

NORTHAMPTON COUNTY JACKSON, NORTH CAROLINA

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

**NORTHAMPTON COUNTY
JACKSON, NORTH CAROLINA**

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

**NORTHAMPTON COUNTY
JACKSON, NORTH CAROLINA**

**Financial Statements
June 30, 2008**

Board of Commissioners

Robert V. Carter -Chairman

Fannie P. Greene -Vice-Chairwoman

Virginia Spruill

Chester J. Deloatch, Sr.

James Hester

**County Manager
Wayne Jenkins**

**Finance Director
Dorothy Vick**

NORTHAMPTON COUNTY, NORTH CAROLINA

BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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Martin Starnes & Associates, CPAs, P.A.

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Northampton County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Northampton County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Northampton County ABC Board which represents 100 percent of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northampton County ABC Board, is based solely on the report of the other auditors.

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 basic financial statements are free of material misstatement. The financial statements of the Northampton County ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina as of June 30, 2008, and the respective changes in financial position and cash flows, where appropriate, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 10, 2008 on our consideration of Northampton County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Northampton County, North Carolina. The combining and individual major and nonmajor fund financial statements and schedules, and additional financial data are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual major and nonmajor fund financial statements and schedules, and additional financial data, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 10, 2008

Management's 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, 2008. 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.

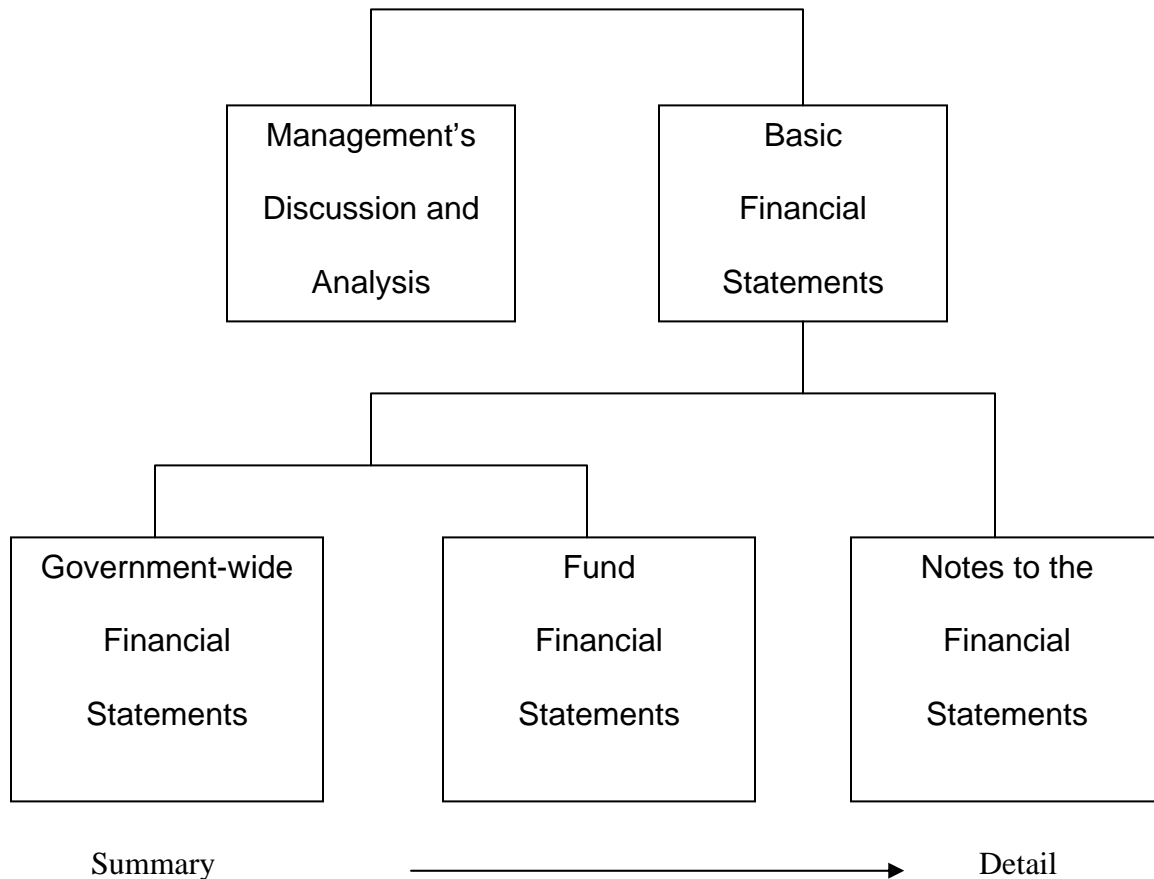
Financial Highlights

- The assets of Northampton County exceeded its liabilities at the close of the fiscal year by \$14,574,674 (*net assets*).
- As of the close of the current fiscal year, Northampton County's governmental funds reported combined ending fund balances of \$5,630,751, an increase of \$979,071 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$3,267,583, or 12.6 percent of total General Fund expenditures for the fiscal year.
- Northampton County's total net debt increased by \$1,040,396 (4%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is 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 the 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 A and B) 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 C through J) 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 nonmajor governmental funds, 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.

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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets 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 State and federal 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 A and B 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 in North Carolina, 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 two categories: governmental funds and proprietary 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 Assets 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 fund. *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 Assets 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 three 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 J of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Northampton County exceeded liabilities by \$14,574,674 as of June 30, 2008. The County's net assets increased by \$2,643,478 for the fiscal year ended June 30, 2008. The largest portion of the County's net assets reflects the County's investment in capital assets (e.g. buildings, equipment, and water infrastructure), less any related debt still outstanding that was issued to acquire those items. Northampton County uses these capital

assets to provide services to citizens; consequently, these assets are not available for future spending. Although Northampton County's investment in its capital assets is reported net of the outstanding related debt, the resources needed 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 Assets

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and other assets	\$ 7,311,057	\$ 6,693,123	\$ 589,600	\$ 973,130	\$ 7,900,657	\$ 7,666,253
Capital assets	<u>13,302,428</u>	<u>10,303,219</u>	<u>22,081,473</u>	<u>22,153,538</u>	<u>35,383,901</u>	<u>32,456,757</u>
Total assets	<u>20,613,485</u>	<u>16,996,342</u>	<u>22,671,073</u>	<u>23,126,668</u>	<u>43,284,558</u>	<u>40,123,010</u>
Liabilities:						
Current liabilities outstanding	1,834,406	2,087,639	684,947	684,660	2,519,353	2,772,299
Long-term liabilities outstanding	<u>15,327,730</u>	<u>13,764,844</u>	<u>10,862,801</u>	<u>11,654,668</u>	<u>26,190,531</u>	<u>25,419,512</u>
Total liabilities	<u>17,162,136</u>	<u>15,852,483</u>	<u>11,547,748</u>	<u>12,339,328</u>	<u>28,709,884</u>	<u>28,191,811</u>
Net Assets:						
Invested in capital assets, net of related debt	6,510,521	5,824,176	10,773,914	10,063,511	17,284,435	15,887,687
Restricted	168,640	418,680	-	-	168,640	418,680
Unrestricted	<u>(3,227,812)</u>	<u>(5,099,000)</u>	<u>349,411</u>	<u>723,829</u>	<u>(2,878,401)</u>	<u>(4,375,171)</u>
Total net assets	<u>\$ 3,451,349</u>	<u>\$ 1,143,856</u>	<u>\$ 11,123,325</u>	<u>\$ 10,787,340</u>	<u>\$ 14,574,674</u>	<u>\$ 11,931,196</u>

Several particular aspects of the County's financial operations positively influenced the total governmental net assets:

- Continued diligence in the collection of property taxes by increasing collection percentages over the prior year
- Continued low cost of debt due to low interest rates

Northampton County's Changes in Net Assets

Figure 3

	Activities		Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for services	\$ 3,256,153	\$ 3,553,501	\$ 4,471,862	\$ 3,748,056	\$ 3,783,069	\$ 7,301,557
Operating grants and contributions	7,115,277	6,628,886	-	-	-	6,628,886
Capital grants and contributions	878,871	283,114	430,289	288,534	325,443	571,648
General Revenues:						
Property taxes	15,315,290	11,449,611	-	-	-	11,449,611
Other taxes	3,351,070	3,344,153	-	-	-	3,344,153
Grants and contributions not restricted to specific programs	70,206	80,899	-	-	-	80,899
Other	144,082	398,581	16,877	16,412	11,834	414,993
Total revenues	<u>30,130,949</u>	<u>25,738,745</u>	<u>4,919,028</u>	<u>4,053,002</u>	<u>4,120,346</u>	<u>29,791,747</u>
Expenses:						
General government	2,993,338	2,852,813	-	-	-	2,852,813
Public safety	5,917,043	4,861,891	-	-	-	4,861,891
Transportation	30,750	29,750	-	-	-	29,750
Environmental protection	123,873	126,463	-	-	-	126,463
Economic and physical development	1,252,387	825,375	-	-	-	825,375
Human services	11,949,223	12,158,385	-	-	-	12,158,385
Cultural and recreation	311,683	235,833	-	-	-	235,833
Education	4,686,109	6,602,560	-	-	-	6,602,560
Interest and fees	559,050	639,415	-	-	-	639,415
Water and sewer	-	-	2,538,594	2,502,833	2,482,053	2,502,833
Solid waste	-	-	2,044,449	1,502,104	1,567,589	1,502,104
Total expenses	<u>27,823,456</u>	<u>28,332,485</u>	<u>4,583,043</u>	<u>4,004,937</u>	<u>4,049,642</u>	<u>32,337,422</u>
Increase (decrease) in net assets before transfers and special items	2,307,493	(2,593,740)	335,985	48,065	70,704	(2,545,675)
Transfers in (out)	-	-	-	-	(607,134)	-
Increase (decrease) in net assets	2,307,493	(2,593,740)	335,985	48,065	2,643,478	(2,545,675)
Net assets, July 1	<u>1,143,856</u>	<u>3,737,596</u>	<u>10,787,340</u>	<u>10,739,275</u>	<u>11,931,196</u>	<u>14,476,871</u>
Net assets, June 30	<u>\$ 3,451,349</u>	<u>\$ 1,143,856</u>	<u>\$ 11,123,325</u>	<u>\$ 10,787,340</u>	<u>\$ 14,574,674</u>	<u>\$ 11,931,196</u>

Governmental Activities. Governmental activities increased the County's net assets by \$1,143,856. Key elements of this increase are as follows:

- Increases in property tax revenues due to revaluation
- Increases in operating and capital grants

Business-Type Activities: Business-type activities increased the County's net assets by \$335,985. Water and sewer revenues were up in comparison to the prior year, as well as capital contributions (grants), accounting for the majority of the increase in net assets for the business-type activities.

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, unreserved fund balance 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, unreserved fund balance of the General Fund was \$3,267,583, while total fund balance was \$4,955,897. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12.6 percent of total General Fund expenditures, while total fund balance represents 19.1 percent of that same amount.

At June 30, 2008, the governmental funds of Northampton County reported a combined fund balance of \$5,630,751, a 21% percent increase over last year. A primary reason for this increase is the increase in property tax revenues and increases in grant funding and debt issued to acquire and construct capital assets. Essentially, prior to this year, the General Fund had been financing capital projects begun before grant funding and debt had been obtained.

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 approximately \$500,000, which was 1.8% more than originally budgeted. Restricted intergovernmental revenues, were budgeted conservatively. This accounted for the primary difference between the originally adopted budget and the final budget.

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 assets for the enterprise funds was an increase of \$335,985. Factors concerning the finances of the enterprise 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, 2008 totaled \$35,383,901 (net of accumulated depreciation). These assets include buildings, equipment, vehicles, water and sewer systems, and construction in progress.

Major capital asset transactions during the year include:

- Purchased new equipment for Public Safety functions
- Purchased new equipment for General Government functions
- Addition of construction in progress for the Wellness and Recreation Centers
- Addition of construction in progress and capital assets relating to the County's water distribution system

Northampton County's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Construction in progress	\$ 4,235,929	\$ 1,426,293	\$ -	\$ 1,478,626	\$ 4,235,929	\$ 2,904,919
Buildings and land	10,318,637	10,318,637	2,250	2,250	10,320,887	10,320,887
Equipment	889,118	856,251	414,493	414,493	1,303,611	1,270,744
Vehicles	1,995,782	1,545,407	341,962	341,962	2,337,744	1,887,369
Distribution system	-	-	26,723,233	24,786,477	26,723,233	24,786,477
	<u>17,439,466</u>	<u>14,146,588</u>	<u>27,481,938</u>	<u>27,023,808</u>	<u>44,921,404</u>	<u>41,170,396</u>
Accumulated depreciation	<u>(4,137,038)</u>	<u>(3,843,369)</u>	<u>(5,400,465)</u>	<u>(4,870,270)</u>	<u>(9,537,503)</u>	<u>(8,713,639)</u>
Total	<u>\$ 13,302,428</u>	<u>\$ 10,303,219</u>	<u>\$ 22,081,473</u>	<u>\$ 22,153,538</u>	<u>\$ 35,383,901</u>	<u>\$ 32,456,757</u>

Additional information on the County's capital assets can be found in the notes to the Basic Financial Statements.

Long-Term Debt. As of June 30, 2008, Northampton County had total debt outstanding of \$27,389,466.

**Northampton County's Outstanding Debt
Notes Payable and General Obligation Bonds**

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Installment notes payable	\$ 6,791,907	\$ 4,479,043	\$ 11,759	\$ 21,727	\$ 6,803,666	\$ 4,500,770
General obligation bonds	<u>9,290,000</u>	<u>9,780,000</u>	<u>11,295,800</u>	<u>12,068,300</u>	<u>20,585,800</u>	<u>21,848,300</u>
Total	<u>\$ 16,081,907</u>	<u>\$ 14,259,043</u>	<u>\$ 11,307,559</u>	<u>\$ 12,090,027</u>	<u>\$ 27,389,466</u>	<u>\$ 26,349,070</u>

Additional information regarding Northampton County's long-term debt can be found in note 3.B of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The County was experiencing an unemployment rate of 7.2% at June 30, 2008. This was higher than the non-seasonally adjusted State average of 6.2%.

Budget Highlights for the Fiscal Year Ending June 30, 2009

Governmental Activities: General Fund revenues are projected to increase slightly yet remain comparable to 2008 actual amounts. The County will use any increase in revenues to finance programs currently in place.

Business-Type Activities: Solid waste revenues are budgeted comparatively to 2008. No significant changes are anticipated in operating revenues or expenses. Water and sewer revenues are projected to increase over 2008 amounts. The additional revenue will be used for debt service.

