

NORTHAMPTON COUNTY, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2020

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COUNTY MANAGER

Charles M. Jackson

BOARD OF COUNTY COMMISSIONERS

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

Finance Director

Tameka Green

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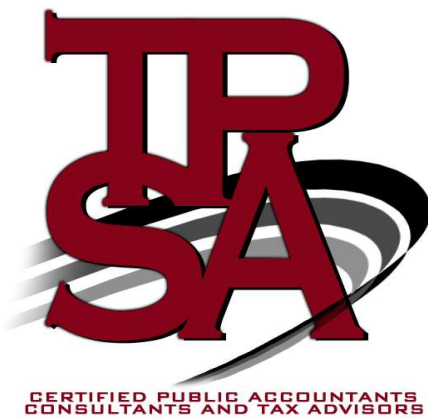
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## FINANCIAL SECTION



## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Northampton County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise Northampton County basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Northampton County ABC Board, which represents 71.89%, 44.96%, and 93.11% of the assets, net position, and revenues of the aggregate discretely presented component units, respectively. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northampton County ABC Board is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Northampton County ABC Board was not audited in accordance with Governmental Auditing Standards.

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

### **Members**

**American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms**



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presents component units, each major fund, and the aggregate remaining fund information Northampton County, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Schedule of Changes in the Net OPEB Liability and Related Ratios, on pages 4 through 11 and 59 through 66, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

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

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

### Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 28, 2021 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.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 28, 2021

## **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, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

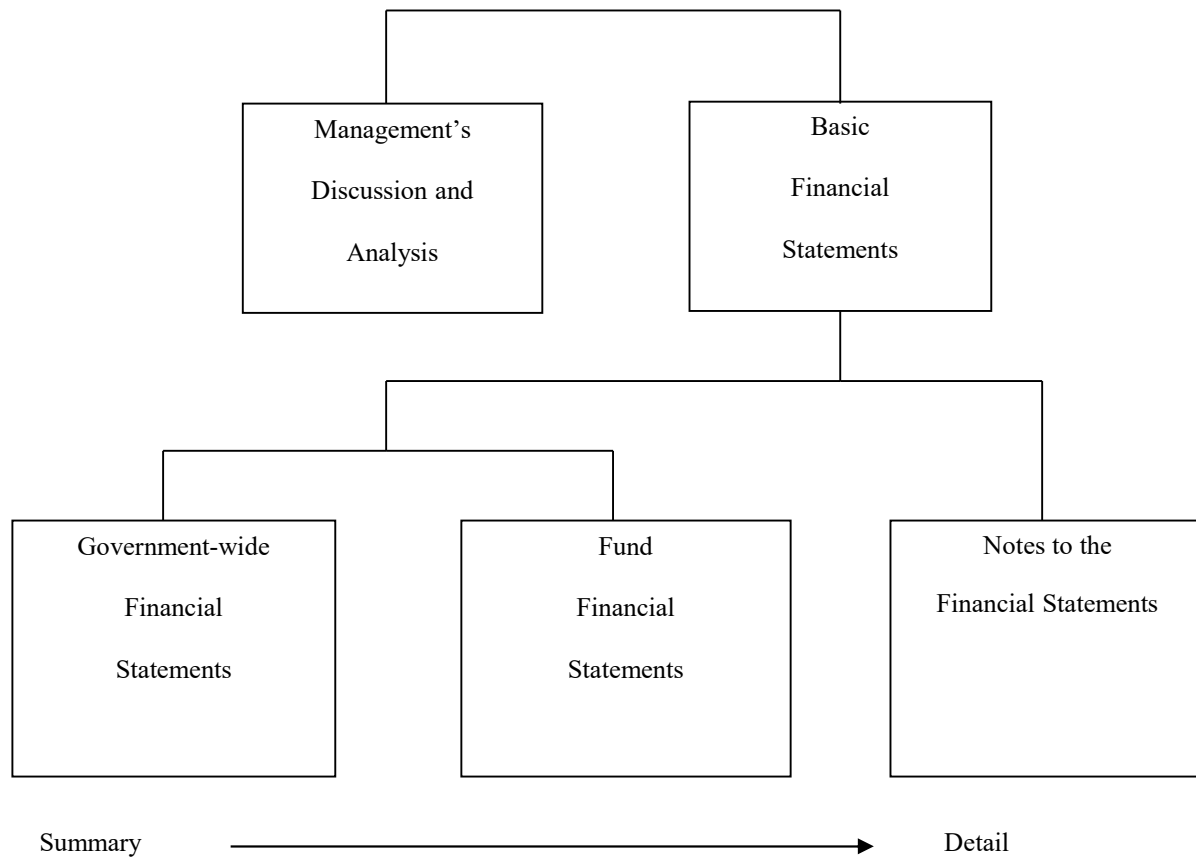
### **Financial Highlights**

- The assets and deferred outflows of resources of Northampton County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$17,903,045 (*net position*).
- The government's total net position increased by \$668,168 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 \$20,153,177 an increase of \$1,597,981 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,539,170 or 46.01 percent of total general fund expenditures for the fiscal year.
- Northampton County's total general obligation and installment debt decreased by \$1,577,373 during the current fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Northampton County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Northampton County.

**Required Components of Annual Financial Report**  
**Figure 1**



### **Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

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

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

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

### **Government-Wide Financial Statements**

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

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

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the County's basic services, such as public safety, human services, education and general government administration. Property taxes and federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and solid waste services offered by Northampton County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Northampton County, like all other governmental entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Northampton County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Northampton County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** – Northampton County has one kind of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Northampton County uses enterprise funds to account for its water and sewer activity and for its landfill operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Northampton County has four fiduciary funds, all of which are agency funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start after Exhibit 9.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Northampton County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning at Exhibit A-1, directly after the notes.

### Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Northampton County exceeded liabilities and deferred inflows of resources by \$7,474,219 as of June 30, 2020. The County's net position increased by \$663,782 for the fiscal year ended June 30, 2020. 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 26,484,774	\$ 24,741,596	\$ 1,422,642	\$ 1,896,651	\$ 27,907,416	\$ 26,638,247
Capital assets	17,556,842	17,697,056	21,275,750	21,503,283	38,832,592	39,200,339
Total assets	44,041,616	42,438,652	22,698,392	23,399,934	66,740,008	65,838,586
<hr/>						
Total deferred outflows of resources	3,246,622	3,567,215	137,971	149,851	3,384,593	3,717,066
<hr/>						
Current liabilities outstanding	2,012,649	1,951,662	1,094,034	1,151,712	3,106,683	3,103,374
Long-term liabilities outstanding	36,173,914	33,904,986	10,667,784	11,154,416	46,841,698	45,059,402
Total liabilities	38,186,563	35,856,648	11,761,818	12,306,128	49,948,381	48,162,776
<hr/>						
Total deferred inflows of resources	2,183,289	3,752,829	89,886	175,218	2,273,175	3,928,047
<hr/>						
Net position:						
Net investment in capital assets	8,609,693	8,419,562	11,185,721	10,781,227	19,795,414	19,200,789
Restricted	2,395,842	2,461,273	-	-	2,395,842	2,461,273
Unrestricted	(4,087,149)	(4,484,445)	(201,062)	287,212	(4,288,211)	(4,197,233)
Total net position	\$ 6,918,386	\$ 6,396,390	\$ 10,984,659	\$ 11,068,439	\$ 17,903,045	\$ 17,464,829

# NORTHAMPTON COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,195,353	\$ 3,622,211	\$ 4,989,581	\$ 5,736,717	\$ 8,184,934	\$ 9,358,928
Operating grants and contributions	7,108,877	8,841,550	41,901	42,673	7,150,778	8,884,223
Capital grants and contributions	-	-	404,798	-	404,798	-
General revenues:					-	
Property taxes	19,793,037	20,013,235	-	-	19,793,037	20,013,235
Other taxes	3,154,094	3,198,924	-	-	3,154,094	3,198,924
Other	375,496	674,348	4,479	21,659	379,975	696,007
Total revenues	33,626,857	36,350,268	5,440,759	5,801,049	39,067,616	42,151,317
Expenses:						
General government	4,540,504	4,634,133	-	-	4,540,504	4,634,133
Public safety	11,448,478	10,761,064	-	-	11,448,478	10,761,064
Transportation	47,500	47,500	-	-	47,500	47,500
Environmental protection	121,000	5,000	-	-	121,000	5,000
Economic and physical development	1,170,913	1,216,319	-	-	1,170,913	1,216,319
Human services	10,298,097	11,906,458	-	-	10,298,097	11,906,458
Cultural and recreation	589,549	557,852	-	-	589,549	557,852
Education	4,193,119	4,196,576	-	-	4,193,119	4,196,576
Interest and fees	465,749	681,061	-	-	465,749	681,061
Water and sewer	-	-	3,331,901	3,373,820	3,331,901	3,373,820
Solid waste	-	-	2,192,638	2,239,495	2,192,638	2,239,495
Total expenses	32,874,909	34,005,963	5,524,539	5,613,315	38,399,448	39,619,278
Increase in net position before transfers	751,948	2,344,305	(83,780)	187,734	668,168	2,532,039
Transfers	-	-	-	-	-	-
Change in net position	751,948	2,344,305	(83,780)	187,734	668,168	2,532,039
Beginning of year - July 1, as previously stated	6,396,390	4,052,085	11,068,439	10,880,705	17,464,829	14,932,790
Restatement / Prior Period Adjustment	(229,952)	-	-	-	(229,952)	-
Net position, beginning, restated	6,166,438	4,052,085	11,068,439	10,880,705	17,234,877	14,932,790
Net position, ending	\$ 6,918,386	\$ 6,396,390	\$ 10,984,659	\$ 11,068,439	\$ 17,903,045	\$ 17,464,829

**Governmental activities.** Governmental activities increased the County's net position by \$751,948. Key elements of this increase are as follows:

- Overall decrease in expenses.

**Business-type activities.** Business-type activities decreased Northampton County's net position by \$83,780. Key elements of this decrease are as follows:

- Decrease in revenues.

## 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 \$17,304,827, while total fund balance reached \$19,334,719. The County currently has an available fund balance of 54.76 percent of total General Fund expenditures, while total fund balance represents 61.19 percent of that same amount.

At June 30, 2020, the governmental funds of Northampton County reported a combined fund balance of \$20,153,177, a 8.61% percent increase from the previous year. The General Fund accounted for an increase in fund balance of \$1,683,998 while all other governmental funds combined accounted for a decrease in fund balance of \$86,017. 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 \$1,607,376, which was 4.60 percent more than originally budgeted.

**Proprietary Funds.** Northampton County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The total change in net position for these funds was a decrease of \$83,780. 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, 2020, totals \$38,845,092 (net of accumulated depreciation). These assets include building and land, equipment, vehicles, water and sewer systems, and construction in progress.

Major capital asset transactions during the year include:

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



# **NORTHAMPTON COUNTY'S CAPITAL ASSETS**

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,000,800	\$ 1,700,800	\$ -	\$ -	\$ 2,000,800	\$ 1,700,800
Construction in Progress	-	-	501,090	51,742	501,090	51,742
Buildings and improvements	14,278,972	14,711,354	-	-	14,278,972	14,711,354
Vehicles	1,071,369	1,107,259	34,984	54,146	1,106,353	1,161,405
Furniture, fixtures and equipment	205,701	177,643	58,706	73,120	264,407	250,763
Distributions systems	-	-	20,680,970	21,324,275	20,680,970	21,324,275
Total	\$ 17,556,842	\$ 17,697,056	\$ 21,275,750	\$ 21,503,283	\$ 38,832,592	\$ 39,200,339

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, 2020, Northampton County had total bonded debt outstanding of \$22,058,176.

# **NORTHAMPTON COUNTY'S OUTSTANDING DEBT**

## **Notes Payable and General Obligation Bonds**

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Installment notes payable	\$ 8,947,149	\$ 9,277,494	\$ 16,027	\$ 32,055	\$ 8,963,176	\$ 9,309,549
General obligation bonds	3,021,000	3,636,000	10,074,000	10,690,000	13,095,000	14,326,000
Total	\$ 11,968,149	\$ 12,913,494	\$ 10,090,027	\$ 10,722,055	\$ 22,058,176	\$ 23,635,549

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 \$159,941,216.

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

## **Economic Factors and Next Year's Budgets and Rates**

The County was experiencing an unemployment rate of 6.9% at June 30, 2020. This was lower than the non-seasonally adjusted State average of 7.7%.

## **Budget Highlights for Fiscal Year Ending June 30, 2021**

**Governmental Activities.** The general fund operating budget reflects a decrease of approximately 6.4% compared to fiscal year 2020.

**Business Type Activities.** Solid waste budgeted expenditures are \$2,355,129 which is the same as fiscal year 2020. The water and sewer budgeted expenditures are \$3,179,630 which is a 0.02% decrease compared to fiscal year 2020.

## **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](http://www.northamptonnc.com) for more information.

BASIC  
FINANCIAL STATEMENTS

**Northampton County, North Carolina**  
**Statement of Net Position**  
**June 30, 2020**

	Primary Government			Component Units		
				Northampton County Tourism Development Authority	Northampton County ABC Board	Total Reporting Unit
	Governmental Activities	Business-type Activities	Total Primary Government			
ASSETS						
Current:						
Cash and cash equivalents	\$ 19,426,298	\$ 632,708	\$ 20,059,006	\$ 148,916	\$ 304,287	\$ 20,512,209
Taxes receivable (net)	2,409,554	-	2,409,554	-	-	2,409,554
Accounts receivables (net)	2,979,389	538,257	3,517,646	21,276	-	3,538,922
Notes receivable (net)	318,176	-	318,176	-	-	318,176
Due from other governments	728,870	-	728,870	-	-	728,870
Inventories	-	-	-	-	124,742	124,742
Prepaid items	-	-	-	-	1,931	1,931
Internal balance	34,197	(34,197)	-	-	-	-
Cash and cash equivalents, restricted	549,101	285,874	834,975	-	-	834,975
Net pension assets	26,689	-	26,689	-	-	26,689
Intangible asset	12,500	-	12,500	-	-	12,500
Capital assets:			-	-	-	-
Land, improvements, and construction in progress	2,000,800	501,090	2,501,890	-	-	2,501,890
Other capital assets, net of depreciation	15,556,042	20,774,660	36,330,702	17,251	18,881	36,366,834
Total assets	44,041,616	22,698,392	66,740,008	187,443	449,841	67,377,292
DEFERRED OUTFLOWS OF RESOURCES						
Pension deferrals	2,747,622	112,228	2,859,850	-	12,988	2,872,838
OPEB deferrals	499,000	25,743	524,743	-	16,466	541,209
Total Deferred Outflows of Resources	3,246,622	137,971	3,384,593	-	29,454	3,414,047
LIABILITIES						
Current Liabilities						
Accounts payable	826,841	164,783	991,624	7,868	110,277	1,109,769
Accrued interest payable	75,928	27,850	103,778	-	-	103,778
Payable from restricted assets	-	285,874	285,874	-	-	285,874
Unspent CARES funding	555,833	-	555,833	-	-	555,833
Current portion of long-term debt	1,109,880	615,527	1,725,407	-	-	1,725,407
Long term liabilities:						
Net Pension Liability - LGERS	4,566,451	190,268	4,756,719	-	14,474	4,771,193
Total Pension liability - LEOSSA	460,364	-	460,364	-	-	460,364
Total OPEB liability	18,852,557	972,629	19,825,186	-	193,179	20,018,365
Compensated absences	880,440	30,385	910,825	-	-	910,825
Long-term debt	10,858,269	9,474,502	20,332,771	-	-	20,332,771
Total liabilities	38,186,563	11,761,818	49,948,381	7,868	317,930	50,274,179
DEFERRED INFLOWS OF RESOURCES						
Pension deferrals	122,885	2,288	125,173	-	-	125,173
OPEB deferrals	1,697,919	87,598	1,785,517	-	14,663	1,800,180
Prepaid taxes	362,485	-	362,485	-	-	362,485
Total Deferred inflows of resources	2,183,289	89,886	2,273,175	-	14,663	2,287,838
NET POSITION						
Net investment in capital assets	8,609,693	11,185,721	19,795,414	17,251	18,881	19,831,546
Restricted for:						
Stabilization by state statute	2,055,959	-	2,055,959	21,276	-	2,077,235
Register of Deeds' pension plan	26,689	-	26,689	-	-	26,689
Other	313,194	-	313,194	-	66,574	379,768
Unrestricted (deficit)	(4,087,149)	(201,062)	(4,288,211)	141,048	61,247	(4,085,916)
Total net position	\$ 6,918,386	\$ 10,984,659	\$ 17,903,045	\$ 179,575	\$ 146,702	\$ 18,229,322

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, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
					Primary Government					
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	Northampton County Tourism Development Authority	Northampton County ABC Board	Total Reporting Unit
Primary government:										
Governmental Activities:										
General government	\$ 4,540,504	\$ 139,068	\$ -	\$ -	\$ (4,401,436)	\$ -	\$ (4,401,436)	\$ -	\$ -	\$ (4,401,436)
Public safety	11,448,478	2,206,179	91,327	-	(9,150,972)	-	(9,150,972)	-	-	(9,150,972)
Transportation	47,500	-	67,380	-	19,880	-	19,880	-	-	19,880
Enviornmental protection	121,000	-	-	-	(121,000)	-	(121,000)	-	-	(121,000)
Economic and physical development	1,170,913	-	43,771	-	(1,127,142)	-	(1,127,142)	-	-	(1,127,142)
Human services	10,298,097	832,760	6,896,395	-	(2,568,942)	-	(2,568,942)	-	-	(2,568,942)
Cultural and recreation	589,549	17,346	10,004	-	(562,199)	-	(562,199)	-	-	(562,199)
Education	4,193,119	-	-	-	(4,193,119)	-	(4,193,119)	-	-	(4,193,119)
Interest on long-term debt	465,749	-	-	-	(465,749)	-	(465,749)	-	-	(465,749)
Total governmental activities	32,874,909	3,195,353	7,108,877	-	(22,570,679)	-	(22,570,679)	(22,570,679)	(45,141,358)	(67,712,037)
Business-type activities:										
Water and Sewer	3,163,338	2,673,117	-	404,798	-	(85,423)	(85,423)	-	-	(85,423)
Garysburg Water and Sewer	168,563	150,398	-	-	-	(18,165)	(18,165)	-	-	(18,165)
Solid Waste	2,192,638	2,166,066	41,901	-	-	15,329	15,329	-	-	15,329
Total business-type activities	5,524,539	4,989,581	41,901	404,798	-	(88,259)	(88,259)	-	-	(88,259)
Total primary government	38,399,448	8,184,934	7,150,778	404,798	(22,570,679)	(88,259)	(22,658,938)	(22,570,679)	(45,141,358)	(67,800,296)
Component Units:										
Northampton County Tourism Development Authority										
	78,167	-	-	-	-	-	-	(78,167)	-	(78,167)
Northampton County ABC Board										
	1,300,272	1,353,398	-	-	-	-	-	-	53,126	53,126
Total component units	\$ 1,378,439	\$ 1,353,398	\$ -	\$ -	-	-	-	(78,167)	53,126	(25,041)
General revenues:										
Taxes:										
Property taxes, levied for general purpose					19,793,037	-	19,793,037	-	-	19,793,037
Local option sales tax					3,069,954	-	3,069,954	-	-	3,069,954
Other taxes and licenses					84,140	-	84,140	99,644	-	183,784
Unrestricted Intergovernmental					68,364	-	68,364	-	-	68,364
Investment earnings, unrestricted					198,119	4,479	202,598	277	-	202,875
Sale of assets					-	-	-	-	-	-
Miscellaneous, unrestricted					109,013	-	109,013	177	-	109,190
Transfers					-	-	-	-	-	-
Total general revenues, special items, and transfers					23,322,627	4,479	23,327,106	100,098	-	23,427,204
Change in net position					751,948	(83,780)	668,168	21,931	53,126	743,225
Net position-beginning					6,396,390	11,068,439	17,464,829	157,644	93,576	17,716,049
Prior Period Adjustment (Note 10)					(229,952)	-	(229,952)	-	-	(229,952)
Net position-beginning, restated					6,166,438	11,068,439	17,234,877	157,644	93,576	17,486,097
Net position-ending					\$ 6,918,386	\$ 10,984,659	\$ 17,903,045	\$ 179,575	\$ 146,702	\$ 18,229,322

