

NORTHAMPTON COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2023

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COUNTY MANAGER

Julian Phillips

BOARD OF COUNTY COMMISSIONERS

Dr. Charles R. Tyner Sr. - Chair
Geneva Riddick-Faulkner - Vice Chair
William "Ed" Martin
Melvetta Broadnax Taylor
Dr. Kelvin M. Edwards, Sr.

Finance Director

Kenya Walker

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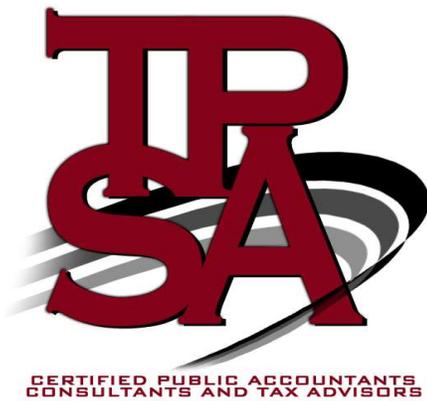
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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements which collectively comprise Northampton County basic financial statements as listed in the table of contents.

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, 2023, 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.

We did not audit the financial statements of Northampton County ABC Board, which represent 51.71 percent, 37.87 percent, and 84.72 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. As of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northampton County ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Northampton County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Northampton County ABC Board and Tourism Development Authority were not audited in accordance with Governmental Auditing Standards.

Responsibilities of Management for the Audit of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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.

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Northampton County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 63 through 69, 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. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2024 on our consideration of Northampton County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northampton County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 8, 2024

Northampton County 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, 2023. 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

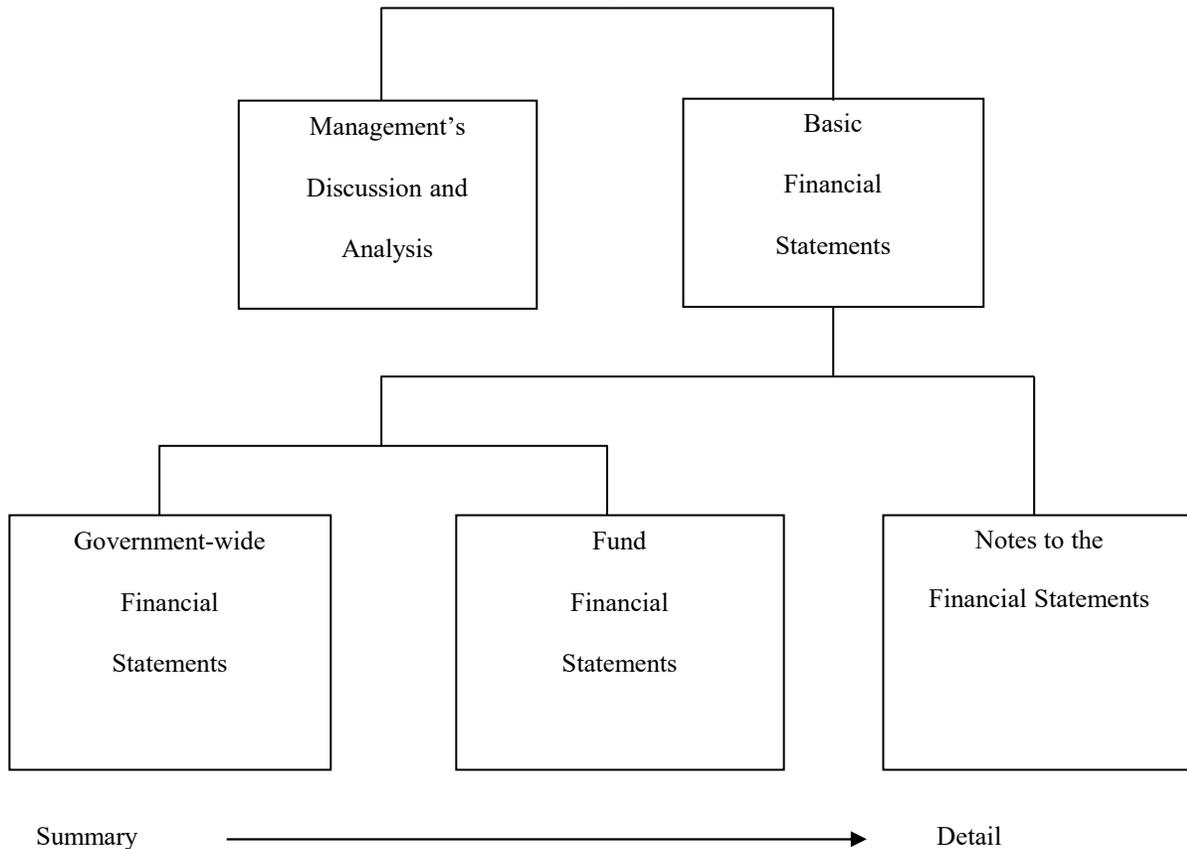
- The assets and deferred outflows of resources of Northampton County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$37,240,039 (*net position*).
- The government's total net position increased by \$11,033,415 primarily due to increased net position in the Governmental Activities.
- As of the close of the current fiscal year, Northampton County's governmental funds reported combined ending fund balances of \$29,577,535 an increase of \$2,120,518 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23,335,792 or 62.88 percent of total general fund expenditures for the fiscal year.
- Northampton County's total general obligation and installment debt decreased by \$1,399,368 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 two fiduciary funds, all of which are custodial 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 10.

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 \$37,240,039 as of June 30, 2023. The County's net position increased by \$11,033,415 for the fiscal year ended June 30, 2023. 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 | |
|--------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$ 43,867,080 | \$ 45,937,422 | \$ 3,285,017 | \$ 2,594,645 | \$ 47,152,097 | \$ 48,532,067 |
| Capital assets | 27,799,630 | 19,137,773 | 19,441,163 | 20,071,478 | 47,240,793 | 39,209,251 |
| Total assets | <u>71,666,710</u> | <u>65,075,195</u> | <u>22,726,180</u> | <u>22,666,123</u> | <u>94,392,890</u> | <u>87,741,318</u> |
| Total deferred outflows of resources | <u>9,544,485</u> | <u>8,664,808</u> | <u>410,022</u> | <u>386,129</u> | <u>9,954,507</u> | <u>9,050,937</u> |
| Current liabilities outstanding | 3,517,858 | 2,210,193 | 1,139,559 | 1,112,064 | 4,657,417 | 3,322,257 |
| Long-term liabilities outstanding | 44,168,025 | 49,908,620 | 9,064,868 | 9,700,044 | 53,232,893 | 59,608,664 |
| Total liabilities | <u>47,685,883</u> | <u>52,118,813</u> | <u>10,204,427</u> | <u>10,812,108</u> | <u>57,890,310</u> | <u>62,930,921</u> |
| Total deferred inflows of resources | <u>8,785,483</u> | <u>7,393,891</u> | <u>431,565</u> | <u>340,076</u> | <u>9,217,048</u> | <u>7,733,967</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 19,682,556 | 10,818,692 | 10,995,629 | 11,017,968 | 30,678,185 | 21,836,660 |
| Restricted | 3,049,907 | 4,071,432 | - | - | 3,049,907 | 4,071,432 |
| Unrestricted | 2,007,366 | (662,825) | 1,504,581 | 882,100 | 3,511,947 | 219,275 |
| Total net position | <u>\$ 24,739,829</u> | <u>\$ 14,227,299</u> | <u>\$ 12,500,210</u> | <u>\$ 11,900,068</u> | <u>\$ 37,240,039</u> | <u>\$ 26,127,367</u> |

NORTHAMPTON COUNTY'S CHANGES IN NET POSITION

Figure 3

| | Governmental | | Business-type | | Total | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,668,994 | \$ 5,040,594 | \$ 6,629,383 | \$ 6,072,181 | \$ 11,298,377 | \$ 11,112,775 |
| Operating grants and contributions | 8,572,275 | 9,227,587 | 45,101 | 45,702 | 8,617,376 | 9,273,289 |
| Capital grants and contributions | 7,187,972 | 619,807 | - | - | 7,187,972 | 619,807 |
| General revenues: | | | | | | |
| Property taxes | 21,575,294 | 21,833,040 | - | - | 21,575,294 | 21,833,040 |
| Other taxes | 4,186,943 | 3,826,118 | - | - | 4,186,943 | 3,826,118 |
| Other | 1,100,848 | 422,234 | 4,288 | 261 | 1,105,136 | 422,495 |
| Total revenues | 47,292,326 | 40,969,380 | 6,678,772 | 6,118,144 | 53,971,098 | 47,087,524 |
| Expenses: | | | | | | |
| General government | 5,493,244 | 4,968,474 | - | - | 5,493,244 | 4,968,474 |
| Public safety | 12,929,917 | 13,218,449 | - | - | 12,929,917 | 13,218,449 |
| Transportation | 53,000 | 52,000 | - | - | 53,000 | 52,000 |
| Environmental protection | 117,500 | 127,229 | - | - | 117,500 | 127,229 |
| Economic and physical development | 693,994 | 858,441 | - | - | 693,994 | 858,441 |
| Human services | 11,747,491 | 11,024,472 | - | - | 11,747,491 | 11,024,472 |
| Cultural and recreation | 690,950 | 626,833 | - | - | 690,950 | 626,833 |
| Education | 4,738,378 | 4,506,931 | - | - | 4,738,378 | 4,506,931 |
| Interest and fees | 374,579 | 429,324 | - | - | 374,579 | 429,324 |
| Water and sewer | - | - | 3,617,966 | 3,246,526 | 3,617,966 | 3,246,526 |
| Solid waste | - | - | 2,480,664 | 2,141,400 | 2,480,664 | 2,141,400 |
| Total expenses | 36,839,053 | 35,812,153 | 6,098,630 | 5,387,926 | 42,937,683 | 41,200,079 |
| Increase in net position before transfers | 10,453,273 | 5,157,227 | 580,142 | 730,218 | 11,033,415 | 5,887,445 |
| Transfers | (20,000) | (251,250) | 20,000 | 251,250 | - | - |
| Change in net position | 10,433,273 | 4,905,977 | 600,142 | 981,468 | 11,033,415 | 5,887,445 |
| Beginning of year - July 1, as previously stated | 14,227,299 | 9,216,537 | 11,900,068 | 10,872,104 | 26,127,367 | 20,088,641 |
| Restatement / Prior Period Adjust | 79,257 | 104,785 | - | 46,496 | 79,257 | 151,281 |
| Net position, beginning, restated | 14,306,556 | 9,321,322 | 11,900,068 | 10,918,600 | 26,206,624 | 20,239,922 |
| Net position, ending | \$ 24,739,829 | \$ 14,227,299 | \$ 12,500,210 | \$ 11,900,068 | \$ 37,240,039 | \$ 26,127,367 |

Governmental activities. Governmental activities increased the County’s net position by \$10,433,273. Key elements of this increase are as follows:

- Increase in grant revenue for courthouse project

Business-type activities. Business-type activities increased Northampton County’s net position by \$600,142. Key elements of this decrease are as follows:

- Revenues continuing to exceed expenditures

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 \$25,973,999, while total fund balance reached \$28,500,184. The County currently has an available fund balance of 70.26 percent of total General Fund expenditures, while total fund balance represents 77.10 percent of that same amount.

At June 30, 2023, the governmental funds of Northampton County reported a combined fund balance of \$29,577,535, a 7.72% percent increase from the previous year. The General Fund accounted for an increase in fund balance of \$1,836,952 while all other governmental funds combined accounted for an increase in fund balance of \$283,566. 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 \$1,737,656, which was 4.46 percent more than originally budgeted.

Proprietary Funds. Northampton County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. The total change in net position for these funds was a increase of \$600,142. 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, 2023, totals \$47,240,793 (net of accumulated depreciation and amortization). These assets include building and land, equipment, vehicles, right to use leased assets, water and sewer systems, and construction in progress.

Major capital asset transactions during the year include:

- Purchase of new vehicles & equipment for various departments
- Construction of Courthouse
- Acquisition of land

NORTHAMPTON COUNTY'S CAPITAL ASSETS

Figure 4

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 3,152,878 | \$ 2,905,678 | \$ - | \$ - | \$ 3,152,878 | \$ 2,905,678 |
| Construction in Progress | 10,351,023 | 1,679,438 | 224,198 | 608,928 | 10,575,221 | 2,288,366 |
| Buildings and improvements | 12,909,099 | 13,430,032 | 14,194 | - | 12,923,293 | 13,430,032 |
| Vehicles | 1,054,187 | 950,709 | 2,754 | 4,611 | 1,056,941 | 955,320 |
| Furniture, fixtures and equipment | 332,443 | 251,173 | 45,766 | 63,574 | 378,209 | 314,747 |
| Distributions systems | - | - | 19,154,251 | 19,394,365 | 19,154,251 | 19,394,365 |
| Right to Use Assets, net | 297,022 | 300,706 | 5,831 | 7,774 | 302,853 | 308,480 |
| Total | \$ 28,096,652 | \$ 19,517,736 | \$ 19,446,994 | \$ 20,079,252 | \$ 47,543,646 | \$ 39,596,988 |

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, 2023, Northampton County had total bonded debt outstanding of \$17,846,784, all of which is debt backed by the full faith and credit of the County.

NORTHAMPTON COUNTY'S OUTSTANDING DEBT

Notes Payable and General Obligation Bonds

Figure 5

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Installment notes payable | \$ 8,110,784 | \$ 8,319,152 | \$ - | \$ - | \$ 8,110,784 | \$ 8,319,152 |
| Lease liabilities | 303,312 | 300,635 | 47,775 | 8,284 | 351,087 | 308,919 |
| General obligation bonds | 1,292,000 | 1,874,000 | 8,444,000 | 9,053,000 | 9,736,000 | 10,927,000 |
| Total | \$ 9,706,096 | \$ 10,493,787 | \$ 8,491,775 | \$ 9,061,284 | \$ 18,197,871 | \$ 19,555,071 |

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 \$169,613,489.

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 4.9% at June 30, 2023. This was higher than the non-seasonally adjusted State average of 3.3%.

Budget Highlights for Fiscal Year Ending June 30, 2024

Governmental Activities. The general fund operating budget reflects an increase of approximately 9.9% (adjusted for one time expenditures for school capital outlay and ARPA funded sewer projects) compared to fiscal year 2023.

Business Type Activities. Solid waste budgeted expenditures are \$2,450,045 - a 7.5% increase compared to fiscal year 2023. The water and sewer budgeted expenditures are \$3,156,001 which is an 11.7% decrease compared to fiscal year 2023.

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, 2023

| | Primary Government | | | Component Units | | |
|--|----------------------------|-----------------------------|-----------------------------|--|------------------------------------|-------------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | Northampton County Tourism Development Authority | Northampton County ABC Board | Total Reporting Unit |
| ASSETS | | | | | | |
| Current: | | | | | | |
| Cash and cash equivalents | \$ 28,449,088 | \$ 2,287,334 | \$ 30,736,422 | \$ 588,017 | \$ 512,803 | \$ 31,837,242 |
| Taxes receivable (net) | 1,413,732 | - | 1,413,732 | - | - | 1,413,732 |
| Accounts receivables (net) | 1,057,591 | 649,095 | 1,706,686 | 44,209 | - | 1,750,895 |
| Notes receivable (net) | 265,159 | - | 265,159 | - | - | 265,159 |
| Due from other governments | 1,186,596 | - | 1,186,596 | - | - | 1,186,596 |
| Inventories | - | - | - | - | 161,958 | 161,958 |
| Prepaid items | - | - | - | 2,000 | 3,278 | 5,278 |
| Cash and cash equivalents, restricted | 11,169,851 | 302,347 | 11,472,198 | - | - | 11,472,198 |
| Net pension assets | 18,041 | - | 18,041 | - | - | 18,041 |
| Intangible asset | 10,000 | - | 10,000 | - | - | 10,000 |
| Capital assets: | | | | | | |
| Land, improvements, and construction in progress | 13,503,901 | 224,198 | 13,728,099 | - | - | 13,728,099 |
| Other capital assets, net of depreciation | 14,295,729 | 19,216,965 | 33,512,694 | 24,538 | - | 33,537,232 |
| Right to use assets, net | 297,022 | 46,241 | 343,263 | - | - | 343,263 |
| Total assets | 71,666,710 | 22,726,180 | 94,392,890 | 658,764 | 678,039 | 95,729,693 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension deferrals | 5,735,133 | 227,687 | 5,962,820 | - | 27,502 | 5,990,322 |
| OPEB deferrals | 3,809,352 | 182,335 | 3,991,687 | - | - | 3,991,687 |
| Total Deferred Outflows of Resources | 9,544,485 | 410,022 | 9,954,507 | - | 27,502 | 9,982,009 |
| LIABILITIES | | | | | | |
| Current Liabilities | | | | | | |
| Accounts payable | 2,398,432 | 195,026 | 2,593,458 | 1,982 | 117,282 | 2,712,722 |
| Accrued interest payable | 68,841 | 12,370 | 81,211 | - | - | 81,211 |
| Payable from restricted assets | - | 302,347 | 302,347 | - | - | 302,347 |
| Unspent Grant funding | 9,708,001 | - | 9,708,001 | - | - | 9,708,001 |
| Current portion of long-term debt | 1,050,585 | 629,816 | 1,680,401 | - | - | 1,680,401 |
| Long term liabilities: | | | | | | |
| Net Pension Liability - LGERS | 8,296,961 | 345,707 | 8,642,668 | - | 28,771 | 8,671,439 |
| Total Pension liability - LEOSSA | 740,140 | - | 740,140 | - | - | 740,140 |
| Total OPEB liability | 15,705,615 | 810,275 | 16,515,890 | - | 188,028 | 16,703,918 |
| Compensated absences | 1,061,797 | 46,927 | 1,108,724 | - | - | 1,108,724 |
| Long-term debt | 8,655,511 | 7,861,959 | 16,517,470 | - | - | 16,517,470 |
| Total liabilities | 47,685,883 | 10,204,427 | 57,890,310 | 1,982 | 334,081 | 58,226,373 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pension deferrals | 372,401 | 29,434 | 401,835 | - | 122 | 401,957 |
| OPEB deferrals | 8,256,844 | 402,131 | 8,658,975 | - | 2,658 | 8,661,633 |
| Prepaid taxes | 156,238 | - | 156,238 | - | - | 156,238 |
| Total Deferred inflows of resources | 8,785,483 | 431,565 | 9,217,048 | - | 2,780 | 9,219,828 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 19,682,556 | 10,995,629 | 30,678,185 | 24,538 | 31,674 | 30,734,397 |
| Restricted for: | | | | | | |
| Stabilization by state statute | 2,534,325 | - | 2,534,325 | 44,209 | - | 2,578,534 |
| Register of Deeds' pension plan | 18,041 | - | 18,041 | - | - | 18,041 |
| Other | 497,541 | - | 497,541 | 588,035 | 121,962 | 1,207,538 |
| Unrestricted (deficit) | 2,007,366 | 1,504,581 | 3,511,947 | - | 246,718 | 3,758,665 |
| Total net position | \$ 24,739,829 | \$ 12,500,210 | \$ 37,240,039 | \$ 656,782 | \$ 400,354 | \$ 38,297,175 |

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, 2023

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | | | |
|--|---------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|--------------------------|--|------------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Northampton County Tourism Development Authority | Northampton County ABC Board | Total Reporting Unit |
| | | | | | Governmental Activities | Business-type Activities | Total Primary Government | | | |
| Primary government: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General government | \$ 5,493,244 | \$ 154,630 | \$ 139,644 | \$ 6,768,228 | \$ 1,569,258 | \$ - | \$ 1,569,258 | \$ - | \$ - | \$ 1,569,258 |
| Public safety | 12,929,917 | 3,604,943 | 279,044 | - | (9,045,930) | - | (9,045,930) | - | - | (9,045,930) |
| Transportation | 53,000 | - | - | - | (53,000) | - | (53,000) | - | - | (53,000) |
| Environmental protection | 117,500 | - | - | - | (117,500) | - | (117,500) | - | - | (117,500) |
| Economic and physical development | 693,994 | - | 20,000 | - | (673,994) | - | (673,994) | - | - | (673,994) |
| Human services | 11,747,491 | 888,183 | 8,113,484 | - | (2,745,824) | - | (2,745,824) | - | - | (2,745,824) |
| Cultural and recreation | 690,950 | 21,238 | 20,103 | - | (649,609) | - | (649,609) | - | - | (649,609) |
| Education | 4,738,378 | - | - | 419,744 | (4,318,634) | - | (4,318,634) | - | - | (4,318,634) |
| Interest on long-term debt | 374,579 | - | - | - | (374,579) | - | (374,579) | - | - | (374,579) |
| Total governmental activities | <u>36,839,053</u> | <u>4,668,994</u> | <u>8,572,275</u> | <u>7,187,972</u> | <u>(16,409,812)</u> | <u>-</u> | <u>(16,409,812)</u> | <u>-</u> | <u>-</u> | <u>(16,409,812)</u> |
| Business-type activities: | | | | | | | | | | |
| Water and Sewer | 3,103,706 | 3,521,828 | - | - | - | 418,122 | 418,122 | - | - | 418,122 |
| Garysburg Water and Sewer | 514,260 | 686,314 | - | - | - | 172,054 | 172,054 | - | - | 172,054 |
| Solid Waste | 2,480,664 | 2,421,241 | 45,101 | - | - | (14,322) | (14,322) | - | - | (14,322) |
| Total business-type activities | <u>6,098,630</u> | <u>6,629,383</u> | <u>45,101</u> | <u>-</u> | <u>-</u> | <u>575,854</u> | <u>575,854</u> | <u>-</u> | <u>-</u> | <u>575,854</u> |
| Total primary government | <u>42,937,683</u> | <u>11,298,377</u> | <u>8,617,376</u> | <u>7,187,972</u> | <u>(16,409,812)</u> | <u>575,854</u> | <u>(15,833,958)</u> | <u>-</u> | <u>-</u> | <u>(15,833,958)</u> |
| Component Units: | | | | | | | | | | |
| Northampton County Tourism Development Authority | 108,580 | - | - | - | - | - | - | (108,580) | - | (108,580) |
| Northampton County ABC Board | 1,526,341 | 1,589,854 | - | - | - | - | - | - | 63,513 | 63,513 |
| Total component units | <u>\$ 1,634,921</u> | <u>\$ 1,589,854</u> | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(108,580)</u> | <u>63,513</u> | <u>(45,067)</u> |
| General revenues: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes, levied for general purpose | | | | | 21,575,294 | - | 21,575,294 | - | - | 21,575,294 |
| Local option sales tax | | | | | 4,083,843 | - | 4,083,843 | - | - | 4,083,843 |
| Other taxes and licenses | | | | | 103,100 | - | 103,100 | 285,893 | - | 388,993 |
| Unrestricted Intergovernmental | | | | | 80,312 | - | 80,312 | - | - | 80,312 |
| Investment earnings, unrestricted | | | | | 784,956 | 4,288 | 789,244 | 704 | - | 789,948 |
| Sale of assets | | | | | 16,774 | - | 16,774 | - | 1,778 | 18552 |
| Miscellaneous, unrestricted | | | | | 218,806 | - | 218,806 | 155 | - | 218,961 |
| Transfers | | | | | (20,000) | 20,000 | - | - | - | - |
| Total general revenues, special items, and transfers | | | | | <u>26,843,085</u> | <u>24,288</u> | <u>26,867,373</u> | <u>286,752</u> | <u>1,778</u> | <u>27,155,903</u> |
| Change in net position | | | | | 10,433,273 | 600,142 | 11,033,415 | 178,172 | 65,291 | 11,276,878 |
| Net position-beginning | | | | | 14,227,299 | 11,900,068 | 26,127,367 | 478,610 | 335,063 | 26,941,040 |
| Prior period adjustment (see note 8) | | | | | 79,257 | - | 79,257 | - | - | 79,257 |
| Net position-beginning, restated | | | | | <u>14,306,556</u> | <u>11,900,068</u> | <u>26,206,624</u> | <u>478,610</u> | <u>335,063</u> | <u>27,020,297</u> |
| Net position-ending | | | | | <u>\$ 24,739,829</u> | <u>\$ 12,500,210</u> | <u>\$ 37,240,039</u> | <u>\$ 656,782</u> | <u>\$ 400,354</u> | <u>\$ 38,297,175</u> |

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

Northampton County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023

| | Major | | | Non-Major | Total |
|---|----------------------|---------------------------------------|---------------------------------|---|----------------------|
| | General Fund | New Courthouse Project | American Rescue Plan | Other Governmental Funds | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 27,277,914 | \$ - | \$ - | \$ 1,171,174 | \$ 28,449,088 |
| Taxes Receivable | 1,167,566 | - | - | 67,693 | 1,235,259 |
| Accounts Receivable | 1,048,637 | - | - | 8,954 | 1,057,591 |
| Notes Receivable | 265,159 | - | - | - | 265,159 |
| Due from other funds | 313,872 | - | - | - | 313,872 |
| Due from other governments | 1,186,596 | - | - | - | 1,186,596 |
| Restricted Cash | 207,736 | 7,768,158 | 2,812,801 | 381,156 | 11,169,851 |
| Total assets | <u>\$ 31,467,480</u> | <u>\$ 7,768,158</u> | <u>\$ 2,812,801</u> | <u>\$ 1,628,977</u> | <u>\$ 43,677,416</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ 1,082,413 | \$ 1,156,193 | \$ - | \$ 159,826 | \$ 2,398,432 |
| Unspent grant proceeds | 273,000 | 6,611,965 | 2,810,207 | 12,829 | 9,708,001 |
| Due to other funds | - | - | - | 313,872 | 313,872 |
| Total liabilities | <u>1,355,413</u> | <u>7,768,158</u> | <u>2,810,207</u> | <u>486,527</u> | <u>12,420,305</u> |
| Deferred Inflows of Resources: | | | | | |
| Tax Receivable | 1,167,566 | - | - | 67,693 | 1,235,259 |
| Ambulance fees receivables | 288,079 | - | - | - | 288,079 |
| Prepaid taxes | 156,238 | - | - | - | 156,238 |
| Total deferred inflows of resources | <u>1,611,883</u> | <u>-</u> | <u>-</u> | <u>67,693</u> | <u>1,679,576</u> |
| Fund balances: | | | | | |
| Restricted: | | | | | |
| Stabilization by State statue | 2,526,185 | - | - | 8,140 | 2,534,325 |
| Restricted, other | - | - | - | 497,541 | 497,541 |
| Committed: | | | | | |
| Committed, other | 571,325 | - | 2,594 | 381,761 | 955,680 |
| Assigned: | | | | | |
| Assigned, other | 2,066,882 | - | - | 540,462 | 2,607,344 |
| Unassigned: | 23,335,792 | - | - | (353,147) | 22,982,645 |
| Total fund balances | <u>28,500,184</u> | <u>-</u> | <u>2,594</u> | <u>1,074,757</u> | <u>29,577,535</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 31,467,480</u> | <u>\$ 7,768,158</u> | <u>\$ 2,812,801</u> | <u>\$ 1,628,977</u> | |

(continued)