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 ABC Board, a discretely presented component unit) should be directed to the Director of Finance, Northampton County, PO Box 663, Jackson, North Carolina 27845.

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Northampton County ABC Board
Assets:				
Current assets:				
Cash and cash equivalents	\$ 4,904,638	\$ 189,463	\$ 5,094,101	\$ 83,007
Taxes receivable, net	771,451	-	771,451	-
Accounts receivable, net	954,251	409,737	1,363,988	-
Due from other governments	671,117	-	671,117	-
Inventories	-	-	-	104,266
Prepaid items	-	-	-	3,055
Internal balance	9,600	(9,600)	-	-
Capital assets:				
Land and construction in progress	5,435,929	-	5,435,929	-
Other capital assets, net	7,866,499	22,081,473	29,947,972	11,717
Total assets	<u>20,613,485</u>	<u>22,671,073</u>	<u>43,284,558</u>	<u>202,045</u>
Liabilities:				
Current liabilities:				
Accounts payable	471,395	30,191	501,586	60,100
Customer deposits	-	174,663	174,663	-
Unearned revenues	56,574	-	56,574	-
Current portion of compensated absences	55,000	3,534	58,534	-
Long-term liabilities:				
Noncurrent portion of compensated absences	497,260	31,802	529,062	-
Due within one year	1,251,437	476,559	1,727,996	-
Due in more than one year	14,830,470	10,831,000	25,661,470	-
Total liabilities	<u>17,162,136</u>	<u>11,547,748</u>	<u>28,709,884</u>	<u>60,100</u>
Net Assets:				
Invested in capital assets, net of related debt	6,510,521	10,773,914	17,284,435	11,717
Restricted for:				
General government	43,055	-	43,055	-
Education	125,585	-	125,585	-
Unrestricted	(3,227,812)	349,411	(2,878,401)	130,228
Total net assets	<u>\$ 3,451,349</u>	<u>\$ 11,123,325</u>	<u>\$ 14,574,674</u>	<u>\$ 141,945</u>

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2008

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 2,993,338	\$ 227,041	\$ 285,030	\$ -
Public safety	5,917,043	1,431,689	228,391	59,067
Transportation	30,750	-	52,520	-
Environmental protection	123,873	-	15,695	-
Economic and physical development	1,252,387	10,380	539,236	-
Human services	11,949,223	1,587,043	5,983,632	501,000
Cultural and recreational	311,683	-	10,773	99,000
Education	4,686,109	-	-	219,804
Interest on long-term debt	559,050	-	-	-
Total governmental activities	27,823,456	3,256,153	7,115,277	878,871
Business-Type Activities:				
Water and sewer	2,538,594	2,555,505	-	430,289
Solid waste	2,044,449	1,916,357	-	-
Total business-type activities	4,583,043	4,471,862	-	430,289
Total primary government	\$ 32,406,499	\$ 7,728,015	\$ 7,115,277	\$ 1,309,160
Component Unit:				
ABC Board	\$ 1,029,384	\$ 1,019,183	\$ -	\$ -

General Revenues:

Ad valorem taxes
Local option sales tax
Other taxes and licenses
Unrestricted intergovernmental revenues-beer and wine tax
Interest earned on investments, unrestricted
Total general revenues

Change in net assets

Net Assets:

Beginning of year - July 1
End of year - June 30

The accompanying notes are an integral part of the financial statements.

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Northampton County ABC Board
\$ (2,481,267)	\$ -	\$ (2,481,267)	
(4,197,896)	-	(4,197,896)	
21,770	-	21,770	
(108,178)	-	(108,178)	
(702,771)	-	(702,771)	
(3,877,548)	-	(3,877,548)	
(201,910)	-	(201,910)	
(4,466,305)	-	(4,466,305)	
(559,050)	-	(559,050)	
(16,573,155)	-	(16,573,155)	
-	447,200	447,200	
-	(128,092)	(128,092)	
-	319,108	319,108	
(16,573,155)	319,108	(16,254,047)	
			\$ (10,201)
15,315,290	-	15,315,290	-
3,253,442	-	3,253,442	-
97,628	-	97,628	-
70,206	-	70,206	-
144,082	16,877	160,959	547
18,880,648	16,877	18,897,525	547
2,307,493	335,985	2,643,478	(9,654)
1,143,856	10,787,340	11,931,196	151,599
\$ 3,451,349	\$ 11,123,325	\$ 14,574,674	\$ 141,945

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 4,088,249	\$ 816,389	\$ 4,904,638
Taxes receivable, net	771,451	-	771,451
Accounts receivable, net	852,004	102,247	954,251
Due from other funds	377,437	169,720	547,157
Due from other governments	671,117	-	671,117
Total assets	<u>\$ 6,760,258</u>	<u>\$ 1,088,356</u>	<u>\$ 7,848,614</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 425,732	\$ 45,663	\$ 471,395
Due to other funds	169,720	367,839	537,559
Deferred revenues	1,208,909	-	1,208,909
Total liabilities	<u>1,804,361</u>	<u>413,502</u>	<u>2,217,863</u>
Fund Balances:			
Reserved by State statute	1,519,674	226,141	1,745,815
Reserved for Register of Deeds	43,055	-	43,055
Reserved for education	125,585	-	125,585
Unreserved	3,267,583	-	3,267,583
Unreserved, reported in nonmajor:			
Special revenue funds	-	752,398	752,398
Capital project funds	-	(303,685)	(303,685)
Total fund balances	<u>4,955,897</u>	<u>674,854</u>	<u>5,630,751</u>
Total liabilities and fund balances	<u>\$ 6,760,258</u>	<u>\$ 1,088,356</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,302,428
Long-term debt and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(16,634,167)
Deferred revenues in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net assets in the Statement of Net Assets.	<u>1,152,337</u>
Net assets of governmental activities (Exhibit A)	<u>\$ 3,451,349</u>

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 14,664,465	\$ 501,521	\$ 15,165,986
Other taxes and licenses	3,351,070	-	3,351,070
Unrestricted intergovernmental revenues	70,206	-	70,206
Restricted intergovernmental revenues	6,473,423	1,371,387	7,844,810
Permits and fees	253,145	-	253,145
Sales and services	2,731,494	293,026	3,024,520
Interest earned on investments	118,363	25,719	144,082
Special project revenue	21,620	-	21,620
Miscellaneous	89,282	38,436	127,718
Total revenues	<u>27,773,068</u>	<u>2,230,089</u>	<u>30,003,157</u>
Expenditures:			
Current:			
General government	2,774,154	81,551	2,855,705
Public safety	5,454,798	809,041	6,263,839
Transportation	30,750	-	30,750
Environmental protection	123,873	-	123,873
Economic and physical development	754,669	552,589	1,307,258
Human services	11,967,823	1,692,536	13,660,359
Cultural and recreation	304,224	1,055,783	1,360,007
Education	4,389,605	296,504	4,686,109
Debt service:			
Principal repayments	167,638	866,049	1,033,687
Interest	13,373	545,677	559,050
Total expenditures	<u>25,980,907</u>	<u>5,899,730</u>	<u>31,880,637</u>
Revenues over (under) expenditures	<u>1,792,161</u>	<u>(3,669,641)</u>	<u>(1,877,480)</u>
Other Financing Sources (Uses):			
Long-term debt issued	411,036	2,445,515	2,856,551
Transfers to (from) other funds	(1,834,722)	1,834,722	-
Total other financing sources (uses)	<u>(1,423,686)</u>	<u>4,280,237</u>	<u>2,856,551</u>
Net change in fund balances	368,475	610,596	979,071
Fund Balances:			
Beginning of year - July 1	<u>4,587,422</u>	<u>64,258</u>	<u>4,651,680</u>
End of year - June 30	<u>\$ 4,955,897</u>	<u>\$ 674,854</u>	<u>\$ 5,630,751</u>

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2008

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 979,071
Exhibit D 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 B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:	
Property taxes	149,304
Ambulance / other miscellaneous revenues	(21,512)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	24,280
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.	3,413,689
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(357,095)
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.	1,033,692
Proceeds from the issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, proceeds from the issuance of debt are not a revenue, rather they are an increase in liabilities.	(2,856,551)
Gain/(loss) on disposal of capital assets is reported in the Statement of Activities; however, proceeds from sale of assets are not affected by gain/(loss) in the governmental funds statement.	<u>(57,385)</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ 2,307,493</u>

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts			Variance from Final Budget Over/Under
	Original	Final	Actual	
Revenues:				
Ad valorem taxes	\$ 14,072,798	\$ 14,072,798	\$ 14,664,465	\$ 591,667
Other taxes and licenses	3,173,135	3,173,135	3,351,070	177,935
Unrestricted intergovernmental revenues	77,000	77,000	70,206	(6,794)
Restricted intergovernmental revenues	6,982,977	7,361,352	6,473,423	(887,929)
Permits and fees	245,100	245,100	253,145	8,045
Sales and services	2,386,414	2,412,214	2,731,494	319,280
Investment earnings	251,000	251,000	118,363	(132,637)
Special project revenue	12,400	18,644	21,620	2,976
Miscellaneous	119,572	214,420	89,282	(125,138)
Total revenues	<u>27,320,396</u>	<u>27,825,663</u>	<u>27,773,068</u>	<u>(52,595)</u>
Expenditures:				
General government	2,920,247	2,973,798	2,774,154	199,644
Public safety	5,222,115	5,726,351	5,454,798	271,553
Transportation	30,750	30,750	30,750	-
Environmental protection	123,873	123,873	123,873	-
Economic and physical development	778,299	796,364	754,669	41,695
Human services	13,226,249	13,680,269	11,967,823	1,712,446
Cultural and recreation	223,701	310,401	304,224	6,177
Education	4,023,419	4,398,668	4,389,605	9,063
Debt service:				
Principal repayments	166,631	175,371	167,638	7,733
Interest	-	13,373	13,373	-
Total expenditures	<u>26,715,284</u>	<u>28,229,218</u>	<u>25,980,907</u>	<u>2,248,311</u>
Revenues over (under) expenditures	<u>605,112</u>	<u>(403,555)</u>	<u>1,792,161</u>	<u>2,195,716</u>
Other Financing Sources (Uses):				
Transfers to (from) other funds	(1,307,146)	(2,112,776)	(1,834,722)	278,054
Long-term debt issued	-	343,113	411,036	67,923
Appropriated fund balance	802,138	2,173,218	-	(2,173,218)
Contingency	(100,104)	-	-	-
Total other financing sources (uses)	<u>(605,112)</u>	<u>403,555</u>	<u>(1,423,686)</u>	<u>(1,827,241)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	368,475	<u>\$ 368,475</u>
Fund Balances:				
Beginning of year - July 1			<u>4,587,422</u>	
End of year - June 30			<u>\$ 4,955,897</u>	

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2008

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 189,463	\$ -	\$ 189,463
Accounts receivable, net	379,304	30,433	409,737
Due from other funds	148,830	-	148,830
Total current assets	<u>717,597</u>	<u>30,433</u>	<u>748,030</u>
Noncurrent assets:			
Other capital assets, net	<u>22,053,361</u>	<u>28,112</u>	<u>22,081,473</u>
Total noncurrent assets	<u>22,053,361</u>	<u>28,112</u>	<u>22,081,473</u>
Total assets	<u>22,770,958</u>	<u>58,545</u>	<u>22,829,503</u>
Liabilities and Net Assets:			
Liabilities:			
Current liabilities:			
Accounts payable	25,166	5,025	30,191
Due to other funds	-	158,430	158,430
Customer deposits	174,663	-	174,663
Compensated absences - current	2,468	1,065	3,534
Current portion of long-term debt	<u>471,870</u>	<u>4,689</u>	<u>476,559</u>
Total current liabilities	<u>674,167</u>	<u>169,209</u>	<u>843,377</u>
Noncurrent liabilities:			
Compensated absences - noncurrent	22,213	9,589	31,802
Noncurrent portion of long-term debt	<u>10,831,000</u>	<u>-</u>	<u>10,831,000</u>
Total noncurrent liabilities	<u>10,853,213</u>	<u>9,589</u>	<u>10,862,802</u>
Total liabilities	<u>11,527,380</u>	<u>178,798</u>	<u>11,706,178</u>
Net Assets:			
Invested in capital assets, net of related debt	10,750,491	23,423	10,773,914
Unrestricted	<u>493,087</u>	<u>(143,676)</u>	<u>349,411</u>
Total net assets	<u>\$ 11,243,578</u>	<u>\$ (120,253)</u>	<u>\$ 11,123,325</u>

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
Operating Revenues:			
Charges for services	\$ 2,505,143	\$ 1,843,579	\$ 4,348,722
Water and sewer taps	36,899	-	36,899
White goods and tire disposal tax	-	51,623	51,623
Other operating revenues	13,463	21,155	34,618
Total operating revenues	<u>2,555,505</u>	<u>1,916,357</u>	<u>4,471,862</u>
Operating Expenses:			
Water distribution and sewage treatment	1,472,886	-	1,472,886
Solid waste	-	2,035,029	2,035,029
Depreciation	521,663	8,532	530,195
Total operating expenses	<u>1,994,549</u>	<u>2,043,561</u>	<u>4,038,110</u>
Operating income (loss)	<u>560,956</u>	<u>(127,204)</u>	<u>433,752</u>
Nonoperating Revenues (Expenses):			
Interest earned on investments	15,009	1,868	16,877
Interest and fees	(544,045)	(888)	(544,933)
Total nonoperating revenues (expenses)	<u>(529,036)</u>	<u>980</u>	<u>(528,056)</u>
Income (loss) before capital contributions and transfers	31,920	(126,224)	(94,304)
Capital contributions	<u>430,289</u>	<u>-</u>	<u>430,289</u>
Change in net assets	462,209	(126,224)	335,985
Net Assets:			
Beginning of year - July 1	<u>10,781,369</u>	<u>5,971</u>	<u>10,787,340</u>
End of year - June 30	<u>\$ 11,243,578</u>	<u>\$ (120,253)</u>	<u>\$ 11,123,325</u>

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers	\$ 2,539,537	\$ 1,898,744	\$ 4,438,281
Cash paid for goods and services	(1,051,998)	(1,901,622)	(2,953,620)
Cash paid to employees for services	(446,277)	(131,620)	(577,897)
Customer deposits received	14,486	-	14,486
Net cash provided (used) by operating activities	<u>1,055,748</u>	<u>(134,498)</u>	<u>921,250</u>
Cash Flows from Noncapital Financing Activities:			
Loans from (to) other funds	<u>(134,830)</u>	<u>137,227</u>	<u>2,397</u>
Net cash provided (used) by noncapital financing activities	<u>(134,830)</u>	<u>137,227</u>	<u>2,397</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(458,130)	-	(458,130)
Principal paid on long-term debt	(778,759)	(3,709)	(782,468)
Interest and fees	(544,045)	(888)	(544,933)
Capital contributions	<u>430,289</u>	<u>-</u>	<u>430,289</u>
Net cash provided (used) for capital and related financing activities	<u>(1,350,645)</u>	<u>(4,597)</u>	<u>(1,355,242)</u>
Cash Flows from Investing Activities:			
Interest on investments	<u>15,009</u>	<u>1,868</u>	<u>16,877</u>
Net increase (decrease) in cash and cash equivalents	(414,718)	-	(414,718)
Cash and Cash Equivalents - Beginning of Year	<u>604,181</u>	<u>-</u>	<u>604,181</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 189,463</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 189,463</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 560,956	\$ (127,204)	\$ 433,752
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	521,663	8,532	530,195
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(15,968)	(17,617)	(33,585)
Increase (decrease) in accounts payable and accrued liabilities	(26,984)	935	(26,049)
Increase (decrease) in customer deposits	14,486	-	14,486
Increase (decrease) in accrued vacation pay	<u>1,595</u>	<u>856</u>	<u>2,451</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,055,748</u></u>	<u><u>\$ (134,498)</u></u>	<u><u>\$ 921,250</u></u>

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2008

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 84,040
Accounts receivable	<u>701,246</u>
Total assets	<u><u>\$ 785,286</u></u>
Liabilities:	
Intergovernmental payable	\$ 603,790
Accounts payable	<u>181,496</u>
Total liabilities	<u><u>\$ 785,286</u></u>

The accompanying notes are an integral part of the financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

1. Summary of Significant Accounting Policies

The accounting policies of Northampton County and its component units 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. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. The discretely presented component unit presented below is reported in a separate column in the County's financial statements in order to emphasize that it is legally separate from the County.