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

**Northampton County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	<u>Major</u>	<u>Non-Major</u>	<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,509,800	\$ 916,498	\$ 19,426,298
Taxes Receivable	1,909,036	158,087	2,067,123
Accounts Receivable	2,953,322	26,067	2,979,389
Notes Receivable	318,176	-	318,176
Due from other funds	167,219	-	167,219
Due from other governments	728,870	-	728,870
Restricted Cash	506,207	42,894	549,101
Total assets	<u>\$ 25,092,630</u>	<u>\$ 1,143,546</u>	<u>\$ 26,236,176</u>
<b>LIABILITIES, DEFERRRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 792,862	\$ 33,979	\$ 826,841
Unspent CARES funding	555,833	-	555,833
Due to other funds	-	133,022	133,022
Total liabilities	<u>1,348,695</u>	<u>167,001</u>	<u>1,515,696</u>
<b>Deferred Inflows of Resources:</b>			
Tax Receivable	1,909,036	158,087	2,067,123
Ambulance fees receivables	2,137,695	-	2,137,695
Prepaid taxes	362,485	-	362,485
Total deffered inflows of resources	<u>4,409,216</u>	<u>158,087</u>	<u>4,567,303</u>
Fund balances:			
Restricted:			
Stabilization by State statue	2,029,892	26,067	2,055,959
Restricted, other	21,493	291,701	313,194
Committed:			
Committed, other	829,748	278,385	1,108,133
Assigned:			
Assigned, other	1,914,416	365,581	2,279,997
Unassigned:	14,539,170	(143,276)	14,395,894
Total fund balances	<u>19,334,719</u>	<u>818,458</u>	<u>20,153,177</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,092,630</u>	<u>\$ 1,143,546</u>	

**Northampton County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

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

Capital assests used in governmental activities are not financial resources and, therefore, are not reported in the funds	\$ 17,556,842
Option to purchase payments are not financial resources, and therefore, are not reported in the funds.	12,500
Accrued interest on taxes receivable	342,431
Net pension asset	26,689
Contributions to the pension plans in the current fiscal year are deferred	1,032,162
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	5,948
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	439,306
Deferred outflows of resources - pensions	1,709,512
Deferred outflows of resources - OPEB	59,694
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	(11,968,149)
Compensated absences	(880,440)
Accrued interest	(75,928)
Net pension liability (LGERS)	(4,566,451)
Total pension liability (LEOSSA)	(460,364)
Total OPEB liability	(18,852,557)
Pension related deferrals	(122,885)
OPEB related deferrals	(1,697,919)
Deferred inflows of resources for taxes and ambulance fees receivable	<u>4,204,818</u>
Net position of governmental activities (Exhibit 1)	<u><u>\$ 6,918,386</u></u>

**Northampton County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	<b>Major Governmental</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Other Governmental Funds</b>	
<b>REVENUES</b>			
Ad valorem taxes	\$ 19,604,127	\$ 777,335	\$ 20,381,462
Other taxes and licenses	3,154,452	-	3,154,452
Unrestricted intergovernmental	62,808	-	62,808
Restricted intergovernmental	7,055,452	-	7,055,452
Permits and fees	191,208	-	191,208
Sales and services	2,383,093	200,082	2,583,175
Investment earnings	197,148	971	198,119
Special project fund	34,353	-	34,353
Miscellaneous	342,689	23,500	366,189
Total revenues	<u>33,025,330</u>	<u>1,001,888</u>	<u>34,027,218</u>
<b>EXPENDITURES</b>			
Current:			
General government	4,610,869	-	4,610,869
Public safety	9,889,487	938,909	10,828,396
Transportation	47,500	-	47,500
Environmental protection	121,000	-	121,000
Economic and physical development	1,096,706	-	1,096,706
Human Services	9,664,549	-	9,664,549
Cultural and recreational	447,811	-	447,811
Education	4,133,119	60,000	4,193,119
Debt service:			
Principal	353,122	851,054	1,204,176
Interest	11,628	462,314	473,942
Total expenditures	<u>30,375,791</u>	<u>2,312,277</u>	<u>32,688,068</u>
Revenues over expenditures	<u>2,649,539</u>	<u>(1,310,389)</u>	<u>1,339,150</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (to) from other funds	(1,224,372)	1,224,372	-
Loan proceeds	258,831	-	258,831
Total other financing sources and uses	<u>(965,541)</u>	<u>1,224,372</u>	<u>258,831</u>
Net change in fund balance	1,683,998	(86,017)	1,597,981
Fund balances-beginning	<u>17,880,673</u>	<u>904,475</u>	<u>18,785,148</u>
Prior Period Adjustment (See Note 10)	<u>(229,952)</u>	<u>-</u>	<u>(229,952)</u>
Fund balances-ending	<u>\$ 19,334,719</u>	<u>\$ 818,458</u>	<u>\$ 20,153,177</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, 2020**

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

Net changes in fund balances - total governmental funds (Exhibit 4)	\$ 1,597,981
Exhibit 4 reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit 2 reported revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition difference for the following revenue types:	
Property taxes	(481,768)
Ambulance and other miscellaneous revenues	188,064
Expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement.	
Accrued interest payable	8,193
Compensated absences	(103,394)
OPEB Expense	(569,011)
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.	
	661,366
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	
	(801,580)
Payments under and option to purchase made during the option period are reported as expenses in the government funds statements. However, in the Statement of Activities, these payments are not an expenses, rather it is an increase to an intangible asset.	
	12,500
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	
	1,204,176
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.	
	(258,831)
Change in accrued interest on taxes receivable.	
	(106,657)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	
	1,032,162
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	
	5,948
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	
	439,302
Pension expense	(2,076,503)
Total changes in net position of governmental activities	<u>\$ 751,948</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, 2020**

	General Fund			Variance With Final Positive Negative
	Original Budget	Final Budget	Actual	(Negative)
Revenues:				
Ad valorem taxes	\$ 18,878,067	\$ 18,878,067	\$ 19,604,127	\$ 726,060
Other taxes and licenses	2,786,285	2,786,285	3,154,452	368,167
Unrestricted intergovernmental	64,200	64,200	62,808	(1,392)
Restricted intergovernmental	8,509,094	9,447,237	7,055,452	(2,391,785)
Permits and fees	220,600	220,600	191,208	(29,392)
Sales and services	2,825,353	2,840,610	2,383,093	(457,517)
Investment earnings	38,000	38,000	197,148	159,148
Special Project revenue	-	-	34,353	34,353
Miscellaneous	326,023	384,895	342,689	(42,206)
Total revenues	<u>33,647,622</u>	<u>34,659,894</u>	<u>33,025,330</u>	<u>(1,634,564)</u>
Expenditures				
Current:				
General government	4,729,164	4,989,843	4,610,869	378,974
Public safety	10,164,775	10,601,108	9,889,487	711,621
Transportation	47,500	47,500	47,500	-
Environmental Protection	121,000	121,000	121,000	-
Economic and physical development	1,038,697	1,456,204	1,096,706	359,498
Human services	12,343,259	12,896,363	9,664,549	3,231,814
Cultural and recreational	515,097	515,297	447,811	67,486
Education	4,031,453	4,031,453	4,133,119	(101,666)
Debt service				
Principal payments	127,488	353,122	353,122	-
Interest	221,099	55,458	11,628	43,830
Total expenditures	<u>33,339,532</u>	<u>35,067,348</u>	<u>30,375,791</u>	<u>4,691,557</u>
Revenues over (under) expenditures	<u>308,090</u>	<u>(407,454)</u>	<u>2,649,539</u>	<u>3,056,993</u>
Other financing sources (uses):				
Transfers (to) from other funds	(1,438,869)	(1,438,869)	(1,224,372)	214,497
Loan proceeds	-	-	258,831	258,831
Appropriated fund balance	1,285,779	1,880,883	-	(1,880,883)
Contingency	(155,000)	(34,560)	-	34,560
Total other financing sources (uses)	<u>(308,090)</u>	<u>407,454</u>	<u>(965,541)</u>	<u>(1,372,995)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,683,998</u>	<u>\$ 1,683,998</u>
Fund balances:				
Beginning of year, July 1			<u>17,880,673</u>	
Prior Period Adjustment (see Note 10)			<u>(229,952)</u>	
End of year, June 30			<u>\$ 19,334,719</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, 2020**

	MAJOR		NONMAJOR	Total Enterprise Funds
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer	
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 148,648	\$ -	\$ 484,060	\$ 632,708
Accounts receivable (net)	502,098	2,768	33,391	538,257
Due from other funds	31,230	-	-	31,230
Restricted assets:				
Cash and cash equivalents, restricted	235,004	-	50,870	285,874
Total current assets	<u>916,980</u>	<u>2,768</u>	<u>568,321</u>	<u>1,488,069</u>
Non-current assets:				
Land and construction in progress	501,090	-	-	501,090
Other capital assets, net	20,318,305	-	456,355	20,774,660
Total non-current assets	<u>20,819,395</u>	<u>-</u>	<u>456,355</u>	<u>21,275,750</u>
Total assets	<u>21,736,375</u>	<u>2,768</u>	<u>1,024,676</u>	<u>22,763,819</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Pension Deferrals	67,336	28,057	16,835	112,228
OPEB Deferrals	18,323	4,210	3,210	25,743
Total deferred outflows of resources	<u>85,659</u>	<u>32,267</u>	<u>20,045</u>	<u>137,971</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	146,945	11,078	6,760	164,783
Accrued interest	26,442	-	1,408	27,850
Due to other funds	-	65,427	-	65,427
Current portion of long-term debt	604,027	-	11,500	615,527
Liabilities payable from restricted assets:				
Customer Deposits	235,004	-	50,870	285,874
Total current liabilities	<u>1,012,418</u>	<u>76,505</u>	<u>70,538</u>	<u>1,159,461</u>
Noncurrent liabilities:				
Compensated absences-non current	24,035	4,675	1,675	30,385
Non-current portion of long-term debt	9,143,002	-	331,500	9,474,502
Net pension liability	114,161	47,567	28,540	190,268
Total OPEB Liability	692,261	159,062	121,306	972,629
Total noncurrent liabilities	<u>9,973,459</u>	<u>211,304</u>	<u>483,021</u>	<u>10,667,784</u>
Total liabilities	<u>10,985,877</u>	<u>287,809</u>	<u>553,559</u>	<u>11,827,245</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Pension Deferrals	1,373	572	343	2,288
OPEB Deferrals	62,347	14,326	10,925	87,598
Total deferred inflows of resources	<u>63,720</u>	<u>14,898</u>	<u>11,268</u>	<u>89,886</u>
<b>NET POSITION:</b>				
Net investment in capital assets	11,072,366	-	113,355	11,185,721
Unrestricted	<u>(299,929)</u>	<u>(267,672)</u>	<u>366,539</u>	<u>(201,062)</u>
Total net position	<u>\$ 10,772,437</u>	<u>\$ (267,672)</u>	<u>\$ 479,894</u>	<u>\$ 10,984,659</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, 2020**

	MAJOR		NONMAJOR	
	Water and Sewer	Solid Waste Fund	Garysburg Water and Sewer	Totals
<b>Operating Revenues:</b>				
Charges for services	\$ 2,622,102	\$ 2,106,866	\$ 147,376	\$ 4,876,344
Water and sewer taps	34,543	-	2,407	36,950
White goods and tire disposal tax	-	28,038	-	28,038
Solid waste disposal tax	-	13,863	-	13,863
Other operating revenues	16,472	59,200	615	76,287
Total operating revenues	<u>2,673,117</u>	<u>2,207,967</u>	<u>150,398</u>	<u>5,031,482</u>
<b>Operating Expenses:</b>				
Water distribution and sewage treatment	2,098,880	-	134,922	2,233,802
Solid waste	-	2,192,638	-	2,192,638
Depreciation	660,893	-	15,986	676,879
Total operating expenses	<u>2,759,773</u>	<u>2,192,638</u>	<u>150,908</u>	<u>5,103,319</u>
Operating income (loss)	<u>(86,656)</u>	<u>15,329</u>	<u>(510)</u>	<u>(71,837)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Gain on Sale of Assets	-	-	-	-
Interest earned on investments	2,543	1,819	117	4,479
Interest and fees	(403,565)	-	(17,655)	(421,220)
Total non-operating revenues (expenses)	<u>(401,022)</u>	<u>1,819</u>	<u>(17,538)</u>	<u>(416,741)</u>
Income (loss) before capital contributions and transfers	<u>(487,678)</u>	<u>17,148</u>	<u>(18,048)</u>	<u>(488,578)</u>
Capital contributions	404,798	-	-	404,798
Transfers from other funds	-	-	-	-
Change in net position	<u>(82,880)</u>	<u>17,148</u>	<u>(18,048)</u>	<u>(83,780)</u>
<b>Net Position:</b>				
Beginning of year - July 1	<u>10,855,317</u>	<u>(284,820)</u>	<u>497,942</u>	<u>11,068,439</u>
End of year - June 30	<u><u>\$ 10,772,437</u></u>	<u><u>\$ (267,672)</u></u>	<u><u>\$ 479,894</u></u>	<u><u>\$ 10,984,659</u></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, 2020**

	MAJOR		NONMAJOR	
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer Fund	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,905,126	\$ 2,212,354	\$ 200,403	\$ 5,317,883
Cash paid for goods and services	(1,662,354)	(2,105,913)	(98,118)	(3,866,385)
Cash paid to employees for services	(438,095)	(81,322)	(30,533)	(549,950)
Net cash provided (used) by operating activities	804,677	25,119	71,752	901,548
Cash flows from non-capital financing activities				
Loans from (to) other funds	-	(26,988)	-	(26,988)
Transfer from other funds	-	-	-	-
Net cash provided (used) by non-capital financial activities	-	(26,988)	-	(26,988)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(449,348)	-	-	(449,348)
Gain on Sale of Assets	-	-	-	-
Principal paid on long-term debt	(621,028)	-	(11,000)	(632,028)
Issuance of long-term debt proceeds	-	-	-	-
Interest and fees	(404,435)	-	(17,698)	(422,133)
Capital contributions	404,798	-	-	404,798
Net cash provided (used) by capital and related financing activities	(1,070,013)	-	(28,698)	(1,098,711)
Cash flows from investing activities:				
Interest on investments	2,543	1,819	117	4,479
Net increase (decrease) in cash and cash equivalents	(262,793)	(50)	43,171	(219,672)
Cash and cash equivalents, July 1	646,445	50	491,759	1,138,254
Cash and cash equivalents, June 30	\$ 383,652	\$ -	\$ 534,930	\$ 918,582

(continued)

**Northampton County, North Carolina**  
**Enterprise Fund**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2020**

	MAJOR		NONMAJOR	
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer Fund	Total
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ (86,656)	\$ 15,329	\$ (510)	\$ (71,837)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	660,893	-	15,986	676,879
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	226,933	4,387	50,005	281,325
(Increase) decrease in deferred outflows of resources for pensions	10,935	4,555	2,732	18,222
(Increase) decrease in deferred outflows of resources for OPEB	(4,515)	(1,037)	(790)	(6,342)
Increase (decrease) in deferred inflows of resources for pensions	(1,014)	(423)	(254)	(1,691)
Increase (decrease) in deferred inflows of resources for OPEB	(59,531)	(13,678)	(10,432)	(83,641)
Increase (decrease) in accounts payable and accrued liabilities	(35,962)	(8,048)	(1,328)	(45,338)
Increase (decrease) in net pension liability	15,189	6,329	3,797	25,315
Increase (decrease) in deposits	5,076	-	-	5,076
Increase (decrease) in Total OPEB liability	68,808	15,811	12,057	96,676
Increase (decrease) in compensated absences	4,521	1,894	489	6,904
Total adjustments	891,333	9,790	72,262	973,385
Net cash provided (used) by operating activities	\$ 804,677	\$ 25,119	\$ 71,752	\$ 901,548

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

**Northampton County, North Carolina**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2020**

	Agency Funds
<b>Assets:</b>	
Cash and investments	\$ 194,652
Accounts receivable	1,100,506
	<u>\$ 1,295,158</u>
<b>Liabilities:</b>	
Intergovernmental payable	\$ 1,072,803
Accounts payable	222,355
Total liabilities	<u>\$ 1,295,158</u>

## **Northampton County, North Carolina**

### **Notes to the Financial Statements For the Year Ended June 30, 2020**

#### **1. Summary of Significant Accounting Policies**

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

##### **A. Reporting Entity**

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

##### **Discretely Presented Component Unit**

###### **Northampton County Industrial Facilities and Pollution Control Financing Authority**

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

###### **Northampton County ABC Board**

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

###### **Northampton County Tourism Development Authority**

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



## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

#### B. Basis of Presentation – Basis of Accounting

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

Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The County has the following fund categories (further divided by fund type):

#### **Governmental Funds**

Governmental funds are used to account for Northampton County's general governmental activities. Governmental funds include the following fund types:

**General Fund.** This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Revaluation Fund and the Revolving Loan Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund.

**Special Revenue Fund.** Special Revenue Funds account for specific revenue sources ( other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains four special revenue funds: Mid- Atlantic Distribution Park Fund, Emergency Telephone System Fund, Fire District Fund, and Solar Farm Trust Fund.

**Capital Project Fund.** Capital Project Funds account for financial resources to be used for the acquisition and construction for major capital facilities ( other than those financed by proprietary funds and trusts funds). The County maintains eight capital project funds: Capital Reserve Fund, Ambulance Capital Reserve Fund , Enviva Infrastructure Project, EDC Capital Reserve Fund, Public School Building Fund, EDC REEP Project Fund, Severn Peanut Natural Gas Project, and Courthouse/Admin/DSS Renovation Fund.

## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

**Debt Service Fund.** The Debt Service Fund is used to account for all expenditures for principal and interest for all debt not accounted for in the enterprise funds. The other governmental fund types provide the resources to the Debt Service Fund to make the payments through transfers.

#### Proprietary Funds

**Enterprise Funds.** Enterprise funds account for those operations that (a) are financed and operated in a manner similar to private business enterprises where the intent for the governing body is that costs ( expenses, including depreciation) of providing goods or services to the general public on the continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintained, public policy, management control, accountability, or other purposes. The County has three enterprises funds: the Water and Sewer Fund, the Garysburg Water and Sewer Fund, and Solid Waste Fund.

#### Fiduciary Funds

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

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

#### Major Funds

The General Fund, Water and Sewer Fund, and Solid Waste Fund are considered major funds for the year ended June 30, 2020.

#### C. Measurement Focus, Basis of Accounting

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

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

## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

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

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

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

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

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

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

## **Northampton County, North Carolina**

### **Notes to the Financial Statements For the Year Ended June 30, 2020**

#### **D. Budgetary Data**

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

#### **E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity**

##### **Deposits and Investments**

All deposits of the County and the ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State Law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

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

##### **Cash and Cash Equivalents**

The County pools money from several funds, except the Social Services Fund, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

**Restricted Assets**

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

**Governmental Activities**

General Fund	
Tax Revaluation	\$ 506,207
Total General Fund	<u>506,207</u>
Other Governmental Funds	
School Capital Fund	42,894
Total Other Governmental Funds	<u>42,894</u>
Total - Governmental Activities	<u>\$ 549,101</u>

**Business-Type Activities**

Water & Sewer Fund	
Customer Deposits	\$ 235,004
Unexpended Project Funds	-
Total Water & Sewer Fund	<u>235,004</u>
Garysburg Water & Sewer Fund	
Customer Deposits	50,870
Total Water & Sewer Fund	<u>50,870</u>
Total - Business Type Activities	<u>\$ 285,874</u>
Total Restricted Cash	<u><u>\$ 834,975</u></u>

**Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019.

**Allowance for Doubtful Accounts**

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

## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

#### Capital Assets

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

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

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

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

#### Deferred Outflows/Inflows of resources

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

#### Long-Term Obligations

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

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

Northampton County, North Carolina

Notes to the Financial Statements  
For the Year Ended June 30, 2020

**Net Position/Fund Balances**

**Net Position**

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

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

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

**Restricted - Other**

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

*Restricted for General Government* - portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deed's office.

