	-	-	-
Sales and services	228,207	-	-	228,207
Investment earnings	1,051	287	217	1,555
Miscellaneous	23,500	210,000	-	233,500
Total revenues	<u>1,019,200</u>	<u>210,287</u>	<u>217</u>	<u>1,229,704</u>
Expenditures:				
Current:				
Public safety	913,862	-	-	913,862
Economic and physical development	-	279,406	-	279,406
Human services	-	-	-	-
Education	-	-	-	-
Debt Service:				
Principal	-	-	1,015,727	1,015,727
Interest	-	-	500,512	500,512
Total expenditures	<u>913,862</u>	<u>279,406</u>	<u>1,516,239</u>	<u>2,709,507</u>
Revenues over (under) expenditures	<u>105,338</u>	<u>(69,119)</u>	<u>(1,516,022)</u>	<u>(1,479,803)</u>
Other financing sources (uses):				
Transfers in (out)	-	-	1,501,511	1,501,511
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,501,511</u>	<u>1,501,511</u>
Net change in fund balance	105,338	(69,119)	(14,511)	21,708
Fund balances, beginning	<u>483,787</u>	<u>382,274</u>	<u>16,706</u>	<u>882,767</u>
Fund balances, ending	<u>\$ 589,125</u>	<u>\$ 313,155</u>	<u>\$ 2,195</u>	<u>\$ 904,475</u>

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Fund
June 30, 2019

	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	\$ 140,108	\$ 254,036	\$ -	\$ 201,161	\$ 595,305
Accounts receivable	-	19,017	5,612	-	24,629
Taxes Receivable	-	-	148,753	-	148,753
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 140,108</u>	<u>\$ 273,053</u>	<u>\$ 154,365</u>	<u>\$ 201,161</u>	<u>\$ 768,687</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 5,381	\$ 20,113	\$ -	\$ 25,494
Due to other funds	-	-	5,315	-	5,315
Total liabilities	<u>-</u>	<u>5,381</u>	<u>25,428</u>	<u>-</u>	<u>30,809</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes Receivable	-	-	148,753	-	148,753
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>148,753</u>	<u>-</u>	<u>148,753</u>
Fund balances:					
Restricted:					
Stabilization by State Statute	-	19,017	5,612	-	24,629
Restricted, other	-	248,655	-	-	248,655
Assigned:					
Assigned, other	140,108	-	-	201,161	341,269
Unassigned	-	-	(25,428)	-	(25,428)
Total fund balances	<u>140,108</u>	<u>267,672</u>	<u>(19,816)</u>	<u>201,161</u>	<u>589,125</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 140,108</u>	<u>\$ 273,053</u>	<u>\$ 154,365</u>	<u>\$ 201,161</u>	<u>\$ 768,687</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, 2019

	Mid-Atlantic Distribution Park Fund	Emergency Telephone System Fund	Fire District Fund	Solar Farm Trust Fund	Total
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ 766,442	\$ -	\$ 766,442
Restricted intergovernmental	-	-	-	-	-
Sales and service	-	228,207	-	-	228,207
Investment earnings	371	-	-	680	1,051
Miscellaneous	23,500	-	-	-	23,500
Total revenues	<u>23,871</u>	<u>228,207</u>	<u>766,442</u>	<u>680</u>	<u>1,019,200</u>
Expenditures:					
Public safety	-	146,330	767,532	-	913,862
Human services	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Total expenditures	<u>-</u>	<u>146,330</u>	<u>767,532</u>	<u>-</u>	<u>913,862</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	23,871	81,877	(1,090)	680	105,338
Fund balances, beginning	<u>116,237</u>	<u>185,795</u>	<u>(18,726)</u>	<u>200,481</u>	<u>483,787</u>
Fund balances, ending	<u>\$ 140,108</u>	<u>\$ 267,672</u>	<u>\$ (19,816)</u>	<u>\$ 201,161</u>	<u>\$ 589,125</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, 2019
With Comparative Actual Amounts for the Year Ended June, 30 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Investment earnings	\$ -	\$ 371	\$ 371	\$ 188
Miscellaneous	285,664	23,500	(262,164)	23,500
Total revenues	<u>285,664</u>	<u>23,871</u>	<u>(261,793)</u>	<u>23,688</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>23,871</u>	<u>1,195,871</u>	<u>23,688</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)	-
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>23,871</u>	<u>\$ 23,871</u>	<u>23,688</u>
Fund Balance- July 1		<u>116,237</u>		<u>92,549</u>
Fund Balance- June 30		<u>\$ 140,108</u>		<u>\$ 116,237</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, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019		Variance	2018
	Budget	Actual	Positive (Negative)	Actual
Revenues				
Telephone surcharge	\$ 66,933	\$ 228,207	\$ 161,274	\$ 253,809
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>66,933</u>	<u>228,207</u>	<u>161,274</u>	<u>253,809</u>
Expenditures				
Current:				
Public Safety				
Construction/ capital outlay	170,726	-	170,726	59,592
Other expenditures	218,755	146,330	72,425	145,670
Total expenditures	<u>389,481</u>	<u>146,330</u>	<u>243,151</u>	<u>205,262</u>
Revenues over (under) Expenditures	<u>(322,548)</u>	<u>81,877</u>	<u>404,425</u>	<u>48,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	-	-
Appropriated fund balance	322,548	-	(322,548)	-
Total other financing sources	<u>322,548</u>	<u>-</u>	<u>(322,548)</u>	<u>-</u>
(uses)				
Net Change in Fund Balances	<u>\$ -</u>	<u>81,877</u>	<u>\$ 81,877</u>	<u>48,547</u>
Fund Balance- July 1		<u>185,795</u>		<u>137,248</u>
Fund Balance- June 30		<u>\$ 267,672</u>		<u>\$ 185,795</u>

