

**NORTHAMPTON COUNTY
JACKSON, NORTH CAROLINA**

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

**MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.**

"A Professional Association of Certified Public Accountants and Management Consultants"

**NORTHAMPTON COUNTY
JACKSON, NORTH CAROLINA**

**Basic Financial Statements
June 30, 2010**

Board of Commissioners

Fannie P. Greene - Chairwoman

James Hester - Vice-Chairman

Robert V. Carter

Chester J. Deloatch, Sr.

Virginia Spruill

**County Manager
Wayne Jenkins**

**Finance Director
Dorothy Vick**

NORTHAMPTON COUNTY, NORTH CAROLINA

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Northampton County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Northampton County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Northampton County ABC Board which represents 100 percent of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us and, our opinion, insofar as it relates to the amounts included for the Northampton County ABC Board, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of the Northampton County ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina, as of June 30, 2010, and the respective changes in financial position and cash flows, where appropriate thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 26, 2010 on our consideration of Northampton County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 26, 2010

Management's Discussion and Analysis

As management of Northampton County, we offer readers of Northampton County's financial statements this narrative overview and analysis of the financial activities of Northampton County for the fiscal year ended June 30, 2010. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

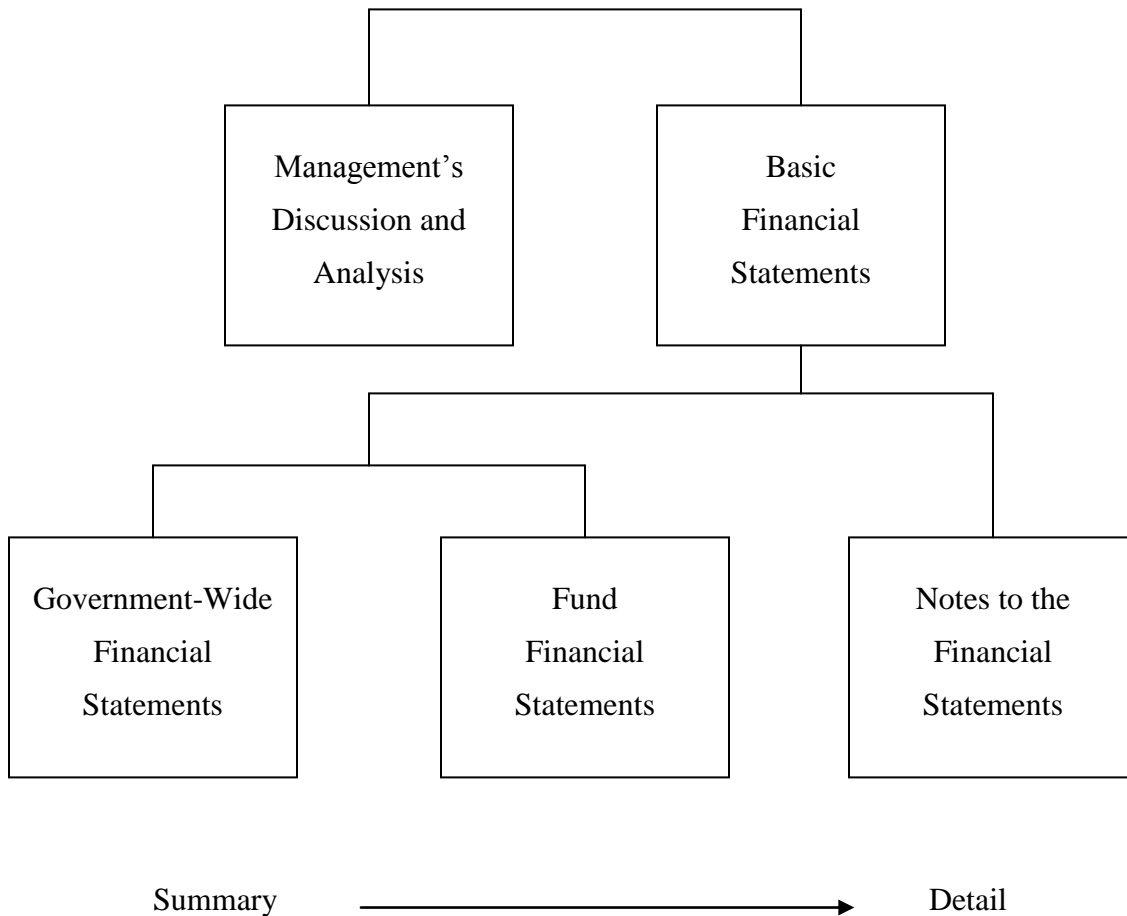
- The assets of Northampton County exceeded its liabilities at the close of the fiscal year by \$14,657,406 (*net assets*).
- As of the close of the current fiscal year, Northampton County's governmental funds reported combined ending fund balances of \$4,880,387, a decrease of \$960,713 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,088,586, or 8 percent of total General Fund expenditures for the fiscal year.
- Northampton County's total net debt decreased by \$1,615,042 (6.25%) during the current fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-Wide Financial Statements

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

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gauge the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the County's basic services such as public safety, human services, education, and general government administration. Property taxes and 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 A and B of this report.

Fund Financial Statements

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve, over time, as one useful indicator of a government's financial condition. The assets of Northampton County exceeded liabilities by \$14,657,406 as of June 30, 2010. The County's net assets decreased by \$296,308 for the fiscal year ended June 30, 2010. The largest portion of the County's net assets reflects the County's investment in capital assets (e.g. buildings, equipment, and water infrastructure), less any related debt still outstanding that was issued to acquire those items. Northampton County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Northampton County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Northampton County's Net Assets

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and other assets	\$ 6,795,690	\$ 7,672,358	\$ 490,630	\$ 436,859	\$ 7,286,320	\$ 8,109,217
Capital assets	<u>13,765,336</u>	<u>13,528,768</u>	<u>20,978,412</u>	<u>21,534,473</u>	<u>34,743,748</u>	<u>35,063,241</u>
Total assets	<u>20,561,026</u>	<u>21,201,126</u>	<u>21,469,042</u>	<u>21,971,332</u>	<u>42,030,068</u>	<u>43,172,458</u>
Liabilities:						
Current liabilities outstanding	650,924	1,859,785	238,666	284,636	889,590	2,144,421
Long-term liabilities outstanding	<u>15,985,648</u>	<u>15,167,473</u>	<u>10,497,424</u>	<u>10,906,847</u>	<u>26,483,072</u>	<u>26,074,320</u>
Total liabilities	<u>16,636,572</u>	<u>17,027,258</u>	<u>10,736,090</u>	<u>11,191,483</u>	<u>27,372,662</u>	<u>28,218,741</u>
Net Assets:						
Invested in capital assets, net of related debt	8,252,908	7,326,795	10,592,912	10,666,130	18,845,820	17,992,925
Restricted	274,734	141,544	-	-	274,734	141,544
Unrestricted	<u>(4,603,188)</u>	<u>(3,294,474)</u>	<u>140,040</u>	<u>113,719</u>	<u>(4,463,148)</u>	<u>(3,180,755)</u>
Total net assets	<u>\$ 3,924,454</u>	<u>\$ 4,173,865</u>	<u>\$ 10,732,952</u>	<u>\$ 10,779,849</u>	<u>\$ 14,657,406</u>	<u>\$ 14,953,714</u>

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

- Continued diligence in the collection of property taxes
- Continued low cost of debt due to low interest rates
- Decreases in outstanding debt amounts due to repayment of principal amounts and minimal current year borrowings

Northampton County's Changes in Net Assets

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 3,121,487	\$ 2,901,824	\$ 4,589,313	\$ 4,567,600	\$ 3,783,069	\$ 7,469,424
Operating grants and contributions	7,426,482	7,561,599	-	-	-	7,561,599
Capital grants and contributions	1,049,288	375,087	3,503	791	325,443	375,878
General revenues:						
Property taxes	15,086,929	15,160,869	-	-	-	15,160,869
Other taxes	1,775,627	2,609,720	-	-	-	2,609,720
Grants and contributions not restricted to specific programs	27,940	67,450	-	-	-	67,450
Other	10,754	64,798	345	994	11,834	65,792
Total revenues	<u>28,498,507</u>	<u>28,741,347</u>	<u>4,593,161</u>	<u>4,569,385</u>	<u>4,120,346</u>	<u>33,310,732</u>
Expenses:						
General government	3,726,748	3,268,334	-	-	-	3,268,334
Public safety	6,803,251	6,599,442	-	-	-	6,599,442
Transportation	25,459	14,750	-	-	-	14,750
Environmental protection	29,000	104,750	-	-	-	104,750
Economic and physical development	2,097,734	932,530	-	-	-	932,530
Human services	10,892,801	11,683,911	-	-	-	11,683,911
Cultural and recreation	356,884	340,983	-	-	-	340,983
Education	4,012,151	4,406,105	-	-	-	4,406,105
Interest and fees	603,890	668,026	-	-	-	668,026
Water and sewer	-	-	2,615,243	2,664,404	2,482,053	2,664,404
Solid waste	-	-	2,224,815	2,248,457	1,567,589	2,248,457
Total expenses	<u>28,547,918</u>	<u>28,018,831</u>	<u>4,840,058</u>	<u>4,912,861</u>	<u>4,049,642</u>	<u>32,931,692</u>
Transfers in (out)	(200,000)	-	200,000	-	-	-
Increase (decrease) in net assets	(249,411)	722,516	(46,897)	(343,476)	(296,308)	379,040
Net Assets:						
Beginning of year - July 1	<u>4,173,865</u>	<u>3,451,349</u>	<u>10,779,849</u>	<u>11,123,325</u>	<u>14,953,714</u>	<u>14,574,674</u>
End of year - June 30	<u>\$ 3,924,454</u>	<u>\$ 4,173,865</u>	<u>\$ 10,732,952</u>	<u>\$ 10,779,849</u>	<u>\$ 14,657,406</u>	<u>\$ 14,953,714</u>

Governmental Activities. Governmental activities decreased the County's net assets by \$249,411. Key elements of this decrease are as follows:

- Decrease in operating grants
- Decrease in local option sales tax revenue
- Decrease in ad valorem taxes revenue

Business-Type Activities. Business-type activities decreased the County's net assets by \$46,897. Water and sewer revenues and expenses were comparable to the prior year, and the fund generated positive cash flows. Solid waste revenues and expenses were comparable to the prior year, and the fund generated negative cash flows. Solid waste received a transfer from the General Fund of \$200,000, which was a key element in solid waste only reporting a decrease in net assets of \$13,898.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Northampton County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,088,586, while total fund balance was \$4,456,036. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 8 percent of total General Fund expenditures, while total fund balance represents 18 percent of that same amount.

At June 30, 2010, the governmental funds of Northampton County reported a combined fund balance of \$4,880,387, a 16% percent decrease over last year. The General Fund accounted for a decrease in fund balance of \$412,815, while all other governmental funds combined accounted for a decrease in fund balance of \$547,898. 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 approximately \$1,493,561, which was 5% more than originally budgeted.

Restricted intergovernmental revenues were budgeted conservatively. This accounted for the primary difference between the originally adopted budget and the final budget.