	General Fund	Special Revenue Fund	Capital Project Fund
Restricted for Stabilization of State Statute	\$ 2,029,892	\$ 26,067	\$ -
<b>Restricted - Other</b>			
Restricted for Public Safety- E911	-	291,701	-
Restricted for General Government	21,493	-	-
Total	<u>\$ 2,051,385</u>	<u>\$ 317,768</u>	<u>\$ -</u>

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>
<i>Committed for Tax Revaluation</i> - portion of fund balance that is committed by revenue source to pay for property tax revaluations purpose.	\$ 506,451	\$ -	\$ -
<i>Committed for Public Safety</i> - portion of fund balance that is committed for public safety expenditures.	-	-	969
<i>Committed for Economic and Physical Development</i> - portion of fund balance that is committed to pay for economic development expenditures.	323,297	-	14,296
<i>Committed for Capital Outlay</i> - portion of fund balance that is committed for future capital expenditures	-	-	220,226
<i>Committed for Education</i> - portion of fund balance that is committed for education expenditures	-	-	42,894
Total	<u>\$ 829,748</u>	<u>\$ -</u>	<u>\$ 278,385</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
<i>Assigned for Debt Service</i> - portion of fund balance that is assigned for debt service expenditures	\$ -	\$ -	\$ -
<i>Assigned for Subsequent Year's Expenditures</i> - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager to modify appropriations up to \$5,000 between departments within a fund.	1,914,416	-	-
<i>Assigned for Economic and Physical Development</i> - portion of fund balance that is assigned to pay for economic development expenditures.	-	365,581	-
Total	<u>\$ 1,914,416</u>	<u>\$ 365,581</u>	<u>\$ -</u>



## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

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

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance- General Fund (Exhibit 3)	\$ 19,334,719
Less:	
Stabilization by State statute	(2,029,892)
Available for appropriation	<u>\$ 17,304,827</u>

#### Defined Benefit Cost Sharing Plans

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

#### F. Revenues, Expenditures, and Expenses

##### Compensated Absences

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

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

#### G. Use of Estimates

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

Northampton County, North Carolina

Notes to the Financial Statements  
For the Year Ended June 30, 2020

2. Stewardship, Compliance and Accountability

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

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

**Special Revenue Funds:**

Fire District Fund	\$	22,007
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**Capital Project Fund:**

Severn Peanut Natural Gas Project Fund		23,955
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Courthouse/Admin/DSS Renovations		1,120
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<b>Debt Service Fund</b>		86,801
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**Enterprise Fund:**

Solid Waste Fund		268,142
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**Corrective Action Plan.** Deficits, caused by timing issues, will be eliminated with future revenues. Budgeted transfers will be made in a timely manner to eliminate deficit fund balance at year-end.

B. Unbudgeted funds

Fund 32 & 63 were unbudgeted. These were new projects applied for in the current year for which funding was unconfirmed.

C. Excess of Expenditures over Appropriations

Excess of expenditures over appropriations are in violation of the State law. At June 30, 2020, several departments expenditures exceeded appropriation. The County plans closer monitoring of the expenditure process to assure adequate appropriations prior to incurring expenditures.

## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

#### 3. Detail Notes on All Funds

##### A. Assets

###### Deposits

All the deposits of the County are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's and the Board's agent, and the Company's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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

At June 30, 2020, the County's deposits had a carrying amount of \$6,054,144 and a bank balance of \$7,546,382. Of the bank balance, \$594,978 was covered by federal depository insurance, and \$6,951,403 was covered by collateral held under the Pooling Method. At June 30, 2020, the County had \$2,900 cash on hand.

###### Investments

At June 30, 2020, the County had \$15,031,589 invested with the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy regarding credit risk.

###### Property Tax - Use-Value Assessment on Certain Lands

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

Year Levied	Tax	Interest	Total
2016	\$ 2,502,045	\$ 819,420	\$ 3,321,465
2017	2,495,177	592,605	3,087,782
2018	2,489,626	354,772	2,844,398
2019	2,443,811	140,519	2,584,330
Total	<u>\$ 9,930,659</u>	<u>\$ 1,907,316</u>	<u>\$ 11,837,975</u>

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

**Receivables**

Receivables at the government-wide level at June 30, 2020, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 841,694	\$ 3,825,467	\$ 728,870	\$ 5,396,031
Ambulance	2,137,695	-	-	2,137,695
Fire district	-	158,087	-	158,087
Total Receivables	2,979,389	3,983,554	728,870	7,691,813
Allowance for doubtful accounts	-	(1,574,000)	-	(1,574,000)
Total governmental activities	<u>\$ 2,979,389</u>	<u>\$ 2,409,554</u>	<u>\$ 728,870</u>	<u>\$ 6,117,813</u>
<b>Business-type Activities:</b>				
Solid Waste	\$ 2,768	\$ -	\$ -	\$ 2,768
Garysburg Water and Sewer	72,634	-	-	72,634
Water and sewer	1,065,211	-	-	1,065,211
Total Receivables	1,140,613	-	-	1,140,613
Allowance for doubtful accounts	(602,356)	-	-	(602,356)
Total business-type activities	<u>\$ 538,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 538,257</u>

Due from other governments consisted of the following:

Governmental Activities:	
Local option sales tax	\$ 616,123
Sales tax refund	112,747
Total	<u>\$ 728,870</u>

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

**Capital Assets**

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

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>
<b>Non- Depreciable Assets:</b>				
Land	\$ 1,700,800	\$ 300,000	\$ -	\$ 2,000,800
<b>Depreciable Assets:</b>				
Buildings and Improvements	20,832,201	-	-	20,832,201
Equipment	2,235,790	130,036	-	2,365,826
Vehicles and Motor Equipment	4,595,956	231,330	253,044	4,574,242
Total Capital Assets	<u>29,364,747</u>	<u>661,366</u>	<u>253,044</u>	<u>29,773,069</u>
<b>Less accumulated depreciati</b>				
Buildings and Improvements	6,120,847	432,382	-	6,553,229
Equipment	2,058,147	101,978	-	2,160,125
Vehicles and motor equipment	3,488,697	267,220	(253,044)	3,502,873
Total Accumulated Depreciation	<u>11,667,691</u>	<u>\$ 801,580</u>	<u>\$ (253,044)</u>	<u>\$ 12,216,227</u>
Capital Assets, net	<u>\$ 17,697,056</u>			<u>\$ 17,556,842</u>

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

**Government Activities :**

General Government	\$ 112,991
Public Safety	368,987
Economic and physical development	1,736
Human Services	193,254
Cultural and Recreational	124,612
Total	<u>\$ 801,580</u>

**Summary of Proprietary Capital Assets**

Capital assets for the proprietary funds of the County at June 30, 2020 are as follows:

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>
<b>Water and Sewer Fund</b>				
<b>Non- Depreciable Assets:</b>				
Construction in progress	\$ 51,742	\$ 451,598	\$ 2,250	\$ 501,090
<b>Depreciable Assets:</b>				
Plant and distribution systems	31,330,960	-	-	31,330,960
Furniture and equipment	366,613	-	-	366,613
Vehicles	370,561	-	-	370,561
Total Capital Assets	<u>32,119,876</u>	<u>451,598</u>	<u>2,250</u>	<u>32,569,224</u>
<b>Less accumulated depreciation:</b>				
Plant and distribution systems	10,479,028	627,317	-	11,106,345
Furniture and equipment	293,493	14,414	-	307,907
Vehicles	316,415	19,162	-	335,577
Total Accumulated Depreciation	<u>11,088,936</u>	<u>\$ 660,893</u>	<u>\$ -</u>	<u>11,749,829</u>
Total Water and Sewer Fund	<u>\$ 21,030,940</u>			<u>\$ 20,819,395</u>

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

	July 1, 2019	Additions	Retirements	June 30, 2020
<b>Garysburg Water and Sewer District Fund</b>				
<b>Non- Depreciable Assets:</b>				
Construction in progress	\$ -	\$ -	\$ -	\$ -
<b>Depreciable Assets:</b>				
Plant and distribution systems	799,324	-	-	799,324
Furniture and equipment	-	-	-	-
Vehicles	-	-	-	-
Total Capital Assets	799,324	-	-	799,324
<b>Less accumulated depreciation:</b>				
Plant and distribution systems	326,981	15,988	-	342,969
Furniture and equipment	-	-	-	-
Vehicles	-	-	-	-
Total Accumulated Depreciation	326,981	\$ 15,988	\$ -	342,969
Total Water and Sewer Fund	<u>\$ 472,343</u>			<u>\$ 456,355</u>

	July 1, 2019	Additions	Retirements	June 30, 2020
<b>Solid Waste Fund:</b>				
<b>Depreciable Assets:</b>				
Plant and distribution systems	\$ 2,250	\$ -	\$ -	\$ 2,250
Furniture and equipment	183,605	-	-	183,605
Vehicles	153,924	-	-	153,924
Total Capital Assets	339,779	-	-	339,779
<b>Less accumulated depreciation:</b>				
Plant and distribution systems	2,250	-	-	2,250
Furniture and equipment	183,605	-	-	183,605
Vehicles	153,924	-	-	153,924
Total Accumulated Depreciation	339,779	\$ -	\$ -	339,779
Total Solid Waste Fund	<u>\$ -</u>			<u>\$ -</u>

**B. Liabilities**

**Payables**

Payables at government-wide level at June 30, 2020 were as follows:

Type of Payable	Governmental Activities	Business-Type Activities	Total
Vendors	\$ 826,841	\$ 164,783	\$ 991,624
Other	-	-	-
Total	<u>\$ 826,841</u>	<u>\$ 164,783</u>	<u>\$ 991,624</u>

## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

#### Pension Plan Obligations

##### Local Governmental Employees' Retirement System

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

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

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

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 9.02% 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 \$1,073,893 for the year ended June 30, 2020.

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

**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, 2020, the County reported a liability of \$4,756,720 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County's proportion was 0.17418% (measured as of June 30, 2019), which was an increase of 0.00035% from its proportion measured as of June 30, 2019 (measured as of June 30,

For the year ended June 30, 2020, the County recognized pension expense of \$2,120,106. At June 30, 2020, 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	\$ 814,471	\$ -
Changes of assumptions	775,266	-
Net difference between projected and actual earnings on pension plan investments	116,023	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	26,011	57,193
County contributions subsequent to the measurement date	1,073,893	-
Total	<u>\$ 2,805,664</u>	<u>\$ 57,193</u>

\$1,073,893 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, 2021 Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2021	\$ 841,098
2022	252,254
2023	445,748
2024	135,479
2025	-
Thereafter	-
Total	<u>\$ 1,674,579</u>



## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary	3.50 Percent
Investment	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables 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, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

# Northampton County, North Carolina

## Notes to the Financial Statements For the Year Ended June 30, 2020

**Discount rate.** The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.** The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 10,879,488	\$ 4,756,720	\$ (332,541)

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

### Law Enforcement Officers' Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to, but not yet receiving benefits.	-
Active plan members	35
Total	36

A separate report was not issued for the Plan.

### Summary of Significant Accounting Policies

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

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

## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

#### Actuarial Assumptions

Inflation	2.50 Percent
Salary Increases	3.50 to 7.35 percent, including inflation and productivity factor
Investment Rate of Return	3.26 percent, net of pension plan investment expense, including inflation

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

#### Mortality Rate

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitants base rates projected to 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

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

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

At June 30, 2020 the County reported a total pension liability of \$460,364. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$32,793.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,872	\$ 48,497
Changes of assumptions	29,630	18,196
Benefit payments and administrative expenses subsequent to the	5,948	-
Total	<u>\$ 50,450</u>	<u>\$ 66,693</u>

\$5,948 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

<b>Year Ending June 30</b>	<b>Amount</b>
2021	\$ (9,563)
2022	(9,563)
2023	(7,858)
2024	2,678
2025	2,115
Thereafter	-
<b>Total</b>	<b>\$ (22,191)</b>

\$5,948 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.26%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current rate

	<b>1% Decrease (2.26%)</b>	<b>Discount Rate (3.26%)</b>	<b>1% Increase (4.26%)</b>
County's proportionate share of the net pension liability (asset)	\$ 505,585	\$ 460,364	\$ 419,564

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

Beginning balance	\$ 409,801
Service Cost	33,594
Interest on the total pension liability	14,710
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(2,392)
Changes in assumptions or other inputs	16,007
Benefit payments	(11,356)
Other changes	-
Ending balance of the total pension liability	<u>\$ 460,364</u>

*Changes of assumptions .* Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2018 (measurement date) to 3.26 at June 30, 2019 (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, 2018 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2014.

## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

#### Supplemental Retirement Income Plan for Law Enforcement Officers

**Plan Description.** The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of the State Treasurer and a Board of Trustees. The plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$178,072 which consisted of \$106,647 from the County and \$71,424 from the law enforcement officers.

#### Deferred Compensation Plan

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

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

#### Registers of Deeds' Supplemental Pension Fund

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

# Northampton County, North Carolina

## Notes to the Financial Statements For the Year Ended June 30, 2020

**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 \$1,285 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$26,689 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County's proportion was 0.13519%, which was a decrease of 0.00698% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the County recognized pension expense of \$8,406. At June 30, 2020, 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	\$ -	\$ 1,287
Net difference between projected and actual earnings on pension plan investments	273	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,237	-
Changes of assumptions	-	-
County contributions subsequent to the measurement date	1,225	-
Total	<u>\$ 3,735</u>	<u>\$ 1,287</u>

\$1,225 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ 1,042
2022	602
2023	107
2024	(527)
2025	-
Thereafter	-
Total	<u>\$ 1,224</u>

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

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

## Northampton County, North Carolina

### Notes to the Financial Statements For the Year Ended June 30, 2020

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, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 1.4%.

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

**Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.** The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (1,798)	\$ 26,689	\$ (2,849)

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2019, with an actuarial valuation date of December 31, 2018. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 4,756,720	\$ (26,689)	\$ -	\$ 4,730,031
Proportion of the Net Pension Liability (Asset)	0.1742%	0.1352%	n/a	
Total Pension Liability	-	-	460,364	460,364
Pension Expense	2,120,106	8,406	32,793	2,161,305

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 814,471	\$ -	\$ 14,872	\$ 829,343
Changes of assumptions	775,266	273	29,630	805,169
Net difference between projected and actual earnings on pension plan investments	116,023	2,237	-	118,260
Changes in proportion and differences between County contributions and proportionate share of contributions	26,011	-	-	26,011
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date.	1,073,893	1,225	5,948	1,081,066



# Northampton County, North Carolina

## Notes to the Financial Statements For the Year Ended June 30, 2020

### Deferred Inflows of Resources

Differences between expected and actual experience	\$	-	\$	1,287	\$	48,497	\$	49,784
Changes of assumptions		-		-		18,196		18,196
Changes in proportion and differences between County contributions and proportionate share of contributions		57,193		-		-		57,193

### **Other Postemployment Benefits**

#### **Healthcare Benefits**

**Plan Description.** Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB plan). The HCB plan provides post-employment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employee's Retirement System (System) and have thirty or more years of service, with a minimum of twenty years of service with the County, or early retirement at age sixty with twenty years of service with the County. The County will pay the total cost of continued health insurance for the retiring employee up to the time the employee becomes eligible for Medicare, at which time the County will pay the premiums on or after July 1, 2013 and forward, the County will pay 50% of the total cost of continued individual health insurance up to a maximum of \$350.00 monthly for the retiring employee until such time as the employee become eligible for Medicare. The County will not pay for a Medicare supplemental policy. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the HCB plan.

Membership of the HCB Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

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

#### **Total OPEB Liability**

The County's total OPEB liability of \$19,825,186 was measured as of June 30, 2019 and was determined by an actuarial valuation of that date.

**Actuarial assumptions and other inputs.** The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5-7.75 percent, average, including inflation
Discount Rate	3.50 percent
Healthcare cost trend rates	Pre-Medicare - 7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
	Medicare - 5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

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

**Changes in the Total OPEB Liability**

<b>Balance at July 1, 2019</b>	\$ 17,854,625
<b>Changes for the year</b>	
Service cost	385,258
Interest	686,390
Changes of benefit terms	-
Differences between expected and actual experience	33,130
Changes in assumptions or other inputs	1,289,091
Benefit payments	<u>(423,308)</u>
<b>Net Changes</b>	<u>1,970,561</u>
<b>Balance at June 30, 2019</b>	<u><u>\$ 19,825,186</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) and 1-percentage-point higher (4.50 percent) than the current discount rate.

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB liability	\$ 23,773,692	\$ 19,825,186	\$ 16,750,505

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 16,427,020	\$ 19,825,186	\$ 24,257,268

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$598,367. At June 30, 2020 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	\$ 62,774	\$ 827,054
Net difference between projected and actual earnings on pension plan	-	-
Changes in proportion and differences between employer	-	-
Changes of assumptions	-	958,463
Benefit payments and administrative costs made subsequent to the measurement date	461,970	-
Total	<u>\$ 524,744</u>	<u>\$ 1,785,517</u>

\$461,970 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2021	\$ (403,581)
2022	(403,581)
2023	(403,581)
2024	(403,581)
2025	(289,152)
Thereafter	180,733

**Other Employment Benefits**

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

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

**Deferred Outflows and Inflows of Resources**

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

<u>Source</u>	<u>Amount</u>
Contributions to pension plans in current fiscal year	\$ 1,075,118
LEOSSA	5,948
OPEB contributions	461,970
Pension deferrals	1,778,783
OPEB deferrals	62,774
Total	<u>\$ 3,384,593</u>

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

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 58,480
LEOSSA	66,693
OPEB deferrals	1,785,517
Taxes receivables, net	2,067,123
Prepaid Taxes	362,485
Ambulance fees receivables, net	2,137,695
Total	<u>\$ 6,477,993</u>

**Risk Management**

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

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

The County does not carry flood insurance through the NFIP.

In accordance with G.S. 159-29, the County's employees that access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance is bonded for \$450,000. The Tax Collector 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, 2020, the County was not named in any lawsuits.

Northampton County, North Carolina

Notes to the Financial Statements  
For the Year Ended June 30, 2020

Long-Term Obligations

Installment Notes Payable

Governmental Activities

Governmental Funds:

\$ 1,475,430 USDA Rural Development direct borrowing loan issued March 2002; due in equal annual installments of \$94,573, including interest at 4.75%; final payment due March 2032; secured by equipment. In the event of default the lender may declare all or any part of any such indebtedness immediately due and payable. \$ 844,581

\$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. 74,046

\$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. 1,521,595

\$6,966,000 USDA direct borrowing loan issued April 2014; due in thirty (30) annual installments of \$402,914; including interest of 4.00%; final payment due April 2044; secured by facility. In the event of default the lender may a) declare the entire balance immediately due and payable, b) proceed by appropriate court action to enforce performance by the County on any or all covenants, c) exercise all the rights and remedies of a secured party or creditor with respect to the security interest granted and d) terminate the contract. 6,141,694

\$504,504 direct borrowing note issued November 2, 2017; due in three (3) annual principal payments of \$168,168 plus interest of 2.49%, with final payment due November 2, 2020; secured by vehicles. In the event of default the lender may a) declare the entire balance immediately due and payable, b) proceed by appropriate court action to enforce performance by the County on any or all covenants, c) exercise all the rights and remedies of a secured party or creditor with respect to the security interest granted, d) terminate the contract and e) take possession of any proceeds of the Equipment, including net proceeds. 168,168

\$200,000 direct borrowing note issued September 16, 2019; due in quarterly payments of \$25,000 with no interest. Final payment is due in September 2021; 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. 150,000

\$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 47,065

Total Governmental funds \$ 8,947,149

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

**Business-Type Activities  
Proprietary Funds:**

\$48,082 direct borrowing note issued November 2, 2017; due in three (3) annual principal payments of \$16,027 plus interest of 2.49%, with final payment due November 2, 2020; secured by vehicles. In the event of default the lender may a) declare the entire balance immediately due and payable, b) proceed by appropriate court action to enforce performance by the County on any or all covenants, c) exercise all the rights and remedies of a secured party or creditor with respect to the security interest granted, d) terminate the contract and e) take possession of any proceeds of the Equipment, including net proceeds.