Northampton County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023

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 | \$ 28,096,652 |
| Option to purchase payments are not financial resources, and therefore, are not reported in the funds. | 10,000 |
| Accrued interest on taxes receivable | 178,473 |
| Net pension asset | 18,041 |
| Contributions to the pension plans in the current fiscal year are deferred | 1,489,970 |
| Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position | 23,923 |
| Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position | 339,225 |
| Deferred outflows of resources - pensions | 4,221,240 |
| Deferred outflows of resources - OPEB | 3,470,127 |
| 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 | (9,706,096) |
| Compensated absences | (1,061,797) |
| Accrued interest | (68,841) |
| Net pension liability (LGERS) | (8,296,961) |
| Total pension liability (LEOSSA) | (740,140) |
| Total OPEB liability | (15,705,615) |
| Pension related deferrals | (372,401) |
| OPEB related deferrals | (8,256,844) |
| Deferred inflows of resources for taxes and ambulance fees receivable | 1,523,338 |
| Net position of governmental activities (Exhibit 1) | \$ 24,739,829 |

Northampton County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

| | Major Governmental | | | Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------------|-------------------------|---------------------------------|--------------------------------|
| | General Fund | New Courthouse Project | American Rescue Plan | Other Governmental Funds | |
| REVENUES | | | | | |
| Ad valorem taxes | \$ 20,860,950 | \$ - | \$ - | \$ 959,785 | \$ 21,820,735 |
| Other taxes and licenses | 4,103,265 | - | - | - | 4,103,265 |
| Unrestricted intergovernmental | 77,434 | - | - | - | 77,434 |
| Restricted intergovernmental | 8,044,076 | 6,768,228 | 20,000 | 520,768 | 15,353,072 |
| Permits and fees | 762,370 | - | - | - | 762,370 |
| Sales and services | 3,668,997 | - | - | 774,095 | 4,443,092 |
| Investment earnings | 781,695 | - | 2,025 | 1,236 | 784,956 |
| Special project fund | 13,000 | - | - | - | 13,000 |
| Miscellaneous | 447,701 | - | - | 27,000 | 474,701 |
| Total revenues | <u>38,759,488</u> | <u>6,768,228</u> | <u>22,025</u> | <u>2,282,884</u> | <u>47,832,625</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 7,428,269 | 6,768,228 | - | - | 14,196,497 |
| Public safety | 10,912,944 | - | - | 1,665,925 | 12,578,869 |
| Transportation | 53,000 | - | - | - | 53,000 |
| Environmental protection | 117,500 | - | - | - | 117,500 |
| Economic and physical development | 683,291 | - | - | 14,296 | 697,587 |
| Human Services | 11,649,775 | - | - | 969 | 11,650,744 |
| Intergovernmental: | | | | | |
| Cultural and recreational | 538,312 | - | - | - | 538,312 |
| Education | 4,318,634 | - | - | 419,744 | 4,738,378 |
| Debt service: | | | | | |
| Principal | 168,225 | - | - | 849,002 | 1,017,227 |
| Interest | 17,599 | - | - | 360,447 | 378,046 |
| Total expenditures | <u>35,887,549</u> | <u>6,768,228</u> | <u>-</u> | <u>3,310,383</u> | <u>45,966,160</u> |
| Revenues over expenditures | <u>2,871,939</u> | <u>-</u> | <u>22,025</u> | <u>(1,027,499)</u> | <u>1,866,465</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers (to) from other funds | (1,309,040) | - | (20,000) | 1,309,040 | (20,000) |
| Sale of capital assets | 44,517 | - | - | - | 44,517 |
| Lease liabilities issued | 82,336 | - | - | - | 82,336 |
| Loan proceeds | 147,200 | - | - | - | 147,200 |
| Total other financing sources and uses | <u>(1,034,987)</u> | <u>-</u> | <u>(20,000)</u> | <u>1,309,040</u> | <u>254,053</u> |
| Net change in fund balance | 1,836,952 | - | 2,025 | 281,541 | 2,120,518 |
| Fund balances-beginning | <u>26,663,232</u> | <u>-</u> | <u>569</u> | <u>793,216</u> | <u>27,457,017</u> |
| Fund balances-ending | <u>\$ 28,500,184</u> | <u>\$ -</u> | <u>\$ 2,594</u> | <u>\$ 1,074,757</u> | <u>\$ 29,577,535</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, 2023

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

| | |
|---|----------------------|
| Net changes in fund balances - total governmental funds (Exhibit 4) | \$ 2,120,518 |
| <p>Exhibit 4 reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit 2 reported revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition difference for the following revenue types:</p> | |
| Property taxes | (194,273) |
| Ambulance and other miscellaneous revenues | (311,628) |
| <p>Expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement.</p> | |
| Accrued interest payable | 3,467 |
| Compensated absences | (47,245) |
| OPEB Expense | 93,551 |
| <p>Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.</p> | |
| | 9,479,617 |
| <p>Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.</p> | |
| | (886,774) |
| <p>Right to use leased asset expenditures recorded in the fund statements but capitalized as assets in the statement of activities.</p> | |
| | 82,336 |
| <p>Amortization expense allocates the costs of right to use assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.</p> | |
| | (86,020) |
| <p>Gain (loss) on the disposal of assets are not recorded in the governmental funds statements.</p> | |
| | (27,743) |
| <p>Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.</p> | |
| | 1,017,227 |
| <p>New debt issued during the year is recorded as a source of funds on the fund statements but affect only the statement of net position in the government-wide statements.</p> | |
| | (229,536) |
| <p>Change in accrued interest on taxes receivable.</p> | |
| | (51,168) |
| <p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.</p> | |
| | 1,489,970 |
| <p>Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position</p> | |
| | 23,923 |
| <p>Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position</p> | |
| | 339,225 |
| Pension expense | <u>(2,382,174)</u> |
| Total changes in net position of governmental activities | <u>\$ 10,433,273</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, 2023

| | General Fund | | | Variance With Final Positive (Negative) |
|--|--------------------|--------------------|----------------------|--|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 22,417,453 | \$ 22,417,453 | \$ 20,860,950 | \$(1,556,503) |
| Other taxes and licenses | 3,064,517 | 3,064,517 | 4,103,265 | 1,038,748 |
| Unrestricted intergovernmental | 63,250 | 63,250 | 77,434 | 14,184 |
| Restricted intergovernmental | 8,248,546 | 9,578,346 | 8,044,076 | (1,534,270) |
| Permits and fees | 236,950 | 236,950 | 762,370 | 525,420 |
| Sales and services | 2,447,804 | 2,470,765 | 3,668,997 | 1,198,232 |
| Investment earnings | (3,153) | (3,153) | 781,695 | 784,848 |
| Special Project revenue | 5,000 | 5,000 | 13,000 | 8,000 |
| Miscellaneous | 350,592 | 510,963 | 447,701 | (63,262) |
| Total revenues | <u>36,830,959</u> | <u>38,344,091</u> | <u>38,759,488</u> | <u>415,397</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 6,551,386 | 6,895,725 | 7,428,269 | (532,544) |
| Public safety | 11,686,893 | 12,438,206 | 10,912,944 | 1,525,262 |
| Transportation | 53,000 | 53,000 | 53,000 | - |
| Environmental Protection | 123,000 | 124,000 | 117,500 | 6,500 |
| Economic and physical development | 1,173,786 | 1,189,914 | 683,291 | 506,623 |
| Human services | 13,006,403 | 14,264,551 | 11,649,775 | 2,614,776 |
| Cultural and recreational | 567,024 | 590,752 | 538,312 | 52,440 |
| Education | 4,396,939 | 3,766,939 | 4,318,634 | (551,695) |
| Debt service | | | | |
| Principal payments | 69,265 | 59,265 | 168,225 | (108,960) |
| Interest | - | - | 17,599 | (17,599) |
| Total expenditures | <u>37,627,696</u> | <u>39,382,352</u> | <u>35,887,549</u> | <u>3,494,803</u> |
| Revenues over (under) expenditures | <u>(796,737)</u> | <u>(1,038,261)</u> | <u>2,871,939</u> | <u>3,910,200</u> |
| Other financing sources (uses): | | | | |
| Transfers (to) from other funds | (962,947) | (962,947) | (1,309,040) | (346,093) |
| Loan proceeds | - | - | 147,200 | 147,200 |
| Lease liabilities issued | - | - | 82,336 | 82,336 |
| Appropriated fund balance | 2,160,660 | 2,358,584 | - | (2,358,584) |
| Sale of capital assets | - | 26,600 | 44,517 | 17,917 |
| Contingency | (418,129) | (401,129) | - | 401,129 |
| Total other financing sources (uses) | <u>779,584</u> | <u>1,021,108</u> | <u>(1,034,987)</u> | <u>(2,056,095)</u> |
| Net change in fund balance | <u>\$ (17,153)</u> | <u>\$ (17,153)</u> | 1,836,952 | <u>\$ 1,854,105</u> |
| Fund balances: | | | | |
| Beginning of year, July 1 | | | <u>26,663,232</u> | |
| End of year, June 30 | | | <u>\$ 28,500,184</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, 2023

| | <u>MAJOR</u> Water and Sewer Fund | <u>NONMAJOR</u> Other Proprietary Funds | Total Enterprise Funds |
|---|---|---|------------------------------|
| ASSETS: | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 1,201,355 | \$ 1,085,979 | \$ 2,287,334 |
| Accounts receivable (net) | 540,722 | 108,373 | 649,095 |
| Restricted assets: | | | |
| Cash and cash equivalents, restricted | 242,395 | 59,952 | 302,347 |
| Total current assets | <u>1,984,472</u> | <u>1,254,304</u> | <u>3,238,776</u> |
| Non-current assets: | | | |
| Land and construction in progress | 224,198 | - | 224,198 |
| Other capital assets, net | 18,783,663 | 433,302 | 19,216,965 |
| Right to use asset, net | 5,831 | 40,410 | 46,241 |
| Total non-current assets | <u>19,013,692</u> | <u>473,712</u> | <u>19,487,404</u> |
| Total assets | <u>20,998,164</u> | <u>1,728,016</u> | <u>22,726,180</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Pension Deferrals | 136,612 | 91,075 | 227,687 |
| OPEB Deferrals | 130,729 | 51,606 | 182,335 |
| Total deferred outflows of resources | <u>267,341</u> | <u>142,681</u> | <u>410,022</u> |
| LIABILITIES: | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 155,401 | 39,625 | 195,026 |
| Accrued interest | 11,809 | 561 | 12,370 |
| Current portion of long-term debt | 604,905 | 24,911 | 629,816 |
| Liabilities payable from restricted assets: | | | |
| Customer Deposits | 242,395 | 59,952 | 302,347 |
| Total current liabilities | <u>1,014,510</u> | <u>125,049</u> | <u>1,139,559</u> |
| Noncurrent liabilities: | | | |
| Compensated absences-non current | 35,239 | 11,688 | 46,927 |
| Non-current portion of long-term debt | 7,536,726 | 325,233 | 7,861,959 |
| Net pension liability | 207,424 | 138,283 | 345,707 |
| Total OPEB Liability | 576,706 | 233,569 | 810,275 |
| Total noncurrent liabilities | <u>8,356,095</u> | <u>708,773</u> | <u>9,064,868</u> |
| Total liabilities | <u>9,370,605</u> | <u>833,822</u> | <u>10,204,427</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Pension Deferrals | 3,350 | 26,084 | 29,434 |
| OPEB Deferrals | 303,189 | 98,942 | 402,131 |
| Total deferred inflows of resources | <u>306,539</u> | <u>125,026</u> | <u>431,565</u> |
| NET POSITION: | | | |
| Net investment in capital assets | 10,872,061 | 123,568 | 10,995,629 |
| Unrestricted | 716,300 | 788,281 | 1,504,581 |
| Total net position | <u>\$ 11,588,361</u> | <u>\$ 911,849</u> | <u>\$ 12,500,210</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, 2023

| | <u>MAJOR</u> | <u>NONMAJOR</u> | |
|---|----------------------|----------------------------|----------------------|
| | Water and Sewer | Other Proprietary Funds | <u>Totals</u> |
| Operating Revenues: | | | |
| Charges for services | \$ 3,474,391 | \$ 2,977,719 | \$ 6,452,110 |
| Water and sewer taps | 40,350 | 1,200 | 41,550 |
| White goods and tire disposal tax | - | 32,296 | 32,296 |
| Solid waste disposal tax | - | 12,805 | 12,805 |
| Other operating revenues | 7,087 | 128,636 | 135,723 |
| Total operating revenues | <u>3,521,828</u> | <u>3,152,656</u> | <u>6,674,484</u> |
| Operating Expenses: | | | |
| Water distribution and sewage treatment | 2,131,574 | 493,709 | 2,625,283 |
| Solid waste | - | 2,480,238 | 2,480,238 |
| Depreciation | 816,416 | 12,833 | 829,249 |
| Total operating expenses | <u>2,947,990</u> | <u>2,986,780</u> | <u>5,934,770</u> |
| Operating income (loss) | <u>573,838</u> | <u>165,876</u> | <u>739,714</u> |
| Non-Operating Revenues (Expenses): | | | |
| Interest earned on investments | 3,562 | 726 | 4,288 |
| Interest and fees | (155,716) | (8,144) | (163,860) |
| Total non-operating revenues (expenses) | <u>(152,154)</u> | <u>(7,418)</u> | <u>(159,572)</u> |
| Income (loss) before capital contributions and transfers | 421,684 | 158,458 | 580,142 |
| Transfers from other funds | - | 20,000 | 20,000 |
| Change in net position | <u>421,684</u> | <u>178,458</u> | <u>600,142</u> |
| Net Position: | | | |
| Beginning of year - July 1 | 11,216,858 | 683,210 | 11,900,068 |
| Prior period adjustment (see note 8) | (50,181) | 50,181 | - |
| Beginning of year - July 1, restated | <u>11,166,677</u> | <u>733,391</u> | <u>11,900,068</u> |
| End of year - June 30 | <u>\$ 11,588,361</u> | <u>\$ 911,849</u> | <u>\$ 12,500,210</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, 2023

| | <u>MAJOR</u> | <u>NONMAJOR</u> | |
|--|---------------------------------|--|---------------------|
| | <u>Water and Sewer Fund</u> | <u>Other Proprietary Funds</u> | <u>Total</u> |
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 3,642,646 | \$ 3,183,008 | \$ 6,825,654 |
| Cash paid for goods and services | (1,606,843) | (2,820,603) | (4,427,446) |
| Cash paid to employees for services | (542,573) | (177,599) | (720,172) |
| Net cash provided (used) by operating activities | <u>1,493,230</u> | <u>184,806</u> | <u>1,678,036</u> |
| Cash flows from non-capital financing activities | | | |
| Loans from (to) other funds | 154,150 | 97,100 | 251,250 |
| Transfer from other funds | - | 20,000 | 20,000 |
| Net cash provided (used) by non-capital financial activities | <u>154,150</u> | <u>117,100</u> | <u>271,250</u> |
| Cash flows from capital and related financing activities: | | | |
| Acquisition and construction of capital assets | (175,240) | (14,620) | (189,860) |
| Right to use leased assets | - | (47,541) | (47,541) |
| Principal paid on long-term debt | (594,653) | (22,397) | (617,050) |
| Issuance of long-term debt proceeds | - | 47,541 | 47,541 |
| Interest and fees | (156,576) | (8,173) | (164,749) |
| Net cash provided (used) by capital and related financing activities | <u>(926,469)</u> | <u>(45,190)</u> | <u>(971,659)</u> |
| Cash flows from investing activities: | | | |
| Interest on investments | <u>3,562</u> | <u>726</u> | <u>4,288</u> |
| Net increase (decrease) in cash and cash equivalents | 724,473 | 257,442 | 981,915 |
| Cash and cash equivalents, July 1 | <u>719,277</u> | <u>888,489</u> | <u>1,607,766</u> |
| Cash and cash equivalents, June 30 | <u>\$ 1,443,750</u> | <u>\$ 1,145,931</u> | <u>\$ 2,589,681</u> |

(continued)

Northampton County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For the Year Ended June 30, 2023

| | <u>MAJOR</u> | <u>NONMAJOR</u> | |
|---|-------------------------|-------------------------------|---------------------|
| | Water and Sewer Fund | Other Proprietary Funds | Total |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income (loss) | \$ 573,838 | \$ 165,876 | \$ 739,714 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation | 816,416 | 12,833 | 829,249 |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable | 98,589 | 30,352 | 128,941 |
| (Increase) decrease in deferred outflows of resources for pensions | (49,695) | (33,131) | (82,826) |
| (Increase) decrease in deferred outflows of resources for OPEB | 45,547 | 13,386 | 58,933 |
| Increase (decrease) in deferred inflows of resources for pensions | (81,442) | (30,444) | (111,886) |
| Increase (decrease) in deferred inflows of resources for OPEB | 161,726 | 41,649 | 203,375 |
| Increase (decrease) in accounts payable and accrued liabilities | (33,472) | (29,717) | (63,189) |
| Increase (decrease) in net pension liability | 151,390 | 100,928 | 252,318 |
| Increase (decrease) in deposits | 22,229 | - | 22,229 |
| Increase (decrease) in Total OPEB liability | (216,419) | (87,649) | (304,068) |
| Increase (decrease) in compensated absences | 4,523 | 723 | 5,246 |
| Total adjustments | <u>919,392</u> | <u>18,930</u> | <u>938,322</u> |
| Net cash provided (used) by operating activities | <u>\$ 1,493,230</u> | <u>\$ 184,806</u> | <u>\$ 1,678,036</u> |

Northampton County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

| | Custodial Funds |
|---|--------------------|
| Assets: | |
| Cash and investments | \$ 242,898 |
| Accounts receivable | 276,673 |
| Total Assets | \$ 519,571 |
| Liabilities: | |
| Intergovernmental payable | \$ 90,920 |
| Total Liabilities | 90,920 |
| Net Position | |
| Restricted for: | |
| Individuals, organizations, and other governments | 428,651 |
| Total fiduciary net position | \$ 428,651 |

Northampton County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

| | Custodial Funds |
|---|--------------------|
| Additions | |
| Ad Valorem taxes for other governments | \$ 1,038,899 |
| Collections for Inmates | 35,508 |
| Total additions | 1,074,407 |
| Deductions | |
| Tax distributions to other governments | 1,080,346 |
| Payment on behalf of inmates | 43,479 |
| Total deductions | 1,123,825 |
| Net Increase (decrease) in fiduciary net position | (49,418) |
| Net Position, beginning | 478,069 |
| Net position, ending | \$ 428,651 |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

The accounting policies of Northampton County and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. The discretely presented component unit is reported in a separate column in the basic financial statements in order to emphasize that it is legally separate from the County.

Discretely Presented Component Unit

Northampton County Industrial Facilities and Pollution Control Financing Authority

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

Northampton County ABC Board

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

Northampton County Tourism Development Authority

The Northampton County Tourism Development Authority ("Tourism Development Authority") is governed by a five-member Board appointed by the County Commissioners as Tourism Development Authority members' terms expire. The County is authorized by State statute to collect an occupancy tax up to six percent (6%) on gross receipts derived from the rental of any room, lodging, or accommodation furnished by any hotel, motel, inn, tourist camp, or similar place within the County. Collections are remitted to the Tourism Development Authority, less than 3% administration charge, on a monthly basis. The County is financially accountable for the Tourism Development Authority, which is reported as a discretely presented component unit separate from the financial information of the primary government. Complete the financial statements for the Tourism Development Authority may be obtained from the entity's administrative offices at the Northampton County Tourism Development Authority, 100 West Jefferson Street, Jackson, North Carolina 27845.

B. Basis of Presentation – Basis of Accounting

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government net position and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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 eight special revenue funds: American Rescue Plan Fund, Mid-Atlantic Distribution Park Fund, Emergency Telephone System Fund, Fire District Fund, Solar Farm Trust Fund, COVID Relief Fund, Representative Payee Fund, Rescue Squad Fund and the Opioid Settlement 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 nine 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, New Courthouse Project fund.

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.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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 custodian for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds include the following funds:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Major Funds

The General Fund, New Courthouse Project Fund, American Rescue Plan Act Fund and Water and Sewer Fund are considered major funds for the year ended June 30, 2023.

C. Measurement Focus, Basis of Accounting

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

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

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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

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

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

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

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

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Special Revenue Funds (excluding the CDBG Fund), certain capital project funds (capital reserve funds), and the enterprise funds. All annual appropriation lapse at the fiscal year-end. Project ordinances are adopted for the funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, special revenue funds, enterprise funds, and at the object level for the capital project funds. The County Manager is authorized to transfer appropriations between departments within a fund up to \$5,000; however, any revisions that alter the total expenditures of any funds exceed \$5,000, must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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 North Carolina Capital Management Trust (NCCMT), which consists of two SEC registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAMf by Moody Investor Services. The Government Portfolio is 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.

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.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

Governmental Activities

| | |
|---------------------------------|---------------|
| General Fund | |
| Tax Revaluation | \$ 207,736 |
| Total General Fund | 207,736 |
| | |
| Other Governmental Funds | |
| American Rescue Plan Act | 2,812,801 |
| SCIF Grant | 7,768,158 |
| School Capital Fund | 280,132 |
| Opioid Settlement Funds | 101,024 |
| Total Other Governmental Funds | 10,962,115 |
| | |
| Total - Governmental Activities | \$ 11,169,851 |

Business-Type Activities

| | |
|----------------------------------|---------------|
| Water & Sewer Fund | |
| Customer Deposits | \$ 242,395 |
| Total Water & Sewer Fund | 242,395 |
| | |
| Garysburg Water & Sewer Fund | |
| Customer Deposits | 59,952 |
| Total Water & Sewer Fund | 59,952 |
| | |
| Total - Business Type Activities | \$ 302,347 |
| | |
| Total Restricted Cash | \$ 11,472,198 |

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, 2022.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Capital Assets

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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.

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) in accordance with the requirements of GASB 87.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use assets are amortized on a straight-line bases over the life of the related lease.

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 and special assessments 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, 2023

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.

Inventories -portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

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 Health Services - portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

| | General Fund | Special Revenue Fund | Capital Project Fund |
|---|---------------------|----------------------------|----------------------------|
| Restricted for Stabilization of State Statute | \$ 2,526,185 | \$ 8,140 | \$ - |
| Restricted - Other | | | |
| Restricted for Public Safety- E911 | - | 362,717 | - |
| Restricted for Health Services | - | 134,824 | - |
| Total | \$ 2,526,185 | \$ 505,681 | \$ - |

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

| | General Fund | Special Revenue Fund | Capital Project Fund |
|--|-------------------|----------------------------|----------------------------|
| <i>Committed for Tax Revaluation</i> - portion of fund balance that is committed by revenue source to pay for property tax revaluations purpose. | \$ 206,328 | \$ - | \$ - |
| <i>Committed for Economic and Physical Development</i> - portion of fund balance that is committed to pay for economic development expenditures. | 364,997 | 2,594 | - |
| <i>Committed for Capital Outlay</i> - portion of fund balance that is committed for future capital expenditures | - | - | 220,623 |
| <i>Committed for Education</i> - portion of fund balance that is committed for education expenditures | - | - | 161,138 |
| Total | \$ 571,325 | \$ 2,594 | \$ 381,761 |

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

| | General Fund | Special Revenue Fund | Debt Service Fund |
|---|---------------------|----------------------------|-------------------------|
| <i>Assigned for Subsequent Year's Expenditures</i> -portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager to modify appropriations up to \$5,000 between departments within a fund. | \$ 2,066,882 | \$ - | \$ - |
| <i>Assigned for Economic and Physical Development</i> - portion of fund balance that is assigned to pay for economic development expenditures. | - | 540,462 | - |
| Total | \$ 2,066,882 | \$ 540,462 | \$ - |

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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) | \$ 28,500,184 |
| Less: | |
| Stabilization by State statute | (2,526,185) |
| Available for appropriation | <u>\$ 25,973,999</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, as well as the government-wide financial statements of the TDA, 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 sick leave policies of the County and the TDA provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the TDA has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have 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, 2023

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 as follows:

Special Revenue Funds:

| | |
|--------------------------|-------------------|
| Fire District Fund | \$ 37,848 |
| Rescue Squad Fund | \$ 47,984 |
| Debt Service Fund | \$ 259,175 |

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/ Unbalance Budget

Three funds were unbudgeted - Fund 05 ARPA Fund, Fund 63 Phase VI Water Project Fund and Fund 68 Ambulance Capital Reserve Fund. There were several additional funds that did not have a budget but either had no current year activity or only revenue recorded. A budget will be adopted for these funds going forward. Balanced budgets could not be provided from the software for the following funds: Revolving Loan Fund, Public School Capital Project Fund.

C. Excess of Expenditures over Appropriations

Excess of expenditures over appropriations are in violation of the State law. At June 30, 2023, several departments in the General Fund (Administration, Public Buildings, Education, Debt Service and transfer to other funds), expenditures exceeded appropriation. Additionally, expenditures exceeded appropriation for the Revaluation Fund, Fire District Fund, Rescue Squad Fund, ARPA Fund, Ambulance Capital Reserve Fund, West Fraser Wastewater Grant, Water Asset Inventory and Assessment Grant Fund, Phase VI Water Project, and Solid Waste Fund. 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 roughly 4 months after the required due date of October 31, 2023. The County experienced turnover in the finance officer position, and key items had not been reconciled from prior years. Additional time was required to reconcile the ledger and obtain necessary information to complete the audit. Additionally, the OPEB report was not requested timely.

E. General Statute Violation

In accordance with G.S. 159-29, the finance officer shall give a true accounting and faithful performance bond with sufficient sureties in an amount to be fixed by the governing board not less than \$50,000. The County's finance officer position did not carry the minimum required bond for the fiscal year ended June 30, 2023. There were two months between December 2022 - February 2022 in which appropriate coverage was in place.

In accordance with G.S. 159-31, units shall have cash deposits covered by deposit insurance, collateralization method or dedicated method, at June 30, 2023 Northampton County had \$5,655 in unsecured deposits.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

3. Detail Notes on All Funds

A. Assets

Deposits

All the County's, TDA's, and the ABC Board's deposits 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, TDA's, or the ABC Board's agents in these units' 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, the TDA and the ABC Board, these deposits are 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 interestbearing 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, the TDA, the ABC Board, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the TDA, or the ABC Board under the Pooling Method, the potential exists for 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 and the TDA rely 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 complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2023, the County's deposits had a carrying amount of \$19,786,629 and a bank balance of \$19,817,156. Of the bank balance, \$802,329 was covered by federal depository insurance, and \$19,009,171 was covered by collateral held under the Pooling Method. An additional \$5,655 was held in an unprotected savings account. At June 30, 2023, the County had \$2,650 cash on hand.

At June 30, 2023, the Authority's deposits had a carrying amount of \$588,017. The cash balance of the TDA is included in the County's central depository account, so there is no separate FDIC coverage reported for the TDA. Any balance over FDIC coverage is covered by the pooling method.

At June 30, 2023, the carrying amount of deposits for the County ABC Board was \$510,503 and the bank balance was \$504,071. Of the bank balance \$250,000 was covered by federal depository insurance, and \$200,890 was covered by collateral held under the Pooling Method.