Proprietary Funds. Northampton County’s proprietary funds provide the same type of information found in the government-wide statements, but in more detail. The total change in net assets for the enterprise funds was a decrease of \$46,897. Factors concerning the finances of the enterprise funds have already been addressed in the discussion of Northampton County’s business-type activities.

Capital Asset and Debt Administration

Capital Assets. Northampton County’s capital assets for its governmental and business-type activities as of June 30, 2010, totaled \$34,743,748 (net of accumulated depreciation). These assets include buildings, equipment, vehicles, water and sewer systems, and construction in progress.

Major capital asset transactions during the year include:

- Purchase of a new ambulance for ambulance services
- Addition of a new roof on the administration building
- Addition of the Wellness and Recreation Center buildings and equipment

Northampton County’s Capital Assets (net of depreciation)

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Construction in progress	\$ -	\$ 4,428,678	\$ -	\$ -	\$ -	\$ 4,428,678
Buildings and land	14,843,912	10,540,943	2,250	2,250	14,846,162	10,543,193
Equipment	1,668,855	991,175	414,493	414,493	2,083,348	1,405,668
Vehicles	2,021,082	1,930,996	355,738	355,738	2,376,820	2,286,734
Distribution system	-	-	26,723,233	26,723,233	26,723,233	26,723,233
	18,533,849	17,891,792	27,495,714	27,495,714	46,029,563	45,387,506
Accumulated depreciation	(4,768,513)	(4,363,027)	(6,517,302)	(5,961,241)	(11,285,815)	(10,324,268)
Total	<u>\$ 13,765,336</u>	<u>\$ 13,528,765</u>	<u>\$ 20,978,412</u>	<u>\$ 21,534,473</u>	<u>\$ 34,743,748</u>	<u>\$ 35,063,238</u>

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

Long-Term Debt. As of June 30, 2010, Northampton County had total debt outstanding of \$24,222,928.

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Installment notes payable	\$ 5,512,428	\$ 6,201,970	\$ -	\$ -	\$ 5,512,428	\$ 6,201,970
General obligation bonds	8,325,000	8,805,000	10,385,500	10,831,000	18,710,500	19,636,000
Total	<u>\$ 13,837,428</u>	<u>\$ 15,006,970</u>	<u>\$ 10,385,500</u>	<u>\$ 10,831,000</u>	<u>\$ 24,222,928</u>	<u>\$ 25,837,970</u>

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

Economic Factors and Next Year's Budgets and Rates

The County was experiencing an unemployment rate of 11.2% at June 30, 2010. This was higher than the non-seasonally adjusted State average of 10.2%.

Budget Highlights for the Fiscal Year Ending June 30, 2011

Governmental Activities. General Fund revenues are projected to increase approximately 10% compared to 2010 actual amounts. The increase in revenues is due to the County raising the tax rate to \$.87 cents which is a \$.09 cent increase over the prior year tax rate.

Business-Type Activities. Solid waste revenues are budgeted more conservatively compared to 2010, given significant operating losses in 2010. Water and sewer revenues are conservatively budgeted compared to actual 2010 amounts due to anticipated decreases in usage due to the state of the economy.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information (including information related to the Northampton County ABC Board, a discretely presented component unit) should be directed to the Director of Finance, Northampton County, PO Box 663, Jackson, North Carolina 27845.

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government		Total	Component
	Governmental Activities	Business-Type Activities		Unit Northampton County ABC Board
Assets:				
Current assets:				
Cash and cash equivalents	\$ 3,707,924	\$ 116,872	\$ 3,824,796	\$ 74,061
Taxes receivable, net	913,962	-	913,962	-
Accounts receivable, net	1,800,176	373,758	2,173,934	5
Due from other governments	373,628	-	373,628	-
Inventories	-	-	-	124,968
Prepaid items	-	-	-	1,930
Capital assets:				
Land and construction in progress	1,600,000	-	1,600,000	-
Other capital assets, net	12,165,336	20,978,412	33,143,748	7,610
Total assets	<u>20,561,026</u>	<u>21,469,042</u>	<u>42,030,068</u>	<u>208,574</u>
Liabilities:				
Current liabilities:				
Accounts payable	534,355	6,795	541,150	79,540
Customer deposits	-	211,319	211,319	-
Unearned revenues	46,397	16,329	62,726	-
Current portion of compensated absences	70,172	4,223	74,395	-
Long-term liabilities:				
Non-current portion of compensated absences	631,550	38,006	669,556	-
Due within one year	1,176,260	458,000	1,634,260	-
Due in more than one year	14,177,838	10,001,418	24,179,256	-
Total liabilities	<u>16,636,572</u>	<u>10,736,090</u>	<u>27,372,662</u>	<u>79,540</u>
Net Assets:				
Invested in capital assets, net of related debt	8,252,908	10,592,912	18,845,820	7,610
Restricted for:				
General government	65,698	-	65,698	-
Education	209,036	-	209,036	-
Capital improvements	-	-	-	34,900
Working capital	-	-	-	30,002
Unrestricted	(4,603,188)	140,040	(4,463,148)	56,522
Total net assets	<u>\$ 3,924,454</u>	<u>\$ 10,732,952</u>	<u>\$ 14,657,406</u>	<u>\$ 129,034</u>

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

NORTHAMPTON COUNTY, NORTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 3,726,748	\$ 201,851	\$ 357,472	\$ -
Public safety	6,803,251	1,088,912	227,106	-
Transportation	25,459	-	66,099	-
Environmental protection	29,000	-	16,877	-
Economic and physical development	2,097,734	11,020	402,169	899,375
Human services	10,892,801	1,813,554	6,340,898	-
Cultural and recreational	356,884	6,150	15,861	149,913
Education	4,012,151	-	-	-
Interest on long-term debt	603,890	-	-	-
Total governmental activities	<u>28,547,918</u>	<u>3,121,487</u>	<u>7,426,482</u>	<u>1,049,288</u>
Business-Type Activities:				
Water and sewer	2,615,243	2,581,980	-	-
Solid waste	2,224,815	2,007,333	-	3,503
Total business-type activities	<u>4,840,058</u>	<u>4,589,313</u>	<u>-</u>	<u>3,503</u>
Total primary government	<u>\$ 33,387,976</u>	<u>\$ 7,710,800</u>	<u>\$ 7,426,482</u>	<u>\$ 1,052,791</u>
Component Unit:				
ABC Board	<u>\$ 1,018,748</u>	<u>\$ 1,001,672</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Ad valorem taxes

Local option sales tax

Other taxes and licenses

Unrestricted intergovernmental revenues - beer and wine tax

Interest earned on investments, unrestricted

Total general revenues

Transfers

Total general revenues and transfers

Change in net assets

Net Assets:

Beginning of year - July 1, as previously stated

Prior period adjustment

Beginning of year - July 1, as restated

End of year - June 30

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

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Northampton County ABC Board
\$ (3,167,425)	\$ -	\$ (3,167,425)	
(5,487,233)	-	(5,487,233)	
40,640	-	40,640	
(12,123)	-	(12,123)	
(785,170)	-	(785,170)	
(2,738,349)	-	(2,738,349)	
(184,960)	-	(184,960)	
(4,012,151)	-	(4,012,151)	
(603,890)	-	(603,890)	
<u>(16,950,661)</u>	<u>-</u>	<u>(16,950,661)</u>	
-	(33,263)	(33,263)	
-	(213,979)	(213,979)	
-	(247,242)	(247,242)	
<u>(16,950,661)</u>	<u>(247,242)</u>	<u>(17,197,903)</u>	
			\$ <u>(17,076)</u>
15,086,929	-	15,086,929	-
1,685,361	-	1,685,361	-
90,266	-	90,266	-
27,940	-	27,940	-
10,754	345	11,099	167
16,901,250	345	16,901,595	167
(200,000)	200,000	-	-
<u>16,701,250</u>	<u>200,345</u>	<u>16,901,595</u>	<u>167</u>
(249,411)	(46,897)	(296,308)	(16,909)
4,173,865	10,779,849	14,953,714	136,650
-	-	-	9,293
<u>4,173,865</u>	<u>10,779,849</u>	<u>14,953,714</u>	<u>145,943</u>
<u>\$ 3,924,454</u>	<u>\$ 10,732,952</u>	<u>\$ 14,657,406</u>	<u>\$ 129,034</u>

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

NORTHAMPTON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 3,103,406	\$ 604,518	\$ 3,707,924
Taxes receivable, net	913,962	-	913,962
Accounts receivable, net	1,647,619	152,557	1,800,176
Due from other funds	367,472	169,720	537,192
Due from other governments	<u>373,628</u>	<u>-</u>	<u>373,628</u>
 Total assets	 <u>\$ 6,406,087</u>	 <u>\$ 926,795</u>	 <u>\$ 7,332,882</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 523,969	\$ 10,386	\$ 534,355
Due to other funds	169,720	367,472	537,192
Deferred revenues	<u>1,256,362</u>	<u>124,586</u>	<u>1,380,948</u>
Total liabilities	<u>1,950,051</u>	<u>502,444</u>	<u>2,452,495</u>
Fund Balances:			
Reserved by State statute	2,092,716	197,691	2,290,407
Reserved for Register of Deeds	65,698	-	65,698
Reserved for education	209,036	-	209,036
Unreserved	2,088,586	-	2,088,586
Unreserved, reported in nonmajor:			
Special revenue funds	-	520,792	520,792
Capital project funds	-	(294,235)	(294,235)
Debt service fund	<u>-</u>	<u>103</u>	<u>103</u>
Total fund balances	<u>4,456,036</u>	<u>424,351</u>	<u>4,880,387</u>
 Total liabilities and fund balances	 <u>\$ 6,406,087</u>	 <u>\$ 926,795</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,765,336
Long-term debt and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(16,055,820)
Deferred revenues in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net assets in the Statement of Net Assets.	<u>1,334,551</u>
Net assets of governmental activities (Exhibit A)	<u>\$ 3,924,454</u>

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

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Ad valorem taxes	\$ 14,386,288	\$ 579,491	\$ 14,965,779
Other taxes and licenses	1,732,665	42,962	1,775,627
Unrestricted intergovernmental revenues	27,940	-	27,940
Restricted intergovernmental revenues	7,129,420	1,058,872	8,188,292
Permits and fees	189,706	-	189,706
Sales and services	2,644,286	293,026	2,937,312
Interest earned on investments	10,350	404	10,754
Special project revenue	35,675	-	35,675
Miscellaneous	<u>195,111</u>	<u>56,692</u>	<u>251,803</u>
Total revenues	<u>26,351,441</u>	<u>2,031,447</u>	<u>28,382,888</u>
Expenditures:			
Current:			
General government	3,208,747	100,308	3,309,055
Public safety	5,544,211	969,873	6,514,084
Transportation	25,459	-	25,459
Environmental protection	29,000	-	29,000
Economic and physical development	1,122,407	949,380	2,071,787
Human services	10,869,765	-	10,869,765
Cultural and recreation	315,199	223,669	538,868
Education	3,892,434	119,717	4,012,151
Debt service:			
Principal repayments	219,827	984,515	1,204,342
Interest	<u>11,908</u>	<u>591,982</u>	<u>603,890</u>
Total expenditures	<u>25,238,957</u>	<u>3,939,444</u>	<u>29,178,401</u>
Revenues over (under) expenditures	<u>1,112,484</u>	<u>(1,907,997)</u>	<u>(795,513)</u>
Other Financing Sources (Uses):			
Long-term debt issued	34,800	-	34,800
Transfers to (from) other funds	<u>(1,560,099)</u>	<u>1,360,099</u>	<u>(200,000)</u>
Total other financing sources (uses)	<u>(1,525,299)</u>	<u>1,360,099</u>	<u>(165,200)</u>
Net change in fund balances	(412,815)	(547,898)	(960,713)
Fund Balances:			
Beginning of year - July 1	<u>4,868,851</u>	<u>972,249</u>	<u>5,841,100</u>
End of year - June 30	<u>\$ 4,456,036</u>	<u>\$ 424,351</u>	<u>\$ 4,880,387</u>