Discretely Presented Component Units

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 businesses 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.

B. Basis of Presentation

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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 nonexchange 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 nonmajor 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 nonexchange transactions or 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 - The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, human services, and education.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Special Revenue Funds - 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 fourteen special revenue funds: the EDC Advanced Vehicle Research Project Fund, the Capital Reserve Fund, the Mid Atlantic Distribution Park Fund, the Emergency Telephone System Fund, the Revaluation Fund, the Revolving Loan Fund, the CDBG Grant Project Fund, the Ambulance Capital Reserve Fund, the EDC Capital Reserve Fund, the Public Schools Building Fund, the Elementary Schools Building Fund, the Fire District Fund, the Roanoke Economic Development Fund, and the CDBG Scattered Site Fund.

Capital Project Funds – Capital project funds account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County maintains three capital project funds: the Wellness and Recreation Centers Capital Project Fund, the First Responder Training Center Fund, and the EDC Grant Project Fund.

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

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 of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a 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 appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Northampton County has two enterprise funds, the Water and Sewer Fund and the Solid Waste Fund. Water and Sewer Capital Projects are consolidated with the Water and Sewer Fund for financial reporting purposes. The County has two Water and Sewer Capital Projects: Northampton/Lincoln Park Sewer Project, and the Lebanon Church Road CDBG Project.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Fiduciary Funds:

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

Agency Funds - 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: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Inmate Trust Fund, which accounts for funds deposited by inmates of the County's jail; the Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities within the County; the Rescue Squad Fund, which accounts for rescue squad charges that are billed and collected by the County for the area rescue squads; and the 3% Interest Payable to 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, 2008.

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 government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the 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 liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges 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 revenues rather than as program revenues. Likewise, general revenues include all taxes.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating 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 taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Northampton County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the County's vehicle taxes for vehicles registered in Northampton County from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred revenues.

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. Grant revenues which are unearned at year-end are recorded as unearned revenues. 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 are both restricted and unrestricted net assets 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, 2008

As permitted by generally accepted accounting principles, the County has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

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, special revenue funds (excluding the Grant Projects Fund, the Public Schools Building Fund, and the Elementary Schools Building Fund), and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the special revenue funds listed above, capital project funds, and the water and sewer capital projects. 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, and 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 fund or 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, 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).

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

The County's and the ABC Board's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

Cash and Cash Equivalents

The County pools money from several funds 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.

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 on July 1, the beginning of the fiscal year. The taxes are due on September 1; however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2007.

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.

Inventory

The inventory of the County is immaterial; therefore, no amount is recorded.

Capital Assets

The County's purchased or constructed capital assets are recorded at original cost or estimated historical cost. Donated 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 large enough that the errors would be material when capital assets are considered as a whole. Any interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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

	<u>Years</u>
Buildings	20 - 75
Equipment	5 - 10
Vehicles	5 - 10
Water distribution system	20 - 50

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 assets.

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

Net Assets / Fund Balances

Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statutes.

Net assets are classified as follows:

Restricted Net Assets

General Government - portion of net assets constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the Register of Deeds' office. The funds are legally restricted for computer and imaging technology in the Register of Deeds' office.

Education - portion of fund balance representing monies legally restricted for public schools.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Fund Balances

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved

Reserved by State Statute - portion of fund balance, in addition to reserves for capital purchases and reserves for unemployment, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

Reserved for Register of Deeds - portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the register of deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the Register of Deeds' office.

Education - portion of fund balance representing monies legally restricted for public schools.

Unreserved

Designated for Subsequent Year's Expenditures - portion of the total fund balance available for appropriation that has been designated for the adopted 2008-2009 budget ordinance.

Unreserved fund balance had the following designations at June 30, 2008:

General Fund	\$ 436,704
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NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

F. Revenues, Expenditures, and Expenses

Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty 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 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 unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor 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 principles 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.

H. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the County's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide enhanced understanding of the County's financial position and operations or would cause the statements to be unduly complex or difficult to understand. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

2. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2008, expenditures exceeded the authorized appropriations made by the governing board as follows:

Special Revenue Funds:

EDC Advanced Vehicle Research - Transfers out \$490

Emergency Telephone Fund - Transfers \$313,519 (did not budget transfer out for change in State statute), Total expenditures \$97,110.

Public Schools Building Fund - Expenditures \$744,312; however, total revenues and other financing sources exceeded expenditures and other financing uses.

Elementary Schools Building Fund - Expenditures \$5,504; however, total revenues and other financing sources exceeded expenditures and other financing uses.

Corrective Action Plan - Management will more closely monitor budget to ensure that expenditures do not exceed authorized appropriations made by the governing board.

Deficit Fund Balance or Net Assets of Individual Funds

The following funds had deficit fund balances, net assets at June 30, 2008:

Special Revenue Fund:

Fire District Fund - \$106.

Capital Project Fund:

Wellness and Recreation Centers Capital Project - \$304,440.

Enterprise Fund:

Solid Waste Fund - \$120,253

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 balances at year-end.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

3. Detail Notes on All Funds

A. Assets

Deposits

All the deposits of the County and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by the County's and the ABC Board's agents in their 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, the ABC Board, or with the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the County and the ABC Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County 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 a policy regarding custodial credit risk for deposits.

At June 30, 2008, the County's deposits had a carrying amount of \$1,762,395 and a bank balance of \$2,359,005. Of the bank balance, \$202,637 was covered by federal depository insurance, and \$2,156,368 in interest bearing deposits were covered by collateral held under the Pooling Method.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Investments

At June 30, 2008, the County had \$3,415,746 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 Land

In accordance with the general statutes, agriculture, horticulture, and forestland 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
2004	\$ 400,276	\$ 23,016	\$ 423,292
2005	401,640	59,242	460,882
2006	403,681	95,874	499,555
2007	934,966	306,201	1,241,167
Total	<u>\$ 2,140,563</u>	<u>\$ 484,333</u>	<u>\$ 2,624,896</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Receivables

Receivables at Exhibit A at June 30, 2008 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due from other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,859,004	\$ 1,211,451	\$ 671,117	\$ 3,741,572
Other governmental	<u>102,247</u>	<u>-</u>	<u>-</u>	<u>102,247</u>
Total receivables	1,961,251	1,211,451	671,117	3,843,819
Allowance for doubtful accounts	<u>(1,007,000)</u>	<u>(440,000)</u>	<u>-</u>	<u>(1,447,000)</u>
 Total governmental activities	 <u>\$ 954,251</u>	 <u>\$ 771,451</u>	 <u>\$ 671,117</u>	 <u>\$ 2,396,819</u>
 Business-Type Activities:				
Solid Waste	\$ 333,754	\$ -	\$ -	\$ 333,754
Water and Sewer	<u>443,729</u>	<u>-</u>	<u>-</u>	<u>443,729</u>
Total receivables	777,483	-	-	777,483
Allowance for doubtful accounts	<u>(367,746)</u>	<u>-</u>	<u>-</u>	<u>(367,746)</u>
 Total business-type activities	 <u>\$ 409,737</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 409,737</u>

Due from other governments consisted of the following:

Local option sales tax	\$ 529,885
Sales tax refund	<u>141,232</u>
	<u>\$ 671,117</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Capital Assets

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

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2008</u>
Nondepreciable Assets:				
Construction in progress	\$ 1,426,293	\$ 2,809,636	\$ -	\$ 4,235,929
Land	1,200,000	-	-	1,200,000
Depreciable Assets:				
Buildings and improvements	9,118,637	-	-	9,118,637
Equipment	856,251	153,678	(120,811)	889,118
Vehicles and motor equipment	1,545,407	450,375	-	1,995,782
Total capital assets	<u>14,146,588</u>	<u>3,413,689</u>	<u>(120,811)</u>	<u>17,439,466</u>
Less Accumulated Depreciation:				
Buildings and improvements	(2,525,193)	(134,547)	-	(2,659,740)
Equipment	(367,559)	(74,320)	63,426	(378,453)
Vehicles and motor equipment	<u>(950,617)</u>	<u>(148,228)</u>	<u>-</u>	<u>(1,098,845)</u>
Total accumulated depreciation	<u>(3,843,369)</u>	<u>\$ (357,095)</u>	<u>\$ 63,426</u>	<u>(4,137,038)</u>
Capital assets, net	<u>\$ 10,303,219</u>			<u>\$ 13,302,428</u>

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

Governmental Activities:

General government	\$ 145,900
Public safety	169,079
Economic and physical development	1,946
Human services	21,893
Cultural and recreation	<u>18,277</u>
Total	<u>\$ 357,095</u>

Business-Type Activities:

Solid Waste	\$ 8,532
Water and Sewer	<u>521,663</u>
Total	<u>\$ 530,195</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Summary of Proprietary Capital Assets

Capital assets for the proprietary funds of the County at June 30, 2008 are as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Transfers</u>	<u>June 30, 2008</u>
Water and Sewer Fund:				
Nondepreciable Assets:				
Construction in progress	\$ 1,478,626	\$ 458,130	\$ (1,936,756)	\$ -
Depreciable Assets:				
Plant and distribution systems	24,786,477	-	1,936,756	26,723,233
Furniture and equipment	230,888	-	-	230,888
Vehicles	188,038	-	-	188,038
Total capital assets	<u>26,684,029</u>	<u>458,130</u>	<u>-</u>	<u>27,142,159</u>
Less Accumulated Depreciation:				
Plant and distribution systems	(4,214,064)	(498,098)	-	(4,712,162)
Furniture and equipment	(183,474)	(18,163)	-	(201,637)
Vehicles	(169,597)	(5,402)	-	(174,999)
Total accumulated depreciation	<u>(4,567,135)</u>	<u>\$ (521,663)</u>	<u>\$ -</u>	<u>(5,088,798)</u>
Total Water and Sewer Fund	<u>\$ 22,116,894</u>			<u>\$ 22,053,361</u>
 Solid Waste Fund:				
Depreciable Assets:				
Buildings	\$ 2,250	\$ -	\$ -	\$ 2,250
Furniture and equipment	183,605	-	-	183,605
Vehicles	153,924	-	-	153,924
Total capital assets	<u>339,779</u>	<u>-</u>	<u>-</u>	<u>339,779</u>
Less Accumulated Depreciation:				
Buildings	(2,250)	-	-	(2,250)
Furniture and equipment	(161,098)	(4,031)	-	(165,129)
Vehicles	(139,787)	(4,501)	-	(144,288)
Total accumulated depreciation	<u>(303,135)</u>	<u>\$ (8,532)</u>	<u>\$ -</u>	<u>(311,667)</u>
Total Solid Waste Fund	<u>\$ 36,644</u>			<u>\$ 28,112</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

B. Liabilities

Payables

Payables at Exhibit A at June 30, 2008 were as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 425,732
Other governmental	<u>45,663</u>
Total governmental activities	<u>\$ 471,395</u>
Business-Type Activities:	
Solid Waste	\$ 5,025
Water and Sewer	<u>25,166</u>
Total business-type activities	<u>\$ 30,191</u>

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description - Northampton County contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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, or by calling (919) 981-5454.

Funding Policy - Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.80% and 5.27%, respectively, of annual covered payroll. The contribution requirements of members and of Northampton County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$415,125, \$385,706, and \$366,776, respectively. The contributions made by the County equaled the required contributions for each year.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits:	1
Terminated plan members entitled to, but not yet, receiving benefits:	-
Active plan members	<u>25</u>
Total	<u><u>26</u></u>

A separate report was not issued for the plan.

Contributions - The law enforcement separation allowance is a defined benefit pension plan; however, due to immateriality an actuarial study has not been performed. The County has chosen to fund the amount necessary to cover the benefits when the benefit payments are due and record these payments as General Fund expenditures. For the current year, the County made \$11,136 in benefit payments.

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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 end June 30, 2008 were \$49,675, which consisted of \$44,135 from the County and \$5,540 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 has complied with changes in 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 of the County. Effective for the current fiscal year and in accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the County's Deferred Compensation Plan is no longer reported within the County's Agency Funds.

Registers of Deeds' Supplemental Pension Fund

Plan Description - Northampton County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund 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. 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Register of Deeds' Supplemental Pension Fund 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 the Register of Deeds' Supplemental Pension Fund. 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 - On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were \$1563.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Other Post-Employment Benefits

According to a County resolution, the County provides post-employment health care benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employee's Retirement System (System) and have at least five years of creditable service with the County. The County pays the full cost of coverage for these benefits. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. Currently ten retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2008, the County made payments for post-retirement health benefits premiums of \$62,279. The County obtains health care coverage through private insurers.

Other Employee Benefits

The County has also 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 be a minimum of \$25,000 and will not exceed \$50,000.