PSAP RECONCILIATION
FOR YEAR ENDED JUNE 30, 2019

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	\$ 267,672
Cumulative prior period revenues and expenditures not reported in the fund schedule (difference in beginning fund balance-budget to actual vs.PSAP Report)	47,127
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>5,167</u>
Ending balance, PSAP Revenue- Expenditure Report	<u>\$ 319,966</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, 2019
With Comparative Actual Amounts For The Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Roanoke Wildwood Fire District Tax	\$ 176,194	\$ 187,381	\$ 11,187	\$ 184,863
Garysburg Fire District tax	86,721	102,728	16,007	93,990
Gaston Fire District tax	214,635	224,322	9,687	209,110
Jackson Fire District tax	35,471	37,422	1,951	36,999
Lasker Fire District tax	22,934	24,426	1,492	24,158
Seaboard Fire District Tax	72,326	80,158	7,832	72,436
Rich Square Fire District tax	53,103	55,079	1,976	54,440
Woodland Fire District tax	57,798	54,926	(2,872)	55,025
Refund of motor vehicle interest	-	-	-	-
Interest Earnings	-	-	-	-
Total revenues	<u>719,182</u>	<u>766,442</u>	<u>47,260</u>	<u>731,021</u>
Expenditures				
Current:				
Public Safety:				
Roanoke Wildwood levy	176,194	187,606	(11,412)	186,234
Garysburg levy	86,721	102,966	(16,245)	91,032
Gaston levy	214,635	224,484	(9,849)	206,542
Jackson levy	35,471	37,563	(2,092)	37,463
Lasker levy	22,934	24,598	(1,664)	24,265
Seaboard Fire District levy	72,326	80,192	(7,866)	69,318
Rich Square levy	53,103	55,114	(2,011)	55,012
Woodland levy	57,798	55,009	2,789	50,777
Total expenditures	<u>719,182</u>	<u>767,532</u>	<u>(48,350)</u>	<u>720,643</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>(1,090)</u>	<u>\$ (1,090)</u>	10,378
Fund Balance- July 1		<u>(18,726)</u>		<u>(29,104)</u>
Fund Balance- June 30		<u>\$ (19,816)</u>		<u>\$ (18,726)</u>

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, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Zoning - Solar Farm	\$ -	\$ -	\$ -	\$ 50,000
Investment earnings	-	680	680	431
Miscellaneous	-	-	-	-
Total revenues	-	680	680	50,431
Expenditures				
Current:				
Economic and Physical Development				
Construction/ capital outlay	-	-	-	-
Other expenditures	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) Expenditures	-	680	680	50,431
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in (out)	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources	-	-	-	-
(uses)	-	-	-	-
Net Change in Fund Balances	\$ -	680	\$ 680	50,431
Fund Balance- July 1		200,481		150,050
Fund Balance- June 30		\$ 201,161		\$ 200,481

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, 2019

	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	Courthouse/ Admin/ DSS Renovations	Total
ASSETS									
Current Assets:									
Cash and cash equivalents	\$ 11,250	\$ 169,721	\$ 967	\$ 50,359	\$ -	\$ 3,815	\$ -	\$ -	\$ 236,112
Due from other funds	-	-	-	-	-	-	-	-	-
Restricted Cash	-	-	-	-	102,894	-	-	-	102,894
Total assets	<u>\$ 11,250</u>	<u>\$ 169,721</u>	<u>\$ 967</u>	<u>\$ 50,359</u>	<u>\$ 102,894</u>	<u>\$ 3,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,006</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337	\$ -	\$ 1,113
Due to other funds	-	-	-	-	-	-	23,618	1,120	24,738
Total liabilities	<u>776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,955</u>	<u>1,120</u>	<u>25,851</u>
Fund balances:									
Restricted:									
Stabilization by State Statute	-	-	-	-	-	-	-	-	-
Committed, other	10,474	169,721	967	50,359	102,894	3,815	-	-	338,230
Unassigned	-	-	-	-	-	-	(23,955)	(1,120)	(25,075)
Total fund balances	<u>10,474</u>	<u>169,721</u>	<u>967</u>	<u>50,359</u>	<u>102,894</u>	<u>3,815</u>	<u>(23,955)</u>	<u>(1,120)</u>	<u>313,155</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,250</u>	<u>\$ 169,721</u>	<u>\$ 967</u>	<u>\$ 50,359</u>	<u>\$ 102,894</u>	<u>\$ 3,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,006</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, 2019

	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	Courthouse/ Admin/ DSS Renovations	Total
Revenues:									
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	210,000	-	-	-	-	210,000
Investment earnings	-	-	61	216	-	10	-	-	287
Total revenues	-	-	61	210,216	-	10	-	-	210,287
Expenditures:									
Current:									
Economic and physical development	-	-	-	278,286	-	-	-	1,120	279,406
Human services	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	278,286	-	-	-	1,120	279,406
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Long term debt issued	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	61	(68,070)	-	10	-	(1,120)	(69,119)
Fund balances, beginning	10,474	169,721	906	118,429	102,894	3,805	(23,955)	-	382,274
Fund balances, ending	<u>\$ 10,474</u>	<u>\$ 169,721</u>	<u>\$ 967</u>	<u>\$ 50,359</u>	<u>\$ 102,894</u>	<u>\$ 3,815</u>	<u>\$ (23,955)</u>	<u>\$ (1,120)</u>	<u>\$ 313,155</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, 2019