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

NORTHAMPTON COUNTY, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

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

Net change in fund balances - total governmental funds (Exhibit D) \$ (960,713)

Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected or is expected to be collected within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:

Property taxes	121,150
Ambulance and other miscellaneous revenues	(5,531)

Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement. (59,965)

Expenses related to other post-employment benefits that do not require current financial resources are not reported as expenditures in the governmental funds statement. (750,465)

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. 785,071

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement. (419,219)

Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities. 1,204,342

Proceeds from the issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, proceeds from the issuance of debt are not a revenue, rather they are an increase in liabilities. (34,800)

Gain/(loss) on disposal of capital assets is reported in the Statement of Activities; however, proceeds from sale of assets are not affected by gain/(loss) in the governmental funds statement. (129,281)

Change in net assets of governmental activities (Exhibit B) \$ (249,411)

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

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over/Under</u>
Revenues:				
Ad valorem taxes	\$ 14,212,108	\$ 14,212,108	\$ 14,386,288	\$ 174,180
Other taxes and licenses	2,489,680	2,489,680	1,732,665	(757,015)
Unrestricted intergovernmental revenues	81,000	81,000	27,940	(53,060)
Restricted intergovernmental revenues	7,656,917	8,700,456	7,129,420	(1,571,036)
Permits and fees	189,640	189,640	189,706	66
Sales and services	2,347,222	2,368,522	2,644,286	275,764
Investment earnings	45,600	45,600	10,350	(35,250)
Special project revenue	225,580	251,252	35,675	(215,577)
Miscellaneous	71,535	193,453	195,111	1,658
Total revenues	<u>27,319,282</u>	<u>28,531,711</u>	<u>26,351,441</u>	<u>(2,180,270)</u>
Expenditures:				
General government	3,423,093	3,481,636	3,208,747	272,889
Public safety	5,744,528	5,856,941	5,544,211	312,730
Transportation	13,750	25,459	25,459	-
Environmental protection	4,000	29,000	29,000	-
Economic and physical development	801,484	1,187,864	1,122,407	65,457
Human services	11,439,638	12,159,742	10,869,765	1,289,977
Cultural and recreation	304,407	322,696	315,199	7,497
Education	4,044,000	4,063,799	3,892,434	171,365
Debt service:				
Principal repayments	195,342	224,710	219,827	4,883
Interest	-	11,908	11,908	-
Total expenditures	<u>25,970,242</u>	<u>27,363,755</u>	<u>25,238,957</u>	<u>2,124,798</u>
Revenues over (under) expenditures	<u>1,349,040</u>	<u>1,167,956</u>	<u>1,112,484</u>	<u>(55,472)</u>
Other Financing Sources (Uses):				
Transfers to (from) other funds	(1,357,790)	(1,557,790)	(1,560,099)	(2,309)
Long-term debt issued	-	34,800	34,800	-
Appropriated fund balance	108,750	355,082	-	(355,082)
Contingency	(100,000)	(48)	-	48
Total other financing sources (uses)	<u>(1,349,040)</u>	<u>(1,167,956)</u>	<u>(1,525,299)</u>	<u>(357,343)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(412,815)	<u>\$ (412,815)</u>
Fund Balance:				
Beginning of year - July 1			<u>4,868,851</u>	
End of year - June 30			<u>\$ 4,456,036</u>	

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

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 95,904	\$ 20,968	\$ 116,872
Accounts receivable, net	361,583	12,175	373,758
Due from other funds	398,830	-	398,830
Total current assets	<u>856,317</u>	<u>33,143</u>	<u>889,460</u>
Non-current assets:			
Other capital assets, net	20,965,354	13,058	20,978,412
Total non-current assets	<u>20,965,354</u>	<u>13,058</u>	<u>20,978,412</u>
Total assets	<u>21,821,671</u>	<u>46,201</u>	<u>21,867,872</u>
Liabilities:			
Current liabilities:			
Accounts payable	3,314	3,481	6,795
Due to other funds	-	398,830	398,830
Unearned revenue	16,329	-	16,329
Customer deposits	211,319	-	211,319
Compensated absences - current	3,038	1,185	4,223
Current portion of long-term debt	458,000	-	458,000
Total current liabilities	<u>692,000</u>	<u>403,496</u>	<u>1,095,496</u>
Non-current liabilities:			
Compensated absences - non-current	27,345	10,661	38,006
Non-current portion of long-term debt	9,927,500	-	9,927,500
Other post-employment benefits	56,945	16,973	73,918
Total non-current liabilities	<u>10,011,790</u>	<u>27,634</u>	<u>10,039,424</u>
Total liabilities	<u>10,703,790</u>	<u>431,130</u>	<u>11,134,920</u>
Net Assets:			
Invested in capital assets, net of related debt	10,579,854	13,058	10,592,912
Unrestricted	538,027	(397,987)	140,040
Total net assets	<u>\$ 11,117,881</u>	<u>\$ (384,929)</u>	<u>\$ 10,732,952</u>

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

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	
Operating Revenues:			
Charges for services	\$ 2,548,763	\$ 1,931,935	\$ 4,480,698
Water and sewer taps	19,800	-	19,800
White goods and tire disposal tax	-	30,244	30,244
Solid waste disposal tax	-	12,566	12,566
Other operating revenues	13,417	32,588	46,005
Total operating revenues	<u>2,581,980</u>	<u>2,007,333</u>	<u>4,589,313</u>
Operating Expenses:			
Water distribution and sewage treatment	1,585,744	-	1,585,744
Solid waste	-	2,218,139	2,218,139
Depreciation	549,385	6,676	556,061
Total operating expenses	<u>2,135,129</u>	<u>2,224,815</u>	<u>4,359,944</u>
Operating income (loss)	<u>446,851</u>	<u>(217,482)</u>	<u>229,369</u>
Non-Operating Revenues (Expenses):			
Interest earned on investments	264	81	345
Interest and fees	(480,114)	-	(480,114)
Total non-operating revenues (expenses)	<u>(479,850)</u>	<u>81</u>	<u>(479,769)</u>
Income (loss) before capital contributions and transfers	(32,999)	(217,401)	(250,400)
Capital contributions	-	3,503	3,503
Income (loss) before transfers	<u>(32,999)</u>	<u>(213,898)</u>	<u>(246,897)</u>
Transfers:			
Transfers in	-	200,000	200,000
Total transfers	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Change in net assets	(32,999)	(13,898)	(46,897)
Net Assets:			
Beginning of year - July 1	<u>11,150,880</u>	<u>(371,031)</u>	<u>10,779,849</u>
End of year - June 30	<u>\$ 11,117,881</u>	<u>\$ (384,929)</u>	<u>\$ 10,732,952</u>

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

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers	\$ 2,601,700	\$ 2,007,590	\$ 4,609,290
Cash paid for goods and services	(1,198,591)	(2,078,857)	(3,277,448)
Cash paid to employees for services	(434,341)	(131,274)	(565,615)
Customer deposits received	24,561	-	24,561
Net cash provided (used) by operating activities	<u>993,329</u>	<u>(202,541)</u>	<u>790,788</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers in	-	200,000	200,000
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Cash Flows from Capital and Related Financing Activities:			
Principal paid on long-term debt	(445,500)	-	(445,500)
Interest and fees	(480,114)	-	(480,114)
Capital contributions	-	3,503	3,503
Net cash provided (used) by capital and related financing activities	<u>(925,614)</u>	<u>3,503</u>	<u>(922,111)</u>
Cash Flows from Investing Activities:			
Interest on investments	<u>264</u>	<u>81</u>	<u>345</u>
Net increase (decrease) in cash and cash equivalents	67,979	1,043	69,022
Cash and Cash Equivalents:			
Beginning of year - July 1	<u>27,925</u>	<u>19,925</u>	<u>47,850</u>
End of year - June 30	<u>\$ 95,904</u>	<u>\$ 20,968</u>	<u>\$ 116,872</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 446,851	\$ (217,482)	\$ 229,369
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	549,385	6,676	556,061
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	14,998	253	15,251
Increase (decrease) in accounts payable and accrued liabilities	(74,757)	(441)	(75,198)
Increase (decrease) in unearned revenues	4,722	-	4,722
Increase (decrease) in customer deposits	24,561	-	24,561
Increase (decrease) in accrued vacation pay	(608)	55	(553)
Increase (decrease) in OPEB payable	<u>28,177</u>	<u>8,398</u>	<u>36,575</u>
Net cash provided (used) by operating activities	<u>\$ 993,329</u>	<u>\$ (202,541)</u>	<u>\$ 790,788</u>

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

NORTHAMPTON COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2010

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 78,765
Accounts receivable	<u>836,313</u>
Total assets	<u><u>\$ 915,078</u></u>
Liabilities:	
Intergovernmental payable	\$ 731,075
Accounts payable	<u>184,003</u>
Total liabilities	<u><u>\$ 915,078</u></u>

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

1. Summary of Significant Accounting Policies

The accounting policies of Northampton County (the "County") and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. The discretely presented component unit presented below is reported in a separate column in the County's financial statements in order to emphasize that it is legally separate from the County.

Discretely Presented Component Units

Northampton County Industrial Facilities and Pollution Control Financing Authority

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

Northampton County ABC Board

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

B. Basis of Presentation

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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 nonmajor funds.

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

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

Governmental Funds

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

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Special Revenue Funds. Special revenue funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains eleven special revenue funds: Capital Reserve Fund, Mid Atlantic Distribution Park Fund, Emergency Telephone System Fund, Revaluation Fund, Revolving Loan Fund, Ambulance Capital Reserve Fund, EDC Capital Reserve Fund, Public Schools Building Fund, Fire District Fund, Tourism Development, and CDBG Fund.

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

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

Proprietary Funds

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

Fiduciary Funds

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

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains five agency funds: Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; Inmate Trust Fund, which accounts for funds deposited by inmates of the County's jail; Motor Vehicle Tax Fund, which accounts for registered motor vehicle property

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

taxes that are billed and collected by the County for various municipalities within the County; the Rescue Squad Fund, which accounts for rescue squad charges that are billed and collected by the County for the area rescue squads; and 3% Interest Payable to State Fund, which accounts for interest on delinquent motor vehicles taxes which is required to be remitted to the State of North Carolina.