All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2008, the County made contributions to the State for death benefits of \$11,360. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .11% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Deferred / Unearned Revenues

The balance in deferred revenues on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	Deferred Revenue	Unearned Revenue
Prepaid taxes, not yet earned	\$ 56,574	\$ 56,574
Taxes receivable, net	771,451	-
Other receivables, net	380,884	-
	<u>\$ 1,208,909</u>	<u>\$ 56,574</u>

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two 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 commercial companies for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage; \$750,000 of aggregate annual losses in excess of \$250,000 per occurrence for property, auto physical damage, and crime coverage; and single occurrence losses of \$750,000 for workers' compensation.

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.

County employees handling cash are surety bonded in amounts exceeding those required by the North Carolina General Statutes.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Claims and Judgments

At June 30, 2008, the County was a defendant to various lawsuits. In the opinion of the County's management and the County's attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the County's financial position.

Long-Term Obligations

Installment Notes Payable

Governmental Activities:

Governmental Funds:

USDA Rural Development Loan to finance various capital projects, due in equal annual installments of \$94,572, including interest at 4.75% through March 2032	\$ 1,334,668
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USDA Rural Development Loan to finance various capital projects. Total available amount \$130,570, total drawn at June 30, 2005, \$126,565. Payments due in equal annual installments, including interest at 4.625% through January 2033	116,088
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Agreement to purchase land, due in ten (10) annual payments of \$120,000 plus interest at 3.62%, secured by land	840,000
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Agreement to purchase land, due in ten (10) annual payments of \$180,000 plus interest at 3.75%, secured by land	1,440,000
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Agreement to purchase ambulance, due in three (3) annual payments of \$28,915 including interest at 3.83%, secured by ambulance	27,815
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Agreement to purchase vehicles, due in three (3) annual payments of \$61,570 including interest at 3.68%, secured by vehicles	59,384
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Agreement to purchase vehicles, due in three (3) annual payments of payments of \$16,377 including interest at 4.18%, secured by vehicles	15,790
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NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Agreement to purchase office equipment, due in three (3) annual payments of \$53,712 including interest at 3.79%, secured by equipment	\$ 101,611
USDA rural development loan to finance various capital projects, due in equal annual installments of \$92,646 including interest at 4.125% through May 2048	1,800,000
Agreement to purchase equipment (lighting), due in five (5) annual payments of \$129,103, plus interest at 3.74%, secured by equipment	645,515
Agreement to purchase equipment (vehicles and computers), due in three (3) annual payments of \$35,140, including interest at 3.19%, secured by equipment	99,036
Agreement to purchase vehicles, due in three (3) annual payments of \$111,236 including interest at 3.44%, secured by vehicles	<u>312,000</u>
	<u>\$ 6,791,907</u>

Business-Type Activities:

Proprietary Funds:

Agreement to purchase vehicles, due in three (3) annual payments of \$12,354 including interest at 4.18%, secured by vehicles	<u>\$ 11,759</u>
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NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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

Governmental Activities:

Governmental Funds:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 766,437	\$ 273,247	\$ 1,039,684
2010	672,167	244,779	916,946
2011	627,505	240,087	867,592
2012	488,485	212,780	701,265
2013	491,172	190,087	681,259
2014-2018	1,135,126	686,213	1,821,339
2019-2023	443,193	532,446	975,639
2024-2028	553,209	422,430	975,639
2029-2033	593,760	287,250	881,010
2034-2038	274,403	188,827	463,230
2039-2043	335,864	127,366	463,230
2044-2048	410,586	52,139	462,725
Total	<u>\$ 6,791,907</u>	<u>\$ 3,457,651</u>	<u>\$ 10,249,558</u>

Business-Type Activities:

Proprietary Funds:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 11,759	\$ 595	\$ 12,354
Total	<u>\$ 11,759</u>	<u>\$ 595</u>	<u>\$ 12,354</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

General Obligation Indebtedness

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

The County's general obligation bonds payable at June 30, 2008 are comprised of the following individual issues:

General Obligations Bonds

Serviced by the General Fund:

\$5,380,000 1996 General Obligation Refunding Bonds, due in annual installments of \$345,000 to \$365,000 through August 1, 2010; interest at 4.50% to 5.40%	\$ 695,000
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\$9,000,000 2005 General Obligation Bonds, due in annual installments of \$135,000 to \$585,000 through June 1, 2026; interest at 4.00% to 5.00%	<u>8,595,000</u>
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Total serviced by the General Fund	<u>\$ 9,290,000</u>
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NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

General Obligation Bonds

Serviced by the Water and Sewer Fund:

\$1,329,600 1989 Water and Sewer notes issued on May 9, 1989, due in annual installments of \$44,600 to \$146,300 through June 1, 2009; interest at 5.00%	\$ 146,300
\$492,000 2000 Sanitary Sewer Bond issued on March 13, 2000, due in annual installments of \$5,500 to \$22,000 through June 1, 2039; interest at 5.00%	449,500
\$3,700,000 2002 Water Bond issued on April 1, 2002, due in annual installments of \$125,000 to \$250,000 through April 1, 2021; interest at 4.70% to 4.80%	3,075,000
\$2,870,000 2003 Water Bond issued on September 8, 2003, due in annual installments of \$32,000 to \$107,000 through June 1, 2043; interest at 4.25%	2,770,000
\$4,835,000 Refunding Series 2005 Water Bonds issued on May 1, 2005, due in annual installments of \$105,000 to \$290,000 through June 1, 2030; interest at 3.50% to 4.00%	4,470,000
\$430,000 Public Improvement Series 2005 Water Bonds issued on May 1, 2005, due in annual installments of \$15,000 to \$45,000 through June 1, 2025; interest at 4.00% to 5.00%	<u>385,000</u>
Total serviced by the Water and Sewer Fund	<u>\$ 11,295,800</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Annual debt service 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
2009	\$ 485,000	\$ 397,947	\$ 464,800	\$ 505,880
2010	480,000	372,822	445,500	477,347
2011	485,000	347,442	458,000	458,006
2012	485,000	325,618	459,500	437,919
2013	485,000	303,792	471,500	417,403
2014-2018	2,725,000	1,215,960	2,470,500	1,767,550
2019-2023	2,850,000	640,130	2,258,000	1,210,367
2024-2028	1,295,000	96,944	1,810,000	779,710
2029-2033	-	-	1,126,000	401,955
2034-2038	-	-	671,000	231,355
2039-2043	-	-	661,000	82,658
Total	<u>\$ 9,290,000</u>	<u>\$ 3,700,655</u>	<u>\$ 11,295,800</u>	<u>\$ 6,770,150</u>

At June 30, 2008, Northampton County had a legal debt margin of \$120,884,930.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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, 2008:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental Activities:					
General obligation bonds	\$ 9,780,000	\$ -	\$ (490,000)	\$ 9,290,000	\$ 485,000
Installment note	4,479,043	2,856,551	(543,687)	6,791,907	766,437
Compensated absences	<u>576,540</u>	<u>502,863</u>	<u>(527,143)</u>	<u>552,260</u>	<u>55,000</u>
Total governmental activities	<u>\$ 14,835,583</u>	<u>\$ 3,359,414</u>	<u>\$ (1,560,830)</u>	<u>\$ 16,634,167</u>	<u>\$ 1,306,437</u>
Business-Type Activities:					
General obligation bonds	\$ 12,068,300	\$ -	\$ (772,500)	\$ 11,295,800	\$ 464,800
Installment note	21,727	-	(9,968)	11,759	11,759
Compensated absences	<u>32,884</u>	<u>28,730</u>	<u>(26,278)</u>	<u>35,336</u>	<u>3,534</u>
Total business-type activities	<u>\$ 12,122,911</u>	<u>\$ 28,730</u>	<u>\$ (808,746)</u>	<u>\$ 11,342,895</u>	<u>\$ 480,093</u>

Compensated absences typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

Conduit Debt Obligations

Northampton County Industrial Facilities and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2008, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$5,500,000.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Interfund Balances and Activities

	Transfers		
	From	To	Purpose
Operating Transfers			
From/To Other Funds:			
General Fund	\$ 1,834,722	\$ -	
Nonmajor special revenue funds	-	810,281	Resources for future projects, operations
Nonmajor capital project funds	-	503,000	Resources for projects
Nonmajor Debt Service Fund	-	521,441	Debt service
Total transfers	<u>\$ 1,834,722</u>	<u>\$ 1,834,722</u>	

Receivable Fund	Payable Fund	Amount	Purpose
Capital Reserve Fund	General Fund	\$ 169,720	To finance future capital outlay
General Fund	Wellness/Recreation Centers		
	Capital Project Fund	367,740	To finance capital project activity
General Fund	Nonmajor special revenue funds	97	Operations, reimbursements
General Fund	Solid Waste Fund	9,600	Operations, reimbursements
		<u>\$ 547,157</u>	

4. Related Organization

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 Roanoke-Chowan Human Services Center (the "Center") which serves a four-county mental health district. Northampton County appoints four members to the twenty-four member board of the mental health district. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2008. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$81,614 to the center to supplement its activities. Complete financial statements for the Center can be obtained from the Center's office at Route 3, Box 22A, Ahoskie, North Carolina 27910.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

The County also participates in a joint venture to operate the Albemarle Regional Library (the “Library”) which serves a four-county district. Northampton 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, 2008. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$113,539 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's office on 303 West Tyron Street, Winton, North Carolina 27986.

The County also participates in a joint venture to operate Choanoke Public Transit Authority (CPTA) with two other local governments. Each participating local government appoints three board members to the nine-member board of the CPTA. The County has an ongoing indirect financial interest in the joint venture because the CPTA's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in CPTA, so no equity interest has been reflected in the financial statements at June 30, 2008. The County appropriated \$13,000 to the CPTA to supplement its activities. Complete financial statements for the CPTA can be obtained from the offices at 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). Northampton 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 Tri-County Airport. 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, 2008. The County appropriated \$16,000 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 “Airport Authority”) with two other local governments. Northampton County appoints two 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 Halifax-Northampton Regional Airport. 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, 2008. The County appropriated \$1,750 to the Airport Authority to supplement its activities.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

6. Jointly Governed Organization

The County, in conjunction with five other counties, established the Region L Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$8,877 to the Council during the fiscal year ended June 30, 2008.

7. Benefit Payments Issued by the State

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

	<u>Federal</u>	<u>State</u>
Medicaid	\$ 28,098,725	\$ 14,788,142
Women, Infants, and Children	418,898	-
Food Stamp Program	5,006,198	-
Temporary Assistance to Needy Families	422,801	-
Low Income Home Energy Assistance	328,226	-
Foster Care	8,116	1,612
Adoption Assistance	21,129	5,900
State/County Special Assistance for Adults	-	377,622
CWS Adoption Subsidy	-	34,100
State Foster Home	-	26,591

8. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 13,935,298	\$ 14,480,343	\$ 545,045	\$ 10,920,775
Penalties and interest	137,500	184,122	46,622	155,803
Total	14,072,798	14,664,465	591,667	11,076,578
Other Taxes and Licenses:				
Privilege licenses	400	740	340	435
Local option sales tax	3,065,735	3,253,442	187,707	3,240,546
Excise tax	75,000	71,146	(3,854)	74,999
Utility franchise tax	32,000	25,742	(6,258)	28,173
Total	3,173,135	3,351,070	177,935	3,344,153
Unrestricted Intergovernmental:				
Beer and wine tax	65,000	70,206	5,206	68,896
Other	12,000	-	(12,000)	12,003
Total	77,000	70,206	(6,794)	80,899
Restricted Intergovernmental:				
Federal and State grants	7,172,252	6,293,969	(878,283)	6,172,528
Court facility fees	45,000	43,678	(1,322)	41,900
Fines and forfeitures	140,000	130,937	(9,063)	113,491
ABC bottles taxes	4,100	4,839	739	4,875
Total	7,361,352	6,473,423	(887,929)	6,332,794
Permits and Fees:				
Building permits	100,100	114,913	14,813	98,255
Mobile home decals	9,000	6,150	(2,850)	8,944
Register of Deeds	105,000	100,379	(4,621)	105,192
Other fees	31,000	31,703	703	31,768
Total	245,100	253,145	8,045	244,159

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Sales and Services:				
Court costs and fees	20,000	25,929	5,929	25,460
Jail fees	5,500	6,922	1,422	6,932
Ambulance and rescue squad fees	430,000	475,997	45,997	456,319
Sheriff's fees	87,000	107,991	20,991	76,803
Health department fees	1,440,448	1,587,428	146,980	1,680,878
Inmate housing	305,000	448,479	143,479	419,975
Other fees	124,266	78,748	(45,518)	88,679
Total	2,412,214	2,731,494	319,280	2,755,046
Investment Earnings	251,000	118,363	(132,637)	337,935
Special Project Revenue:				
Fees and reimbursements	18,644	21,620	2,976	19,695
Total	18,644	21,620	2,976	19,695
Miscellaneous:				
Reimbursements	-	10,000	10,000	-
Miscellaneous DSS	72,799	8,211	(64,588)	6,356
Other	141,621	71,071	(70,550)	127,741
Total	214,420	89,282	(125,138)	134,097
Total revenues	27,825,663	27,773,068	(52,595)	24,325,356
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	44,919	44,635		41,178
Other operating expenditures	51,950	51,414		37,427
Total	96,869	96,049	820	78,605

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Administration:				
Salaries and employee benefits	187,348	185,356		178,566
Other operating expenditures	14,795	12,624		11,608
Total	202,143	197,980	4,163	190,174
Human Resources:				
Salaries and employee benefits	101,766	101,336		94,471
Other operating expenditures	24,243	23,717		23,645
Total	126,009	125,053	956	118,116
Finance:				
Salaries and employee benefits	214,324	201,913		194,365
Other operating expenditures	256,300	253,031		236,345
Total	470,624	454,944	15,680	430,710
Hospitalization - Retirees:				
Operating expenditures	67,974	62,279	5,695	36,860
Taxes:				
Salaries and employee benefits	321,981	321,527		292,802
Other operating expenditures	152,879	151,647		127,550
Total	474,860	473,174	1,686	420,352
Land Records:				
Salaries and employee benefits	129,107	128,665		120,259
Other operating expenditures	24,588	23,330		13,392
Total	153,695	151,995	1,700	133,651
Census Program:				
Salaries and employee benefits	3,000	546		-
Other operating expenditures	1,000	4		-
Total	4,000	550	3,450	-