\$ 16,027

Total proprietary funds

\$ 16,027

Total all funds

\$ 8,963,176

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
2021	\$ 525,880	\$ 356,702	\$ 16,027	\$ 400
2022	318,023	342,191	-	-
2023	278,768	331,446	-	-
2024	289,967	320,248	-	-
2025	289,871	308,577	-	-
2026-2030	1,642,394	1,349,846	-	-
2031-2035	1,691,488	988,781	-	-
2036-2040	1,831,365	646,435	-	-
2041-2045	1,823,346	247,640	-	-
2046-2050	256,047	21,388	-	-
Total	<u>\$ 8,947,149</u>	<u>\$ 4,913,254</u>	<u>\$ 16,027</u>	<u>\$ 400</u>

**General Obligation Indebtedness**

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith credit and taxing power of the County. The County has \$3,021,000 of debt outstanding for the acquisition and construction of public school and community college facilities.

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

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

The County's general obligation bonds payable at June 30, 2020 are comprised of the following individual issues:

**General Obligation Bonds:**

**Serviced by the General Fund:**

\$9,363,000 Refunding Series 2013 Bonds issued August 2013; due in annual installments of \$260,000 to \$1,105,000 through June 1, 2028, interest at 2.75%; with \$4,527,000 serviced by the governmental funds and \$4,836,000 serviced by the Water Sewer Fund	<u>\$ 3,021,000</u>
Total serviced by the General Fund	<u><u>\$ 3,021,000</u></u>

**General Obligation Bonds:**

**Serviced by the Garysburg Water and Sewer**

\$492,000 2000 Sanitary Sewer Bond issued March 2000; due in annual installments of \$5,500 to \$22,000 through June 1, 2039; interest at 5.00%.	<u>\$ 343,000</u>
Total serviced by Garysburg Water and Sewer Fund	<u>\$ 343,000</u>

**Serviced by the Water and Sewer Fund:**

\$2,870,000 2003 Water Bond issued September 2003; due in annual installments of \$32,000 to \$107,000 through June 1, 2043; interest at 4.25%	\$ 2,214,000
\$4,835,000 Refunding Series 2005 Water Bonds issued May 2005; due in annual installments of \$105,000 to \$290,000 through June 1, 2030; interest at 3.50%to 4.00%.	570,000
\$9,363,000 Refunding Series 2013 Bonds issued August 2013; due in annual installments of \$260,000 or \$1,105,000 through June 1, 2028, interest at 2.75%; with \$4,527,000 serviced by governmental funds and \$4,836,000 serviced by the Water and Sewer Fund.	2,368,000
\$4,876,000 2014 Water Bonds issued February 2014; due in annual installments of \$55,000 or \$142,000 through June 1, 2053; interest at 4.375%	<u>2,943,000</u>
Total serviced by Water and Sewer Fund	<u>\$ 8,095,000</u>
Total serviced by the Proprietary Funds	<u><u>\$ 8,438,000</u></u>

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

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
2021	\$ 584,000	\$ 83,078	\$ 599,500	\$ 415,628
2022	577,000	67,017	419,000	396,289
2023	570,000	51,150	425,500	380,336
2024	562,000	51,150	439,000	363,156
2025	550,000	20,020	462,000	348,729
2026-2030	178,000	4,895	2,001,000	1,514,464
2031-2035	-	-	1,454,000	1,114,306
2036-2040	-	-	1,391,000	844,756
2041-2045	-	-	1,247,000	707,065
Total	<u>\$ 3,021,000</u>	<u>\$ 277,310</u>	<u>\$ 8,438,000</u>	<u>\$ 6,084,729</u>

At June 30, 2020, the County had a legal debt margin of approximately \$159,941,216.

**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, 2020:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 3,636,000	\$ -	\$ 615,000	\$ 3,021,000	\$ 584,000
Direct Borrowing Installment Note	9,277,494	258,831	589,176	8,947,149	525,880
Compensated Absences	777,046	103,394	-	880,440	-
Total Pension Liability (LEOSSA)	409,801	50,563	-	460,364	-
Net pension liability (LGRS)	3,958,888	607,563	-	4,566,451	-
Total OPEB liability	16,978,672	1,873,885	-	18,852,557	-
Total governmental activities	<u>\$ 35,037,901</u>	<u>\$ 2,894,236</u>	<u>\$ 1,204,176</u>	<u>\$ 36,727,961</u>	<u>\$ 1,109,880</u>
<b>Business-type Activities:</b>					
<b>Water and Sewer Activity:</b>					
General Obligation Bonds	\$ 10,336,000	\$ -	\$ 605,000	\$ 9,731,000	\$ 588,000
Direct Borrowing Installment note	32,055	-	16,028	16,027	16,027
Net pension liability (LGRS)	98,972	15,189	-	114,161	-
Compensated Absences	19,514	4,521	-	24,035	-
Total OPEB liability	623,453	68,808	-	692,261	-
Total Water and Sewer Activity	<u>11,109,994</u>	<u>73,329</u>	<u>621,028</u>	<u>10,577,484</u>	<u>604,027</u>



**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

<b>Garysburg Water and Sewer Activity:</b>	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
General Obligation Bonds	354,000	-	11,000	343,000	11,500
Net pension liability (LGERS)	24,743	3,797	-	28,540	-
Compensated Absences	1,186	489	-	1,675	-
Total OPEB liability	109,249	12,057	-	121,306	-
Total Garysburg Water and Sewer Activity	489,178	12,546	11,000	494,521	11,500
<b>Solid Waste Activity:</b>					
Net pension liability (LGERS)	41,238	6,329	-	47,567	-
Compensated Absences	2,781	1,893	-	4,674	-
Total OPEB liability	143,251	15,811	-	159,062	-
Total Solid Waste Activity	187,270	24,033	-	211,303	-
Total Business-type activities	<u>\$ 11,786,442</u>	<u>\$ 109,908</u>	<u>\$ 632,028</u>	<u>\$ 11,283,308</u>	<u>\$ 615,527</u>

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

**Net Investments in Capital Assets**

The total net investment in capital assets at June 30, 2020 is composed of the following elements:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital Assets	\$ 17,556,842	\$ 21,275,750
Long-term obligations	36,727,961	11,283,310
Compensated Absences	(880,440)	(30,384)
Net pension obligation	(460,364)	-
Net pension liability	(4,566,451)	(190,268)
Total OPEB liability	(18,852,557)	(972,629)
Long-term debt for assets not owned by the County	(3,021,000)	-
Long-term debt, net, related to capital assets	8,947,149	10,090,029
Net investments in capital assets	<u>\$ 8,609,693</u>	<u>\$ 11,185,721</u>

**Interfund Balance and Activities**

**Transfers**

From the General Fund to the Debt Service Fund to cover debt service payments.

	<u>\$ 1,224,372</u>
<b>Total Transfers</b>	<u><u>\$ 1,274,372</u></u>

**Northampton County, North Carolina**

**Notes to the Financial Statements  
For the Year Ended June 30, 2020**

**Due from/to other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Fire District Fund	\$ 21,483	To cover temporary bank overdrafts
General Fund	Severn Peanut Capital Project Fund	23,618	To cover temporary bank overdrafts
General Fund	Courthouse/Admin/DSS Renovations	1,120	To cover temporary bank overdrafts
General Fund	Debt Service Fund	86,801	To cover temporary bank overdrafts
General Fund	Solid Waste Fund	34,197	To cover temporary bank overdrafts
Water and Sewer Fund	Solid Waste Fund	<u>31,230</u>	To cover temporary bank overdrafts
Total		<u>\$ 198,449</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, 2020. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$81,614 to the Organization to supplement its activities. Complete financial statements for the Organization can be obtained from the Organization's office at 144 Community College Road, Ahoskie, North Carolina 27910.

The County also participates in a joint venture to operate the Albemarle Regional Library (the "Library"), which serves a four-county district. The County appoints three members to the ten-member district Library Board. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2020. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$156,430 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's office on 303 West Tryon Street, Winton, North Carolina 27986.

## **Northampton County, North Carolina**

### **Notes to the Financial Statements For the Year Ended June 30, 2020**

The County, in conjunction with the Counties of Bertie, Hertford, and Halifax, participates in a joint venture to operate the Choanoke Public Transportation Authority (the "Transportation Authority"). The County appoints three members to the Transportation Authority Board. The Transportation Authority is a joint venture established to aid citizens of the County that do not have other means of transportation. The County has an ongoing financial responsibility for the Transportation Authority because it and the other three governmental entities are legally obligated under the intergovernmental agreement that created the Transportation Authority to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County made \$2,500 in contributions to the Transportation Authority during the fiscal year ended June 30, 2020. 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, 2020. 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, 2020. The County appropriated \$25,000 to the Regional Airport Authority to supplement its activities.

#### **6. Joint Governed Organization**

The County, in conjunction with five other counties, established the Regional L Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$9,659 to the Council during the fiscal year ended June 30, 2020.

#### **7. Summary Disclosure of Significant Commitments and Contingencies**

##### **Federal State-Assisted Program**

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

#### **8. Separation of Garysburg Water & Sewer District from the Water & Sewer Operating Fund**

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

#### **10. Prior Period Adjustment**

A prior period adjustment was recorded in the General Fund to reconcile the accounts payable listing in the amount of \$229,952. An entry from the prior year was posted incorrectly.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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~ 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 Seven Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's proportionate share of the net pension (asset) liability (%)	0.17418%	0.17383%	0.18169%	0.18416%	0.18460%	0.19200%	0.14000%
Northampton County's proportionate share of the net pension (asset) liability (\$)	\$ 4,756,720	\$ 4,123,842	\$ 2,775,720	\$ 3,908,492	\$ 828,608	\$ (1,132,903)	\$ 2,226,344
Northampton County's covered payroll	\$ 11,971,960	\$ 11,706,739	\$ 11,977,708	\$ 11,455,286	\$ 11,415,786	\$ 11,288,695	\$ 10,278,792
Northampton County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.73%	35.23%	23.17%	34.12%	7.26%	-10.04%	21.66%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

	<b>Local Government Employees' Retirement System</b>						
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Contractually required contribution	\$ 1,073,893	\$ 946,670	\$ 896,046	\$ 890,761	\$ 780,212	\$ 810,171	\$ 797,232
Contributions in relation to the contractually required contribution	1,073,893	946,670	896,046	890,761	780,212	810,171	797,232
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 11,782,926	\$ 11,971,960	\$ 11,706,739	\$ 11,977,708	\$ 11,455,286	\$ 11,415,786	\$ 11,288,695
Contributions as a percentage of covered payroll	9.11%	7.91%	7.65%	7.44%	6.81%	7.10%	7.06%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's proportionate share of the net pension (asset) liability (%)	0.13519%	0.14217%	0.15913%	0.17821%	0.17045%	0.16571%	0.15807%
Northampton County's proportionate share of the net pension (asset) liability (\$)	\$ (26,689)	\$ (23,548)	\$ (27,162)	\$ (33,318)	\$ (39,500)	\$ (37,572)	\$ (33,764)
Plan fiduciary net position as a percentage of the total pension liability	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

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



**Northampton County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2020**

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	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 409,801	\$ 371,520	\$ 399,443	\$ 377,621
Service Cost	33,594	34,313	29,751	33,873
Interest on the total pension liability	14,710	11,569	15,210	13,254
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(2,392)	22,762	(95,640)	-
Changes of assumptions or other inputs	16,007	(19,548)	33,571	(12,588)
Benefit payments	(11,356)	(10,815)	(10,815)	(12,717)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 460,364</u>	<u>\$ 409,801</u>	<u>\$ 371,520</u>	<u>\$ 399,443</u>

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

**Northampton County, North Carolina**  
**Schedule of Changes in Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2020**

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	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 460,364	\$ 409,801	\$ 371,520	\$ 399,443
Covered payroll	\$ 1,542,516	\$ 1,389,796	\$ 1,276,077	\$ 1,142,943
Total pension liability as a percentage of covered payroll	29.85%	29.49%	29.11%	34.95%

Notes to the schedules:

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

**Northampton County, North Carolina**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 385,258	\$ 562,847	\$ 647,941
Interest	686,390	677,618	608,828
Changes of benefit terms	-	-	-
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)
<b>Net change in total OPEB liability</b>	<u>1,970,561</u>	<u>(1,368,943)</u>	<u>(1,172,453)</u>
<b>Total OPEB liability - beginning</b>	<u>17,854,625</u>	<u>19,223,568</u>	<u>20,396,021</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 19,825,186</u></u>	<u><u>\$ 17,854,625</u></u>	<u><u>\$ 19,223,568</u></u>
 <b>Covered payroll</b>	 \$ 10,972,849	 \$ 10,972,849	 \$ 11,358,156
<b>Total OPEB liability as a percentage of covered payroll</b>	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%

## GENERAL FUND

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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.

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**Northampton County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Actual Consolidated**  
**For the Year Ended June 30, 2020**

	2020			
	General Fund	Revaluation Fund	Revolving Loan Fund	Total
<b>Revenues</b>				
Ad Valorem Taxes	\$ 19,604,127	\$ -	\$ -	\$ 19,604,127
Other Taxes and licenses	3,154,452	-	-	3,154,452
Unrestricted intergovernmental	62,808	-	-	62,808
Restricted intergovernmental	7,055,452	-	-	7,055,452
Permits and fees	191,208	-	-	191,208
Sales and services	2,383,093	-	-	2,383,093
Investment earnings	196,233	802	113	197,148
Special project revenue	34,353	-	-	34,353
Miscellaneous	339,729	-	2,960	342,689
Total Revenues	<u>33,021,455</u>	<u>802</u>	<u>3,073</u>	<u>33,025,330</u>
<b>Expenditures</b>				
Current:				
General Government	4,610,869	-	-	4,610,869
Public Safety	9,889,487	-	-	9,889,487
Transportation	47,500	-	-	47,500
Environmental protection	121,000	-	-	121,000
Economic and physical development	1,096,706	-	-	1,096,706
Human Services	9,664,549	-	-	9,664,549
Cultural and recreational	447,811	-	-	447,811
Education	4,133,119	-	-	4,133,119
Debt Service:				
Principal	353,122	-	-	353,122
Interest	11,628	-	-	11,628
Total Expenditures	<u>30,375,791</u>	<u>-</u>	<u>-</u>	<u>30,375,791</u>
Revenues over (under) expenditures	<u>2,645,664</u>	<u>802</u>	<u>3,073</u>	<u>2,649,539</u>
<b>Other financing Sources (uses)</b>				
Transfers (to) from funds	(1,224,372)	-	-	(1,224,372)
Intrafund transfers	(50,000)	50,000	-	-
Loan Proceeds	258,831	-	-	258,831
Total other financing sources (uses)	<u>(1,015,541)</u>	<u>50,000</u>	<u>-</u>	<u>(965,541)</u>
Net change in fund balances	1,630,123	50,802	3,073	1,683,998
<b>Fund Balance</b>				
Beginning of year- July 1	<u>17,104,800</u>	<u>455,649</u>	<u>320,224</u>	<u>17,880,673</u>
Prior Period Adjustment (see Note 10)	<u>(229,952)</u>	<u>-</u>	<u>-</u>	<u>(229,952)</u>
End of year- June 30	<u>\$ 18,504,971</u>	<u>\$ 506,451</u>	<u>\$ 323,297</u>	<u>\$ 19,334,719</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, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Ad valorem Taxes				
Taxes	\$ 18,737,067	\$ 19,395,120	\$ 658,053	\$ 18,719,992
Penalties and interest	141,000	209,007	68,007	220,930
Total	<u>18,878,067</u>	<u>19,604,127</u>	<u>726,060</u>	<u>18,940,922</u>
Other Taxes and Licenses				
Privilege License	600	1,270	670	1,250
Local option sales tax	2,650,085	3,069,954	419,869	3,127,487
Excise tax	128,200	74,486	(53,714)	63,031
Hold harmless	2,400	3,186	786	2,587
Utility franchise tax	5,000	5,556	556	5,865
Total	<u>2,786,285</u>	<u>3,154,452</u>	<u>368,167</u>	<u>3,200,220</u>
Unrestricted Intergovernmental Revenues				
Beer and wine	62,000	62,808	808	84,510
Food Stamp tax reimbursements	2,200	-	(2,200)	5,910
Indirect costs	-	-	-	-
Total	<u>64,200</u>	<u>62,808</u>	<u>(1,392)</u>	<u>90,420</u>
Restricted Intergovernmental Revenues				
Federal and state grants	9,378,467	6,874,362	(2,504,105)	8,669,883
Lottery Fund	-	-	-	-
Court facilities fees	20,000	17,175	(2,825)	19,577
Fines and forfeitures	45,000	158,716	113,716	52,123
ABC bottles taxes	3,770	5,199	1,429	4,569
Total	<u>9,447,237</u>	<u>7,055,452</u>	<u>(2,391,785)</u>	<u>8,746,152</u>
Permits and Fees				
Building permits	118,500	112,062	(6,438)	158,373
Register of Deeds	70,000	73,890	3,890	77,876
Other fees	32,100	5,256	(26,844)	24,888
Total	<u>220,600</u>	<u>191,208</u>	<u>(29,392)</u>	<u>261,137</u>
Sales and Services				
Court costs and fees	12,000	11,885	(115)	16,513
Jail fees	1,400	3,621	2,221	2,500
Ambulance and rescue squad fees	1,140,000	803,579	(336,421)	1,182,686
Sheriff fees	40,098	126,382	86,284	71,987
Health department fees	921,200	819,943	(101,257)	959,655
Inmate housing fees	170,000	158,397	(11,603)	223,979
Wellness Center fees	8,500	6,150	(2,350)	8,578
Other	547,412	453,136	(94,276)	529,945
Total	<u>2,840,610</u>	<u>2,383,093</u>	<u>(457,517)</u>	<u>2,995,843</u>
Interest on investments	31,000	196,233	165,233	292,094

(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, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Special Project Revenue				
Fees and Reimbursements	-	34,353	34,353	21,900
Total	-	34,353	34,353	21,900
Miscellaneous				
Reimbursements	-	51,817	51,817	-
Miscellaneous DSS	169,545	179,338	9,793	167,811
Other	116,350	108,574	(7,776)	113,364
Total	285,895	339,729	53,834	281,175
<b>Total Revenues</b>	<b>34,553,894</b>	<b>33,021,455</b>	<b>(1,532,439)</b>	<b>34,829,863</b>
<b>Expenditures</b>				
<b>General Government:</b>				
Governing Body				
Salaries and employee benefits	53,842	54,880	(1,038)	55,023
Other operating expenditures	51,740	42,475	9,265	58,277
Total	105,582	97,355	8,227	113,300
Administration				
Salaries and employee benefits	213,067	234,042	(20,975)	249,074
Other operating expenditures	31,296	17,643	13,653	13,263
Capital Outlay	166,200	326,043	(159,843)	-
Total	410,563	577,728	(167,165)	262,337
Human Resources				
Salaries and employee benefits	133,182	129,831	3,351	161,230
Other operating expenditures	23,160	29,060	(5,900)	25,276
Total	156,342	158,891	(2,549)	186,506
Finance				
Salaries and employee benefits	441,535	364,394	77,141	390,516
Other operating expenditures	250,440	275,737	(25,297)	360,540
Total	691,975	640,131	51,844	751,056
Hospitalization- Retirees				
Other operating expenditures	357,373	461,970	(104,597)	353,608
Total	357,373	461,970	(104,597)	353,608
Taxes				
Salaries and employee benefits	520,339	397,831	122,508	521,710
Other operating expenditures	144,819	100,005	44,814	265,044
Capital Outlay	6,000	-	6,000	6,229
Total	671,158	497,836	173,322	792,983