Major Funds

The General Fund, Water and Sewer Fund, and Solid Waste Fund are considered major funds for the year ended June 30, 2010.

C. Measurement Focus, Basis of Accounting

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

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

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

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, 2010

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 a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the County's vehicle taxes for vehicles registered in the County from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred revenues.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. 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 are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, special revenue funds (excluding the Public Schools Building Fund and the CDBG Fund), and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the special revenue funds listed above, and the capital project 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, and enterprise funds, and at the object level for the capital project funds. The County Manager is authorized to transfer appropriations between departments within a fund up to \$5,000; however, any revisions that alter the total expenditures of any fund or exceed \$5,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, and Fund Equity

Deposits and Investments

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

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

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Cash and Cash Equivalents

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

Restricted Assets

Unspent debt proceeds are classified as restricted assets within the General Fund and the Wellness and Recreation Centers Capital Project Fund because their use is completely restricted to the purpose for which the debts were originally issued.

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13 (a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1; however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2008.

Allowance for Doubtful Accounts

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

Inventory

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

Capital Assets

The County's purchased or constructed capital assets are recorded at original cost or estimated historical cost. Donated assets are recorded at their estimated fair value at the date of donation. Certain items acquired before July 1, 1980, are recorded at an estimated original cost. The total of such estimates is not considered large enough that the errors would be material when capital assets are considered as a whole. Any interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed. Minimum capitalization cost is \$5,000.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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

	<u>Estimated Useful Lives</u>
Buildings	20-75 years
Equipment	5-10 years
Vehicles	5-10 years
Water distribution system	20-50 years

Long-Term Obligations

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

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

Net Assets/Fund Balances

Net Assets

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

Net assets are classified as follows:

Restricted Net Assets

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

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Fund Balances

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

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

The governmental fund types classify fund balances as follows:

Reserved

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

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

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

F. Revenues, Expenditures, and Expenses

Compensated Absences

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

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

G. Use of Estimates

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

H. Comparative Data/Reclassifications

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

2. Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2010, expenditures exceeded the authorized appropriations made by the governing board as follows:

Special Revenue Funds:

Public Schools Building Fund - Expenditures \$720,077; however, total revenues and other financing sources exceeded expenditures and other financing uses.

Fire Districts Fund – Expenditures: \$805

Capital Project Funds:

Wellness and Recreation Centers – Expenditures: \$174,403

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

B. Deficit Fund Balance or Net Assets of Individual Funds

The following funds had deficit fund balances, net assets at June 30, 2010:

Special Revenue Fund:

Fire District Fund: \$240

CDBG Fund: \$453

Capital Project Fund:

Wellness and Recreation Centers Capital Project: \$294,990

Enterprise Fund:

Solid Waste Fund: \$384,929

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

3. Detail Notes On All Funds

A. Assets

Deposits

All the deposits of the County and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by the County's and the ABC Board's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the ABC Board, or with the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the County and the ABC Board under the Pooling Method, the potential exists for undercollateralization, 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.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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

At June 30, 2010, the County's deposits had a carrying amount of \$78,765 and a bank balance of \$1,012,435. Of the bank balance, \$281,478 was covered by federal depository insurance, and \$730,957 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2010, the County had \$1,900 cash on hand.

Investments

At June 30, 2010, the County had \$3,822,896 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The County has no policy regarding credit risk.

Property Tax – Use-Value Assessment on Certain Land

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

Year Ended				
June 30	Tax	Interest	Total	
2006	\$ 401,131	\$ 131,371	\$ 532,502	
2007	929,554	220,769	1,150,323	
2008	949,884	140,108	1,089,992	
2009	939,098	53,999	993,097	
Total	<u>\$ 3,219,667</u>	<u>\$ 546,247</u>	<u>\$ 3,765,914</u>	

NORTHAMPTON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

Receivables

Receivables at Exhibit A at June 30, 2010 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 3,195,619	\$ 1,598,962	\$ 373,628	\$ 5,168,209
Other governmental	<u>152,557</u>	<u>-</u>	<u>-</u>	<u>152,557</u>
Total receivables	3,348,176	1,598,962	373,628	5,320,766
Allowance for doubtful accounts	<u>(1,548,000)</u>	<u>(685,000)</u>	<u>-</u>	<u>(2,233,000)</u>
Total governmental activities	<u>\$ 1,800,176</u>	<u>\$ 913,962</u>	<u>\$ 373,628</u>	<u>\$ 3,087,766</u>
Business-Type Activities:				
Solid Waste	\$ 497,624	\$ -	\$ -	\$ 497,624
Water and Sewer	<u>361,583</u>	<u>-</u>	<u>-</u>	<u>361,583</u>
Total receivables	859,207	-	-	859,207
Allowance for doubtful accounts	<u>(485,449)</u>	<u>-</u>	<u>-</u>	<u>(485,449)</u>
Total business-type activities	<u>\$ 373,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,758</u>

Due from other governments consisted of the following:

Local option sales tax	\$ 236,017
Sales tax refund	<u>137,611</u>
	<u>\$ 373,628</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Capital Assets

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

	July 1, 2009	Additions	Retirements	June 30, 2010
Non-Depreciable Assets:				
Construction in progress	\$ 4,428,678	\$ -	\$ (4,428,678)	\$ -
Land	1,200,000	400,000	-	1,600,000
Depreciable Assets:				
Buildings and improvements	9,340,943	3,902,969	-	13,243,912
Equipment	991,175	677,680	-	1,668,855
Vehicles and motor equipment	1,930,996	171,783	(81,697)	2,021,082
Total capital assets	17,891,792	5,152,432	(4,510,375)	18,533,849
Less Accumulated Depreciation:				
Buildings and improvements	(2,797,917)	(150,794)	-	(2,948,711)
Equipment	(464,309)	(99,056)	-	(563,365)
Vehicles and motor equipment	(1,100,801)	(169,369)	13,733	(1,256,437)
Total accumulated depreciation	(4,363,027)	\$ (419,219)	\$ 13,733	(4,768,513)
Capital assets, net	\$ 13,528,765			\$ 13,765,336

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

Governmental Activities:

General government	\$ 133,054
Public safety	221,168
Economic and physical development	1,536
Human services	30,046
Cultural and recreation	33,415
Total	\$ 419,219

Business-Type Activities:

Solid Waste	\$ 549,385
Water and Sewer	6,676
Total	\$ 556,061

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Summary of Proprietary Capital Assets

Capital assets for the proprietary funds of the County at June 30, 2010, are as follows:

	July 1, 2009	Additions	Retirements	June 30, 2010
Water and Sewer Fund:				
Depreciable Assets:				
Plant and distribution systems	\$ 26,723,233	\$ -	\$ -	\$ 26,723,233
Furniture and equipment	230,888	-	-	230,888
Vehicles	201,814	-	-	201,814
Total capital assets	27,155,935	-	-	27,155,935
Less Accumulated Depreciation:				
Plant and distribution systems	(5,248,207)	(535,783)	-	(5,783,990)
Furniture and equipment	(211,578)	(6,501)	-	(218,079)
Vehicles	(181,411)	(7,101)	-	(188,512)
Total accumulated depreciation	(5,641,196)	\$ (549,385)	\$ -	(6,190,581)
Total Water and Sewer Fund	\$ 21,514,739			\$ 20,965,354
 Solid Waste Fund:				
Depreciable Assets:				
Buildings	\$ 2,250	\$ -	\$ -	\$ 2,250
Furniture and equipment	183,605	-	-	183,605
Vehicles	153,924	-	-	153,924
Total capital assets	339,779	-	-	339,779
Less Accumulated Depreciation:				
Buildings	(2,250)	-	-	(2,250)
Furniture and equipment	(169,160)	(4,031)	-	(173,191)
Vehicles	(148,635)	(2,645)	-	(151,280)
Total accumulated depreciation	(320,045)	\$ (6,676)	\$ -	(326,721)
Total Solid Waste Fund	\$ 19,734			\$ 13,058

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

B. Liabilities

Payables

Payables at Exhibit A at June 30, 2010 were as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 523,969
Other governmental	<u>10,386</u>
Total governmental activities	<u>\$ 534,355</u>
Business-Type Activities:	
Solid Waste	\$ 3,481
Water and Sewer	<u>3,314</u>
Total business-type activities	<u>\$ 6,795</u>

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The County contributes to the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The LGERS is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.92% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of the County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008 were \$495,181, \$482,195, and \$415,125, respectively. The contributions made by the County equaled the required contributions for each year.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Law Enforcement Officers' Special Separation Allowance

Plan Description. The 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, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits:	1
Terminated plan members entitled to, but not yet receiving, benefits:	-
Active plan members	<u>26</u>
Total	<u><u>27</u></u>

A separate report was not issued for the plan.

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

Supplemental Retirement Income Plan for Law Enforcement Officers

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year-end June 30, 2010, were \$18,013, which consisted of \$9,625 from the County and \$8,388 from the law enforcement officers.

Deferred Compensation Plan

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

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

Registers of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2010, the County's required and actual contributions were \$1,120.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Other Post-Employment 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). This plan provides post-employment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have thirty or more years of service, with a minimum of ten years of service with the County, or early retirement at age sixty with twenty-five years of service, with a minimum of twenty years of service with the County. Employees who qualify for a disability retirement benefit and have twenty years of creditable service, ten of which are with the County, are also eligible to participate. The County pays the full cost of coverage for these benefits. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation.

Retirees receiving benefits	20
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members, general employees	268
Active plan members, law enforcement officers	<u>29</u>
Total	<u>317</u>

Funding Policy. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the Board of Commissioners. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 8.9% of annual covered payroll. For the current year, the County contributed \$91,864, or .9% of annual covered payroll. The County obtains healthcare coverage through private insurers. There were no contributions made by employees. The County's obligation to contribute to the HCB Plan is established and may be amended by the Board of Commissioners.

Summary of Significant Accounting Policies. Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits.

Annual required contribution	\$	878,724
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		878,724
Contributions made		(91,684)
Increase (decrease) in net OPEB obligation		787,040
Net OPEB obligation:		
Beginning of year - July 1		803,548
End of year - June 30	\$	1,590,588

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 878,724	8.56%	\$ 803,548
2010	878,724	10.43%	1,590,588

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$10,090,152. The covered payroll (annual payroll of active employees covered by the plan) was \$9,900,282, and the ratio of the UAAL to the covered payroll was 101.9 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing, over time, relative to the actuarial accrued liabilities for benefits.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. The investment rate included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008 was 30 years.

Other Employee Benefits

The County has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000.

All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2010, the County made contributions to the State for death benefits of \$12,292. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .11% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Deferred/Unearned Revenues

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

	<u>Deferred Revenues</u>	<u>Unearned Revenues</u>
Prepaid taxes, not yet earned	\$ 46,397	\$ 46,397
Taxes receivable, net	978,548	-
Other receivables, net	356,003	-
Prepaid utilities - proprietary	<u>16,329</u>	<u>16,329</u>
Total	<u>\$ 1,397,277</u>	<u>\$ 62,726</u>

Risk Management

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

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

The County does not carry flood insurance through the NFIP.