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
<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>					
Ecocomic 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>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 10,474</u>		<u>\$ 10,474</u>	<u>\$ 10,474</u>
Fund Balance, beginning			10,474		
Fund Balance, ending			<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, 2019

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

	<u>2019</u>			<u>2018</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>	<u>-</u>
FUND BALANCE				
Beginning of year-July 1		<u>169,721</u>		<u>169,721</u>
End of year- June 30		<u><u>\$ 169,721</u></u>		<u><u>\$ 169,721</u></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, 2019

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

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment Earnings	\$ -	\$ 61	\$ 61	\$ 2
Total Revenue	-	61	61	2
Revenues over (under) expenditures	-	61	61	2
Net change in fund balance	\$ -	61	\$ 61	2
FUND BALANCE				
Beginning of year-July 1		906		904
End of year- June 30		\$ 967		\$ 906

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, 2019

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

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment Earnings	\$ 5,448	\$ 216	\$ (5,232)	\$ 232
Miscellaneous	210,000	-	(210,000)	-
Severn Peanut Building Reuse	-	210,000	210,000	-
Total Revenue	<u>215,448</u>	<u>210,216</u>	<u>(5,232)</u>	<u>232</u>
Expenditures:				
Building Purchase	75,000	67,526	7,474	7,500
Architectural & Engineering	23,000	-	23,000	-
EDC Loan	189,700	-	189,700	10,500
Utilities	-	760	(760)	-
Severn Peanut Building Reuse	-	210,000	(210,000)	-
Total Expenditures	<u>287,700</u>	<u>278,286</u>	<u>9,414</u>	<u>18,000</u>
Other financing resources (uses)				
Transfers in (out)	(213,018)	-	213,018	-
Intrafund transfers	-	-	-	-
Appropriated fund balance	<u>285,270</u>	<u>-</u>	<u>(285,270)</u>	<u>-</u>
Total other financing sources (uses)	<u>72,252</u>	<u>-</u>	<u>(72,252)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(68,070)</u>	<u>\$ (68,070)</u>	<u>(17,768)</u>
FUND BALANCE				
Beginning of year-July 1		<u>118,429</u>		<u>136,197</u>
End of year- June 30		<u>\$ 50,359</u>		<u>\$ 118,429</u>

Northampton County, North Carolina
Non-Major Capital Project Fund
Public School Building Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2019

				Actual		
	Project	Actual	Actual	Closed	Actual	Variance
	Authorization	Prior	Current	Out	Total	Positive
		Years	Year	Projects	to Date	(Negative)
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			102,894			
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, 2019

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Revenues:					
Restricted intergovernmental					
Investment earnings	\$ -	\$ 25	\$ 10	\$ 35	\$ 35
Miscellaneous	285,580	65,080	-	65,080	(220,500)
Total Revenue	285,580	65,105	10	65,115	(220,465)
Expenditures:					
Current:					
Economic and physical development:					
Infrastructure	285,580	61,300	-	61,300	224,280
Total Expenditures	285,580	61,300	-	61,300	224,280
Revenue over expenditures	\$ -	\$ 3,805		\$ 3,815	\$ 3,815
Fund balance, beginning			3,805		
Fund balance, ending			\$ 3,815		

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, 2019

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
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	2,154,206	1,740,417	-	1,740,417	(413,789)
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	2,154,206	1,764,372	-	1,764,372	389,834
Net change in fund balance	\$ -	\$ (23,955)		\$ (23,955)	\$ (23,955)
Fund balance, beginning			(23,955)		
Fund balance, ending			\$ (23,955)		

Northampton County, North Carolina
Non-Major Capital Project Fund
Courthouse/ Admin/ DSS Renovations
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2019

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Expenditures:					
Architectural & Engineering	\$ -	\$ -	\$ 1,120	\$ 1,120	\$ (1,120)
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,120</u>	<u>1,120</u>	<u>(1,120)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,120)</u>	<u>\$ (1,120)</u>	<u>\$ (1,120)</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, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019		Variance	2018
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Investment Earnings	\$ -	\$ 217	\$ 217	\$ 857
Expenditures				
Debt Service:				
Principal retirement	1,033,158	1,015,727	17,431	868,866
Interest	488,353	500,512	(12,159)	523,474
Total Expenditures	1,521,511	1,516,239	5,272	1,392,340
Revenues over (under) expenditures	(1,521,511)	(1,516,022)	5,489	(1,391,483)
Other financing resources (uses)				
Transfers in (out)				
Special Revenue Fund	220,000	-	(220,000)	-
General Fund	1,301,511	1,501,511	200,000	1,342,341
Total other financing sources (uses)	1,521,511	1,501,511	(20,000)	1,342,341
Net change in fund balance	\$ -	(14,511)	\$ (14,511)	(49,142)
FUND BALANCE				
Beginning of year-July 1		16,706		65,848
End of year- June 30		\$ 2,195		\$ 16,706