Investments

At June 30, 2023, the County had \$22,837,531 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.

| Investment Type | Valuation | Fair Value | Less than 6 months | 6-12 months | 1-3 Years |
|--|----------------------|----------------------|----------------------|-------------|-------------|
| | Measurement Method | | | | |
| NC Capital Management Trust-Governmental Portfolio | Fair Value - Level 1 | \$ 22,837,531 | \$ 22,837,531 | \$ - | \$ - |
| Total: | | <u>\$ 22,837,531</u> | <u>\$ 22,837,531</u> | <u>\$ -</u> | <u>\$ -</u> |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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 |
|----------------|----------------------|---------------------|----------------------|
| 2019 | \$ 2,554,759 | \$ 836,684 | \$ 3,391,443 |
| 2020 | 2,562,460 | 608,584 | 3,171,044 |
| 2021 | 2,548,733 | 375,938 | 2,924,671 |
| 2022 | 2,623,386 | 150,845 | 2,774,231 |
| Total | <u>\$ 10,289,338</u> | <u>\$ 1,972,051</u> | <u>\$ 12,261,389</u> |

Receivables

Receivables at the government-wide level at June 30, 2023, were as follows:

| | Accounts | Taxes | Due From Other Governments | Total |
|----------------------------------|---------------------|---------------------|----------------------------------|---------------------|
| Governmental Activities: | | | | |
| General | \$ 769,512 | \$ 2,652,546 | \$ 1,186,596 | \$ 4,608,654 |
| Ambulance | 2,208,617 | - | - | 2,208,617 |
| Fire district | - | 67,693 | - | 67,693 |
| Total Receivables | 2,978,129 | 2,720,239 | 1,186,596 | 6,884,964 |
| Allowance for doubtful accounts | (1,920,538) | (1,306,507) | - | (3,227,045) |
| Total governmental activities | <u>\$ 1,057,591</u> | <u>\$ 1,413,732</u> | <u>\$ 1,186,596</u> | <u>\$ 3,657,919</u> |
| Business-type Activities: | | | | |
| Solid Waste | \$ 11,983 | \$ - | \$ - | \$ 11,983 |
| Garysburg Water and Sewer | 528,881 | - | - | 528,881 |
| Water and sewer | 868,005 | - | - | 868,005 |
| Total Receivables | 1,408,869 | - | - | 1,408,869 |
| Allowance for doubtful accounts | (759,774) | - | - | (759,774) |
| Total business-type activities | <u>\$ 649,095</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 649,095</u> |

Due from other governments consisted of the following:

| | |
|---------------------------------|---------------------|
| Governmental Activities: | |
| Local option sales tax | \$ 1,017,280 |
| Sales tax refund | 169,316 |
| Total | <u>\$ 1,186,596</u> |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

Capital Assets

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

| | July 1, 2022 | Additions | Retirements | June 30, 2023 |
|---|----------------------|------------------|----------------|----------------------|
| Non- Depreciable Assets: | | | | |
| Land | \$ 2,905,678 | \$ 247,200 | \$ - | \$ 3,152,878 |
| Construction in Process | 1,679,438 | 8,755,842 | 84,257 | 10,351,023 |
| Total Capital Assets Not Being Depreciated | <u>4,585,116</u> | <u>9,003,042</u> | <u>84,257</u> | <u>13,503,901</u> |
| Depreciable Assets: | | | | |
| Buildings and Improvements | 20,832,201 | - | - | 20,832,201 |
| Equipment | 2,537,296 | 151,689 | - | 2,688,985 |
| Vehicles and Motor Equipment | 5,077,270 | 426,643 | 61,922 | 5,441,991 |
| Total Capital Assets | <u>33,031,883</u> | <u>9,581,374</u> | <u>146,179</u> | <u>42,467,078</u> |
| Less accumulated depreciation: | | | | |
| Buildings and Improvements | 7,402,169 | 520,933 | - | 7,923,102 |
| Equipment | 2,286,123 | 70,419 | - | 2,356,542 |
| Vehicles and motor equipment | 4,126,561 | 295,422 | 34,179 | 4,387,804 |
| Total Accumulated Depreciation | <u>13,814,853</u> | <u>886,774</u> | <u>34,179</u> | <u>14,667,448</u> |
| Total Capital Assets being Depreciated, net | <u>14,631,914</u> | | | <u>14,295,729</u> |
| Capital Assets being amortized: | | | | |
| Leased Building | 122,741 | - | - | 122,741 |
| Leased Vehicles | - | 82,336 | - | 82,336 |
| Leased Equipment | 259,438 | - | - | 259,438 |
| Total Capital Assets being Amortized | <u>382,179</u> | <u>82,336</u> | <u>-</u> | <u>464,515</u> |
| Less Amortization: | | | | |
| Buildings | 6,819 | 6,819 | - | 13,638 |
| Vehicles | - | 8,883 | - | 8,883 |
| Equipment | 74,654 | 70,318 | - | 144,972 |
| Total Amortization | <u>81,473</u> | <u>86,020</u> | <u>-</u> | <u>167,493</u> |
| Total Capital Assets being Amortized, net | <u>300,706</u> | <u>(3,684)</u> | <u>-</u> | <u>297,022</u> |
| Capital Assets, net | <u>\$ 19,517,736</u> | | | <u>\$ 28,096,652</u> |

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

| | |
|-----------------------------------|-------------------|
| Government Activities : | |
| General Government | \$ 190,955 |
| Public Safety | 414,735 |
| Economic and physical development | 2,620 |
| Human Services | 222,600 |
| Cultural and Recreational | 141,884 |
| Total | <u>\$ 972,794</u> |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

Summary of Proprietary Capital Assets

Capital assets for the proprietary funds of the County at June 30, 2023 are as follows:

| | July 1, 2022 | Additions | Retirements | June 30, 2023 |
|--|---------------|------------|-------------|---------------|
| Water and Sewer Fund | | | | |
| Non- Depreciable Assets: | | | | |
| Construction in progress | \$ 608,928 | \$ 175,240 | \$ 559,970 | \$ 224,198 |
| Depreciable Assets: | | | | |
| Plant and distribution systems | 31,330,960 | 559,970 | - | 31,890,930 |
| Furniture and equipment | 400,238 | - | - | 400,238 |
| Vehicles | 370,561 | - | - | 370,561 |
| Total Capital Assets | 32,710,687 | 735,210 | 559,970 | 32,885,927 |
| Less accumulated depreciation: | | | | |
| Plant and distribution systems | 12,360,979 | 794,808 | - | 13,155,787 |
| Furniture and equipment | 336,664 | 17,808 | - | 354,472 |
| Vehicles | 365,950 | 1,857 | - | 367,807 |
| Total Accumulated Depreciation | 13,063,593 | 814,473 | - | 13,878,066 |
| Total Capital Assets being depreciated, net | 19,038,166 | | | 18,783,663 |
| Capital Assets being amortized: | | | | |
| Leased Equipment | 9,718 | - | - | 9,718 |
| Total Capital Assets being Amortized | 9,718 | - | - | 9,718 |
| Less Amortization: | | | | |
| Equipment | 1,944 | 1,943 | - | 3,887 |
| Total Amortization | 1,944 | 1,943 | - | 3,887 |
| Total Capital Assets being Amortized, net | 7,774 | (1,943) | - | 5,831 |
| Water and Sewer Capital Assets, Net | \$ 19,654,868 | | | \$ 19,013,692 |
| Garysburg Water and Sewer District Fund | | | | |
| Non- Depreciable Assets: | | | | |
| Construction in progress | \$ - | \$ - | \$ - | \$ - |
| Depreciable Assets: | | | | |
| Plant and distribution systems | 799,324 | - | - | 799,324 |
| Total Capital Assets | 799,324 | - | - | 799,324 |
| Less accumulated depreciation: | | | | |
| Plant and distribution systems | 374,940 | 5,276 | - | 380,216 |
| Total Accumulated Depreciation | 374,940 | 5,276 | - | 380,216 |
| Total Capital Assets being depreciated, net | 424,384 | | | 419,108 |
| Capital Assets being amortized: | | | | |
| Leased Vehicles | - | 47,541 | - | 47,541 |
| Total Capital Assets being Amortized | - | 47,541 | - | 47,541 |
| Less Amortization: | | | | |
| Vehicles | - | 7,131 | - | 7,131 |
| Total Amortization | - | 7,131 | - | 7,131 |
| Total Capital Assets being Amortized, net | - | 40,410 | - | 40,410 |
| Garysburg Water and Sewer District Capital Assets, Net | \$ 424,384 | | | \$ 459,518 |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

| | July 1, 2022 | Additions | Retirements | June 30, 2023 |
|--|----------------------|---------------|--------------|----------------------|
| Solid Waste Fund: | | | | |
| Depreciable Assets: | | | | |
| Buildings | \$ 2,250 | \$ 14,620 | \$ 2,250 | \$ 14,620 |
| Furniture and equipment | 183,605 | - | - | 183,605 |
| Vehicles | 153,924 | - | - | 153,924 |
| Total Capital Assets | <u>339,779</u> | <u>14,620</u> | <u>2,250</u> | <u>352,149</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 2,250 | 426 | 2,250 | 426 |
| Furniture and equipment | 183,605 | - | - | 183,605 |
| Vehicles | 153,924 | - | - | 153,924 |
| Total Accumulated Depreciation | <u>339,779</u> | <u>426</u> | <u>2,250</u> | <u>337,955</u> |
| Solid Waste Capital Assets, Net | <u>-</u> | | | <u>14,194</u> |
| | | | | |
| Business-Type Activities Capital Assets, net | <u>\$ 20,079,252</u> | | | <u>\$ 19,487,404</u> |

B. Liabilities

Payables

Payables at government-wide level at June 30, 2023 were as follows:

| <u>Type of Payable</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|------------------------|------------------------------------|-------------------------------------|---------------------|
| Vendors | \$ 2,398,432 | \$ 195,026 | \$ 2,593,458 |
| Total | <u>\$ 2,398,432</u> | <u>\$ 195,026</u> | <u>\$ 2,593,458</u> |

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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, 2022, was 13.1% of compensation for law enforcement officers and 12.16% 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 \$1,550,683 for the year ended June 30, 2023.

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, 2023, the County reported a liability of \$8,624,668 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability 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, 2023, the County's proportion was 0.1532% (measured as of June 30, 2022), which was a decrease of 0.0010% from its proportion measured as of June 30, 2022 (measured as of June 30, 2021).

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

For the year ended June 30, 2023, the County recognized pension expense of \$2,394,520. At June 30, 2023, 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 | \$ 372,405 | \$ 36,512 |
| Changes of assumptions | 862,344 | - |
| Net difference between projected and actual earnings on pension plan investments | 2,856,492 | - |
| Changes in proportion and differences between County Contributions and proportionate share of contributions | 50,251 | 103,061 |
| County contributions subsequent to the measurement date | 1,550,683 | - |
| Total | \$ 5,692,175 | \$ 139,573 |

\$1,550,683 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount |
|------------------------|--------------|
| 2024 | \$ 1,222,149 |
| 2025 | 1,081,809 |
| 2026 | 337,075 |
| 2027 | 1,360,886 |
| 2028 | - |
| Thereafter | - |
| Total | \$ 4,001,919 |

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------|---|
| Inflation | 2.5 Percent |
| Salary Increases | 3.25 to 8.25 Percent, which includes a 3.25 percent inflation and productivity factor |
| Investment Rate | 6.5 percent, net of pension plan investment expense, including inflation |

The plan currently uses mortality tables based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* 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, 2021 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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, 2023 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Fixed Income | 33.0% | 0.9% |
| Global Equity | 38.0% | 6.5% |
| Real Estate | 8.0% | 5.9% |
| Alternatives | 8.0% | 8.2% |
| Credit | 7.0% | 5.0% |
| Inflation | 6.0% | 2.7% |
| Total | <u>100.0%</u> | |

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 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 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. 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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

| | 1% Decrease (5.50%) | Discount Rate (6.50%) | 1% Increase (7.50%) |
|---|---------------------------|-----------------------------|---------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 15,598,902 | \$ 8,642,668 | \$ 2,910,327 |

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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, 2021, the Separation Allowance's membership consisted of:

| | |
|--|----|
| Retirees receiving benefits | 2 |
| Terminated plan members entitled to, but not yet receiving benefits | - |
| Active plan members | 38 |
| Total | 40 |

A separate report was not issued for the Plan.

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

| | |
|------------------|---|
| Inflation | 2.50 Percent |
| Salary Increases | 3.25 to 7.75 percent, including inflation and productivity factor |
| Discount rate | 4.31 percent |

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

Mortality Rate

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths Before Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Deaths After Retirement (Beneficiary): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

Deaths After Retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

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. The County paid \$24,481 as benefits came due for the reporting period.

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

At June 30, 2023 the County reported a total pension liability of \$740,140. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$80,125.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 125,916 | \$ 78,042 |
| Changes of assumptions | 109,607 | 156,314 |
| Benefit payments and administrative expenses subsequent to the | 23,923 | - |
| Total | \$ 259,446 | \$ 234,356 |

The County paid \$23,923 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount |
|------------------------|-----------|
| 2024 | \$ 20,077 |
| 2025 | 19,514 |
| 2026 | 17,399 |
| 2027 | (13,439) |
| 2028 | (26,395) |
| Thereafter | (15,989) |
| Total | \$ 1,167 |

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 4.31%, 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 (3.31%) or 1-percentage-point higher (5.31%) than the current rate

| | 1% Decrease (3.31%) | Discount Rate (4.31%) | 1% Increase (5.31%) |
|---|---------------------------|-----------------------------|---------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 812,711 | \$ 740,140 | \$ 675,096 |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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

| | | |
|--|-----------|----------------|
| Beginning balance | \$ | 927,367 |
| Service Cost | | 66,659 |
| Interest on the total pension liability | | 20,590 |
| Changes of benefit terms | | - |
| Differences between expected and actual experience in the measurement of the total | | (91,548) |
| Changes in assumptions or other inputs | | (158,447) |
| Benefit payments | | (24,481) |
| Other changes | | - |
| Ending balance of the total pension liability | <u>\$</u> | <u>740,140</u> |

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at December 31, 2021 (measurement date) to 4.31 percent at December 31, 2022 (measurement date).

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, 2021 valuation were based on the results of an actuarial experience study by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.

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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$84,443 which consisted of \$64,075 from the County and \$20,368 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.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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

Registers of Deeds' Supplemental Pension Fund

Plan Description. Northampton County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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 \$1,314 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$18,041 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was 0.136%, which was an increase of 0.0272% from its proportion measured as of June 30, 2022.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

For the year ended June 30, 2023, the County recognized pension expense of \$3,306. At June 30, 2023, 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 | \$ 139 | \$ 327 |
| Changes of assumptions | 955 | - |
| Net difference between projected and actual earnings on pension plan investments | 7,498 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 1,293 | 3,728 |
| County contributions subsequent to the measurement date | 1,314 | - |
| Total | \$ 11,199 | \$ 4,055 |

\$1,314 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount |
|------------------------|----------|
| 2024 | \$ 1,651 |
| 2025 | (203) |
| 2026 | 2,496 |
| 2027 | 1,886 |
| 2028 | - |
| Thereafter | - |
| Total | \$ 5,830 |

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.5 Percent |
| Salary Increases | 3.25 to 8.25 percent, including inflation and productivity factor |
| Investment Rate of Return | 3.00 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, 2021 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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, 2023 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 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 2.50%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.00%. 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 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

| | 1% Decrease (2.00%) | Discount Rate (3.00%) | 1% Increase (4.00%) |
|---|---------------------------|-----------------------------|---------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 20,795 | \$ (18,041) | \$ 30,705 |

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) 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 June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for LEOSSA was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

| | <u>LGERS</u> | <u>ROD</u> | <u>LEOSSA</u> | <u>Total</u> |
|--|--------------|-------------|---------------|--------------|
| Proportionate Share of Net Pension Liability (Asset) | \$ 8,642,668 | \$ (18,041) | \$ - | \$ 8,624,627 |
| Proportion of the Net Pension Liability (Asset) | 0.1522% | 0.1090% | n/a | |
| Total Pension Liability | - | - | 740,140 | 740,140 |
| Pension Expense | 2,394,520 | 3,306 | 80,125 | 2,477,951 |

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>LGERS</u> | <u>ROD</u> | <u>LEOSSA</u> | <u>Total</u> |
|---|--------------|------------|---------------|--------------|
| <u>Deferred Outflows of Resources</u> | | | | |
| Differences between expected and actual experience | \$ 372,405 | \$ 139 | \$ 125,916 | \$ 498,460 |
| Changes of assumptions | 862,344 | 7,498 | 109,607 | 979,449 |
| Net difference between projected and actual earnings on pension plan investments | 2,856,492 | 1,293 | - | 2,857,785 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 50,251 | 955 | - | 51,206 |
| County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date. | 1,550,683 | 1,314 | 23,923 | 1,575,920 |

Deferred Inflows of Resources

| | | | | |
|---|-----------|--------|-----------|------------|
| Differences between expected and actual experience | \$ 36,512 | \$ 327 | \$ 78,042 | \$ 114,881 |
| Changes of assumptions | - | - | 156,314 | 156,314 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 103,061 | - | - | 103,061 |

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.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

Membership of the HCB Plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

| | |
|-----------------------------|-------------------|
| Retirees receiving benefits | 82 |
| Active members | <u>245</u> |
| Total | <u><u>327</u></u> |

Total OPEB Liability

The County's total OPEB liability of \$16,515,889 was measured as of June 30, 2022 and was determined by an actuarial valuation of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 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 | 3.5-8.41 percent, including inflation |
| Discount Rate | 3.54 percent |
| Healthcare cost trend rates | Pre-Medicare - 7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032 Medicare - 5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2025 |

The discount rate is based on the June average of the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date.

Changes in the Total OPEB Liability

| | |
|--|-----------------------------|
| Balance at July 1, 2022 | \$ 22,713,740 |
| Changes for the year | |
| Service cost | 526,495 |
| Interest | 498,254 |
| Changes of benefit terms | (3,699) |
| Differences between expected and actual experience | (2,795,343) |
| Changes in assumptions or other inputs | (4,075,843) |
| Benefit payments | <u>(347,715)</u> |
| Net Changes | <u>(6,197,851)</u> |
| Balance at June 30, 2023 | <u><u>\$ 16,515,889</u></u> |

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS board.

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 (2.54 percent) and 1-percentage-point higher (4.54 percent) than the current discount rate.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

| | 1% Decrease (2.54%) | Discount Rate (3.54%) | 1% Increase (4.54%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ 19,505,106 | \$ 16,515,889 | \$ 14,162,951 |

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 | \$ 14,107,061 | \$ 16,515,889 | \$ 19,574,321 |

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

For the year ended June 30, 2023, the County recognized OPEB revenue of \$108,154. At June 30, 2023 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 | \$ 96,271 | \$ 4,535,889 |
| Changes of assumptions | 3,552,885 | 4,146,937 |
| Benefit payments and administrative costs made subsequent to the measurement date | 342,531 | - |
| Total | \$ 3,991,687 | \$ 8,682,826 |

\$342,531 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|----------------------------|----------------|
| 2024 | \$ (1,293,168) |
| 2025 | (1,178,739) |
| 2026 | (708,854) |
| 2027 | (893,461) |
| 2028 | (959,448) |
| Thereafter | - |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are established for employees not engaged in laws enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Deferred Outflows and Inflows of Resources

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

| <u>Source</u> | <u>Statement of Net Position</u> |
|---|--------------------------------------|
| Contributions to pension plans in current fiscal year | \$ 1,551,997 |
| LEOSSA | 23,923 |
| OPEB contributions | 342,531 |
| Pension deferrals | 4,386,900 |
| OPEB deferrals | 3,649,156 |
| Total | <u>\$ 9,954,507</u> |

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

| <u>Source</u> | <u>Statement of Net Position</u> | <u>Governmental Funds Balance Sheet</u> |
|---------------------------------|--------------------------------------|---|
| Pension deferrals | \$ 143,628 | \$ - |
| LEOSSA | 234,356 | - |
| OPEB deferrals | 8,682,826 | - |
| Taxes receivables, net | - | 1,235,259 |
| Prepaid Taxes | 156,238 | 156,238 |
| Ambulance fees receivables, net | - | 288,079 |
| Total | <u>\$ 9,217,048</u> | <u>\$ 1,679,576</u> |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

Risk Management

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

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

The County does not carry flood insurance through the NFIP.

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

Claims and Judgment

At June 30, 2023, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

Long-Term Obligations

Leases

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosure below.

On 09/30/2021, Northampton County, NC entered into a 60 month lease as Lessee for the use of a postage machine - water and sewer. An initial lease liability was recorded in the amount of \$9,718. As of 06/30/2023, the value of the lease liability is \$6,631. Northampton County, NC is required to make quarterly fixed payments of \$691. The lease has an interest rate of 14.5%. The value of the right to use asset as of 06/30/2023 of \$9,718, with accumulated amortization of \$3,887 is included with Equipment on the Lease Class activities table found below.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

On 01/01/2022, Northampton County, NC entered into a 48 month lease as Lessee for the use of Macintosh computers. An initial lease liability was recorded in the amount of \$10,481. As of 06/30/2023, the value of the lease liability is \$5,234. Northampton County, NC is required to make annual fixed payments of \$2,815. The lease has an interest rate of 5.0%. The value of the right to use asset as of 06/30/2023 of \$10,481, with accumulated amortization of \$5,240 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Northampton County, NC entered into a 19 year lease as Lessee for the use of a building. An initial lease liability was recorded in the amount of \$122,741. As of 06/30/2023, the value of the lease liability is \$108,378. Northampton County, NC is required to make annual fixed payments of \$10,000. The lease has an interest rate of 5.0%. The value of the right to use asset as of 06/30/2023 of \$122,741, with accumulated amortization of \$13,638 is included with Buildings on the Lease Class activities table found below.

On 07/01/2021, Northampton County, NC entered into a 20 month lease as Lessee for the use of copy machines. An initial lease liability was recorded in the amount of \$30,359. As of 06/30/2023, the value of the lease liability is \$0. Northampton County, NC is required to make monthly fixed payments of \$1,585. The lease has an interest rate of 5.0%. The value of the right to use asset as of 06/30/2023 of \$30,359, with accumulated amortization of \$30,359 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Northampton County, NC entered into a 59 month lease as Lessee for the use of a phone system. An initial lease liability was recorded in the amount of \$113,088. As of 06/30/2022, the value of the lease liability is \$70,404. Northampton County, NC is required to make monthly fixed payments of \$2,166. The lease has an interest rate of 5.0%. The value of the right to use asset as of 06/30/2023 of \$113,088, with accumulated amortization of \$46,002 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Northampton County, NC entered into a 36 month lease as Lessee for the use of a computer system. An initial lease liability was recorded in the amount of \$79,373. As of 06/30/2023, the value of the lease liability is \$27,673. Northampton County, NC is required to make monthly fixed payments of \$2,369. The lease has an interest rate of 5.0%. The value of the right to use asset as of 06/30/2023 of \$79,373, with accumulated amortization of \$52,915 is included with Equipment on the Lease Class activities table found below.

On 09/22/2021, Northampton County, NC entered into a 60 month lease as Lessee for the use of a postage machine - Health Department. An initial lease liability was recorded in the amount of \$13,403. As of 06/30/2023, the value of the lease liability is \$8,827. Northampton County, NC is required to make quarterly fixed payments of \$920. The lease has an interest rate of 14.5%. The value of the right to use asset as of 06/30/2023 of \$13,403, with accumulated amortization of \$5,361 is included with Equipment on the Lease Class activities table found below.

On 08/18/2021, Northampton County, NC entered into a 60 month lease as Lessee for the use of a postage machine - DSS Department. An initial lease liability was recorded in the amount of \$12,735. As of 06/30/2023, the value of the lease liability is \$8,387. Northampton County, NC is required to make quarterly fixed payments of \$874. The lease has an interest rate of 14.5%. The value of the right to use asset as of 06/30/2023 of \$12,735, with accumulated amortization of \$5,094 is included with Equipment on the Lease Class activities table found below.

On 09/06/2022, Northampton County, NC entered into a 60 month lease as Lessee for the use of a 2022 Ford F-150. An initial lease liability was recorded in the amount of \$47,541. As of 06/30/2023, the value of the lease liability is \$41,144. Northampton County, NC is required to make monthly fixed payments of \$897. The lease has an interest rate of 5%. The value of the right to use asset as of 06/30/2023 of \$47,541, with accumulated amortization of \$7,131 and is included with Vehicles on the Lease Class activities table found below.

Northhampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

On 11/14/2022, Northhampton County, NC entered into a 60 month lease as Lessee for the use of a 2022 Toyota Tacoma. An initial lease liability was recorded in the amount of \$38,969. As of 06/30/2023, the value of the lease liability is \$34,907. Northhampton County, NC is required to make monthly fixed payments of \$735. The lease has an interest rate of 5%. The value of the right to use asset as of 06/30/2023 of \$38,969, with accumulated amortization of \$4,546 and is included with Vehicles on the Lease Class activities table found below.

On 12/06/2022, Northhampton County, NC entered into a 60 month lease as Lessee for the use of a 2022 Ford Expedition. An initial lease liability was recorded in the amount of \$43,367. As of 06/30/2023, the value of the lease liability is \$39,501. Northhampton County, NC is required to make monthly fixed payments of \$818. The lease has an interest rate of 5%. The value of the right to use asset as of 06/30/2023 of \$43,367, with accumulated amortization of \$4,337 and is included with Vehicles on the Lease Class activities table found below.

| <u>Asset Class</u> | <u>Lease Asset Value</u> | | <u>Accumulated Amortization</u> | |
|--------------------|--------------------------|----------------|---------------------------------|----------------|
| Equipment | \$ | 269,156 | \$ | 148,859 |
| Vehicles | | 129,877 | | 16,014 |
| Building | | 122,741 | | 109,103 |
| | <u>\$</u> | <u>521,774</u> | <u>\$</u> | <u>273,976</u> |

Annual debt service requirements to maturity for the County's leases are as follows:

| Year Ending June 30 | Governmental Activities | | Business-type Activities | |
|------------------------|-------------------------|------------------|--------------------------|-----------------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 78,018 | \$ 15,037 | \$ 10,816 | \$ 2,714 |
| 2025 | 53,414 | 11,212 | 11,563 | 1,967 |
| 2026 | 51,736 | 7,909 | 12,377 | 1,153 |
| 2027 | 23,041 | 5,604 | 10,350 | 416 |
| 2028 | 14,039 | 4,549 | 2,669 | 22 |
| 2029-2033 | 32,307 | 17,693 | - | - |
| 2034-2038 | 41,233 | 8,767 | - | - |
| 2039-2043 | 9,524 | 476 | - | - |
| | <u>\$ 303,312</u> | <u>\$ 71,247</u> | <u>\$ 47,775</u> | <u>\$ 6,272</u> |

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. \$ 673,825

\$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. 60,754

\$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. 1,428,206

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

\$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.

5,650,833

\$255,000 direct borrowing note issued February 15, 2021; due in quarterly payments of \$10,000 with no interest. Final payment is due in December 2027; secured by land. If purchaser defaults in the performance of any of its obligations under the agreement, Seller shall be entitled either to (a) terminate this Agreement and the parties shall thereafter be relieved from any further obligation or liability hereunder except as otherwise expressly provided in this Agreement, (b) seek specific performance of this Agreement or (c) any other remedies available at law or in equity.

175,000

\$58,831 direct borrowing note issued August 19, 2019; due in annual payments of \$11,766 with no interest. Final payment is due in September 2023; secured by property. If purchaser defaults in the performance of any of its obligations under the agreement, Seller shall be entitled to (a) declare the entire unpaid balance immediately due and payable, (b) sue you for and receive the total amount due with future payment discounted to the date of default at a rate of 3% per annum, (c) charge you interest on all monies due at the rate of 18% per year or the highest rate permitted by applicable law from the date of default until paid, and/or (d) require you to immediately return the equipment to us or we may peacefully repossess it.