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Claims and Judgments

At June 30, 2010, the County was a defendant to various lawsuits. In the opinion of the County's management and the County's attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the County's financial position.

Long-Term Obligations

Installment Notes Payable

Governmental Activities:

Governmental Funds:

USDA Rural Development loan to finance various capital projects, due in equal annual installments of \$94,572, including interest at 4.75% through March 2032	\$ 1,270,466
USDA Rural Development loan to finance various capital projects. Total available amount \$130,570, total drawn at June 30, 2005, \$126,565. Payments due in equal annual installments, including interest at 4.625% through January 2033	110,429
Agreement to purchase land, due in ten (10) annual payments of \$120,000, plus interest at 3.62%, secured by land	600,000
Agreement to purchase land, due in ten (10) annual payments of \$180,000, plus interest at 3.75%, secured by land	1,080,000
USDA Rural Development loan to finance various capital projects, due in equal annual installments of \$92,646, including interest at 4.125% through May 2048	1,762,449
Agreement to purchase equipment (lighting), due in five (5) annual payments of \$129,103, plus interest at 3.74%; secured by equipment	387,309
Agreement to purchase equipment (vehicles and computers), due in three (3) annual payments of \$35,140, including interest at 3.19%; secured by equipment	34,054

NORTHAMPTON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

Agreement to purchase equipment (vehicle), due in three (3) annual payments of \$11,600, plus interest at 3.58%	34,800
Agreement to purchase vehicles, due in three (3) annual payments of \$111,236 including interest at 3.44%; secured by vehicles	107,537
Agreement to purchase an ambulance, due in three (3) annual payments of \$34,339 including interest at 3.34%; secured by vehicles	65,384
North Carolina Department of Commerce Economic Development no interest loan, due in five (5) annual installments of \$20,000	<u>60,000</u>
Total	<u>\$ 5,512,428</u>

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

Governmental Activities:

Governmental Funds:

Year Ending	Principal	Interest	Total
<u>June 30</u>			
2011	\$ 691,260	\$ 243,517	\$ 934,777
2012	553,314	214,720	768,034
2013	522,772	190,504	713,276
2014	364,878	167,300	532,178
2015	367,815	149,213	517,028
2016-2020	568,022	594,367	1,162,389
2021-2025	484,285	491,354	975,639
2026-2030	604,548	371,091	975,639
2031-2035	437,836	237,778	675,614
2036-2040	297,508	165,722	463,230
2041-2045	364,144	99,086	463,230
2046-2049	256,046	21,388	277,434
Total	<u>\$ 5,512,428</u>	<u>\$ 2,946,040</u>	<u>\$ 8,458,468</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

General Obligation Indebtedness

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

The County's general obligation bonds payable at June 30, 2010, are comprised of the following individual issues:

General Obligations Bonds

Serviced by the General Fund:

\$9,000,000 2005 General Obligation Bonds, due in annual installments of \$135,000 to \$585,000 through June 1, 2026, interest at 4.00% to 5.00%	<u>\$ 8,325,000</u>
Total serviced by the General Fund	<u>\$ 8,325,000</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

General Obligation Bonds

Serviced by the Water and Sewer Fund:

\$492,000 2000 Sanitary Sewer Bond issued on March 13, 2000, due in annual installments of \$5,500 to \$22,000 through June 1, 2039, interest at 5.00%	\$ 434,500
\$3,700,000 2002 Water Bond issued on April 1, 2002, due in annual installments of \$125,000 to \$250,000 through April 1, 2021, interest at 4.70% to 4.80%	2,700,000
\$2,870,000 2003 Water Bond issued on September 8, 2003, due in annual installments of \$32,000 to \$107,000 through June 1, 2043, interest at 4.25%	2,696,000
\$4,835,000 Refunding Series 2005 Water Bonds issued on May 1, 2005, due in annual installments of \$105,000 to \$290,000 through June 1, 2030, interest at 3.50% to 4.00%	4,200,000
\$430,000 Public Improvement Series 2005 Water Bonds issued on May 1, 2005, due in annual installments of \$15,000 to \$45,000 through June 1, 2025, interest at 4.00% to 5.00%	<u>355,000</u>
Total serviced by the Water and Sewer Fund	<u>\$ 10,385,500</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

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

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 485,000	\$ 347,442	\$ 458,000	\$ 458,006
2012	485,000	325,618	459,500	437,919
2013	485,000	303,792	471,500	417,403
2014	485,000	284,392	474,000	396,475
2015	485,000	264,992	486,000	375,438
2016-2020	2,925,000	993,960	2,569,500	1,546,575
2021-2025	2,795,000	401,590	1,935,000	1,019,462
2026-2030	180,000	8,100	1,852,000	617,868
2031-2035	-	-	602,000	313,488
2036-2040	-	-	694,000	171,650
2041-2044	-	-	384,000	32,640
Total	\$ 8,325,000	\$ 2,929,886	\$ 10,385,500	\$ 5,786,924

At June 30, 2010, the County had a legal debt margin of \$124,000,000.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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, 2010:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental Activities:					
General obligation bonds	\$ 8,805,000	\$ -	\$ (480,000)	\$ 8,325,000	\$ 485,000
Installment note	6,201,970	34,800	(724,342)	5,512,428	691,260
Compensated absences	641,757	623,677	(563,712)	701,722	70,172
Post-employment benefits	<u>766,205</u>	<u>837,887</u>	<u>(87,422)</u>	<u>1,516,670</u>	<u>-</u>
Total governmental activities	<u>\$ 16,414,932</u>	<u>\$ 1,496,364</u>	<u>\$ (1,855,476)</u>	<u>\$ 16,055,820</u>	<u>\$ 1,246,432</u>
Business-Type Activities:					
General obligation bonds	\$ 10,831,000	\$ -	\$ (445,500)	\$ 10,385,500	\$ 458,000
Compensated absences	42,782	32,608	(33,161)	42,229	4,223
Post-employment benefits	<u>37,343</u>	<u>40,837</u>	<u>(4,262)</u>	<u>73,918</u>	<u>-</u>
Total business-type activities	<u>\$ 10,911,125</u>	<u>\$ 73,445</u>	<u>\$ (482,923)</u>	<u>\$ 10,501,647</u>	<u>\$ 462,223</u>

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

Conduit Debt Obligations

The County Industrial Facilities and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$5,500,000.

NORTHAMPTON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

Invested in Capital Assets, Net of Related Debt

The total invested in capital assets, net of related debt at June 30, 2010 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	\$ 13,765,336	\$ 20,978,412
Long-term debt	(13,837,428)	(10,385,500)
Long-term debt for assets not owned by the County	<u>8,325,000</u>	<u>-</u>
Invested in capital assets, net of related debt	<u>\$ 8,252,908</u>	<u>\$ 10,592,912</u>

Interfund Balances and Activities

	<u>Transfers</u>		
	<u>From</u>	<u>To</u>	<u>Purpose</u>
Operating Transfers			
From/To Other Funds:			
General Fund	\$ 1,560,099	\$ -	
Revaluation Fund	-	98,680	Resources set aside for future revaluation
Debt service Fund	-	1,261,419	Debt service
Solid Waste Fund	-	200,000	Operations
Mid-Atlantic Distribution Park Fund	35,000	-	
Debt Service Fund	<u>-</u>	<u>35,000</u>	Debt service
Total transfers	<u>\$ 1,595,099</u>	<u>\$ 1,595,099</u>	

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Capital Reserve Fund	General Fund	\$ 169,720	To finance future capital outlay
General Fund	Wellness/Recreation Centers Capital Project Fund	366,779	To finance capital project activity
General Fund	Fire District Fund	240	For operations, cash overdrafts
General Fund	CDBG Fund	453	For operations, cash overdrafts
Water and Sewer Fund	Solid Waste Fund	<u>398,830</u>	For operations, cash overdrafts
Total		<u>\$ 936,022</u>	

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

4. Related Organization

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

5. Joint Ventures

The County participates in a joint venture to operate East Carolina Behavioral Health which serves as an area mental health authority. The County appoints two of the eighteen members to 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, 2010. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$83,614 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, 2010. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$118,143 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's office on 303 West Tyron Street, Winton, North Carolina 27986.

The County also participates in a joint venture to operate Choanoke Public Transit Authority (CPTA) with two other local governments. Each participating local government appoints three Board members to the nine-member Board of the CPTA. The County has an ongoing indirect financial interest in the joint venture because the CPTA's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in CPTA, so no equity interest has been reflected in the financial statements at June 30, 2010. The County appropriated \$-0- to the CPTA to supplement its activities. Complete financial statements for the CPTA can be obtained from the offices at 106 North Main Street, Rich Square, North Carolina 27869.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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, 2010. The County appropriated \$23,709 to the Airport Authority to supplement its activities. Complete financial statements for the Tri-County Airport Authority can be obtained from the offices at 140 Tri-County Airport Road, Aulander, North Carolina 27805.

The County also participates in the Halifax-Northampton Regional Airport Authority (the “Airport Authority”) with two other local governments. Northampton County appoints two members to the nine-member Board of the Airport Authority. The Airport Authority is a joint venture established to develop, maintain, operate, regulate, and improve the Halifax-Northampton Regional Airport. The County has an ongoing financial responsibility for the joint venture because the Airport Authority’s continued existence depends on the participating governments’ continued funding. None of the participating governments have any equity interest in the Airport Authority, so no equity interest has been reflected in the financial statements at June 30, 2010. The County appropriated \$1,750 to the Airport Authority to supplement its activities.

6. Jointly Governed Organization

The County, in conjunction with five other counties, established the Region L Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council’s governing board. The County paid membership fees of \$8,744 to the Council during the fiscal year ended June 30, 2010.

NORTHAMPTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

7. Benefit Payments Issued by the State

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

	Federal	State
Medicaid	\$ 29,735,645	\$ 10,415,471
Women, Infants, and Children	375,330	-
Temporary Assistance to Needy Families	320,309	(912)
Low Income Home Energy Assistance	257,457	-
Foster Care	25,557	6,147
Adoption Assistance	29,273	6,335
LINKS	2,920	-
State/County Special Assistance for Adults	-	399,620
CWS Adoption Subsidy	-	66,673
State Foster Home	-	25,553
SFHF Maximization	-	8,012
F/C at Risk Maximization	-	7,752
Foster Care Special Provision	-	1,059

8. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

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

9. Subsequent Events

On September 15, 2010, the County entered into installment financing with RBC Bank (USA) for the purchase of seventeen copiers in the amount of \$163,000. The installment loan was financed at a rate of 2.38% payable in three annual installments of principal including interest of \$56,940, with a maturity date of September 15, 2013.