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**Northampton County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Land Records				
Salaries and employee benefits	189,805	190,056	(251)	179,267
Other operating expenditures	14,650	12,978	1,672	11,841
Total	204,455	203,034	1,421	191,108
Legal				
Other operating expenditures	100,375	137,570	(37,195)	132,763
Total	100,375	137,570	(37,195)	132,763
Court Facilities				
Other operating expenditures	30,101	2,600	27,501	14,166
Total	30,101	2,600	27,501	14,166
Elections				
Salaries and employee benefits	136,988	130,681	6,307	120,800
Other operating expenditures	96,230	71,738	24,492	55,540
Total	233,218	202,419	30,799	176,340
Register of Deeds				
Salaries	150,239	142,195	8,044	132,052
Other operating expenditures	126,296	42,410	83,886	53,063
Total	276,535	184,605	91,930	185,115
Public Buildings				
Salaries and employee benefits	370,823	370,521	302	352,831
Other operating expenditures	613,346	400,774	212,572	408,408
Capital Outlay	293,275	274,439	18,836	287,039
Total	1,277,444	1,045,734	231,710	1,048,278
Management Information Systems				
Salaries and employee benefits	66,665	66,511	154	63,202
Other operating expenditures	246,025	240,500	5,525	169,805
Total	312,690	307,011	5,679	233,007
Central Garage				
Salaries and employee benefits	56,289	55,831	458	39,840
Other Operating expenditures	33,743	33,561	182	20,284
Capital Outlay	12,000	482	11,518	-
Total	102,032	89,874	11,700	60,124
Central Stores				
Other operating expenditures	10,000	4,111	5,889	3,617
Total	10,000	4,111	5,889	3,617
<b>Total General Government</b>	<b>4,939,843</b>	<b>4,610,869</b>	<b>328,516</b>	<b>4,504,308</b>

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**Northampton County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Public safety:</b>				
Sheriff				
Salaries	2,527,517	2,271,226	256,291	2,030,926
Other operating expenditures	407,689	312,008	95,681	325,775
Capital Outlay	183,088	66,331	116,757	66,305
Total	3,118,294	2,649,565	468,729	2,423,006
Sheriff- School Rescue Officer				
Salaries	242,712	162,105	80,607	177,047
Other operating expenditures	13,400	10,802	2,598	6,738
Total	256,112	172,907	83,205	183,785
Sheriff-Execution Account				
Other operating expenditures	13,000	29,669	(16,669)	4,888
Total	13,000	29,669	(16,669)	4,888
Criminal Justice Partnership Program				
Salaries	215,209	33,372	181,837	187,895
Other operating expenditures	96,330	3,859	92,471	53,557
Capital Outlay	-	-	-	19,902
Total	311,539	37,231	274,308	261,354
Jail				
Salaries and employee benefits	1,064,895	1,039,582	25,313	986,938
Other operating expenditures	488,775	559,862	(71,087)	560,194
Total	1,553,670	1,599,444	(45,774)	1,547,132
Youth Detention				
Other operating expenditures	50,000	70,516	(20,516)	48,800
Total	50,000	70,516	(20,516)	48,800
Emergency Communications				
Salaries and employee benefits	907,918	937,159	(29,241)	863,601
Other operating expenditures	57,520	50,380	7,140	55,221
Total	965,438	987,539	(22,101)	918,822
Emergency Management				
Salaries	117,344	117,108	236	110,910
Other operating expenditures	9,582	9,582	-	34,972
Capital Outlay	31,325	26,593	4,732	37,044
Total	158,251	153,283	4,968	182,926
Fire				
Assistance to local departments	17,500	17,500	-	14,500
Contribution to N.C. Forestry	105,498	98,769	6,729	90,407
Total	122,998	116,269	6,729	104,907

(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, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Building Inspections</b>				
Salaries and employee benefit	111,409	103,215	8,194	110,684
Other operating expenditures	61,475	56,688	4,787	32,170
Capital Outlay	-	-	-	-
<b>Total</b>	<b>172,884</b>	<b>159,903</b>	<b>12,981</b>	<b>142,854</b>
<b>Medical examiner</b>				
Contracted services	35,000	7,050	27,950	35,940
<b>Total</b>	<b>35,000</b>	<b>7,050</b>	<b>27,950</b>	<b>35,940</b>
<b>Ambulance Service</b>				
Salaries and employee benefits	3,028,561	3,170,382	(141,821)	3,080,332
Other operating expenditures	726,906	657,091	69,815	374,007
Assistance to local rescue units	27,000	20,000	7,000	30,000
Capital Outlay	-	-	-	-
<b>Total</b>	<b>3,782,467</b>	<b>3,847,473</b>	<b>(65,006)</b>	<b>3,484,339</b>
<b>Animal Control</b>				
Salaries and employee benefits	53,378	55,906	(2,528)	58,727
Other operating expenditures	8,077	2,732	5,345	5,532
Capital Outlay	-	-	-	-
<b>Total</b>	<b>61,455</b>	<b>58,638</b>	<b>2,817</b>	<b>64,259</b>
<b>Total Public Safety</b>	<b>10,601,108</b>	<b>9,889,487</b>	<b>711,621</b>	<b>9,403,012</b>
<b>Transportation</b>				
Contribution to Tri-County Airport	47,500	47,500	-	47,500
<b>Total Transportation</b>	<b>47,500</b>	<b>47,500</b>	<b>-</b>	<b>47,500</b>
<b>Environmental Protection</b>				
Contribution to Lake Gaston weed control	117,000	117,000	-	1,000
Drainage and watershed protection	4,000	4,000	-	4,000
<b>Total Environmental Protection</b>	<b>121,000</b>	<b>121,000</b>	<b>-</b>	<b>5,000</b>

**Northampton County, North Carolina**  
**General Fund**  
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**For the Year Ended June 30, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Economic and Physical Development:</b>				
Planning and zoning				
Salaries and employee benefits	151,510	146,899	4,611	138,914
Other operating expenditures	22,580	8,894	13,686	4,365
Total	174,090	155,793	18,297	143,279
Economic Development				
Salaries and employee benefits	197,753	199,536	(1,783)	177,380
Other operating expenditures	262,275	332,173	(69,898)	218,433
COG membership dues	9,605	9,659	(54)	9,605
Contribution to Chamber of Commerce	16,152	16,152	-	17,519
Contribution to CADA	2,500	2,500	-	2,500
Miscellaneous contributions	500	-	500	-
Total	488,785	560,020	(71,235)	425,437
Economic Development Pass-Through Grants				
Other operating expenditures	40,000	22,250	17,750	-
Total	40,000	22,250	17,750	-
Cooperative Extension				
Salaries and employee benefits	274,488	259,668	14,820	227,846
Other operating expenditures	34,629	19,227	15,402	19,389
Total	309,117	278,895	65,722	247,235
YESS Mini-Society Grant				
Other operating expenditures	892	671	221	96
Total	892	671	221	96
Soil and Water Conservation				
Salaries and employee benefits	104,543	74,026	30,517	99,368
Other operating expenditures	7,765	3,397	4,368	4,006
Total	112,308	77,423	34,885	103,374
AgCarolina FC Grant				
Other operating expenditures	2,434	-	2,434	1,395
Total	2,434	-	2,434	1,395
Families First				
Other operating expenditures	28,578	1,654	26,924	-
Total	28,578	1,654	26,924	-
<b>Total Economic and Physical Development</b>	<b>1,156,204</b>	<b>1,096,706</b>	<b>94,998</b>	<b>920,816</b>

**Northampton County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Human services:</b>				
Health				
Salaries and employee benefits	554,991	547,693	7,298	524,363
Other operating expenditures	277,529	145,628	131,901	183,727
Total	832,520	693,321	139,199	708,090
Communicable Disease				
Salaries and employee benefits	19,049	16,601	2,448	17,602
Other operating expenditures	975	104	871	127
Total	20,024	16,705	3,319	17,729
Kate B. Reynolds Grant				
Salaries and employee benefits	94,524	70,695	23,829	83,369
Other operating expenditures	29,691	15,237	14,454	6,264
Capital Outlay	3,722	3,479	243	1,472
Total	127,937	89,411	38,526	91,105
Healthy Start Initiative				
Other operating expenditures	35,088	8,448	26,640	42,444
Total	35,088	8,448	26,640	42,444
Immunization Program				
Salaries and employee benefits	7,291	7,286	5	-
Other operating expenditures	1,910	818	1,092	3,504
Total	9,201	8,104	1,097	3,504
Restaurant Heart Health				
Operating expenditures	1,123	100	1,023	388
Total	1,123	100	1,023	388
Tuberculosis Program				
Salaries and employee benefits	30,358	26,809	3,549	25,071
Other operating expenditures	7,900	5,333	2,567	6,846
Total	38,258	32,142	6,116	31,917
Health-Jail Site Testing				
Salaries and employee benefits	58,371	58,251	120	55,185
Other operating expenditures	2,046	1,486	560	2,166
Total	60,417	59,737	680	57,351
Pregnancy Care Management				
Salaries and employee benefits	60,821	61,266	(445)	62,733
Other operating expenditures	3,000	3,000	-	2,962
Total	63,821	64,266	(445)	65,695

(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, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Nurse Family Partnership				
Salaries and employees benefits	413,654	176,220	237,434	303,482
Other operating expenditures	132,841	49,835	83,006	165,098
Total	546,495	226,055	320,440	468,580
School Nurse Program				
Salaries and employees benefits	154,055	150,000	4,055	150,000
Total	154,055	150,000	4,055	150,000
Healthy Communities				
Salaries and employees benefits	40,676	40,613	63	35,421
Other operating expenditures	904	577	327	3,742
Total	41,580	41,190	390	39,163
Health- STD Prevention				
Other operating expenditures	100	-	100	-
Total	100	-	100	-
Breast and Cervical Cancer				
Other operating expenditures	561	561	-	93
Total	561	561	-	93
Home Health				
Salaries and employee benefit	621,726	535,618	86,108	562,326
Other operating expenditures	425,121	278,777	146,344	299,389
Total	1,046,847	814,395	232,452	861,715
Child Health				
Salaries and employee benefit	51,884	47,707	4,177	56,397
Other operating expenditures	18,046	15,602	2,444	16,778
Capital outlay	586	575	11	1,571
Total	70,516	63,884	6,621	74,746
Child Service Coordination				
Salaries and employee benefit	44,739	44,192	547	45,837
Other operating expenditures	3,555	1,758	1,797	3,276
Total	48,294	45,950	2,344	49,113
Maternal Child Health				
Salaries and employee benefit	51,550	39,885	11,665	47,583
Other operating expenditures	17,199	13,023	4,176	17,246
Total	68,749	52,908	15,841	77,925
Family Planning				
Salaries and employee benefit	178,924	168,955	9,969	159,470
Other operating expenditures	39,045	18,428	20,617	48,819
Total	217,969	187,383	30,586	208,289

(continued)

**Northampton County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
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**For the Year Ended June 30, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Health Promotions- Clinical (adult)				
Salaries and employee benefit	27,254	27,251	3	18,383
Other operating expenditures	1,136	729	407	3,007
Total	28,390	27,980	410	21,390
Health-Head Start				
Salaries and employee benefit	35,862	35,588	274	33,969
Other operating expenditures	2,137	1,458	679	1,813
Total	37,999	37,046	953	35,782
Woman, Infants, and Children				
Salaries and employee benefit	93,356	94,053	(697)	113,949
Other operating expenditures	11,032	9,364	1,668	7,194
Capital outlay	12,172	11,817	355	-
Total	116,560	115,234	1,326	121,143
Peer Counseling				
Salaries and employee benefit	8,040	7,457	583	8,157
Other operating expenditures	1,600	1,105	495	771
Total	9,640	8,562	1,078	8,928
Bio-Terrorism Grant				
Salaries and employee benefit	25,376	25,268	108	20,944
Other operating expenditures	9,060	7,029	2,031	8,211
Total	34,436	32,297	2,139	29,155
Environmental Health				
Salaries and employee benefit	193,000	137,694	55,306	124,466
Other operating expenditures	16,056	12,995	3,061	10,394
Capital outlay	-	-	-	-
Total	209,056	150,689	58,367	134,860
Elderly and Handicapped				
Other operating expenditures	131,922	45,390	86,532	100,221
Total	131,922	45,390	86,532	100,221
Home Delivered Meals				
Salaries and employee benefit	20,505	17,467	3,038	16,585
Other operating expenditures	74,169	70,966	3,203	71,356
Total	94,674	88,433	6,241	87,941
Home and Community Care Block Grant				
Other operating expenditures	111,153	97,036	14,117	123,385
Total	111,153	97,036	14,117	123,385

(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, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>AIDS Control</b>				
Salaries and employee benefit	12,165	10,582	1,583	7,407
Other operating expenditures	4,087	2,180	1,907	2,814
Total	16,252	12,762	3,490	11,486
<b>NFP Nash</b>				
Salaries and employee benefits	102,752	61,105	41,647	73,121
Other operating expenditures	25,670	2,329	23,341	14,442
Capital outlay	100	-	100	-
Total	128,522	63,434	65,088	87,563
<b>COVID-19</b>				
Other operating expenditures	59,671	290	59,381	-
Total	59,671	290	59,381	-
<b>Total Health</b>	4,361,830	3,233,713	1,128,106	3,709,701
<b>Mental Health</b>				
Contribution to mental health	81,614	81,614	-	81,614
Total	81,614	81,614	-	81,614
<b>Aging</b>				
Salaries and employee benefits	42,302	32,748	9,554	47,799
Other operating expenditures	3,289	938	2,351	2,202
Total	45,591	33,686	11,905	50,001
<b>Veterans Assistance</b>				
Salaries and employee benefits	48,936	18,814	30,122	50,930
Other operating expenditures	10,640	6,370	4,270	3,026
Total	59,576	25,184	34,392	53,956
<b>Community Based Alternatives</b>				
Other operating expenditures	128,407	127,221	1,186	125,758
Total	128,407	127,221	1,186	125,758
<b>Social Services:</b>				
Administration				
Salaries and employee benefits	3,945,806	3,547,417	398,389	3,650,462
Other operating expenditures	3,153,940	1,938,312	1,215,628	3,223,672
Capital outlay	-	-	-	84,002
Total	7,099,746	5,485,729	1,614,017	6,958,136

(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, 2020**

Exhibit B-2  
(continued)

**With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Program Expenditures				
Federal and State Expenditures				
AFDC-FC	58,524	-	58,524	11,301
Crisis fuel	188,756	187,591	1,165	161,714
Board home	27,018	-	27,018	-
Smart Start daycare	-	-	-	-
CAP/DA federal and State expenditures	52,200	20,232	31,968	49,889
Child Daycare	15,215	-	15,215	-
Adoption assistance	-	-	-	-
Special adoption assistance	71,293	3,016	68,277	14,739
Total federal and state expenditures	413,006	210,839	202,167	237,643
County Expenditures				
Foster Care	-	-	-	-
Medicaid	-	-	-	-
Aid to blind	2,087	2,105	(18)	4,688
OAA/AD	346,409	257,727	88,682	305,192
AFDC-FC	11,780	-	11,780	2,333
General assistance	7,500	5,272	2,228	4,263
Board income	27,018	-	27,018	-
Food stamp issuance	9,148	10,858	(1,710)	7,204
IV-E adoption assistance	26,072	21,317	4,755	25,023
Low income energy assistance	267,351	165,000	102,351	203,000
CAP/DA	-	-	-	-
Other	9,228	4,284	4,944	5,855
Total County Expenditures	706,593	466,563	240,030	557,558
<b>Total Social Services</b>	8,219,345	6,163,131	2,056,214	7,753,337
<b>Total Human Services</b>	12,896,363	9,664,549	3,231,803	11,774,367
<b>Cultural and Recreational</b>				
Recreation				
Salaries and employee benefits	244,433	224,473	19,960	211,727
Other operating expenditures	49,430	27,862	21,568	36,706
Capital Outlay	50,000	24,042	25,958	2,645
Total	343,863	276,377	67,486	251,078
Libraries				
Contribution to regional library	156,430	156,430	-	156,430
Total	156,430	156,430	-	156,430
Northampton Cultural Arts				
Cultural	10,004	10,004	-	11,100
Total	10,004	10,004	-	11,100
Museums				
Contribution to museums	5,000	5,000	-	4,000
Total	5,000	5,000	-	4,000
<b>Total Cultural and Recreational</b>	515,297	447,811	67,486	422,608

(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, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

Exhibit B-2  
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Education:</b>				
Public School- current expenses	3,500,000	3,500,000	-	3,500,000
Public School- capital outlay	354,453	347,403	7,050	354,453
Public Schools- Fines and Forfeitures	50,000	158,716	(108,716)	52,123
Community College-current	127,000	127,000	-	290,000
<b>Total Education</b>	<b>4,031,453</b>	<b>4,133,119</b>	<b>(101,666)</b>	<b>4,196,576</b>
<b>Debt service:</b>				
Principal	353,122	353,122	-	123,188
Interest payments	55,458	11,628	43,830	187,309
<b>Total debt service</b>	<b>408,580</b>	<b>364,750</b>	<b>43,830</b>	<b>310,497</b>
<b>Total expenditures</b>	<b>34,717,348</b>	<b>30,375,791</b>	<b>4,376,588</b>	<b>31,584,684</b>
Revenue over (under) expenditures	(163,454)	2,645,664	2,809,118	3,245,179
<b>Other Financing Sources (Uses)</b>				
Transfers to other funds				
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Solid Waste Fund	-	-	-	-
Debt Service Fund	(1,224,372)	(1,224,372)	-	(1,501,511)
Intrafund transfers:				
Revaluation fund	(50,000)	(50,000)	-	-
Revolving loan fund	-	-	-	-
Loan proceeds	-	258,831	258,831	-
Appropriated fund balance	1,472,386	-	(1,472,386)	-
Contingency	(34,560)	-	34,560	-
<b>Total other financing sources (uses)</b>	<b>163,454</b>	<b>(1,015,541)</b>	<b>(1,178,995)</b>	<b>(1,501,511)</b>
Net change in fund balance	<u>\$ -</u>	<u>1,630,123</u>	<u>\$ 1,630,123</u>	<u>1,743,668</u>
Fund balance- July 1		<u>17,104,800</u>		<u>15,312,332</u>
Prior Period Adjustment (see Note 10)		<u>(229,952)</u>		<u>-</u>
Fund balance- June 30		<u><u>\$ 18,504,971</u></u>		<u><u>\$ 17,056,000</u></u>

(continued)  
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**Northampton County, North Carolina**  
**Revaluation Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2020**  
**With Comparative Actual Amounts for Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Interest on investments	\$ -	\$ 802	\$ 802	\$ 1,299
Expenditures:				
General government:				
Other operating expenditures	50,000	-	50,000	-
Revenues over (under) expenditures	(50,000)	802	(49,198)	1,299
<u>Other financing sources</u>				
Transfer in (out)	50,000	50,000	-	-
Net change in fund balance	\$ -	50,802	\$ 50,802	1,299
Fund balance, beginning		455,649		454,350
Fund balance, ending		\$ 506,451		\$ 455,649