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Legal:				
Other operating expenditures	35,419	34,178	1,241	25,622
Total	35,419	34,178	1,241	25,622
Court Facilities:				
Other operating expenditures	6,700	6,329	371	2,843
Total	6,700	6,329	371	2,843
Elections:				
Salaries and employee benefits	60,863	59,093		39,882
Other operating expenditures	66,862	44,981		49,892
Total	127,725	104,074	23,651	89,774
Register of Deeds:				
Salaries and employee benefits	152,403	150,843		143,896
Other operating expenditures	52,822	44,313		43,898
Total	205,225	195,156	10,069	187,794
Public Buildings:				
Salaries and employee benefits	302,811	294,169		280,215
Other operating expenditures	324,459	244,479		248,523
Total	627,270	538,648	88,622	528,738
Management Information Systems:				
Salaries and employee benefits	109,815	109,439		102,191
Other operating expenditures	178,855	170,962		133,698
Total	288,670	280,401	8,269	235,889
Central Garage:				
Salaries and employee benefits	42,625	41,343		38,599
Other operating expenditures	8,490	927		3,054
Total	51,115	42,270	8,845	41,653

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Central Stores:				
Operating expenditures	35,500	11,074	24,426	1,254
Total	35,500	11,074	24,426	1,254
 Total general government	 2,973,798	 2,774,154	 199,644	 2,522,035
 Public Safety:				
Sheriff:				
Salaries and employee benefits	1,311,710	1,280,911		1,052,302
Other operating expenditures	725,555	703,636		320,531
Total	2,037,265	1,984,547	52,718	1,372,833
 Sheriff - Governor's Highway Safety:				
Salaries and employee benefits	38,091	12,094		16,429
Other operating expenditures	-	-		1,284
Total	38,091	12,094	25,997	17,713
 Sheriff - School Resource Officer:				
Salaries and employee benefits	47,816	45,259	2,557	23,462
Total	47,816	45,259	2,557	23,462
 Sheriff - Execution Account:				
Operating expenditures	60,500	43,925	16,575	41,689
Total	60,500	43,925	16,575	41,689
 Criminal Justice Partnership Program:				
Salaries and employee benefits	63,520	54,026		51,393
Other operating expenditures	38,549	32,655		34,041
Total	102,069	86,681	15,388	85,434
 Jail:				
Salaries and employee benefits	751,987	740,338		691,137
Other operating expenditures	436,313	417,792		370,766
Total	1,188,300	1,158,130	30,170	1,061,903

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008		2007
	Budget	Actual	Variance Over /Under
			Actual
Emergency Communications:			
Salaries and employee benefits	484,466	473,404	450,528
Other operating expenditures	88,450	27,242	18,263
Total	572,916	500,646	72,270
Emergency Management:			
Salaries and employee benefits	46,861	44,206	18,390
Other operating expenditures	24,840	21,367	3,845
Total	71,701	65,573	6,128
Homeland Security:			
Other operating expenditures	-	-	3,882
Total	-	-	3,882
Fire:			
Assistance to local fire departments	38,500	38,500	38,500
Contribution to N.C. Forestry	83,882	83,882	76,538
Total	122,382	122,382	-
Building Inspections:			
Salaries and employee benefits	133,924	131,263	133,755
Other operating expenditures	20,688	16,002	22,464
Total	154,612	147,265	7,347
Housing and Mobile Home Cleaning:			
Other operating expenditures	84,350	70,504	-
Total	84,350	70,504	13,846
Medical Examiner:			
Contracted services	10,000	6,400	3,600
Ambulance Services:			
Salaries and employee benefits	914,173	912,766	637,258
Other operating expenditures	225,683	223,811	127,545
Assistance to local rescue units	14,500	14,400	11,000
Total	1,154,356	1,150,977	3,379

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Animal Control:				
Salaries and employee benefits	42,928	42,687		40,105
Other operating expenditures	39,065	17,728		22,705
Total	81,993	60,415	21,578	62,810
 Total public safety	 5,726,351	 5,454,798	 271,553	 4,212,512
 Transportation:				
Contribution to CPTA	13,000	13,000		13,000
Contribution to Tri-County Airport	17,750	17,750		16,750
 Total transportation	 30,750	 30,750	 -	 29,750
 Environmental Protection:				
Contribution to Lake Gaston weed control	119,873	119,873		116,750
Drainage and watershed protection	4,000	4,000		4,000
 Total environmental protection	 123,873	 123,873	 -	 120,750
 Economic and Physical Development:				
Planning and Zoning:				
Salaries and employee benefits	112,101	104,408		89,286
Other operating expenditures	30,321	26,630		15,465
Total	142,422	131,038	11,384	104,751
 Economic Development:				
Salaries and employee benefits	124,854	122,794		99,064
Other operating expenditures	182,556	171,479		144,675
COG membership dues	8,877	8,877		8,876
Contribution to Chamber of Commerce	20,000	20,000		8,500
Contribution to CADA	7,000	7,000		7,000
Miscellaneous contributions	1,000	1,000		500
Total	344,287	331,150	13,137	268,615

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Cooperative Extension:				
Salaries and employee benefits	150,172	149,094		160,343
Other operating expenditures	82,594	72,189		37,700
Total	232,766	221,283	11,483	198,043
 Northampton Nature Trail #2:				
Operating expenditures	-	-	-	14,503
 Environmental Equity Grant				
Operating expenditures	1,247	301	946	552
 Work First - Mentor Education:				
Operating expenditures	-	-	-	546
 Soil and Water Conservation:				
Salaries and employee benefits	69,817	65,415		61,830
Other operating expenditures	5,825	5,482		5,060
Total	75,642	70,897	4,745	66,890
 Total economic and physical development	796,364	754,669	41,695	653,900
 Human Services:				
Health:				
Salaries and employee benefits	619,828	486,526		449,074
Other operating expenditures	126,358	84,507		91,488
Total	746,186	571,033	175,153	540,562
 Communicable Disease:				
Salaries and employee benefits	7,082	5,268		9,515
Other operating expenditures	1,660	297		648
Total	8,742	5,565	3,177	10,163
 Healthy Carolinian:				
Operating expenditures	25,978	24,367		5,713
Total	25,978	24,367	1,611	5,713

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Kate B. Reynolds Grant:				
Salaries and employee benefits	10,922	6,500		-
Other operating expenditures	22,597	18,033		-
Total	33,519	24,533	8,986	-
Healthy Start Initiative:				
Salaries and employee benefits	130,033	129,564		120,335
Other operating expenditures	37,948	37,878		57,522
Total	167,981	167,442	539	177,857
Folic Acid Grant:				
Other operating expenditures	18,003	13,296	4,707	26,610
Immunization Program:				
Salaries and employee benefits	8,655	8,526		8,540
Other operating expenditures	359	211		152
Total	9,014	8,737	277	8,692
Restaurant Heart Health:				
Operating expenditures	-	-	-	500
Carolina Access III:				
Salaries and employee benefits	256,632	200,618		225,935
Other operating expenditures	33,137	22,134		28,051
Total	289,769	222,752	67,017	253,986
Tuberculosis Program:				
Salaries and employee benefits	34,359	29,992		38,350
Other operating expenditures	7,427	5,361		3,759
Total	41,786	35,353	6,433	42,109
Diabetes Grant:				
Salaries and employee benefits	12,453	12,453		21,794
Other operating expenditures	34,775	34,560		27,735
Total	47,228	47,013	215	49,529

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Youth Tobacco Grant:				
Salaries and employee benefits	-	-		5,984
Other operating expenditures	76	76		1,241
Total	76	76	-	7,225
Breast and Cervical Cancer:				
Salaries and employee benefits	14,339	14,134		7,640
Other operating expenditures	20,312	14,793		11,772
Total	34,651	28,927	5,724	19,412
BCCCP - Plus:				
Operating expenditures	47,197	40,191	7,006	42,176
Home Health:				
Salaries and employee benefits	533,771	490,305		466,917
Other operating expenditures	518,142	406,611		471,739
Total	1,051,913	896,916	154,997	938,656
Smart Start (NC Partnership):				
Salaries and employee benefits	28,751	28,753		26,442
Other operating expenditures	5,134	5,133		5,008
Total	33,885	33,886	(1)	31,450
Duke Endowment:				
Salaries and employee benefits	29,240	22,504		-
Total	29,240	22,504	6,736	-
Health Promotions:				
Salaries and employee benefits	37,616	37,448		34,580
Other operating expenditures	8,538	4,407		3,196
Total	46,154	41,855	4,299	37,776
School Health - Kate B. Reynolds:				
Salaries and employee benefits	29,584	29,583		27,689
Other operating expenditures	6,191	4,285		4,861
Total	35,775	33,868	1,907	32,550

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Child Health:				
Salaries and employee benefits	162,869	131,406		123,916
Other operating expenditures	29,260	19,148		19,817
Total	192,129	150,554	41,575	143,733
Child Services Coordination:				
Salaries and employee benefits	116,246	113,210		127,866
Other operating expenditures	27,930	15,087		17,796
Total	144,176	128,297	15,879	145,662
Maternal Care Coordination:				
Salaries and employee benefits	34,640	34,572		32,768
Other operating expenditures	8,192	6,169		6,999
Total	42,832	40,741	2,091	39,767
Maternal Child Health:				
Salaries and employee benefits	188,067	180,057		190,052
Other operating expenditures	50,939	35,004		32,086
Total	239,006	215,061	23,945	222,138
Family Planning:				
Salaries and employee benefits	185,669	182,191		171,212
Other operating expenditures	72,930	40,610		42,776
Total	258,599	222,801	35,798	213,988
Health Promotions - Clinical (Adult):				
Salaries and employee benefits	56,787	35,625		32,145
Operating expenditures	17,470	9,058		8,980
Total	74,257	44,683	29,574	41,125
Health-Head Start:				
Salaries and employee benefits	28,338	27,715		20,215
Other operating expenditures	3,120	888		2,104
Total	31,458	28,603	2,855	22,319

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Women, Infants, and Children:				
Salaries and employee benefits	125,873	116,464		106,851
Other operating expenditures	9,910	7,623		11,788
Total	135,783	124,087	11,696	118,639
Wise Woman Project:				
Salaries and employee benefits	8,889	8,872		3,410
Other operating expenditures	7,811	4,424		3,041
Total	16,700	13,296	3,404	6,451
Bio-Terrorism Grant:				
Salaries and employee benefits	34,511	34,424		28,116
Operating expenditures	68,502	62,493		28,221
Total	103,013	96,917	6,096	56,337
Environmental Health:				
Salaries and employee benefits	147,068	140,347		140,418
Other operating expenditures	15,893	6,927		8,555
Total	162,961	147,274	15,687	148,973
Child Lead Poisoning Prevention:				
Operating expenditures	500	500	-	1,200
Universal Childhood Vaccine:				
Salaries and employee benefits	-	-		410
Other operating expenditures	-	-		38
Total	-	-	-	448
Well Water Improvement:				
Salaries and employee benefits	5,729	5,730		-
Other operating expenditures	20,485	20,484		-
Total	26,214	26,214	-	-
Elderly and Handicapped:				
Operating expenditures	119,740	98,789	20,951	89,403

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Home Delivered Meals:				
Salaries and employee benefits	8,956	8,843		8,377
Other operating expenditures	85,322	60,152		55,113
Total	94,278	68,995	25,283	63,490
Home & Community Care Block Grant:				
Salaries and employee benefits	9,962	9,788		7,110
Other operating expenditures	100,907	95,876		119,165
Total	110,869	105,664	5,205	126,275
AIDS Control:				
Salaries and employee benefits	24,365	22,786		29,627
Other operating expenditures	2,185	1,324		1,401
Total	26,550	24,110	2,440	31,028
HIV Non-Traditional Site Testing:				
Salaries and employee benefits	8,480	8,472		-
Other operating expenditures	2,420	2,289		-
Total	10,900	10,761	139	-
Total health	4,457,062	3,765,661	691,401	3,695,942
Mental Health:				
Contribution to mental health center	81,614	81,614	-	81,614
Aging:				
Salaries and employee benefits	46,490	44,919		43,414
Other operating expenditures	8,425	6,635		5,945
Total	54,915	51,554	3,361	49,359
Care Giver Grant:				
Operating expenditures	10,510	9,958	552	5,495

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
JW Faison Senior Center:				
Contribution to senior center	20,000	20,000	-	-
NC Project Life Saver:				
Operating expenditures	3,000	2,741	259	-
Veterans Assistance:				
Salaries and employee benefits	30,618	23,958		31,881
Other operating expenditures	6,443	5,497		3,719
Total	37,061	29,455	7,606	35,600
Community Based Alternatives:				
Operating expenditures	116,540	116,540	-	113,582
Social Services:				
Administration:				
Salaries and employee benefits	2,993,572	2,896,562		2,837,308
Other operating expenditures	1,983,910	1,259,658		1,204,919
Total	4,977,482	4,156,220	821,262	4,042,227
Program Expenditures:				
Federal and State Expenditures:				
AFDC - FC	56,100	30,196		51,646
Crisis Fuel	233,692	231,058		243,935
Board home	27,200	19,435		16,084
Smart Start day care	74,285	74,284		72,953
CAP/DA Federal and State expenditures	75,000	59,557		46,942
TANF Domestic Violence	7,302	2,980		5,839
Child day care	922,249	807,367		850,379
TEA Foster Care	47,940	47,907		18,348
Total federal and state expenditures	1,443,768	1,272,784	170,984	1,306,126