NORTHAMPTON COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS - RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2010

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
12/31/2008	\$ -	\$ 10,090,152	\$ 10,090,152	0.00%	\$ 9,900,282	101.9%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2009	\$ 878,724	\$ 75,176	8.56%
2010	878,724	91,684	10.43%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial Assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate	10.50%-5.00%
Year of Ultimate trend rate	2016

* Includes inflation at 3.75%

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 14,067,108	\$ 14,223,210	\$ 156,102	\$ 14,312,220
Penalties and interest	145,000	163,078	18,078	177,046
Total	14,212,108	14,386,288	174,180	14,489,266
Other Taxes and Licenses:				
Privilege licenses	-	855	855	435
Local option sales tax	2,437,680	1,685,361	(752,319)	2,535,874
Excise tax	40,000	35,629	(4,371)	30,318
Utility franchise tax	12,000	10,820	(1,180)	11,136
Total	2,489,680	1,732,665	(757,015)	2,577,763
Unrestricted Intergovernmental:				
Beer and wine tax	65,000	21,384	(43,616)	67,450
Food stamp tax reimbursements	4,000	6,556	2,556	5,733
Other	12,000	-	(12,000)	-
Total	81,000	27,940	(53,060)	73,183
Restricted Intergovernmental:				
Federal and State grants	8,516,356	6,983,014	(1,533,342)	6,597,707
Court facility fees	40,000	37,664	(2,336)	59,111
Fines and forfeitures	140,000	103,950	(36,050)	138,268
ABC bottles taxes	4,100	4,792	692	4,978
Total	8,700,456	7,129,420	(1,571,036)	6,800,064
Permits and Fees:				
Building permits	68,000	80,060	12,060	77,564
Register of Deeds	81,840	77,945	(3,895)	86,849
Other fees	39,800	31,701	(8,099)	39,907
Total	189,640	189,706	66	204,320

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>		<u>Variance Over /Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Sales and Services:				
Court costs and fees	24,000	19,433	(4,567)	26,753
Jail fees	5,500	8,623	3,123	6,137
Ambulance and rescue squad fees	600,000	631,714	31,714	633,467
Sheriff's fees	80,300	43,253	(37,047)	88,794
Health Department fees	1,455,602	1,818,999	363,397	1,508,078
Inmate housing	120,000	34,030	(85,970)	135,517
Wellness Center fees	-	6,150	6,150	-
Other fees	83,120	82,084	(1,036)	25,084
Total	<u>2,368,522</u>	<u>2,644,286</u>	<u>275,764</u>	<u>2,423,830</u>
Investment Earnings	<u>45,600</u>	<u>10,350</u>	<u>(35,250)</u>	<u>61,725</u>
Special Project Revenue:				
Fees and reimbursements	<u>251,252</u>	<u>35,675</u>	<u>(215,577)</u>	<u>20,180</u>
Total	<u>251,252</u>	<u>35,675</u>	<u>(215,577)</u>	<u>20,180</u>
Miscellaneous:				
Reimbursements	-	-	-	6,849
Miscellaneous DSS	6,857	6,296	(561)	4,670
Other	<u>186,596</u>	<u>188,815</u>	<u>2,219</u>	<u>83,204</u>
Total	<u>193,453</u>	<u>195,111</u>	<u>1,658</u>	<u>94,723</u>
Total revenues	<u>28,531,711</u>	<u>26,351,441</u>	<u>(2,180,270)</u>	<u>26,745,054</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	50,389	50,359		48,781
Other operating expenditures	<u>42,140</u>	<u>34,095</u>		<u>39,052</u>
Total	<u>92,529</u>	<u>84,454</u>	<u>8,075</u>	<u>87,833</u>
Administration:				
Salaries and employee benefits	195,199	194,576		187,255
Other operating expenditures	<u>17,870</u>	<u>16,923</u>		<u>12,288</u>
Total	<u>213,069</u>	<u>211,499</u>	<u>1,570</u>	<u>199,543</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Human Resources:				
Salaries and employee benefits	120,147	117,030		111,757
Other operating expenditures	24,242	22,789		23,473
Total	144,389	139,819	4,570	135,230
Finance:				
Salaries and employee benefits	264,629	234,026		240,632
Other operating expenditures	216,668	201,040		171,828
Total	481,297	435,066	46,231	412,460
Hospitalization - Retirees:				
Operating expenditures	94,188	91,684	2,504	75,176
Wellness Grant:				
Other operating expenditures	4,000	2,570		-
Total	4,000	2,570	1,430	-
Taxes:				
Salaries and employee benefits	357,377	356,677		346,022
Other operating expenditures	134,910	132,743		161,463
Total	492,287	489,420	2,867	507,485
Land Records:				
Salaries and employee benefits	139,915	138,560		133,167
Other operating expenditures	20,274	18,024		19,606
Total	160,189	156,584	3,605	152,773
Census Program:				
Other operating expenditures	-	-		79
Total	-	-	-	79
Legal:				
Other operating expenditures	34,358	28,551	5,807	35,418
Total	34,358	28,551	5,807	35,418

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Court Facilities:				
Other operating expenditures	14,399	8,898	5,501	3,935
Total	14,399	8,898	5,501	3,935
Elections:				
Salaries and employee benefits	97,595	73,223		75,766
Other operating expenditures	76,080	48,684		30,670
Total	173,675	121,907	51,768	106,436
Register of Deeds:				
Salaries and employee benefits	171,866	166,680		157,859
Other operating expenditures	40,697	37,191		40,237
Total	212,563	203,871	8,692	198,096
Public Buildings:				
Salaries and employee benefits	335,743	333,967		315,866
Other operating expenditures	621,976	577,430		346,494
Total	957,719	911,397	46,322	662,360
Management Information Systems:				
Salaries and employee benefits	119,142	70,769		112,470
Other operating expenditures	173,021	155,294		164,092
Total	292,163	226,063	66,100	276,562
Central Garage:				
Salaries and employee benefits	38,493	38,205		38,173
Other operating expenditures	31,010	24,052		(577)
Total	69,503	62,257	7,246	37,596
Central Stores:				
Operating expenditures	45,308	34,707	10,601	(19,678)
Total	45,308	34,707	10,601	(19,678)
Total general government	3,481,636	3,208,747	272,889	2,871,304

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Public Safety:				
Sheriff:				
Salaries and employee benefits	1,512,859	1,476,784		1,436,769
Other operating expenditures	384,128	289,858		360,424
Total	1,896,987	1,766,642	130,345	1,797,193
Sheriff - Governor's Highway Safety:				
Salaries and employee benefits	-	-		10,813
Total	-	-	-	10,813
Sheriff - Execution Account:				
Operating expenditures	50,000	14,402	35,598	52,716
Total	50,000	14,402	35,598	52,716
Criminal Justice Partnership Program:				
Salaries and employee benefits	59,099	58,625		57,597
Other operating expenditures	43,532	33,924		36,693
Total	102,631	92,549	10,082	94,290
Jail:				
Salaries and employee benefits	859,944	853,699		771,916
Other operating expenditures	369,084	354,608		348,255
Total	1,229,028	1,208,307	20,721	1,120,171
Emergency Communications:				
Salaries and employee benefits	672,672	628,275		601,406
Other operating expenditures	19,800	15,798		20,753
Total	692,472	644,073	48,399	622,159
Emergency Management:				
Salaries and employee benefits	46,856	46,761		45,917
Other operating expenditures	67,435	67,305		18,756
Total	114,291	114,066	225	64,673

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Fire:				
Assistance to local fire departments	14,500	14,500		14,500
Contribution to N.C. Forestry	86,705	84,103		79,656
Total	101,205	98,603	2,602	94,156
Building Inspections:				
Salaries and employee benefits	150,677	147,989		138,815
Other operating expenditures	16,770	13,118		15,732
Total	167,447	161,107	6,340	154,547
Housing and Mobile Home Cleaning:				
Other operating expenditures	2,800	2,784		4,089
Total	2,800	2,784	16	4,089
Medical Examiner:				
Contracted services	10,300	10,300	-	8,800
Ambulance Services:				
Salaries and employee benefits	1,132,809	1,107,640		1,009,399
Other operating expenditures	257,085	237,320		290,098
Assistance to local rescue units	19,000	19,000		14,000
Total	1,408,894	1,363,960	44,934	1,313,497
Animal Control:				
Salaries and employee benefits	46,106	45,821		44,458
Other operating expenditures	34,780	21,597		22,604
Total	80,886	67,418	13,468	67,062
Total public safety	5,856,941	5,544,211	312,730	5,404,166
Transportation:				
Contribution to CPTA	-	-		5,000
Contribution to Tri-County Airport	25,459	25,459		9,750
Total transportation	25,459	25,459	-	14,750

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>		<u>Variance Over /Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Environmental Protection:				
Contribution to Lake Gaston weed control	25,000	25,000		100,750
Drainage and watershed protection	4,000	4,000		4,000
Total environmental protection	<u>29,000</u>	<u>29,000</u>	-	<u>104,750</u>
Economic and Physical Development:				
Planning and Zoning:				
Salaries and employee benefits	116,315	108,252		103,443
Other operating expenditures	27,116	12,789		16,579
Total	<u>143,431</u>	<u>121,041</u>	22,390	<u>120,022</u>
Economic Development:				
Salaries and employee benefits	158,652	156,053		151,372
Other operating expenditures	214,816	209,692		186,152
COG membership dues	8,744	8,744		8,860
Contribution to Chamber of Commerce	12,000	12,000		15,000
Contribution to CADA	-	-		5,000
Miscellaneous contributions	500	500		500
Total	<u>394,712</u>	<u>386,989</u>	7,723	<u>366,884</u>
Economic Development Pass-Through Grants:				
Operating expenditures	331,980	331,980	-	-
Cooperative Extension:				
Salaries and employee benefits	201,852	182,851		78,394
Other operating expenditures	27,149	18,919		142,731
Total	<u>229,001</u>	<u>201,770</u>	27,231	<u>221,125</u>
Environmental Equity Grant				
Operating expenditures	979	533	446	467
Soil and Water Conservation:				
Salaries and employee benefits	80,942	75,224		68,397
Other operating expenditures	6,819	4,870		6,457
Total	<u>87,761</u>	<u>80,094</u>	7,667	<u>74,854</u>
Total economic and physical development	<u>1,187,864</u>	<u>1,122,407</u>	65,457	<u>783,352</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Human Services:				
Health:				
Salaries and employee benefits	605,036	538,182		539,232
Other operating expenditures	109,918	62,214		65,220
Total	714,954	600,396	114,558	604,452
Communicable Disease:				
Salaries and employee benefits	15,961	14,541		6,929
Other operating expenditures	1,080	485		618
Total	17,041	15,026	2,015	7,547
Healthy Carolinian:				
Salaries and employee benefits	-	-		1,730
Operating expenditures	10,948	2,268		14,582
Total	10,948	2,268	8,680	16,312
Kate B. Reynolds Grant:				
Salaries and employee benefits	60,268	60,245		39,212
Other operating expenditures	34,066	34,030		53,901
Total	94,334	94,275	59	93,113
Healthy Start Initiative:				
Salaries and employee benefits	81,626	81,621		75,182
Other operating expenditures	28,640	28,482		32,765
Total	110,266	110,103	163	107,947
Folic Acid Grant:				
Other operating expenditures	57,901	57,901	-	40,817
Total	57,901	57,901	-	40,817
Immunization Program:				
Salaries and employee benefits	8,732	8,702		8,754
Other operating expenditures	7,282	7,109		2
Total	16,014	15,811	203	8,756