11,766

\$147,200 direct borrowing note issued December 12, 2022; due in two annual variable payments with no interest. Final payment is due by December 2024; secured by property. If purchaser defaults in the performance of any of its obligations under the agreement, Seller shall be entitled to (a) declare the entire unpaid balance immediately due and payable, to include all costs of collection including reasonable attorney fees.

110,400

Total Governmental funds

\$ 8,110,784

Total all funds

\$ 8,110,784

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 |
| 2024 | \$ 403,567 | \$ 320,248 | \$ - | \$ - |
| 2025 | 366,671 | 308,577 | - | - |
| 2026 | 342,034 | 296,414 | - | - |
| 2027 | 369,710 | 283,738 | - | - |
| 2028 | 327,921 | 270,527 | - | - |
| 2029-2033 | 1,752,842 | 1,134,110 | - | - |
| 2034-2038 | 1,692,540 | 785,260 | - | - |
| 2039-2043 | 2,061,243 | 416,555 | - | - |
| 2044-2048 | 794,256 | 67,485 | - | - |
| 2049-2053 | - | - | - | - |
| Total | <u>\$ 8,110,784</u> | <u>\$ 3,882,914</u> | <u>\$ -</u> | <u>\$ -</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 \$1,292,000 of debt outstanding for the acquisition and construction of public school and community college facilities.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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

The County's general obligation bonds payable at June 30, 2023 are comprised of the following individual issues:

General Obligation Bonds:

Serviced by the General Fund:

| | |
|--|----------------------------|
| \$11,890,000 Refunding Series 2021 Bonds issued November 2021; due in annual installments of \$356,000 through \$1,228,000, interest at 1.832%; with \$2,491,000 serviced by governmental funds, \$9,399,000 serviced by the Water and Sewer Fund. | <u>\$ 1,292,000</u> |
| Total serviced by the General Fund | <u><u>\$ 1,292,000</u></u> |

General Obligation Bonds:

Serviced by the Garysburg Water and Sewer

| | |
|---|--------------------------|
| \$346,000 Refunding Series 2021 Bonds issued October 2021; due in annual installments of \$16,000 through \$21,000, interest at 2.3%. | <u>\$ 309,000</u> |
| Total serviced by Garysburg Water and Sewer Fund | <u><u>\$ 309,000</u></u> |

Serviced by the Water and Sewer Fund:

| | |
|--|----------------------------|
| \$11,890,000 Refunding Series 2021 Bonds issued November 2021; due in annual installments of \$356,000 through \$1,228,000, interest at 1.832%; with \$2,491,000 serviced by governmental funds, \$9,399,000 serviced by the Water and Sewer Fund. | <u>\$ 8,135,000</u> |
| Total serviced by Water and Sewer Fund | <u><u>\$ 8,135,000</u></u> |
| Total serviced by the Proprietary Funds | <u><u>\$ 8,444,000</u></u> |

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

| Year Ending June 30 | Governmental Activities | | Business-type Activities | |
|------------------------|-------------------------|------------------|--------------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 569,000 | \$ 18,457 | \$ 619,000 | \$ 150,617 |
| 2025 | 552,000 | 8,189 | 640,000 | 139,019 |
| 2026 | 171,000 | 1,566 | 605,000 | 127,544 |
| 2027 | - | - | 610,000 | 116,330 |
| 2028 | - | - | 614,000 | 105,043 |
| 2028-2032 | - | - | 2,459,000 | 368,780 |
| 2033-2037 | - | - | 2,053,000 | 175,242 |
| 2038-2042 | - | - | 844,000 | 15,546 |
| Total | <u>\$ 1,292,000</u> | <u>\$ 28,212</u> | <u>\$ 8,444,000</u> | <u>\$ 1,198,121</u> |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

Advance Refundings

On November 4, 2021 the County issued \$11,890,000 of general obligation refunding bonds to provide funding to refinance \$11,580,000 of general obligation refunding bonds and revenue bonds. As a result, the refunded amounts are considered to be defeased and the liability has been removed from the governmental activities and business-type activities columns of the statement of net position. The reacquisition price exceeded the carrying amount of the old debt by \$310,000. This excess amount was to cover interest paid to close out the defeased debt and to cover cost of issuance. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$3,879,020 and resulted in an economic gain of \$2,431,129.

On November 4, 2021 the County issued \$346,000 of general obligation refunding bonds to provide funding to refinance \$331,500 of revenue bonds. As a result, the refunded amounts are considered to be defeased and the liability has been removed from the business-type activities columns of the statement of net position. The reacquisition price exceeded the carrying amount of the old debt by \$14,500. This excess amount was to cover interest paid to close out the defeased debt and to cover cost of issuance. This advance refunding was undertaken to reduce total debt service payments over the next 17 years by \$85,755 and resulted in an economic gain of \$69,985.

At June 30, 2023, the County had a legal debt margin of approximately \$169,613,489.

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, 2023:

| | Balance July 1, 2022 | Additions | Retirements | Balance June 30, 2023 | Current Portion |
|-----------------------------------|-------------------------|---------------------|---------------------|--------------------------|---------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 1,874,000 | \$ - | \$ 582,000 | \$ 1,292,000 | \$ 569,000 |
| Direct Borrowing Installment Note | 8,319,152 | 147,200 | 355,568 | 8,110,784 | 403,567 |
| Lease liability | 300,635 | 82,336 | 79,659 | 303,312 | 78,018 |
| Compensated Absences | 1,014,552 | 47,245 | - | 1,061,797 | - |
| Total Pension Liability (LEOSSA) | 927,367 | - | 187,227 | 740,140 | - |
| Net pension liability (LGERS) | 2,241,357 | 6,055,604 | - | 8,296,961 | - |
| Total OPEB liability | 21,599,397 | - | 5,893,782 | 15,705,615 | - |
| Total governmental activities | <u>\$ 36,276,460</u> | <u>\$ 6,332,385</u> | <u>\$ 7,098,236</u> | <u>\$ 35,510,609</u> | <u>\$ 1,050,585</u> |
| Business-type Activities: | | | | | |
| Water and Sewer Activity: | | | | | |
| General Obligation Bonds | \$ 8,728,000 | \$ - | \$ 593,000 | \$ 8,135,000 | \$ 603,000 |
| Lease liability | 8,284 | - | 1,653 | 6,631 | 1,905 |
| Net pension liability (LGERS) | 56,034 | 151,390 | - | 207,424 | - |
| Compensated Absences | 30,716 | 4,524 | - | 35,240 | - |
| Total OPEB liability | 793,125 | - | 216,419 | 576,706 | - |
| Total Water and Sewer Activity | <u>9,616,159</u> | <u>155,914</u> | <u>811,072</u> | <u>8,961,001</u> | <u>604,905</u> |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

| Garysburg Water and Sewer Activity: | Balance July 1, 2022 | Additions | Retirements | Balance June 30, 2023 | Current Portion |
|--|-------------------------|------------|-------------|--------------------------|--------------------|
| General Obligation Bonds | 325,000 | - | 16,000 | 309,000 | 16,000 |
| Lease liability | - | 47,541 | 6,397 | 41,144 | 8,911 |
| Net pension liability (LGERS) | 14,008 | 37,848 | - | 51,856 | - |
| Compensated Absences | 4,512 | 665 | - | 5,177 | - |
| Total OPEB liability | 138,981 | - | 37,923 | 101,058 | - |
| Total Garysburg Water and Sewer Activity | 482,501 | 86,054 | 60,320 | 508,235 | 24,911 |
| Solid Waste Activity: | | | | | |
| Net pension liability (LGERS) | 23,347 | 63,080 | - | 86,427 | - |
| Compensated Absences | 6,453 | 58 | - | 6,511 | - |
| Total OPEB liability | 182,237 | - | 49,726 | 132,511 | - |
| Total Solid Waste Activity | 212,037 | 63,138 | 49,726 | 225,449 | - |
| Total Business-type activities | \$ 10,310,697 | \$ 305,106 | \$ 921,118 | \$ 9,694,685 | \$ 629,816 |

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, 2023 is composed of the following elements:

| | Governmental Activities | Business- Activities |
|---|------------------------------------|---------------------------------|
| Capital Assets | \$ 28,096,652 | \$ 19,487,404 |
| Long-term obligations | 35,510,609 | 9,694,685 |
| Compensated Absences | (1,061,797) | (46,928) |
| Net pension obligation | (740,140) | - |
| Net pension liability | (8,296,961) | (345,707) |
| Total OPEB liability | (15,705,615) | (810,275) |
| Long-term debt for assets not owned by the County | (1,292,000) | - |
| Long-term debt, net, related to capital assets | 8,414,096 | 8,491,775 |
| Net investments in capital assets | \$ 19,682,556 | \$ 10,995,629 |

Interfund Balance and Activities

Transfers

| | |
|---|---------------------|
| From the ARPA Fund to the Solid Waste Fund to cover payroll | \$ 20,000 |
| From the General Fund to the special revenue funds to close out projects | 25,075 |
| From the General Fund to the Debt Service Fund to cover debt service payments | 1,283,965 |
| Total Transfers | \$ 1,329,040 |

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

Due from/to other funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> | <u>Purpose</u> |
|--------------------------------|---------------------|--------------------------|--------------------------------------|
| General Fund | Fire District Fund | \$ 34,607 | To cover temporary bank overdrafts |
| General Fund | Rescue Squad Fund | 20,090 | To cover temporary bank overdrafts |
| General Fund | Debt Service Fund | 259,175 | To cover temporary bank overdrafts |
| Garysburg Water and Sewer Fund | ARPA Fund | <u>25,075</u> | Revenue replacement using ARPA funds |
| Total | | <u><u>\$ 338,947</u></u> | |

4. Related Organizations

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

5. Joint Ventures

The County participates in a joint venture to operate East Carolina Behavioral Health, which serves as an area mental health authority. The County appoints two of the eighteen members to the Board of the Organization. The County has an ongoing financial responsibility for the joint venture because the Organization's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Organization, so no equity interest has been reflected in the financial statements at June 30, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$79,148 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, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$143,396 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, 2023

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 \$15,000 in contributions to the Transportation Authority during the fiscal year ended June 30, 2023. 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, 2023. 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, 2023. 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 \$8,012 to the Council during the fiscal year ended June 30, 2023.

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.

The County has a Revolving Loan Fund, which is sourced through the Economic Development Grant funding sources. At June 30, 2023, there was an agreement with a business who had received a loan through this program that was in default.

8. Prior Period Adjustment

A prior period adjustment was recorded in the Government Activities of \$79,257 to adjust opening CIP balance. An adjustment to allocate final balances between Water and Sewer Fund (decrease of \$50,181) and the Garysburg Water Fund (increase of \$50,181) netting \$0 for the business-type activities was made.

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 Ten Fiscal Years

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|---------------|---------------|---------------|----------------|---------------|
| Northampton County's proportionate share of the net pension (asset) liability (%) | 0.15320% | 0.15224% | 0.15973% | 0.17418% | 0.17383% |
| Northampton County's proportionate share of the net pension (asset) liability (\$) | \$ 8,642,668 | \$ 2,334,747 | \$ 5,707,833 | \$ 4,756,720 | \$ 4,123,842 |
| Northampton County's covered payroll | \$ 12,116,040 | \$ 11,693,166 | \$ 11,782,926 | \$ 11,971,960 | \$ 11,706,739 |
| Northampton County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 71.33% | 19.97% | 48.44% | 39.73% | 35.23% |
| Plan fiduciary net position as a percentage of the total pension liability | 84.14% | 95.51% | 88.61% | 90.86% | 92.00% |
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Northampton County's proportionate share of the net pension (asset) liability (%) | 0.18169% | 0.18416% | 0.18460% | 0.19200% | 0.14000% |
| Northampton County's proportionate share of the net pension (asset) liability (\$) | \$ 2,775,720 | \$ 3,908,492 | \$ 828,608 | \$ (1,132,903) | \$ 2,226,344 |
| Northampton County's covered payroll | \$ 11,977,708 | \$ 11,455,286 | \$ 11,415,786 | \$ 11,288,695 | \$ 10,278,792 |
| Northampton County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 23.17% | 34.12% | 7.26% | -10.04% | 21.66% |
| Plan fiduciary net position as a percentage of the total pension liability | 94.18% | 91.47% | 98.09% | 102.64% | 102.64% |

* 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 Ten Fiscal Years

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$ 1,550,683 | \$ 1,404,578 | \$ 1,193,677 | \$ 1,073,893 | \$ 946,670 |
| Contributions in relation to the contractually required contribution | 1,550,683 | 1,404,578 | 1,193,677 | 1,073,893 | 946,670 |
| Contribution deficiency (excess) | <u>\$ -</u> |
| County's covered payroll | \$ 12,620,386 | \$ 12,116,040 | \$ 11,693,166 | \$ 11,782,926 | \$ 11,971,960 |
| Contributions as a percentage of covered payroll | 12.29% | 11.59% | 10.21% | 9.11% | 7.91% |
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Contractually required contribution | \$ 896,046 | \$ 890,761 | \$ 780,212 | \$ 810,171 | \$ 797,232 |
| Contributions in relation to the contractually required contribution | 896,046 | 890,761 | 780,212 | 810,171 | 797,232 |
| Contribution deficiency (excess) | <u>\$ -</u> |
| County's covered payroll | \$ 11,706,739 | \$ 11,977,708 | \$ 11,455,286 | \$ 11,415,786 | \$ 11,288,695 |
| Contributions as a percentage of covered payroll | 7.65% | 7.44% | 6.81% | 7.10% | 7.06% |

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

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Northampton County's proportionate share of the net pension (asset) liability (%) | 0.13626% | 0.10902% | 0.12795% | 0.13519% | 0.14217% |
| Northampton County's proportionate share of the net pension (asset) liability (\$) | \$ (18,041) | \$ (20,946) | \$ (29,324) | \$ (26,689) | \$ (23,548) |
| Plan fiduciary net position as a percentage of the total pension liability | 139.04% | 156.53% | 173.62% | 164.11% | 153.31% |
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Northampton County's proportionate share of the net pension (asset) liability (%) | 0.15913% | 0.17821% | 0.17045% | 0.16571% | 0.15807% |
| Northampton County's proportionate share of the net pension (asset) liability (\$) | \$ (27,162) | \$ (33,318) | \$ (39,500) | \$ (37,572) | \$ (33,764) |
| Plan fiduciary net position as a percentage of the total pension liability | 153.77% | 160.17% | 197.29% | 193.88% | 190.50% |

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

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

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|--------------|--------------|--------------|--------------|--------------|
| Northampton County's required contribution | \$ 1,314 | \$ 1,417 | \$ 1,453 | \$ 1,225 | \$ 5,044 |
| Contributions in relation to contractually required contribution | <u>1,314</u> | <u>1,417</u> | <u>1,453</u> | <u>1,225</u> | <u>5,044</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Northampton County's required contribution | \$ 5,046 | \$ 3,923 | \$ 2,787 | \$ 1,364 | \$ 1,353 |
| Contributions in relation to contractually required contribution | <u>5,046</u> | <u>3,923</u> | <u>2,787</u> | <u>1,364</u> | <u>1,353</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |

Northampton County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Seven Fiscal Years*

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|-------------------|-------------------|
| Beginning balance | \$ 927,367 | \$ 713,172 | \$ 460,364 | \$ 409,801 |
| Service Cost | 66,659 | 73,556 | 36,572 | 33,594 |
| Interest on the total pension liability | 20,590 | 13,631 | 14,796 | 14,710 |
| Differences between expected and actual experience in the measurement of the total pension liability | (91,548) | 169,383 | 9,618 | (2,392) |
| Changes of assumptions or other inputs | (158,447) | (28,611) | 204,817 | 16,007 |
| Benefit payments | <u>(24,481)</u> | <u>(13,764)</u> | <u>(12,995)</u> | <u>(11,356)</u> |
| Ending balance of the total pension liability | <u>\$ 740,140</u> | <u>\$ 927,367</u> | <u>\$ 713,172</u> | <u>\$ 460,364</u> |
| | <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 | |
| 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 | <u>(10,815)</u> | <u>(10,815)</u> | <u>(12,717)</u> | |
| 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
Last Seven Fiscal Years*

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|--------------|--------------|--------------|--------------|
| Total pension liability | \$ 740,140 | \$ 927,367 | \$ 713,172 | \$ 460,364 |
| Covered payroll | \$ 1,839,046 | \$ 1,888,992 | \$ 1,567,779 | \$ 1,542,516 |
| Total pension liability as a percentage of covered payroll | 40.25% | 49.09% | 45.49% | 29.85% |
| | <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
Last Six Fiscal Years*

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|-----------------------------|-----------------------------|-----------------------------|
| Total OPEB Liability | | | |
| Service cost | \$ 526,495 | \$ 503,694 | \$ 434,386 |
| Interest | 498,254 | 469,022 | 699,809 |
| Changes of benefit terms | (3,699) | - | - |
| Differences between expected and actual experience | (2,795,343) | 100,768 | (3,320,027) |
| Changes of assumptions | (4,075,843) | 1,168,731 | 3,859,108 |
| Benefit payments | (347,715) | (492,267) | (534,670) |
| Net change in total OPEB liability | <u>(6,197,851)</u> | <u>1,749,948</u> | <u>1,138,606</u> |
| Total OPEB liability - beginning | <u>22,713,740</u> | <u>20,963,792</u> | <u>19,825,186</u> |
| Total OPEB liability - ending | <u><u>\$ 16,515,889</u></u> | <u><u>\$ 22,713,740</u></u> | <u><u>\$ 20,963,792</u></u> |
| Covered payroll | \$ 9,448,517 | \$ 11,132,564 | \$ 11,132,564 |
| Total OPEB liability as a percentage of covered payroll | 174.80% | 204.03% | 188.31% |
| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| Service cost | \$ 385,258 | \$ 562,847 | \$ 647,941 |
| Interest | 686,390 | 677,618 | 608,828 |
| Differences between expected and actual experience | 33,130 | (1,161,216) | 56,659 |
| Changes of assumptions | 1,289,091 | (1,066,142) | (2,145,021) |
| Benefit payments | (423,308) | (382,050) | (340,860) |
| Net change in total OPEB liability | <u>1,970,561</u> | <u>(1,368,943)</u> | <u>(1,172,453)</u> |
| Total OPEB liability - beginning | <u>17,854,625</u> | <u>19,223,568</u> | <u>20,396,021</u> |
| Total OPEB liability - ending | <u><u>\$ 19,825,186</u></u> | <u><u>\$ 17,854,625</u></u> | <u><u>\$ 19,223,568</u></u> |
| Covered payroll | \$ 10,972,849 | \$ 10,972,849 | \$ 11,358,156 |
| Total OPEB liability as a percentage of covered payroll | 180.67% | 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% |
| 2020 | 3.50% |
| 2021 | 2.21% |
| 2022 | 2.16% |

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, 2023

| | 2023 | | | Total |
|---------------------------------------|----------------------|---------------------|---------------------------|----------------------|
| | General Fund | Revaluation Fund | Revolving Loan Fund | |
| Revenues: | | | | |
| Ad Valorem Taxes | \$ 20,860,950 | \$ - | \$ - | \$ 20,860,950 |
| Other Taxes and licenses | 4,103,265 | - | - | 4,103,265 |
| Unrestricted intergovernmental | 77,434 | - | - | 77,434 |
| Restricted intergovernmental | 8,044,076 | - | - | 8,044,076 |
| Permits and fees | 762,370 | - | - | 762,370 |
| Sales and services | 3,668,997 | - | - | 3,668,997 |
| Investment earnings | 781,314 | 276 | 105 | 781,695 |
| Special project revenue | 13,000 | - | - | 13,000 |
| Miscellaneous | 434,792 | - | 12,909 | 447,701 |
| Total Revenues | <u>38,746,198</u> | <u>276</u> | <u>13,014</u> | <u>38,759,488</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 7,216,821 | 211,448 | - | 7,428,269 |
| Public Safety | 10,912,944 | - | - | 10,912,944 |
| Transportation | 53,000 | - | - | 53,000 |
| Environmental protection | 117,500 | - | - | 117,500 |
| Economic and physical development | 683,291 | - | - | 683,291 |
| Human Services | 11,649,775 | - | - | 11,649,775 |
| Cultural and recreational | 538,312 | - | - | 538,312 |
| Education | 4,318,634 | - | - | 4,318,634 |
| Debt Service: | | | | |
| Principal | 168,225 | - | - | 168,225 |
| Interest | 17,599 | - | - | 17,599 |
| Total Expenditures | <u>35,676,101</u> | <u>211,448</u> | <u>-</u> | <u>35,887,549</u> |
| Revenues over (under) expenditures | <u>3,070,097</u> | <u>(211,172)</u> | <u>13,014</u> | <u>2,871,939</u> |
| Other financing Sources (uses) | | | | |
| Transfers (to) from funds | (1,309,040) | - | - | (1,309,040) |
| Proceeds from Lease Liabilities | 82,336 | - | - | 82,336 |
| Sale of Capital Assets | 44,517 | - | - | 44,517 |
| Total other financing sources (uses) | <u>(1,034,987)</u> | <u>-</u> | <u>-</u> | <u>(1,034,987)</u> |
| Net change in fund balances | 2,035,110 | (211,172) | 13,014 | 1,836,952 |
| Fund Balance | | | | |
| Beginning of year- July 1 | <u>25,893,749</u> | <u>417,500</u> | <u>351,983</u> | <u>26,663,232</u> |
| End of year- June 30 | <u>\$ 27,928,859</u> | <u>\$ 206,328</u> | <u>\$ 364,997</u> | <u>\$ 28,500,184</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, 2023

| | 2023 | | Variance Positive (Negative) |
|---|-------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Ad valorem Taxes | | | |
| Taxes | \$ 22,093,693 | \$ 20,484,143 | \$ (1,609,550) |
| Penalties and interest | 323,760 | 376,807 | 53,047 |
| Total | <u>22,417,453</u> | <u>20,860,950</u> | <u>(1,556,503)</u> |
| Other Taxes and Licenses | | | |
| Privilege License | 1,200 | 1,275 | 75 |
| Local option sales tax | 2,913,517 | 4,083,843 | 1,170,326 |
| Excise tax | 140,000 | 89,095 | (50,905) |
| Hold harmless | 3,800 | (73,826) | (77,626) |
| Utility franchise tax | 6,000 | 2,878 | (3,122) |
| Total | <u>3,064,517</u> | <u>4,103,265</u> | <u>1,038,748</u> |
| Unrestricted Intergovernmental Revenues | | | |
| Beer and wine | 63,000 | 77,434 | 14,434 |
| Food Stamp tax reimbursements | 250 | - | (250) |
| Total | <u>63,250</u> | <u>77,434</u> | <u>14,184</u> |
| Restricted Intergovernmental Revenues | | | |
| Federal and state grants | 9,511,946 | 7,992,225 | (1,519,721) |
| Court facilities fees | 16,500 | 16,350 | (150) |
| Fines and forfeitures | 45,000 | 31,613 | (13,387) |
| ABC bottles taxes | 4,900 | 3,888 | (1,012) |
| Total | <u>9,578,346</u> | <u>8,044,076</u> | <u>(1,534,270)</u> |
| Permits and Fees | | | |
| Building permits | 130,700 | 649,430 | 518,730 |
| Register of Deeds | 71,200 | 84,824 | 13,624 |
| Other fees | 35,050 | 28,116 | (6,934) |
| Total | <u>236,950</u> | <u>762,370</u> | <u>525,420</u> |
| Sales and Services | | | |
| Court costs and fees | 16,000 | 13,050 | (2,950) |
| Jail fees | 17,500 | 1,619 | (15,881) |
| Ambulance and rescue squad fees | 1,060,000 | 1,811,270 | 751,270 |
| Sheriff fees | 50,961 | 78,520 | 27,559 |
| Health department fees | 856,100 | 954,119 | 98,019 |
| Inmate housing fees | 130,000 | 227,538 | 97,538 |
| Wellness Center fees | 6,000 | 7,504 | 1,504 |
| Other | 334,204 | 575,377 | 241,173 |
| Total | <u>2,470,765</u> | <u>3,668,997</u> | <u>1,198,232</u> |
| Interest on investments | <u>14,000</u> | <u>781,314</u> | <u>767,314</u> |