**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, 2020**  
**With Comparative Actual Amounts For the Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Interest on Investments	\$ 7,000	\$ 113	\$ (6,887)	\$ 515
Payment - Interest	-	2,960	2,960	503
Payment - Principal	-	21,297	21,297	3,527
Miscellaneous	99,000	-	(99,000)	-
Total Revenues	<u>106,000</u>	<u>24,370</u>	<u>(81,630)</u>	<u>4,545</u>
Expenditures:				
Economic and Physical Development				
Industrial Assistance	<u>300,000</u>	<u>118,000</u>	<u>182,000</u>	<u>225,000</u>
Revenues Over (Under) Expenditures	<u>(194,000)</u>	<u>(93,630)</u>	<u>100,370</u>	<u>(220,455)</u>
Other Financing Sources (Uses):				
Transfer from other funds	900,000	-	(900,000)	-
Transfers to other funds	(1,114,497)	-	1,114,497	-
Appropriated fund balance	<u>408,497</u>	<u>-</u>	<u>(408,497)</u>	<u>-</u>
Total other financing sources (uses)	<u>194,000</u>	<u>-</u>	<u>(194,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(93,630)</u>	<u>\$ (93,630)</u>	<u>(220,455)</u>
Reconciling Items:				
Debt payments are reclassified against accounts receivable balance		(21,297)		(3,527)
Amounts recorded as expenditures are recorded on the balance sheet as a receivable		<u>118,000</u>		<u>225,000</u>
Total Reconciling Items		96,703		221,473
Current year change in fund balance		3,073		1,018
Beginning of year- July 1		<u>320,224</u>		<u>319,206</u>
End of year- June 30		<u>\$ 323,297</u>		<u>\$ 320,224</u>

## NON-MAJOR GOVERNMENTAL FUNDS

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### **Special Revenue Funds**

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

- **Mid-Atlantic Distribution Park Fund**
- **Emergency Telephone (911) Fund**
- **Fire District Fund**
- **Solar Farm Trust Fund**

### **Capital Project Fund**

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

- **Enviva Infrastructure Project Fund**
- **Capital Reserve Fund**
- **Ambulance Capital Reserve Fund**
- **EDC Capital Reserve Fund**
- **Public Schools Building Fund**
- **EDC REEP Project Fund**
- **Severn Peanut Natural Gas Project Fund**
- **Courthouse/Admin/DSS Renovations**

### **Debt Service Fund**

- **Debt Service Fund**

**Northampton County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2020**

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 680,231	\$ 236,267	\$ -	\$ 916,498
Taxes receivable (net)	158,087	-	-	158,087
Accounts receivable (net)	26,067	-	-	26,067
Due from other funds	-	-	-	-
Restricted cash	-	42,894	-	42,894
Total assets	<u>\$ 864,385</u>	<u>\$ 279,161</u>	<u>\$ -</u>	<u>\$ 1,143,546</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued	\$ 32,866	\$ 1,113	\$ -	\$ 33,979
Due to other funds	21,483	24,738	86,801	133,022
Total liabilities	<u>54,349</u>	<u>25,851</u>	<u>86,801</u>	<u>167,001</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Tax receivable	<u>158,087</u>	<u>-</u>	<u>-</u>	<u>158,087</u>
<b>Fund balances:</b>				
<b>Restricted:</b>				
Stabilization by State statute	26,067	-	-	26,067
Restricted, other	291,701	-	-	291,701
<b>Committed:</b>				
Committed, other	-	278,385	-	278,385
Debt service	-	-	-	-
<b>Assigned:</b>				
Assigned, other	365,581	-	-	365,581
Unassigned	(31,400)	(25,075)	(86,801)	(143,276)
Total fund balances	<u>651,949</u>	<u>253,310</u>	<u>(86,801)</u>	<u>818,458</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 864,385</u>	<u>\$ 279,161</u>	<u>\$ -</u>	<u>\$ 1,143,546</u>

**Northampton, North Carolina**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Ad valorem taxes	\$ 777,335	\$ -	\$ -	\$ 777,335
Restricted intergovernmental	-	-	-	-
Sales and services	200,082	-	-	200,082
Investment earnings	816	155	-	971
Miscellaneous	23,500	-	-	23,500
Total revenues	<u>1,001,733</u>	<u>155</u>	<u>-</u>	<u>1,001,888</u>
Expenditures:				
Current:				
Public safety	938,909	-	-	938,909
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Education	-	60,000	-	60,000
Debt Service:				
Principal	-	-	851,054	851,054
Interest	-	-	462,314	462,314
Total expenditures	<u>938,909</u>	<u>60,000</u>	<u>1,313,368</u>	<u>2,312,277</u>
Revenues over (under) expenditures	<u>62,824</u>	<u>(59,845)</u>	<u>(1,313,368)</u>	<u>(1,310,389)</u>
Other financing sources (uses):				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>1,224,372</u>	<u>1,224,372</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,224,372</u>	<u>1,224,372</u>
Net change in fund balance	62,824	(59,845)	(88,996)	(86,017)
Fund balances, beginning	<u>589,125</u>	<u>313,155</u>	<u>2,195</u>	<u>904,475</u>
Fund balances, ending	<u><u>\$ 651,949</u></u>	<u><u>\$ 253,310</u></u>	<u><u>\$ (86,801)</u></u>	<u><u>\$ 818,458</u></u>

**Northampton County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Fund**  
**June 30, 2020**

	Special Revenue Funds				Total
	Mid-Atlantic Distribution Park Fund	Emergency Telephone System Fund	Fire District Fund	Solar Farm Trust Fund	
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 163,875	\$ 314,650	\$ -	\$ 201,706	\$ 680,231
Accounts receivable	-	16,674	9,393	-	26,067
Taxes Receivable	-	-	158,087	-	158,087
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 163,875</u>	<u>\$ 331,324</u>	<u>\$ 167,480</u>	<u>\$ 201,706</u>	<u>\$ 864,385</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 22,949	\$ 9,917	\$ -	\$ 32,866
Due to other funds	-	-	21,483	-	21,483
Total liabilities	<u>-</u>	<u>22,949</u>	<u>31,400</u>	<u>-</u>	<u>54,349</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes Receivable	-	-	158,087	-	158,087
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>158,087</u>	<u>-</u>	<u>158,087</u>
<b>Fund balances:</b>					
Restricted:					
Stabilization by State Statute	-	16,674	9,393	-	26,067
Restricted, other	-	291,701	-	-	291,701
Assigned:					
Assigned, other	163,875	-	-	201,706	365,581
Unassigned	-	-	(31,400)	-	(31,400)
Total fund balances	<u>163,875</u>	<u>308,375</u>	<u>(22,007)</u>	<u>201,706</u>	<u>651,949</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 163,875</u>	<u>\$ 331,324</u>	<u>\$ 167,480</u>	<u>\$ 201,706</u>	<u>\$ 864,385</u>

**Northampton County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2020**

	Mid-Atlantic Distribution Park Fund	Emergency Telephone System Fund	Fire District Fund	Solar Farm Trust Fund	Total
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ 777,335	\$ -	\$ 777,335
Restricted intergovernmental	-	-	-	-	-
Sales and service	-	200,082	-	-	200,082
Investment earnings	267	4	-	545	816
Miscellaneous	23,500	-	-	-	23,500
Total revenues	<u>23,767</u>	<u>200,086</u>	<u>777,335</u>	<u>545</u>	<u>1,001,733</u>
Expenditures:					
Public safety	-	159,383	779,526	-	938,909
Human services	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Total expenditures	<u>-</u>	<u>159,383</u>	<u>779,526</u>	<u>-</u>	<u>938,909</u>
Other Financing Sources (Uses)					
Transfers in (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	23,767	40,703	(2,191)	545	62,824
Fund balances, beginning	<u>140,108</u>	<u>267,672</u>	<u>(19,816)</u>	<u>201,161</u>	<u>589,125</u>
Fund balances, ending	<u>\$ 163,875</u>	<u>\$ 308,375</u>	<u>\$ (22,007)</u>	<u>\$ 201,706</u>	<u>\$ 651,949</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, 2020**  
**With Comparative Actual Amounts for the Year Ended June, 30 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Investment earnings	\$ -	\$ 267	\$ 267	\$ 371
Miscellaneous	285,664	23,500	(262,164)	23,500
Total revenues	285,664	23,767	(261,897)	23,871
Expenditures				
Economic and physical development	1,457,664	-	1,457,664	-
Total expenditures	1,457,664	-	1,457,664	-
Revenues over (under) Expenditures	(1,172,000)	23,767	1,195,767	23,871
<u>OTHER FINANCING SOURCES (USES)</u>				
Long-term debt issued	1,200,000	-	(1,200,000)	-
Transfers in (out)	(55,000)	-	55,000	-
Transfers-intrafund	27,000	-	(27,000)	-
Total other financing sources (uses)	1,172,000	-	(1,172,000)	-
Net Change in Fund Balances	\$ -	23,767	\$ 23,767	23,871
Fund Balance- July 1		140,108		116,237
Fund Balance- June 30		\$ 163,875		\$ 140,108

**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, 2020**  
**With Comparative Actual Amounts For the Year Ended June 30, 2019**

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues</b>				
Telephone surcharge	\$ 228,207	\$ 200,082	\$ (28,125)	\$ 228,207
Investment earnings	-	4	4	-
Miscellaneous	-	-	-	-
Total revenues	<u>228,207</u>	<u>200,086</u>	<u>(28,121)</u>	<u>228,207</u>
<b>Expenditures</b>				
Current:				
Public Safety				
Construction/ capital outlay	41,952	-	41,952	-
Other expenditures	<u>186,255</u>	<u>159,383</u>	<u>26,872</u>	<u>146,330</u>
Total expenditures	<u>228,207</u>	<u>159,383</u>	<u>68,824</u>	<u>146,330</u>
Revenues over (under) Expenditures	<u>-</u>	<u>40,703</u>	<u>40,703</u>	<u>81,877</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	-	-	-	-
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>40,703</u>	<u>\$ 40,703</u>	<u>81,877</u>
Fund Balance- July 1		<u>267,672</u>		<u>185,795</u>
Fund Balance- June 30		<u>\$ 308,375</u>		<u>\$ 267,672</u>

**PSAP RECONCILIATION**  
**FOR YEAR ENDED JUNE 30, 2020**

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	\$ 308,375
Cumulative prior period revenues and expenditures not reported in the fund schedule (difference in beginning fund balance-budget to actual vs.PSAP Report)	47,315
A portion of 911 revenues on PSAP report, not recorded on budget to actual	-
A portion of 911 expenditures on budget to actual, not reported on PSAP report	<u>11,510</u>
Ending balance, PSAP Revenue- Expenditure Report	<u>\$ 367,200</u>

**Northampton County, North Carolina**  
**Fire District Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**  
**With Comparative Actual Amounts For The Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Roanoke Wildwood Fire District Tax	\$ 177,000	\$ 187,945	\$ 10,945	\$ 187,381
Garysburg Fire District tax	87,000	102,761	15,761	102,728
Gaston Fire District tax	205,000	231,284	26,284	224,322
Jackson Fire District tax	35,000	37,634	2,634	37,422
Lasker Fire District tax	22,000	25,331	3,331	24,426
Seaboard Fire District Tax	72,000	77,902	5,902	80,158
Rich Square Fire District tax	50,000	55,921	5,921	55,079
Woodland Fire District tax	50,000	58,557	8,557	54,926
Refund of motor vehicle interest	-	-	-	-
Interest Earnings	-	-	-	-
Total revenues	<u>698,000</u>	<u>777,335</u>	<u>79,335</u>	<u>766,442</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Roanoke Wildwood levy	177,000	189,188	(12,188)	187,606
Garysburg levy	87,000	102,677	(15,677)	102,966
Gaston levy	205,000	231,894	(26,894)	224,484
Jackson levy	35,000	37,774	(2,774)	37,563
Lasker levy	22,000	25,064	(3,064)	24,598
Seaboard Fire District levy	72,000	78,106	(6,106)	80,192
Rich Square levy	50,000	56,449	(6,449)	55,114
Woodland levy	50,000	58,374	(8,374)	55,009
Total expenditures	<u>698,000</u>	<u>779,526</u>	<u>(81,526)</u>	<u>767,532</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>(2,191)</u>	<u>\$ (2,191)</u>	<u>(1,090)</u>
Fund Balance- July 1		<u>(19,816)</u>		<u>(18,726)</u>
Fund Balance- June 30		<u>\$ (22,007)</u>		<u>\$ (19,816)</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, 2020**  
**With Comparative Actual Amounts For the Year Ended June 30, 2019**

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
Revenues				
Zoning - Solar Farm	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	545	545	680
Miscellaneous	-	-	-	-
Total revenues	-	545	545	680
Expenditures				
Current:				
Economic and Physical Development				
Construction/ capital outlay	-	-	-	-
Other expenditures	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) Expenditures	-	545	545	680
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in (out)	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources	-	-	-	-
(uses)	-	-	-	-
Net Change in Fund Balances	\$ -	545	\$ 545	680
Fund Balance- July 1		201,161		200,481
Fund Balance- June 30		\$ 201,706		\$ 201,161

## CAPITAL PROJECT FUNDS

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

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**Northampton County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Capital Project Funds**  
**June 30, 2020**

	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
<b>ASSETS</b>									
Current Assets:									
Cash and cash equivalents	\$ 11,250	\$ 169,777	\$ 969	\$ 50,449	\$ -	\$ 3,822	\$ -	\$ -	\$ 236,267
Due from other funds	-	-	-	-	-	-	-	-	-
Restricted Cash	-	-	-	-	42,894	-	-	-	42,894
Total assets	<u>\$ 11,250</u>	<u>\$ 169,777</u>	<u>\$ 969</u>	<u>\$ 50,449</u>	<u>\$ 42,894</u>	<u>\$ 3,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,161</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337	\$ -	\$ 1,113
Due to other funds	-	-	-	-	-	-	23,618	1,120	24,738
Total liabilities	<u>776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,955</u>	<u>1,120</u>	<u>25,851</u>
Fund balances:									
Restricted:									
Stabilization by State Statute	-	-	-	-	-	-	-	-	-
Committed, other	10,474	169,777	969	50,449	42,894	3,822	-	-	278,385
Unassigned	-	-	-	-	-	-	(23,955)	(1,120)	(25,075)
Total fund balances	<u>10,474</u>	<u>169,777</u>	<u>969</u>	<u>50,449</u>	<u>42,894</u>	<u>3,822</u>	<u>(23,955)</u>	<u>(1,120)</u>	<u>253,310</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,250</u>	<u>\$ 169,777</u>	<u>\$ 969</u>	<u>\$ 50,449</u>	<u>\$ 42,894</u>	<u>\$ 3,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,161</u>

**Northampton County, North Carolina**  
**Non-Major Capital Project Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2020**

	Enviva Infrastructure Project	Capital Reserve Fund	Ambulance Capital Reserve Fund	EDC Capital Reserve Fund	Public Schools Building Fund	EDC REEP Project Fund	Severn Peanut Natural Gas Project	Courthouse/ Admin/ DSS Renovations	Total
Revenues:									
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-	-	-
Investment earnings	-	56	2	90	-	7	-	-	155
Total revenues	-	56	2	90	-	7	-	-	155
Expenditures:									
Current:									
Economic and physical development	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	60,000	-	-	-	60,000
Total expenditures	-	-	-	-	60,000	-	-	-	60,000
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Long term debt issued	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	56	2	90	(60,000)	7	-	-	(59,845)
Fund balances, beginning	10,474	169,721	967	50,359	102,894	3,815	(23,955)	(1,120)	313,155
Fund balances, ending	<u>\$ 10,474</u>	<u>\$ 169,777</u>	<u>\$ 969</u>	<u>\$ 50,449</u>	<u>\$ 42,894</u>	<u>\$ 3,822</u>	<u>\$ (23,955)</u>	<u>\$ (1,120)</u>	<u>\$ 253,310</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, 2020**

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental revenues:					
CDBG	\$ 726,000	\$ 1,273,087	\$ -	\$ 1,273,087	\$ 547,087
NC Rural Center	620,000	495,316	-	495,316	(124,684)
USDA	2,002,088	1,027,926	-	1,027,926	(974,162)
Highway Planning and Construction	-	220,690	-	220,690	220,690
Miscellaneous	31,000	18,910	-	18,910	(12,090)
Total Revenues	3,379,088	3,035,929	-	3,035,929	(343,159)
<u>EXPENDITURES</u>					
Ecocomic and physical development:					
EDA expenditures	2,002,088	1,997,503	-	1,997,503	4,585
CDBG expenditures	531,000	87,848	-	87,848	443,152
NC Rural center expenditures	220,000	20,500	-	20,500	199,500
Access road expenditures	400,000	695,859	-	695,859	(295,859)
General expenditures	226,000	223,745	-	223,745	2,255
Total expenditures	3,379,088	3,025,455	-	3,025,455	353,633
Revenues and other sources over expenditures	\$ -	\$ 10,474		\$ 10,474	\$ 10,474
Fund Balance, beginning			10,474		
Fund Balance, ending			\$ 10,474		



**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, 2020**

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

	<u>2020</u>			<u>2019</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
Revenues:				
Investment Earnings	\$ -	\$ 56	\$ 56	\$ -
Total Revenue	<u>-</u>	<u>56</u>	<u>56</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	56	<u>\$ 56</u>	-
FUND BALANCE				
Beginning of year-July 1		<u>169,721</u>		<u>169,721</u>
End of year- June 30		<u>\$ 169,777</u>		<u>\$ 169,721</u>

**Northampton County, North Carolina**  
**Non-Major Capital Project Fund**  
**Ambulance Capital Reserve Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For The Year Ended June 30, 2020**

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

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment Earnings	\$ -	\$ 2	\$ 2	\$ 61
Total Revenue	-	2	2	61
Revenues over (under) expenditures	-	2	2	61
Net change in fund balance	\$ -	2	\$ 2	61
FUND BALANCE				
Beginning of year-July 1		967		906
End of year- June 30		\$ 969		\$ 967

**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, 2020**

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

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment Earnings	\$ 5,448	\$ 90	\$ (5,358)	\$ 216
Miscellaneous	210,000	-	(210,000)	-
Severn Peanut Building Reuse	-	-	-	210,000
Total Revenue	<u>215,448</u>	<u>90</u>	<u>(215,358)</u>	<u>210,216</u>
Expenditures:				
Building Purchase	75,000	-	75,000	67,526
Architectural & Engineering	23,000	-	23,000	-
EDC Loan	189,700	-	189,700	-
Utilities	-	-	-	760
Severn Peanut Building Reuse	-	-	-	210,000
Total Expenditures	<u>287,700</u>	<u>-</u>	<u>287,700</u>	<u>278,286</u>
Other financing resources (uses)				
Transfers in (out)	(213,018)	-	213,018	-
Intrafund transfers	-	-	-	-
Appropriated fund balance	<u>285,270</u>	<u>-</u>	<u>(285,270)</u>	<u>-</u>
Total other financing sources (uses)	<u>72,252</u>	<u>-</u>	<u>(72,252)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>90</u>	<u>\$ 90</u>	<u>(68,070)</u>
FUND BALANCE				
Beginning of year-July 1		<u>50,359</u>		<u>118,429</u>
End of year- June 30		<u>\$ 50,449</u>		<u>\$ 50,359</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, 2020**

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

**Northampton County, North Carolina**  
**Non-Major Capital Project Fund**  
**EDC Reep Project**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and For The Year Ended June 30, 2020**

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Revenues:					
Restricted intergovernmental					
Investment earnings	\$ -	\$ 35	\$ 7	\$ 42	\$ 42
Miscellaneous	285,580	65,080	-	65,080	(220,500)
Total Revenue	285,580	65,115	7	65,122	(220,458)
Expenditures:					
Current:					
Economic and physical development:					
Infrastructure	285,580	61,300	-	61,300	224,280
Total Expenditures	285,580	61,300	-	61,300	224,280
Revenue over expenditures	\$ -	\$ 3,815		\$ 3,822	\$ 3,822
Fund balance, beginning			3,815		
Fund balance, ending			\$ 3,822		

**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, 2020**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
CDBG	\$ -	\$ 629,381	\$ -	\$ 629,381	\$ 629,381
Industrial Development Grant	-	500,000	-	500,000	500,000
NC Rural Center Grant	-	420,000	-	420,000	420,000
Piedmont Natural Gas Grant	-	191,036	-	191,036	191,036
Total Revenue	-	1,740,417	-	1,740,417	1,740,417
Expenditures:					
Economic and physical development:					
Piedmont natural gas expenditures	-	767,560	-	767,560	(767,560)
CDBG expenditures	-	354,283	-	354,283	(354,283)
Industrial development expenditures	-	642,529	-	642,529	(642,529)
Total Expenditures	-	1,764,372	-	1,764,372	(1,764,372)
Net change in fund balance	\$ -	\$ (23,955)		\$ (23,955)	\$ (23,955)
Fund balance, beginning			(23,955)		
Fund balance, ending			\$ (23,955)		

**Northampton County, North Carolina**  
**Non-Major Capital Project Fund**  
**Courthouse/ Admin/ DSS Renovations**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and For The Year Ended June 30, 2020**

	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>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,120)</u>	<u>\$ -</u>	<u>\$ (1,120)</u>	<u>\$ (1,120)</u>

**Northampton County, North Carolina**  
**Non-Major Debt Service Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the year ended June 30, 2020**  
**With Comparative Actual Amounts For the Year Ended June 30, 2019**

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
Investment Earnings	\$ -	\$ -	\$ -	\$ 217
<b>Expenditures</b>				
Debt Service:				
Principal retirement	1,138,986	851,054	287,932	1,015,727
Interest	85,386	462,314	(376,928)	500,512
Total Expenditures	1,224,372	1,313,368	(88,996)	1,516,239
Revenues over (under) expenditures	(1,224,372)	(1,313,368)	(88,996)	(1,516,022)
<b>Other financing resources (uses)</b>				
Transfers in (out)				
Special Revenue Fund	200,000	200,000	-	-
General Fund	1,024,372	1,024,372	-	1,501,511
Total other financing sources (uses)	1,224,372	1,224,372	-	1,501,511
Net change in fund balance	\$ -	(88,996)	\$ (88,996)	(14,511)
<b>FUND BALANCE</b>				
Beginning of year-July 1		2,195		16,706
End of year- June 30		\$ (86,801)		\$ 2,195



## ENTERPRISE FUNDS

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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.

