

NORTHAMPTON COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2021

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COUNTY MANAGER

Julian Phillips

BOARD OF COUNTY COMMISSIONERS

Charles R. Tyner Sr. - Chair
Geneva Riddick-Faulkner - Vice Chair
Kelvin M. Edwards
Nicole J. Boone
Joyce V. Buffaloe

Finance Director

Judith Modeste

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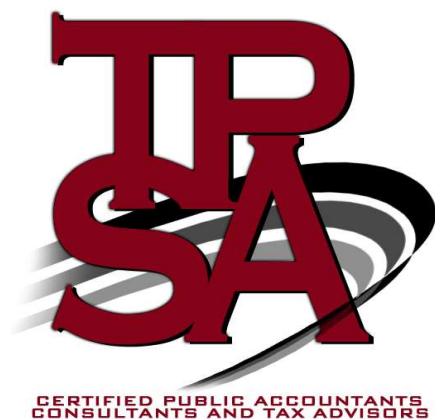
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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Northampton County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise Northampton County basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Northampton County ABC Board, which represents 66.11%, 46.96%, and 90.01% of the assets, net position, and revenues of the aggregate discretely presented component units, respectively. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northampton County ABC Board is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Northampton County ABC Board was not audited in accordance with Governmental Auditing Standards.

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

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presents component units, each major fund, and the aggregate remaining fund information Northampton County, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Schedule of Changes in the Net OPEB Liability and Related Ratios, on pages 4 through 11 and 61 through 67, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2022 on our consideration of Northampton County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northampton County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
June 30, 2022

Managements' Discussion and Analysis

As management of Northampton County, we offer readers of Northampton County's financial statements this narrative overview and analysis of the financial activities of Northampton County for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

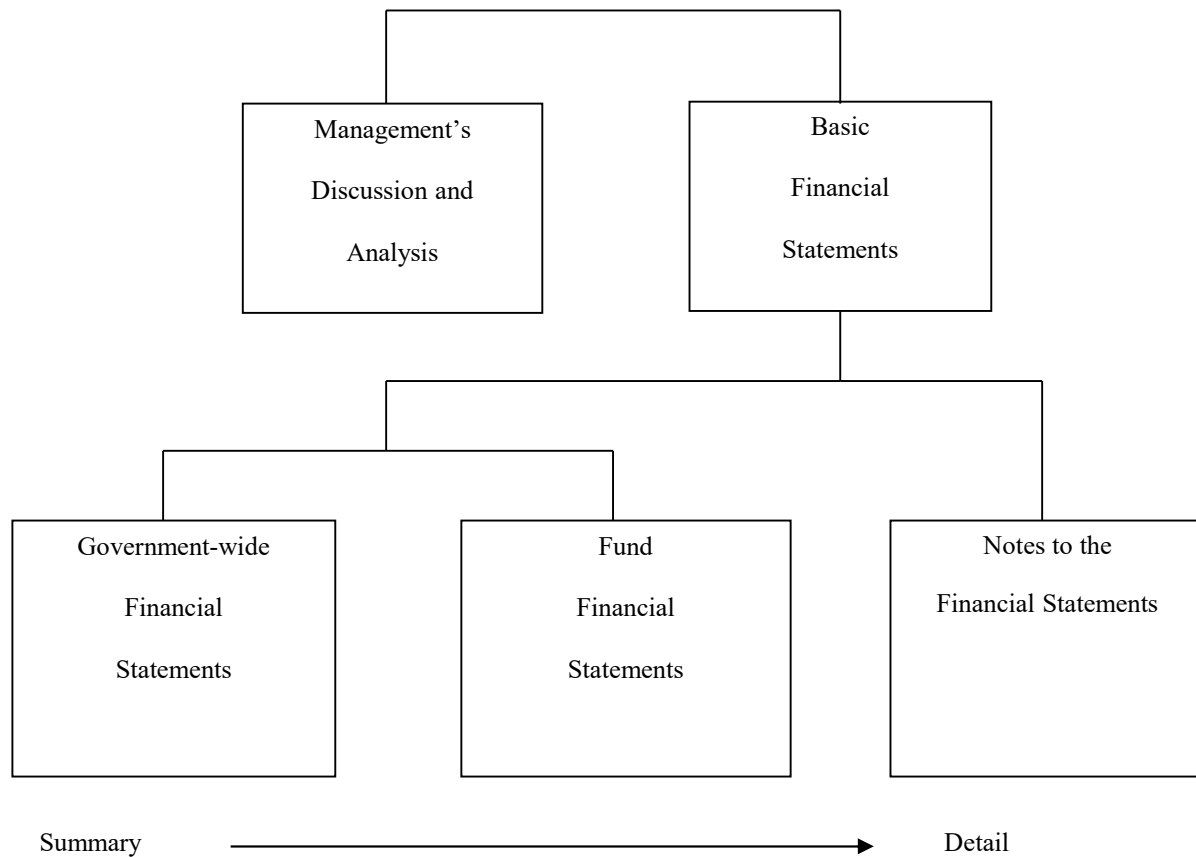
- The assets and deferred outflows of resources of Northampton County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$20,088,641 (*net position*).
- The government's total net position increased by \$2,155,658 primarily due to increased net position in the Governmental Activities.
- As of the close of the current fiscal year, Northampton County's governmental funds reported combined ending fund balances of \$24,114,997 an increase of \$3,931,882 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$18,232,475 or 55.55 percent of total general fund expenditures for the fiscal year.
- Northampton County's total general obligation and installment debt decreased by \$1,469,501 during the current fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start after Exhibit 10.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Northampton County exceeded liabilities and deferred inflows of resources by \$9,216,537 as of June 30, 2021. The County's net position increased by \$2,155,658 for the fiscal year ended June 30, 2021. The largest portion of the County's net position reflects the County's net investment in capital assets (e.g. buildings, equipment, and water infrastructure). Northampton County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Northampton County's net investment in capital assets is reported net of the outstanding related debt, the resources need to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

NORTHAMPTON COUNTY'S NET POSITION

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 29,230,296	\$ 26,484,774	\$ 1,546,839	\$ 1,422,642	\$ 30,777,135	\$ 27,907,416
Capital assets	18,262,057	17,556,842	20,656,809	21,275,750	38,918,866	38,832,592
Total assets	47,492,353	44,041,616	22,203,648	22,698,392	69,696,001	66,740,008
Total deferred outflows of resources	7,787,070	3,246,622	360,113	137,971	8,147,183	3,384,593
Current liabilities outstanding	1,694,126	2,012,649	1,082,995	1,094,034	2,777,121	3,106,683
Long-term liabilities outstanding	39,168,259	36,173,914	10,349,756	10,667,784	49,518,015	46,841,698
Total liabilities	40,862,385	38,186,563	11,432,751	11,761,818	52,295,136	49,948,381
Total deferred inflows of resources	5,200,501	2,183,289	258,906	89,886	5,459,407	2,273,175
Net position:						
Net investment in capital assets	9,584,882	8,609,693	11,182,308	11,185,721	20,767,190	19,795,414
Restricted	2,714,792	2,395,842	-	-	2,714,792	2,395,842
Unrestricted	(3,083,137)	(4,087,149)	(310,204)	(201,062)	(3,393,341)	(4,288,211)
Total net position	\$ 9,216,537	\$ 6,918,386	\$ 10,872,104	\$ 10,984,659	\$ 20,088,641	\$ 17,903,045

NORTHAMPTON COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 2,295,167	\$ 3,195,353	\$ 5,498,869	\$ 4,989,581	\$ 7,794,036	\$ 8,184,934
Operating grants and contributions	8,173,115	7,108,877	45,850	41,901	8,218,965	7,150,778
Capital grants and contributions	425,289	-	190,636	404,798	615,925	404,798
General revenues:					-	
Property taxes	21,994,734	19,793,037	-	-	21,994,734	19,793,037
Other taxes	3,713,681	3,154,094	-	-	3,713,681	3,154,094
Other	292,351	375,496	271	4,479	292,622	379,975
Total revenues	36,894,337	33,626,857	5,735,626	5,440,759	42,629,963	39,067,616
Expenses:						
General government	4,553,124	4,540,504	-	-	4,553,124	4,540,504
Public safety	12,334,567	11,448,478	-	-	12,334,567	11,448,478
Transportation	52,000	47,500	-	-	52,000	47,500
Environmental protection	123,000	121,000	-	-	123,000	121,000
Economic and physical development	898,454	1,170,913	-	-	898,454	1,170,913
Human services	11,442,527	10,298,097	-	-	11,442,527	10,298,097
Cultural and recreation	574,364	589,549	-	-	574,364	589,549
Education	4,213,873	4,193,119	-	-	4,213,873	4,193,119
Interest and fees	436,951	465,749	-	-	436,951	465,749
Water and sewer	-	-	3,405,480	3,331,901	3,405,480	3,331,901
Solid waste	-	-	2,442,701	2,192,638	2,442,701	2,192,638
Total expenses	34,628,860	32,874,909	5,848,181	5,524,539	40,477,041	38,399,448
Increase in net position before transfers	2,265,477	751,948	(112,555)	(83,780)	2,152,922	668,168
Transfers	-	-	-	-	-	-
Change in net position	2,265,477	751,948	(112,555)	(83,780)	2,152,922	668,168
Beginning of year - July 1, as previously stated	6,918,386	6,396,390	10,984,659	11,068,439	17,903,045	17,464,829
Restatement / Prior Period Adjust	29,938	(229,952)	-	-	29,938	(229,952)
Net position, beginning, restated	6,948,324	6,166,438	10,984,659	11,068,439	17,932,983	17,234,877
Net position, ending	\$ 9,213,801	\$ 6,918,386	\$ 10,872,104	\$ 10,984,659	\$ 20,085,905	\$ 17,903,045

Governmental activities. Governmental activities increased the County's net position by \$2,265,477. Key elements of this increase are as follows:

- Increase in tax revenues and grants.

Business-type activities. Business-type activities decreased Northampton County's net position by \$112,555. Key elements of this decrease are as follows:

- Increase in cost of solid waste pickup not matched by an increase in charges for services.

Financial Analysis of the County's Funds

As noted earlier, Northampton County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Northampton County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Northampton County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Northampton County. At the end of the current fiscal year, Northampton County's fund balance available in the General Fund was \$20,800,097, while total fund balance reached \$23,061,306. The County currently has an available fund balance of 63.87 percent of total General Fund expenditures, while total fund balance represents 70.81 percent of that same amount.

At June 30, 2021, the governmental funds of Northampton County reported a combined fund balance of \$24,114,997, a 19.48% percent increase from the previous year. The General Fund accounted for an increase in fund balance of \$3,726,587 while all other governmental funds combined accounted for a decrease in fund balance of \$205,295. Detailed schedules for the General Fund and each governmental fund follow the notes in this financial report.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,152,808, which was 6.21 percent more than originally budgeted.

Proprietary Funds. Northampton County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The total change in net position for these funds was a decrease of \$112,555. Other factors concerning the finances of these funds have already been addressed in the discussion of Northampton County's business-type activities.

Capital Asset and Debt Administration

Capital Assets. Northampton County's capital assets for its governmental and business – type activities as of June 30, 2021, totals \$38,918,866 (net of accumulated depreciation). These assets include building and land, equipment, vehicles, water and sewer systems, and construction in progress.

Major capital asset transactions during the year include:

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

NORTHAMPTON COUNTY'S CAPITAL ASSETS

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,285,800	\$ 2,000,800	\$ -	\$ -	\$ 2,285,800	\$ 2,000,800
Construction in Progress	788,474	-	555,051	501,090	1,343,525	501,090
Buildings and improvements	13,854,502	14,278,972	-	-	13,854,502	14,278,972
Vehicles	1,063,080	1,071,369	19,798	34,984	1,082,878	1,106,353
Furniture, fixtures and equipment	270,201	205,701	44,292	58,706	314,493	264,407
Distributions systems	-	-	20,037,668	20,680,971	20,037,668	20,680,971
Total	\$ 18,262,057	\$ 17,556,842	\$ 20,656,809	\$ 21,275,751	\$ 38,918,866	\$ 38,832,593

Additional information on the County's capital assets can be found in notes to the basic financial statements.

Long-term Debt. As of June 30, 2021, Northampton County had total bonded debt outstanding of \$11,911,500, all of which is debt backed by the full faith and credit of the County.

NORTHAMPTON COUNTY'S OUTSTANDING DEBT

Notes Payable and General Obligation Bonds

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Installment notes payable	\$ 8,677,175	\$ 8,947,149	\$ -	\$ 16,027	\$ 8,677,175	\$ 8,963,176
General obligation bonds	2,437,000	3,021,000	9,474,500	10,074,000	11,911,500	13,095,000
Total	\$ 11,114,175	\$ 11,968,149	\$ 9,474,500	\$ 10,090,027	\$ 20,588,675	\$ 22,058,176

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Northampton County is \$168,307,777.

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

Economic Factors and Next Year's Budgets and Rates

The County was experiencing an unemployment rate of 6.1% at June 30, 2021. This was higher than the non-seasonally adjusted State average of 4.9%.

Budget Highlights for Fiscal Year Ending June 30, 2022

Governmental Activities. The general fund operating budget reflects an increase of approximately 0.1% compared to fiscal year 2021.

Business Type Activities. Solid waste budgeted expenditures are \$2,266,780 which is a 3.66% decrease compare to fiscal year 2021. The water and sewer budgeted expenditures are \$2,786,350 which is a 1.28% decrease compared to fiscal year 2021.

Requests for Information

This report is designed to provide and overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information (including information related to the Northampton County Tourism Development Authority and the Northampton County ABC Board, the discretely presented component units) should be directed to the Director of Finance, Northampton County, PO Box 663, Jackson, North Carolina 27845. You can also call (252) 534-2501 or visit our website at www.northamptonnc.com for more information.

BASIC
FINANCIAL STATEMENTS

Northampton County, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government			Component Units			
				Northampton County Tourism Development Authority	Northampton County ABC Board		Total Reporting Unit
	Governmental Activities	Business-type Activities	Total Primary Government				
ASSETS							
Current:							
Cash and cash equivalents	\$ 22,002,030	\$ 755,604	\$ 22,757,634	\$ 263,082	\$ 394,224		\$ 23,414,940
Taxes receivable (net)	2,017,955	-	2,017,955	-	-		2,017,955
Accounts receivables (net)	1,298,898	496,515	1,795,413	11,621	-		1,807,034
Notes receivable (net)	271,617	-	271,617	-	-		271,617
Due from other governments	860,043	-	860,043	-	-		860,043
Inventories	-	-	-	-	170,560		170,560
Prepaid items	-	-	-	-	2,021		2,021
Internal balance	-	-	-	-	-		-
Cash and cash equivalents, restricted	2,722,929	294,720	3,017,649	-	-		3,017,649
Net pension assets	29,324	-	29,324	-	-		29,324
Intangible asset	27,500	-	27,500	-	-		27,500
Capital assets:							
Land, improvements, and construction in progress	3,074,274	555,051	3,629,325	-	-		3,629,325
Other capital assets, net of depreciation	15,187,783	20,101,758	35,289,541	32,988	19,030		35,341,559
Total assets	47,492,353	22,203,648	69,696,001	307,691	585,835		70,589,527
DEFERRED OUTFLOWS OF RESOURCES							
Pension deferrals	3,255,703	126,333	3,382,036	-	13,410		3,395,446
OPEB deferrals	4,531,367	233,780	4,765,147	-	914		4,766,061
Total Deferred Outflows of Resources	7,787,070	360,113	8,147,183	-	14,324		8,161,507
LIABILITIES							
Current Liabilities							
Accounts payable	687,001	337,841	1,024,842	456	112,924		1,138,222
Accrued interest payable	72,102	31,434	103,536	-	-		103,536
Payable from restricted assets	-	294,720	294,720	-	-		294,720
Unspent CARES/ARP funding	1,905,001	-	1,905,001	-	-		1,905,001
Current portion of long-term debt	935,023	419,000	1,354,023	-	-		1,354,023
Long term liabilities:							
Net Pension Liability - LGERS	5,479,520	228,313	5,707,833	-	16,438		5,724,271
Total Pension liability - LEOSSA	713,172	-	713,172	-	-		713,172
Total OPEB liability	19,935,302	1,028,489	20,963,791	-	198,807		21,162,598
Compensated absences	956,112	37,453	993,565	-	-		993,565
Long-term debt	10,179,152	9,055,501	19,234,653	-	-		19,234,653
Total liabilities	40,862,385	11,432,751	52,295,136	456	328,169		52,623,761
DEFERRED INFLOWS OF RESOURCES							
Pension deferrals	221,029	7,216	228,245	-	-		228,245
OPEB deferrals	4,878,518	251,690	5,130,208	-	-		5,130,208
Prepaid taxes	100,954	-	100,954	-	-		100,954
Total Deferred inflows of resources	5,200,501	258,906	5,459,407	-	-		5,459,407
NET POSITION							
Net investment in capital assets	9,584,882	11,182,308	20,767,190	32,988	19,030		20,819,208
Restricted for:							
Stabilization by state statute	2,285,195	-	2,285,195	11,621	-		2,296,816
Register of Deeds' pension plan	29,324	-	29,324	-	-		29,324
Other	400,273	-	400,273	-	70,442		470,715
Unrestricted (deficit)	(3,083,137)	(310,204)	(3,393,341)	262,626	182,518		(2,948,197)
Total net position	\$ 9,216,537	\$ 10,872,104	\$ 20,088,641	\$ 307,235	\$ 271,990		\$ 20,667,866