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**
- **West Fraser Wastewater Grant**
- **Water Asset Inventory and Assessment 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, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating Revenues:				
Water and sewer sales	\$ 3,230,994	\$ 3,334,794	\$ 103,800	\$ 2,641,248
Water and sewer taps	20,000	17,534	(2,466)	26,704
Other operating revenues	10,803	5,870	(4,933)	9,749
Total operating revenues	3,261,797	3,358,198	96,401	2,677,701
Non- Operating Revenues				
Interest earned on investments	-	2,673	2,673	1,621
Total Revenue	3,261,797	3,360,871	99,074	2,679,322
Expenditures				
Salaries and employee benefits	475,713	465,224	10,489	452,605
Purchased Water	481,002	453,443	27,559	344,826
Sewage treatment	611,167	697,641	(86,474)	356,062
Other operating expenses	423,523	388,855	34,668	361,428
Capital Outlay	178,620	176,998	1,622	316,885
Debt Service:				
Principal	629,336	617,027	12,309	600,000
Interest and fees	462,436	421,467	40,969	437,566
Total Expenditures	3,261,797	3,220,655	41,142	2,869,372
Revenues over (under) expenditures	-	140,216	140,216	(190,050)
Other financing resources (uses)				
Gain on Sale of Capital Assets	-	16,725	16,725	2,250
Total other financing sources (uses)	-	16,725	16,725	2,250
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 156,941	\$ 156,941	\$ (187,800)

(continued)

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, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Variance Positive (Negative) Actual
Reconciliation from Budetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 156,941	\$ (187,800)
Debt principal		617,027	600,000
Capital Outlay		27,500	47,053
Depreciation		(649,116)	(657,834)
Decrease in deferred outflows of resources		(26,959)	17,711
Increase in deferred inflows of resources		57,183	63,641
Decrease in accrued interest payable		(738)	(2,646)
Decrease in compensated absences		(6,394)	(129)
Decrease in net pension liability		32,355	(27,187)
Decrease in total OPEB liability		(47,801)	(29,037)
Interest Income (Ex E-1a)		-	202
Total expenditures		<u>\$ 159,998</u>	<u>\$ (176,026)</u>

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, 2019

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
Revenues:					
Restricted intergovernmental					
Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Administration	-	4,300	12,450	16,750	(16,750)
Contracted Services	-	32,742	-	32,742	(32,742)
Total Expenditures	<u>-</u>	<u>37,042</u>	<u>12,450</u>	<u>49,492</u>	<u>(49,492)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(37,042)</u>	<u>(12,450)</u>	<u>(49,492)</u>	<u>(49,492)</u>
Revenues and other financing sources over					
(under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (37,042)</u>	<u>\$ (12,450)</u>	<u>\$ (49,492)</u>	<u>\$ (49,492)</u>

Northampton County, North Carolina
Water And Sewer Capital Project
Water Asset Inventory and Assessment Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception And For The Year Ended June 30, 2019

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive Negative
Revenues:					
Restricted intergovernmental					
Grant	\$ 150,000	\$ -	\$ -	\$ -	\$ (150,000)
Total Revenue	150,000	-	-	-	(150,000)
Expenditures:					
Contracted Services	155,250	-	2,250	2,250	153,000
Total Expenditures	155,250	-	2,250	2,250	153,000
Revenues over (under) expenditures	(5,250)	-	(2,250)	(2,250)	3,000
Other Financing Sources					
Transfers in - Enterprise Fund	5,250	-	-	-	(5,250)
Total other financing sources (uses)	5,250	-	-	-	(5,250)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ (2,250)	\$ (2,250)	\$ (2,250)

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, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating Revenues:				
Water and sewer sales	\$ -	\$ 202,683	\$ 202,683	\$ 502,662
Water and sewer taps	-	1,066	1,066	4,777
Other operating revenues	-	357	357	1,719
Total operating revenues	-	204,106	204,106	509,158
Non- Operating Revenues				
Interest earned on investments	-	182	182	290
Total Revenue	-	204,288	204,288	509,448
Expenditures				
Salaries and employee benefits	-	26,499	(26,499)	81,119
Purchased Water	-	27,559	(27,559)	61,685
Sewage treatment	-	42,401	(42,401)	63,695
Other operating expenses	-	23,617	(23,617)	64,653
Capital Outlay	-	1,623	(1,623)	4,732
Debt Service:				
Principal	-	10,000	(10,000)	9,500
Interest and fees	-	18,118	(18,118)	18,597
Total Expenditures	-	149,817	(149,817)	303,981
Revenues over (under) expenditures	-	54,471	54,471	205,467
Other financing resources (uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 54,471	\$ 54,471	\$ 205,467

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, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Reconciliation from Budetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 54,471		\$ 205,467
Debt principal		10,000		9,500
Capital Outlay		-		-
Depreciation		(15,986)		(15,987)
Contributions to the pension plan in the current year		-		-
Pension expense		-		-
Decrease in deferred outflows of resources		(6,670)		5,391
Increase in deferred inflows of resources		10,051		11,043
Increase in accrued interest payable		(41)		(39)
Increase in compensated absences		(3,472)		-
Increase in net pension liability		8,089		(6,797)
Increase in OPEB liability		(8,376)		(5,089)
Total expenditures		<u>\$ 48,066</u>		<u>\$ 203,489</u>