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

**Northampton County, North Carolina**  
**Enterprise Fund- Water and Sewer**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**For the year ended June 30, 2020**  
**With Comparative Actual Amounts For the Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Water and sewer sales	\$ 3,215,130	\$ 2,622,102	\$ (593,028)	\$ 3,334,794
Water and sewer taps	20,000	34,543	14,543	17,534
Other operating revenues	16,550	16,472	(78)	5,870
Total operating revenues	3,251,680	2,673,117	(578,563)	3,358,198
<b>Non- Operating Revenues</b>				
Interest earned on investments	-	2,543	2,543	2,673
Total Revenue	3,251,680	2,675,660	(576,020)	3,360,871
<b>Expenditures</b>				
Salaries and employee benefits	463,889	506,881	(42,992)	465,224
Purchased Water	395,000	365,756	29,244	453,443
Sewage treatment	475,000	597,136	(122,136)	697,641
Other operating expenses	596,638	417,607	179,031	388,855
Capital Outlay	139,880	119,443	20,437	176,998
Debt Service:				
Principal	629,336	621,028	8,308	617,027
Interest and fees	552,137	402,694	149,443	421,467
Total Expenditures	3,251,880	3,030,545	221,335	3,220,655
Revenues over (under) expenditures	(200)	(354,885)	(354,685)	140,216
<b>Other financing resources (uses)</b>				
Fund balance appropriated	200	-	(200)	-
Gain on Sale of Capital Assets	-	-	-	16,725
Total other financing sources (uses)	200	-	(200)	16,725
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (354,885)	\$ (354,885)	\$ 156,941

(continued)

**Northampton County, North Carolina**  
**Enterprise Fund- Water and Sewer**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Non-GAAP)**  
**For the year ended June 30, 2020**  
**With Comparative Actual Amounts For the Year Ended June 30, 2019**

	2020		2019
	Budget	Actual	Variance Positive (Negative)
			Actual
<b>Reconciliation from Budetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (354,885)	\$ 156,941
Debt principal		621,028	617,027
Capital Outlay		(2,250)	27,500
Depreciation		(660,893)	(649,116)
Decrease in deferred outflows of resources		6,420	(26,959)
Increase in deferred inflows of resources		(60,545)	57,183
Decrease in accrued interest payable		(871)	(738)
Decrease in compensated absences		4,521	(6,394)
Decrease in net pension liability		15,189	32,355
Decrease in total OPEB liability		68,808	(47,801)
Restricted Intergovernmental (Ex E-1a)		404,798	-
Non-capitalizaed project expenses (Ex E-1b)		(124,200)	-
Total expenditures		<u>\$ (82,880)</u>	<u>\$ 159,998</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, 2020**

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
Revenues:					
Restricted intergovernmental					
Grant	\$ 379,238	\$ -	\$ 404,798	\$ 404,798	\$ 25,560
Total Revenue	<u>379,238</u>	<u>-</u>	<u>404,798</u>	<u>404,798</u>	<u>25,560</u>
Expenditures:					
Administration	21,225	16,750	46,785	63,535	(42,310)
Contracted Services	-	32,742	-	32,742	(32,742)
Construction	358,013	-	358,013	358,013	-
Total Expenditures	<u>379,238</u>	<u>49,492</u>	<u>404,798</u>	<u>454,290</u>	<u>(75,052)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(49,492)</u>	<u>-</u>	<u>(49,492)</u>	<u>(49,492)</u>
Revenues and other financing sources over					
(under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (49,492)</u>	<u>\$ -</u>	<u>\$ (49,492)</u>	<u>\$ (49,492)</u>

**Northampton County, North Carolina**  
**Water And Sewer Capital Project**  
**Water Asset Inventory and Assessment Grant**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception And For The Year Ended June 30, 2020**

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Restricted intergovernmental					
Grant	\$ 150,000	\$ -	\$ -	\$ -	\$ (150,000)
Total Revenue	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Expenditures:					
Contracted Services	157,500	2,250	124,200	126,450	31,050
Total Expenditures	<u>157,500</u>	<u>2,250</u>	<u>124,200</u>	<u>126,450</u>	<u>31,050</u>
Revenues over (under) expenditures	<u>(7,500)</u>	<u>(2,250)</u>	<u>(124,200)</u>	<u>(126,450)</u>	<u>(118,950)</u>
<b>Other Financing Sources</b>					
Transfers in - Enterprise Fund	7,500	-	-	-	(7,500)
Total other financing sources (uses)	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,500)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (2,250)</u>	<u>\$ (124,200)</u>	<u>\$ (126,450)</u>	<u>\$ (126,450)</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, 2020**

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Expenditures:					
Engineering	-	-	46,800	46,800	(46,800)
Total Expenditures	-	-	46,800	46,800	(46,800)
Revenues over (under) expenditures	-	-	(46,800)	(46,800)	(46,800)
<b>Other Financing Sources</b>					
Transfers in - Enterprise Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ (46,800)	\$ (46,800)	\$ (46,800)

**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, 2020**  
**With Comparative Actual Amounts For the Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Water and sewer sales	\$ -	\$ 147,376	\$ 147,376	\$ 202,683
Water and sewer taps	-	2,407	2,407	1,066
Other operating revenues	-	615	615	357
Total operating revenues	-	150,398	150,398	204,106
<b>Non- Operating Revenues</b>				
Interest earned on investments	-	117	117	182
Total Revenue	-	150,515	150,515	204,288
<b>Expenditures</b>				
Salaries and employee benefits	-	45,731	(45,731)	26,499
Purchased Water	-	25,490	(25,490)	27,559
Sewage treatment	-	41,763	(41,763)	42,401
Other operating expenses	-	29,060	(29,060)	23,617
Capital Outlay	-	477	(477)	1,623
Debt Service:				
Principal	-	11,000	(11,000)	10,000
Interest and fees	-	17,610	(17,610)	18,118
Total Expenditures	-	171,131	(171,131)	149,817
Revenues over (under) expenditures	-	(20,616)	(20,616)	54,471
<b>Other financing resources (uses)</b>				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (20,616)	\$ (20,616)	\$ 54,471

(continued)

**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, 2020**  
**With Comparative Actual Amounts For the Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Reconciliation from Budetary Basis (Modified Accrual) to Full Accrual:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (20,616)		\$ 54,471
Debt principal		11,000		10,000
Capital Outlay		-		-
Depreciation		(15,986)		(15,986)
Decrease in deferred outflows of resources		1,942		(6,670)
Increase in deferred inflows of resources		(10,686)		10,051
Increase in accrued interest payable		(45)		(41)
Increase in compensated absences		489		(3,472)
Increase in net pension liability		3,797		8,089
Increase in OPEB liability		12,057		(8,376)
Total expenditures		<u>\$ (18,048)</u>		<u>\$ 48,066</u>



**Northampton County, North Carolina**  
**Enterprise Fund**  
**Solid Waste Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception And For The Year Ended June 30, 2020**  
**With Comparative Actual Amounts for the Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Solid waste fees	\$ 2,259,129	\$ 2,106,866	\$ 152,263	\$ 2,112,212
White goods and tire disposal tax	28,000	28,038	(38)	28,928
Solid waste disposal tax	11,000	13,863	(2,863)	13,745
Other operating revenues	55,700	59,200	(3,500)	62,201
Total operating revenues	<u>2,353,829</u>	<u>2,207,967</u>	<u>145,862</u>	<u>2,217,086</u>
<b>Non- Operating Revenues</b>				
Capital contributions	-	-	-	-
Interest earned on investments	1,300	1,819	(519)	2,079
Total non-operating revenues	<u>1,300</u>	<u>1,819</u>	<u>(519)</u>	<u>2,079</u>
Total Revenue	<u>2,355,129</u>	<u>2,209,786</u>	<u>145,343</u>	<u>2,219,165</u>
<b>Expenditures</b>				
Salaries and employee benefits	118,251	108,224	10,027	103,725
Solid waste pickup	2,110,851	2,031,167	79,684	2,051,555
Other operating expenses	126,027	66,698	59,329	84,016
Total Expenditures	<u>2,355,129</u>	<u>2,206,089</u>	<u>149,040</u>	<u>2,239,296</u>
Revenues over (under) expenditures	<u>-</u>	<u>3,697</u>	<u>(3,697)</u>	<u>(20,131)</u>
<b>Other Financing Sources</b>				
Transfer from General Fund	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 3,697</u>	<u>\$ (3,697)</u>	<u>\$ (20,131)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 3,697		\$ (20,131)
Contributions to the pension plan in the current year		-		-
Pension expense		-		-
Decrease in deferred outflows of resources		3,518		(11,060)
Decrease in deferred inflows of resources		(14,101)		13,215
Increase in compensated absences		1,894		(4,851)
Increase in net pension liability		6,329		13,481
Increase in OPEB liability		15,811		(10,984)
Change in net position		<u>\$ 17,148</u>		<u>\$ (20,330)</u>

## AGENCY FUND

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

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

**Northampton County, North Carolina**  
**Agency Fund**  
**Combining Statement of Changes in Assets and Liabilities**  
**For Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Social Services:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 33,832	\$ 23,376	\$ 28,564	\$ 28,644
<b>Liabilities</b>				
Accounts Payable	\$ 33,832	\$ 23,376	\$ 28,564	\$ 28,644
<b>Inmate Trust Fund:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 115,509	\$ 61,849	\$ 50,695	\$ 126,663
<b>Liabilities</b>				
Accounts Payable	\$ 115,509	\$ 61,849	\$ 50,695	\$ 126,663
<b>Motor Vehicle Tax:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 24,702	\$ 900,025	\$ 911,187	\$ 13,540
Accounts Receivable	41,338	669,677	683,312	27,703
Total Assets	\$ 66,040	1,569,702	1,594,499	41,243
<b>Liabilities</b>				
Accounts Payable	66,040	1,569,702	1,594,499	41,243
Total Liabilities	\$ 66,040	\$ 1,569,702	\$ 1,594,499	\$ 41,243
<b>Rescue Squad:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 35,284	\$ 402,702	\$ 412,181	\$ 25,805
Accounts Receivable	817,735	1,863,649	1,608,581	1,072,803
Total Assets	\$ 853,019	\$ 2,266,351	\$ 2,020,762	\$ 1,098,608
<b>Liabilities</b>				
Intergovernmental payable	\$ 817,735	\$ 1,863,649	\$ 1,608,581	\$ 1,072,803
Accounts Payable	35,284	402,702	412,181	25,805
Total Liabilities	\$ 853,019	\$ 2,266,351	\$ 2,020,762	\$ 1,098,608
<b>Totals - All Agency Funds:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 209,327	\$ 1,387,952	\$ 1,402,627	\$ 194,652
Accounts Receivable	859,073	2,533,326	2,291,893	1,100,506
Total Assets	\$ 1,068,400	\$ 3,921,278	\$ 3,694,520	\$ 1,295,158
<b>Liabilities</b>				
Intergovernmental Payable	\$ 817,735	\$ 1,863,649	\$ 1,608,581	\$ 1,072,803
Accounts payable	250,665	2,057,629	2,085,939	222,355
Total Liabilities	\$ 1,068,400	\$ 3,921,278	\$ 3,694,520	\$ 1,295,158

## OTHER SCHEDULES

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These schedules contain additional information required on property taxes

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- 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, 2020**

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 19,769,577	\$ 18,928,246	\$ 841,331
2018-2019	855,123	-	290,854	564,269
2017-2018	593,083	-	129,359	463,724
2016-2017	469,441	-	59,642	409,799
2015-2016	346,407	-	44,312	302,095
2014-2015	306,545	-	33,710	272,835
2013-2014	254,639	-	27,201	227,438
2012-2013	188,808	-	15,454	173,354
2011-2012	141,378	-	7,787	133,591
2010-2011	102,931	-	8,331	94,600
2009-2010	70,783	-	70,783	-
Totals	\$ <u>3,329,138</u>	\$ <u>19,769,577</u>	\$ <u>19,615,679</u>	3,483,036
Less Allowance for Doubtful Accounts				<u>(1,574,000)</u>
Taxes Receivable (Net)				\$ <u>1,909,036</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes - General Fund				\$ 19,604,127
Reconciling items				
Interest Collected				(209,008)
Taxes written off				70,783
Tax refunds				99,569
Miscellaneous Adjustments				<u>50,208</u>
Total Collections and Credits				\$ <u>19,615,679</u>

**Northampton County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - Wide Levy**  
**For the Fiscal Year Ended June 30, 2020**

Exhibit G-2

	County - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 2,154,501,848	0.920	\$ 19,821,417	\$ 18,302,645	\$ 1,518,772
Penalties	-		-	-	-
Total	<u>2,154,501,848</u>		<u>19,821,417</u>	<u>18,302,645</u>	<u>1,518,772</u>
Discoveries	<u>135,000</u>	0.920	<u>1,242</u>	<u>1,242</u>	-
Abatements	<u>(5,769,783)</u>		<u>(53,082)</u>	<u>(53,082)</u>	-
Total Property Valuation	<u><u>\$ 2,148,867,065</u></u>				
Net levy			19,769,577	18,250,805	1,518,772
Uncollected taxes at June 30, 2020			<u>841,331</u>	<u>841,331</u>	-
Current year's taxes collected			<u><u>\$ 18,928,246</u></u>	<u><u>\$ 17,409,474</u></u>	<u><u>\$ 1,518,772</u></u>
Current levy collection percentage			<u><u>95.74%</u></u>	<u><u>95.39%</u></u>	<u><u>100.00%</u></u>

**Northampton County, North Carolina**  
**Analysis of Current Tax Levy - Secondary Market Disclosures**  
**County - wide Levy**  
**For the Fiscal Year Ended June 30, 2020**

Exhibit G-3

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**Secondary Market Disclosures:**

**Assessed Valuation:**

Assessment ratio		<u>100.00%</u>
Real property	\$	1,788,842,093
Personal property		152,982,141
Public service companies		<u>207,042,831</u>
Total assessed valuation	\$	<u>2,148,867,065</u>
Tax rate per \$100	\$	<u>0.92</u>
Levy (includes discoveries, releases and abatements)	\$	<u>19,769,577</u>

**Northampton County, North Carolina**  
**Ten Largest Taxpayers**  
**For the Year Ended June 30, 2020**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2019 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Dominion NC Power	Utility	\$ 138,336,877	6.44%
Enviva Pellets Northampton LLC	Pellet Manufacturing	74,618,634	3.47%
Lowes Home Center	Warehousing/distribution	46,474,371	2.16%
Atlantic Pipeline	Utility	58,144,959	2.71%
West Fraser Inc	Pulp, paper and wood products	39,088,488	1.82%
Severn Peanut	Agriculture/Nuts	38,854,556	1.81%
Glover Construction Co Inc	Construction	20,119,825	0.94%
Georgia Pacific	Chemical Manufacturing	19,043,974	0.89%
CSX	Railroad	15,016,925	0.70%
Smithfiel Carroll	Hog Processing	9,181,302	0.43%
Total		<u>\$ 458,879,911</u>	<u>21.35%</u>



## COMPLIANCE SECTION



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

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

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

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprises Northampton County's basic financial statements, and have issued our report thereon dated January 28, 2021. Our report includes a reference to other auditors who audited the financial statements of the Northampton County ABC Board as described in our report on Northampton County's financial statements. This report does not include the results of the auditors' testing of internal controls over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Northampton County ABC Board were not audited in accordance with Government Auditing Standards.

**Internal Control Over Financial Reporting**

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs [2020-001, 2020-002, 2020-003 and 2020-004] to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northampton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 [2020-003].

Northampton County's Response to Findings

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

Purpose of this Report

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

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 28, 2021



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

Independent Auditors' Report

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

**Report on Compliance for Each Major Federal Program**

We have audited Northampton County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Northampton County's major federal programs for the year ended June 30, 2020. Northampton County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, Northampton County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with applicable sections of section the Uniform Guidance as described in the Audit Manual for Governmental Auditors in North Carolina and which are described in the accompanying schedule of findings and questioned costs as item [2020-006 and 2020-008]. Our opinion on each major federal program is not modified with respect to these matters.

Northampton County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. Northampton County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item [2020-005, 2020-006, 2020-007, 2020-008 and 2020-009] that we consider to be a significant deficiency.

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

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

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 28, 2021

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

**Independent Auditors' Report**

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

**Report on Compliance for Each Major State Program**

We have audited Northampton County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Northampton County's major state programs for the year ended June 30, 2020. Northampton County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major State Program**

In our opinion, Northampton County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with applicable sections of section the Uniform Guidance as described in the Audit Manual for Governmental Auditors in North Carolina and which are described in the accompanying schedule of findings and questioned costs as item [2020-006 and 2020-008]. Our opinion on each major federal program is not modified with respect to these matters.

Northampton County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. Northampton County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item [2020-005, 2020-006, 2020-007 and 2020-008] that we consider to be a significant deficiency.

Northampton's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Northampton's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 28, 2021

NORTHAMPTON COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

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Section I. Summary of Auditors' Results

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Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted

  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
93.778	Medical Assistance Program
93.044, 93.045, 93.053	Aging Cluster

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

\$750,000

Auditee qualified as low-risk auditee?

       yes   X   no



NORTHAMPTON COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

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Section I. Summary of Auditors' Results (continued)

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State Awards

Internal control over major State programs:

- Material Weakness(es) identified?   yes   Xno
- Significant Deficiency(s) identified that are  
not considered to be material weaknesses   Xyes   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   Xyes   no

Identification of major State programs:

Program Name

Medical Assistance Program

Aging Cluster

State Aging Appropriation

State Appropriation - Access

State Appropriation - Home Delivered Meals

State Appropriation - In Home Services

Industrial Development Fund Utility Account

NORTHAMPTON COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

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Section II. Financial Statement Findings

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**Finding 2020-001**

**Prior Period Adjustment**

**MATERIAL WEAKNESS**

**Criteria:** AU-C 260 requires communication of certain matters related to internal control over financial reporting.

**Condition** Prior Period Adjustments were proposed to correct General Fund account payable balance.

**Effect:** Management may not receive accurate information to base decisions appropriately for planning and budgeting purposes.