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

Northampton County, North Carolina
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
					Primary Government					
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	Northampton County Tourism Development Authority	Northampton County ABC Board	Total Reporting Unit
Primary government:										
Governmental Activities:										
General government	\$ 4,553,124	\$ 137,150	\$ 360,561	\$ -	\$ (4,055,413)	\$ -	\$ (4,055,413)	\$ -	\$ -	\$ (4,055,413)
Public safety	12,334,567	1,161,137	135,222	-	(11,038,208)	-	(11,038,208)	-	-	(11,038,208)
Transportation	52,000	-	-	-	(52,000)	-	(52,000)	-	-	(52,000)
Enviornmental protection	123,000	-	-	-	(123,000)	-	(123,000)	-	-	(123,000)
Economic and physical development	898,454	-	41,116	-	(857,338)	-	(857,338)	-	-	(857,338)
Human services	11,442,527	989,805	7,626,334	-	(2,826,388)	-	(2,826,388)	-	-	(2,826,388)
Cultural and recreation	574,364	7,075	9,882	-	(557,407)	-	(557,407)	-	-	(557,407)
Education	4,213,873	-	-	425,289	(3,788,584)	-	(3,788,584)	-	-	(3,788,584)
Interest on long-term debt	436,951	-	-	-	(436,951)	-	(436,951)	-	-	(436,951)
Total governmental activities	34,628,860	2,295,167	8,173,115	425,289	(23,735,289)	-	(23,735,289)	(23,735,289)	(47,470,578)	(71,205,867)
Business-type activities:										
Water and Sewer	2,619,537	2,524,374	-	190,636	-	95,473	95,473	-	-	95,473
Garysburg Water and Sewer	785,943	529,611	-	-	-	(256,332)	(256,332)	-	-	(256,332)
Solid Waste	2,442,701	2,444,884	45,850	-	-	48,033	48,033	-	-	48,033
Total business-type activities	5,848,181	5,498,869	45,850	190,636	-	(112,826)	(112,826)	-	-	(112,826)
Total primary government	40,477,041	7,794,036	8,218,965	615,925	(23,735,289)	(112,826)	(23,848,115)	(23,735,289)	(47,470,578)	(71,318,693)
Component Units:										
Northampton County Tourism Development Authority										
	54,822	-	-	-	-	-	-	(54,822)	-	(54,822)
Northampton County ABC Board										
	1,519,478	1,644,766	-	-	-	-	-	-	125,288	125,288
Total component units	\$ 1,574,300	\$ 1,644,766	\$ -	\$ -	-	-	-	(54,822)	125,288	70,466
General revenues:										
Taxes:										
Property taxes, levied for general purpose					21,994,734	-	21,994,734	-	-	21,994,734
Local option sales tax					3,600,631	-	3,600,631	-	-	3,600,631
Other taxes and licenses					113,050	-	113,050	182,417	-	295,467
Unrestricted Intergovernmental					65,352	-	65,352	-	-	65,352
Investment earnings, unrestricted					9,827	271	10,098	42	-	10,140
Sale of assets					2,736	-	2,736	-	-	2,736
Miscellaneous, unrestricted					217,172	-	217,172	23	-	217,195
Total general revenues, special items, and transfers					26,003,502	271	26,003,773	182,482	-	26,186,255
Change in net position					2,268,213	(112,555)	2,155,658	127,660	125,288	2,408,606
Net position-beginning					6,918,386	10,984,659	17,903,045	179,575	146,702	18,229,322
Restatement of fund balance - change in accounting principal (Note 9)					29,938	-	29,938	-	-	29,938
Net position-beginning, restated					6,948,324	10,984,659	17,932,983	179,575	146,702	18,259,260
Net position-ending					\$ 9,216,537	\$ 10,872,104	\$ 20,088,641	\$ 307,235	\$ 271,990	\$ 20,667,866

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

Northampton County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

	Major		Non-Major	
	General Fund	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 20,965,611	\$ -	\$ 1,036,419	\$ 22,002,030
Taxes Receivable	1,593,375	-	142,627	1,736,002
Accounts Receivable	1,273,690	-	25,208	1,298,898
Notes Receivable	271,617	-	-	271,617
Due from other funds	203,423	-	-	203,423
Due from other governments	860,043	-	-	860,043
Restricted Cash	556,321	1,892,207	274,401	2,722,929
Total assets	<u>\$ 25,724,080</u>	<u>\$ 1,892,207</u>	<u>\$ 1,478,655</u>	<u>\$ 29,094,942</u>
LIABILITIES, DEFERRRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 620,881	\$ -	\$ 66,120	\$ 687,001
Unspent CARES/ ARP funding	-	1,892,172	12,829	1,905,001
Due to other funds	-	-	203,423	203,423
Total liabilities	<u>620,881</u>	<u>1,892,172</u>	<u>282,372</u>	<u>2,795,425</u>
Deferred Inflows of Resources:				
Tax Receivable	1,593,375	-	142,627	1,736,002
Ambulance fees receivables	347,564	-	-	347,564
Prepaid taxes	100,954	-	-	100,954
Total deferred inflows of resources	<u>2,041,893</u>	<u>-</u>	<u>142,627</u>	<u>2,184,520</u>
Fund balances:				
Restricted:				
Stabilization by State statue	2,261,209	-	23,986	2,285,195
Restricted, other	21,493	35	378,745	400,273
Committed:				
Committed, other	889,897	-	509,941	1,399,838
Assigned:				
Assigned, other	1,656,232	-	388,766	2,044,998
Unassigned:	18,232,475	-	(247,782)	17,984,693
Total fund balances	<u>23,061,306</u>	<u>35</u>	<u>1,053,656</u>	<u>24,114,997</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,724,080</u>	<u>\$ 1,892,207</u>	<u>\$ 1,478,655</u>	

(continued)

Northampton County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	\$ 18,262,057
Option to purchase payments are not financial resources, and therefore, are not reported in the funds.	27,500
Accrued interest on taxes receivable	281,953
Net pension asset	29,324
Contributions to the pension plans in the current fiscal year are deferred	1,147,383
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	9,150
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	468,419
Deferred outflows of resources - pensions	2,099,170
Deferred outflows of resources - OPEB	4,062,948
Long-term debt, accrued interest, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	
Long-term debt	(11,114,175)
Compensated absences	(956,112)
Accrued interest	(72,102)
Net pension liability (LGERS)	(5,479,520)
Total pension liability (LEOSSA)	(713,172)
Total OPEB liability	(19,935,302)
Pension related deferrals	(221,029)
OPEB related deferrals	(4,878,518)
Deferred inflows of resources for taxes and ambulance fees receivable	2,083,566
Net position of governmental activities (Exhibit 1)	<u><u>\$ 9,216,537</u></u>

Northampton County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	Major Governmental		Non-Major Governmental Funds	Total Governmental Funds
	General Fund	American Rescue Plan	Other Governmental Funds	
REVENUES				
Ad valorem taxes	\$ 21,519,033	\$ -	\$ 867,300	\$ 22,386,333
Other taxes and licenses	3,879,598	-	-	3,879,598
Unrestricted intergovernmental	60,025	-	-	60,025
Restricted intergovernmental	7,152,500	-	1,382,920	8,535,420
Permits and fees	269,277	-	-	269,277
Sales and services	3,031,356	-	512,840	3,544,196
Investment earnings	9,522	35	270	9,827
Special project fund	21,900	-	-	21,900
Miscellaneous	346,441	-	23,050	369,491
Total revenues	<u>36,289,652</u>	<u>35</u>	<u>2,786,380</u>	<u>39,076,067</u>
EXPENDITURES				
Current:				
General government	5,423,495	-	-	5,423,495
Public safety	10,347,688	-	1,355,718	11,703,406
Transportation	52,000	-	-	52,000
Environmental protection	123,000	-	-	123,000
Economic and physical development	842,197	-	-	842,197
Human Services	10,104,861	-	952,475	11,057,336
Cultural and recreational	436,863	-	-	436,863
Education	4,020,091	-	193,782	4,213,873
Debt service:				
Principal	279,934	-	829,040	1,108,974
Interest	4,291	-	436,486	440,777
Total expenditures	<u>31,634,420</u>	<u>-</u>	<u>3,767,501</u>	<u>35,401,921</u>
Revenues over expenditures	<u>4,655,232</u>	<u>35</u>	<u>(981,121)</u>	<u>3,674,146</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) from other funds	(1,186,381)	-	1,186,381	-
Sale of capital assets	2,736	-	-	2,736
Loan proceeds	<u>255,000</u>	<u>-</u>	<u>-</u>	<u>255,000</u>
Total other financing sources and uses	<u>(928,645)</u>	<u>-</u>	<u>1,186,381</u>	<u>257,736</u>
Net change in fund balance	3,726,587	35	205,260	3,931,882
Fund balances-beginning	19,334,719	-	818,458	20,153,177
Prior Period Restatement (See Note 9)	-	-	29,938	29,938
Fund balance - beginning, as restated	<u>19,334,719</u>	<u>-</u>	<u>848,396</u>	<u>20,183,115</u>
Fund balances-ending	<u>\$ 23,061,306</u>	<u>\$ 35</u>	<u>\$ 1,053,656</u>	<u>\$ 24,114,997</u>

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

Northampton County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

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

Net changes in fund balances - total governmental funds (Exhibit 4)	\$ 3,931,882
Exhibit 4 reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit 2 reported revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition difference for the following revenue types:	
Property taxes	(331,121)
Ambulance and other miscellaneous revenues	(1,790,131)
Expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement.	
Accrued interest payable	3,826
Compensated absences	(75,672)
OPEB Expense	(699,396)
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.	1,504,740
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(799,525)
Payments under an option to purchase made during the option period are reported as expenses in the government funds statements. However, in the Statement of Activities, these payments are not an expenses, rather it is an increase to an intangible asset.	15,000
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.	1,108,974
New debt issued during the year is recorded as a source of funds on the fund statements but affect only the statement of net position in the government-wide statements.	(255,000)
Change in accrued interest on taxes receivable.	(60,478)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,147,383
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	9,150
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	468,419
Pension expense	(1,909,838)
Total changes in net position of governmental activities	\$ 2,268,213

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

Northampton County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Year Ended June 30, 2021

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 17,804,408	\$ 17,804,408	\$ 21,519,033	\$ 3,714,625
Other taxes and licenses	3,383,167	3,383,167	3,879,598	496,431
Unrestricted intergovernmental	99,000	99,000	60,025	(38,975)
Restricted intergovernmental	7,369,737	8,419,099	7,152,500	(1,266,599)
Permits and fees	202,600	202,600	269,277	66,677
Sales and services	2,934,352	2,944,252	3,031,356	87,104
Investment earnings	187,000	187,000	9,522	(177,478)
Special Project revenue	23,000	23,000	21,900	(1,100)
Miscellaneous	326,755	336,958	346,441	9,483
Total revenues	<u>32,330,019</u>	<u>33,399,484</u>	<u>36,289,652</u>	<u>2,890,168</u>
Expenditures				
Current:				
General government	4,743,383	5,764,765	5,423,495	341,270
Public safety	10,640,071	11,137,864	10,347,688	790,176
Transportation	52,000	52,000	52,000	-
Environmental Protection	123,000	123,000	123,000	-
Economic and physical development	1,337,119	1,285,340	842,197	443,143
Human services	11,128,921	12,178,905	10,104,861	2,074,044
Cultural and recreational	520,577	506,445	436,863	69,582
Education	4,037,000	4,044,050	4,020,091	23,959
Debt service				
Principal payments	373,712	221,762	279,934	(58,172)
Interest	4,291	4,291	4,291	-
Total expenditures	<u>32,960,074</u>	<u>35,318,422</u>	<u>31,634,420</u>	<u>3,684,002</u>
Revenues over (under) expenditures	<u>(630,055)</u>	<u>(1,918,938)</u>	<u>4,655,232</u>	<u>6,574,170</u>
Other financing sources (uses):				
Transfers (to) from other funds	(1,400,878)	(1,400,878)	(1,186,381)	214,497
Loan proceeds	-	-	255,000	255,000
Appropriated fund balance	2,322,913	3,345,256	-	(3,345,256)
Sale of capital assets	-	61,000	2,736	(58,264)
Contingency	(291,980)	(86,440)	-	86,440
Total other financing sources (uses)	<u>630,055</u>	<u>1,918,938</u>	<u>(928,645)</u>	<u>(2,847,583)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,726,587</u>	<u>\$ 3,726,587</u>
Fund balances:				
Beginning of year, July 1			<u>19,334,719</u>	
End of year, June 30			<u>\$ 23,061,306</u>	

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

Northampton County, North Carolina
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	MAJOR		NONMAJOR	Total Enterprise Funds
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer	
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 353,874	\$ 156,098	\$ 245,632	\$ 755,604
Accounts receivable (net)	428,424	15,690	52,401	496,515
Restricted assets:				
Cash and cash equivalents, restricted	230,100	-	64,620	294,720
Total current assets	<u>1,012,398</u>	<u>171,788</u>	<u>362,653</u>	<u>1,546,839</u>
Non-current assets:				
Land and construction in progress	555,051	-	-	555,051
Other capital assets, net	19,661,388	-	440,370	20,101,758
Total non-current assets	<u>20,216,439</u>	<u>-</u>	<u>440,370</u>	<u>20,656,809</u>
Total assets	<u>21,228,837</u>	<u>171,788</u>	<u>803,023</u>	<u>22,203,648</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Deferrals	75,800	31,583	18,950	126,333
OPEB Deferrals	166,391	38,232	29,157	233,780
Total deferred outflows of resources	<u>242,191</u>	<u>69,815</u>	<u>48,107</u>	<u>360,113</u>
LIABILITIES:				
Current liabilities:				
Accounts payable and accrued liabilities	119,651	187,148	31,042	337,841
Accrued interest	30,074	-	1,360	31,434
Current portion of long-term debt	407,000	-	12,000	419,000
Liabilities payable from restricted assets:				
Customer Deposits	230,100	-	64,620	294,720
Total current liabilities	<u>786,825</u>	<u>187,148</u>	<u>109,022</u>	<u>1,082,995</u>
Noncurrent liabilities:				
Compensated absences-non current	27,594	5,806	4,053	37,453
Non-current portion of long-term debt	8,736,001	-	319,500	9,055,501
Net pension liability	136,988	57,078	34,247	228,313
Total OPEB Liability	732,019	168,197	128,273	1,028,489
Total noncurrent liabilities	<u>9,632,602</u>	<u>231,081</u>	<u>486,073</u>	<u>10,349,756</u>
Total liabilities	<u>10,419,427</u>	<u>418,229</u>	<u>595,095</u>	<u>11,432,751</u>
DEFERRED INFLOWS OF RESOURCES:				
Pension Deferrals	4,330	1,804	1,082	7,216
OPEB Deferrals	179,138	41,161	31,391	251,690
Total deferred inflows of resources	<u>183,468</u>	<u>42,965</u>	<u>32,473</u>	<u>258,906</u>
NET POSITION:				
Net investment in capital assets	11,073,438	-	108,870	11,182,308
Unrestricted	<u>(205,305)</u>	<u>(219,591)</u>	<u>114,692</u>	<u>(310,204)</u>
Total net position	<u>\$ 10,868,133</u>	<u>\$ (219,591)</u>	<u>\$ 223,562</u>	<u>\$ 10,872,104</u>

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

Northampton County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	MAJOR		NONMAJOR	
	Water and Sewer	Solid Waste Fund	Garysburg Water and Sewer	Totals
Operating Revenues:				
Charges for services	\$ 2,475,400	\$ 2,324,497	\$ 529,611	\$ 5,329,508
Water and sewer taps	32,750	-	-	32,750
White goods and tire disposal tax	-	32,182	-	32,182
Solid waste disposal tax	-	13,668	-	13,668
Other operating revenues	16,224	120,387	-	136,611
Total operating revenues	<u>2,524,374</u>	<u>2,490,734</u>	<u>529,611</u>	<u>5,544,719</u>
Operating Expenses:				
Water distribution and sewage treatment	1,573,740	-	752,853	2,326,593
Solid waste	-	2,442,701	-	2,442,701
Depreciation	656,917	-	15,987	672,904
Total operating expenses	<u>2,230,657</u>	<u>2,442,701</u>	<u>768,840</u>	<u>5,442,198</u>
Operating income (loss)	<u>293,717</u>	<u>48,033</u>	<u>(239,229)</u>	<u>102,521</u>
Non-Operating Revenues (Expenses):				
Interest earned on investments	223	48	-	271
Interest and fees	(388,880)	-	(17,103)	(405,983)
Total non-operating revenues (expenses)	<u>(388,657)</u>	<u>48</u>	<u>(17,103)</u>	<u>(405,712)</u>
Income (loss) before capital contributions and transfers	(94,940)	48,081	(256,332)	(303,191)
Capital contributions	<u>190,636</u>	<u>-</u>	<u>-</u>	<u>190,636</u>
Change in net position	<u>95,696</u>	<u>48,081</u>	<u>(256,332)</u>	<u>(112,555)</u>
Net Position:				
Beginning of year - July 1	<u>10,772,437</u>	<u>(267,672)</u>	<u>479,894</u>	<u>10,984,659</u>
End of year - June 30	<u>\$ 10,868,133</u>	<u>\$ (219,591)</u>	<u>\$ 223,562</u>	<u>\$ 10,872,104</u>

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

Northampton County, North Carolina
Proprietary Fund
Combining Statement of Cash Flows
For the Year Ended June 30, 2021

	MAJOR		NONMAJOR	
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer Fund	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,593,144	\$ 2,477,812	\$ 524,351	\$ 5,595,307
Cash paid for goods and services	(1,179,191)	(2,177,522)	(676,484)	(4,033,197)
Cash paid to employees for services	(392,484)	(78,813)	(43,894)	(515,191)
Net cash provided (used) by operating activities	1,021,469	221,477	(196,027)	1,046,919
Cash flows from non-capital financing activities				
Loans from (to) other funds	31,230	(65,427)	-	(34,197)
Transfer from other funds	-	-	-	-
Net cash provided (used) by non-capital financial activities	31,230	(65,427)	-	(34,197)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(53,961)	-	-	(53,961)
Gain on Sale of Assets	-	-	-	-
Principal paid on long-term debt	(604,027)	-	(11,500)	(615,527)
Issuance of long-term debt proceeds	-	-	-	-
Interest and fees	(385,248)	-	(17,151)	(402,399)
Capital contributions	190,636	-	-	190,636
Net cash provided (used) by capital and related financing activities	(852,600)	-	(28,651)	(881,251)
Cash flows from investing activities:				
Interest on investments	223	48	-	271
Net increase (decrease) in cash and cash equivalents	200,322	156,098	(224,678)	131,742
Cash and cash equivalents, July 1	383,652	-	534,930	918,582
Cash and cash equivalents, June 30	<u>\$ 583,974</u>	<u>\$ 156,098</u>	<u>\$ 310,252</u>	<u>\$ 1,050,324</u>

(continued)

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

Northampton County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2021

	MAJOR		NONMAJOR	
	Water and Sewer Fund	Solid Waste Fund	Garysburg Water and Sewer Fund	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 293,717	\$ 48,033	\$ (239,229)	\$ 102,521
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	656,917	-	15,987	672,904
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	73,674	(12,922)	(19,010)	41,742
(Increase) decrease in deferred outflows of resources for pensions	(8,464)	(3,526)	(2,115)	(14,105)
(Increase) decrease in deferred outflows of resources for OPEB	(148,068)	(34,022)	(25,947)	(208,037)
Increase (decrease) in deferred inflows of resources for pensions	2,957	1,232	739	4,928
Increase (decrease) in deferred inflows of resources for OPEB	116,791	26,835	20,466	164,092
Increase (decrease) in accounts payable and accrued liabilities	(27,294)	176,070	24,282	173,058
Increase (decrease) in net pension liability	22,827	9,511	5,707	38,045
Increase (decrease) in deposits	(4,904)	-	13,750	8,846
Increase (decrease) in Total OPEB liability	39,757	9,134	6,965	55,856
Increase (decrease) in compensated absences	3,559	1,132	2,378	7,069
Total adjustments	727,752	173,444	43,202	944,398
Net cash provided (used) by operating activities	\$ 1,021,469	\$ 221,477	\$ (196,027)	\$ 1,046,919

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

Northampton County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	<u>Custodial Funds</u>
Assets:	
Cash and investments	\$ 215,872
Accounts receivable	<u>351,677</u>
Total Assets	<u><u>\$ 567,549</u></u>
Liabilities:	
Intergovernmental payable	<u>\$ 86,239</u>
Total Liabilities	<u>86,239</u>
Net Position	
Restricted for:	
Individuals, organizations, and other governments	<u>481,310</u>
Total fiduciary net position	<u><u>\$ 481,310</u></u>

Northampton County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Custodial Funds
Additions	
Ad Valorem taxes for other governments	\$ 1,036,884
Collections for Inmates	53,754
Total additions	<u>1,090,638</u>
Deductions	
Tax distributions to other governments	1,049,521
Payment on behalf of inmates	41,700
Total deductions	<u>1,091,221</u>
Net Increase (decrease) in fiduciary net position	(583)
Net Position, beginning as previously reported	-
Prior period restatement - change in accounting principle	481,893
Net position, beginning, as restated	<u>481,893</u>
Net position, ending	<u><u>\$ 481,310</u></u>

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Discretely Presented Component Unit

Northampton County Industrial Facilities and Pollution Control Financing Authority

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

Northampton County ABC Board

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

Northampton County Tourism Development Authority

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

B. Basis of Presentation – Basis of Accounting

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

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

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

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

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

Governmental Funds

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

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

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

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

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Proprietary Funds

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

Fiduciary Funds

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

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

Major Funds

The General Fund, Water and Sewer Fund, and Solid Waste Fund are considered major funds for the year ended June 30, 2021.