(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, 2023

| | 2023 | | Variance Positive (Negative) |
|--------------------------------|-------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Special Project Revenue | | | |
| Fees and Reimbursements | 5,000 | 13,000 | 8,000 |
| Total | <u>5,000</u> | <u>13,000</u> | <u>8,000</u> |
| Miscellaneous | | | |
| Reimbursements | 74,126 | 79,233 | 5,107 |
| Miscellaneous DSS | 149,869 | 222,052 | 72,183 |
| Other | 286,968 | 133,507 | (153,461) |
| Total | <u>510,963</u> | <u>434,792</u> | <u>(76,171)</u> |
| Total Revenues | <u>38,361,244</u> | <u>38,746,198</u> | <u>384,954</u> |
| Expenditures | | | |
| General Government: | | | |
| Governing Body | | | |
| Salaries and employee benefits | 56,762 | 50,762 | 6,000 |
| Other operating expenditures | 54,497 | 50,001 | 4,496 |
| Total | <u>111,259</u> | <u>100,763</u> | <u>10,496</u> |
| Administration | | | |
| Salaries and employee benefits | 220,916 | 222,683 | (1,767) |
| Other operating expenditures | 107,879 | 293,504 | (185,625) |
| Capital Outlay | 844,656 | 1,897,729 | (1,053,073) |
| Total | <u>1,173,451</u> | <u>2,413,916</u> | <u>(1,240,465)</u> |
| Human Resources | | | |
| Salaries and employee benefits | 225,318 | 208,693 | 16,625 |
| Other operating expenditures | 33,949 | 6,526 | 27,423 |
| Total | <u>259,267</u> | <u>215,219</u> | <u>44,048</u> |
| Finance | | | |
| Salaries and employee benefits | 462,445 | 464,942 | (2,497) |
| Other operating expenditures | 474,928 | 415,377 | 59,551 |
| Total | <u>937,373</u> | <u>880,319</u> | <u>57,054</u> |
| Hospitalization- Retirees | | | |
| Other operating expenditures | 450,297 | 342,531 | 107,766 |
| Total | <u>450,297</u> | <u>342,531</u> | <u>107,766</u> |
| Taxes | | | |
| Salaries and employee benefits | 509,654 | 508,146 | 1,508 |
| Other operating expenditures | 525,701 | 385,494 | 140,207 |
| Capital Outlay | 9,516 | - | 9,516 |
| Total | <u>1,044,871</u> | <u>893,640</u> | <u>151,231</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, 2023

| | 2023 | | Variance Positive (Negative) |
|---------------------------------|------------------|------------------|------------------------------------|
| | Budget | Actual | |
| Land Records | | | |
| Salaries and employee benefits | 212,672 | 126,737 | 85,935 |
| Other operating expenditures | 20,157 | 17,527 | 2,630 |
| Total | <u>232,829</u> | <u>144,264</u> | <u>88,565</u> |
| Legal | | | |
| Other operating expenditures | 140,000 | 137,345 | 2,655 |
| Total | <u>140,000</u> | <u>137,345</u> | <u>2,655</u> |
| Court Facilities | | | |
| Other operating expenditures | 9,610 | 6,083 | 3,527 |
| Total | <u>9,610</u> | <u>6,083</u> | <u>3,527</u> |
| Elections | | | |
| Salaries and employee benefits | 219,115 | 148,753 | 70,362 |
| Other operating expenditures | 76,758 | 62,403 | 5,324 |
| Capital Outlay | 5,325 | 5,324 | 5,324 |
| Total | <u>301,198</u> | <u>216,480</u> | <u>81,010</u> |
| Register of Deeds | | | |
| Salaries | 192,317 | 176,893 | 15,424 |
| Other operating expenditures | 56,182 | 23,740 | 32,442 |
| Total | <u>248,499</u> | <u>200,633</u> | <u>47,866</u> |
| Public Buildings | | | |
| Salaries and employee benefits | 517,660 | 455,714 | 61,946 |
| Other operating expenditures | 536,320 | 777,223 | (240,903) |
| Capital Outlay | 105,348 | 74,779 | 30,569 |
| Total | <u>1,159,328</u> | <u>1,307,716</u> | <u>(148,388)</u> |
| Management Information Systems | | | |
| Salaries and employee benefits | 6,413 | 11,763 | (5,350) |
| Other operating expenditures | 428,054 | 313,512 | 114,542 |
| Total | <u>434,467</u> | <u>325,275</u> | <u>109,192</u> |
| Central Garage | | | |
| Salaries and employee benefits | 60,316 | 58,200 | 2,116 |
| Other Operating expenditures | 45,650 | (21,657) | 67,307 |
| Total | <u>105,966</u> | <u>36,543</u> | <u>67,307</u> |
| Central Stores | | | |
| Other operating expenditures | 15,000 | (3,906) | 18,906 |
| Total | <u>15,000</u> | <u>(3,906)</u> | <u>18,906</u> |
| Total General Government | <u>6,845,725</u> | <u>7,216,821</u> | <u>(599,230)</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, 2023

| | 2023 | | Variance Positive (Negative) |
|---------------------------------|------------------|------------------|------------------------------------|
| | Budget | Actual | |
| Public safety: | | | |
| Sheriff | | | |
| Salaries | 2,816,780 | 2,533,141 | 283,639 |
| Other operating expenditures | 524,354 | 447,711 | 76,643 |
| Capital Outlay | 142,627 | 133,077 | 9,550 |
| Total | <u>3,483,761</u> | <u>3,113,929</u> | <u>369,832</u> |
| Sheriff- School Rescue Officer | | | |
| Salaries | 256,261 | 242,857 | 13,404 |
| Other operating expenditures | 25,097 | 12,628 | 12,469 |
| Total | <u>281,358</u> | <u>255,485</u> | <u>25,873</u> |
| Sheriff-Execution Account | | | |
| Other operating expenditures | 13,000 | 7,225 | 5,775 |
| Total | <u>13,000</u> | <u>7,225</u> | <u>5,775</u> |
| Jail | | | |
| Salaries and employee benefits | 1,061,572 | 1,013,888 | 47,684 |
| Other operating expenditures | 727,472 | 495,220 | 232,252 |
| Capital Outlay | 81,830 | 54,542 | 27,288 |
| Total | <u>1,870,874</u> | <u>1,563,650</u> | <u>307,224</u> |
| Emergency Communications | | | |
| Salaries and employee benefits | 1,076,810 | 1,040,239 | 36,571 |
| Other operating expenditures | 70,333 | 64,620 | 5,713 |
| Total | <u>1,147,143</u> | <u>1,104,859</u> | <u>42,284</u> |
| Emergency Management | | | |
| Salaries | 110,689 | 97,154 | 13,535 |
| Other operating expenditures | 63,058 | 14,149 | 48,909 |
| Capital Outlay | 34,422 | 31,547 | 2,875 |
| Total | <u>208,169</u> | <u>142,850</u> | <u>65,319</u> |
| Fire | | | |
| Assistance to local departments | 54,005 | 28,850 | 25,155 |
| Contribution to N.C. Forestry | 217,647 | 113,472 | 104,175 |
| Total | <u>271,652</u> | <u>142,322</u> | <u>129,330</u> |
| Building Inspections | | | |
| Salaries and employee benefit | 187,473 | 134,895 | 52,578 |
| Other operating expenditures | 56,145 | 35,135 | 21,010 |
| Capital Outlay | 2,490 | - | 2,490 |
| Total | <u>246,108</u> | <u>170,030</u> | <u>76,078</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, 2023

| | 2023 | | Variance Positive (Negative) |
|---|-------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Medical examiner | | | |
| Contracted services | 10,500 | 10,250 | 250 |
| Total | <u>10,500</u> | <u>10,250</u> | <u>250</u> |
| Ambulance Service | | | |
| Salaries and employee benefits | 4,095,192 | 3,678,486 | 416,706 |
| Other operating expenditures | 518,533 | 481,048 | 37,485 |
| Capital Outlay | 224,076 | 223,954 | 122 |
| Total | <u>4,837,801</u> | <u>4,383,488</u> | <u>454,313</u> |
| Animal Control | | | |
| Salaries and employee benefits | 38,292 | 3,931 | 34,361 |
| Other operating expenditures | 25,373 | 13,426 | 11,947 |
| Capital Outlay | 4,175 | 1,499 | 2,676 |
| Total | <u>67,840</u> | <u>18,856</u> | <u>48,984</u> |
| Total Public Safety | <u>12,438,206</u> | <u>10,912,944</u> | <u>1,525,262</u> |
| Transportation | | | |
| Contribution to Tri-County Airport, Regional Airport, and Choanoke PTA | 53,000 | 53,000 | - |
| Total Transportation | <u>53,000</u> | <u>53,000</u> | <u>-</u> |
| Environmental Protection | | | |
| Contribution to Lake Gaston weed control | 118,000 | 117,500 | 500 |
| Drainage and watershed protection | 6,000 | - | 6,000 |
| Total Environmental Protection | <u>124,000</u> | <u>117,500</u> | <u>6,500</u> |
| Economic and Physical Development: | | | |
| Planning and zoning | | | |
| Salaries and employee benefits | 165,176 | 159,836 | 5,340 |
| Other operating expenditures | 10,778 | 1,878 | 8,900 |
| Total | <u>175,954</u> | <u>161,714</u> | <u>14,240</u> |
| Economic Development | | | |
| Salaries and employee benefits | 156,335 | 157,254 | (919) |
| Other operating expenditures | 29,796 | 4,191 | 25,605 |
| COG membership dues | 8,012 | 8,012 | - |
| Contribution to Chamber of Commerce | 16,163 | 16,163 | - |
| Contribution to CADA | 15,000 | 15,000 | - |
| Miscellaneous contributions | 9,000 | 9,000 | - |
| Total | <u>234,306</u> | <u>209,620</u> | <u>24,686</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, 2023

| | 2023 | | Variance Positive (Negative) |
|--|----------------|----------------|------------------------------------|
| | Budget | Actual | |
| Economic Development Pass-Through Grants | | | |
| Other operating expenditures | 20,000 | 20,000 | - |
| Total | <u>20,000</u> | <u>20,000</u> | <u>-</u> |
| Cooperative Extension | | | |
| Salaries and employee benefits | 300,866 | 243,158 | 57,708 |
| Other operating expenditures | 29,890 | 12,559 | 17,331 |
| Total | <u>330,756</u> | <u>255,717</u> | <u>75,039</u> |
| YESS Mini-Society Grant | | | |
| Other operating expenditures | 221 | - | 221 |
| Total | <u>221</u> | <u>-</u> | <u>221</u> |
| Soil and Water Conservation | | | |
| Salaries and employee benefits | 114,601 | 33,467 | 81,134 |
| Other operating expenditures | 11,642 | 2,773 | 8,869 |
| Total | <u>126,243</u> | <u>36,240</u> | <u>90,003</u> |
| AgCarolina FC Grant | | | |
| Other operating expenditures | 2,434 | - | 2,434 |
| Total | <u>2,434</u> | <u>-</u> | <u>2,434</u> |
| Total Economic and Physical Development | <u>889,914</u> | <u>683,291</u> | <u>206,623</u> |
| Human services: | | | |
| Health | | | |
| Salaries and employee benefits | 746,790 | 644,788 | 102,002 |
| Other operating expenditures | 185,035 | 170,287 | 14,748 |
| Total | <u>931,825</u> | <u>815,075</u> | <u>116,750</u> |
| Communicable Disease | | | |
| Salaries and employee benefits | 31,015 | 16,094 | 14,921 |
| Other operating expenditures | 1,291 | 1,127 | 164 |
| Total | <u>32,306</u> | <u>17,221</u> | <u>15,085</u> |
| Kate B. Reynolds Grant | | | |
| Salaries and employee benefits | 168,231 | 147,193 | 21,038 |
| Other operating expenditures | 83,944 | 49,823 | 34,121 |
| Capital Outlay | 1,045 | 930 | 115 |
| Total | <u>253,220</u> | <u>197,946</u> | <u>55,274</u> |
| Immunization Program | | | |
| Salaries and employee benefits | 14,744 | 9,319 | 5,425 |
| Other operating expenditures | 17,937 | 16,225 | 1,712 |
| Total | <u>32,681</u> | <u>25,544</u> | <u>7,137</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, 2023

| | 2023 | | Variance Positive (Negative) |
|---------------------------------|------------------|----------------|------------------------------------|
| | Budget | Actual | |
| Restaurant Heart Health | | | |
| Operating expenditures | 1,123 | 329 | 794 |
| Total | <u>1,123</u> | <u>329</u> | <u>794</u> |
| Tuberculosis Program | | | |
| Salaries and employee benefits | 27,949 | 19,526 | 8,423 |
| Other operating expenditures | 8,873 | 5,863 | 3,010 |
| Total | <u>36,822</u> | <u>25,389</u> | <u>11,433</u> |
| Health-Jail Site Testing | | | |
| Salaries and employee benefits | 60,726 | 61,092 | (366) |
| Other operating expenditures | 3,807 | 1,601 | 2,206 |
| Total | <u>64,533</u> | <u>62,693</u> | <u>1,840</u> |
| Pregnancy Care Management | | | |
| Salaries and employee benefits | 61,218 | 50,137 | 11,081 |
| Other operating expenditures | 1,995 | 1,118 | 877 |
| Total | <u>63,213</u> | <u>51,255</u> | <u>11,958</u> |
| School Nurse Program | | | |
| Salaries and employees benefits | 154,962 | 152,481 | 2,481 |
| Total | <u>154,962</u> | <u>152,481</u> | <u>2,481</u> |
| Healthy Communities | | | |
| Salaries and employees benefits | 27,872 | 27,860 | 12 |
| Other operating expenditures | 6,482 | 2,979 | 3,503 |
| Total | <u>34,354</u> | <u>30,839</u> | <u>3,515</u> |
| Health- STD Prevention | | | |
| Other operating expenditures | 100 | 90 | 10 |
| Total | <u>100</u> | <u>90</u> | <u>10</u> |
| Home Health | | | |
| Salaries and employee benefit | 659,353 | 525,298 | 134,055 |
| Other operating expenditures | 409,129 | 377,502 | 31,627 |
| Total | <u>1,068,482</u> | <u>902,800</u> | <u>165,682</u> |
| Child Health | | | |
| Salaries and employee benefit | 93,384 | 78,095 | 15,289 |
| Other operating expenditures | 32,483 | 23,910 | 8,573 |
| Capital outlay | 1,045 | 1,045 | - |
| Total | <u>126,912</u> | <u>103,050</u> | <u>23,862</u> |
| Child Service Coordination | | | |
| Salaries and employee benefit | 48,128 | 24,694 | 23,434 |
| Other operating expenditures | 2,464 | 1,587 | 877 |
| Total | <u>50,592</u> | <u>26,281</u> | <u>24,311</u> |

(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, 2023

| | 2023 | | Variance Positive (Negative) |
|-------------------------------------|----------------|----------------|------------------------------------|
| | Budget | Actual | |
| Maternal Child Health | | | |
| Salaries and employee benefit | 58,968 | 36,741 | 22,227 |
| Other operating expenditures | 20,301 | 15,456 | 4,845 |
| Capital outlay | 39,500 | 39,500 | - |
| Total | <u>118,769</u> | <u>91,697</u> | <u>27,072</u> |
| Family Planning | | | |
| Salaries and employee benefit | 227,402 | 163,649 | 63,753 |
| Other operating expenditures | 50,286 | 28,535 | 21,751 |
| Capital outlay | 8,000 | 2,000 | 6,000 |
| Total | <u>285,688</u> | <u>194,184</u> | <u>91,504</u> |
| Health Promotions- Clinical (adult) | | | |
| Salaries and employee benefit | 65,041 | 37,603 | 27,438 |
| Other operating expenditures | 52,541 | 18,678 | 33,863 |
| Total | <u>117,582</u> | <u>56,281</u> | <u>61,301</u> |
| Health-Head Start | | | |
| Salaries and employee benefit | 35,383 | 26,430 | 8,953 |
| Other operating expenditures | 2,355 | 354 | 2,001 |
| Total | <u>37,738</u> | <u>26,784</u> | <u>10,954</u> |
| Women, Infants, and Children | | | |
| Salaries and employee benefit | 96,291 | 96,455 | (164) |
| Other operating expenditures | 9,061 | 7,394 | 1,667 |
| Total | <u>105,352</u> | <u>103,849</u> | <u>1,503</u> |
| Peer Counseling | | | |
| Salaries and employee benefit | 16,829 | 14,105 | 2,724 |
| Other operating expenditures | 1,600 | 739 | 861 |
| Total | <u>18,429</u> | <u>14,844</u> | <u>3,585</u> |
| Bio-Terrorism Grant | | | |
| Salaries and employee benefit | 24,758 | 22,982 | 1,776 |
| Other operating expenditures | 8,735 | 5,633 | 3,102 |
| Total | <u>33,493</u> | <u>28,615</u> | <u>4,878</u> |
| Environmental Health | | | |
| Salaries and employee benefit | 291,007 | 261,215 | 29,792 |
| Other operating expenditures | 43,828 | 34,396 | 9,432 |
| Total | <u>334,835</u> | <u>295,611</u> | <u>39,224</u> |
| Home Delivered Meals | | | |
| Other operating expenditures | 2,730 | 1,364 | 1,366 |
| Total | <u>2,730</u> | <u>1,364</u> | <u>1,366</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, 2023

| | 2023 | | Variance Positive (Negative) |
|--|------------------|------------------|------------------------------------|
| | Budget | Actual | |
| AIDS Control | | | |
| Other operating expenditures | 2,965 | 1,889 | 1,076 |
| Total | <u>2,965</u> | <u>1,889</u> | <u>1,076</u> |
| COVID-19 Crisis Response | | | |
| Other operating expenditures | 16,164 | 14,234 | 1,930 |
| Total | <u>16,164</u> | <u>14,234</u> | <u>1,930</u> |
| COVID-19 | | | |
| Salaries and employee benefits | 11,340 | 11,194 | 146 |
| Other operating expenditures | 9,256 | 4,337 | 4,919 |
| Total | <u>20,596</u> | <u>15,531</u> | <u>5,065</u> |
| COVID-19 Enhancing Detection | | | |
| Salaries and employee benefits | 46,554 | 31,985 | 14,569 |
| Other operating expenditures | 150 | 56 | 94 |
| Capital outlay | 132,660 | 30,447 | 102,213 |
| Total | <u>179,364</u> | <u>62,488</u> | <u>116,876</u> |
| COVID-19 Vaccination | | | |
| Salaries and employee benefits | 109,894 | 108,944 | 950 |
| Other operating expenditures | 4,415 | 4,415 | - |
| Capital outlay | 24,388 | 24,388 | - |
| Total | <u>138,697</u> | <u>137,747</u> | <u>950</u> |
| APRA Mini Grant | | | |
| Other operating expenditures | 25,008 | 23,608 | 1,400 |
| Total | <u>25,008</u> | <u>23,608</u> | <u>1,400</u> |
| Communicable Diseases - Pan Rec | | | |
| Salaries and employee benefits | 51,005 | 29,714 | 21,291 |
| Other operating expenditures | 43,624 | 28,802 | 14,822 |
| Capital outlay | 118,667 | 97,753 | 20,914 |
| Total | <u>213,296</u> | <u>156,269</u> | <u>57,027</u> |
| Total Health | <u>4,501,831</u> | <u>3,635,988</u> | <u>807,416</u> |
| Mental Health | | | |
| Contribution to mental health | 81,614 | 79,148 | 2,466 |
| Total | <u>81,614</u> | <u>79,148</u> | <u>2,466</u> |
| Aging | | | |
| Salaries and employee benefits | 127,201 | 128,587 | (1,386) |
| Other operating expenditures | 122,092 | 114,609 | 7,483 |
| Total | <u>249,293</u> | <u>243,196</u> | <u>6,097</u> |

(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, 2023

| | 2023 | | Variance Positive (Negative) |
|---------------------------------------|-------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Veterans Assistance | | | |
| Salaries and employee benefits | 31,554 | 31,791 | (237) |
| Other operating expenditures | 9,660 | 8,148 | 1,512 |
| Total | <u>41,214</u> | <u>39,939</u> | <u>1,275</u> |
| Community Based Alternatives | | | |
| Other operating expenditures | 173,713 | 128,466 | 45,247 |
| Total | <u>173,713</u> | <u>128,466</u> | <u>45,247</u> |
| Social Services: | | | |
| Administration | | | |
| Salaries and employee benefits | 4,351,112 | 3,775,351 | 575,761 |
| Other operating expenditures | 3,509,312 | 2,957,859 | 551,453 |
| Total | <u>7,860,424</u> | <u>6,733,210</u> | <u>1,127,214</u> |
| Program Expenditures | | | |
| Federal and State Expenditures | | | |
| AFDC-FC | 24,747 | 4,531 | 20,216 |
| Crisis fuel | 188,755 | 115,409 | 73,346 |
| Board home | 10,878 | 6,648 | 4,230 |
| CAP/DA federal and State expenditures | 3,500 | 3,918 | (418) |
| Child Daycare | 4,098 | 4,098 | - |
| Special adoption assistance | 56,310 | - | 56,310 |
| Total federal and state expenditures | <u>288,288</u> | <u>134,604</u> | <u>153,684</u> |
| County Expenditures | | | |
| Aid to blind | 2,413 | 4,414 | (2,001) |
| OAA/AD | 331,863 | 195,734 | 136,129 |
| AFDC-FC | 5,000 | 1,842 | 3,158 |
| General assistance | 7,500 | 3,152 | 4,348 |
| Board income | 10,878 | 6,648 | 4,230 |
| Food stamp issuance | 5,926 | 7,369 | (1,443) |
| IV-E adoption assistance | 25,945 | 18,149 | 7,796 |
| Low income energy assistance | 381,082 | 151,239 | 229,843 |
| ARPA - SNAP | 60,961 | 57,497 | 3,464 |
| Other | 236,606 | 209,180 | 27,426 |
| Total County Expenditures | <u>1,068,174</u> | <u>655,224</u> | <u>412,950</u> |
| Total Social Services | <u>9,216,886</u> | <u>7,523,038</u> | <u>1,693,848</u> |
| Total Human Services | <u>14,264,551</u> | <u>11,649,775</u> | <u>2,556,349</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, 2023

| | 2023 | | Variance Positive (Negative) |
|--|-------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Cultural and Recreational | | | |
| Recreation | | | |
| Salaries and employee benefits | 315,766 | 303,076 | 12,690 |
| Other operating expenditures | 70,463 | 57,092 | 13,371 |
| Capital Outlay | 10,490 | 7,264 | 3,226 |
| Total | <u>396,719</u> | <u>367,432</u> | <u>29,287</u> |
| Libraries | | | |
| Contribution to regional library | 156,430 | 143,396 | 13,034 |
| Total | <u>156,430</u> | <u>143,396</u> | <u>13,034</u> |
| Northampton Cultural Arts | | | |
| Cultural | 30,103 | 19,984 | 10,119 |
| Total | <u>30,103</u> | <u>19,984</u> | <u>10,119</u> |
| Museums | | | |
| Contribution to museums | 7,500 | 7,500 | - |
| Total | <u>7,500</u> | <u>7,500</u> | <u>-</u> |
| Total Cultural and Recreational | <u>590,752</u> | <u>538,312</u> | <u>52,440</u> |
| Education: | | | |
| Public School- current expenses | 3,150,000 | 3,780,000 | (630,000) |
| Public School- capital outlay | 453,000 | 406,219 | 46,781 |
| Public Schools- Fines and Forfeitures | - | 28,947 | (28,947) |
| Community College-current | 163,939 | 103,468 | 60,471 |
| Total Education | <u>3,766,939</u> | <u>4,318,634</u> | <u>(551,695)</u> |
| Debt service: | | | |
| Principal | 59,265 | 168,225 | (108,960) |
| Interest payments | - | 17,599 | (17,599) |
| Total debt service | <u>59,265</u> | <u>185,824</u> | <u>(126,559)</u> |
| Total expenditures | <u>39,032,352</u> | <u>35,676,101</u> | <u>3,069,690</u> |
| Revenue over (under) expenditures | <u>(671,108)</u> | <u>3,070,097</u> | <u>3,741,205</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, 2023

| | 2023 | | Variance Positive (Negative) |
|---|----------------|----------------------|------------------------------------|
| | Budget | Actual | |
| Other Financing Sources (Uses): | | | |
| Transfers to other funds | | | |
| Special Revenue Funds | - | (25,075) | (25,075) |
| Debt Service Fund | (1,262,947) | (1,283,965) | (21,018) |
| Intrafund transfers: | | | |
| Revaluation fund | (50,000) | - | 50,000 |
| Proceeds from lease liabilities | - | 82,336 | 82,336 |
| Loan proceeds | - | 147,200 | 147,200 |
| Sale of Capital Assets | 26,600 | 44,517 | 17,917 |
| Appropriated fund balance | 2,358,584 | - | (2,358,584) |
| Contingency | (401,129) | - | 401,129 |
| Total other financing sources (uses) | <u>671,108</u> | <u>(1,034,987)</u> | <u>(1,706,095)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>2,035,110</u> | <u>\$ 2,035,110</u> |
| Fund balance- July 1 | | <u>25,893,749</u> | |
| Fund balance- June 30 | | <u>\$ 27,928,859</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, 2023

| | 2023 | | Variance Positive (Negative) |
|--|-------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Interest on investments | \$ - | \$ 276 | \$ 276 |
| Expenditures: | | | |
| General government: | | | |
| Other operating expenditures | 50,000 | 211,448 | (161,448) |
| Revenues over (under) expenditures | (50,000) | (211,172) | 161,724 |
| Other financing sources (uses): | | | |
| Transfer in (out) | 50,000 | - | (50,000) |
| Net change in fund balance | <u>\$ -</u> | <u>(211,172)</u> | <u>\$ (211,172)</u> |
| Fund balance, beginning | | <u>417,500</u> | |
| Fund balance, ending | | <u>\$ 206,328</u> | |

Northampton County, North Carolina
Revolving Loan Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

| | 2023 | | Variance Positive (Negative) |
|---|--------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Interest on Investments | \$ (17,153) | \$ 105 | \$ 17,258 |
| Payment - Interest | - | 12,909 | 12,909 |
| Payment - Principal | - | 7,364 | 7,364 |
| Total revenues | <u>(17,153)</u> | <u>20,378</u> | <u>37,531</u> |
| Expenditures: | | | |
| Economic and Physical Development Industrial Assistance | <u>300,000</u> | <u>-</u> | <u>300,000</u> |
| Revenues Over (Under) Expenditures | <u>(317,153)</u> | <u>20,378</u> | <u>337,531</u> |
| Other Financing Sources (Uses): | | | |
| Transfer from other funds | 900,000 | - | (900,000) |
| Transfers to other funds | <u>(600,000)</u> | <u>-</u> | <u>600,000</u> |
| Total other financing sources (uses) | <u>300,000</u> | <u>-</u> | <u>(300,000)</u> |
| Net change in fund balances | <u>\$ (17,153)</u> | <u>20,378</u> | <u>\$ 37,531</u> |
| Reconciling Items: | | | |
| Debt payments are reclassified against accounts receivable balance | | <u>(7,364)</u> | |
| Total Reconciling Items | | (7,364) | |
| Current year change in fund balance | | 13,014 | |
| Beginning of year- July 1 | | <u>351,983</u> | |
| End of year- June 30 | | <u>\$ 364,997</u> | |

Northampton County, North Carolina
Non-Major Capital Project Fund
New Courthouse Project Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2023

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|-----------------------------------|--------------------------|--------------------------|---------------------------|----------------------------|------------------------------------|
| | | Actual Prior Years | Actual Current Year | Actual Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental | | | | | |
| NC OSBM | \$ 14,000,000 | \$ 619,807 | \$ 6,768,228 | \$ 7,388,035 | \$ (6,611,965) |
| Total revenue | <u>14,000,000</u> | <u>619,807</u> | <u>6,768,228</u> | <u>7,388,035</u> | <u>(6,611,965)</u> |
| Expenditures: | | | | | |
| Land acquisition | 665,000 | 619,807 | - | 619,807 | 45,193 |
| Construction | 10,775,500 | - | 6,320,159 | 6,320,159 | 4,455,341 |
| Architecture & engineering | 941,150 | - | 429,571 | 429,571 | 511,579 |
| Furniture, Fixtures and Equipment | 500,000 | - | 18,498 | 18,498 | 481,502 |
| Reserve | 793,350 | - | - | - | 793,350 |
| Contingency | 325,000 | - | - | - | 325,000 |
| Total expenditures | <u>14,000,000</u> | <u>619,807</u> | <u>6,768,228</u> | <u>7,388,035</u> | <u>6,611,965</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> |
| FUND BALANCE | | | | | |
| Beginning of year-July 1 | | | <u>-</u> | | |
| End of year- June 30 | | | <u>\$ -</u> | | |

Northampton County, North Carolina
Special Revenue Fund
American Rescue Plan Fund
Schedule of Revenues and Expenditures- Budget and Actual
From Inception and For The Year Ended June 30, 2023

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|----------------|-----------------|------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental revenues: | | | | | |
| ARP Coronavirus Grant | \$ - | \$ 953,569 | \$ 20,000 | \$ 973,569 | \$ 973,569 |
| Investment Income | - | 569 | 2,025 | 2,594 | 2,594 |
| Total revenues | - | 954,138 | 22,025 | 976,163 | 976,163 |
| Expenditures: | | | | | |
| Total expenditures | - | - | - | - | - |
| Other Financing Sources (Uses): | | | | | |
| Transfers to: | | | | | |
| General Fund | - | (588,752) | - | (588,752) | (588,752) |
| Emergency Telephone System Fund | - | (113,567) | - | (113,567) | (113,567) |
| Water and Sewer Fund | - | (154,150) | (20,000) | (174,150) | (174,150) |
| Garysburg Water and Sewer Fund | - | (97,100) | - | (97,100) | (97,100) |
| Total Other Financing Sources (Uses) | - | (953,569) | (20,000) | (973,569) | (973,569) |
| Net change in fund balance | \$ - | \$ 569 | 2,025 | \$ 2,594 | \$ 2,594 |
| FUND BALANCE | | | | | |
| Beginning of year-July 1 | | | 569 | | |
| End of year- June 30 | | | \$ 2,594 | | |