Northampton County, North Carolina
Enterprise Fund
Solid Waste Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception And For The Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating Revenues:				
Solid waste fees	\$ 2,254,436	\$ 2,112,212	\$ 142,224	\$ 2,110,851
White goods and tire disposal tax	28,000	28,928	(928)	27,766
Solid waste disposal tax	11,000	13,745	(2,745)	12,180
Other operating revenues	55,718	62,201	(6,483)	56,953
Total operating revenues	<u>2,349,154</u>	<u>2,217,086</u>	<u>132,068</u>	<u>2,207,750</u>
Non- Operating Revenues				
Capital contributions	-	-	-	-
Interest earned on investments	-	2,079	(2,079)	1,245
Total non-operating revenues	<u>-</u>	<u>2,079</u>	<u>(2,079)</u>	<u>1,245</u>
Total Revenue	<u>2,349,154</u>	<u>2,219,165</u>	<u>129,989</u>	<u>2,208,995</u>
Expenditures				
Salaries and employee benefits	113,391	103,725	9,666	106,750
Solid waste pickup	2,128,022	2,051,555	76,467	2,111,828
Other operating expenses	107,741	84,016	23,725	63,709
Total Expenditures	<u>2,349,154</u>	<u>2,239,296</u>	<u>109,858</u>	<u>2,282,287</u>
Revenues over (under) expenditures	<u>-</u>	<u>(20,131)</u>	<u>20,131</u>	<u>(73,292)</u>
Other Financing Sources				
Transfer from General Fund	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	5,311
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,311</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (20,131)</u>	<u>\$ 20,131</u>	<u>\$ (67,981)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (20,131)		\$ (67,981)
Contributions to the pension plan in the current year		-		-
Pension expense		-		-
Decrease in deferred outflows of resources		(11,060)		9,788
Increase in deferred inflows of resources		13,215		14,350
Increase in compensated absences		(4,851)		-
Increase in net pension liability		13,481		(11,328)
Increase in OPEB liability		(10,984)		(6,672)
Change in net position		<u>\$ (20,330)</u>		<u>\$ (61,843)</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, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Social Services:				
Assets				
Cash and cash equivalents	\$ 32,033	\$ 32,229	\$ 30,430	\$ 33,832
Liabilities				
Accounts Payable	\$ 32,033	\$ 32,229	\$ 30,430	\$ 33,832
Inmate Trust Fund:				
Assets				
Cash and cash equivalents	\$ 119,826	\$ 55,080	\$ 59,397	\$ 115,509
Liabilities				
Accounts Payable	\$ 119,826	\$ 55,080	\$ 59,397	\$ 115,509
Motor Vehicle Tax:				
Assets				
Cash and cash equivalents	\$ -	\$ 921,934	\$ 897,583	\$ 24,351
Accounts Receivable	60,230	41,338	60,230	41,338
Total Assets	\$ 60,230	963,272	957,813	65,689
Liabilities				
Accounts Payable	60,230	963,272	957,813	65,689
Total Liabilities	\$ 60,230	\$ 963,272	\$ 957,813	\$ 65,689
Rescue Squad:				
Assets				
Cash and cash equivalents	\$ 38,240	\$ 464,649	\$ 467,606	\$ 35,283
Accounts Receivable	591,260	1,041,394	814,919	817,735
Total Assets	\$ 629,500	\$ 1,506,043	\$ 1,282,525	\$ 853,018
Liabilities				
Intergovernmental payable	\$ 591,260	\$ 1,041,394	\$ 814,919	\$ 817,735
Accounts Payable	38,240	464,649	467,606	35,283
Total Liabilities	\$ 629,500	\$ 1,506,043	\$ 1,282,525	\$ 853,018
Totals - All Agency Funds:				
Assets				
Cash and cash equivalents	\$ 190,099	\$ 1,473,892	\$ 1,455,016	\$ 208,975
Accounts Receivable	651,490	1,082,732	875,149	859,073
Total Assets	\$ 841,589	\$ 2,556,624	\$ 2,330,165	\$ 1,068,048
Liabilities				
Intergovernmental Payable	\$ 591,260	\$ 1,041,394	\$ 814,919	\$ 817,735
Accounts payable	250,329	1,515,230	1,515,246	250,313
Total Liabilities	\$ 841,589	\$ 2,556,624	\$ 2,330,165	\$ 1,068,048

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, 2019

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2018</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2019</u>
2018-2019	\$ -	\$ 19,169,438	\$ 18,314,315	\$ 855,123
2017-2018	856,781	-	263,698	593,083
2016-2017	584,559	-	115,118	469,441
2015-2016	411,302	-	64,895	346,407
2014-2015	347,603	-	41,058	306,545
2013-2014	303,869	-	49,230	254,639
2012-2013	207,319	-	18,511	188,808
2011-2012	154,246	-	12,868	141,378
2010-2011	111,638	-	8,707	102,931
2009-2010	75,920	-	5,137	70,783
2008-2009	60,098	-	60,098	-
Totals	\$ <u>3,113,335</u>	\$ <u>19,169,438</u>	\$ <u>18,953,635</u>	3,329,138
Less Allowance for Doubtful Accounts				<u>(929,000)</u>
Taxes Receivable (Net)				\$ <u>2,400,138</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes - General Fund				\$ 18,940,922
Reconciling items				
Interest Collected				(220,930)
Taxes written off				60,098
Tax refunds				71,688
Miscellaneous Adjustments				<u>101,857</u>
Total Collections and Credits				\$ <u>18,953,635</u>