C. Measurement Focus, Basis of Accounting

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

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

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

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

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

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

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

D. Budgetary Data

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

Deposits and Investments

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

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

The County's and the ABC Board's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT), which consists of two SEC registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAmf by Moody Investor Services. The Government Portfolio is reported at fair value.

Cash and Cash Equivalents

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

Restricted Assets

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

Governmental Activities

General Fund	
Tax Revaluation	\$ 556,321
Total General Fund	<u>556,321</u>
Other Governmental Funds	
American Rescue Plan Act	1,892,207
School Capital Fund	<u>274,401</u>
Total Other Governmental Funds	<u>2,166,608</u>
Total - Governmental Activities	<u>\$ 2,722,929</u>

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Business-Type Activities

Water & Sewer Fund	
Customer Deposits	\$ 230,100
Unexpended Project Funds	-
Total Water & Sewer Fund	<u>230,100</u>
 Garysburg Water & Sewer Fund	
Customer Deposits	<u>64,620</u>
Total Water & Sewer Fund	<u>64,620</u>
 Total - Business Type Activities	<u>\$ 294,720</u>
 Total Restricted Cash	<u>\$ 3,017,649</u>

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

Allowance for Doubtful Accounts

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

Capital Assets

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

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

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

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Deferred Outflows/Inflows of resources

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

Long-Term Obligations

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

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

Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

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

Restricted - Other

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

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

Restricted for Public Safety - portion of fund balance that can only be used by the rescue squads in the County.

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

	General Fund	Special Revenue Fund	Capital Project Fund
Restricted for Stabilization of State Statute	\$ 2,261,209	\$ 23,986	\$ -
Restricted - Other			
Restricted for Public Safety- E911	-	344,945	-
Restricted for General Government	21,493	-	-
Restricted for Public Safety	-	-	-
Restricted for Health Services	-	33,800	-
Total	<u>\$ 2,282,702</u>	<u>\$ 402,731</u>	<u>\$ -</u>

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

	General Fund	Special Revenue Fund	Capital Project Fund
<i>Committed for Tax Revaluation</i> - portion of fund balance that is committed by revenue source to pay for property tax revaluations purpose.	\$ 556,565	\$ -	\$ -
<i>Committed for Public Safety</i> - portion of fund balance that is committed for public safety expenditures.	-	344,945	969
<i>Committed for Economic and Physical Development</i> - portion of fund balance that is committed to pay for economic development expenditures.	333,332	35	14,296
<i>Committed for Capital Outlay</i> - portion of fund balance that is committed for future capital expenditures	-	-	220,275
<i>Committed for Education</i> - portion of fund balance that is committed for education expenditures	-	-	274,401
Total	<u>\$ 889,897</u>	<u>\$ 344,980</u>	<u>\$ 509,941</u>

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

	General Fund	Special Revenue Fund	Debt Service Fund
<i>Assigned for Debt Service</i> - portion of fund balance that is assigned for debt service expenditures	\$ -	\$ -	\$ -
<i>Assigned for Subsequent Year's Expenditures</i> -portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager to modify appropriations up to \$5,000 between departments within a fund.	1,656,232	-	-
<i>Assigned for Economic and Physical Development</i> - portion of fund balance that is assigned to pay for economic development expenditures.	-	388,766	-
Total	<u>\$ 1,656,232</u>	<u>\$ 388,766</u>	<u>\$ -</u>

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

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

Total fund balance- General Fund (Exhibit 3)	\$ 23,061,306
Less:	
Stabilization by State statute	(2,261,209)
Available for appropriation	<u><u>\$ 20,800,097</u></u>

Defined Benefit Cost Sharing Plans

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

F. Revenues, Expenditures, and Expenses

Compensated Absences

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

The sick leave policies of the County and the TDA provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the TDA has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

G. Use of Estimates

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

2. Stewardship, Compliance and Accountability

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

The following funds had a deficit fund balance as follows:

Special Revenue Funds:

Fire District Fund	\$ 21,144
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Rescue Squad Fund	28,687
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Capital Project Fund:

Severn Peanut Natural Gas Project Fund	23,955
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Courthouse/Admin/DSS Renovations	1,120
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Debt Service Fund	165,946
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Enterprise Fund:

Solid Waste Fund	219,591
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Corrective Action Plan. Deficits, caused by timing issues, will be eliminated with future revenues. Budgeted transfers will be made in a timely manner to eliminate deficit fund balance at year-end.

B. Unbudgeted Funds/ Unbalance Budget

Two funds were unbudgeted. Fund 34 was a new fund created for GASB 84 after year end. A budget will be adopted for both funds before the close of fiscal year 21/22. Fund 50 had an unbalanced budget; efforts will be made to correct the budget for this fund.

C. Excess of Expenditures over Appropriations

Excess of expenditures over appropriations are in violation of the State law. At June 30, 2021, several departments in the General Fund (Hospitalization - Retirees, Taxes, Sheriff- Execution Account, Elderly and Handicapped, Home and Community Care Block Grant, HIV - Non-traditional, Mental Health, Community Based Alternatives, and Debt Service), expenditures exceeded appropriation. Additionally, expenditures exceeded appropriation for the Fire District Fund, Rescue Squad Fund, Debt Service Fund, West Fraser Wastewater Grant Fund, Water Asset Inventory and Assessment Grant Fund, Garysburg Water and Sewer District Fund and Solid Waste Fund. The County plans closer monitoring of the expenditure process to assure adequate appropriations prior to incurring expenditures.

D. Timeliness of Audit

The audit report was issued 8 months after the required due date of October 31, 2021. The County experienced turnover in the finance officer position, and key items had not been reconciled. Additional time was required to reconcile the ledger and obtain necessary information to complete the audit.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

3. Detail Notes on All Funds

A. Assets

Deposits

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

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and the TDA rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the County's deposits had a carrying amount of \$11,154,681 and a bank balance of \$12,331,696. Of the bank balance, \$826,486 was covered by federal depository insurance, and \$11,505,211 was covered by collateral held under the Pooling Method. At June 30, 2021, the County had \$2,900 cash on hand.

At June 30, 2021, the Authority's deposits had a carrying amount of \$263,082. The cash balance of the TDA is included in the County's central depository account, so there is no separate FDIC coverage reported for the TDA. Any balance over FDIC coverage is covered by the pooling method.

At June 30, 2021, the carrying amount of deposits for the County ABC Board was \$394,224 and the bank balance was \$392,936. All of the bank balance was covered by federal depository insurance.

Investments

At June 30, 2021, the County had \$14,833,574 invested with the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAm by Standard and Poor's. The County has no policy regarding credit risk.

Investment Type	Valuation Measurement Method	Fair Value	Less than 6 months	6-12 months	1-3 Years
NC Capital Management Trust- Governmental Portfolio	Fair Value - Level 1	\$ 14,833,574	\$ 14,833,574	\$ -	\$ -
Total:	-	14,833,574	14,833,574	-	-

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Property Tax - Use-Value Assessment on Certain Lands

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

Year Levied	Tax	Interest	Total
2017	\$ 2,495,177	\$ 817,170	\$ 3,312,347
2018	2,489,626	591,286	3,080,912
2019	2,443,811	360,462	2,804,273
2020	2,435,993	140,070	2,576,063
Total	<u>\$ 9,864,607</u>	<u>\$ 1,908,988</u>	<u>\$ 11,773,595</u>

Receivables

Receivables at the government-wide level at June 30, 2021, were as follows:

	Accounts	Taxes	Due From Other Governments	Total
Governmental Activities:				
General	\$ 951,334	\$ 3,401,619	\$ 860,043	\$ 5,212,996
Ambulance	2,446,264	-	-	2,446,264
Fire district	-	142,627	-	142,627
Total Receivables	3,397,598	3,544,246	860,043	7,801,887
Allowance for doubtful accounts	(2,098,700)	(1,526,291)	-	(3,624,991)
Total governmental activities	<u>\$ 1,298,898</u>	<u>\$ 2,017,955</u>	<u>\$ 860,043</u>	<u>\$ 4,176,896</u>
Business-type Activities:				
Solid Waste	\$ 15,690	\$ -	\$ -	\$ 15,690
Garysburg Water and Sewer	77,988	-	-	77,988
Water and sewer	1,018,173	-	-	1,018,173
Total Receivables	1,111,851	-	-	1,111,851
Allowance for doubtful accounts	(615,336)	-	-	(615,336)
Total business-type activities	<u>\$ 496,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 496,515</u>

Due from other governments consisted of the following:

Governmental Activities:	
Local option sales tax	\$ 619,345
Sales tax refund	240,698
Total	<u>\$ 860,043</u>

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Capital Assets

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

	July 1, 2020	Additions	Retirements	June 30, 2021
Non- Depreciable Assets:				
Land	\$ 2,000,800	\$ 285,000	\$ -	\$ 2,285,800
Construction in Process	-	788,474	-	788,474
Total Capital Assets Not Being Depreciated	2,000,800	1,073,474	-	3,074,274
Depreciable Assets:				
Buildings and Improvements	20,832,201	-	-	20,832,201
Equipment	2,365,826	126,880	-	2,492,706
Vehicles and Motor Equipment	4,574,242	304,386	-	4,878,628
Total Capital Assets	29,773,069	1,504,740	-	31,277,809
Less accumulated depreciation:				
Buildings and Improvements	6,553,229	424,470	-	6,977,699
Equipment	2,160,125	62,380	-	2,222,505
Vehicles and motor equipment	3,502,873	312,675	-	3,815,548
Total Accumulated Depreciation	12,216,227	\$ 799,525	\$ -	13,015,752
Capital Assets, net	\$ 17,556,842			\$ 18,262,057

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

Government Activities :

General Government	\$ 112,701
Public Safety	368,041
Economic and physical development	1,732
Human Services	192,758
Cultural and Recreational	124,293
Total	\$ 799,525

Summary of Proprietary Capital Assets

Capital assets for the proprietary funds of the County at June 30, 2021 are as follows:

	July 1, 2020	Additions	Retirements	June 30, 2021
Water and Sewer Fund				
Non- Depreciable Assets:				
Construction in progress	\$ 501,090	\$ 53,961	\$ -	\$ 555,051
Depreciable Assets:				
Plant and distribution systems	31,330,960	-	-	31,330,960
Furniture and equipment	366,613	-	-	366,613
Vehicles	370,561	-	-	370,561
Total Capital Assets	32,569,224	53,961	-	32,623,185
Less accumulated depreciation:				
Plant and distribution systems	11,106,345	627,317	-	11,733,662
Furniture and equipment	307,907	14,414	-	322,321
Vehicles	335,577	15,186	-	350,763
Total Accumulated Depreciation	11,749,829	\$ 656,917	\$ -	12,406,746
Water and Sewer Capital Assets, Net	\$ 20,819,395			\$ 20,216,439

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

	July 1, 2020	Additions	Retirements	June 30, 2021
Garysburg Water and Sewer District Fund				
Non- Depreciable Assets:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Depreciable Assets:				
Plant and distribution systems	799,324	-	-	799,324
Furniture and equipment	-	-	-	-
Vehicles	-	-	-	-
Total Capital Assets	799,324	-	-	799,324
Less accumulated depreciation:				
Plant and distribution systems	342,968	15,986	-	358,954
Furniture and equipment	-	-	-	-
Vehicles	-	-	-	-
Total Accumulated Depreciation	342,968	\$ 15,986	\$ -	358,954
Garysburg Water and Sewer District Capital Assets	\$ 456,356			\$ 440,370
Solid Waste Fund:				
Depreciable Assets:				
Plant and distribution systems	\$ 2,250	\$ -	\$ -	\$ 2,250
Furniture and equipment	183,605	-	-	183,605
Vehicles	153,924	-	-	153,924
Total Capital Assets	339,779	-	-	339,779
Less accumulated depreciation:				
Plant and distribution systems	2,250	-	-	2,250
Furniture and equipment	183,605	-	-	183,605
Vehicles	153,924	-	-	153,924
Total Accumulated Depreciation	339,779	\$ -	\$ -	339,779
Solid Waste Capital Assets, Net	\$ -			\$ -
Business-Type Activities Capital Assets, net	\$ 21,275,751			\$ 20,656,809

B. Liabilities

Payables

Payables at government-wide level at June 30, 2021 were as follows:

Type of Payable	Governmental Activities	Business-Type Activities	Total
Vendors	\$ 687,001	\$ 337,841	\$ 1,024,842
Other	-	-	-
Total	\$ 687,001	\$ 337,841	\$ 1,024,842

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Pension Plan Obligations

Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.22% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,193,677 for the year ended June 30, 2021.

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

At June 30, 2021, the County reported a liability of \$5,707,833 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 0.1597% (measured as of June 30, 2020), which was a decrease of 0.0145% from its proportion measured as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$1,915,326. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 720,799	\$ -
Changes of assumptions	424,775	-
Net difference between projected and actual earnings on pension plan investments	803,224	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	15,865	180,405
County contributions subsequent to the measurement date	1,193,677	-
Total	<u>\$ 3,158,340</u>	<u>\$ 180,405</u>

\$1,193,677 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ 491,805
2022	668,845
2023	385,894
2024	237,714
2025	-
Thereafter	-
Total	<u>\$ 1,784,258</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

The plan currently uses mortality tables based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 11,580,572	\$ 5,707,833	\$ 827,175

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

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, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to, but not yet receiving benefits	-
Active plan members	34
Total	<u>35</u>

A separate report was not issued for the Plan.

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

Inflation	2.50 Percent
Salary Increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

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

Mortality Rate

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

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

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

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

Contributions. The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$11,356 as benefits came due for the reporting period.

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

At June 30, 2021 the County reported a total pension liability of \$713,172. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$69,797.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,973	\$ 31,716
Changes of assumptions	192,528	13,017
Benefit payments and administrative expenses subsequent to the	9,150	-
Total	<u>\$ 220,651</u>	<u>\$ 44,733</u>

The County paid \$9,150 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ 25,476
2022	27,181
2023	37,717
2024	37,154
2025	35,039
Thereafter	4,201
Total	<u>\$ 166,768</u>

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 1.93%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93%) or 1-percentage-point higher (2.93%) than the current rate

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
County's proportionate share of the net pension liability (asset)	\$ 780,734	\$ 713,172	\$ 651,925

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

Beginning balance	\$ 460,364
Service Cost	36,572
Interest on the total pension liability	14,796
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total	9,618
Changes in assumptions or other inputs	204,817
Benefit payments	(12,995)
Other changes	-
Ending balance of the total pension liability	<u>\$ 713,172</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2019 (measurement date) to 1.93 percent at June 30, 2020 (measurement date).

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

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

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

Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$181,800 which consisted of \$101,039 from the County and \$80,761 from the law enforcement officers.

Deferred Compensation Plan

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

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

Registers of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$1,453 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$29,324 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2020, the County's proportion was 0.128%, which was a decrease of 0.0072% from its proportion measured as of June 30, 2019.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

For the year ended June 30, 2021, the County recognized pension expense of \$1,328. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 598
Net difference between projected and actual earnings on pension plan investments	-	2,509
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,593	-
County contributions subsequent to the measurement date	1,453	-
Total	<u>\$ 3,046</u>	<u>\$ 3,107</u>

\$1,453 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 360
2023	(109)
2024	(1,132)
2025	(633)
2026	-
Thereafter	-
Total	<u>\$ (1,514)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

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

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

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (24,907)	\$ (29,324)	\$ (33,061)

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

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

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

The net pension liability for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 5,707,833	\$ (29,324)	\$ -	\$ 5,678,509
Proportion of the Net Pension Liability (Asset)	0.1597%	0.1280%	n/a	
Total Pension Liability	-	-	713,172	713,172
Pension Expense	1,915,326	1,328	69,797	1,986,451

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 720,799	\$ -	\$ 18,973	\$ 739,772
Changes of assumptions	424,775	-	192,528	617,303
Net difference between projected and actual earnings on pension plan investments	803,224	1,593	-	804,817
Changes in proportion and differences between County contributions and proportionate share of contributions	15,865	-	-	15,865
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date.	1,193,677	1,453	9,150	1,204,280

Deferred Inflows of Resources

Differences between expected and actual experience	\$ -	\$ 598	\$ 31,716	\$ 32,314
Changes of assumptions	-	-	13,017	13,017
Changes in proportion and differences between County contributions and proportionate share of contributions	180,405	2,509	-	182,914

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Other Postemployment Benefits

Healthcare Benefits

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

Membership of the HCB Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Retirees receiving benefits	62
Terminated plan members entitled to but not yet receiving benefits	-
Active members, general employees	247
Active members, law enforcement officers	34
Total	<u>343</u>

Total OPEB Liability

The County's total OPEB liability of \$20,963,792 was measured as of June 30, 2020 and was determined by an actuarial valuation of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5-7.75 percent, average, including inflation
Discount Rate	2.21 percent
Healthcare cost trend rates	Pre-Medicare - 7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030 Medicare - 5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024

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

Changes in the Total OPEB Liability

Balance at July 1, 2020	\$ 19,825,186
Changes for the year	
Service cost	434,386
Interest	699,809
Changes of benefit terms	-
Differences between expected and actual experience	(3,320,027)
Changes in assumptions or other inputs	3,859,108
Benefit payments	<u>(534,670)</u>
Net Changes	<u>1,138,606</u>
Balance at June 30, 2021	<u>\$ 20,963,792</u>

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

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

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) and 1-percentage-point higher (3.21 percent) than the current discount rate.

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 25,444,206	\$ 20,963,792	\$ 17,521,471

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 17,325,783	\$ 20,963,792	\$ 25,753,478

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$735,479. At June 30, 2021 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,591	\$ 3,502,298
Net difference between projected and actual earnings on pension	-	-
Changes in proportion and differences between employer	-	-
Changes of assumptions	4,221,970	1,627,909
Benefit payments and administrative costs made subsequent to the measurement date	492,585	-
Total	<u>\$ 4,765,146</u>	<u>\$ 5,130,207</u>

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

\$492,585 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2022	\$	(326,016)
2023		(326,016)
2024		(326,016)
2025		(211,587)
2026		258,298
Thereafter		73,691

Other Employment Benefits

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

Deferred Outflows and Inflows of Resources

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

<u>Source</u>	<u>Statement of Net Position</u>
Contributions to pension plans in current fiscal year	\$ 1,195,130
LEOSSA	9,150
OPEB contributions	492,585
Pension deferrals	2,177,757
OPEB deferrals	4,272,561
Total	<u>\$ 8,147,183</u>

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

<u>Source</u>	<u>Statement of Net Position</u>	<u>Governmental Funds Balance Sheet</u>
Pension deferrals	\$ 183,512	
LEOSSA	44,733	
OPEB deferrals	5,130,208	
Taxes receivables, net	-	1,736,002
Prepaid Taxes	100,954	100,954
Ambulance fees receivables, net	-	347,564
Total	<u>\$ 5,459,407</u>	<u>\$ 2,184,520</u>

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Risk Management

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

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

The County does not carry flood insurance through the NFIP.