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
County Expenditures:				
Foster Care	1,484	129		200
Medicaid	1,975,513	1,975,481		2,322,224
Aid to Blind	6,568	1,819		2,241
OAA/AD	383,261	381,626		406,047
AFDC - FC	39,000	34,921		36,891
General assistance	9,000	8,198		6,832
Board home	43,000	41,327		23,717
Food Stamp issuances	14,591	12,383		25,395
IV-E Adoption assistance	5,900	5,956		6,721
Other	-	(544)		-
Total county expenditures	<u>2,478,317</u>	<u>2,461,296</u>	<u>17,021</u>	<u>2,830,268</u>
 Total social services	<u>8,899,567</u>	<u>7,890,300</u>	<u>1,009,267</u>	<u>8,178,621</u>
 Total human services	<u>13,680,269</u>	<u>11,967,823</u>	<u>1,712,446</u>	<u>12,160,213</u>
 Cultural and Recreation:				
Recreation:				
Salaries and employee benefits	101,249	98,421		79,337
Other operating expenditures	74,820	71,472		26,441
Total	<u>176,069</u>	<u>169,893</u>	<u>6,176</u>	<u>105,778</u>
 Libraries:				
Contribution to regional library	<u>113,539</u>	<u>113,539</u>	<u>-</u>	<u>104,981</u>
 Northampton Cultural Arts:				
Contribution	<u>10,793</u>	<u>10,792</u>	<u>1</u>	<u>-</u>
 Museums:				
Contribution to museum	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>7,000</u>
 Historical Society:				
Contribution to historical	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total cultural and recreation	<u>310,401</u>	<u>304,224</u>	<u>6,177</u>	<u>217,759</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over /Under	Actual
Education:				
Public schools - current expenses	3,398,419	3,398,419		3,408,419
Public schools - capital outlay	820,249	820,249		578,019
Public schools - fines and forfeitures	140,000	130,937		113,491
Community colleges - current	40,000	40,000		38,000
Total education	4,398,668	4,389,605	9,063	4,137,929
Debt Service:				
Principal retirement	175,371	167,638		212,535
Interest and fees	13,373	13,373		12,532
Total debt service	188,744	181,011	7,733	225,067
Total expenditures	28,229,218	25,980,907	2,248,311	24,279,915
Revenues over (under) expenditures	(403,555)	1,792,161	2,195,716	45,441
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Special revenue funds	(1,088,335)	(810,281)	278,054	(599,122)
Capital project funds	(503,000)	(503,000)	-	(20,000)
Debt Service Fund	(521,441)	(521,441)	-	(865,665)
Long-term debt issued	343,113	411,036	67,923	149,651
Appropriated fund balance	2,173,218	-	(2,173,218)	-
Total other financing sources (uses)	403,555	(1,423,686)	(1,827,241)	(1,335,136)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	368,475	\$ 368,475	(1,289,695)
Fund Balance:				
Beginning of year - July 1		4,587,422		5,877,117
End of year - June 30		\$ 4,955,897		\$ 4,587,422

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Nonmajor Debt Service Fund	Total
Assets:				
Cash and cash equivalents	\$ 752,332	\$ 64,057	\$ -	\$ 816,389
Accounts receivable, net	102,247	-	-	102,247
Due from other funds	169,720	-	-	169,720
Total assets	<u>\$ 1,024,299</u>	<u>\$ 64,057</u>	<u>\$ -</u>	<u>\$ 1,088,356</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 45,663	\$ -	\$ -	\$ 45,663
Due to other funds	97	367,742	-	367,839
Total liabilities	<u>45,760</u>	<u>367,742</u>	<u>-</u>	<u>413,502</u>
Fund Balances:				
Reserved by State statute	226,141	-	-	226,141
Unreserved	752,398	(303,685)	-	448,713
Total fund balances	<u>978,539</u>	<u>(303,685)</u>	<u>-</u>	<u>674,854</u>
Total liabilities and fund balances	<u>\$ 1,024,299</u>	<u>\$ 64,057</u>	<u>\$ -</u>	<u>\$ 1,088,356</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Debt Service Fund	Total
Revenues:				
Ad valorem taxes	\$ 501,521	\$ -	\$ -	\$ 501,521
Restricted intergovernmental	715,570	655,817	-	1,371,387
Sales and services	293,026	-	-	293,026
Investment earnings	21,642	4,075	2	25,719
Miscellaneous	35,186	3,250	-	38,436
Total revenues	<u>1,566,945</u>	<u>663,142</u>	<u>2</u>	<u>2,230,089</u>
Expenditures:				
Current:				
General government	81,551	-	-	81,551
Public safety	804,541	4,500	-	809,041
Economic and physical development	495,772	56,817	-	552,589
Human services	-	1,692,536	-	1,692,536
Cultural and recreation	-	1,055,783	-	1,055,783
Education	296,504	-	-	296,504
Debt service:				
Principal	-	-	866,049	866,049
Interest	-	-	545,677	545,677
Total expenditures	<u>1,678,368</u>	<u>2,809,636</u>	<u>1,411,726</u>	<u>5,899,730</u>
Revenues over (under) expenditures	<u>(111,423)</u>	<u>(2,146,494)</u>	<u>(1,411,724)</u>	<u>(3,669,641)</u>
Other Financing Sources (Uses):				
Long-term debt issued	-	2,445,515	-	2,445,515
Transfers in (out)	<u>(379,522)</u>	<u>803,000</u>	<u>1,411,244</u>	<u>1,834,722</u>
Total other financing sources (uses)	<u>(379,522)</u>	<u>3,248,515</u>	<u>1,411,244</u>	<u>4,280,237</u>
Net change in fund balances	(490,945)	1,102,021	(480)	610,596
Fund Balances:				
Beginning of year - July 1	<u>1,469,484</u>	<u>(1,405,706)</u>	<u>480</u>	<u>64,258</u>
End of year - June 30	<u>\$ 978,539</u>	<u>\$ (303,685)</u>	<u>\$ -</u>	<u>\$ 674,854</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2008

	Capital Reserve Fund	Mid-Atlantic Distribution Park	Emergency Telephone System	Revaluation Fund	Revolving Loan Fund
Assets:					
Cash and cash equivalents	\$ -	\$ 269	\$ 390,852	\$ 28,339	\$ 9,912
Accounts receivable, net	-	-	56,421	-	-
Due from other funds	169,720	-	-	-	-
Total assets	<u>\$ 169,720</u>	<u>\$ 269</u>	<u>\$ 447,273</u>	<u>\$ 28,339</u>	<u>\$ 9,912</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ (172)	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(172)</u>	<u>-</u>
Fund Balances:					
Reserved by State statute	169,720	-	56,421	-	-
Unreserved	-	269	390,852	28,511	9,912
Total fund balances	<u>169,720</u>	<u>269</u>	<u>447,273</u>	<u>28,511</u>	<u>9,912</u>
Total liabilities and fund balances	<u>\$ 169,720</u>	<u>\$ 269</u>	<u>\$ 447,273</u>	<u>\$ 28,339</u>	<u>\$ 9,912</u>

Schedule 4

Ambulance Capital Reserve Fund	EDC Capital Reserve Fund	Public Schools Building Fund	Fire District Fund	Roanoke Economic Development	June 30, 2008 Total
\$ 897	\$ 129,784	\$ 192,279	\$ -	\$ -	\$ 752,332
-	-	-	40,826	5,000	102,247
-	-	-	-	-	169,720
<u>\$ 897</u>	<u>\$ 129,784</u>	<u>\$ 192,279</u>	<u>\$ 40,826</u>	<u>\$ 5,000</u>	<u>\$ 1,024,299</u>
\$ -	\$ -	\$ -	40,835	\$ 5,000	\$ 45,663
-	-	-	97	-	97
-	-	-	40,932	5,000	45,760
-	-	-	-	-	226,141
897	129,784	192,279	(106)	-	752,398
<u>897</u>	<u>129,784</u>	<u>192,279</u>	<u>(106)</u>	<u>-</u>	<u>978,539</u>
<u>\$ 897</u>	<u>\$ 129,784</u>	<u>\$ 192,279</u>	<u>\$ 40,826</u>	<u>\$ 5,000</u>	<u>\$ 1,024,299</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2008

	EDC Advanced Vehicle Research	Capital Reserve Fund	Mid-Atlantic Distribution Park	Emergency Telephone System	Revaluation Fund	Revolving Loan Fund	CDBG Grant Project Fund
Revenues:							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	-	-	-	-
Sales and services	-	-	-	293,026	-	-	-
Investment earnings	-	1,587	427	15,488	183	1,390	-
Miscellaneous	-	-	35,105	81	-	-	-
Total revenues	-	1,587	35,532	308,595	183	1,390	-
Expenditures:							
General government	-	-	-	-	81,551	-	-
Public safety	-	-	-	305,782	-	-	-
Economic and physical development	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Total expenditures	-	-	-	305,782	81,551	-	-
Revenues over (under) expenditures	-	1,587	35,532	2,813	(81,368)	1,390	-
Other Financing Sources (Uses):							
Transfers in (out)	490	(88,768)	(36,256)	(364,963)	110,000	-	(25)
Total other financing sources (uses)	490	(88,768)	(36,256)	(364,963)	110,000	-	(25)
Net change in fund balances	490	(87,181)	(724)	(362,150)	28,632	1,390	(25)
Fund Balances:							
Beginning of year - July 1	(490)	256,901	993	809,423	(121)	8,522	25
End of year - June 30	\$ -	\$ 169,720	\$ 269	\$ 447,273	\$ 28,511	\$ 9,912	\$ -

Ambulance Capital Reserve Fund	EDC Capital Reserve Fund	Public Schools Building Fund	Elementary Schools Building Fund	Fire District Fund	Roanoke Economic Development	CDBG Scattered Site	June 30, 2008 Total
\$ -	\$ -	\$ -	\$ -	\$ 501,521	\$ -	\$ -	\$ 501,521
-	-	219,804	-	-	104,000	391,766	715,570
-	-	-	-	-	-	-	293,026
19	2,542	-	-	-	-	6	21,642
-	-	-	-	-	-	-	35,186
19	2,542	219,804	-	501,521	104,000	391,772	1,566,945
-	-	-	-	-	-	-	81,551
-	-	-	-	498,759	-	-	804,541
-	-	-	-	-	104,000	391,772	495,772
-	-	185,965	110,539	-	-	-	296,504
-	-	185,965	110,539	498,759	104,000	391,772	1,678,368
19	2,542	33,839	(110,539)	2,762	-	-	(111,423)
-	-	-	-	-	-	-	(379,522)
-	-	-	-	-	-	-	(379,522)
19	2,542	33,839	(110,539)	2,762	-	-	(490,945)
878	127,242	158,440	110,539	(2,868)	-	-	1,469,484
<u>\$ 897</u>	<u>\$ 129,784</u>	<u>\$ 192,279</u>	<u>\$ -</u>	<u>\$ (106)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 978,539</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

EDC ADVANCED VEHICLE RESEARCH
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 92,397
Expenditures:				
Current:				
Economic and physical development	-	-	-	47,940
Revenues over (under) expenditures	-	-	-	44,457
Other Financing Sources (Uses):				
Transfers in (out)	-	490	(490)	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>490</u>	<u>\$ (490)</u>	<u>44,457</u>
Fund Balance:				
Beginning of year - July 1		(490)		(44,947)
End of year - June 30		<u>\$ -</u>		<u>\$ (490)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 2,000	\$ 1,587	\$ (413)	\$ 11,434
Other Financing Sources (Uses):				
Transfers in (out)	(202,000)	(88,768)	113,232	(575,698)
Appropriated fund balance	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,000)</u>	<u>(88,768)</u>	<u>(86,768)</u>	<u>(575,698)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(87,181)</u>	<u>\$ (87,181)</u>	<u>(564,264)</u>
Fund Balance:				
Beginning of year - July 1		<u>256,901</u>		<u>821,165</u>
End of year - June 30		<u>\$ 169,720</u>		<u>\$ 256,901</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

MID-ATLANTIC DISTRIBUTION PARK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ 427	\$ 427	\$ 804
Miscellaneous revenue	285,664	35,105	(250,559)	31,619
Total revenues	<u>285,664</u>	<u>35,532</u>	<u>(250,132)</u>	<u>32,423</u>
Expenditures:				
Current:				
Economic and physical development	<u>1,251,954</u>	<u>-</u>	<u>1,251,954</u>	<u>-</u>
Revenues over (under) expenditures	<u>(966,290)</u>	<u>35,532</u>	<u>1,001,822</u>	<u>32,423</u>
Other Financing Sources (Uses):				
Long-term debt issued	1,200,000	-	(1,200,000)	-
Transfers in (out)	(55,000)	(36,256)	18,744	(55,000)
Transfers- Intrafund	27,000	-	(27,000)	-
Loan expenditures (closing costs)	<u>(205,710)</u>	<u>-</u>	<u>205,710</u>	<u>-</u>
Total other financing sources (uses)	<u>966,290</u>	<u>(36,256)</u>	<u>(1,002,546)</u>	<u>(55,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(724)</u>	<u>\$ (724)</u>	<u>(22,577)</u>
Fund Balance:				
Beginning of year - July 1		<u>993</u>		<u>23,570</u>
End of year - June 30		<u>\$ 269</u>		<u>\$ 993</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Telephone surcharge	\$ 260,116	\$ 293,026	\$ 32,910	\$ 293,026
Investment earnings	-	15,488	15,488	12,887
Miscellaneous	-	81	81	84
Total revenues	<u>260,116</u>	<u>308,595</u>	<u>48,479</u>	<u>305,997</u>
Expenditures:				
Current:				
Public safety:				
Construction / capital outlay	100,000	111,736	(11,736)	6,990
Other expenditures	<u>108,672</u>	<u>194,046</u>	<u>(85,374)</u>	<u>125,412</u>
Total expenditures	<u>208,672</u>	<u>305,782</u>	<u>(97,110)</u>	<u>132,402</u>
Revenues over (under) expenditures	<u>51,444</u>	<u>2,813</u>	<u>(48,631)</u>	<u>173,595</u>
Other Financing Sources (Uses):				
Transfers in (out)	<u>(51,444)</u>	<u>(364,963)</u>	<u>(313,519)</u>	<u>(51,444)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(362,150)</u>	<u>\$ (362,150)</u>	<u>122,151</u>
Fund Balance:				
Beginning of year - July 1		<u>809,423</u>		<u>687,272</u>
End of year - June 30		<u>\$ 447,273</u>		<u>\$ 809,423</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

REVALUATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 200	\$ 183	\$ (17)	\$ 359
Expenditures:				
Current:				
General government:				
Salaries and employee benefits	80,150	79,250	-	73,266
Other operating expenditures	30,050	2,301	-	84,717
Total expenditures	110,200	81,551	28,649	157,983
Revenues over (under) expenditures	(110,000)	(81,368)	28,632	(157,624)
Other Financing Sources (Uses):				
Transfers in (out)	110,000	110,000	-	143,900
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	28,632	\$ 28,632	(13,724)
Fund Balance:				
Beginning of year - July 1		(121)		13,603
End of year - June 30		\$ 28,511		\$ (121)

NORTHAMPTON COUNTY, NORTH CAROLINA

REVOLVING LOAN FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 7,000	\$ 1,390	\$ (5,610)	\$ 157
Miscellaneous	<u>99,000</u>	<u>-</u>	<u>(99,000)</u>	<u>-</u>
Total revenues	<u>106,000</u>	<u>1,390</u>	<u>(104,610)</u>	<u>157</u>
Other Financing Sources (Uses):				
Transfers in (out)	(514,497)	-	514,497	-
Appropriated fund balance	<u>408,497</u>	<u>-</u>	<u>(408,497)</u>	<u>-</u>
Total other financing sources (uses)	<u>(106,000)</u>	<u>-</u>	<u>106,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>1,390</u>	<u>\$ 1,390</u>	<u>157</u>
Fund Balance:				
Beginning of year - July 1		<u>8,522</u>		<u>8,365</u>
End of year - June 30		<u>\$ 9,912</u>		<u>\$ 8,522</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