Northampton County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2019

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	\$ 2,081,066,522	0.920	\$ 19,145,812	\$ 17,647,735	\$ 1,498,077
Penalties	-		17,404	17,404	-
Total	<u>2,081,066,522</u>		<u>19,163,216</u>	<u>17,665,139</u>	<u>1,498,077</u>
Discoveries	<u>676,304</u>	0.920	<u>6,222</u>	<u>6,222</u>	<u>-</u>
Abatements	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 2,081,742,826</u></u>				
Net levy			19,169,438	17,671,361	1,498,077
Uncollected taxes at June 30, 2019			<u>855,123</u>	<u>855,123</u>	<u>-</u>
Current year's taxes collected			<u><u>\$ 18,314,315</u></u>	<u><u>\$ 16,816,238</u></u>	<u><u>\$ 1,498,077</u></u>
Current levy collection percentage			<u><u>95.54%</u></u>	<u><u>95.16%</u></u>	<u><u>100.00%</u></u>

Northampton County, North Carolina
Analysis of Current Tax Levy - Secondary Market Disclosures
County - wide Levy
For the Fiscal Year Ended June 30, 2019

Exhibit G-3

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio		<u>100.00%</u>
Real property	\$	1,486,717,463
Personal property		438,963,866
Public service companies		<u>156,061,497</u>
Total assessed valuation	\$	<u>2,081,742,826</u>
Tax rate per \$100	\$	<u>0.92</u>
Levy (includes discoveries, releases and abatements)	\$	<u>19,152,034</u>

Northampton County, North Carolina
Ten Largest Taxpayers
For the Year Ended June 30, 2019

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2018 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Enviva Pellets Northampton LLC	Pellet Manufacturing	\$ 78,958,565	3.79%
Dominion NC Power	Utility	65,468,309	3.14%
Lowes Home Center	Warehousing/distribution	44,731,729	2.15%
Severn Peanut	Agriculture/Nuts	37,898,201	1.82%
West Fraser Inc	Pulp, paper and wood products	32,560,664	1.56%
Smithfield Carroll's Farms	Hog processing	20,678,590	0.99%
Georgia Pacific	Chemical Manufacturing	19,495,421	0.94%
CSX	Railroad	14,874,303	0.71%
VFS Leasing Co	Leasing Company	10,656,032	0.51%
FIATP Timber LLC	Timber Investment	10,765,796	0.52%
Total		<u>\$ 336,087,610</u>	<u>16.14%</u>

COMPLIANCE SECTION



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**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, 2019, and the related notes to the financial statements, which collectively comprises Northampton County's basic financial statements, and have issued our report thereon dated July 2, 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 questioned costs [2019-001, 2019-002] to be material weaknesses.

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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 questioned costs [2019-003, 2019-004] to be significant deficiencies.

Compliance and Other Matters

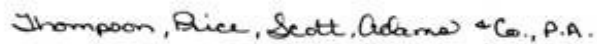
As part of obtaining reasonable assurance about whether Northampton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.
Whiteville, NC
July 2, 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, 2019. 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, 2019.

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 [2019-005] 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
July 2, 2020

**CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS**

**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, 2019. 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, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with applicable sections of section the Uniform Guidance as described in the Audit Manual for Governmental Auditors in North Carolina and which are described in the accompanying schedule of findings and questioned costs as item [2019-006]. Our opinion on each major state program is not modified with respect to these matters.

Northampton County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. Northampton 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.

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 charged
with the responsibility for oversight of the internal control system.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item [2019-006] that we consider to be material weaknesses.

Northampton's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Northampton'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 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
July 2, 2020

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

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>
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, 2019

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?

Xyes

___no

• 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

Xyes

___no

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

Rural Operating Assistance Program (ROAP) Cluster

ROAP EDTAP

ROAP EMPLOYMENT

ROAP RGP

Building Reuse Grant

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II. Financial Statement Findings

FINDING 2019-001*

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.

Effect: Material misstatements of financial statements could result.

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.

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

Name of Contact Person: Tameka Green, 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, 2019

Section II. Financial Statement Findings

Finding 2019-002*

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.

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.

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.

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

Name of Contact Person: Tameka Green, 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, 2019

Section II. Financial Statement Findings

Finding 2019-003*

Budget Violation

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 budget was overspent in several functions in General Fund. In addition, the County reflected no budgeted amounts for the Courthouse/Admin/DSS Renovations Fund and West Fraser Wastewater Grant Fund.

Effect: Moneys were spent that had not been obligated and appropriated.

Cause: The County did not properly adopt and record budget amendments for the revenues and expenditures for those functions and funds.

Recommendation: The County should evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available for timely account reconciliations, year-end close and annual financial reporting purposes. Management should consult with outside accountants or auditors if additional assistance is required in order to prepare for the annual audit, to include making all necessary budget amendments and postings to clean up deficit balances and make necessary budget amendments.

Name of Contact Person: Tameka Green, 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.

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II. Financial Statement Findings

Finding 2019-004*

Deficit Fund Balances

SIGNIFICANT DEFICIENCY

Criteria: The County should maintain a positive fund balance in each of its funds.

Condition: The County has three funds with a negative fund balance: Fire District Fund, Severn Peanut Natural Gas Fund, and Courthouse/Admin/DSS Renovations Fund.

Effect: When the County has a fund with a negative fund balance, the General Fund advances the money to the fund to pay expenditures.

Cause: The County did not properly reviewed the general ledger to ensure that methods considered necessary to ensure that the funds do not report deficit fund balances. It is understandable that a fund may show a deficit for a year as a result of timing differences, but after a year those deficits should be cleared up.