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

Claims and Judgment

At June 30, 2021, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

Long-Term Obligations

Installment Notes Payable

Governmental Activities

Governmental Funds:

\$ 1,475,430 USDA Rural Development direct borrowing loan issued March 2002; due in equal annual installments of \$94,573, including interest at 4.75%; final payment due March 2032; secured by equipment. In the event of default the lender may declare all or any part of any such indebtedness immediately due and payable. \$ 790,282

\$130,570 USDA Rural Development direct borrowing loan issued January 2003; due in equal annual installments of \$8,135, including interest at 4.625%; final payment due January 2033; secured equipment. In the event of default the lender may declare all or any part of any such indebtedness immediately due and payable. 70,432

\$1,800,000 USDA Rural Development direct borrowing loan issued May 2008; due in equal annual installments of \$92,646, including interest at 4.125%; final payment due May 2048, secured by facility. In the event of default the lender may declare all or any part of any such indebtedness immediately due and payable. 1,491,715

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

5,984,447

\$200,000 direct borrowing note issued September 16, 2019; due in quarterly payments of \$25,000 with no interest. Final payment is due in September 2021; secured by land. If purchaser defaults in the performance of any of its obligations under the agreement, Seller shall be entitled either to (a) terminate this Agreement and the parties shall thereafter be relieved from any further obligation or liability hereunder except as otherwise expressly provided in this Agreement, (b) seek specific performance of this Agreement or (c) any other remedies available at law or in equity.

50,000

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

255,000

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

35,299

Total Governmental funds	\$ 8,677,175
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Business-Type Activities
Proprietary Funds:

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

\$ -

Total proprietary funds	\$ -
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Total all funds	\$ 8,677,175
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Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 358,023	\$ 342,191	\$ -	\$ -
2023	318,768	331,446	-	-
2024	329,967	320,248	-	-
2025	329,871	308,577	-	-
2026	342,034	296,414	-	-
2027-2031	1,766,356	1,280,884	-	-
2032-2036	1,659,381	918,907	-	-
2037-2041	1,904,991	572,809	-	-
2042-2046	1,493,821	174,251	-	-
2047-2051	173,963	10,826	-	-
Total	<u>\$ 8,677,175</u>	<u>\$ 4,556,553</u>	<u>\$ -</u>	<u>\$ -</u>

General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith credit and taxing power of the County. The County has \$2,437,000 of debt outstanding for the acquisition and construction of public school and community college facilities.

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

The County's general obligation bonds payable at June 30, 2021 are comprised of the following individual issues:

General Obligation Bonds:

Serviced by the General Fund:

\$9,363,000 Refunding Series 2013 Bonds issued August 2013; due in annual installments of \$260,000 to \$1,105,000 through June 1, 2028, interest at 2.75%; with \$4,527,000 serviced by the governmental funds and \$4,836,000 serviced by the Water Sewer Fund. \$ 2,437,000

Total serviced by the General Fund \$ 2,437,000

General Obligation Bonds:

Serviced by the Garysburg Water and Sewer

\$492,000 2000 Sanitary Sewer Bond issued March 2000; due in annual installments of \$5,500 to \$22,000 through June 1, 2039; interest at 5.00%. \$ 331,500

Total serviced by Garysburg Water and Sewer Fund \$ 331,500

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Serviced by the Water and Sewer Fund:

\$2,870,000 2003 Water Bond issued September 2003; due in annual installments of \$32,000 to \$107,000 through June 1, 2043; interest at 4.25%. \$ 2,154,000

\$4,835,000 Refunding Series 2005 Water Bonds issued May 2005; due in annual installments of \$105,000 to \$290,000 through June 1, 2030; interest at 3.50% to 4.00%. 570,000

\$9,363,000 Refunding Series 2013 Bonds issued August 2013; due in annual installments of \$260,000 or \$1,105,000 through June 1, 2028, interest at 2.75%; with \$4,527,000 serviced by governmental funds and \$4,836,000 serviced by the Water and Sewer Fund. 1,907,000

\$4,876,000 2014 Water Bonds issued February 2014; due in annual installments of \$55,000 or \$142,000 through June 1, 2053; interest at 4.375% 4,512,000

Total serviced by Water and Sewer Fund \$ 9,143,000

Total serviced by the Proprietary Funds \$ 9,474,500

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 577,000	\$ 67,017	\$ 419,000	\$ 396,289
2023	570,000	51,150	425,500	380,336
2024	562,000	51,150	439,000	363,156
2025	550,000	20,020	462,000	348,729
2026	178,000	4,895	431,000	333,757
2027-2031	-	-	2,074,000	1,437,331
2032-2036	-	-	1,212,000	1,043,980
2037-2041	-	-	1,415,000	751,763
2042-2046	-	-	1,157,000	452,989
2046-2050	-	-	1,078,000	222,292
2051-2055	-	-	362,000	22,049
Total	<u>\$ 2,437,000</u>	<u>\$ 194,232</u>	<u>\$ 9,474,500</u>	<u>\$ 5,752,671</u>

At June 30, 2021, the County had a legal debt margin of approximately \$168,307,777.

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, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 3,021,000	\$ -	\$ 584,000	\$ 2,437,000	\$ 577,000
Direct Borrowing Installment Note	8,947,149	255,000	524,974	8,677,175	358,023
Compensated Absences	880,440	75,672	-	956,112	-
Total Pension Liability (LEOSSA)	460,364	252,808	-	713,172	-
Net pension liability (LGRS)	4,566,451	913,069	-	5,479,520	-
Total OPEB liability	18,852,557	1,082,745	-	19,935,302	-
Total governmental activities	<u>\$ 36,727,961</u>	<u>\$ 2,579,294</u>	<u>\$ 1,108,974</u>	<u>\$ 38,198,281</u>	<u>\$ 935,023</u>

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Business-type Activities:

Water and Sewer Activity:

General Obligation Bonds	\$ 9,731,000	\$ -	\$ 588,000	\$ 9,143,000	\$ 407,000
Direct Borrowing Installment Note	16,027	-	16,027	-	-
Net pension liability (LGERS)	114,161	22,827	-	136,988	-
Compensated Absences	24,035	3,559	-	27,594	-
Total OPEB liability	692,261	39,758	-	732,019	-
Total Water and Sewer Activity	10,577,484	43,317	604,027	10,039,601	407,000

Garysburg Water and Sewer Activity:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion
General Obligation Bonds	343,000	-	11,500	331,500	12,000
Net pension liability (LGERS)	28,540	5,707	-	34,247	-
Compensated Absences	1,675	2,378	-	4,053	-
Total OPEB liability	121,306	6,967	-	128,273	-
Total Garysburg Water and Sewer Activity	494,521	9,345	11,500	498,073	12,000

Solid Waste Activity:

Net pension liability (LGERS)	47,567	9,511	-	57,078	-
Compensated Absences	4,674	1,131	-	5,805	-
Total OPEB liability	159,062	9,135	-	168,197	-
Total Solid Waste Activity	211,303	19,777	-	231,080	-
Total Business-type activities	\$ 11,283,308	\$ 72,439	\$ 615,527	\$ 10,768,754	\$ 419,000

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

Net Investments in Capital Assets

The total net investment in capital assets at June 30, 2021 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital Assets	\$ 18,262,057	\$ 20,656,809
Long-term obligations	38,198,281	10,768,755
Compensated Absences	(956,112)	(37,452)
Net pension obligation	(713,172)	-
Net pension liability	(5,479,520)	(228,313)
Total OPEB liability	(19,935,302)	(1,028,489)
Long-term debt for assets not owned by the County	(2,437,000)	-
Long-term debt, net, related to capital assets	8,677,175	9,474,501
Net investments in capital assets	\$ 9,584,882	\$ 11,182,308

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Interfund Balance and Activities

Transfers

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

\$ 1,186,381

Total Transfers

\$ 1,186,381

Due from/to other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Fire District Fund	\$ 9,032	To cover temporary bank overdrafts
General Fund	Rescue Squad Fund	3,707	To cover temporary bank overdrafts
General Fund	Severn Peanut Capital Project Fund	23,618	To cover temporary bank overdrafts
General Fund	Courthouse/Admin/DSS Renovations	1,120	To cover temporary bank overdrafts
General Fund	Debt Service Fund	<u>165,946</u>	To cover temporary bank overdrafts
Total		<u><u>\$ 203,423</u></u>	

4. Related Organizations

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

5. Joint Ventures

The County participates in a joint venture to operate East Carolina Behavioral Health, which serves as an area mental health authority. The County appoints two of the eighteen members to the Board of the Organization. The County has an ongoing financial responsibility for the joint venture because the Organization's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Organization, so no equity interest has been reflected in the financial statements at June 30, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$81,614 to the Organization to supplement its activities. Complete financial statements for the Organization can be obtained from the Organization's office at 144 Community College Road, Ahoskie, North Carolina 27910.

The County also participates in a joint venture to operate the Albemarle Regional Library (the "Library"), which serves a four-county district. The County appoints three members to the ten-member district Library Board. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$156,430 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's office on 303 West Tryon Street, Winton, North Carolina 27986.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

The County, in conjunction with the Counties of Bertie, Hertford, and Halifax, participates in a joint venture to operate the Choanoke Public Transportation Authority (the "Transportation Authority"). The County appoints three members to the Transportation Authority Board. The Transportation Authority is a joint venture established to aid citizens of the County that do not have other means of transportation. The County has an ongoing financial responsibility for the Transportation Authority because it and the other three governmental entities are legally obligated under the intergovernmental agreement that created the Transportation Authority to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County made \$2,500 in contributions to the Transportation Authority during the fiscal year ended June 30, 2021. Complete financial statements of the Transportation Authority can be obtained from the Transportation Authority's administrative offices at Choanoke Public Transportation Authority, 106 North Main Street, Rich Square, North Carolina 27869.

The County also participates in the Tri-County Airport Authority (the "Airport Authority") with two other local governments (Hertford County and Bertie County). The County appoints three members to the nine-member Board of the Airport Authority. The Airport Authority is a joint venture established to develop, maintain, operate, regulate, and improve the Airport Authority. The County has an ongoing financial responsibility for the joint venture because the Airport Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Airport Authority, so no equity interest has been reflected in the financial statements at June 30, 2021. The County appropriated \$20,000 to the Airport Authority to supplement its activities. Complete financial statements for the Tri-County Airport Authority can be obtained from the offices at 140 Tri-County Airport Road, Aulander, North Carolina 27805.

The County also participates in the Halifax-Northampton Regional Airport Authority (the "Regional Airport Authority") with two other local governments (Hertford County and Bertie County). Northampton County appoints two members to the nine-member Board of Regional Airport Authority. The Regional Airport Authority is a joint venture established to develop, maintain, operate, regulate, and improve the Regional Airport. The County has an ongoing financial responsibility for the joint venture because the Regional Airport Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Regional Airport Authority, so no equity interest has been reflected in the financial statements at June 30, 2021. The County appropriated \$25,000 to the Regional Airport Authority to supplement its activities.

6. Joint Governed Organization

The County, in conjunction with five other counties, established the Regional L Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$9,528 to the Council during the fiscal year ended June 30, 2021.

7. Summary Disclosure of Significant Commitments and Contingencies

Federal State-Assisted Program

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

The County has a Revolving Loan Fund, which is sourced through the Economic Development Grant funding sources. At June 30, 2021, there was an agreement with a business who had received a loan through this program that was in default.

Northampton County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

8. Change in Accounting Principles/Restatement

The County implement Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

Governmental Activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)	
\$ -	\$ -	\$ -	\$ 126,663	Cash related to funds held on behalf of incarcerated inmates were recognized as fiduciary net position in a newly created Jail Inmate Pay Custodial Fund
-	-	-	355,230	Cash, taxes receivable and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable taxes receivable at the beginning of the year were restated as custodial net position.
28,644	-	28,644	-	Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
1,294	-	1,294	-	Cash and receivables from EMS collections owed to the rescue squads in the County were reclassified out of the Agency Fund into a newly created Rescue Squad Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available and receivables at the beginning of the year was restated as fund balance.
<u>\$ 29,938</u>	<u>\$ -</u>	<u>\$ 29,938</u>	<u>\$ 481,893</u>	

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

~ Schedule of County's Proportionate Share of Net Pension Liability (Asset) for (LGERS)

~ Schedule of County Contributions (LGERS)

~ Schedule of County's Proportionate Share of Net Pension Asset (ROD)

~ Schedule of County Contributions (ROD)

~ Schedule of Changes in Total Pension Liability (LEOSSA)

~ Schedule of Changes in Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)

~ Schedule of Changes in the Total OPEB Liability

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Northampton County's proportionate share of the net pension (asset) liability (%)	0.15973%	0.17418%	0.17383%	0.18169%
Northampton County's proportionate share of the net pension (asset) liability (\$)	\$ 5,707,833	\$ 4,756,720	\$ 4,123,842	\$ 2,775,720
Northampton County's covered payroll	\$ 11,782,926	\$ 11,971,960	\$ 11,706,739	\$ 11,977,708
Northampton County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	48.44%	39.73%	35.23%	23.17%
Plan fiduciary net position as a percentage of the total pension liability	88.61%	90.86%	92.00%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Northampton County's proportionate share of the net pension (asset) liability (%)	0.18416%	0.18460%	0.19200%	0.14000%
Northampton County's proportionate share of the net pension (asset) liability (\$)	\$ 3,908,492	\$ 828,608	\$ (1,132,903)	\$ 2,226,344
Northampton County's covered payroll	\$ 11,455,286	\$ 11,415,786	\$ 11,288,695	\$ 10,278,792
Northampton County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.12%	7.26%	-10.04%	21.66%
Plan fiduciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%

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

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

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

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

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

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

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

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

Northampton County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2021

	2021	2020	2019	2018	2017
Beginning balance	\$ 460,364	\$ 409,801	\$ 371,520	\$ 399,443	\$ 377,621
Service Cost	36,572	33,594	34,313	29,751	33,873
Interest on the total pension liability	14,796	14,710	11,569	15,210	13,254
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	9,618	(2,392)	22,762	(95,640)	-
Changes of assumptions or other inputs	204,817	16,007	(19,548)	33,571	(12,588)
Benefit payments	(12,995)	(11,356)	(10,815)	(10,815)	(12,717)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 713,172</u>	<u>\$ 460,364</u>	<u>\$ 409,801</u>	<u>\$ 371,520</u>	<u>\$ 399,443</u>

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

Northampton County, North Carolina
Schedule of Changes in Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 713,172	\$ 460,364	\$ 409,801	\$ 371,520	\$ 399,443
Covered payroll	\$ 1,567,779	\$ 1,542,516	\$ 1,389,796	\$ 1,276,077	\$ 1,142,943
Total pension liability as a percentage of covered payroll	45.49%	29.85%	29.49%	29.11%	34.95%

Notes to the schedules:

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

Northampton County, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 434,386	\$ 385,258	\$ 562,847	\$ 647,941
Interest	699,809	686,390	677,618	608,828
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(3,320,027)	33,130	(1,161,216)	56,659
Changes of assumptions	3,859,108	1,289,091	(1,066,142)	(2,145,021)
Benefit payments	(534,670)	(423,308)	(382,050)	(340,860)
Net change in total OPEB liability	<u>1,138,606</u>	<u>1,970,561</u>	<u>(1,368,943)</u>	<u>(1,172,453)</u>
Total OPEB liability - beginning	<u>19,825,186</u>	<u>17,854,625</u>	<u>19,223,568</u>	<u>20,396,021</u>
Total OPEB liability - ending	<u><u>\$ 20,963,792</u></u>	<u><u>\$ 19,825,186</u></u>	<u><u>\$ 17,854,625</u></u>	<u><u>\$ 19,223,568</u></u>
Covered payroll	\$ 11,132,564	\$ 10,972,849	\$ 10,972,849	\$ 11,358,156
Total OPEB liability as a percentage of covered payroll	188.31%	180.67%	162.72%	169.25%

Notes to Schedule

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

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%

GENERAL FUND

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

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Actual Consolidated
For the Year Ended June 30, 2021

	2021			
	General Fund	Revaluation Fund	Revolving Loan Fund	Total
Revenues:				
Ad Valorem Taxes	\$ 21,519,033	\$ -	\$ -	\$ 21,519,033
Other Taxes and licenses	3,879,598	-	-	3,879,598
Unrestricted intergovernmental	60,025	-	-	60,025
Restricted intergovernmental	7,152,500	-	-	7,152,500
Permits and fees	269,277	-	-	269,277
Sales and services	3,031,356	-	-	3,031,356
Investment earnings	9,403	114	5	9,522
Special project revenue	21,900	-	-	21,900
Miscellaneous	336,411	-	10,030	346,441
Total Revenues	36,279,503	114	10,035	36,289,652
Expenditures:				
Current:				
General Government	5,423,495	-	-	5,423,495
Public Safety	10,347,688	-	-	10,347,688
Transportation	52,000	-	-	52,000
Environmental protection	123,000	-	-	123,000
Economic and physical development	842,197	-	-	842,197
Human Services	10,104,861	-	-	10,104,861
Cultural and recreational	436,863	-	-	436,863
Education	4,020,091	-	-	4,020,091
Debt Service:				
Principal	279,934	-	-	279,934
Interest	4,291	-	-	4,291
Total Expenditures	31,634,420	-	-	31,634,420
Revenues over (under) expenditures	4,645,083	114	10,035	4,655,232
Other financing Sources (uses)				
Transfers (to) from funds	(1,186,381)	-	-	(1,186,381)
Intrafund transfers	(50,000)	50,000	-	-
Loan Proceeds	255,000	-	-	255,000
Sale of Capital Assets	2,736	-	-	2,736
Total other financing sources (uses)	(978,645)	50,000	-	(928,645)
Net change in fund balances	3,666,438	50,114	10,035	3,726,587
Fund Balance				
Beginning of year- July 1	18,504,971	506,451	323,297	19,334,719
End of year- June 30	\$ 22,171,409	\$ 556,565	\$ 333,332	\$ 23,061,306