**Cause:** The County's internal control system over financial reporting did not prevent and detect the misstatement timely.

**Recommendation:** The design or operation of the internal control system should be reviewed and adjusted to ensure the effectiveness and efficiency.

**Views of responsible officials and planned corrective actions:** The County is aware of the circumstances. Management will dedicate resources accordingly in order to prepare for the annual audit to issue the financial statements in a timely manner.

**Finding 2020-002**

**Reconciliation of Records and Reporting**

**MATERIAL WEAKNESS**

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

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

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

**Identification of a repeat finding:** This is a repeat finding from the immediate previous audit, 2019-002.

**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.

NORTHAMPTON COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

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Section II. Financial Statement Findings (continued)

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

**Finding 2020-003** **Budget Violation**  
MATERIAL WEAKNESS/MATERIAL NONCOMPLIANCE

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

**Condition:** The budget was overspent in several functions in General Fund. In addition, the County reflected no budgeted amounts for Phase VI Water Project Fund.

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

**Identification of a repeat finding:** This is a repeat finding from the immediate previous audit, 2019-003.

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

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

**Views of responsible officials and planned corrective actions:** The County is aware of the circumstances. Management will dedicate resources accordingly in order to prepare for the annual audit to issue the financial statements in a timely manner.

NORTHAMPTON COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

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Section II. Financial Statement Findings (continued)

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**Finding 2020-004**

**Deficit Fund Balances**

**MATERIAL WEAKNESS**

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

**Condition:** The County has three funds with a negative fund balance: Fire District Fund, Debt Service Fund, Severn Peanut Natural Gas Porject Fund, Couthouse/Admin/DSS Renovations Fund and Solid Waste Fund.

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

**Identification of a repeat finding:** This is a repeat finding from the immediate previous audit, 2019-004.

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

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

**Views of responsible officials and planned corrective actions:** The County is aware of the circumstances. Management will dedicate resources accordingly in order to prepare for the annual audit to issue the financial statements in a timely manner.

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Section III. Federal Award Findings

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**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)

CFDA# 93.778

**Finding 2020-005**

**SIGNIFICANT DEFICIENCY**

**Criteria:** 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, 2020

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Section III. Federal Award Findings (continued)

---

**Condition:** There were six errors 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 Medicaid applicants 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.

**Cause:** 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. Supervisors will discuss and advise caseworkers to ensure proper documentation is contained in files to support eligibility determinations. Workers will be advised on what information should be maintained in case files and the importance of complete and accurate record keeping.

**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)  
CFDA# 93.778

**Finding 2020-006**

SIGNIFICANT DEFICIENCY / NONCOMPLIANCE

**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.

NORTHAMPTON COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

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Section III. Federal Award Findings (continued)

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**Condition:** There were five errors discovered during our procedures that inaccurate information was entered when determining eligibility. Of these, one beneficiary received assistance for which the recipient was not eligible.

**Questioned Costs:** \$8,052. This amount was determined by totaling all the aid received by the ineligible beneficiaries for all claims during the fiscal year ending 6/30/2020 which had dates of service occurring within the certification period in question.

**Context:** We examined 60 Medicaid applicants 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.

**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. Supervisors will discuss and advise caseworkers to ensure proper documentation is contained in files to support eligibility determinations. Workers will be advised on what information should be maintained in case files and the importance of complete and accurate record keeping.

**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)  
CFDA# 93.778

**Finding 2020-007**

**SIGNIFICANT DEFICIENCY**

**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.

NORTHAMPTON COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

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Section III. Federal Award Findings (continued)

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**Condition:** There were three 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 Medicaid applicants 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

**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. Supervisors will discuss and advise caseworkers to ensure proper documentation is contained in files to support eligibility determinations. Workers will be advised on what information should be maintained in case files and the importance of complete and accurate record keeping.

**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)  
CFDA# 93.778

**Finding 2020-008**

**SIGNIFICANT DEFICIENCY / NONCOMPLIANCE**

**Criteria:** The State sends notification to the County when a participant is no longer eligible under SSI determination. The County has a certain time period to initiate an ex parte review to determine whether the recipient qualifies for Medicaid under any other coverage group, such as Family and Children's Medicaid, North Carolina Health Choice for Children, Work First Family Assistance, or Medicaid for the Aged, Blind and Disabled.

**Condition:** One applicant was not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated.

NORTHAMPTON COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

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Section III. Federal Award Findings (continued)

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**Questioned Costs:** \$3,145. This amount was determined by totaling all the aid received by the ineligible beneficiary for all claims during the fiscal year ending 6/30/2020 which had dates of service occurring after the SSI determined the beneficiary ineligible.

**Context:** We examined 60 Medicaid applicants 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:** The County did not initiate ex parte review timely, therefore, no eligibility review was completed in the required time period. The lack of follow up and certification lead to applicants receiving Medicaid benefits for which they were not eligible.

**Cause:** Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that applicants would no longer be eligible for SSI benefits and the County needed to conduct an application process. This information was not shared with other departments in DSS from which the recipient was also receiving benefits.

**Recommendation:** Any State communications related to applicants' benefits received by any DSS department should be shared with all areas from which the participant receives benefits. State files should be reviewed internally to ensure all actions have been properly closed and the corrective action has been taken. Workers should be retrained on what process needs to be followed when State communications are received.

**Views of responsible officials and planned corrective actions:** The County agrees with the finding. Supervisors will discuss and advise caseworkers to ensure proper documentation is contained in files to support eligibility determinations. Workers will be advised on what information should be maintained in case files and the importance of complete and accurate record keeping.

**US Department of Agriculture**

Passed through the NC Dept. of Health and Human Services

Program Name: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

CFDA # 10.561

**Finding 2020-009**

**SIGNIFICANT DEFICIENCY**

**Criteria:** Documentation must be obtained, as needed, to determine if a recipient meets specific requirements and documentation must be maintained to support eligibility determinations and agree to information in the NC FAST system.

**Condition:** There were five errors discovered during our procedures indicating information was entered incorrectly, supporting documentation did not match information in the system, or no support was included in the



NORTHAMPTON COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

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Section III. Federal Award Findings (continued)

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

**Context:** We examined 60 Food Stamp applicants from the approved food stamp applications report provided by the County's Department of Social Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to the compliance audit.

**Effect:** For those approved applications there was a chance that information was not properly documented and reconciled to NC FAST and an applicant/recipient could have been approved for benefits for which they were not eligible.

**Cause:** Ineffective record keeping, deficiencies in case review processes and/or incomplete documentation.

**Recommendation:** Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determining 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. Supervisors will discuss and advise caseworkers to ensure proper documentation is contained in files to support eligibility determinations. Workers will be advised on what information should be maintained in case files and the importance of complete and accurate record keeping.

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Section IV. State Award Findings

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

**SIGNIFICANT DEFICIENCY:** Finding 2020-005, 2020-006, 2020-007 and 2020-008 also apply to State requirements and State Awards.



Tameka Green  
FINANCE OFFICER

# Northampton County

## FINANCE DEPARTMENT

P.O. Box 663  
Jackson, NC 27845  
Phone (252) 534-1536  
Fax (252) 534-1239

### NORTHAMPTON COUNTY, NORTH CAROLINA Corrective Action Plan For the Year Ended June 30, 2020

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#### Section II - Financial Statement Findings

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Finding: 2020-001	Prior Period Adjustment
Name of contact:	Tameka Green, Finance Officer
Corrective Action:	The County will improve the internal control system and review the financial statements to ensure the balances are correct prior to issuance of the financial statements.
Proposed Completion Date:	Immediately
Finding: 2020-002	Reconciliation of Records and Reporting
Name of contact:	Tameka Green, Finance Officer
Corrective Action:	Management will dedicate resources accordingly in order to prepare for the annual audit.
Proposed Completion Date:	Immediately
Finding: 2020-003	Budget Violation
Name of contact:	Tameka Green, Finance Officer
Corrective Action:	Management will dedicate resources accordingly in order to prepare for the annual audit.
Proposed Completion Date:	Immediately
Finding: 2020-004	Deficit Fund Balances
Name of contact:	Tameka Green, Finance Officer
Corrective Action:	Management will dedicate resources accordingly in order to prepare for the annual audit. Transfers will be budgeted to closed the completed projects funds.
Proposed Completion Date:	Immediately



Tameka Green  
FINANCE OFFICER

# Northampton County

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### NORTHAMPTON COUNTY, NORTH CAROLINA Corrective Action Plan For the Year Ended June 30, 2020

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#### Section III - Federal Award Findings and Question Costs

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#### Finding 2020-005

Name of contact: Felicia Bullock, Family and Children's Medicaid Supervisor

Corrective Action: Meeting with staff to make checking IV-D referral part of case management. If referral is needed and not keyed, caseworker is to key it at that time.

Proposed Completion Date: Staff meeting was held 1/25/2021, with changes to policy to be implemented immediately.

#### Finding 2020-006

Name of contact: Felicia Bullock, Family and Children's Medicaid Supervisor

Corrective Action: Meeting with staff about auditor's findings. Training with staff on using and calculating correct income for period needed, caseworkers were instructed to recalculate budget correctly for the time period audited, and on completing budget counting correct budget unit members and documenting in notes who is / is not included and why.

Proposed Completion Date: Staff meeting was held 1/25/2021, with changes to policy to be implemented immediately.

#### Finding 2020-007

Name of contact: Susan Umphlett, Adult Medicaid Supervisor

Corrective Action: There will be 2nd party reviews done on cases to include making sure resources are checked properly and entered properly. Staff meeting 1-14-2021 included what should be in a record, to run online data, AVS and property checks on all cases. All resources should be entered correctly from sources available and match what is on the source.

Proposed Completion Date: Staff meeting was held 1/14/2021, with changes to policy to be implemented immediately.



Tameka Green  
FINANCE OFFICER

# Northampton County

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### NORTHAMPTON COUNTY, NORTH CAROLINA Corrective Action Plan For the Year Ended June 30, 2020

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

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##### Finding 2020-008

Name of contact: Susan Umphlett, Adult Medicaid Supervisor

Corrective Action: There will be a DSS 8194 Transmittal to be sent to all departments when a client's benefits or information changes. The DSS 8194 will be reviewed by case workers when received from other departments and changes made to cases if necessary. All reports available on NCFast that relate to SSI terminations will be checked by supervisor and SSI worker monthly. There will be a complete review of SSI clients when there SSI terminates to see if they qualify for continued Medicaid.

Proposed Completion Date: Staff meeting was held 1/14/2021, with changes to policy to be implemented immediately.

##### Finding 2020-009

Name of contact: Angela Cooke, FNS Supervisor

Corrective Action: Supervisor will coordinate a unit meeting to discuss and advise staff on the appropriated verifications needed and the documentation required.

Proposed Completion Date: Supervisor will have a unit meeting as soon as possible procedures will go into effect immediately.

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#### Section IV - State Award Findings and Question Costs

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Corrective Actions for finding 2020-005, 2020-006, 2020-007 and 2020-008 also apply to State Award findings.

NORTHAMPTON COUNTY, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2020

2019-001	Lack of technical expertise
Status	Corrected.
2019-002	Reconciliation of Records and Reporting
Status	Repeat as finding 2020-002.
2019-003	Budget Violation
Status	Repeat as finding 2020-003.
2019-004	Deficit Fund Balances
Status	Repeat as finding 2020-004.
2019-005	Data Collection Form Filing
Status	Corrected.
2019-006	Lack of Subrecipient Monitoring and Documentation
Status	Corrected.

**Northampton County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Sub-recipients	Local Expenditures
<b>Federal Awards:</b>						
<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		\$ 409,866	\$ -	\$ -	\$ 409,866
Passed-through N.C. Dept. of Health and Human Services: Division of Public Health Administration: Special Supplemental Nutrition Program for Women, Infants and Children	10.557		122,477	-	-	-
Total U. S. Department of Agriculture			532,343	-	-	409,866
<u>U.S. Dept. of Treasury</u>						
Passed-through the Office of State Budget and Management NC Pandemic Recovery Office Coronavirus Relief Fund	21.019		11,162	-	-	-
Total U.S. Dept. of Treasury			11,162	-	-	-
<u>U.S. Dept. of Health and Human Services</u>						
Provider Relief Fund	93.498		94,603	-	-	-
Passed-through N.C. Dept. of Health and Human Services: Division of Public Health Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		31,664	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control	93.116		50	-	-	-
Family Planning Service:	93.217		36,748	-	-	-
Immunization Grants	93.268		9,014	-	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		59,671	-	-	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505		250,973	-	-	-
HIV Prevention Activities_Health Department Based	93.940		58,587	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		-	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,921	-	-	-
Maternal and Child Health Services Block Grant	93.994		73,712	20,967	-	-
Division of Social Services TANF - Work First	93.558		423,824	-	-	81,271
Division of Public Health TANF - Work First	93.558		5,071	-	-	-
Total TANF Cluster			428,895	-	-	81,271
Low Income Energy Assistance Administration	93.568		23,979	-	-	-
Crisis Intervention Payments	93.568		187,294	-	-	-
Energy Assistance	93.568		165,000	-	-	-
Total Low-Income Energy Assistance			376,273	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program - Permanency Planning - Families for Kid:	93.645		5,306	-	-	1,769
Total Stephanie Tubbs Jones Child Welfare Services Program			5,306	-	-	1,769
AFDC Payments and Penalties	93.560		(369)	(97)	-	(102)
Foster Care and Adoption Cluster Foster Care - Title IV-E 4	93.658		61,454	9,879	-	51,325
Adoption Assistance	93.659		19,937	-	-	19,937
Foster Care	N/A		3,195	-	-	-
Total Foster Care and Adoption			84,586	9,879	-	71,262
Child Support Enforcement	93.563		461,021	(303)	-	237,798
Chafee Foster Care Independence Program	93.674		176	44	-	-

**Northampton County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Sub-recipients	Local Expenditures
SSBG - Other Training & Services	93.667		113,834	-	-	37,944
Division of Aging and Adult Services:						
Division of Social Services						
SSBG - State Adult Day Care	93.667		40,251	33,998	-	10,607
SSBG - State In Home Service Fund	93.667		32,020	-	-	4,574
Pass through Upper Coastal Plain Council of Government:						
Social Service Block Grant - In Home Services	93.667		17,263	493	-	-
Total Social Service Block Grant			203,368	34,491	-	53,125
Passed-through the N.C. Dept. of Health and Human Services						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-Administration	93.596		47,391	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services						
Medical Assistance Program - Administrator	93.778		1,255,387	6,009	-	525,743
Division of Social Services						
Administration						
State Children's Insurance Program-N. C. Health Choice	93.767		35,754	828	-	2,605
Passed-through Upper Coastal Plain Council of Government - Aging Cluste						
Division of Aging and Adult Service:						
<u>Aging Cluster</u>						
Special Programs for the Aging - Title III E						
Grants for Supportive Services and Senior Centers	93.044		42,418	2,495	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		49,293	2,146	-	-
NSIP - Nutrition	93.053		5,027	-	-	-
Total Aging Cluster			96,738	4,641	-	-
Total U. S. Department of Health and Human Services			3,640,469	76,459	-	973,471
<u>U.S. Department of Homeland Security</u>						
Passed through N.C. Dept. of Public Safety						
Division of Emergency Management						
Emergency Mgt. Performance Grant	97.042		38,904	-	-	-
Total U.S. Department of Homeland Security			38,904	-	-	-
Total federal awards			\$ 4,222,878	\$ 76,459	\$ -	\$ 1,383,337

**State Awards:**

N.C. Dept. of Health and Human Services

Division of Public Health

Food & Lodging Fees		-	1,818	-	-
Aid to Counties		-	104,276	-	-
Public Health Nursing		-	1,600	-	-
General Communicable Diseases Control		-	2,440	-	-
Nurse Family Partnership		-	125,000	-	-
Child Health		-	1,818	-	-
HIV/STD State		-	500	-	-
Healthy Community Activities		-	3,785	-	-
STD Drugs		-	100	-	-
School Nurse Funding Initiative		-	150,000	-	-
Family Planning - State		-	22,897	-	-
Maternal Health		-	17,152	-	-
Women Health Service Fund		-	883	-	-
TB Control		-	31,757	-	-
Total Division of Public Health		-	464,026	-	-

Division of Social Services:

ST Child Welfare/CPS/CS LD	N/A	-	14,099	-	-
County Funded Programs	N/A	-	-	-	462,738
DCD Smart Start	N/A	-	3,010	-	-
Non-Allocating County Cost	N/A	-	-	-	178,118
Work First Non Reimbursable	N/A	-	-	-	1,876
CSE Disaster Non-Reimbursable	N/A	-	-	-	1,377
AFDC INCENT / Program Integrity	N/A	-	509	-	-
Total Division of Social Services		-	17,618	-	644,109

Division of Aging and Adult Services:

**Northampton County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2020**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub-recipients</u>	<u>Local Expenditures</u>
State Appropriation - Access			-	5,041	-	-
State Appropriation - Home Delevered Meals			-	11,368	-	-
State Appropriation - In Home Services			-	150,053	-	-
Total Division of Aging and Adult Services			-	166,462	-	-
Total N.C. Dept. of Health and Human Services			-	648,106	-	644,109
<u>N.C. Dept. of Veterans Affairs</u>						
Veteran Grant		N/A	-	2,182	-	-
Total N.C. Dept. of Veterans Affairs			-	2,182	-	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP EDTAP		36220.10.9.1	-	23,634	-	-
ROAP EMPLOYMENT		36236.11.8.1	-	1,080	-	-
ROAP RGP		36228.22.9.1	-	47,850	-	-
Total ROAP Cluster			-	72,564	-	-
<u>N.C. Department of Pubic Safety</u>						
Juvenile Crime Prevention Program:						
JCPC Admin			-	5,912	-	-
Second Chance Counts			-	30,000	-	-
NC Vocational Jobs Program			-	28,000	-	-
Children Matters			-	26,873	-	-
Total N.C. Department of Pubic Safety			-	90,785	-	-
<u>N.C. Department of Environmental Quality</u>						
Soil & Water Conservation			-	12,917	-	-
Asset Inventory and Assessment Grant				124,200		
Total N.C. Dept. of Environmental Quality			-	137,117	-	-
<u>N.C. Department of Commerce</u>						
Industrial Development Fund Utility Account			-	404,798	-	-
Total N.C. Department of Commerce			-	404,798	-	-
<u>NC Department of Cultural Resources</u>						
NCARTS Council						
Arts Grant			-	10,004	-	-
Total N.C. Department of Cultural Resources			-	10,004	-	-
Total State Awards			\$ -	\$ 1,365,556	\$ -	\$ 644,109
Total Federal and State Awards			\$ 4,222,878	\$ 1,442,015	\$ -	\$ 2,027,446

Notes to the Schedule of Federal and State Financial Awards:

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Northampton County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. 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.



**Northampton County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program Title	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub-recipients</u>	<u>Local Expenditures</u>
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**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>
Special Supplemental Nutrition Program for Women Infant and Children	10.557	\$ 93,506.00	\$ -
Food and Nutrition Services	10.551	6,925,512	-
Medical Assistance Program	93.778	\$ 27,788,575	13,315,151
Children's Health Insurance Program	93.767	470,397	335,351
Family Preservation	93.556	-	-
IV-E Adopt & Vendor	93.659	60,874	13,762
TANF Payments & Penalties	93.558	128,930	-
CWS Adopt, Vendor, Guard	N/A	-	31,458
SAA/SAD HB 1030	N/A	-	17
SC/SA Domiciliary Care	N/A	-	251,415

**Note 6: Coronavirus Relief Funds**

Northampton County received \$566,995 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive \$378,125 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Northampton County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.