CDBG GRANT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		<u>Actual</u>			
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total to</u>	<u>Variance</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>Date</u>	<u>Over/Under</u>
Revenues:					
Restricted intergovernmental:					
Community Revitalization Funds	\$ 458,667	\$ 235,622	\$ -	\$ 235,622	\$ (223,045)
Scattered Site	400,000	400,000	-	400,000	-
Capacity Building Grant	50,000	30,287	-	30,287	(19,713)
Regional Water	40,000	40,000	-	40,000	-
Program Income-CADA	12,277	12,277	-	12,277	-
Micro-enterprise Funds	100,000	2,590	-	2,590	(97,410)
Entrepreneurial Empowerment Funds	20,000	-	-	-	(20,000)
Total revenues	<u>1,080,944</u>	<u>720,776</u>	<u>-</u>	<u>720,776</u>	<u>(360,168)</u>
Expenditures:					
Current:					
Economic and physical development:					
Community Revitalization expenditures	471,595	251,491	-	251,491	220,104
Scattered Site expenditures	400,000	399,624	-	399,624	376
Capacity Building Grant expenditures	50,000	30,287	-	30,287	19,713
Regional Water expenditures	44,040	44,040	-	44,040	-
Scattered Site-CADA expenditures	12,277	12,277	-	12,277	-
Micro-enterprise expenditures	100,000	-	-	-	100,000
Entrepreneurial Empowerment expenditures	20,000	-	-	-	20,000
Total expenditures	<u>1,097,912</u>	<u>737,719</u>	<u>-</u>	<u>737,719</u>	<u>360,193</u>
Revenues over (under) expenditures	<u>(16,968)</u>	<u>(16,943)</u>	<u>-</u>	<u>(16,943)</u>	<u>25</u>
Other Financing Sources (Uses):					
Transfers in (out)	<u>16,968</u>	<u>16,968</u>	<u>(25)</u>	<u>16,943</u>	<u>(25)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 25</u>	<u>(25)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>25</u>		
End of year - June 30			<u>\$ -</u>		

NORTHAMPTON COUNTY, NORTH CAROLINA

AMBULANCE CAPITAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ 19	\$ 19	\$ 433
Revenues over (under) expenditures	-	19	19	433
Other Financing Sources (Uses):				
Transfers in (out)	-	-	-	(49,900)
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	19	<u>\$ 19</u>	(49,467)
Fund Balance:				
Beginning of year - July 1		878		50,345
End of year - June 30		<u>\$ 897</u>		<u>\$ 878</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

EDC CAPITAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 2,542	\$ 2,542	\$ 2,192
Expenditures:				
Current:				
Economic and physical development:				
Professional services	12,500	-	12,500	-
Other operating expenditures	114,700	-	114,700	-
Total expenditures	127,200	-	127,200	-
Revenues over (under) expenditures	(127,200)	2,542	129,742	2,192
Other Financing Sources (Uses):				
Transfers in (out)	(50,518)	-	50,518	-
Intrafund transfers	(52,500)	-	52,500	-
Appropriated fund balance	230,218	-	(230,218)	-
Total other financing sources (uses)	127,200	-	(127,200)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	2,542	\$ 2,542	2,192
Fund Balance:				
Beginning of year - July 1		127,242		125,050
End of year - June 30		\$ 129,784		\$ 127,242

NORTHAMPTON COUNTY, NORTH CAROLINA

PUBLIC SCHOOLS BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		<u>Actual</u>			
	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>	<u>Variance</u> <u>Over/Under</u>
Revenues:					
Restricted intergovernmental:					
State ADM funds	\$ 1,543,274	\$ 1,978,215	\$ -	\$ 1,978,215	\$ 434,941
State lottery funds	<u>502,918</u>	<u>283,114</u>	<u>219,804</u>	<u>502,918</u>	<u>-</u>
Total revenues	<u>2,046,192</u>	<u>2,261,329</u>	<u>219,804</u>	<u>2,481,133</u>	<u>434,941</u>
Expenditures:					
Current:					
Education:					
Land purchase	105,000	105,000	-	105,000	-
Renovation of existing buildings	<u>1,941,192</u>	<u>2,499,539</u>	<u>185,965</u>	<u>2,685,504</u>	<u>(744,312)</u>
Total expenditures	<u>2,046,192</u>	<u>2,604,539</u>	<u>185,965</u>	<u>2,790,504</u>	<u>(744,312)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(343,210)</u>	<u>33,839</u>	<u>(309,371)</u>	<u>(309,371)</u>
Other Financing Sources (Uses):					
Reimbursement from Board of Education	<u>-</u>	<u>501,650</u>	<u>-</u>	<u>501,650</u>	<u>501,650</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 158,440</u>	<u>33,839</u>	<u>\$ 192,279</u>	<u>\$ 192,279</u>
Fund Balance:					
Beginning of year - July 1			<u>158,440</u>		
End of year - June 30			<u>\$ 192,279</u>		

NORTHAMPTON COUNTY, NORTH CAROLINA

ELEMENTARY SCHOOLS BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		<u>Actual</u>			
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total to</u>	<u>Variance</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>Date</u>	<u>Over/Under</u>
Revenues:					
Restricted intergovernmental	\$ 90,000	\$ 90,000	\$ -	\$ 90,000	\$ -
Investment earnings	298,185	303,689	-	303,689	5,504
Total revenues	388,185	393,689	-	393,689	5,504
Expenditures:					
Current:					
Education:					
Land	300,000	300,000	-	300,000	-
Repairs	509,478	509,384	-	509,384	94
Construction	6,928,685	6,927,784	-	6,927,784	901
Equipment	81,000	86,551	-	86,551	(5,551)
Professional services	2,008,139	1,969,431	110,539	2,079,970	(71,831)
Water and sewer	90,000	90,000	-	90,000	-
Contingency	70,883	-	-	-	70,883
Total expenditures	9,988,185	9,883,150	110,539	9,993,689	(5,504)
Revenues over (under) expenditures	(9,600,000)	(9,489,461)	(110,539)	(9,600,000)	-
Other Financing Sources (Uses):					
Transfers	600,000	600,000	-	600,000	-
Long-term debt issued	9,000,000	9,000,000	-	9,000,000	-
Total other financing sources (uses)	9,600,000	9,600,000	-	9,600,000	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 110,539	(110,539)	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			110,539		
End of year - June 30			\$ -		

NORTHAMPTON COUNTY, NORTH CAROLINA

FIRE DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Roanoke Wildwood Fire District tax	\$ 170,241	\$ 169,940	\$ (301)	\$ 113,630
Garysburg Fire District tax	70,454	70,271	(183)	60,214
Gaston Fire District tax	95,755	96,253	498	67,286
Jackson Fire District tax	35,120	34,368	(752)	28,811
Lasker Fire District tax	21,792	21,671	(121)	18,713
Seaboard Fire District tax	51,779	51,397	(382)	42,775
Rich Square Fire District tax	58,042	57,621	(421)	47,414
Total revenues	<u>503,183</u>	<u>501,521</u>	<u>(1,662)</u>	<u>378,843</u>
Expenditures:				
Current:				
Public safety:				
Roanoke Wildwood levy	170,241	167,580	2,661	114,595
Garysburg levy	70,454	70,238	216	60,555
Gaston levy	96,119	96,118	1	68,059
Jackson levy	34,756	34,296	460	28,958
Lasker levy	21,792	21,670	122	18,782
Seaboard Fire District levy	51,779	51,291	488	43,129
Rich Square levy	58,042	57,566	476	47,776
Total expenditures	<u>503,183</u>	<u>498,759</u>	<u>4,424</u>	<u>381,854</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>2,762</u>	<u>\$ 2,762</u>	<u>(3,011)</u>
Fund Balance:				
Beginning of year - July 1		(2,868)		143
End of year - June 30		<u>\$ (106)</u>		<u>\$ (2,868)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

ROANOKE ECONOMIC DEVELOPMENT GRANT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ 400,000	\$ 104,000	\$ (296,000)	\$ 94,000
Expenditures:				
Current:				
Economic and physical development	400,000	104,000	296,000	116,000
Revenues over (under) expenditures	<u>\$ -</u>	-	<u>\$ -</u>	(22,000)
Fund Balance:				
Beginning of year - July 1		-		22,000
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

CDBG SCATTERED SITE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
Scattered site	\$ 400,000	\$ -	\$ 391,766	\$ 391,766	\$ (8,234)
Interest	-	-	6	6	6
Total revenues	<u>400,000</u>	<u>-</u>	<u>391,772</u>	<u>391,772</u>	<u>(8,228)</u>
Expenditures:					
Current:					
Economic and physical development:					
Planning	43,500	-	-	-	43,500
Administration	40,000	-	38,554	38,554	1,446
Rehabilitation	42,500	-	39,218	39,218	3,282
Clearance	-	-	40,000	40,000	(40,000)
Relocation	<u>274,000</u>	<u>-</u>	<u>274,000</u>	<u>274,000</u>	<u>-</u>
Total expenditures	<u>400,000</u>	<u>-</u>	<u>391,772</u>	<u>391,772</u>	<u>8,228</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ -</u>		

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2008

	Wellness and Recreation Centers Fund	First Responder Training Center Fund	EDC Project Grant Fund	Total
Assets:				
Cash and cash equivalents	\$ 63,302	\$ 755	\$ -	\$ 64,057
Total assets	<u>\$ 63,302</u>	<u>\$ 755</u>	<u>\$ -</u>	<u>\$ 64,057</u>
Liabilities and Fund Balances:				
Liabilities:				
Due to other funds	\$ 367,742	\$ -	\$ -	\$ 367,742
Total liabilities	<u>367,742</u>	<u>-</u>	<u>-</u>	<u>367,742</u>
Fund Balances:				
Unreserved	(304,440)	755	-	(303,685)
Total fund balances	<u>(304,440)</u>	<u>755</u>	<u>-</u>	<u>(303,685)</u>
Total liabilities and fund balances	<u>\$ 63,302</u>	<u>\$ 755</u>	<u>\$ -</u>	<u>\$ 64,057</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	Wellness and Recreation Centers Fund	First Responder Training Center Fund	EDC Grant Project Fund	Total
Revenues:				
Restricted intergovernmental	\$ 599,000	\$ -	\$ 56,817	\$ 655,817
Investment earnings	4,070	5	-	4,075
Miscellaneous	1,000	2,250	-	3,250
Total revenues	<u>604,070</u>	<u>2,255</u>	<u>56,817</u>	<u>663,142</u>
Expenditures:				
Current:				
Public safety	-	4,500	-	4,500
Economic and physical development	-	-	56,817	56,817
Human services	1,692,536	-	-	1,692,536
Cultural and recreation	1,055,783	-	-	1,055,783
Total expenditures	<u>2,748,319</u>	<u>4,500</u>	<u>56,817</u>	<u>2,809,636</u>
Revenues over (under) expenditures	<u>(2,144,249)</u>	<u>(2,245)</u>	<u>-</u>	<u>(2,146,494)</u>
Other Financing Sources (Uses):				
Long-term debt issued	2,445,515	-	-	2,445,515
Transfers in (out)	800,000	3,000	-	803,000
Total other financing sources (uses)	<u>3,245,515</u>	<u>3,000</u>	<u>-</u>	<u>3,248,515</u>
Net change in fund balances	1,101,266	755	-	1,102,021
Fund Balances:				
Beginning of year - July 1	<u>(1,405,706)</u>	<u>-</u>	<u>-</u>	<u>(1,405,706)</u>
End of year - June 30	<u>\$ (304,440)</u>	<u>\$ 755</u>	<u>\$ -</u>	<u>\$ (303,685)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND
WELLNESS AND RECREATION CENTERS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
USDA grant	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	\$ -
Other grants	599,000	-	99,000	99,000	(500,000)
Investment earnings	-	87	4,070	4,157	4,157
Miscellaneous	-	500	1,000	1,500	1,500
Total revenues	<u>1,099,000</u>	<u>587</u>	<u>604,070</u>	<u>604,657</u>	<u>(494,343)</u>
Expenditures:					
Human services:					
Wellness Center - capital outlay	2,300,000	607,464	1,692,536	2,300,000	-
Cultural and recreation:					
Recreation Center - capital outlay	<u>2,191,748</u>	<u>818,829</u>	<u>1,055,783</u>	<u>1,874,612</u>	<u>317,136</u>
Total expenditures	<u>4,491,748</u>	<u>1,426,293</u>	<u>2,748,319</u>	<u>4,174,612</u>	<u>317,136</u>
Revenues over (under) expenditures	<u>(3,392,748)</u>	<u>(1,425,706)</u>	<u>(2,144,249)</u>	<u>(3,569,955)</u>	<u>(177,207)</u>
Other Financing Sources (Uses):					
Transfers in (out)	947,233	20,000	800,000	820,000	(127,233)
Long-term debt issued	<u>2,445,515</u>	<u>-</u>	<u>2,445,515</u>	<u>2,445,515</u>	<u>-</u>
Total other financing sources (uses)	<u>3,392,748</u>	<u>20,000</u>	<u>3,245,515</u>	<u>3,265,515</u>	<u>(127,233)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$(1,405,706)</u>	<u>\$ 1,101,266</u>	<u>\$ (304,440)</u>	<u>\$ (304,440)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND
 FIRST RESPONDER TRAINING CENTER
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		<u>Actual</u>			
	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>	<u>Variance</u> <u>Over/Under</u>
Revenues:					
Investment earnings	\$ -	\$ -	\$ 5	\$ 5	\$ 5
Miscellaneous	<u>2,250</u>	<u>-</u>	<u>2,250</u>	<u>2,250</u>	<u>-</u>
Total revenues	<u>2,250</u>	<u>-</u>	<u>2,255</u>	<u>2,255</u>	<u>5</u>
Expenditures:					
Public safety:					
Capital outlay	<u>5,250</u>	<u>-</u>	<u>4,500</u>	<u>4,500</u>	<u>750</u>
Total expenditures	<u>5,250</u>	<u>-</u>	<u>4,500</u>	<u>4,500</u>	<u>750</u>
Revenues over (under) expenditures	<u>(3,000)</u>	<u>-</u>	<u>(2,245)</u>	<u>(2,245)</u>	<u>755</u>
Other Financing Sources (Uses):					
Transfers in (out)	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total other financing sources (uses)	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 755</u>	<u>\$ 755</u>	<u>\$ 755</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND