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Ad valorem Taxes			
Taxes	\$ 17,663,408	\$ 21,066,834	\$ 3,403,426
Penalties and interest	141,000	452,199	311,199
Total	17,804,408	21,519,033	3,714,625
Other Taxes and Licenses			
Privilege License	1,000	1,360	360
Local option sales tax	3,254,167	3,600,631	346,464
Excise tax	120,000	100,434	(19,566)
Hold harmless	3,000	171,847	168,847
Utility franchise tax	5,000	5,326	326
Total	3,383,167	3,879,598	496,431
Unrestricted Intergovernmental Revenues			
Beer and wine	93,000	60,025	(32,975)
Food Stamp tax reimbursements	6,000	-	(6,000)
Total	99,000	60,025	(38,975)
Restricted Intergovernmental Revenues			
Federal and state grants	8,333,699	7,094,944	(1,238,755)
Court facilities fees	20,000	13,311	(6,689)
Fines and forfeitures	60,000	38,635	(21,365)
ABC bottles taxes	5,400	5,610	210
Total	8,419,099	7,152,500	(1,266,599)
Permits and Fees			
Building permits	95,900	151,360	55,460
Register of Deeds	74,000	89,509	15,509
Other fees	32,700	28,408	(4,292)
Total	202,600	269,277	66,677
Sales and Services			
Court costs and fees	15,000	9,232	(5,768)
Jail fees	4,000	5,355	1,355
Ambulance and rescue squad fees	1,290,000	1,388,873	98,873
Sheriff fees	74,000	211,125	137,125
Health department fees	826,700	809,479	(17,221)
Inmate housing fees	174,500	145,362	(29,138)
Wellness Center fees	8,500	5,404	(3,096)
Other	551,552	456,526	(95,026)
Total	2,944,252	3,031,356	87,104
Interest on investments	180,000	9,403	(170,597)
Special Project Revenue			
Fees and Reimbursements	23,000	21,900	(1,100)
Total	23,000	21,900	(1,100)

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Miscellaneous			
Reimbursements	74,127	65,826	(8,301)
Miscellaneous DSS	650	95,112	94,462
Other	163,181	175,473	12,292
Total	237,958	336,411	98,453
Total Revenues	33,293,484	36,279,503	2,986,019
Expenditures			
General Government:			
Governing Body			
Salaries and employee benefits	53,605	55,223	(1,618)
Other operating expenditures	52,500	42,442	10,058
Total	106,105	97,665	8,440
Administration			
Salaries and employee benefits	242,049	247,080	(5,031)
Other operating expenditures	18,400	33,921	(15,521)
Capital Outlay	842,651	818,054	24,597
Total	1,103,100	1,099,055	4,045
Human Resources			
Salaries and employee benefits	145,457	156,885	(11,428)
Other operating expenditures	76,650	60,267	16,383
Total	222,107	217,152	4,955
Finance			
Salaries and employee benefits	436,199	573,308	(137,109)
Other operating expenditures	258,614	280,798	(22,184)
Total	694,813	854,106	(159,293)
Hospitalization- Retirees			
Other operating expenditures	409,627	517,801	(108,174)
Total	409,627	517,801	(108,174)
Taxes			
Salaries and employee benefits	418,715	369,012	49,703
Other operating expenditures	144,819	207,778	(62,959)
Capital Outlay	6,000	-	6,000
Total	569,534	576,790	(7,256)
Land Records			
Salaries and employee benefits	191,174	194,173	(2,999)
Other operating expenditures	17,040	12,520	4,520
Total	208,214	206,693	1,521
Legal			
Other operating expenditures	155,682	155,315	367
Total	155,682	155,315	367
Court Facilities			
Other operating expenditures	11,601	2,600	9,001
Total	11,601	2,600	9,001
Elections			
Salaries and employee benefits	210,709	196,646	14,063
Other operating expenditures	134,087	99,593	111,407
Capital Outlay	137,807	111,407	111,407
Total	482,603	407,646	236,877

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Register of Deeds			
Salaries	177,111	152,840	24,271
Other operating expenditures	48,423	42,786	5,637
Total	225,534	195,626	29,908
Public Buildings			
Salaries and employee benefits	379,195	371,979	7,216
Other operating expenditures	512,574	422,817	89,757
Capital Outlay	153,900	7,945	145,955
Total	1,045,669	802,741	242,928
Management Information Systems			
Salaries and employee benefits	67,360	76,030	(8,670)
Other operating expenditures	291,419	156,375	135,044
Total	358,779	232,405	126,374
Central Garage			
Salaries and employee benefits	57,789	47,685	10,104
Other Operating expenditures	53,608	13,164	40,444
Total	111,397	60,849	40,444
Central Stores			
Other operating expenditures	10,000	(2,949)	12,949
Total	10,000	(2,949)	12,949
Total General Government	5,714,765	5,423,495	443,086
Public safety:			
Sheriff			
Salaries	2,561,012	2,390,349	170,663
Other operating expenditures	426,403	356,863	69,540
Capital Outlay	213,088	185,318	27,770
Total	3,200,503	2,932,530	267,973
Sheriff- School Rescue Officer			
Salaries	248,820	244,254	4,566
Other operating expenditures	11,300	7,205	4,095
Total	260,120	251,459	8,661
Sheriff-Execution Account			
Other operating expenditures	13,000	149,659	(136,659)
Total	13,000	149,659	(136,659)
Jail			
Salaries and employee benefits	1,064,117	970,807	93,310
Other operating expenditures	652,650	444,524	208,126
Capital Outlay	81,830	-	81,830
Total	1,798,597	1,415,331	383,266
Emergency Communications			
Salaries and employee benefits	976,610	869,314	107,296
Other operating expenditures	70,188	51,673	18,515
Total	1,046,798	920,987	125,811
Emergency Management			
Salaries	156,218	220,406	(64,188)
Other operating expenditures	41,610	8,076	33,534
Capital Outlay	37,325	-	37,325
Total	235,153	228,482	6,671

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Fire			
Assistance to local departments	17,500	16,650	850
Contribution to N.C. Forestry	112,797	88,985	23,812
Total	130,297	105,635	24,662
Building Inspections			
Salaries and employee benefit	112,340	120,351	(8,011)
Other operating expenditures	57,198	44,097	13,101
Total	169,538	164,448	5,090
Medical examiner			
Contracted services	25,000	20,350	4,650
Total	25,000	20,350	4,650
Ambulance Service			
Salaries and employee benefits	3,479,812	3,421,424	58,388
Other operating expenditures	425,351	407,253	18,098
Assistance to local rescue units	20,000	20,000	-
Capital Outlay	267,306	248,804	18,502
Total	4,192,469	4,097,481	94,988
Animal Control			
Salaries and employee benefits	57,312	58,351	(1,039)
Other operating expenditures	9,077	2,975	6,102
Total	66,389	61,326	5,063
Total Public Safety	11,137,864	10,347,688	790,176
Transportation			
Contribution to Tri-County Airport	52,000	52,000	-
Total Transportation	52,000	52,000	-
Environmental Protection			
Contribution to Lake Gaston weed control	117,000	117,000	-
Drainage and watershed protection	6,000	6,000	-
Total Environmental Protection	123,000	123,000	-
Economic and Physical Development:			
Planning and zoning			
Salaries and employee benefits	158,569	149,317	9,252
Other operating expenditures	16,239	11,646	4,593
Total	174,808	160,963	13,845
Economic Development			
Salaries and employee benefits	114,724	114,517	207
Other operating expenditures	170,648	150,999	19,649
COG membership dues	9,605	9,528	77
Contribution to Chamber of Commerce	18,041	18,041	-
Contribution to CADA	5,000	5,000	-
Miscellaneous contributions	9,000	9,000	-
Total	327,018	307,085	19,933
Economic Development Pass-Through Grants			
Other operating expenditures	20,000	10,300	9,700
Total	20,000	10,300	9,700
Cooperative Extension			
Salaries and employee benefits	282,351	241,367	40,984
Other operating expenditures	31,791	15,524	16,267
Total	314,142	256,891	76,651

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
YESS Mini-Society Grant			
Other operating expenditures	892	-	892
Total	892	-	892
Soil and Water Conservation			
Salaries and employee benefits	108,111	97,178	10,933
Other operating expenditures	11,011	3,194	7,817
Total	119,122	100,372	18,750
AgCarolina FC Grant			
Other operating expenditures	2,434	-	2,434
Total	2,434	-	2,434
Families First			
Other operating expenditures	26,924	6,586	20,338
Total	26,924	6,586	20,338
Total Economic and Physical Development	985,340	842,197	162,543
Human services:			
Health			
Salaries and employee benefits	669,569	508,400	161,169
Other operating expenditures	275,329	246,138	29,191
Total	944,898	754,538	190,360
Communicable Disease			
Salaries and employee benefits	19,354	11,616	7,738
Other operating expenditures	1,075	608	467
Total	20,429	12,224	8,205
Kate B. Reynolds Grant			
Salaries and employee benefits	80,746	75,206	5,540
Other operating expenditures	22,655	18,672	3,983
Capital Outlay	2,360	2,611	(251)
Total	105,761	96,489	9,272
Immunization Program			
Salaries and employee benefits	-	2,574	(2,574)
Other operating expenditures	16,420	13,589	2,831
Total	16,420	16,163	257
Restaurant Heart Health			
Operating expenditures	1,123	532	591
Total	1,123	532	591
Tuberculosis Program			
Salaries and employee benefits	30,558	10,520	20,038
Other operating expenditures	8,333	4,645	3,688
Total	38,891	15,165	23,726
Health-Jail Site Testing			
Salaries and employee benefits	59,374	59,754	(380)
Other operating expenditures	3,244	1,430	1,814
Total	62,618	61,184	1,434
Pregnancy Care Management			
Salaries and employee benefits	59,519	57,133	2,386
Other operating expenditures	2,582	173	2,409
Total	62,101	57,306	4,795

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
School Nurse Program			
Salaries and employees benefits	150,000	150,000	-
Total	150,000	150,000	-
Healthy Communities			
Salaries and employees benefits	32,085	22,824	9,261
Other operating expenditures	7,240	1,187	6,053
Total	39,325	24,011	15,314
Health- STD Prevention			
Other operating expenditures	100	92	8
Total	100	92	8
Home Health			
Salaries and employee benefit	627,269	514,641	112,628
Other operating expenditures	376,182	267,087	109,095
Total	1,003,451	781,728	221,723
Child Health			
Salaries and employee benefit	66,279	52,547	13,732
Other operating expenditures	22,019	15,219	6,800
Capital outlay	9,294	8,575	719
Total	97,592	76,341	20,532
Child Service Coordination			
Salaries and employee benefit	44,744	39,538	5,206
Other operating expenditures	3,555	887	2,668
Total	48,299	40,425	7,874
Maternal Child Health			
Salaries and employee benefit	33,950	30,168	3,782
Other operating expenditures	17,650	17,569	81
Total	51,600	47,737	3,863
Family Planning			
Salaries and employee benefit	179,833	163,210	16,623
Other operating expenditures	39,757	24,124	15,633
Total	219,590	187,334	32,256
Health Promotions- Clinical (adult)			
Salaries and employee benefit	28,861	29,629	(768)
Other operating expenditures	2,685	725	1,960
Total	31,546	30,354	1,192
Health-Head Start			
Salaries and employee benefit	36,334	13,705	22,629
Other operating expenditures	2,350	30	2,320
Total	38,684	13,735	24,949
Woman, Infants, and Children			
Salaries and employee benefit	86,770	84,813	1,957
Other operating expenditures	12,989	8,401	4,588
Capital outlay	4,627	4,627	-
Total	104,386	97,841	6,545
Peer Counseling			
Salaries and employee benefit	9,012	8,882	130
Other operating expenditures	1,890	546	1,344
Total	10,902	9,428	1,474

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Bio-Terrorism Grant			
Salaries and employee benefit	25,831	26,460	(629)
Other operating expenditures	9,701	2,897	6,804
Total	35,532	29,357	6,175
Environmental Health			
Salaries and employee benefit	221,497	174,938	46,559
Other operating expenditures	18,510	15,610	2,900
Total	240,007	190,548	49,459
Elderly and Handicapped			
Other operating expenditures	17,732	31,590	(13,858)
Total	17,732	31,590	(13,858)
Home Delivered Meals			
Salaries and employee benefit	30,001	19,310	10,691
Other operating expenditures	71,205	81,105	(9,900)
Total	101,206	100,415	791
Home and Community Care Block Grant			
Other operating expenditures	47,759	47,797	(38)
Total	47,759	47,797	(38)
AIDS Control			
Salaries and employee benefit	12,203	7,157	5,046
Other operating expenditures	4,251	2,141	2,110
Total	16,454	9,298	7,156
HIV - Non-traditional			
Other operating expenditures	-	25	(25)
Total	-	25	(25)
COVID-19 Crisis Response			
Other operating expenditures	29,751	9,775	19,976
Capital outlay	29,630	26,860	2,770
Total	59,381	36,635	22,746
COVID-19			
Salaries and employee benefits	5,599	1,934	3,665
Other operating expenditures	14,997	329	14,668
Total	20,596	2,263	18,333
COVID-19 Enhancing Detection			
Other operating expenditures	4,500	2,710	1,790
Capital outlay	174,480	129,781	44,699
Total	178,980	132,491	46,489
COVID-19 Infection Control			
Salaries and employee benefits	24,271	24,271	-
Other operating expenditures	9,010	9,010	-
Capital outlay	9,220	9,219	1
Total	42,501	42,500	1
COVID-19 Vaccination			
Salaries and employee benefits	91,156	84,392	6,764
Other operating expenditures	30,779	17,450	13,329
Total	121,935	101,842	20,093
Total Health	3,929,799	3,197,388	731,692

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Mental Health			
Contribution to mental health	77,614	81,614	(4,000)
Total	77,614	81,614	(4,000)
Aging			
Other operating expenditures	29,482	14,726	14,756
Total	29,482	14,726	14,756
Veterans Assistance			
Salaries and employee benefits	32,256	4,228	28,028
Other operating expenditures	8,996	1,477	7,519
Total	41,252	5,705	35,547
Community Based Alternatives			
Other operating expenditures	19,149	122,981	(103,832)
Total	19,149	122,981	(103,832)
Social Services:			
Administration			
Salaries and employee benefits	3,963,852	3,512,131	451,721
Other operating expenditures	3,001,470	2,420,970	580,500
Total	6,965,322	5,933,101	1,032,221
Program Expenditures			
Federal and State Expenditures			
AFDC-FC	24,552	12,232	12,320
Crisis fuel	238,101	145,213	92,888
Board home	10,878	-	10,878
CAP/DA federal and State expenditures	3,500	4,553	(1,053)
Special adoption assistance	68,277	4,872	63,405
Total federal and state expenditures	345,308	166,870	178,438
County Expenditures			
Aid to blind	2,105	2,253	(148)
OAA/AD	326,409	220,358	106,051
AFDC-FC	5,169	2,524	2,645
General assistance	7,500	2,171	5,329
Board income	10,878	-	10,878
Food stamp issuance	5,926	6,572	(646)
IV-E adoption assistance	25,945	18,043	7,902
Low income energy assistance	347,183	299,508	47,675
Other	39,864	31,047	8,817
Total County Expenditures	770,979	582,476	188,503
Total Social Services	8,081,609	6,682,447	1,399,162
Total Human Services	12,178,905	10,104,861	2,073,325
Cultural and Recreational			
Recreation			
Salaries and employee benefits	233,803	197,666	36,137
Other operating expenditures	40,830	19,353	21,477
Capital Outlay	57,500	45,581	11,919
Total	332,133	262,600	69,533
Libraries			
Contribution to regional library	156,430	156,430	-
Total	156,430	156,430	-
Northampton Cultural Arts			
Cultural	9,882	9,833	49
Total	9,882	9,833	49

Northampton County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Museums			
Contribution to museums	8,000	8,000	-
Total	8,000	8,000	-
Total Cultural and Recreational	506,445	436,863	69,582
Education:			
Public School- current expenses	3,500,000	3,500,000	-
Public School- capital outlay	357,050	357,050	-
Public Schools- Fines and Forfeitures	60,000	36,041	23,959
Community College-current	127,000	127,000	-
Total Education	4,044,050	4,020,091	23,959
Debt service:			
Principal	221,762	279,934	(58,172)
Interest payments	4,291	4,291	-
Total debt service	226,053	284,225	(58,172)
Total expenditures	34,968,422	31,634,420	3,504,499
Revenue over (under) expenditures	(1,674,938)	4,645,083	6,320,021
Other Financing Sources (Uses):			
Transfers to other funds			
Debt Service Fund	(1,186,381)	(1,186,381)	-
Intrafund transfers:			
Revaluation fund	(50,000)	(50,000)	-
Loan proceeds	-	255,000	255,000
Sale of Capital Assets	61,000	2,736	(58,264)
Appropriated fund balance	2,936,759	-	(2,936,759)
Contingency	(86,440)	-	86,440
Total other financing sources (uses)	1,674,938	(978,645)	(2,653,583)
Net change in fund balance	\$ -	3,666,438	\$ 3,666,438
Fund balance- July 1		18,504,971	
Fund balance- June 30		<u>\$ 22,171,409</u>	

Northampton County, North Carolina
Revaluation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Interest on investments	\$ -	\$ 114	\$ 114
Expenditures:			
General government:			
Other operating expenditures	50,000	-	50,000
Revenues over (under) expenditures	(50,000)	114	(49,886)
Other financing sources (uses):			
Transfer in (out)	50,000	50,000	-
Net change in fund balance	\$ -	50,114	\$ 50,114
Fund balance, beginning		506,451	
Fund balance, ending		\$ 556,565	

Northampton County, North Carolina
Revolving Loan Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Interest on Investments	\$ 7,000	\$ 5	\$ (6,995)
Payment - Interest	-	10,030	10,030
Payment - Principal	-	46,559	46,559
Miscellaneous	99,000	-	(99,000)
Total revenues	<u>106,000</u>	<u>56,594</u>	<u>(49,406)</u>
Expenditures:			
Economic and Physical Development			
Industrial Assistance	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Revenues Over (Under) Expenditures	<u>(194,000)</u>	<u>56,594</u>	<u>250,594</u>
Other Financing Sources (Uses):			
Transfer from other funds	900,000	-	(900,000)
Transfers to other funds	(1,114,497)	-	1,114,497
Appropriated fund balance	<u>408,497</u>	<u>-</u>	<u>(408,497)</u>
Total other financing sources (uses)	<u>194,000</u>	<u>-</u>	<u>(194,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>56,594</u>	<u>\$ 56,594</u>
Reconciling Items:			
Debt payments are reclassified against accounts receivable balance		<u>(46,559)</u>	
Total Reconciling Items		(46,559)	
Current year change in fund balance		10,035	
Beginning of year- July 1		<u>323,297</u>	
End of year- June 30		<u>\$ 333,332</u>	

Northampton County, North Carolina
Special Revenue Fund
American Rescue Plan Fund
Schedule of Revenues and Expenditures- Budget and Actual
From Inception and For The Year Ended June 30, 2021

		Actual			Variance
	Project	Prior	Current	Total to	Positive
	Authorization	Years	Year	Date	(Negative)
Revenues:					
Restricted intergovernmental revenues:					
ARP Coronavirus Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	35	35	35
Total revenues	-	-	35	35	35
Expenditures:					
Economic and physical development:					
ARP Coronavirus Expenditures	-	-	-	-	-
Total expenditures	-	-	-	-	-
Net change in fund balance	\$ -	\$ -		\$ 35	\$ 35
FUND BALANCE					
Beginning of year-July 1			-		
End of year- June 30			<u>\$ 35</u>		