Recommendation: The County should evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available for timely account reconciliations, year-end close and annual financial reporting purposes. Management should consult with outside accountants or auditors if additional assistance is required in order to prepare for the annual audit, to include making all necessary budget amendments and postings to clean up deficit balances and make necessary budget amendments.

Name of Contact Person: Tameka Green, 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.

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section III. Federal Award Findings

Finding 2019-005*

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: Tameka Green, 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, 2019

Section IV. State Award Findings

N.C. Department of Commerce

Program Name: Rural Building Reuse Program

Finding 2019-006

Lack of Subrecipient Monitoring and Documentation

MATERIAL WEAKNESS

Criteria: The grant recipient is required to maintain sufficient documentation, including contract between local government and NC Department of Commerce, Legally Binding Commitment between the property owner and the local government, and reimbursement request and supporting documents from the property owner, in order to monitor the subrecipient activities and ensure project is in compliance with grant requirements.

Condition: The County failed to maintain sufficient documentation.

Effect: The subrecipient activities are not properly monitored to ensure compliance requirements are met.

Cause: Ineffective record keeping and reviewing process.

Recommendation: We recommend that County implement procedures to ensure grant agreements and supporting documentation are properly reviewed and kept on file.

Name of Contact Person: Tameka Green, Finance Officer

Corrective Action/ Management Response: The County is aware of the circumstances. Management will dedicate resources accordingly in order to file grant documentation as required.



Tameka Green

FINANCE OFFICER

Northampton County

FINANCE DEPARTMENT

P.O. Box 663

Jackson, NC 27845

Phone (252) 534-1536

Fax (252) 534-1239

NORTHAMPTON COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2019

Section II - Financial Statement Findings

Finding: 2019-001 Lack of Technical Expertise

Name of contact person: Tameka Green, Finance Officer

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: 2019-002 Reconciliation of Records and Reporting

Name of contact person: Tameka Green, Finance Officer

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

Proposed Completion Date: Immediately

Finding: 2019-003 Budget Violation

Name of contact person: Tameka Green, Finance Officer

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



Tameka Green

FINANCE OFFICER

Northampton County

FINANCE DEPARTMENT

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Phone (252) 534-1536
Fax (252) 534-1239

NORTHAMPTON COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2019

Section II - Financial Statement Findings (continued)

Finding: 2019-004 Deficit Fund Balances

Name of contact person: Tameka Green, Finance Officer

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: 2019-005 Data Collection Form Filing

Name of contact person: Tameka Green, 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

Finding: 2019-006 Lack of Subrecipient Monitoring and Documentation

Name of contact person: Tameka Green, Finance Director

Corrective Action: The County is aware of the circumstances. Management will dedicate resources accordingly in order to file grant documentation as required.

Proposed Completion Date: Immediately

NORTHAMPTON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2019

2018-001 Lack of technical expertise

Status Repeated as finding 2019-001

2018-002 Prior Period Adjustments

Status Corrected

2018-003 Reconciliation for Records and Reporting

Status Repeated as finding 2019-002

2018-004 Budget Adoption and Deficit Fund Balance

Status Repeated as finding 2019-003

2018-005 Data Collection Form Filing

Status Repeated as finding 2019-005

Northampton County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Passed through to Sub- recipients</u>	<u>Local 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		\$ 361,802	\$ -	\$ -	\$ 361,802
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		124,028	-	-	-
Total U. S. Department of Agriculture			485,830	-	-	361,802
<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		29,025	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-	-
Family Planning Services	93.217		24,240	-	-	-
Immunization Grants	93.268		9,014	-	-	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505		490,600	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		39,946	-	-	-
HIV Prevention Activities_Health Department Based	93.940		58,587	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		58	-	-	-
Maternal and Child Health Services Block Grant	93.994		79,043	9,397	-	-
Division of Social Services TANF - Work First	93.558		439,106	-	-	153,172
Division of Public Health TANF - Work First	93.558		5,071	-	-	-
Total TANF Cluster			444,177	-	-	153,172
Refugee and Entrant Assistance - Admin	93.566		504	-	-	-
Low Income Energy Assistance Administration	93.568		26,644	-	-	-
Crisis Intervention Payments	93.568		161,714	-	-	-
Energy Assistance	93.568		196,900	-	-	-
Total Low-Income Energy Assistance			385,258	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program - Permanency Planning - Families for Kids	93.645		3,447	-	-	1,149
Total Stephanie Tubbs Jones Child Welfare Services Program			3,447	-	-	1,149
AFDC Payments and Penalties	93.560		(482)	(127)		(133)
Foster Care and Adoption Cluster Foster Care - Title IV-E 4	93.658		111,342	9,250	-	94,303
Adoption Assistance	93.659		17,860	-	-	5,566
Foster Care	N/A		11,236	-	-	-
Total Foster Care and Adoption			140,438	9,250	-	99,868