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**
- **COVID Relief Fund**
- **Representative Payee Fund**
- **Rescue Squad Fund**
- **Opioid Settlement 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, 2023

| | Special Revenue Funds | Capital Project Funds | Debt Service Fund | Total Non-Major Governmental Funds |
|--|-----------------------------|-----------------------------|-------------------------|---|
| Assets: | | | | |
| Cash and cash equivalents | \$ 950,551 | \$ 220,623 | \$ - | \$ 1,171,174 |
| Taxes receivable (net) | 67,693 | - | - | 67,693 |
| Accounts receivable (net) | 8,954 | - | - | 8,954 |
| Restricted cash | 101,024 | 280,132 | - | 381,156 |
| Total assets | <u>1,128,222</u> | <u>500,755</u> | <u>-</u> | <u>1,628,977</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued | 40,832 | 118,994 | - | 159,826 |
| Due to other funds | 54,697 | - | 259,175 | 313,872 |
| Unspent grant proceeds | 12,829 | - | - | 12,829 |
| Total liabilities | <u>108,358</u> | <u>118,994</u> | <u>259,175</u> | <u>486,527</u> |
| Deferred Inflows of Resources: | | | | |
| Tax receivable | <u>67,693</u> | <u>-</u> | <u>-</u> | <u>67,693</u> |
| Fund balances: | | | | |
| Restricted: | | | | |
| Stabilization by State statute | 8,140 | - | - | 8,140 |
| Restricted, other | 497,541 | - | - | 497,541 |
| Committed: | | | | |
| Committed, other | - | 381,761 | - | 381,761 |
| Assigned: | | | | |
| Assigned, other | 540,462 | - | - | 540,462 |
| Unassigned | <u>(93,972)</u> | <u>-</u> | <u>(259,175)</u> | <u>(353,147)</u> |
| Total fund balances | <u>952,171</u> | <u>381,761</u> | <u>(259,175)</u> | <u>1,074,757</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,128,222</u> | <u>\$ 500,755</u> | <u>\$ -</u> | <u>\$ 1,628,977</u> |

Northampton, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

| | Special Revenue Funds | Capital Project Funds | Debt Service Fund | Total Non-Major Governmental Funds |
|--|-----------------------------|-----------------------------|-------------------------|---|
| Revenues: | | | | |
| Ad valorem taxes | \$ 959,785 | \$ - | \$ - | \$ 959,785 |
| Restricted intergovernmental | 101,024 | 419,744 | - | 520,768 |
| Sales and services | 774,095 | - | - | 774,095 |
| Investment earnings | 922 | 314 | - | 1,236 |
| Miscellaneous | 27,000 | - | - | 27,000 |
| Total revenues | <u>1,862,826</u> | <u>420,058</u> | <u>-</u> | <u>2,282,884</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 1,665,925 | - | - | 1,665,925 |
| Economic and physical development | - | 14,296 | - | 14,296 |
| Human services | - | 969 | - | 969 |
| Education | - | 419,744 | - | 419,744 |
| Debt Service: | | | | |
| Principal | - | - | 849,002 | 849,002 |
| Interest | - | - | 360,447 | 360,447 |
| Total expenditures | <u>1,665,925</u> | <u>435,009</u> | <u>1,209,449</u> | <u>3,310,383</u> |
| Revenues over (under) expenditures | <u>196,901</u> | <u>(14,951)</u> | <u>(1,209,449)</u> | <u>(1,027,499)</u> |
| Other financing sources (uses): | | | | |
| Transfers in (out) | - | 25,075 | 1,283,965 | 1,309,040 |
| Total other financing sources (uses) | <u>-</u> | <u>25,075</u> | <u>1,283,965</u> | <u>1,309,040</u> |
| Net change in fund balance | 196,901 | 10,124 | 74,516 | 281,541 |
| Fund balances, beginning | 755,270 | 371,637 | (333,691) | 793,216 |
| Fund balances, ending | <u>\$ 952,171</u> | <u>\$ 381,761</u> | <u>\$ (259,175)</u> | <u>\$ 1,074,757</u> |

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Fund
June 30, 2023

| | Special Revenue Funds | | | | | | | | |
|---|---|---------------------------------------|--------------------------|-----------------------------|-------------------------|---------------------------------|-------------------------|------------------------------|---------------------|
| | Mid-Atlantic Distribution Park Fund | Emergency Telephone System Fund | Fire District Fund | Solar Farm Trust Fund | COVID Relief Fund | Representative Payee Fund | Rescue Squad Fund | Opioid Settlement Fund | Total |
| Assets: | | | | | | | | | |
| Current Assets: | | | | | | | | | |
| Cash and cash equivalents | \$ 238,157 | \$ 363,460 | \$ - | \$ 302,305 | \$ 12,829 | \$ 33,800 | \$ - | \$ - | \$ 950,551 |
| Restricted cash and cash equivalents | - | - | - | - | - | - | - | 101,024 | 101,024 |
| Accounts receivable | - | - | 8,140 | - | - | - | 814 | - | 8,954 |
| Taxes Receivable | - | - | 67,693 | - | - | - | - | - | 67,693 |
| Due from other funds | - | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 238,157</u> | <u>\$ 363,460</u> | <u>\$ 75,833</u> | <u>\$ 302,305</u> | <u>\$ 12,829</u> | <u>\$ 33,800</u> | <u>\$ 814</u> | <u>\$ 101,024</u> | <u>\$ 1,128,222</u> |
| Liabilities and Fund Balances: | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | - | 743 | 11,381 | - | - | - | 28,708 | - | 40,832 |
| Due to other funds | - | - | 34,607 | - | - | - | 20,090 | - | 54,697 |
| Unspent CARES funds | - | - | - | - | 12,829 | - | - | - | 12,829 |
| Total liabilities | <u>-</u> | <u>743</u> | <u>45,988</u> | <u>-</u> | <u>12,829</u> | <u>-</u> | <u>48,798</u> | <u>-</u> | <u>108,358</u> |
| Deferred Inflows of Resources: | | | | | | | | | |
| Taxes Receivable | - | - | 67,693 | - | - | - | - | - | 67,693 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>67,693</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>67,693</u> |
| Fund Balances: | | | | | | | | | |
| Restricted: | | | | | | | | | |
| Stabilization by State Statute | - | - | 8,140 | - | - | - | - | - | 8,140 |
| Restricted, other | - | 362,717 | - | - | - | 33,800 | - | 101,024 | 497,541 |
| Assigned: | | | | | | | | | |
| Assigned, other | 238,157 | - | - | 302,305 | - | - | - | - | 540,462 |
| Unassigned | - | - | (45,988) | - | - | - | (47,984) | - | (93,972) |
| Total fund balances | <u>238,157</u> | <u>362,717</u> | <u>(37,848)</u> | <u>302,305</u> | <u>-</u> | <u>33,800</u> | <u>(47,984)</u> | <u>101,024</u> | <u>952,171</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 238,157</u> | <u>\$ 363,460</u> | <u>\$ 75,833</u> | <u>\$ 302,305</u> | <u>\$ 12,829</u> | <u>\$ 33,800</u> | <u>\$ 814</u> | <u>\$ 101,024</u> | <u>\$ 1,128,222</u> |

Northampton County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2023

| | Special Revenue Funds | | | | | | | | Total |
|---------------------------------------|---|---------------------------------------|--------------------------|-----------------------------|-------------------------|---------------------------------|-------------------------|------------------------------|-------------------|
| | Mid-Atlantic Distribution Park Fund | Emergency Telephone System Fund | Fire District Fund | Solar Farm Trust Fund | COVID Relief Fund | Representative Payee Fund | Rescue Squad Fund | Opioid Settlement Fund | |
| | | | | | | | | | |
| Revenues: | | | | | | | | | |
| Ad valorem taxes | \$ - | \$ - | \$ 959,785 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 959,785 |
| Restricted intergovernmental | - | - | - | - | - | - | - | 101,024 | 101,024 |
| Sales and service | - | 141,305 | - | 100,000 | - | - | 532,790 | - | 774,095 |
| Investment earnings | - | 518 | - | 404 | - | - | - | - | 922 |
| Miscellaneous | 27,000 | - | - | - | - | - | - | - | 27,000 |
| Total revenues | <u>27,000</u> | <u>141,823</u> | <u>959,785</u> | <u>100,404</u> | <u>-</u> | <u>-</u> | <u>532,790</u> | <u>101,024</u> | <u>1,862,826</u> |
| Expenditures: | | | | | | | | | |
| Public safety | - | 161,515 | 967,357 | - | - | - | 537,053 | - | 1,665,925 |
| Total expenditures | <u>-</u> | <u>161,515</u> | <u>967,357</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>537,053</u> | <u>-</u> | <u>1,665,925</u> |
| Other Financing Sources (Uses) | | | | | | | | | |
| Transfers in (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 27,000 | (19,692) | (7,572) | 100,404 | - | - | (4,263) | 101,024 | 196,901 |
| Fund balances, beginning | <u>211,157</u> | <u>382,409</u> | <u>(30,276)</u> | <u>201,901</u> | <u>-</u> | <u>33,800</u> | <u>(43,721)</u> | <u>-</u> | <u>755,270</u> |
| Fund balances, ending | <u>\$ 238,157</u> | <u>\$ 362,717</u> | <u>\$ (37,848)</u> | <u>\$ 302,305</u> | <u>\$ -</u> | <u>\$ 33,800</u> | <u>\$ (47,984)</u> | <u>\$ 101,024</u> | <u>\$ 952,171</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, 2023

| | 2023 | | Variance Positive (Negative) |
|------------------------------------|--------------------|--------------------------|------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Miscellaneous | \$ - | \$ 27,000 | \$ 27,000 |
| Total revenues | <u>-</u> | <u>27,000</u> | <u>27,000</u> |
| Expenditures | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues over (under) Expenditures | <u>-</u> | <u>27,000</u> | <u>27,000</u> |
| Net Change in Fund Balances | <u><u>\$ -</u></u> | <u>27,000</u> | <u><u>\$ 27,000</u></u> |
| FUND BALANCE | | | |
| Fund Balance- July 1 | | <u>211,157</u> | |
| Fund Balance- June 30 | | <u><u>\$ 238,157</u></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, 2023

| | 2023 | | Variance Positive (Negative) |
|---------------------------------------|------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Telephone surcharge | \$ 123,956 | \$ 141,305 | \$ 17,349 |
| Investment earnings | - | 518 | 518 |
| Total revenues | <u>123,956</u> | <u>141,823</u> | <u>17,867</u> |
| Expenditures | | | |
| Current: | | | |
| Public Safety | | | |
| Construction/ capital outlay | 197,112 | 91,726 | 105,386 |
| Other expenditures | 111,605 | 69,789 | 41,816 |
| Total expenditures | <u>308,717</u> | <u>161,515</u> | <u>147,202</u> |
| Revenues over (under) Expenditures | <u>(184,761)</u> | <u>(19,692)</u> | <u>165,069</u> |
| Other Financing Sources (Uses) | | | |
| Appropriated fund balance | 184,761 | - | (184,761) |
| Total other financing sources (uses) | <u>184,761</u> | <u>-</u> | <u>(184,761)</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>(19,692)</u> | <u>\$ (19,692)</u> |
| FUND BALANCE | | | |
| Beginning of year-July 1 | | <u>382,409</u> | |
| End of year- June 30 | | <u>\$ 362,717</u> | |

PSAP RECONCILIATION

FOR YEAR ENDED JUNE 30, 2022

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 | \$ 362,717 |
| Cumulative prior period revenues and expenditures not reported in the fund schedule (difference in beginning fund balance-budget to actual vs.PSAP Report) | (18,858) |
| A portion of 911 revenues on budget to actual, not recorded on PSAP report | (17,348) |
| A portion of 911 expenditures on budget to actual, not reported on PSAP report | <u>1,759</u> |
| Ending balance, PSAP Revenue- Expenditure Report | <u>\$ 328,270</u> |

Northampton County, North Carolina
Fire District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

| | 2023 | | Variance Positive (Negative) |
|------------------------------------|----------------|--------------------|------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Roanoke Wildwood Fire District Tax | \$ 176,194 | \$ 217,352 | \$ 41,158 |
| Garysburg Fire District tax | 86,721 | 166,105 | 79,384 |
| Gaston Fire District tax | 214,635 | 282,611 | 67,976 |
| Jackson Fire District tax | 35,471 | 40,359 | 4,888 |
| Lasker Fire District tax | 22,934 | 26,319 | 3,385 |
| Seaboard Fire District Tax | 72,326 | 86,249 | 13,923 |
| Rich Square Fire District tax | 53,103 | 84,470 | 31,367 |
| Woodland Fire District tax | 57,798 | 56,320 | (1,478) |
| Total revenues | <u>719,182</u> | <u>959,785</u> | <u>240,603</u> |
| Expenditures | | | |
| Current: | | | |
| Public Safety: | | | |
| Roanoke Wildwood levy | 176,194 | 219,498 | (43,304) |
| Garysburg levy | 86,721 | 166,620 | (79,899) |
| Gaston levy | 214,635 | 285,058 | (70,423) |
| Jackson levy | 35,471 | 40,421 | (4,950) |
| Lasker levy | 22,934 | 26,759 | (3,825) |
| Seaboard Fire District levy | 72,326 | 86,905 | (14,579) |
| Rich Square levy | 53,103 | 85,274 | (32,171) |
| Woodland levy | 57,798 | 56,822 | 976 |
| Total expenditures | <u>719,182</u> | <u>967,357</u> | <u>(248,175)</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>(7,572)</u> | <u>\$ (7,572)</u> |
| FUND BALANCE | | | |
| Beginning of year-July 1 | | <u>(30,276)</u> | |
| End of year- June 30 | | <u>\$ (37,848)</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, 2023

| | 2023 | | Variance Positive (Negative) |
|------------------------------------|--------------------|--------------------------|------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Zoning - Solar Farm | \$ - | \$ 100,000 | \$ 100,000 |
| Investment earnings | - | 404 | 404 |
| Total revenues | <u>-</u> | <u>100,404</u> | <u>100,404</u> |
| Expenditures | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues over (under) Expenditures | <u>-</u> | <u>100,404</u> | <u>100,404</u> |
| Net Change in Fund Balances | <u><u>\$ -</u></u> | <u>100,404</u> | <u><u>\$ 100,404</u></u> |
| FUND BALANCE | | | |
| Beginning of year-July 1 | | <u>201,901</u> | |
| End of year- June 30 | | <u><u>\$ 302,305</u></u> | |

**Northampton County, North Carolina
 COVID Relief Fund
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023**

| | 2023 | | Variance Positive (Negative) |
|--|--------------------|--------------------|------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Federal Grants | \$ - | \$ - | \$ - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues over (under) Expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Other Financing Sources (Uses): | | | |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u><u>\$ -</u></u> | <u><u>-</u></u> | <u><u>\$ -</u></u> |
| FUND BALANCE | | | |
| Beginning of year- July 1 | | <u>-</u> | |
| End of year- June 30 | | <u><u>\$ -</u></u> | |

Northampton County, North Carolina
Representative Payee Fund
Schedule of Revenues, Expenditures, and Changes
In Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

| | 2023 | | Variance Positive (Negative) |
|------------------------------------|--------------------|-------------------------|------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Restricted intergovernmental | \$ - | \$ - | \$ - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues over (under) Expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u><u>\$ -</u></u> | <u><u>-</u></u> | <u><u>\$ -</u></u> |
| FUND BALANCE | | | |
| Beginning of year - July 1 | | <u>33,800</u> | |
| End of year - June 30 | | <u><u>\$ 33,800</u></u> | |

Northampton County, North Carolina
Rescue Squad Fund
Schedule of Revenues, Expenditures, and Changes
In Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

| | 2023 | | Variance Positive (Negative) |
|------------------------------------|----------------|--------------------|------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Sales and Services | \$ 195,000 | \$ 532,790 | \$ 337,790 |
| Total revenues | <u>195,000</u> | <u>532,790</u> | <u>337,790</u> |
| Expenditures | | | |
| Emergency Medical Services | 195,000 | 537,053 | (342,053) |
| Total expenditures | <u>195,000</u> | <u>537,053</u> | <u>(342,053)</u> |
| Revenues over (under) Expenditures | <u>-</u> | <u>(4,263)</u> | <u>(4,263)</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>(4,263)</u> | <u>\$ (4,263)</u> |
| FUND BALANCE | | | |
| Beginning of year - July 1 | | <u>(43,721)</u> | |
| End of year - June 30 | | <u>\$ (47,984)</u> | |

Northampton County, North Carolina
Opioid Settlement
Schedule of Revenues, Expenditures, and Changes
In Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

| | 2023 | | Variance Positive (Negative) |
|------------------------------------|-------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Revenues | | | |
| Restricted Intergovernmental | \$ - | \$ 101,024 | \$ 101,024 |
| Total revenues | <u>-</u> | <u>101,024</u> | <u>101,024</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>101,024</u> | <u>\$ 101,024</u> |
| FUND BALANCE | | | |
| Beginning of year - July 1 | | <u>-</u> | |
| End of year - June 30 | | <u>\$ 101,024</u> | |

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, 2023

| | 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 | \$ - | \$ 170,091 | \$ - | \$ 50,532 | \$ - | \$ - | \$ - | \$ - | \$ 220,623 |
| Restricted Cash | - | - | - | - | 280,132 | - | - | - | 280,132 |
| Total assets | <u>\$ -</u> | <u>\$ 170,091</u> | <u>\$ -</u> | <u>\$ 50,532</u> | <u>\$ 280,132</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 500,755</u> |
| Liabilities and Fund Balances: | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 118,994 | \$ - | \$ - | \$ - | \$ 118,994 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>118,994</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>118,994</u> |
| Fund balances: | | | | | | | | | |
| Restricted: | | | | | | | | | |
| Committed, other | - | 170,091 | - | 50,532 | 161,138 | - | - | - | 381,761 |
| Total fund balances | <u>-</u> | <u>170,091</u> | <u>-</u> | <u>50,532</u> | <u>161,138</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>381,761</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ -</u> | <u>\$ 170,091</u> | <u>\$ -</u> | <u>\$ 50,532</u> | <u>\$ 280,132</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 500,755</u> |

Northampton County, North Carolina
Non-Major Capital Project Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2023

| | 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 | \$ - | \$ - | \$ - | \$ - | \$ 419,744 | \$ - | \$ - | \$ - | \$ 419,744 |
| Investment earnings | - | 250 | - | 64 | - | - | - | - | 314 |
| Total revenues | <u>-</u> | <u>250</u> | <u>-</u> | <u>64</u> | <u>419,744</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>420,058</u> |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| Economic and physical development | 10,474 | - | - | - | - | 3,822 | - | - | 14,296 |
| Human services | - | - | 969 | - | - | - | - | - | 969 |
| Education | - | - | - | - | 419,744 | - | - | - | 419,744 |
| Total expenditures | <u>10,474</u> | <u>-</u> | <u>969</u> | <u>-</u> | <u>419,744</u> | <u>3,822</u> | <u>-</u> | <u>-</u> | <u>435,009</u> |
| Other Financing Sources (Uses) | | | | | | | | | |
| Transfers in (out) | - | - | - | - | - | - | 23,955 | 1,120 | 25,075 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>23,955</u> | <u>1,120</u> | <u>25,075</u> |
| Net change in fund balances | (10,474) | 250 | (969) | 64 | - | (3,822) | 23,955 | 1,120 | 10,124 |
| Fund balances, beginning | 10,474 | 169,841 | 969 | 50,468 | 161,138 | 3,822 | (23,955) | (1,120) | 371,637 |
| Fund balances, ending | <u>\$ -</u> | <u>\$ 170,091</u> | <u>\$ -</u> | <u>\$ 50,532</u> | <u>\$ 161,138</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 381,761</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, 2023

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|------------------|-----------------|------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| 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> |
| Expenditures: | | | | | |
| Economic and physical development: | | | | | |
| EDA expenditures | 2,002,088 | 1,997,503 | - | 1,997,503 | 4,585 |
| CDBG expenditures | 531,000 | 87,848 | - | 87,848 | 443,152 |
| NC Rural center expenditures | 220,000 | 20,500 | - | 20,500 | 199,500 |
| Access road expenditures | 400,000 | 695,859 | 10,474 | 706,333 | (306,333) |
| General expenditures | 226,000 | 223,745 | - | 223,745 | 2,255 |
| Total expenditures | <u>3,379,088</u> | <u>3,025,455</u> | <u>10,474</u> | <u>3,035,929</u> | <u>343,159</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 10,474</u> | | <u>\$ -</u> | <u>\$ -</u> |
| FUND BALANCE | | | | | |
| Beginning of year-July 1 | | | <u>10,474</u> | | |
| End of year- June 30 | | | <u>\$ -</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, 2023

| | 2023 | | Variance Positive (Negative) |
|-----------------------------------|-------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Investment Earnings | \$ - | \$ 250 | \$ 250 |
| Total revenues | <u>-</u> | <u>250</u> | <u>250</u> |
| Net change in fund balance | <u>\$ -</u> | <u>250</u> | <u>\$ 250</u> |
| FUND BALANCE | | | |
| Beginning of year-July 1 | | <u>169,841</u> | |
| End of year- June 30 | | <u>\$ 170,091</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, 2023

| | 2023 | | Variance Positive (Negative) |
|---|-------------|--------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Investment Earnings | \$ - | \$ - | \$ - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | |
| Miscellaneous | - | 969 | 969 |
| Total expenditures | <u>-</u> | <u>969</u> | <u>969</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>(969)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>(969)</u> | <u>\$ -</u> |
| FUND BALANCE | | | |
| Beginning of year-July 1 | | <u>969</u> | |
| End of year- June 30 | | <u>\$ -</u> | |

Northampton County, North Carolina
Non-Major Capital Project Fund
EDC Capital Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

| | 2023 | | Variance Positive (Negative) |
|---|----------------|------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Investment Earnings | \$ 5,448 | \$ 64 | \$ (5,384) |
| Miscellaneous | 210,000 | - | (210,000) |
| Total revenues | <u>215,448</u> | <u>64</u> | <u>(215,384)</u> |
| Expenditures: | | | |
| Building Purchase | 75,000 | - | 75,000 |
| Architectural & Engineering | 12,500 | - | 12,500 |
| EDC Loan | 200,200 | - | 200,200 |
| Total expenditures | <u>287,700</u> | <u>-</u> | <u>287,700</u> |
| Other financing resources (uses) | | | |
| Transfers in (out) | (213,018) | - | 213,018 |
| Appropriated fund balance | 285,270 | - | (285,270) |
| Total other financing sources (uses) | <u>72,252</u> | <u>-</u> | <u>(72,252)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>64</u> | <u>\$ 64</u> |
| FUND BALANCE | | | |
| Beginning of year-July 1 | | <u>50,468</u> | |
| End of year- June 30 | | <u>\$ 50,532</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, 2023

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|------------------------------|--------------------------|---------------------------|----------------------------|------------------------------------|
| | | Actual Prior Years | Actual Current Year | Actual Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental | | | | | |
| State lottery funds | \$ 2,889,426 | \$ 567,289 | \$ 419,744 | \$ 987,033 | \$(1,902,393) |
| Total revenue | <u>2,889,426</u> | <u>567,289</u> | <u>419,744</u> | <u>987,033</u> | <u>(1,902,393)</u> |
| Expenditures: | | | | | |
| Current | | | | | |
| Education: | | | | | |
| Chiller Project | - | 142,000 | - | 142,000 | (142,000) |
| Building Repairs | 4,267,130 | 307,045 | 419,744 | 726,789 | 3,540,341 |
| Debt service- Principal | 260,063 | - | - | - | 260,063 |
| Total expenditures | <u>4,527,193</u> | <u>449,045</u> | <u>419,744</u> | <u>868,789</u> | <u>3,658,404</u> |
| Revenues over (under) expenditures | <u>(1,637,767)</u> | <u>118,244</u> | <u>-</u> | <u>118,244</u> | <u>1,756,011</u> |
| Other Financing Sources (Uses): | | | | | |
| Fund Balance Appropriated | 84,675 | - | - | - | (84,675) |
| Total other financing sources | <u>84,675</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(84,675)</u> |
| Net change in fund balance | <u><u>\$ (1,553,092)</u></u> | <u><u>\$ 118,244</u></u> | <u><u>-</u></u> | <u><u>\$ 118,244</u></u> | <u><u>\$ 1,671,336</u></u> |
| FUND BALANCE | | | | | |
| Beginning of year- July 1 | | | 161,138 | | |
| End of year- June 30 | | | <u><u>\$ 161,138</u></u> | | |

Northampton County, North Carolina
Non-Major Capital Project Fund
EDC REAP Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2023

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|------------------------------------|--------------------------|--------------------------|---------------------------|----------------------------|------------------------------------|
| | | Actual Prior Years | Actual Current Year | Actual Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental | | | | | |
| Investment earnings | \$ - | \$ 42 | \$ - | \$ 42 | \$ 42 |
| Miscellaneous | 285,580 | 65,080 | - | 65,080 | (220,500) |
| Total revenue | <u>285,580</u> | <u>65,122</u> | <u>-</u> | <u>65,122</u> | <u>(220,458)</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Economic and physical development: | | | | | |
| Infrastructure | 285,580 | 61,300 | 3,822 | 65,122 | 220,458 |
| Total expenditures | <u>285,580</u> | <u>61,300</u> | <u>3,822</u> | <u>65,122</u> | <u>220,458</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 3,822</u> | <u>(3,822)</u> | <u>\$ -</u> | <u>\$ -</u> |
| FUND BALANCE | | | | | |
| Beginning of year- July 1 | | | <u>3,822</u> | | |
| End of year- June 30 | | | <u>\$ -</u> | | |

Northampton County, North Carolina
Non-Major Capital Project Fund
Severn Peanut Natural Gas Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2023

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|--------------------------|---------------------------|----------------------------|------------------------------------|
| | | Actual Prior Years | Actual Current Year | Actual Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental | | | | | |
| CDBG | \$ 630,000 | \$ 629,381 | \$ - | \$ 629,381 | \$ (619) |
| Industrial Development Grant | 500,000 | 500,000 | - | 500,000 | - |
| NC Rural Center Grant | 420,000 | 420,000 | - | 420,000 | - |
| Piedmont Natural Gas Grant | 604,206 | 191,036 | - | 191,036 | (413,170) |
| Total revenue | <u>2,154,206</u> | <u>1,740,417</u> | <u>-</u> | <u>1,740,417</u> | <u>(413,789)</u> |
| Expenditures: | | | | | |
| Economic and physical development: | | | | | |
| Piedmont natural gas expenditures | 1,553,206 | 767,560 | - | 767,560 | 785,646 |
| CDBG expenditures | 101,000 | 354,283 | - | 354,283 | (253,283) |
| Industrial development expenditures | 500,000 | 642,529 | - | 642,529 | (142,529) |
| Total expenditures | <u>2,154,206</u> | <u>1,764,372</u> | <u>-</u> | <u>1,764,372</u> | <u>389,834</u> |
| Other financing sources (uses): | | | | | |
| Transfer from General Fund | - | - | 23,955 | 23,955 | 23,955 |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>23,955</u> | <u>23,955</u> | <u>23,955</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (23,955)</u> | <u>23,955</u> | <u>\$ -</u> | <u>\$ -</u> |
| FUND BALANCE | | | | | |
| Beginning of year-July 1 | | | (23,955) | | |
| End of year- June 30 | | | <u>\$ -</u> | | |