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Capital Project Fund

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

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

Debt Service Fund

- **Debt Service Fund**

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
Assets:				
Cash and cash equivalents	\$ 800,103	\$ 236,316	\$ -	\$ 1,036,419
Taxes receivable (net)	142,627	-	-	142,627
Accounts receivable (net)	25,208	-	-	25,208
Restricted cash	-	274,401	-	274,401
Total assets	<u>\$ 967,938</u>	<u>\$ 510,717</u>	<u>\$ -</u>	<u>\$ 1,478,655</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued	\$ 65,007	\$ 1,113	\$ -	\$ 66,120
Due to other funds	12,739	24,738	165,946	203,423
Unspent CARES proceeds	12,829	-	-	12,829
Total liabilities	<u>90,575</u>	<u>25,851</u>	<u>165,946</u>	<u>282,372</u>
Deferred Inflows of Resources:				
Tax receivable	<u>142,627</u>	<u>-</u>	<u>-</u>	<u>142,627</u>
Fund balances:				
Restricted:				
Stabilization by State statute	23,986	-	-	23,986
Restricted, other	378,745	-	-	378,745
Committed:				
Committed, other	-	509,941	-	509,941
Debt service	-	-	-	-
Assigned:				
Assigned, other	388,766	-	-	388,766
Unassigned	<u>(56,761)</u>	<u>(25,075)</u>	<u>(165,946)</u>	<u>(247,782)</u>
Total fund balances	<u>734,736</u>	<u>484,866</u>	<u>(165,946)</u>	<u>1,053,656</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 967,938</u>	<u>\$ 510,717</u>	<u>\$ -</u>	<u>\$ 1,478,655</u>

Northampton, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Ad valorem taxes	\$ 867,300	\$ -	\$ -	\$ 867,300
Restricted intergovernmental	957,631	425,289	-	1,382,920
Sales and services	512,840	-	-	512,840
Investment earnings	221	49	-	270
Miscellaneous	23,050	-	-	23,050
Total revenues	<u>2,361,042</u>	<u>425,338</u>	<u>-</u>	<u>2,786,380</u>
Expenditures:				
Current:				
Public safety	1,355,718	-	-	1,355,718
Economic and physical development	-	-	-	-
Human services	952,475	-	-	952,475
Education	-	193,782	-	193,782
Debt Service:				
Principal	-	-	829,040	829,040
Interest	-	-	436,486	436,486
Total expenditures	<u>2,308,193</u>	<u>193,782</u>	<u>1,265,526</u>	<u>3,767,501</u>
Revenues over (under) expenditures	<u>52,849</u>	<u>231,556</u>	<u>(1,265,526)</u>	<u>(981,121)</u>
Other financing sources (uses):				
Transfers in (out)	-	-	1,186,381	1,186,381
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,186,381</u>	<u>1,186,381</u>
Net change in fund balance	<u>52,849</u>	<u>231,556</u>	<u>(79,145)</u>	<u>205,260</u>
Fund balances, beginning	651,949	253,310	(86,801)	818,458
Prior period restatement	<u>29,938</u>	<u>-</u>	<u>-</u>	<u>29,938</u>
Fund balances, beginning - restated	<u>681,887</u>	<u>253,310</u>	<u>(86,801)</u>	<u>848,396</u>
Fund balances, ending	<u>\$ 734,736</u>	<u>\$ 484,866</u>	<u>\$ (165,946)</u>	<u>\$ 1,053,656</u>

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Fund
June 30, 2021

	Special Revenue Funds							
	Mid-Atlantic Distribution Park Fund	Emergency Telephone System Fund	Fire District Fund	Solar Farm Trust Fund	COVID Relief Fund	Representative Payee Fund	Rescue Squad Fund	Total
Assets:								
Current Assets:								
Cash and cash equivalents	\$ 186,925	\$ 362,147	\$ -	\$ 201,841	\$ 15,390	\$ 33,800	\$ -	\$ 800,103
Accounts receivable	-	17,056	6,930	-	-	-	1,222	25,208
Taxes Receivable	-	-	142,627	-	-	-	-	142,627
Total assets	<u>\$ 186,925</u>	<u>\$ 379,203</u>	<u>\$ 149,557</u>	<u>\$ 201,841</u>	<u>\$ 15,390</u>	<u>\$ 33,800</u>	<u>\$ 1,222</u>	<u>\$ 967,938</u>
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable	\$ -	\$ 17,202	\$ 19,042	\$ -	\$ 2,561	\$ -	\$ 26,202	\$ 65,007
Due to other funds	-	-	9,032	-	-	-	3,707	12,739
Unspent CARES funds	-	-	-	-	12,829	-	-	12,829
Total liabilities	<u>-</u>	<u>17,202</u>	<u>28,074</u>	<u>-</u>	<u>15,390</u>	<u>-</u>	<u>29,909</u>	<u>90,575</u>
Deferred Inflows of Resources:								
Taxes Receivable	-	-	142,627	-	-	-	-	142,627
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>142,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,627</u>
Fund Balances:								
Restricted:								
Stabilization by State Statute	-	17,056	6,930	-	-	-	-	23,986
Restricted, other	-	344,945	-	-	-	33,800	-	378,745
Assigned:								
Assigned, other	186,925	-	-	201,841	-	-	-	388,766
Unassigned	-	-	(28,074)	-	-	-	(28,687)	(56,761)
Total fund balances	<u>186,925</u>	<u>362,001</u>	<u>(21,144)</u>	<u>201,841</u>	<u>-</u>	<u>33,800</u>	<u>(28,687)</u>	<u>734,736</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 186,925</u>	<u>\$ 379,203</u>	<u>\$ 149,557</u>	<u>\$ 201,841</u>	<u>\$ 15,390</u>	<u>\$ 33,800</u>	<u>\$ 1,222</u>	<u>\$ 967,938</u>

Northampton County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds							
	Mid-Atlantic Distribution Park Fund	Emergency Telephone System Fund	Fire District Fund	Solar Farm Trust Fund	COVID Relief Fund	Representative Payee Fund	Rescue Squad Fund	Total
Revenues:								
Ad valorem taxes	\$ -	\$ -	\$ 867,300	\$ -	\$ -	\$ -	\$ -	\$ 867,300
Restricted intergovernmental	-	-	-	-	921,128	36,503	-	957,631
Sales and service	-	204,665	-	-	-	-	308,175	512,840
Investment earnings	-	86	-	135	-	-	-	221
Miscellaneous	23,050	-	-	-	-	-	-	23,050
Total revenues	23,050	204,751	867,300	135	921,128	36,503	308,175	2,361,042
Expenditures:								
Public safety	-	151,125	866,437	-	-	-	338,156	1,355,718
Human services	-	-	-	-	921,128	31,347	-	952,475
Economic and physical development	-	-	-	-	-	-	-	-
Total expenditures	-	151,125	866,437	-	921,128	31,347	338,156	2,308,193
Other Financing Sources (Uses)								
Transfers in (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	23,050	53,626	863	135	-	5,156	(29,981)	52,849
Fund balances, beginning	163,875	308,375	(22,007)	201,706	-	-	-	651,949
Prior Period Restatement - change in accounting principle	-	-	-	-	-	28,644	1,294	29,938
Fund balances, beginning, as restated	163,875	308,375	(22,007)	201,706	-	28,644	1,294	681,887
Fund balances, ending	\$ 186,925	\$ 362,001	\$ (21,144)	\$ 201,841	\$ -	\$ 33,800	\$ (28,687)	\$ 734,736

Northampton County, North Carolina
Mid- Atlantic Distribution Park
Schedule of Revenues, Expenditures, and Changes
In Fund Balance- Budget and Actual
For Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ -	\$ -
Miscellaneous	285,664	23,050	(262,614)
Total revenues	285,664	23,050	(262,614)
Expenditures			
Economic and physical development	1,457,664	-	1,457,664
Total expenditures	1,457,664	-	1,457,664
Revenues over (under) Expenditures	(1,172,000)	23,050	1,195,050
Other Financing Sources (Uses)			
Long-term debt issued	1,200,000	-	(1,200,000)
Transfers in (out)	(55,000)	-	55,000
Transfers-intrafund	27,000	-	(27,000)
Total other financing sources (uses)	1,172,000	-	(1,172,000)
Net Change in Fund Balances	<u>\$ -</u>	23,050	<u>\$ 23,050</u>
FUND BALANCE			
Fund Balance- July 1		163,875	
Fund Balance- June 30		<u>\$ 186,925</u>	

Northampton County, North Carolina
Emergency Telephone System
Schedule of Revenues, Expenditures, and Changes
In Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Telephone surcharge	\$ 203,957	\$ 204,665	\$ 708
Investment earnings	-	86	86
Total revenues	<u>203,957</u>	<u>204,751</u>	<u>794</u>
Expenditures			
Current:			
Public Safety			
Construction/ capital outlay	13,519	1,317	12,202
Other expenditures	190,438	149,808	40,630
Total expenditures	<u>203,957</u>	<u>151,125</u>	<u>52,832</u>
Revenues over (under) Expenditures	<u>-</u>	<u>53,626</u>	<u>53,626</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>53,626</u>	<u>\$ 53,626</u>
FUND BALANCE			
Beginning of year-July 1		<u>308,375</u>	
End of year- June 30		<u>\$ 362,001</u>	

PSAP RECONCILIATION

FOR YEAR ENDED JUNE 30, 2021

Amounts reported on the Emergency Telephone System Fund budget to actual are different from the PSAP Revenue- Expenditure Report because:

Ending fund balance, reported on Budget -to- Actual	\$ 362,001
Cumulative prior period revenues and expenditures not reported in the fund schedule (difference in beginning fund balance-budget to actual vs.PSAP Report)	64,159
A portion of 911 revenues on budget to actual, not recorded on PSAP report	(84)
A portion of 911 expenditures on budget to actual, not reported on PSAP report	<u>10,038</u>
Ending balance, PSAP Revenue- Expenditure Report	<u>\$ 436,115</u>

Northampton County, North Carolina
Fire District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Roanoke Wildwood Fire District Tax	\$ 182,000	\$ 195,860	\$ 13,860
Garysburg Fire District tax	92,000	164,530	72,530
Gaston Fire District tax	225,000	237,036	12,036
Jackson Fire District tax	35,000	41,375	6,375
Lasker Fire District tax	24,500	26,168	1,668
Seaboard Fire District Tax	71,268	82,917	11,649
Rich Square Fire District tax	50,000	60,464	10,464
Woodland Fire District tax	47,500	58,950	11,450
Total revenues	<u>727,268</u>	<u>867,300</u>	<u>140,032</u>
Expenditures			
Current:			
Public Safety:			
Roanoke Wildwood levy	182,000	194,867	(12,867)
Garysburg levy	92,000	164,446	(72,446)
Gaston levy	225,000	236,999	(11,999)
Jackson levy	35,000	41,584	(6,584)
Lasker levy	24,500	26,123	(1,623)
Seaboard Fire District levy	71,268	82,983	(11,715)
Rich Square levy	50,000	76,592	(26,592)
Woodland levy	47,500	42,843	4,657
Total expenditures	<u>727,268</u>	<u>866,437</u>	<u>(139,169)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>863</u>	<u>\$ 863</u>
FUND BALANCE			
Beginning of year-July 1		<u>(22,007)</u>	
End of year- June 30		<u>\$ (21,144)</u>	

Northampton County, North Carolina
Solar Farm Trust Fund
Schedule of Revenues, Expenditures, and Changes
In Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Zoning - Solar Farm	\$ -	\$ -	\$ -
Investment earnings	-	135	135
Total revenues	-	135	135
Revenues over (under) Expenditures	-	135	135
Net Change in Fund Balances	<u>\$ -</u>	135	<u>\$ 135</u>
FUND BALANCE			
Beginning of year-July 1		201,706	
End of year- June 30		<u>\$ 201,841</u>	

Northampton County, North Carolina
COVID Relief Fund
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Federal Grants	\$ 933,958	\$ 921,128	\$ (12,830)
Total revenues	<u>933,958</u>	<u>921,128</u>	<u>(12,830)</u>
Expenditures			
Current:			
Human Services:			
Other expenditures	933,958	921,128	12,830
Total expenditures	<u>933,958</u>	<u>921,128</u>	<u>12,830</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE			
Beginning of year-July 1		-	
End of year- June 30		<u>\$ -</u>	

Northampton County, North Carolina
Representative Payee Fund
Schedule of Revenues, Expenditures, and Changes
In Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Restricted intergovernmental	\$ -	\$ 36,503	\$ 36,503
Total revenues	-	36,503	36,503
Expenditures			
Human services			
Payments made for the benefit of beneficiaries	-	31,347	(31,347)
Total expenditures	-	31,347	(31,347)
Revenues over (under) Expenditures	-	5,156	5,156
Net Change in Fund Balances	<u>\$ -</u>	<u>5,156</u>	<u>\$ 5,156</u>
FUND BALANCE			
Beginning of year - July 1		-	
Prior period restatement - change in accounting principle		<u>28,644</u>	
Beginning of year - restated as of July 1		<u>28,644</u>	
End of year - June 30		<u>\$ 33,800</u>	

Northampton County, North Carolina
Rescue Squad Fund
Schedule of Revenues, Expenditures, and Changes
In Fund Balance- Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Sales and Services	\$ 270,500	\$ 308,175	\$ 37,675
Total revenues	<u>270,500</u>	<u>308,175</u>	<u>37,675</u>
Expenditures			
Emergency Medical Services	270,500	338,156	(67,656)
Total expenditures	<u>270,500</u>	<u>338,156</u>	<u>(67,656)</u>
Revenues over (under) Expenditures	<u>-</u>	<u>(29,981)</u>	<u>(29,981)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>(29,981)</u>	<u>\$ (29,981)</u>
FUND BALANCE			
Beginning of year - July 1		-	
Prior period restatement - change in accounting principle		<u>1,294</u>	
Beginning of year - restated as of July 1		<u>1,294</u>	
End of year - June 30		<u>\$ (28,687)</u>	

CAPITAL PROJECT FUNDS

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

Northampton County, North Carolina
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2021

	Enviva Infrastructure Project	Capital Reserve Fund	Ambulance Capital Reserve Fund	EDC Capital Reserve Fund	Public Schools Building Fund	EDC REEP Project Fund	Severn Peanut Natural Gas Project	Courthouse/ Admin/ DSS Renovations	Total
Assets:									
Current Assets:									
Cash and cash equivalents	\$ 11,250	\$ 169,815	\$ 969	\$ 50,460	\$ -	\$ 3,822	\$ -	\$ -	\$ 236,316
Restricted Cash	-	-	-	-	274,401	-	-	-	274,401
Total assets	<u>\$ 11,250</u>	<u>\$ 169,815</u>	<u>\$ 969</u>	<u>\$ 50,460</u>	<u>\$ 274,401</u>	<u>\$ 3,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510,717</u>
Liabilities and Fund Balances:									
Liabilities:									
Accounts payable	\$ 776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337	\$ -	\$ 1,113
Due to other funds	-	-	-	-	-	-	23,618	1,120	24,738
Total liabilities	<u>776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,955</u>	<u>1,120</u>	<u>25,851</u>
Fund balances:									
Restricted:									
Stabilization by State Statute	-	-	-	-	-	-	-	-	-
Committed, other	10,474	169,815	969	50,460	274,401	3,822	-	-	509,941
Unassigned	-	-	-	-	-	-	(23,955)	(1,120)	(25,075)
Total fund balances	<u>10,474</u>	<u>169,815</u>	<u>969</u>	<u>50,460</u>	<u>274,401</u>	<u>3,822</u>	<u>(23,955)</u>	<u>(1,120)</u>	<u>484,866</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,250</u>	<u>\$ 169,815</u>	<u>\$ 969</u>	<u>\$ 50,460</u>	<u>\$ 274,401</u>	<u>\$ 3,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510,717</u>

Northampton County, North Carolina
Non-Major Capital Project Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	Enviva Infrastructure Project	Capital Reserve Fund	Ambulance Capital Reserve Fund	EDC Capital Reserve Fund	Public Schools Building Fund	EDC REEP Project Fund	Severn Peanut Natural Gas Project	Courthouse/ Admin/ DSS Renovations	Total
Revenues:									
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 425,289	\$ -	\$ -	\$ -	\$ 425,289
Investment earnings	-	38	-	11	-	-	-	-	49
Total revenues	-	38	-	11	425,289	-	-	-	425,338
Expenditures:									
Current:									
Economic and physical development	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	193,782	-	-	-	193,782
Total expenditures	-	-	-	-	193,782	-	-	-	193,782
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Long term debt issued	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	38	-	11	231,507	-	-	-	231,556
Fund balances, beginning	10,474	169,777	969	50,449	42,894	3,822	(23,955)	(1,120)	253,310
Fund balances, ending	<u>\$ 10,474</u>	<u>\$ 169,815</u>	<u>\$ 969</u>	<u>\$ 50,460</u>	<u>\$ 274,401</u>	<u>\$ 3,822</u>	<u>\$ (23,955)</u>	<u>\$ (1,120)</u>	<u>\$ 484,866</u>

Northampton County, North Carolina
Major Capital Project Fund
Enviva Infrastructure Project
Schedule of Revenues and Expenditures- Budget and Actual
From Inception and For The Year Ended June 30, 2021

		Actual			Variance
	Project	Prior	Current	Total to	Positive
	Authorization	Years	Year	Date	(Negative)
Revenues:					
Restricted intergovernmental revenues:					
CDBG	\$ 726,000	\$ 1,273,087	\$ -	\$ 1,273,087	\$ 547,087
NC Rural Center	620,000	495,316	-	495,316	(124,684)
USDA	2,002,088	1,027,926	-	1,027,926	(974,162)
Highway Planning and Construction	-	220,690	-	220,690	220,690
Miscellaneous	31,000	18,910	-	18,910	(12,090)
Total revenues	<u>3,379,088</u>	<u>3,035,929</u>	<u>-</u>	<u>3,035,929</u>	<u>(343,159)</u>
Expenditures:					
Economic and physical development:					
EDA expenditures	2,002,088	1,997,503	-	1,997,503	4,585
CDBG expenditures	531,000	87,848	-	87,848	443,152
NC Rural center expenditures	220,000	20,500	-	20,500	199,500
Access road expenditures	400,000	695,859	-	695,859	(295,859)
General expenditures	226,000	223,745	-	223,745	2,255
Total expenditures	<u>3,379,088</u>	<u>3,025,455</u>	<u>-</u>	<u>3,025,455</u>	<u>353,633</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,474</u>		<u>\$ 10,474</u>	<u>\$ 10,474</u>
FUND BALANCE					
Beginning of year-July 1			<u>10,474</u>		
End of year- June 30			<u>\$ 10,474</u>		

Northampton County, North Carolina
Non-Major Capital Project Fund
Capital Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Investment Earnings	\$ -	\$ 38	\$ 38
Total revenues	-	38	38
Net change in fund balance	<u>\$ -</u>	<u>38</u>	<u>\$ 38</u>
FUND BALANCE			
Beginning of year-July 1		<u>169,777</u>	
End of year- June 30		<u>\$ 169,815</u>	

Northampton County, North Carolina
Non-Major Capital Project Fund
Ambulance Capital Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Investment Earnings	\$ -	\$ -	\$ -
Total revenues	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE			
Beginning of year-July 1		<u>969</u>	
End of year- June 30		<u>\$ 969</u>	