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Carolina Access III:				
Salaries and employee benefits	222,319	221,841		195,862
Other operating expenditures	35,582	22,490		24,962
Total	257,901	244,331	13,570	220,824
Tuberculosis Program:				
Salaries and employee benefits	22,368	22,274		34,188
Other operating expenditures	6,422	4,030		5,020
Total	28,790	26,304	2,486	39,208
BCBS Grant:				
Other operating expenditures	1,246	1,246		3,754
Total	1,246	1,246	-	3,754
Diabetes Self Management:				
Other operating expenditures	-	-		554
Total	-	-	-	554
Health Department Accreditation:				
Salaries and employee benefits	-	-		3,394
Other operating expenditures	-	-		21,522
Total	-	-	-	24,916
H1N1 Surveillance:				
Other operating expenditures	5,800	5,642		-
Total	5,800	5,642	158	-
H1N1 Planning:				
Salaries and employee benefits	25,864	25,457		-
Other operating expenditures	28,336	28,327		-
Total	54,200	53,784	416	-
Diabetes Prevention:				
Salaries and employee benefits	2,489	2,442		-
Other operating expenditures	5,011	969		-
Total	7,500	3,411	4,089	-

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Community Health Grant:				
Salaries and employee benefits	17,101	8,030		-
Other operating expenditures	21,212	20,668		-
Total	38,313	28,698	9,615	-
H1N1 Implementation:				
Salaries and employee benefits	21,128	17,113		-
Other operating expenditures	57,550	54,651		-
Total	78,678	71,764	6,914	-
LHD Smokefree Law:				
Other operating expenditures	435	435		-
Total	435	435	-	-
First Time Motherhood Initiative:				
Salaries and employee benefits	5,322	5,321		-
Other operating expenditures	6,678	6,582		8,323
Total	12,000	11,903	97	8,323
Breast and Cervical Cancer:				
Salaries and employee benefits	14,175	8,357		8,510
Other operating expenditures	23,160	21,403		18,864
Total	37,335	29,760	7,575	27,374
BCCCP - Plus:				
Operating expenditures	-	-	-	7,199
Home Health:				
Salaries and employee benefits	644,804	633,061		525,232
Other operating expenditures	462,682	413,123		370,070
Total	1,107,486	1,046,184	61,302	895,302
Smart Start (NC Partnership):				
Salaries and employee benefits	31,922	31,922		28,348
Other operating expenditures	2,252	2,252		3,369
Total	34,174	34,174	-	31,717

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Duke Endowment:				
Salaries and employee benefits	-	-		31,109
Total	-	-	-	31,109
School Site Influenza Project:				
Salaries and employee benefits	7,954	7,954		-
Other operating expenditures	2,133	2,133		-
Total	10,087	10,087	-	-
Health Promotions:				
Salaries and employee benefits	41,098	38,613		38,275
Other operating expenditures	870	40		2,174
Total	41,968	38,653	3,315	40,449
School Health - Kate B. Reynolds:				
Salaries and employee benefits	-	-		25,847
Other operating expenditures	-	-		2,384
Total	-	-	-	28,231
Child Health:				
Salaries and employee benefits	161,591	99,863		135,451
Other operating expenditures	26,920	15,317		16,630
Total	188,511	115,180	73,331	152,081
Child Services Coordination:				
Salaries and employee benefits	83,702	83,527		82,543
Other operating expenditures	19,730	14,855		16,346
Total	103,432	98,382	5,050	98,889
Maternal Care Coordination:				
Salaries and employee benefits	37,408	37,171		36,205
Other operating expenditures	7,806	6,466		5,780
Total	45,214	43,637	1,577	41,985

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Maternal Child Health:				
Salaries and employee benefits	185,933	176,506		178,269
Other operating expenditures	44,158	27,294		29,153
Total	230,091	203,800	26,291	207,422
Family Planning:				
Salaries and employee benefits	213,008	197,626		192,694
Other operating expenditures	60,635	40,900		42,970
Total	273,643	238,526	35,117	235,664
Health Promotions - Clinical (Adult):				
Salaries and employee benefits	62,531	59,307		61,602
Operating expenditures	13,740	6,339		7,569
Total	76,271	65,646	10,625	69,171
Health-Head Start:				
Salaries and employee benefits	27,182	26,514		27,091
Other operating expenditures	4,500	3,409		1,073
Total	31,682	29,923	1,759	28,164
Women, Infants, and Children:				
Salaries and employee benefits	128,940	105,205		127,223
Other operating expenditures	24,608	19,424		8,560
Total	153,548	124,629	28,919	135,783
Peer Counseling:				
Other operating expenditures	1,000	35		-
Total	1,000	35	965	-
Wise Woman Project:				
Salaries and employee benefits	10,407	7,834		3,686
Other operating expenditures	5,982	2,903		1,649
Total	16,389	10,737	5,652	5,335

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	Budget	Actual	Variance Over /Under	Actual
Family Planning Outreach:				
Other operating expenditures	5,020	4,741		3,735
Total	5,020	4,741	279	3,735
Bio-Terrorism Grant:				
Salaries and employee benefits	14,659	14,658		26,631
Operating expenditures	34,064	31,459		18,127
Total	48,723	46,117	2,606	44,758
Environmental Health:				
Salaries and employee benefits	154,010	151,003		148,791
Other operating expenditures	21,676	12,442		15,525
Total	175,686	163,445	12,241	164,316
Child Lead Poisoning Prevention:				
Operating expenditures	-	-	-	2,000
Elderly and Handicapped:				
Operating expenditures	133,319	132,788	531	127,128
Home Delivered Meals:				
Salaries and employee benefits	18,223	17,986		20,255
Other operating expenditures	79,778	69,827		63,990
Total	98,001	87,813	10,188	84,245
HIV Testing:				
Other operating expenditures	12,296	12,294		-
Total	12,296	12,294	2	-
Home and Community Care Block Grant:				
Salaries and employee benefits	1,159	1,114		4,695
Other operating expenditures	120,037	108,943		99,074
Total	121,196	110,057	11,139	103,769

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
AIDS Control:				
Salaries and employee benefits	24,467	24,003		22,422
Other operating expenditures	2,310	1,140		1,055
Total	26,777	25,143	1,634	23,477
HIV Non-Traditional Site Testing:				
Salaries and employee benefits	27,182	26,990		24,894
Other operating expenditures	5,518	4,904		4,234
Total	32,700	31,894	806	29,128
Total health	4,510,870	4,046,943	463,927	3,794,954
Mental Health:				
Contribution to mental health center	83,614	83,614	-	81,614
Aging:				
Salaries and employee benefits	50,204	49,941		47,884
Other operating expenditures	6,077	5,778		5,806
Total	56,281	55,719	562	53,690
Care Giver Grant:				
Operating expenditures	17,400	16,739	661	7,407
JW Faison Senior Center:				
Contribution to senior center	-	-	-	10,000
Veterans Assistance:				
Salaries and employee benefits	38,997	38,563		37,280
Other operating expenditures	3,490	1,767		3,511
Total	42,487	40,330	2,157	40,791
Community Based Alternatives:				
Operating expenditures	140,536	138,468	2,068	116,851

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>		<u>Variance Over /Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Social Services:				
Administration:				
Salaries and employee benefits	3,204,322	3,192,120		3,054,794
Other operating expenditures	1,553,527	1,289,535		1,261,446
Total	<u>4,757,849</u>	<u>4,481,655</u>	276,194	<u>4,316,240</u>
Program Expenditures:				
Federal and State Expenditures:				
AFDC - FC	134,545	33,621		63,169
Crisis Fuel	415,760	414,123		385,591
Board home	102,237	55,014		34,398
Smart Start daycare	77,013	76,902		70,165
CAP/DA federal and State expenditures	75,000	54,483		61,925
TANF Domestic Violence	14,551	7,426		6,645
Child daycare	1,063,865	839,509		859,612
TEA Foster Care	66,000	25,053		22,780
Special Adoption assistance	21,171	334		8,829
Total federal and State expenditures	<u>1,970,142</u>	<u>1,506,465</u>	463,677	<u>1,513,114</u>
County Expenditures:				
Foster Care	1,532	674		123
Medicaid	5,000	-		946,833
Aid to Blind	7,879	1,597		1,372
OAA/AD	407,972	406,496		388,040
AFDC - FC	37,287	15,229		23,088
General assistance	15,000	8,159		10,612
Board home	65,237	47,557		39,068
Food Stamp issuances	16,481	11,948		10,927
IV-E Adoption assistance	24,175	8,172		7,575
Total county expenditures	<u>580,563</u>	<u>499,832</u>	80,731	<u>1,427,638</u>
Total social services	<u>7,308,554</u>	<u>6,487,952</u>	820,602	<u>7,256,992</u>
Total human services	<u>12,159,742</u>	<u>10,869,765</u>	1,289,977	<u>11,362,299</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over /Under	2009
	Budget	Actual		Actual
Cultural and Recreation:				
Recreation:				
Salaries and employee benefits	149,299	148,961		136,056
Other operating expenditures	40,459	33,817		67,524
Total	189,758	182,778	6,980	203,580
Libraries:				
Contribution to regional library	118,144	118,143	1	113,539
Northampton Cultural Arts:				
Contribution	10,294	9,778	516	12,526
Museums:				
Contribution to museum	4,500	4,500	-	8,000
Total cultural and recreation	322,696	315,199	7,497	337,645
Education:				
Public schools - current expenses	3,555,000	3,555,000		3,771,000
Public schools - capital outlay	344,799	209,484		164,201
Public schools - fines and forfeitures	140,000	103,950		149,216
Community colleges - current	24,000	24,000		30,000
Contribution to educational project	-	-		2,434
Total education	4,063,799	3,892,434	171,365	4,116,851
Debt Service:				
Principal retirement	224,710	219,827		285,334
Interest and fees	11,908	11,908		18,772
Total debt service	236,618	231,735	4,883	304,106
Total expenditures	27,363,755	25,238,957	2,124,798	25,299,223
Revenues over (under) expenditures	1,167,956	1,112,484	(55,472)	1,445,831