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, 2023

| | 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>1,120</u> | <u>-</u> | <u>1,120</u> | <u>(1,120)</u> |
| Other financing sources (uses): | | | | | |
| Transfer from General Fund | - | - | 1,120 | 1,120 | 1,120 |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>1,120</u> | <u>1,120</u> | <u>1,120</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (1,120)</u> | 1,120 | <u>\$ -</u> | <u>\$ -</u> |
| FUND BALANCE | | | | | |
| Beginning of year- July 1 | | | <u>(1,120)</u> | | |
| End of year- June 30 | | | <u>\$ -</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, 2023

| | 2023 | | Variance Positive (Negative) |
|---|--------------------|---------------------|------------------------------------|
| | Budget | Actual | |
| Expenditures | | | |
| Debt Service: | | | |
| Principal retirement | \$ 849,002 | \$ 849,002 | \$ - |
| Interest | 672,509 | 360,447 | 312,062 |
| Bond issuance expense | - | - | - |
| Total expenditures | <u>1,521,511</u> | <u>1,209,449</u> | <u>312,062</u> |
| Revenues over (under) expenditures | <u>(1,521,511)</u> | <u>(1,209,449)</u> | <u>312,062</u> |
| Other financing resources (uses) | | | |
| Transfers in (out) | | | |
| Special Revenue Fund | 220,000 | 220,000 | - |
| General Fund | 1,301,511 | 1,063,965 | (237,546) |
| Total other financing sources (uses) | <u>1,521,511</u> | <u>1,283,965</u> | <u>(237,546)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>74,516</u> | <u>\$ 74,516</u> |
| FUND BALANCE | | | |
| Beginning of year-July 1 | | <u>(333,691)</u> | |
| End of year- June 30 | | <u>\$ (259,175)</u> | |

ENTERPRISE FUNDS

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

- **Water & Sewer Fund**
- **West Fraser Wastewater Grant**
- **Water Asset Inventory and Assessment Grant**
- **Phase VI Water Project**
- **Garysburg Water and Sewer District**
- **Solid Waste Fund**

Northampton County, North Carolina
Combining Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2023

| | NONMAJOR | | Total Enterprise Funds |
|---|---------------------|------------------------------|------------------------------|
| | Solid Waste Fund | Garysburg Water and Sewer | |
| ASSETS: | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 370,328 | \$ 715,651 | \$ 1,085,979 |
| Accounts receivable (net) | 11,983 | 96,390 | 108,373 |
| Restricted assets: | | | |
| Cash and cash equivalents, restricted | - | 59,952 | 59,952 |
| Total current assets | <u>382,311</u> | <u>871,993</u> | <u>1,254,304</u> |
| Non-current assets: | | | |
| Other capital assets, net | 14,194 | 419,108 | 433,302 |
| Right to use asset, net | - | 40,410 | 40,410 |
| Total non-current assets | <u>14,194</u> | <u>459,518</u> | <u>473,712</u> |
| Total assets | <u>396,505</u> | <u>1,331,511</u> | <u>1,728,016</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Pension Deferrals | 56,922 | 34,153 | 91,075 |
| OPEB Deferrals | 29,278 | 22,328 | 51,606 |
| Total deferred outflows of resources | <u>86,200</u> | <u>56,481</u> | <u>142,681</u> |
| LIABILITIES: | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 6,165 | 33,460 | 39,625 |
| Accrued interest | - | 561 | 561 |
| Current portion of long-term debt | - | 24,911 | 24,911 |
| Liabilities payable from restricted assets: | | | |
| Customer Deposits | - | 59,952 | 59,952 |
| Total current liabilities | <u>6,165</u> | <u>118,884</u> | <u>125,049</u> |
| Noncurrent liabilities: | | | |
| Compensated absences-non current | 6,511 | 5,177 | 11,688 |
| Non-current portion of long-term debt | - | 325,233 | 325,233 |
| Net pension liability | 86,427 | 51,856 | 138,283 |
| Total OPEB Liability | 132,511 | 101,058 | 233,569 |
| Total noncurrent liabilities | <u>225,449</u> | <u>483,324</u> | <u>708,773</u> |
| Total liabilities | <u>231,614</u> | <u>602,208</u> | <u>833,822</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Pension Deferrals | 1,396 | 24,688 | 26,084 |
| OPEB Deferrals | 69,664 | 29,278 | 98,942 |
| Total deferred inflows of resources | <u>71,060</u> | <u>53,966</u> | <u>125,026</u> |
| NET POSITION: | | | |
| Net investment in capital assets | 14,194 | 109,374 | 123,568 |
| Unrestricted | 165,837 | 622,444 | 788,281 |
| Total net position | <u>\$ 180,031</u> | <u>\$ 731,818</u> | <u>\$ 911,849</u> |

Northampton County, North Carolina
Combining Statement of Revenues, Expenditures,
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

| | NONMAJOR | | Totals |
|---|---------------------|------------------------------|-------------------|
| | Solid Waste Fund | Garysburg Water and Sewer | |
| Operating Revenues: | | | |
| Charges for services | \$ 2,292,955 | \$ 684,764 | \$ 2,977,719 |
| Water and sewer taps | - | 1,200 | 1,200 |
| White goods and tire disposal tax | 32,296 | - | 32,296 |
| Solid waste disposal tax | 12,805 | - | 12,805 |
| Other operating revenues | 128,286 | 350 | 128,636 |
| Total operating revenues | <u>2,466,342</u> | <u>686,314</u> | <u>3,152,656</u> |
| Operating Expenses: | | | |
| Water distribution and sewage treatment | - | 493,709 | 493,709 |
| Solid waste | 2,480,238 | - | 2,480,238 |
| Depreciation | 426 | 12,407 | 12,833 |
| Total operating expenses | <u>2,480,664</u> | <u>506,116</u> | <u>2,986,780</u> |
| Operating income (loss) | <u>(14,322)</u> | <u>180,198</u> | <u>165,876</u> |
| Non-Operating Revenues (Expenses): | | | |
| Interest earned on investments | 726 | - | 726 |
| Interest and fees | - | (8,144) | (8,144) |
| Total non-operating revenues (expenses) | <u>726</u> | <u>(8,144)</u> | <u>(7,418)</u> |
| Income (loss) before capital contributions and transfers | (13,596) | 172,054 | 158,458 |
| Transfers from other funds | <u>20,000</u> | <u>-</u> | <u>20,000</u> |
| Change in net position | <u>6,404</u> | <u>172,054</u> | <u>178,458</u> |
| Net Position: | | | |
| Beginning of year - July 1 | <u>173,627</u> | <u>509,583</u> | <u>683,210</u> |
| Prior period adjustment (see note 8) | <u>-</u> | <u>50,181</u> | <u>50,181</u> |
| Beginning of year - July 1, restated | <u>173,627</u> | <u>559,764</u> | <u>733,391</u> |
| End of year - June 30 | <u>\$ 180,031</u> | <u>\$ 731,818</u> | <u>\$ 911,849</u> |

Northampton County, North Carolina
Proprietary Fund
Combining Statement of Cash Flows
For the Year Ended June 30, 2023

| | NONMAJOR | | |
|--|---------------------|-----------------------------------|---------------------|
| | Solid Waste Fund | Garysburg Water and Sewer Fund | Total |
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 2,466,350 | \$ 716,658 | \$ 3,183,008 |
| Cash paid for goods and services | (2,352,749) | (467,854) | (2,820,603) |
| Cash paid to employees for services | (124,784) | (52,815) | (177,599) |
| Net cash provided (used) by operating activities | <u>(11,183)</u> | <u>195,989</u> | <u>184,806</u> |
| Cash flows from non-capital financing activities | | | |
| Loans from (to) other funds | - | 97,100 | 97,100 |
| Transfer from other funds | 20,000 | - | 20,000 |
| Net cash provided (used) by non-capital financial activities | <u>20,000</u> | <u>97,100</u> | <u>117,100</u> |
| Cash flows from capital and related financing activities: | | | |
| Acquisition and construction of capital assets | (14,620) | - | (14,620) |
| Right to use leased assets | - | (47,541) | (47,541) |
| Principal paid on long-term debt | - | (22,397) | (22,397) |
| Issuance of long-term debt proceeds | - | 47,541 | 47,541 |
| Interest and fees | - | (8,173) | (8,173) |
| Net cash provided (used) by capital and related financing activities | <u>(14,620)</u> | <u>(30,570)</u> | <u>(45,190)</u> |
| Cash flows from investing activities: | | | |
| Interest on investments | <u>726</u> | <u>-</u> | <u>726</u> |
| Net increase (decrease) in cash and cash equivalents | (5,077) | 262,519 | 257,442 |
| Cash and cash equivalents, July 1 | <u>375,405</u> | <u>513,084</u> | <u>888,489</u> |
| Cash and cash equivalents, June 30 | <u>\$ 370,328</u> | <u>\$ 775,603</u> | <u>\$ 1,145,931</u> |

(continued)

Northampton County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For the Year Ended June 30, 2023

| | NONMAJOR | | |
|---|---------------------|-----------------------------------|------------|
| | Solid Waste Fund | Garysburg Water and Sewer Fund | Total |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income (loss) | \$ (14,322) | \$ 180,198 | \$ 165,876 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation | 426 | 12,407 | 12,833 |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable | 8 | 30,344 | 30,352 |
| (Increase) decrease in deferred outflows of resources for pensions | (20,707) | (12,424) | (33,131) |
| (Increase) decrease in deferred outflows of resources for OPEB | 7,594 | 5,792 | 13,386 |
| Increase (decrease) in deferred inflows of resources for pensions | (33,934) | 3,490 | (30,444) |
| Increase (decrease) in deferred inflows of resources for OPEB | 37,160 | 4,489 | 41,649 |
| Increase (decrease) in accounts payable and accrued liabilities | (820) | (28,897) | (29,717) |
| Increase (decrease) in net pension liability | 63,080 | 37,848 | 100,928 |
| Increase (decrease) in Total OPEB liability | (49,726) | (37,923) | (87,649) |
| Increase (decrease) in compensated absences | 58 | 665 | 723 |
| Total adjustments | 3,139 | 15,791 | 18,930 |
| Net cash provided (used) by operating activities | \$ (11,183) | \$ 195,989 | \$ 184,806 |

Northampton County, North Carolina
Enterprise Fund
Water and Sewer Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2023

| | 2023 | | Variance Positive (Negative) |
|--|------------------|-------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Operating Revenues: | | | |
| Water and sewer sales | \$ 3,144,401 | \$ 3,474,391 | \$ 329,990 |
| Water and sewer taps | 8,600 | 40,350 | 31,750 |
| Other operating revenues | 3,000 | 7,087 | 4,087 |
| Total operating revenues | <u>3,156,001</u> | <u>3,521,828</u> | <u>365,827</u> |
| Non-Operating Revenues | | | |
| Interest earned on investments | - | 3,562 | 3,562 |
| Total revenue | <u>3,156,001</u> | <u>3,525,390</u> | <u>369,389</u> |
| Expenditures: | | | |
| Salaries and employee benefits | 593,265 | 573,834 | 19,431 |
| Purchased Water | 562,882 | 562,882 | - |
| Sewage treatment | 322,192 | 329,109 | (6,917) |
| Other operating expenses | 710,319 | 570,599 | 139,720 |
| Capital Outlay | 190,328 | 110,781 | 79,547 |
| Debt Service: | | | |
| Principal | 595,000 | 594,653 | 347 |
| Interest and fees | 182,015 | 154,856 | 27,159 |
| Total expenditures | <u>3,156,001</u> | <u>2,896,714</u> | <u>259,287</u> |
| Revenues over (under) expenditures | - | 628,676 | 628,676 |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 628,676</u> | <u>\$ 628,676</u> |
| Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual: | | | |
| Revenues and other financing sources over (under) expenditures and other financing uses | | \$ 628,676 | |
| Debt principal | | 594,653 | |
| Depreciation and amortization | | (816,416) | |
| Decrease in deferred outflows of resources | | (4,148) | |
| Increase in deferred inflows of resources | | 80,284 | |
| Decrease in accrued interest payable | | (860) | |
| Decrease in compensated absences | | 4,524 | |
| Decrease in net pension liability | | 151,390 | |
| Decrease in total OPEB liability | | (216,419) | |
| Total expenditures | | <u>\$ 421,684</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, 2023

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|---------------------|-----------------|---------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental | | | | | |
| Grant | \$ 419,241 | \$ 445,434 | \$ - | \$ 445,434 | \$ 26,193 |
| Total revenues | <u>419,241</u> | <u>445,434</u> | <u>-</u> | <u>445,434</u> | <u>26,193</u> |
| Expenditures: | | | | | |
| Administration | 21,225 | 75,293 | - | 75,293 | (54,068) |
| Contracted Services | - | 36,652 | - | 36,652 | (36,652) |
| Construction | 398,016 | 448,025 | - | 448,025 | (50,009) |
| Total expenditures | <u>419,241</u> | <u>559,970</u> | <u>-</u> | <u>559,970</u> | <u>(140,729)</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>(114,536)</u> | <u>-</u> | <u>(114,536)</u> | <u>(114,536)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ (114,536)</u> | <u>\$ -</u> | <u>\$ (114,536)</u> | <u>\$ (114,536)</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, 2023

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|-------------------|-----------------|-------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Restricted intergovernmental | | | | | |
| Grant | \$ - | \$ 150,000 | \$ - | \$ 150,000 | \$ 150,000 |
| Total revenues | <u>-</u> | <u>150,000</u> | <u>-</u> | <u>150,000</u> | <u>150,000</u> |
| Expenditures: | | | | | |
| Contracted Services | - | 157,500 | - | 157,500 | (157,500) |
| Total expenditures | <u>-</u> | <u>157,500</u> | <u>-</u> | <u>157,500</u> | <u>(157,500)</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>(7,500)</u> | <u>-</u> | <u>(7,500)</u> | <u>(7,500)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ (7,500)</u> | <u>\$ -</u> | <u>\$ (7,500)</u> | <u>\$ (7,500)</u> |

Northampton County, North Carolina
Water And Sewer Capital Project
Phase VI Water Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception And For The Year Ended June 30, 2023

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|--------------------|---------------------|---------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Expenditures: | | | | | |
| Engineering | \$ - | \$ 49,000 | \$ 175,240 | \$ 224,240 | \$ (224,240) |
| Total expenditures | <u>-</u> | <u>49,000</u> | <u>175,240</u> | <u>224,240</u> | <u>(224,240)</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>(49,000)</u> | <u>(175,240)</u> | <u>(224,240)</u> | <u>(224,240)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ (49,000)</u> | <u>\$ (175,240)</u> | <u>\$ (224,240)</u> | <u>\$ (224,240)</u> |

Northampton County, North Carolina
Enterprise Fund
Garysburg Water and Sewer District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2023

| | 2023 | | Variance Positive (Negative) |
|--|--------------------|-----------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Operating Revenues: | | | |
| Water and sewer sales | \$ 765,795 | \$ 684,764 | \$ (81,031) |
| Water and sewer taps | 1,700 | 1,200 | (500) |
| Other operating revenues | - | 350 | 350 |
| Total operating revenues | <u>767,495</u> | <u>686,314</u> | <u>(81,181)</u> |
| Total revenue | <u>767,495</u> | <u>686,314</u> | <u>(81,181)</u> |
| Expenditures: | | | |
| Salaries and employee benefits | 58,600 | 56,688 | 1,912 |
| Purchased Water | 100,000 | 92,322 | 7,678 |
| Sewage treatment | 251,699 | 251,699 | - |
| Other operating expenses | 132,616 | 50,856 | 81,760 |
| Capital Outlay | 188,433 | 91,621 | 96,812 |
| Debt Service: | | | |
| Principal | 28,032 | 22,397 | 5,635 |
| Interest and fees | 8,115 | 8,115 | - |
| Total expenditures | <u>767,495</u> | <u>573,698</u> | <u>193,797</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>112,616</u> | <u>112,616</u> |
| Other financing resources (uses) | | | |
| Lease liabilities issued | - | 47,541 | 47,541 |
| Total other financing sources (uses) | <u>-</u> | <u>47,541</u> | <u>47,541</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 160,157</u> | <u>\$ 160,157</u> |

Northampton County, North Carolina
Enterprise Fund
Garysburg Water and Sewer District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2023

| | 2023 | | Variance Positive (Negative) |
|--|--------|-------------------|------------------------------------|
| | Budget | Actual | |
| Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual: | | | |
| Revenues and other financing sources over (under) expenditures and other financing uses | | \$ 160,157 | |
| Debt principal | | 22,397 | |
| Right to use asset | | 47,541 | |
| Lease liabilities | | (47,541) | |
| Depreciation and amortization | | (12,407) | |
| Decrease in deferred outflows of resources | | (6,632) | |
| Increase in deferred inflows of resources | | 7,979 | |
| Increase in accrued interest payable | | (29) | |
| Increase in compensated absences | | 664 | |
| Increase in net pension liability | | 37,848 | |
| Increase in OPEB liability | | (37,923) | |
| Total expenditures | | <u>\$ 172,054</u> | |

Northampton County, North Carolina
Enterprise Fund
Solid Waste Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

| | 2023 | | Variance Positive (Negative) |
|--|------------------|--------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Operating Revenues: | | | |
| Solid waste fees | \$ 2,398,000 | \$ 2,292,955 | \$ (105,045) |
| White goods and tire disposal tax | 2,000 | 32,296 | 30,296 |
| Solid waste disposal tax | - | 12,805 | 12,805 |
| Other operating revenues | 50,000 | 128,286 | 78,286 |
| Total operating revenues | <u>2,450,000</u> | <u>2,466,342</u> | <u>16,342</u> |
| Non- Operating Revenues | | | |
| Interest earned on investments | 45 | 726 | 681 |
| Total non-operating revenues | <u>45</u> | <u>726</u> | <u>681</u> |
| Total revenue | <u>2,450,045</u> | <u>2,467,068</u> | <u>17,023</u> |
| Expenditures: | | | |
| Salaries and employee benefits | 160,252 | 131,834 | 28,418 |
| Solid waste pickup | 2,082,423 | 2,259,515 | (177,092) |
| Other operating expenses | 104,542 | 75,247 | 29,295 |
| Capital outlay | 32,000 | 31,787 | 213 |
| Total expenditures | <u>2,379,217</u> | <u>2,498,383</u> | <u>(119,166)</u> |
| Revenues over (under) expenditures | <u>70,828</u> | <u>(31,315)</u> | <u>(102,143)</u> |
| Other Financing Sources | | | |
| Transfer from ARPA | - | 20,000 | 20,000 |
| Contingency | (70,828) | - | 70,828 |
| Total other financing sources (uses) | <u>(70,828)</u> | <u>20,000</u> | <u>90,828</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ (11,315)</u> | <u>\$ (11,315)</u> |
| Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual: | | | |
| Revenues and other financing sources over (under) expenditures and other financing uses | | \$ (11,315) | |
| Decrease in deferred outflows of resources | | (13,113) | |
| Capital outlay | | 14,620 | |
| Depreciation | | (426) | |
| Decrease in deferred inflows of resources | | 3,226 | |
| Increase in compensated absences | | 58 | |
| Increase in net pension liability | | 63,080 | |
| Increase in OPEB liability | | (49,726) | |
| Change in net position | | <u>\$ 6,404</u> | |

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the county on behalf of individuals, private organizations, other governments, and/or other funds.

- **Inmate Trust Fund:** This fund accounts for moneys of inmates that are held by the County for their personal expenses.
- **Motor Vehicle Tax Fund:** This 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.

Northampton County, North Carolina
Custodial Funds
Combining Statement of Fiduciary Net Position
June 30, 2023

| | Inmate Trust Fund | Motor Vehicle Tax Fund | Total Custodial Funds |
|--|----------------------|------------------------------|-----------------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 159,122 | \$ 83,776 | \$ 242,898 |
| Tax receivable, net of allowance | - | 276,673 | 276,673 |
| Total assets | <u>159,122</u> | <u>360,449</u> | <u>519,571</u> |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | - | 90,920 | 90,920 |
| Total liabilities | <u>-</u> | <u>90,920</u> | <u>90,920</u> |
| Net Position: | | | |
| Restricted for: | | | |
| Individuals, organizations, and other | <u>159,122</u> | <u>269,529</u> | <u>428,651</u> |
| Net Position, ending | <u>\$ 159,122</u> | <u>\$ 269,529</u> | <u>\$ 428,651</u> |

Northampton County, North Carolina
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

| | Inmate Trust Fund | Municipal Tax Fund | Total Custodial Funds |
|---|----------------------|--------------------------|-----------------------------|
| Additions: | | | |
| Ad Valorem taxes for other governments | \$ - | \$ 1,038,899 | \$ 1,038,899 |
| Collections for Inmates | 35,508 | - | 35,508 |
| Total additions | <u>35,508</u> | <u>1,038,899</u> | <u>1,074,407</u> |
| Deductions: | | | |
| Tax distributions to other governments | - | 1,080,346 | 1,080,346 |
| Payment on behalf of inmates | 43,479 | - | 43,479 |
| Total deductions | <u>43,479</u> | <u>1,080,346</u> | <u>1,123,825</u> |
| Net Increase (decrease) in fiduciary net position | (7,971) | (41,447) | (49,418) |
| Net Position, beginning | <u>167,093</u> | <u>310,976</u> | <u>478,069</u> |
| Net Position, ending | <u>\$ 159,122</u> | <u>\$ 269,529</u> | <u>\$ 428,651</u> |

OTHER SCHEDULES

These schedules contains 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, 2023

| Fiscal Year | Uncollected Balance June 30, 2022 | Additions | Collections And Credits | Uncollected Balance June 30, 2023 |
|-------------------------------------|---|----------------------|----------------------------|--|
| 2022-2023 | \$ - | \$ 20,178,828 | \$ 19,489,125 | \$ 689,703 |
| 2021-2022 | 663,964 | - | 304,375 | 359,589 |
| 2020-2021 | 467,329 | - | 186,303 | 281,026 |
| 2019-2020 | 303,718 | - | 83,559 | 220,159 |
| 2018-2019 | 268,130 | - | 57,736 | 210,394 |
| 2017-2018 | 248,621 | - | 68,592 | 180,029 |
| 2016-2017 | 225,514 | - | 72,781 | 152,733 |
| 2015-2016 | 164,270 | - | 33,458 | 130,812 |
| 2014-2015 | 153,988 | - | 25,748 | 128,240 |
| 2013-2014 | 142,429 | - | 21,041 | 121,388 |
| 2012-2013 | 129,043 | - | 129,043 | - |
| Totals | <u>\$ 2,767,006</u> | <u>\$ 20,178,828</u> | <u>\$ 20,471,761</u> | <u>2,474,073</u> |
| | | | | <u>(1,306,507)</u> |
| | | | | <u>\$ 1,167,566</u> |
| <u>Reconcilement with revenues:</u> | | | | |
| | | | | \$ 20,860,950 |
| | | | | Reconciling items |
| | | | | Interest Collected (376,806) |
| | | | | Taxes written off 129,043 |
| | | | | Tax refunds 63,235 |
| | | | | Miscellaneous Adjustments (204,661) |
| | | | | <u>Total Collections and Credits \$ 20,471,761</u> |

Northampton County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Year Ended June 30, 2023

| | 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 | \$ 2,249,033,333 | 0.900 | \$ 20,241,300 | \$ 18,474,527 | \$ 1,766,773 |
| Penalties | - | 0.900 | - | - | - |
| Total | <u>2,249,033,333</u> | | <u>20,241,300</u> | <u>18,474,527</u> | <u>1,766,773</u> |
| Discoveries | <u>5,195,222</u> | 0.900 | <u>46,757</u> | <u>46,757</u> | <u>-</u> |
| Releases/Abatements | <u>(12,136,556)</u> | 0.900 | <u>(109,229)</u> | <u>(103,323)</u> | <u>(5,906)</u> |
| Total Property Valuation | <u><u>\$ 2,242,092,000</u></u> | | | | |
| Net levy | | | 20,178,828 | 18,417,961 | 1,760,867 |
| Uncollected taxes at June 30, 2023 | | | <u>689,703</u> | <u>689,703</u> | <u>-</u> |
| Current year's taxes collected | | | <u><u>\$ 19,489,125</u></u> | <u><u>\$ 17,728,258</u></u> | <u><u>\$ 1,760,867</u></u> |
| Current levy collection percentage | | | <u><u>96.58%</u></u> | <u><u>96.26%</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 Year Ended June 30, 2023

Secondary Market Disclosures:

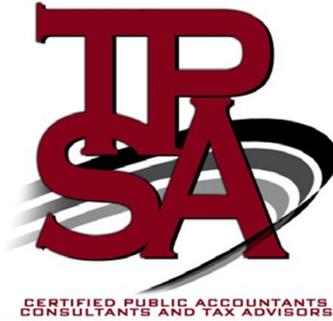
Assessed Valuation:

| | |
|--|--------------------------------|
| Assessment ratio | <u>97.00%</u> |
| Real property | \$ 1,811,279,835 |
| Personal property | 207,165,107 |
| Public service companies | <u>223,647,058</u> |
| Total assessed valuation | <u><u>\$ 2,242,092,000</u></u> |
| Tax rate per \$100 | <u>\$ 0.900</u> |
| Levy (includes discoveries, releases and abatements) | <u>\$ 20,178,828</u> |

Northampton County, North Carolina
Ten Largest Taxpayers
For the Year Ended June 30, 2023

| Taxpayer | Type of Business | 2022 Assessed Valuation | Percentage of Total Assessed Valuation |
|--------------------------------|-------------------------------|-------------------------------|--|
| Dominion NC Power | Utility | \$ 157,471,108 | 7.02% |
| Enviva Pellets Northampton LLC | Pellet Manufacturing | 84,921,790 | 3.79% |
| Lowes Home Center | Warehousing/distribution | 55,207,294 | 2.46% |
| West Fraser Inc | Pulp, paper and wood products | 43,077,948 | 1.92% |
| Severn Peanut | Agriculture/Nuts | 19,036,022 | 0.85% |
| Atlantic Pipeline | Utility | 18,220,477 | 0.81% |
| Smithfield Carroll | Hog Processing | 17,050,271 | 0.76% |
| Georgia Pacific | Chemical Manufacturing | 14,365,302 | 0.64% |
| CSX | Railroad | 10,377,957 | 0.46% |
| Glover Construction Co Inc | Construction | 4,588,026 | 0.20% |
| Total | | <u>\$ 424,316,195</u> | <u>18.72%</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, each major fund, and the aggregate remaining fund information of the Northampton County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Northampton County basic financial statements, and have issued our report thereon dated March 8, 2024. 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) as a basis for designing audit procedures 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 internal control was for 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 questioned costs, we did identify certain deficiencies in internal control that we consider to be 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 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 [2023-001, 2023-002 2023-003, 2023-004, 2023-005] to be material weaknesses.

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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 accompanying schedule of findings and questioned costs as items [2023-006, 2023-007] to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Northampton County's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items [2023-002, 2023-003, 2023-005, 2023-007].

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 questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 8, 2024



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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, North Carolina
Jackson, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on 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 the Northampton County's major federal programs for the year ended June 30, 2023. Northampton County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2023.

Basis for Opinion on Each Major Federal Program

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 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Northampton County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Northampton County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Northampton County federal programs.

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Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Northampton County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Northampton County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Northampton County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Northampton County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Northampton County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-008, 2023-009, 2023-010, 2023-011] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

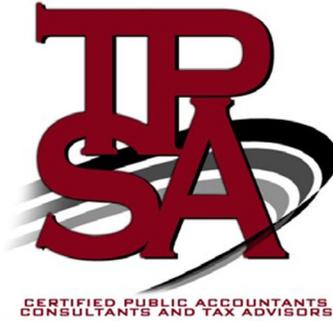
Government Auditing Standards requires the auditor to perform limited procedures on Northampton County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Northampton County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Northampton County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Northampton County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

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Whiteville, NC
March 8, 2024



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**Report On Compliance With Requirements Applicable To Each Major State
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, North Carolina
Jackson, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State 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 state programs for the year ended June 30, 2023. Northampton County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major State Program

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 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Northampton County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Northampton County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Northampton County's State programs.