Northampton County, North Carolina
Non-Major Capital Project Fund
EDC Capital Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Investment Earnings	\$ 5,448	\$ 11	\$ (5,437)
Miscellaneous	210,000	-	(210,000)
Total revenues	215,448	11	(215,437)
Expenditures:			
Building Purchase	75,000	-	75,000
Architectural & Engineering	12,500	-	12,500
EDC Loan	200,200	-	200,200
Total expenditures	287,700	-	287,700
Other financing resources (uses)			
Transfers in (out)	(213,018)	-	213,018
Appropriated fund balance	285,270	-	(285,270)
Total other financing sources (uses)	72,252	-	(72,252)
Net change in fund balance	<u>\$ -</u>	11	<u>\$ 11</u>
FUND BALANCE			
Beginning of year-July 1		50,449	
End of year- June 30		<u>\$ 50,460</u>	

Northampton County, North Carolina
Non-Major Capital Project Fund
Public School Building Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2021

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
State ADM funds	\$ 1,623,254	\$ -	\$ -	\$ -	\$(1,623,254)
State lottery funds	767,110	142,000	425,289	567,289	(199,821)
Total revenue	<u>2,390,364</u>	<u>142,000</u>	<u>425,289</u>	<u>567,289</u>	<u>(1,823,075)</u>
Expenditures:					
Current					
Education:					
Chiller Project	-	142,000	-	142,000	(142,000)
Building Repairs	<u>357,031</u>	<u>-</u>	<u>193,782</u>	<u>193,782</u>	<u>163,249</u>
Total expenditures	<u>357,031</u>	<u>142,000</u>	<u>193,782</u>	<u>335,782</u>	<u>21,249</u>
Revenues over (under) expenditures	<u>2,033,333</u>	<u>-</u>	<u>231,507</u>	<u>231,507</u>	<u>(1,801,826)</u>
Other Financing Sources (Uses):					
Fund Balance Appropriated	<u>84,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,675)</u>
Total other financing sources	<u>84,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,675)</u>
Net change in fund balance	<u><u>\$ 2,118,008</u></u>	<u><u>\$ -</u></u>	<u>231,507</u>	<u><u>\$ 231,507</u></u>	<u><u>\$(1,886,501)</u></u>
FUND BALANCE					
Beginning of year- July 1			<u>42,894</u>		
End of year- June 30			<u><u>\$ 274,401</u></u>		

Northampton County, North Carolina
Non-Major Capital Project Fund
EDC Reep Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2021

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Investment earnings	\$ -	\$ 42	\$ -	\$ 42	\$ 42
Miscellaneous	285,580	65,080	-	65,080	(220,500)
Total revenue	285,580	65,122	-	65,122	(220,458)
Expenditures:					
Current:					
Economic and physical development:					
Infrastructure	285,580	61,300	-	61,300	224,280
Total expenditures	285,580	61,300	-	61,300	224,280
Net change in fund balance	\$ -	\$ 3,822	-	\$ 3,822	\$ 3,822
FUND BALANCE					
Beginning of year-July 1			3,822		
End of year- June 30			\$ 3,822		

Northampton County, North Carolina
Non-Major Capital Project Fund
Severn Peanut Natural Gas Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2021

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
CDBG	\$ -	\$ 629,381	\$ -	\$ 629,381	\$ 629,381
Industrial Development Grant	-	500,000	-	500,000	500,000
NC Rural Center Grant	-	420,000	-	420,000	420,000
Piedmont Natural Gas Grant	-	191,036	-	191,036	191,036
Total revenue	-	1,740,417	-	1,740,417	1,740,417
Expenditures:					
Economic and physical development:					
Piedmont natural gas expenditures	-	767,560	-	767,560	(767,560)
CDBG expenditures	-	354,283	-	354,283	(354,283)
Industrial development expenditures	-	642,529	-	642,529	(642,529)
Total expenditures	-	1,764,372	-	1,764,372	(1,764,372)
Net change in fund balance	\$ -	\$ (23,955)	-	\$ (23,955)	\$ (23,955)
FUND BALANCE					
Beginning of year-July 1			(23,955)		
End of year- June 30			\$ (23,955)		

Northampton County, North Carolina
Non-Major Capital Project Fund
Courthouse/ Admin/ DSS Renovations
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and For The Year Ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Expenditures:					
Architectural & Engineering	\$ -	\$ 1,120	\$ -	\$ 1,120	\$ (1,120)
Total expenditures	-	1,120	-	1,120	(1,120)
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,120)</u>	-	<u>\$ (1,120)</u>	<u>\$ (1,120)</u>
FUND BALANCE					
Beginning of year-July 1			(1,120)		
End of year- June 30			<u>\$ (1,120)</u>		

Northampton County, North Carolina
Non-Major Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures			
Debt Service:			
Principal retirement	829,040	829,040	-
Interest	357,341	436,486	(79,145)
Total expenditures	1,186,381	1,265,526	(79,145)
Revenues over (under) expenditures	(1,186,381)	(1,265,526)	(79,145)
Other financing resources (uses)			
Transfers in (out)			
Special Revenue Fund	200,000	200,000	-
General Fund	986,381	986,381	-
Total other financing sources (uses)	1,186,381	1,186,381	-
Net change in fund balance	<u>\$ -</u>	<u>(79,145)</u>	<u>\$ (79,145)</u>
FUND BALANCE			
Beginning of year-July 1		<u>(86,801)</u>	
End of year- June 30		<u>\$ (165,946)</u>	

ENTERPRISE FUNDS

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

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

Northampton County, North Carolina
Enterprise Fund
Water and Sewer Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues:			
Water and sewer sales	\$ 2,788,746	\$ 2,475,400	\$ (313,346)
Water and sewer taps	17,500	32,750	15,250
Other operating revenues	8,850	16,224	7,374
Total operating revenues	<u>2,815,096</u>	<u>2,524,374</u>	<u>(290,722)</u>
Non- Operating Revenues			
Interest earned on investments	<u>1,500</u>	<u>223</u>	<u>(1,277)</u>
Total revenue	<u>2,816,596</u>	<u>2,524,597</u>	<u>(291,999)</u>
Expenditures:			
Salaries and employee benefits	444,823	451,203	(6,380)
Purchased Water	292,400	367,205	(74,805)
Sewage treatment	323,237	175,841	147,396
Other operating expenses	572,639	482,839	89,800
Capital Outlay	127,489	94,962	32,527
Debt Service:			
Principal	-	604,027	(604,027)
Interest and fees	<u>1,061,922</u>	<u>392,512</u>	<u>669,410</u>
Total expenditures	<u>2,822,510</u>	<u>2,568,589</u>	<u>253,921</u>
Revenues over (under) expenditures	<u>(5,914)</u>	<u>(43,992)</u>	<u>(38,078)</u>
Other financing resources (uses):			
Fund balance appropriated	<u>5,914</u>	<u>-</u>	<u>(5,914)</u>
Total other financing sources (uses)	<u>5,914</u>	<u>-</u>	<u>(5,914)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (43,992)</u>	<u>\$ (43,992)</u>

Northampton County, North Carolina
Enterprise Fund
Water and Sewer Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Budget	Actual	
Reconciliation from Budetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (43,992)	
Debt principal		604,027	
Depreciation		(656,917)	
Decrease in deferred outflows of resources		(156,532)	
Increase in deferred inflows of resources		119,748	
Decrease in accrued interest payable		3,632	
Decrease in compensated absences		3,559	
Decrease in net pension liability		22,827	
Decrease in total OPEB liability		39,758	
Restricted Intergovernmental (Ex E-1a, E-1b)		190,636	
Non-capitalized project expenses (Ex E-1b)		<u>(31,050)</u>	
Total expenditures		<u>\$ 95,696</u>	

Northampton County, North Carolina
Water And Sewer Capital Project
West Fraser Wastewater Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception And For The Year Ended June 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Grant	\$ 419,241	\$ 404,798	\$ 40,636	\$ 445,434	\$ 26,193
Total revenues	<u>419,241</u>	<u>404,798</u>	<u>40,636</u>	<u>445,434</u>	<u>26,193</u>
Expenditures:					
Administration	21,225	63,535	11,758	75,293	(54,068)
Contracted Services	-	32,742	-	32,742	(32,742)
Construction	<u>398,016</u>	<u>358,013</u>	<u>40,003</u>	<u>398,016</u>	<u>-</u>
Total expenditures	<u>419,241</u>	<u>454,290</u>	<u>51,761</u>	<u>506,051</u>	<u>(86,810)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(49,492)</u>	<u>(11,125)</u>	<u>(60,617)</u>	<u>(60,617)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (49,492)</u>	<u>\$ (11,125)</u>	<u>\$ (60,617)</u>	<u>\$ (60,617)</u>

Northampton County, North Carolina
Water And Sewer Capital Project
Water Asset Inventory and Assessment Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception And For The Year Ended June 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Grant	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	\$ -
Total revenues	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Expenditures:					
Contracted Services	<u>150,000</u>	<u>126,450</u>	<u>31,050</u>	<u>157,500</u>	<u>(7,500)</u>
Total expenditures	<u>150,000</u>	<u>126,450</u>	<u>31,050</u>	<u>157,500</u>	<u>(7,500)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(126,450)</u>	<u>118,950</u>	<u>(7,500)</u>	<u>(7,500)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (126,450)</u>	<u>\$ 118,950</u>	<u>\$ (7,500)</u>	<u>\$ (7,500)</u>

Northampton County, North Carolina
Water And Sewer Capital Project
Phase VI Water Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception And For The Year Ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Engineering	\$ -	\$ 46,800	\$ 2,200	\$ 49,000	\$ (49,000)
Total expenditures	-	46,800	2,200	49,000	(49,000)
Revenues over (under) expenditures	-	(46,800)	(2,200)	(49,000)	(49,000)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (46,800)	\$ (2,200)	\$ (49,000)	\$ (49,000)

Northampton County, North Carolina
Enterprise Fund
Garysburg Water and Sewer District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues:			
Water and sewer sales	\$ 353,000	\$ 529,611	\$ 176,611
Water and sewer taps	2,500	-	(2,500)
Other operating revenues	1,350	-	(1,350)
Total operating revenues	<u>356,850</u>	<u>529,611</u>	<u>172,761</u>
Total revenue	<u>356,850</u>	<u>529,611</u>	<u>172,761</u>
Expenditures:			
Salaries and employee benefits	48,512	60,282	(11,770)
Purchased Water	102,600	104,011	(1,411)
Sewage treatment	151,763	593,445	(441,682)
Other operating expenses	25,325	3,310	22,015
Debt Service:			
Principal	-	11,500	(11,500)
Interest and fees	-	17,055	(17,055)
Total expenditures	<u>328,200</u>	<u>789,603</u>	<u>(461,403)</u>
Revenues over (under) expenditures	<u>28,650</u>	<u>(259,992)</u>	<u>(288,642)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 28,650</u>	<u>\$ (259,992)</u>	<u>\$ (288,642)</u>
Reconciliation from Budetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (259,992)	
Debt principal		11,500	
Depreciation		(15,987)	
Decrease in deferred outflows of resources		(28,062)	
Increase in deferred inflows of resources		21,205	
Increase in accrued interest payable		(48)	
Increase in compensated absences		2,378	
Increase in net pension liability		5,707	
Increase in OPEB liability		6,967	
Total expenditures		<u>\$ (256,332)</u>	

Northampton County, North Carolina
Enterprise Fund
Solid Waste Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues:			
Solid waste fees	\$ 2,257,222	\$ 2,324,497	\$ (67,275)
White goods and tire disposal tax	28,000	32,182	(4,182)
Solid waste disposal tax	11,000	13,668	(2,668)
Other operating revenues	55,700	120,387	(64,687)
Total operating revenues	<u>2,351,922</u>	<u>2,490,734</u>	<u>(138,812)</u>
Non- Operating Revenues			
Interest earned on investments	1,000	48	952
Total non-operating revenues	<u>1,000</u>	<u>48</u>	<u>952</u>
Total revenue	<u>2,352,922</u>	<u>2,490,782</u>	<u>(137,860)</u>
Expenditures:			
Salaries and employee benefits	98,956	99,405	(449)
Solid waste pickup	2,095,404	2,283,310	(187,906)
Other operating expenses	120,747	70,282	50,465
Total expenditures	<u>2,315,107</u>	<u>2,452,997</u>	<u>(137,890)</u>
Revenues over (under) expenditures	<u>37,815</u>	<u>37,785</u>	<u>30</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 37,815</u>	<u>\$ 37,785</u>	<u>\$ 30</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 37,785	
Decrease in deferred outflows of resources		(37,548)	
Decrease in deferred inflows of resources		28,067	
Increase in compensated absences		1,131	
Increase in net pension liability		9,511	
Increase in OPEB liability		9,135	
Change in net position		<u>\$ 48,081</u>	

CUSTODIAL FUNDS

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

- **Inmate Trust Fund:** This fund accounts for moneys of inmates that are held by the County for their personal expenses.
- **Motor Vehicle Tax Fund:** This fund is used to account for registered motor vehicle property taxes that are billed and collected by the County for various municipalities within the County.

Northampton County, North Carolina
Custodial Funds
Combining Statement of Fiduciary Net Position
June 30, 2021

	Inmate Trust Fund	Motor Vehicle Tax Fund	Total Custodial Funds
Assets:			
Cash and cash equivalents	\$ 138,717	77,155	\$ 215,872
Tax receivable, net of allowance	-	351,677	351,677
Total assets	<u>138,717</u>	<u>428,832</u>	<u>567,549</u>
Liabilities:			
Accounts payable and accrued liabilities	-	86,239	86,239
Total liabilities	<u>-</u>	<u>86,239</u>	<u>86,239</u>
Net Position:			
Restricted for:			
Individuals, organizations, and other	<u>138,717</u>	<u>342,593</u>	<u>481,310</u>
Net Position, ending	<u><u>\$ 138,717</u></u>	<u><u>\$ 342,593</u></u>	<u><u>\$ 481,310</u></u>

Northampton County, North Carolina
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	Inmate Trust Fund	Municipal Tax Fund	Total Custodial Funds
Additions:			
Ad Valorem taxes for other governments	\$ -	\$ 1,036,884	\$ 1,036,884
Collections for Inmates	53,754	-	53,754
Total additions	<u>53,754</u>	<u>1,036,884</u>	<u>1,090,638</u>
Deductions:			
Tax distributions to other governments	-	1,049,521	1,049,521
Payment on behalf of inmates	41,700	-	41,700
Total deductions	<u>41,700</u>	<u>1,049,521</u>	<u>1,091,221</u>
Net Increase (decrease) in fiduciary net position	12,054	(12,637)	(583)
Net Position, beginning as previously reported	-	-	-
Prior period restatement - change in accounting principle	126,663	355,230	481,893
Net position, beginning, as restated	<u>126,663</u>	<u>355,230</u>	<u>481,893</u>
Net Position, ending	<u>\$ 138,717</u>	<u>\$ 342,593</u>	<u>\$ 481,310</u>

OTHER SCHEDULES

These schedules contain additional information required on property taxes

- Schedule of Ad Valorem Taxes Receivables
- Analysis of Current Tax Levy- County- Wide Levy
- Ten Largest Taxpayers

Northampton County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 20,409,247	\$ 19,640,660	\$ 768,587
2019-2020	841,331	-	372,698	468,633
2018-2019	564,269	-	184,422	379,847
2017-2018	463,724	-	131,008	332,716
2016-2017	409,799	-	109,215	300,584
2015-2016	302,095	-	84,762	217,333
2014-2015	272,835	-	65,612	207,223
2013-2014	227,438	-	47,721	179,717
2012-2013	173,354	-	23,769	149,585
2011-2012	133,591	-	18,150	115,441
2010-2011	94,600	-	94,600	-
Totals	<u>\$ 3,483,036</u>	<u>\$ 20,409,247</u>	<u>\$ 20,772,617</u>	<u>3,119,666</u>
Less Allowance for Doubtful Accounts				<u>(1,526,291)</u>
Taxes Receivable (Net)				<u>\$ 1,593,375</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 21,519,033
Reconciling items				
Interest Collected				(452,199)
Taxes written off				94,600
Tax refunds				88,589
Miscellaneous Adjustments				<u>(477,406)</u>
Total Collections and Credits				<u>\$ 20,772,617</u>

Northampton County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Year Ended June 30, 2021

	County - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 2,241,910,549	0.910	\$ 20,401,386	\$ 18,813,760	\$ 1,587,626
Penalties	\$ 2,008,242	0.910	18,275	18,275	-
Total	2,243,918,791		20,419,661	18,832,035	1,587,626
Discoveries	70,769	0.910	644	644	-
Releases/Abatements	(1,215,165)	0.910	(11,058)	(11,058)	-
Total Property Valuation	<u>\$ 2,242,774,396</u>				
Net levy			20,409,247	18,821,621	1,587,626
Uncollected taxes at June 30, 2021			768,587	768,587	-
Current year's taxes collected			<u>\$ 19,640,660</u>	<u>\$ 18,053,034</u>	<u>\$ 1,587,626</u>
Current levy collection percentage			<u>96.23%</u>	<u>95.92%</u>	<u>100.00%</u>

Northampton County, North Carolina
Analysis of Current Tax Levy - Secondary Market Disclosures
County - wide Levy
For the Year Ended June 30, 2021

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio	<u>100.00%</u>
Real property	\$ 1,824,716,818
Personal property	174,464,397
Public service companies	<u>243,593,181</u>
Total assessed valuation	<u><u>\$ 2,242,774,396</u></u>
Tax rate per \$100	<u>\$ 0.91</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 20,409,247</u>

Northampton County, North Carolina
Ten Largest Taxpayers
For the Year Ended June 30, 2021

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2020 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Dominion NC Power	Utility	\$ 176,780,690	7.88%
Enviva Pellets Northampton LLC	Pellet Manufacturing	89,295,943	3.98%
Lowes Home Center	Warehousing/distribution	48,912,069	2.18%
Atlantic Pipeline	Utility	40,938,191	1.83%
West Fraser Inc	Pulp, paper and wood products	38,561,260	1.72%
Severn Peanut	Agriculture/Nuts	37,851,475	1.69%
Smithfield Carroll	Hog Processing	21,012,016	0.94%
Georgia Pacific	Chemical Manufacturing	18,636,978	0.83%
CSX	Railroad	16,907,841	0.75%
Glover Construction Co Inc	Construction	13,700,490	0.61%
Total		<u>\$ 502,596,953</u>	<u>21.80%</u>

COMPLIANCE SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northampton County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Northampton County basic financial statements, and have issued our report thereon dated June 30, 2022. Our report includes a reference to other auditors who audited the financial statements of the Northampton County ABC Board as described in our report on Northampton County's financial statements. This report does not include the results of the auditors' testing of internal controls over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Northampton County ABC Board were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs [2021-001, 2021-003, 2021-004, 2021-005] to be material weaknesses.

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A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items [2021-002] to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Northampton County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items [2021-002, 2021-005].