EDC GRANT PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
NCCAR grant	\$ 200,000	\$ -	\$ 56,817	\$ 56,817	\$ (143,183)
NCDOT reimbursement	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,200,000)</u>
Total revenues	<u>1,400,000</u>	<u>-</u>	<u>56,817</u>	<u>56,817</u>	<u>(1,343,183)</u>
Expenditures:					
Economic and physical development:					
Capital outlay	<u>1,400,000</u>	<u>-</u>	<u>56,817</u>	<u>56,817</u>	<u>1,343,183</u>
Total expenditures	<u>1,400,000</u>	<u>-</u>	<u>56,817</u>	<u>56,817</u>	<u>1,343,183</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR DEBT SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES, AND CHANGES -

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 2	\$ 2	\$ 1
Expenditures:				
Debt service:				
Principal retirement	822,578	866,049	(43,471)	826,104
Interest	589,147	545,677	43,470	626,825
Total expenditures	1,411,725	1,411,726	(1)	1,452,929
Revenues over (under) expenditures	(1,411,725)	(1,411,724)	1	(1,452,928)
Other Financing Sources (Uses):				
Transfers in (out):				
Special revenue funds	1,002,914	1,002,433	(481)	587,264
General Fund	408,811	408,811	-	865,665
Total other financing sources (uses)	1,411,725	1,411,244	(481)	1,452,929
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	(480)	\$ (480)	1
Fund Balance:				
Beginning of year - July 1		480		479
End of year - June 30		\$ -		\$ 480

NORTHAMPTON COUNTY, NORTH CAROLINA

ENTERPRISE FUND - WATER & SEWER FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating Revenues:				
Water and sewer sales	\$ 2,490,829	\$ 2,505,143	\$ 14,314	\$ 2,335,408
Water and sewer taps	42,500	36,899	(5,601)	27,110
Other operating revenues	13,300	13,463	163	28,733
Total operating revenues	<u>2,546,629</u>	<u>2,555,505</u>	<u>8,876</u>	<u>2,391,251</u>
Nonoperating Revenues:				
Interest earned on investments	<u>7,500</u>	<u>13,924</u>	<u>6,424</u>	<u>11,651</u>
Total revenues	<u>2,554,129</u>	<u>2,569,429</u>	<u>15,300</u>	<u>2,402,902</u>
Expenditures:				
Salaries and employee benefits	459,472	447,872	-	409,638
Purchased water	371,350	365,268	-	306,314
Sewage treatment	283,300	283,258	-	332,775
Other operating expenses	431,415	376,488	-	356,902
Capital outlay	-	-	-	11,301
Debt service:				
Debt principal	778,759	778,759	-	436,357
Interest and fees	<u>544,833</u>	<u>544,045</u>	<u>-</u>	<u>566,414</u>
Total expenditures	<u>2,869,129</u>	<u>2,795,690</u>	<u>73,439</u>	<u>2,419,701</u>
Revenues over (under) expenditures	<u>(315,000)</u>	<u>(226,261)</u>	<u>88,739</u>	<u>(16,799)</u>
Other Financing Sources (Uses):				
Appropriated fund balance	315,000	-	(315,000)	-
Transfers - Intrafund	-	-	-	50,524
Sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,850</u>
Total other financing sources (uses)	<u>315,000</u>	<u>-</u>	<u>(315,000)</u>	<u>52,374</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (226,261)</u>	<u>\$ (226,261)</u>	<u>\$ 35,575</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

ENTERPRISE FUND - WATER & SEWER FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (226,261)		\$ 35,575
Debt principal		778,759		436,357
Capital outlay		-		11,301
Depreciation		<u>(521,663)</u>		<u>(530,790)</u>
Net income (loss), excluding				
Total Water and Sewer Capital Projects		<u>\$ 30,835</u>		<u>\$ (47,557)</u>
Activity of Water and Sewer Capital Projects with project-based budgets:				
Interest income		\$ 1,085		\$ 1,424
Transfers - Intrafund		-		(50,524)
Capital contributions		<u>430,289</u>		<u>282,787</u>
Change in net assets, GAAP Basis		<u>\$ 462,209</u>		<u>\$ 186,130</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

ENTERPRISE FUND - SOLID WASTE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating Revenues:				
Solid waste fees	\$ 1,882,700	\$ 1,843,579	\$ (39,121)	\$ 1,287,475
White goods and tire disposal tax	44,000	51,623	7,623	40,454
Other operating revenues	92,612	21,155	(71,457)	26,676
Total operating revenues	<u>2,019,312</u>	<u>1,916,357</u>	<u>(102,955)</u>	<u>1,354,605</u>
Nonoperating Revenues:				
Capital contributions	25,000	-	(25,000)	5,747
Miscellaneous nonoperating	-	-	-	350
Interest earned on investments	1,200	1,868	668	3,337
Total nonoperating revenues	<u>26,200</u>	<u>1,868</u>	<u>(24,332)</u>	<u>9,434</u>
Total revenues	<u>2,045,512</u>	<u>1,918,225</u>	<u>(127,287)</u>	<u>1,364,039</u>
Expenditures:				
Salaries and employee benefits	132,221	132,480	(259)	122,865
Solid waste pickup	1,789,624	1,788,354	1,270	1,243,186
Other operating expenses	119,067	114,195	4,872	127,521
Debt service:				
Debt principal and interest	4,600	4,597	3	4,597
Total expenditures	<u>2,045,512</u>	<u>2,039,626</u>	<u>5,886</u>	<u>1,498,169</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (121,401)</u>	<u>\$ (121,401)</u>	<u>\$ (134,130)</u>

**Reconciliation from budgetary basis
(modified accrual) to full accrual:**

Revenues and other financing sources over (under) expenditures and other financing uses	\$ (121,401)	\$ (134,130)
Debt principal	3,709	4,597
Depreciation	(8,532)	(8,532)
Change in net assets, GAAP Basis	<u>\$ (126,224)</u>	<u>\$ (138,065)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECT

NORTHAMPTON/LINCOLN PARK SEWER PROJECT

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
USDA grant	\$ 958,168	\$ 812,220	\$ 125,180	\$ 937,400	\$ (20,768)
Miscellaneous revenue	-	4,350	-	4,350	4,350
Investment earnings	-	11,413	1,085	12,498	12,498
Total revenues	958,168	827,983	126,265	954,248	(3,920)
Expenditures:					
Construction	1,094,500	778,194	-	778,194	316,306
Engineering	103,977	275,310	63,320	338,630	(234,653)
Surveying	8,300	5,168	-	5,168	3,132
Land acquisition	2,000	-	-	-	2,000
Legal	10,000	40,838	89,700	130,538	(120,538)
Impact fees	28,080	10,000	-	10,000	18,080
Administration	10,000	2,058	-	2,058	7,942
Erosion control plan	6,000	-	-	-	6,000
Construction interest	14,700	16,661	-	16,661	(1,961)
Total expenditures	1,277,557	1,128,229	153,020	1,281,249	(3,692)
Revenues over (under) expenditures	(319,389)	(300,246)	(26,755)	(327,001)	(7,612)
Other Financing Sources (Uses):					
Long-term debt issued	319,389	327,001	-	327,001	7,612
Transfers in - Enterprise Fund	47,524	50,524	-	50,524	3,000
Transfers out - Enterprise Fund	(47,524)	(50,524)	-	(50,524)	(3,000)
Total other financing sources (uses)	319,389	327,001	-	327,001	7,612
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 26,755	\$ (26,755)	\$ -	\$ -

NORTHAMPTON COUNTY, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECT
 LEBANON CHURCH ROAD CDBG
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental	\$ 467,214	\$ 350,398	\$ 305,109	\$ 655,507	\$ 188,293
Expenditures:					
Current:					
Economic development:					
Administration	37,920	22,618	20,990	43,608	(5,688)
Planning	3,250	3,500	-	3,500	(250)
Sewer improvements	<u>426,044</u>	<u>324,279</u>	<u>284,120</u>	<u>608,399</u>	<u>(182,355)</u>
Total expenditures	<u>467,214</u>	<u>350,397</u>	<u>305,110</u>	<u>655,507</u>	<u>(188,293)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1</u>	(1)	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>1</u>		
End of year - June 30			<u>\$ -</u>		

NORTHAMPTON COUNTY, NORTH CAROLINA

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
Social Services:				
Assets:				
Cash and cash equivalents	\$ 50,179	\$ 242,677	\$ 255,272	\$ 37,584
Liabilities:				
Accounts payable	\$ 50,179	\$ 242,677	\$ 255,272	\$ 37,584
Inmate Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 29,833	\$ 39,593	\$ 32,888	\$ 36,538
Liabilities:				
Accounts payable	\$ 29,833	\$ 39,593	\$ 32,888	\$ 36,538
Motor Vehicle Tax:				
Assets:				
Cash and cash equivalents	\$ 926	\$ 356,455	\$ 354,775	\$ 2,606
Accounts receivable	92,452	6,210	-	98,662
Total assets	\$ 93,378	\$ 362,665	\$ 354,775	\$ 101,268
Liabilities:				
Accounts payable	93,378	362,665	354,775	101,268
Total liabilities	\$ 93,378	\$ 362,665	\$ 354,775	\$ 101,268
Rescue Squad:				
Assets:				
Cash and cash equivalents	\$ 5,658	\$ 107,768	\$ 107,320	\$ 6,106
Accounts receivable	528,719	73,865	-	602,584
Total assets	\$ 534,377	\$ 181,633	\$ 107,320	\$ 608,690
Liabilities:				
Intergovernmental payable	\$ 528,719	\$ 73,865	\$ -	\$ 602,584
Accounts payable	5,658	107,768	107,320	6,106
Total liabilities	\$ 534,377	\$ 181,633	\$ 107,320	\$ 608,690

NORTHAMPTON COUNTY, NORTH CAROLINA

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
3% Interest Payable to State:				
Assets:				
Cash and cash equivalents	\$ 1,102	\$ 16,883	\$ 16,779	\$ 1,206
Liabilities:				
Intergovernmental payable	\$ 1,102	\$ 16,883	\$ 16,779	\$ 1,206
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 87,698	\$ 763,376	\$ 767,034	\$ 84,040
Accounts receivable	621,171	80,075	-	701,246
Total assets	<u>\$ 708,869</u>	<u>\$ 843,451</u>	<u>\$ 767,034</u>	<u>\$ 785,286</u>
Liabilities:				
Intergovernmental payable	529,821	90,748	16,779	603,790
Accounts payable	179,048	752,703	750,255	181,496
Total liabilities	<u>\$ 708,869</u>	<u>\$ 843,451</u>	<u>\$ 767,034</u>	<u>\$ 785,286</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2008

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2007</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2008</u>
2007-2008	\$ -	\$ 14,476,634	\$ 13,895,245	\$ 581,389
2006-2007	532,741	5,151	359,038	178,854
2005-2006	189,953	564	80,920	109,597
2004-2005	107,263	-	35,283	71,980
2003-2004	72,318	285	18,676	53,927
2002-2003	61,490	383	11,669	50,204
2001-2002	36,734	177	6,815	30,096
2000-2001	25,012	-	2,453	22,559
1999-2000	19,620	32	1,896	17,756
1998-1999	14,205	-	1,051	13,154
1997-1998	12,810	2	12,812	-
	<u>\$ 1,072,146</u>	<u>\$ 14,483,228</u>	<u>\$ 14,425,858</u>	<u>1,129,516</u>
Plus: Uncollected taxes on 2007-2008 motor vehicles				81,935
Less: Allowance for uncollectible accounts - General Fund				<u>(440,000)</u>
Ad valorem taxes receivable, net - General Fund				<u>\$ 771,451</u>
Reconcilement with Revenues:				
Ad valorem taxes - General Fund				\$ 14,664,465
Reconciling items:				
Interest collected				(184,122)
Taxes written off				12,812
Miscellaneous adjustments				(141,638)
Tax refunds				<u>74,341</u>
Total collections and credits				<u>\$ 14,425,858</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

				Total Levy	
	County-Wide			Property	Registered
	Property Valuation	Rate	Total Levy	Excluding Registered Motor Vehicles	Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 1,842,174,697	\$ 0.78	\$ 14,368,963	\$ 13,108,592	\$ 1,260,371
Penalties	-		19,938	19,938	-
Total	<u>1,842,174,697</u>		<u>14,388,901</u>	<u>13,128,530</u>	<u>1,260,371</u>
Discoveries	13,071,923		101,961	101,961	-
Deferred tax on secondary use property	1,185,513		9,247	9,247	-
Abatements	<u>(3,009,615)</u>		<u>(23,475)</u>	<u>(5,503)</u>	<u>(17,972)</u>
Total property valuation	<u>\$ 1,853,422,518</u>				
Net levy			14,476,634	13,234,235	1,242,399
Uncollected taxes at June 30, 2008			<u>581,389</u>	<u>396,390</u>	<u>184,999</u>
Current year's taxes collected			<u>\$ 13,895,245</u>	<u>\$ 12,837,845</u>	<u>\$ 1,057,400</u>
Current levy collection percentage			<u>95.98%</u>	<u>97.00%</u>	<u>85.11%</u>

NORTHAMPTON COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008****Secondary Market Disclosures:****Assessed Valuation:**

Assessment ratio	100%
Real property	\$ 1,577,132,592
Personal property	185,342,252
Public service companies	<u>90,947,674</u>
Total assessed valuation	<u>1,853,422,518</u>
Tax rate per \$100	0.78
Levy (includes discoveries, releases and abatements)	<u><u>\$ 14,476,634</u></u>

NORTHAMPTON COUNTY, NORTH CAROLINA**TEN LARGEST TAXPAYERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Taxpayer	Type of Business	2008 Assessed Valuation	Percentage of Total Assessed Valuation
Lowe's Home Center	Warehousing/distribution	\$ 54,495,170	2.94%
Dominion NC Power	Utility	52,675,209	2.84%
Union Camp/International Paper	Pulp, paper, and wood products	27,975,197	1.51%
Smithfield Carroll's Farms	Hog processing	21,653,818	1.17%
Georgia Pacific	Resin Plant	17,319,219	0.93%
CSX	Railroad	10,271,401	0.55%
Roanoke Electric Membership Corp.	Utility	9,788,671	0.53%
Severn Peanut	Agriculture/nuts	9,322,353	0.50%
John B. Sanfilippo	Agriculture/nuts	6,959,253	0.38%
Carolina Telephone	Utility	6,938,481	0.37%
Total		<u>\$ 217,398,772</u>	<u>11.73%</u>