Northampton County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Passed through to Sub- recipients</u>	<u>Local Expenditures</u>
Child Support Enforcement	93.563		548,705	-	-	282,666
Chafee Foster Care Independence Program	93.674		2,275	569	-	-
SSBG - Other Training & Services	93.667		151,330	-	-	50,443
Division of Aging and Adult Services						
Division of Social Services						
SSBG - State Adult Day Care	93.667		55,769	43,135	-	14,129
SSBG - State In Home Service Fund	93.667		29,689	-	-	4,241
Pass through Upper Coastal Plain Council of Governments						
Social Service Block Grant - In Home Services	93.667		36,378	1,039	-	-
Total Social Service Block Grant			<u>273,165</u>	<u>44,174</u>	<u>-</u>	<u>68,813</u>
Passed-through the N.C. Dept. of Health and Human Services						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-	93.596		77,043	-	-	-
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		1,361,927	5,990	-	558,037
Division of Social Services						
Administration						
State Children's Insurance Program-N. C. Health Choice	93.767		36,276	-	-	-
Passed-through Upper Coastal Plain Council of Government -						
Aging Cluster						
Division of Aging and Adult Services						
<u>Aging Cluster</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		62,100	3,653	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		52,519	3,089	-	-
NSIP - Nutrition	93.053		7,619	-	-	-
Total Aging Cluster			<u>122,238</u>	<u>6,742</u>	<u>-</u>	<u>-</u>
Total U. S. Department of Health and Human Services			<u>4,125,533</u>	<u>75,994</u>	<u>-</u>	<u>1,163,572</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		38,524	-	-	-
Total U.S. Department of Homeland Security			<u>38,524</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total federal awards			<u>\$ 4,649,887</u>	<u>\$ 75,994</u>	<u>\$ -</u>	<u>\$ 1,525,374</u>

State Awards:

N.C. Dept. of Health and Human Services

Division of Public Health:

Food & Lodging Fees	\$ -	\$ 2,426	\$ -	\$ -
CHA/CHIP Peer Review	-	104,276	-	-
General Communicable Diseases Control	-	2,440	-	-
Nurse Family Partnership	-	99,890	-	-
Child Health	-	1,818	-	-
HIV/STD State	-	500	-	-
STD Drugs	-	388	-	-
School Nurse Funding Initiative	-	150,000	-	-
Family Planning - State	-	28,611	-	-
Maternal Health	-	17,152	-	-
Women Health Service Fund	-	6,040	-	-
TB Control	-	31,757	-	-
Total Division of Public Health	-	<u>445,298</u>	-	-

Northampton County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Passed through to Sub- recipients</u>	<u>Local Expenditures</u>
Division of Social Services:						
ST Child Welfare/CPS/CS LD		N/A	-	7,490	-	-
County Funded Programs		N/A	-	-	-	537,570
DCD Smart Start		N/A	-	3,010	-	-
Non-Allocating County Cost		N/A	-	-	-	158,348
Work First Non Reimbursable		N/A	-	-	-	88,374
AFDC INCENT / Program Integrity		N/A	-	1,127	-	-
Total Division of Social Services			-	11,627	-	784,292
Division of Aging and Adult Services						
State Appropriation - Access			-	6,823	-	-
State Appropriation - Home Delevered Meals			-	25,568	-	-
State Appropriation - In Home Services			-	104,900	-	-
Total Division of Aging and Adult Services			-	137,291	-	-
Total N.C. Dept. of Health and Human Services			-	594,216	-	784,292
<u>N.C. Dept. of Veterans Affairs</u>						
Veteran Grant		N/A	-	2,216	-	-
Total N.C. Dept. of Veterans Affairs			-	2,216	-	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP EDTAP		36220.10.8.1	-	54,679	-	-
ROAP EMPLOYMENT		36236.11.7.1	-	6,003	-	-
ROAP RGP		36228.22.7.1	-	44,881	-	-
Total ROAP Cluster			-	105,563	-	-
<u>N.C. Department of Pubic Safety</u>						
Juvenile Crime Prevention Programs						
JCPC Admin			-	3,241	-	-
Second Chance Counts			-	40,000	40,000	-
NC Vocational Jobs Program			-	28,000	28,000	-
Children Matters			-	22,873	22,873	-
Total N.C. Department of Pubic Safety			-	94,114	90,873	-
<u>N.C. Department of Commerce</u>						
Rural Building Reuse Program			-	210,000	-	-
Total N.C Department of Commerce			-	210,000	-	-
<u>N.C. Department of Environmental Quality</u>						
Soil & Water Conservation			-	23,836	-	-
Wastewater Grant			-	12,450	-	-
Asset and Inventory Assessment Grant			-	2,250	-	-
Total N.C. Dept. of Environmental Quality			-	38,536	-	-
<u>NC Department of Cultural Resources</u>						
NCARTS Council						
Arts Grant			-	11,100	-	-
Total N.C. Department of Cultural Resources			-	11,100	-	-
Total State Awards			\$ -	\$ 1,055,745	\$ 90,873	\$ 784,292
Total Federal and State Awards			\$ 4,649,887	\$ 1,131,739	\$ 90,873	\$ 2,309,666

Notes to the Schedule of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Northampton County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Northampton County, it is not intended to and does not present the financial position, change in net position or cash flows of Northampton County.

Northampton County, North Carolina
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2019

<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>
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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.

Note 5: Benefit Payments Issued by the State

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

<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal</u>	<u>State</u>
Medical Assistance Program	93.778	\$ 26,603,065	\$ 14,586,518
Children's Health Insurance Program	93.767	261,974	-
Special Supplemental Nutrition Program for Women Infant and Children	10.557	95,795	-
Food and Nutrition Services	10.561	6,110,305	-
IV-E Adopt & Vendor	93.659	65,640	15,988
TANF Payments & Penalties	93.558	109,462	-
CWS Adopt, Vendor, Guard	N/A	-	41,361
SAA/SAD HB 1030	N/A	-	13,039
SC/SA Domiciliary Care	N/A	-	280,860