Northampton County's Response to Findings

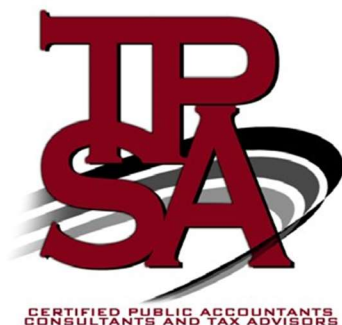
Northampton County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion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

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
June 30, 2022



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited Northampton County, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Northampton County's major federal programs for the year ended June 30, 2021. Northampton County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, Northampton County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

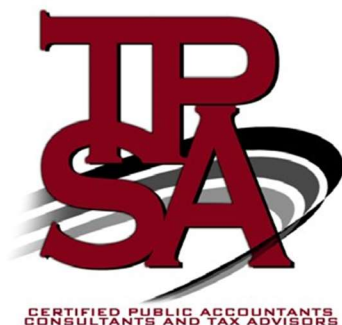
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2021-006, 2021-007, 2021-008] that we consider to be significant deficiencies.

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

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



Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
June 30, 2022



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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited Northampton County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Northampton County's major state programs for the year ended June 30, 2021. Northampton County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

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

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

Members

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Opinion on Each Major State Program

In our opinion, Northampton County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2021-006, 2021-007, 2021-008] that we consider to be significant deficiencies.

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
June 30, 2022

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of major federal programs:

<u>CFDA Number</u>	<u>Program Name</u>
21.019	Coronavirus Relief Fund
93.778	Medical Assistance Program - Administration

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

Auditee qualified as low-risk auditee? yes X no

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I. Summary of Auditors' Results (continued)

State Awards

Internal control over major State programs:

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

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

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

Identification of major State programs:

Program Name

Medical Assistance Program

State Aging Appropriation

State Appropriation - Access

State Appropriation - Home Delivered Meals

State Appropriation - In Home Services

Public School Building Capital Fund

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section II. Financial Statement Findings

Finding 2021-001

Reconciliation of Records and Reporting

MATERIAL WEAKNESS

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

Condition: In reviewing records and testing certain account balances, we noted that some accounts were not adequately adjusted. County ORBIT retirement report, 941 reports were not reconciled to the General Ledger. Bank reconciliation were not performed timely.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-002.

Cause: Availability of adequate number of personnel in the finance and administration departments caused delays in reconciling account information and preparing for the annual audit and preparation of the financial statements.

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

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

Finding 2021-002

Budget Violation

SIGNIFICANT DEFICIENCY / NONCOMPLIANCE

Criteria: GASB 84 identifies criteria when fiduciary activities should be reported as a special revenue fund. G.S. 159-8(a) states that all moneys received and expended by a local government or public authority should be included in the budget ordinance.

Condition: County did not establish budgets for the special revenue fund (Representative Payee Fund) created as a result of the implementation of GASB 84.

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section II. Financial Statement Findings (continued)

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

Cause: County oversight of the new accounting standard.

Recommendation: The finance office should review the General Statutes and GASB Statement more carefully to ensure funds are properly authorized and are properly accounted for.

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

Finding 2021-003 **Budget Violation/Unbalance Budget**
MATERIAL WEAKNESS/ NONCOMPLIANCE

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

Condition: The budget was overspent in several departments in General Fund (Hospitalization - Retirees, Taxes, Sheriff - Execution Account, Eldery and Handicapped, Home and Community Care Block Grant, HIV - Non-traditional, Mental Health, Community Based Alternatives, and Debt Service). The budget was also overspent in the Fire District Fund, Rescue Squad Fund, Debt Service Fund, West Fraser Wastewater Grant Fund, Water Asset Inventory and Assessment Grant Fund, Garysburg Water and Sewer District Fund and Solid Waste Fund. Additionally, the County reflected no budgeted amounts for Phase VI Water Project Fund and the Public School Building Fund does not have a balanced budget.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-003.

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

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

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

Finding 2021-004 **Deficit Fund Balance**
MATERIAL WEAKNESS

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

Condition: The County has six funds with a negative fund balance: Fire District Fund, Rescue Squad Fund, Severn Peanut Natural Gas Fund, Courthouse/Admin/DSS Renovations Fund, Debt Service Fund and Solid Waste Fund.

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section II. Financial Statement Findings (continued)

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-004.

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

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

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

Finding 2021-005

Late Submission of Audit

MATERIAL WEAKNESS/NONCOMPLIANCE

Criteria: The County is required to submit an audited set of financial statements to the LGC within 4 months after the end of the fiscal year.

Condition: The County failed to submit the audit report by the due date.

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

Cause: The County has had significant turnover and issues reconciling records, and the audit has been submitted late over the past several years.

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

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

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III. Federal Award Findings

US Department of Health and Human Services

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

Finding 2021-006

IV-D Cooperation with Child Support

SIGNIFICANT DEFICIENCY

Eligibility

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

Condition: There were 9 errors discovered during our procedures that referrals between DSS and Child Support Agencies were not made.

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

Context: We examined 60 cases from 5931 Medicaid applicants on the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-005.

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

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

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

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III. Federal Award Findings (continued)

US Department of Health and Human Services

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

Finding 2021-007

Inaccurate Information Entry

SIGNIFICANT DEFICIENCY

Eligibility

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

Condition: There were 5 errors discovered during our procedures that inaccurate information was entered when determining eligibility.

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

Context: We examined 60 cases from 5931 Medicaid applicants on the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-006.

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

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

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

NORTHAMPTON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III. Federal Award Findings (continued)

US Department of Health and Human Services

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

Finding 2021-008

Inadequate Request for Information

SIGNIFICANT DEFICIENCY

Eligibility

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

Condition: There were 5 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.

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

Context: We examined 60 cases from 5931 Medicaid applicants on the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

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

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

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

Section IV. State Award Findings

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

SIGNIFICANT DEFICIENCY: Finding 2021-006, 2021-007, and 2021-008 also apply to State requirements and State Awards.



NORTHAMPTON COUNTY

Finance Department & Management Information Systems

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Judith Modeste
Finance Officer

Johnathan Parker
MIS Coordinator

NORTHAMPTON COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2021

Section II - Financial Statement Findings

Finding: 2021-001	Reconciliation of Records and Reporting
Name of contact:	Judith Modeste, Finance Officer, Heather Futrell, Payroll, and Melundy Vandiford. Bank Reconciliation
Corrective Action:	The Finance Department will ensure that the bank reconciliation will be completed by the 15th of the next month. The County ORBIT retirement and 941 reports will be reconciled to the General Ledger by the 20th of the next month. A spreadsheet will be used to monitor that this process is complete. The monitoring of the reconciliations will be done by the Finance Officer.
Proposed Completion Date:	Immediately
Finding: 2021-002	Budget Violation
Name of contact:	Judith Modeste, Finance Officer
Corrective Action:	The Finance Department will review the General Statutes and GASB Statements more carefully to ensure that the funds are properly authorized and accounted for.
Proposed Completion Date:	Immediately
Finding: 2021-003	Budget Violation
Name of contact:	Julian Phillips, County Manager
Corrective Action:	The County will evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available for timely account reconciliations, year-end close and annual financial reporting purposes. Management will consult with outside sources when needed to prepare for the annual audit.
Proposed Completion Date:	Immediately



NORTHAMPTON COUNTY

Finance Department & Management Information Systems

Post Office Box 663

Jackson, North Carolina 27845

Finance Telephone (252) 534-1536 or (252) 534-5301

MIS Telephone (252) 534-6171

Fax (252) 534-1239

Judith Modeste
Finance Officer

Johnathan Parker
MIS Coordinator

NORTHAMPTON COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2021

Section II - Financial Statement Findings

Finding: 2021-004

Deficit Fund Balance

Name of contact: Judith Modeste, Finance Officer

Corrective Action: The Finance Officer will review on a monthly basis the General Ledger for any negative accounts and deficit fund balances. All deficit fund balances will be cleared up on a monthly basis.

Proposed

Completion Date: Immediately

Finding: 2021-005

Late Submission of Audit and Data Collection Form

Name of contact: Judith Modeste, Finance Officer

Corrective Action: The Finance Officer will ensure that all efforts are made to complete the audit in a timely manner. All due dates will be adhered to.

Proposed

Completion Date: Immediately

Section III - Federal Award Findings and Question Costs

Finding 2021-006

IV-D Cooperation with Child Support

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

Corrective Action: Meeting with staff to ensure information for IV-D is received to determine if a referral needs to be made to child support or if there is good cause and no referral is needed. Cases will be randomly checked.

Proposed

Completion Date: Meeting with staff was held on 12/2/2021, with FCM supervisor and IV-D supervisor to explain when a referral should be sent to child support.



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NORTHAMPTON COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2021

Section III - Federal Award Findings and Question Costs

Finding 2021-007

Inaccurate Information Entry

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

Corrective Action: Meeting with staff on properly documenting case(s), what information is needed in documentation and determination of eligibility. Supervisor will review 10 cases each month to assure correct documentation is in NCF.

Proposed Completion Date: Meeting with staff was held on 12/2/2021, with implementation on documenting according to policy.

Finding 2021-008

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

Corrective Action: Meeting with staff on paying attention to the information received, Requesting needed information to determine eligibility, running online data in NCF, running TWN in NCF and entering correct supporting information in NCF.

Proposed Completion Date: Meeting with staff was held on 12/2/2021, with changes to policy to be implemented immediately.

Section IV - State Award Findings and Question Costs

Corrective Actions for finding 2021-006, 2021-007, and 2021-008 also apply to State Award findings.

NORTHAMPTON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2021

Finding:	2020-001
Status:	Corrected
Finding:	2020-002
Status:	Repeated as finding 2021-001.
Finding:	2020-003
Status:	Repeated as finding 2021-003.
Finding:	2020-004
Status:	Repeated as finding 2021-004
Finding:	2020-005
Status:	Repeated as finding 2020-006.
Finding:	2020-006
Status:	Repeated as finding 2020-007.
Finding:	2020-007
Status:	Corrected.
Finding:	2020-008
Status:	Corrected.
Finding:	2020-009
Status:	Corrected.

Northampton County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL# CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub-recipients</u>	<u>Local Expenditures</u>
Federal Awards:						
<u>U. S. Department of Agriculture</u>						
Passed-through N.C. Dept. of Health and Human Services: Division of Social Services: Administration: Supplemental Nutrition Assistance Program Cluster State Administrative Matching Grants	10.561		\$ 399,061	\$ -	\$ -	\$ 399,061
Passed-through N.C. Dept. of Health and Human Services Division of Public Health: Administration: Special Supplemental Nutrition Program for Women, Infants and Children	10.557		120,374	-	-	-
Total U. S. Department of Agriculture			519,435	-	-	399,061
<u>U.S. Department of Justice</u>						
Passed-through N.C. Department of Public Safety Governor's Crime Commission	16.738		14,019	-	-	-
Total U.S. Department of Justice			14,019	-	-	-
<u>U.S. Dept. of Treasury</u>						
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office Coronavirus Relief Fund	21.019		921,128	-	-	-
Passed-through N.C. Dept of Health and Human Services Division of Public Health Coronavirus Relief Fund	21.019		42,501	-	-	-
Passed-through N.C. Dept of Public Safety Coronavirus Relief Fund	21.019		702	-	-	-
Total U.S. Dept. of Treasury			964,331	-	-	-
<u>U.S. Election Assistance Commission</u>						
Passed-through N.C. State Board of Elections COVID-19 - HAVA Election Security Grants	90.404		74,588	-	-	-
HAVA Election Security Grants	90.404		126,175	-	-	-
Total HAVA Election Security Grants			200,763	-	-	-
<u>U.S. Dept. of Health and Human Services</u>						
Passed-through N.C. Dept. of Health and Human Services Division of Public Health: Public Health Emergency Preparedness	93.069		31,664	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control	93.116		50	-	-	-
Family Planning Services	93.217		32,910	-	-	-
Immunization Grants	93.268		15,899	-	-	-
COVID-19 - Immunization Grants	93.268		92,291	-	-	-
Total Immunization Grants			108,190	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		132,491	-	-	-
HIV Prevention Activities_Health Department Based	93.940		58,587	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		42	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,607	-	-	-
Maternal and Child Health Services Block Grant	93.994		55,851	7,570	-	-
Division of Social Services TANF - Work First	93.558		388,829	-	-	62,843
Division of Public Health TANF - Work First	93.558		5,071	-	-	-
Total TANF Cluster			393,900	-	-	62,843

Northampton County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL# CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub-recipients</u>	<u>Local Expenditures</u>
Low Income Energy Assistance						
Administration	93.568		33,999	1,467	-	1,842
Crisis Intervention Payments	93.568		145,510	-	-	-
Energy Assistance	93.568		176,773	-	-	-
COVID-19 - LIEAP	93.568		122,600	-	-	-
COVID-19 - LIEAP Admin	93.568		8,879	-	-	-
Total Low-Income Energy Assistance			487,761	1,467	-	1,842
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645		5,111	-	-	1,704
Total Stephanie Tubbs Jones Child Welfare Services Program			5,111	-	-	1,704
Family Perservation	93.556		6,390	-	-	-
Refugee Assistance Admin	93.566		736	-	-	-
AFDC Payments and Penalties	93.560		(358)	(93)	-	(99)
Foster Care and Adoption Cluster						
Foster Care - Title IV-E 4	93.658		90,898	10,497	-	78,478
Adoption Assistance	93.659		3,682	-	-	3,681
Foster Care	N/A		384	-	-	-
Total Foster Care and Adoption			94,964	10,497	-	82,159
Child Support Enforcement	93.563		461,226	303	-	237,298
Chafee Foster Care Independence Program	93.674		197	49	-	-
SSBG - Other Training & Services	93.667		137,339	-	-	45,779
Division of Aging and Adult Services						
Division of Social Services						
SSBG - State Adult Day Care	93.667		26,352	20,284	-	6,662
SSBG - State In Home Service Fund	93.667		28,857	-	-	4,122
Total Social Service Block Grant			192,548	20,284	-	56,563
Child Care Development Mandatory and Match Fund-Administration	93.596		47,829	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services						
Medical Assistance Program - Administration	93.778		1,292,197	6,901	-	536,102
Division of Social Services						
Administration						
State Children's Insurance Program-N. C. Health Choice	93.767		24,698	(670)	-	5,517
Passed-through Upper Coastal Plain Council of Government - Aging Cluster						
Division of Aging and Adult Services						
<u>Aging Cluster</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		49,882	2,934	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		6,682	320	-	-
NSIP - Nutrition	93.053		1,924	-	-	-
Total Aging Cluster			58,488	3,254	-	-
Total U. S. Department of Health and Human Services			3,516,079	49,562	-	983,929
<u>U.S. Department of Homeland Security</u>						
Passed through N.C. Dept. of Public Safety						
Division of Emergency Management						
Emergency Mgt. Performance Grant	97.042		39,378	-	-	-
Total U.S. Department of Homeland Security			39,378	-	-	-
Total federal awards			\$ 5,254,005	\$ 49,562	\$ -	\$ 1,382,990
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Food & Lodging Fees			\$ -	\$ 1,980	\$ -	\$ -
Aid to Counties			-	104,276	-	-
General Communicable Diseases Control			-	2,440	-	-

Northampton County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Sub-recipients	Local Expenditures
Child Health			-	1,818	-	-
HIV/STD State			-	500	-	-
Healthy Community Activities			-	3,747	-	-
STD Drugs			-	532	-	-
School Nurse Funding Initiative			-	150,000	-	-
Family Planning - State			-	56,649	-	-
Maternal Health			-	17,152	-	-
Women Health Service Fund			-	6,040	-	-
TB Control			-	31,757	-	-
Total Division of Public Health			-	376,891	-	-
Division of Social Services:						
ST Child Welfare/CPS/CS LD		N/A	-	11,922	-	-
COVID-19 APS/CPS Care		N/A	-	9,949	-	-
County Funded Programs		N/A	-	-	-	539,219
DCD Smart Start		N/A	-	3,010	-	-
Non-Allocating County Cost		N/A	-	-	-	165,979
AFDC INCENT / Program Integrity		N/A	-	137	-	-
Total Division of Social Services			-	25,018	-	705,198
Division of Aging and Adult Services						
State Appropriation - Access			-	1,725	-	-
State Appropriation - Home Delevered Meals			-	5,333	-	-
State Appropriation - In Home Services			-	144,717	-	-
Total Division of Aging and Adult Services			-	151,775	-	-
Total N.C. Dept. of Health and Human Services			-	553,684	-	705,198
<u>N.C. Dept. of Veterans Affairs</u>						
Veteran Grant		N/A	-	2,084	-	-
Total N.C. Dept. of Veterans Affairs			-	2,084	-	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP EDTAP		36220.10.9.1	-	28,138	-	-
ROAP RGP		36228.22.9.1	-	19,659	-	-
Total ROAP Cluster			-	47,797	-	-
<u>N.C. Department of Pubic Safety</u>						
Equipment Recovery Grant			-	14,019	-	-
Juvenile Crime Prevention Programs						
JCPC Admin			-	5,011	-	-
Second Chance Counts			-	22,686	-	-
NC Vocational Jobs Program			-	30,000	-	-
Children Matters			-	22,686	-	-
Teen Court			-	14,600	-	-
Parenting for Success			-	15,000	-	-
Total Juvenile Crime Prevention Programs			-	109,983	-	-
Total N.C. Department of Pubic Safety			-	124,002	-	-
<u>N.C. Department of Environmental Quality</u>						
Soil & Water Conservation			-	24,414	-	-
Asset Inventory and Assessment Grant			-	31,050	-	-
SW Reduction & Recycling Grant			-	4,074	-	-
Total N.C. Dept. of Environmental Quality			-	59,538	-	-
<u>N.C. Department of Commerce</u>						
Industrial Development Fund Utility Account			-	51,761	-	-
Total N.C. Department of Commerce			-	51,761	-	-
<u>N.C. State Board of Elections</u>						
COVID-19 - One Stop Worker Bonuses Fund			-	29,000	-	-
Total N.C. State Board of Elections			-	29,000	-	-
<u>N.C. Department of Culturel Resources</u>						
NCARTS Council						
Arts Grant			-	9,882	-	-
Total N.C. Department of Cultural Resources			-	9,882	-	-
<u>N.C. Department of Public Instruction</u>						

Northampton County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL# CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub-recipients</u>	<u>Local Expenditures</u>
Public School Building Capital Fund			-	425,289	425,289	-
Total N.C. Department of Public Instruction			-	425,289	425,289	-
Total State Awards			\$ -	\$ 1,303,037	\$ 425,289	\$ 705,198
Total Federal and State Awards			\$ 5,254,005	\$ 1,352,599	\$ 425,289	\$ 2,088,188

Notes to the Schedule of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Northampton County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Northampton County, it is not intended to and does not present the financial position, change in net position or cash flows of Northampton County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

Northampton County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

Note 5: Benefit Payments Issued by the State

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

<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal</u>	<u>State</u>
Food and Nutrition Services	10.551	\$ 12,018,356	\$ -
Special Supplemental Nutrition Program for Women Infant and Children	10.557	71,702	-
Medical Assistance Program	93.778	32,310,879	12,986,481
Children's Health Insurance Program	93.767	299,111	63,198
IV-E Adopt & Vendor	93.659	59,661	10,736
TANF Payments & Penalties	93.558	115,762	-
CWS Adopt, Vendor, Guard	N/A	-	29,279
SAA/SAD HB 1030	N/A	-	117,237
SC/SA Domiciliary Care	N/A	-	220,302