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Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Northampton County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Northampton County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Northampton County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Northampton County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Northampton County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a 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 governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-008, 2023-009, 2023-010, 2023-011] that we consider to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Northampton County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. 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.

Northampton County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Northampton County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 8, 2024

Northampton County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

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 X yes 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)? X yes no

Identification of major federal programs:

| <u>CFDA Number</u> | <u>Program Name</u> |
|--------------------|---|
| 10.561 | Supplemental Nutrition Assistance Program |
| 93.568 | Low Income Energy Assistance |
| 93.778 | Medical Assistance Program |

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? yes X no

State Awards

Internal control over major State 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 State programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act X yes no

Identification of major State programs:

Northampton County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

Section I. Summary of Auditors' Results (continued)

Program Name

Medical Assistance Program
 State Capital & Infrastructure Funds

Dollar threshold used to determine a
 State major program

\$ 500,000

Auditee qualified as low-risk auditee?

 yes X no

Section II. Financial Statement Findings

Finding 2023-001

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: In reviewing records and testing certain account balances, we noted that several accounts were not reconciled and adjusted timely to include cash, receivables, payables, and other balance sheet accounts.

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.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-001.

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.

Views of responsible officials and planned corrective actions: The County agrees with this finding.

Finding 2023-002

Budget Violation

MATERIAL WEAKNESS / NONCOMPLIANCE

Criteria: G.S. 159-8(a) states that all moneys received and expended by a local government or public authority should be included in the budget ordinance. G.S. 159-8(a) states that each local government shall operate under an annual balanced budget. In addition, GASB 84 identifies criteria when fiduciary activities should be reported as a special revenue fund. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations.

Condition: Three funds were unbudgeted - Fund 05 ARPA Fund, Fund 63 Phase VI Water Project Fund and Fund 68 Ambulance Capital Reserve Fund.

Northampton County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Effect: Monies were spent that had not been appropriated, as there was no budget reflected for this fund.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-002.

Recommendation: A budget should be prepared for each fund. The finance office should review the General Statutes and GASB Pronouncements more carefully to ensure funds are properly authorized and are properly presented.

Views of responsible officials and planned corrective actions: The County agrees with this finding.

Finding 2023-003 **Budget Violation/Unbalance Budget**
MATERIAL WEAKNESS/ NONCOMPLIANCE

Criteria: In accordance with North Carolina General Statutes § 143C, Budget revisions must be requested and approved prior to any commitment and/or expenditure that would exceed the amount budgeted. Entities should not overspend the authorized budget.

Condition: Several departments in the General Fund (Administration, Public Buildings, Education, Debt Service and transfer to other funds), expenditures exceeded appropriation. Additionally, expenditures exceeded appropriation for the Revaluation Fund, Fire District Fund, Rescue Squad Fund, ARPA Fund, Ambulance Capital Reserve Fund, West Fraser Wastewater Grant, Water Asset Inventory and Assessment Grant Fund, Phase VI Water Project, and Solid Waste Fund.

Effect: The Board spent funds that were not available for those respective functions and funds.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-003.

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.

Views of responsible officials and planned corrective actions: The County agrees with this finding.

Finding 2023-004 **Deficit Fund Balance**
MATERIAL WEAKNESS

Criteria: In accordance with NC G.S. 159-13(b)(2), the full amount of any deficit in each fund shall be appropriated.

Condition: The County has three funds with a negative fund balance: Fire District Fund, Rescue Squad Fund, and Debt Service Fund.

Northampton County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

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

Cause: The County did not properly review 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.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-004.

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.

Views of responsible officials and planned corrective actions: The County agrees with this finding.

Finding 2023-005 **Late Submission of Audit**

MATERIAL WEAKNESS/NONCOMPLIANCE

Criteria: The audit report is expected to be submitted within five months plus one day from the fiscal year end per the contract with the Local Government Commission. As stewards of the public's resources, the governing body is responsible for ensuring that the audited financial statements are available to the public in a timely manner.

Condition: The report was not finalized until 4 months after the due date.

Effect: External groups such as the North Carolina General Assembly, federal and State agencies that provide funding, and other public associations need current financial information about each unit of local government.

Cause: The County's audits have been submitted late over the past several years. The County was unable to provide information necessary to complete the audit timely as a result of staffing issues.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-005.

Recommendation: The County should allocate sufficient resources to ensure that all records are reconciled timely to allow time for the audit to be completed timely.

Views of responsible officials and planned corrective actions: The County agrees with this finding.

Finding 2023-006 **Prior Period Adjustments**

SIGNIFICANT DEFICIENCY

Criteria: Management should have a system in place to verify that transactions are recorded in the correct fund, thereby reducing the likelihood of errors in financial reporting.

Condition: A prior period adjustment was recorded in the Government Activities of \$79,257 to adjust opening CIP balance. An adjustment to allocate final balances between Water and Sewer Fund (decrease of \$50,181) and the Garysburg Water Fund (increase of \$50,181) netting \$0 for the business-type activities was made.

Northampton County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Effect: The County's management and other users of the financial statements do not have accurate 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: Capital assets were not maintained addequately. Software was not appropriately tracking balances between water funds.

Recommendation: The County should review the ledger and financial documents regularly to ensure that necessary adjustments are made timely during the year.

Views of responsible officials and planned corrective actions: The County agrees with this finding.

Finding 2023-007

Fidelity Bond Violation

SIGNIFICANT DEFICIENCY/NONCOMPLIANCE

Criteria: In accordance with G.S. 159-29, the finance officer shall give a true accounting and faithful performance bond with sufficient sureties in an amount to be fixed by the governing board not less than \$50,000.

Condition: The County's finance officer position did not carry the minimum required bond for the fiscal year ended June 30, 2023. There were two months between December 2022 - February 2023 in which appropriate coverage was in place.

Effect: There is an increased risk of financial loss due to fraudulent activities, mismanagement, or negligence by officers, employees, or agents.

Cause: The County did not update the finance officer's bond when the new finance officer was appointed.

Recommendation: The County should review the General Statutes Pronouncements more carefully to ensure implementation of any new requirements.

Views of responsible officials and planned corrective actions: The County agrees with this finding.

Section III. Federal Award Findings

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
AL# 93.778

Finding 2023-008

IV-D Cooperation with Child Support

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with the Medicaid Manual MA-3365, all Medicaid cases should be evaluated and referred to the Child Support Enforcement Agency (IV-D). The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility.

Northampton County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section III. Federal Award Findings (continued)

Condition: There was 1 error discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 cases from of a total of 236,377 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-006.

Cause: Human error in reading the ACTS report and/or ineffective case review process.

Recommendation: Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
AL# 93.778

Finding 2023-009

Inaccurate Information Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.

Condition: There were 11 errors discovered during our procedures that inaccurate information was entered when determining eligibility.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 cases from of a total of 236,377 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Northampton County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section III. Federal Award Findings (continued)

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-007.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
AL# 93.778

Finding 2023-010

Inadequate Request for Information

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.

Condition: There were 7 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 cases from of a total of 236,377 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-008.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Northampton County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section III. Federal Award Findings (continued)

Recommendation: Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
AL# 93.778

Finding 2023-011

Inaccurate Resources Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were 9 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 cases from of a total of 236,377 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-009.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Northampton County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section III. Federal Award Findings (continued)

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan.

Section IV. State Award Findings

Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
AL# 93.778

SIGNIFICANT DEFICIENCY: Finding 2023-008, 2023-009, 2023-010, and 2023-011 also apply to State requirements and State Awards.



NORTHAMPTON COUNTY

Finance Department
9467 Hwy 305
Jackson, North Carolina 27845

Kenya Walker
Finance Director

Corrective Action Plan For the Year Ended June 30, 2023

Section II - Financial Statement Findings

Finding: 2023-001

Reconciliation of Records and Reporting

Name of contact: Kenya Walker - Finance Officer; Barbara Williams - Payroll; and Melundy Vandiford - Assistant Finance Officer, Bank Reconciliations

Corrective Action: New finance staff completed local government finance training prior to start of fiscal year 2023. The County has experienced numerous turnover in finance staff. The new Finance Officer and Assistant Finance Officer were selected late fiscal year 2023. They have been thoroughly trained in how to reconcile accounts. The Finance Officer will review the balance sheet accounts monthly to ensure proper reconciliation of accounts.

Proposed
Completion Date: Immediately.

Finding: 2023-002

Budget Violation

Name of contact: Kenya Walker - Finance Officer

Corrective Action: During the preparation of the monthly financial reports the Finance Officer will ensure that all accounts with activity have a budget in place. The Finance Officer will ensure all budget amendments are properly documented and posted when approved by the Board of Commissioners.

Proposed
Completion Date: Immediately.

Finding: 2023-003

Budget Violation

Name of contact: Kenya Walker - Finance Officer

Corrective Action: On a monthly basis and before year end the Finance Officer will review the monthly spend report and if necessary submit a request to the commissioners to approve a transfer of funds/budget amendment to bring the department(s) back into balance.

Proposed
Completion Date: Immediately.



NORTHAMPTON COUNTY

Finance Department
9467 Hwy 305
Jackson, North Carolina 27845

Kenya Walker
Finance Director

Corrective Action Plan For the Year Ended June 30, 2023

Section II - Financial Statement Findings (continued)

Finding: 2023-004 Deficit Fund Balance

Name of contact: Kenya Walker - Finance Officer

Corrective Action: The Finance department has implemented and mandated a monthly budget cleanup process with all department heads in the County. The Assistant Finance Officer will provide a budget report to department heads by the 9th of each month, and they are required to work with the Finance department to clear up any deficit balances. The Finance Officer is responsible for monitoring the monthly budget line clean up and ensuring that no deficit balances exist monthly and at year end.

Proposed
Completion Date: Immediately.

Finding: 2023-005 Late Submission of Audit

Name of contact: Kenya Walker - Finance Officer

Corrective Action: The Finance Officer has implemented monthly financial statement review and balance sheet reconciliation which will assist with the year-end closing and timely audit preparation. The County is currently contracted with a CPA to assist with financial statement and audit preparation.

Proposed
Completion Date: Immediately.

Finding: 2023-006 Prior Period Adjustments

Name of contact: Kenya Walker - Finance Officer

Corrective Action: The Finance Officer will work closely with accounts payable to ensure all fixed assets are properly recorded and updated within the fiscal year. Staff has worked closely with a contracted CPA to develop a close out checklist and will review all receivables to ensure proper balances prior to fiscal year end close.

Proposed
Completion Date: Immediately.

Finding: 2023-007 Fidelity Bond Violation

Name of contact: Kenya Walker - Finance Officer

Corrective Action: The clerk to the board will ensure that the proper process will be followed so that the Finance Officer position is bonded for the fiscal year.

Proposed
Completion Date: Immediately.



NORTHAMPTON COUNTY

Finance Department
9467 Hwy 305
Jackson, North Carolina 27845

Kenya Walker
Finance Director

Corrective Action Plan For the Year Ended June 30, 2023

Section III - Federal Award Findings and Question Costs

Finding 2023-008**IV-D Cooperation with Child Support**

Name of contact: Felicia Bullock, Family and Children’s Medicaid Supervisor
Corrective Action: Family and Children's Medicaid supervisors will meet with staff on IV-D referrals and discuss when to key them.
Proposed Completion Date: A unit meeting with staff during the week of March 4, 2024.

Finding 2023-009**Inaccurate Information Entry**

Name of contact: Felicia Bullock, Family and Children's Medicaid Supervisor, & Lisa Broady, Adult Medicaid Supervisor
Corrective Action: Family and Children's Medicaid supervisors will be meeting with staff to ensure they are receiving correct information, counting and entering correct information into NCF. Supervisor will randomly check at least 10 cases a month to assure accuracy.

Adult Medicaid supervisors will be meeting with staff to ensure that they are imputing and listing income correctly in NCFast on all applications/recerts. Also, will ensure that prior to case terminations, clients have been evaluated properly for all AMA programs and proper procedures have been followed before terminating a case.

Proposed Completion Date: Unit meetings will be held during the week of March 4, 2024 with implementation effective immediately. Supervisor will continue to review 10 cases each month to assure correct information has been keyed and correct procedures has been done prior to case termination.

Finding 2023-010**Inadequate Request for Information**

Name of contact: Felicia Bullock, Family and Children's Medicaid Supervisor, & Lisa Broady, Adult Medicaid Supervisor
Corrective Action: Family and Children's Medicaid with staff on making sure TWN and OVS is ran on every application and recert as well as paying attention to other information received.

Adult Medicaid supervisors will meet with staff to ensure that the TWN is being run in NCFast for all applications/recerts and that all case files include online verifications and case documentation of all resources countable and non-countable for vehicles and property.



NORTHAMPTON COUNTY

Finance Department
9467 Hwy 305
Jackson, North Carolina 27845

Kenya Walker
Finance Director

Corrective Action Plan
For the Year Ended June 30, 2023

Section III - Federal Award Findings and Question Costs (continued)

Proposed Completion Date: Unit meetings will be held during the week of March 4, 2024 with implementation effective immediately.

Finding 2023-011 Inaccurate Resources Entry

Name of contact: Lisa Broady, Adult Medicaid Supervisor

Corrective Action: Adult Medicaid supervisors will be meeting with staff to ensure that all resources have been updated, entered and documented correctly in NCFast and case files and NCFast are matching.

Proposed Completion Date: A unit meeting will be scheduled to be held during the week of March 4, 2024 with implementation effective immediately.

Section IV - State Award Findings and Question Costs

Corrective Actions for finding 2023-008, 2023-009, 2023-010, and 2023-011 also apply to State Award findings.

Northampton County, North Carolina
Summary Schedule Of Prior Year Audit Findings
For the Year Ended June 30, 2023

Finding: 2022-001
Status: Repeated as finding 2023-001

Finding: 2022-002
Status: Repeated as finding 2023-002

Finding: 2022-003
Status: Repeated as finding 2023-003

Finding: 2022-004
Status: Repeated as finding 2023-004

Finding: 2022-005
Status: Repeated as finding 2023-005

Finding: 2022-006
Status: Repeated as finding 2023-008

Finding: 2022-007
Status: Repeated as finding 2023-009

Finding: 2022-008
Status: Repeated as finding 2023-010

Finding: 2022-009
Status: Repeated as finding 2023-011

Finding: 2022-010
Status: Corrected

Finding: 2022-011
Status: Corrected

Northampton County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2023

| Grantor/Pass-through Grantor/Program Title | Federal AL# CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Provided to Sub-recipients | Local Expenditures |
|---|----------------------------------|---|---|-----------------------|----------------------------------|-----------------------|
| Federal Awards: | | | | | | |
| <u>U. S. Department of Agriculture</u> | | | | | | |
| Passed-through N.C. Dept. of Health and Human Services: | | | | | | |
| Division of Social Services: | | | | | | |
| Administration: | | | | | | |
| Supplemental Nutrition Assistance Program Cluster State Administrative | | | | | | |
| Matching Grants | 10.561 | | \$ 417,304 | \$ - | \$ - | \$ 417,304 |
| FNS ARPA | 10.561 | | 58,402 | - | - | - |
| Total Supplemental Nutrition Assistance Program | | | 475,706 | - | - | 417,304 |
| Passed-through N.C. Dept. of Health and Human Services | | | | | | |
| Division of Public Health | | | | | | |
| Administration: | | | | | | |
| Special Supplemental Nutrition Program for Women, Infants and | 10.557 | | 118,391 | - | - | - |
| Total U. S. Department of Agriculture | | | 594,097 | - | - | 417,304 |
| <u>U.S. Dept. of Treasury</u> | | | | | | |
| Direct Program | | | | | | |
| Coronavirus State and Local Fiscal Recovery Fund | 21.027 | | 20,000 | - | - | - |
| Total U.S. Dept. of Treasury | | | 20,000 | - | - | - |
| <u>U.S. Dept. of Health and Human Services</u> | | | | | | |
| Passed-through N.C. Dept. of Health and Human Services | | | | | | |
| Division of Public Health | | | | | | |
| Public Health Emergency Preparedness | 93.069 | | 1,664 | - | - | - |
| Project Grants and Cooperative Agreements for Tuberculosis Control | 93.116 | | 50 | - | - | - |
| Family Planning Service: | 93.217 | | 33,795 | - | - | - |
| Immunization Grants | 93.268 | | 9,014 | - | - | - |
| COVID-19 - Immunization Grants | 93.268 | | 168,952 | - | - | - |
| Total Immunization Grants | | | 177,966 | - | - | - |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | | 142,226 | - | - | - |
| COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | | 20,596 | - | - | - |
| Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | | | 162,822 | - | - | - |
| HIV Prevention Activities_Health Department Based | 93.940 | | 58,587 | - | - | - |
| Preventive Health Services_Sexually Transmitted Diseases Control | 93.977 | | 42 | - | - | - |
| Preventive Health and Health Services Block Grant | 93.991 | | 30,607 | - | - | - |
| Maternal and Child Health Services Block Grant | 93.994 | | 55,851 | 7,570 | - | - |
| Division of Social Services | | | | | | |
| TANF - Work First | 93.558 | | 463,675 | - | - | 336,777 |
| Division of Public Health | | | | | | |
| TANF - Work First | 93.558 | | 5,071 | - | - | - |
| Total TANF Cluster | | | 468,746 | - | - | 336,777 |
| Low Income Energy Assistance | | | | | | |
| Administration | 93.568 | | 21,050 | - | - | - |
| Crisis Intervention Payments | 93.568 | | 115,409 | - | - | - |
| Energy Assistance | 93.568 | | 59,229 | - | - | - |
| LIHWAP ADM | 93.568 | | 11,012 | - | - | - |
| LIHWAP ARPA | 93.568 | | 42,422 | - | - | - |
| LIHWAP ARPA ADM | 93.568 | | 5,596 | - | - | - |
| LIHWAP CAA | 93.568 | | 52,792 | - | - | - |
| Total Low-Income Energy Assistance | | | 307,510 | - | - | - |
| Stephanie Tubbs Jones Child Welfare Services Program | | | | | | |
| Permanency Planning - Families for Kid: | 93.645 | | 15,712 | (5,596) | - | 1,507 |
| Total Stephanie Tubbs Jones Child Welfare Services Program | | | 15,712 | (5,596) | - | 1,507 |
| AFDC Payments and Penalties | 93.560 | | (293) | (76) | - | (81) |

Northampton County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2023

| Grantor/Pass-through Grantor/Program Title | Federal AL# CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Provided to Sub-recipients | Local Expenditures |
|---|----------------------------------|---|---|-----------------------|----------------------------------|-----------------------|
| Foster Care and Adoption Cluster | | | | | | |
| Foster Care - Title IV-E 4 | 93.658 | | 50,570 | 11,319 | - | 39,069 |
| Adoption Assistance | 93.659 | | 235 | - | - | 235 |
| Foster Care | N/A | | 8,609 | - | - | - |
| Total Foster Care and Adoption | | | 59,414 | 11,319 | - | 39,304 |
| Child Support Enforcement | 93.563 | | 496,705 | (262) | - | 256,141 |
| Chafee Foster Care Independence Program | 93.674 | | 1,734 | - | - | - |
| SSBG - Other Training & Services | 93.667 | | 168,606 | - | - | 56,202 |
| Division of Aging and Adult Services: | | | | | | |
| SSBG | 93.667 | | 14,526 | 415 | - | - |
| Division of Social Services | | | | | | |
| SSBG - State Adult Day Care | 93.667 | | 41,746 | 2,952 | - | 6,385 |
| SSBG - State In Home Service Fund | 93.667 | | 24,826 | - | - | 3,547 |
| Total Social Service Block Grant | | | 249,704 | 3,367 | - | 66,134 |
| Child Care Development Mandatory and Match Fund-Administration | 93.596 | | 85,591 | - | - | - |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | | |
| Division of Social Services | | | | | | |
| Medical Assistance Program - Administrator | 93.778 | | 1,153,513 | 206,948 | - | 423,079 |
| Division of Social Services | | | | | | |
| Administration | | | | | | |
| State Children's Insurance Program-N. C. Health Choice | 93.767 | | 28,144 | 1,090 | - | 5,458 |
| Passed-through Upper Coastal Plain Council of Government - Aging Cluste | | | | | | |
| Division of Aging and Adult Services: | | | | | | |
| <u>Aging Cluster</u> | | | | | | |
| Special Programs for the Aging - Title III E | | | | | | |
| Grants for Supportive Services and Senior Centers | 93.044 | | 78,222 | 4,601 | - | - |
| Special Programs for the Aging - Title III C | | | | | | |
| Nutrition Services | 93.045 | | 44,551 | 2,621 | - | - |
| NSIP - Nutrition | 93.053 | | 7,556 | - | - | - |
| Total Aging Cluster | | | 130,329 | 7,222 | - | - |
| Total U. S. Department of Health and Human Services | | | 3,518,193 | 231,582 | - | 1,128,319 |
| U.S. Department of Homeland Security | | | | | | |
| Passed through N.C. Dept. of Public Safety | | | | | | |
| Division of Emergency Management | | | | | | |
| Emergency Mgt. Performance Grant | 97.042 | | 11,068 | - | - | - |
| Total U.S. Department of Homeland Security | | | 11,068 | - | - | - |
| Total federal awards | | | \$ 4,143,358 | \$ 231,582 | \$ - | \$ 1,545,623 |
| State Awards: | | | | | | |
| <u>N.C. Dept. of Health and Human Services</u> | | | | | | |
| Division of Public Health | | | | | | |
| Food & Lodging Fees | | | \$ - | \$ 794 | \$ - | \$ - |
| PH Capacity Building | | | - | 104,276 | - | - |
| General Communicable Diseases Control | | | - | 2,440 | - | - |
| Healthy Community Activities: | | | - | 3,747 | - | - |
| Child Health | | | - | 1,818 | - | - |
| HIV/STD State | | | - | 830 | - | - |
| School Nurse Funding Initiative | | | - | 150,000 | - | - |
| Family Planning - State | | | - | 56,649 | - | - |
| Maternal Health | | | - | 17,152 | - | - |
| Women Health Service Fund | | | - | 6,040 | - | - |
| TB Control | | | - | 31,757 | - | - |
| Total Division of Public Health | | | - | 375,503 | - | - |

Northampton County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2023

| Grantor/Pass-through Grantor/Program Title | Federal AL# CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Provided to Sub-recipients | Local Expenditures |
|--|----------------------------------|---|---|-----------------------|----------------------------------|-----------------------|
| Division of Social Services: | | | | | | |
| ST Child Welfare/CPS/CS LD | | N/A | - | 13,036 | - | - |
| County Funded Programs | | N/A | - | - | - | 471,086 |
| DCD Smart Start | | N/A | - | 3,010 | - | - |
| SFHF Maximization | | N/A | - | 1,457 | - | 1,001 |
| State Foster Home | | N/A | - | 262 | - | 180 |
| Work First Nonreimbursable | | N/A | - | - | - | 80,038 |
| Non-Allocating County Cost | | N/A | - | - | - | 206,880 |
| AFDC INCENT / Program Integrity | | N/A | - | 36 | - | - |
| Total Division of Social Services | | | - | 17,801 | - | 759,185 |
| Passed-through Upper Coastal Plain Council of Government - Aging Cluste | | | | | | |
| Division of Aging and Adult Service: | | | | | | |
| State Appropriation - Access | | | - | 5,065 | - | - |
| State Appropriation - Home Delevered Meals | | | - | 8,645 | - | - |
| State Appropriation - In Home Services | | | - | 112,695 | - | - |
| Total Division of Aging and Adult Service: | | | - | 126,405 | - | - |
| Total N.C. Dept. of Health and Human Services | | | - | 519,709 | - | 759,185 |
| <u>N.C. Dept. of Veterans Affairs</u> | | | | | | |
| Veteran Grant | | N/A | - | 2,083 | - | - |
| Total N.C. Dept. of Veterans Affairs | | | - | 2,083 | - | - |
| <u>N.C. Dept. of Transportation</u> | | | | | | |
| Rural Operating Assistance Program (ROAP) Cluster | | | | | | |
| | | DOT-16CL | | | | |
| ROAP EDTAP | | 36220.10.11.1 | - | 59,551 | - | - |
| | | DOT-16CL | | | | |
| ROAP RGP | | 36228.22.1.1 | - | 67,096 | - | - |
| | | DOT-16CL | | | | |
| ROAP Employment | | 36236.11.10.1 | - | 8,969 | - | - |
| Total ROAP Cluster | | | - | 135,616 | - | - |
| <u>N.C. Department of Pubic Safety</u> | | | | | | |
| Juvenile Crime Prevention Program: | | | | | | |
| JCPC Admin | | | - | 4,926 | - | - |
| Second Chance Counts | | | - | 24,186 | 24,186 | - |
| NC Vocational Jobs Program | | | - | 30,000 | 30,000 | - |
| Children Matters | | | - | 28,336 | 28,336 | - |
| Parenting for Success | | | - | 30,000 | 30,000 | - |
| Total Juvenile Crime Prevention Program: | | | - | 117,448 | 112,522 | - |
| Sheriff Assistance Grant | | | - | - | - | - |
| Total N.C. Department of Pubic Safety | | | - | 117,448 | 112,522 | - |
| <u>N.C. Department of Environmental Quality</u> | | | | | | |
| SW Reduction & Recycling Grant | | | - | 2,739 | - | - |
| Total N.C. Dept. of Environmental Quality | | | - | 2,739 | - | - |
| <u>N.C. Department of Cultural Resources</u> | | | | | | |
| NCARTS Council | | | | | | |
| Arts Grant | | | - | 20,103 | - | - |
| Total N.C. Department of Cultural Resources | | | - | 20,103 | - | - |
| <u>N.C. Office of State Budget Management</u> | | | | | | |
| State Capital & Infrastructure Funds | | | - | 6,768,228 | - | - |
| Total N.C. Office of State Budget Management | | | - | 6,768,228 | - | - |
| <u>N.C. Department of Public Instruction</u> | | | | | | |
| Public School Building Capital Fund | | | - | 419,744 | 419,744 | - |
| Total N.C. Department of Public Instruction | | | - | 419,744 | 419,744 | - |
| Total State Awards | | | \$ - | \$ 7,985,670 | \$ 532,266 | \$ 759,185 |
| Total Federal and State Awards | | | \$ 4,143,358 | \$ 8,217,252 | \$ 532,266 | \$ 2,304,808 |

Notes to the Schedule of Federal and State Financial Awards:

Note 1: Basis of Presentation

Northampton County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2023

| Grantor/Pass-through Grantor/Program Title | Federal AL# CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Provided to Sub-recipients | Local Expenditures |
|---|----------------------------------|---|---|-----------------------|----------------------------------|-----------------------|
|---|----------------------------------|---|---|-----------------------|----------------------------------|-----------------------|

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, 2023. 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.

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> |
|--|-----------------|----------------|--------------|
| Food and Nutrition Services | 10.551 | \$ 13,760,812 | \$ - |
| Special Supplemental Nutrition Program for Women Infant and Children | 10.557 | 115,911 | - |
| Medical Assistance Program | 93.778 | 38,944,410 | 15,559,144 |
| Children's Health Insurance Program | 93.767 | 129,477 | 29,859 |
| IV-E Adopt & Vendor | 93.659 | 58,116 | 10,782 |
| TANF Payments & Penalties | 93.558 | 69,346 | - |
| SAA/SAD HB 1030 | N/A | - | - |
| SC/SA Domiciliary Care | N/A | - | 202,193 |