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	Budget	Actual	Variance Over /Under	Actual
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Special revenue funds	31,320	(98,680)	(130,000)	(200,466)
Debt Service Fund	(1,389,110)	(1,261,419)	127,691	(1,428,911)
Enterprise funds	(200,000)	(200,000)	-	-
Long-term debt issued	34,800	34,800	-	96,500
Appropriated fund balance	355,082	-	(355,082)	-
Contingency	(48)	-	48	-
Total other financing sources (uses)	<u>(1,167,956)</u>	<u>(1,525,299)</u>	<u>(357,343)</u>	<u>(1,532,877)</u>
Net change in fund balance	\$ <u>-</u>	(412,815)	\$ <u>(412,815)</u>	(87,046)
Fund Balance:				
Beginning of year - July 1		<u>4,868,851</u>		<u>4,955,897</u>
End of year - June 30		<u>\$ 4,456,036</u>		<u>\$ 4,868,851</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	Nonmajor Governmental Funds			
	Special Revenue Funds	Capital Project Fund	Debt Service Fund	Total
Assets:				
Cash and cash equivalents	\$ 531,871	\$ 72,544	\$ 103	\$ 604,518
Accounts receivable, net	152,557	-	-	152,557
Due from other funds	169,720	-	-	169,720
Total assets	<u>\$ 854,148</u>	<u>\$ 72,544</u>	<u>\$ 103</u>	<u>\$ 926,795</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 10,386	\$ -	\$ -	\$ 10,386
Due to other funds	693	366,779	-	367,472
Deferred revenue	124,586	-	-	124,586
Total liabilities	<u>135,665</u>	<u>366,779</u>	<u>-</u>	<u>502,444</u>
Fund Balances:				
Reserved by State statute	197,691	-	-	197,691
Unreserved	520,792	(294,235)	103	226,660
Total fund balances	<u>718,483</u>	<u>(294,235)</u>	<u>103</u>	<u>424,351</u>
Total liabilities and fund balances	<u>\$ 854,148</u>	<u>\$ 72,544</u>	<u>\$ 103</u>	<u>\$ 926,795</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2010**

	Nonmajor Governmental Funds			
	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total
Revenues:				
Ad valorem taxes	\$ 579,491	\$ -	\$ -	\$ 579,491
Other taxes and licenses	42,962	-	-	42,962
Restricted intergovernmental	9,584	1,049,288	-	1,058,872
Sales and services	293,026	-	-	293,026
Investment earnings	268	120	16	404
Miscellaneous	56,692	-	-	56,692
Total revenues	<u>982,023</u>	<u>1,049,408</u>	<u>16</u>	<u>2,031,447</u>
Expenditures:				
Current:				
General government	100,308	-	-	100,308
Public safety	969,873	-	-	969,873
Economic and physical development	50,005	899,375	-	949,380
Cultural and recreation	-	223,669	-	223,669
Education	119,717	-	-	119,717
Debt service:				
Principal	280,063	-	704,452	984,515
Interest	-	-	591,982	591,982
Total expenditures	<u>1,519,966</u>	<u>1,123,044</u>	<u>1,296,434</u>	<u>3,939,444</u>
Revenues over (under) expenditures	<u>(537,943)</u>	<u>(73,636)</u>	<u>(1,296,418)</u>	<u>(1,907,997)</u>
Other Financing Sources (Uses):				
Transfers in (out)	63,680	-	1,296,419	1,360,099
Total other financing sources (uses)	<u>63,680</u>	<u>-</u>	<u>1,296,419</u>	<u>1,360,099</u>
Net change in fund balances	(474,263)	(73,636)	1	(547,898)
Fund Balances:				
Beginning of year - July 1	<u>1,192,746</u>	<u>(220,599)</u>	<u>102</u>	<u>972,249</u>
End of year - June 30	<u>\$ 718,483</u>	<u>\$ (294,235)</u>	<u>\$ 103</u>	<u>\$ 424,351</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010**

	<u>Capital Reserve Fund</u>	<u>Mid-Atlantic Distribution Park</u>	<u>Emergency Telephone System</u>	<u>Revaluation Fund</u>	<u>Revolving Loan Fund</u>
Assets:					
Cash and cash equivalents	\$ -	\$ 410	\$ 95,468	\$ 173,526	\$ 9,940
Accounts receivable, net	-	-	24,419	-	-
Due from other funds	<u>169,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 169,720</u>	<u>\$ 410</u>	<u>\$ 119,887</u>	<u>\$ 173,526</u>	<u>\$ 9,940</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 9,877	\$ -
Due to other funds	-	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,877</u>	<u>-</u>
Fund Balances:					
Reserved by State statute	169,720	-	24,419	-	-
Unreserved	<u>-</u>	<u>410</u>	<u>95,468</u>	<u>163,649</u>	<u>9,940</u>
Total fund balances	<u>169,720</u>	<u>410</u>	<u>119,887</u>	<u>163,649</u>	<u>9,940</u>
Total liabilities and fund balances	<u>\$ 169,720</u>	<u>\$ 410</u>	<u>\$ 119,887</u>	<u>\$ 173,526</u>	<u>\$ 9,940</u>

<u>Ambulance Capital Reserve Fund</u>	<u>EDC Capital Reserve Fund</u>	<u>Public Schools Building Fund</u>	<u>Fire District Fund</u>	<u>Tourism Development Fund</u>	<u>CDBG Fund</u>	<u>Total</u>
\$ 899	\$ 130,159	\$ 104,013	\$ -	\$ 17,456	\$ -	\$ 531,871
-	-	-	64,586	3,552	60,000	152,557
-	-	-	-	-	-	169,720
<u>\$ 899</u>	<u>\$ 130,159</u>	<u>\$ 104,013</u>	<u>\$ 64,586</u>	<u>\$ 21,008</u>	<u>\$ 60,000</u>	<u>\$ 854,148</u>
\$ -	\$ -	\$ -	\$ -	\$ 509	\$ -	\$ 10,386
-	-	-	240	-	453	693
-	-	-	64,586	-	60,000	124,586
-	-	-	64,826	509	60,453	135,665
-	-	-	-	3,552	-	197,691
<u>899</u>	<u>130,159</u>	<u>104,013</u>	<u>(240)</u>	<u>16,947</u>	<u>(453)</u>	<u>520,792</u>
<u>899</u>	<u>130,159</u>	<u>104,013</u>	<u>(240)</u>	<u>20,499</u>	<u>(453)</u>	<u>718,483</u>
<u>\$ 899</u>	<u>\$ 130,159</u>	<u>\$ 104,013</u>	<u>\$ 64,586</u>	<u>\$ 21,008</u>	<u>\$ 60,000</u>	<u>\$ 854,148</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Capital Reserve Fund</u>	<u>Mid-Atlantic Distribution Park</u>	<u>Emergency Telephone System</u>	<u>Revaluation Fund</u>	<u>Revolving Loan Fund</u>
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-
Sales and services	-	-	293,026	-	-
Investment earnings	-	6	76	94	5
Miscellaneous	-	35,105	1,587	-	-
Total revenues	<u>-</u>	<u>35,111</u>	<u>294,689</u>	<u>94</u>	<u>5</u>
Expenditures:					
General government	-	-	-	100,308	-
Public safety	-	-	390,561	-	-
Economic and physical development	-	-	-	-	-
Education	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>390,561</u>	<u>100,308</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>35,111</u>	<u>(95,872)</u>	<u>(100,214)</u>	<u>5</u>
Other Financing Sources (Uses):					
Transfers in (out)	<u>-</u>	<u>(35,000)</u>	<u>-</u>	<u>98,680</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(35,000)</u>	<u>-</u>	<u>98,680</u>	<u>-</u>
Net change in fund balances	-	111	(95,872)	(1,534)	5
Fund Balances:					
Beginning of year - July 1	<u>169,720</u>	<u>299</u>	<u>215,759</u>	<u>165,183</u>	<u>9,935</u>
End of year - June 30	<u>\$ 169,720</u>	<u>\$ 410</u>	<u>\$ 119,887</u>	<u>\$ 163,649</u>	<u>\$ 9,940</u>

Schedule 5

Ambulance Capital Reserve Fund	EDC Capital Reserve Fund	Public Schools Building Fund	Fire District Fund	Tourism Development Fund	CDBG Fund	Total
\$ -	\$ -	\$ -	\$ 579,491	\$ -	\$ -	\$ 579,491
-	-	-	-	42,962	-	42,962
-	-	-	-	-	9,584	9,584
-	-	-	-	-	-	293,026
-	72	-	3	12	-	268
-	-	-	-	-	20,000	56,692
-	72	-	579,494	42,974	29,584	982,023
-	-	-	-	-	-	100,308
-	-	-	579,312	-	-	969,873
-	-	-	-	39,093	10,912	50,005
-	-	119,717	-	-	-	119,717
-	-	260,063	-	-	20,000	280,063
-	-	379,780	579,312	39,093	30,912	1,519,966
-	72	(379,780)	182	3,881	(1,328)	(537,943)
-	-	-	-	-	-	63,680
-	-	-	-	-	-	63,680
-	72	(379,780)	182	3,881	(1,328)	(474,263)
899	130,087	483,793	(422)	16,618	875	1,192,746
\$ 899	\$ 130,159	\$ 104,013	\$ (240)	\$ 20,499	\$ (453)	\$ 718,483

NORTHAMPTON COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
Revenues:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Total revenues	-	-	-	-
Other Financing Sources (Uses):				
Transfers in (out)	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	\$ -	-
Fund Balance:				
Beginning of year - July 1		169,720		169,720
End of year - June 30		\$ 169,720		\$ 169,720

NORTHAMPTON COUNTY, NORTH CAROLINA

MID-ATLANTIC DISTRIBUTION PARK
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 6	\$ 6	\$ 29
Miscellaneous revenue	285,664	35,105	(250,559)	35,105
Total revenues	285,664	35,111	(250,553)	35,134
Expenditures:				
Current:				
Economic and physical development	1,251,954	-	1,251,954	-
Total expenditures	1,251,954	-	1,251,954	-
Revenues over (under) expenditures	(966,290)	35,111	1,001,401	35,134
Other Financing Sources (Uses):				
Long-term debt issued	1,200,000	-	(1,200,000)	-
Transfers in (out)	(55,000)	(35,000)	20,000	(35,104)
Transfers- Intrafund	27,000	-	(27,000)	-
Loan expenditures (closing costs)	(205,710)	-	205,710	-
Total other financing sources (uses)	966,290	(35,000)	(1,001,290)	(35,104)
Net change in fund balance	\$ -	111	\$ 111	30
Fund Balance:				
Beginning of year - July 1		299		269
End of year - June 30		\$ 410		\$ 299

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, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
Revenues:				
Telephone surcharge	\$ 261,661	\$ 293,026	\$ 31,365	\$ 293,026
Investment earnings	-	76	76	1,692
Miscellaneous	6,020	1,587	(4,433)	20
Total revenues	<u>267,681</u>	<u>294,689</u>	<u>27,008</u>	<u>294,738</u>
Expenditures:				
Current:				
Public safety:				
Construction/capital outlay	1,000	202	798	162,250
Other expenditures	423,237	390,359	32,878	212,558
Total expenditures	<u>424,237</u>	<u>390,561</u>	<u>33,676</u>	<u>374,808</u>
Revenues over (under) expenditures	<u>(156,556)</u>	<u>(95,872)</u>	<u>60,684</u>	<u>(80,070)</u>
Other Financing Sources (Uses):				
Transfers in (out)	(151,444)	-	151,444	(151,444)
Appropriated fund balance	308,000	-	(308,000)	-
Total other financing sources (uses)	<u>156,556</u>	<u>-</u>	<u>(156,556)</u>	<u>(151,444)</u>
Net change in fund balance	<u>\$ -</u>	<u>(95,872)</u>	<u>\$ (95,872)</u>	<u>(231,514)</u>
Fund Balance:				
Beginning of year - July 1		215,759		447,273
End of year - June 30		<u>\$ 119,887</u>		<u>\$ 215,759</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

REVALUATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ -	\$ 94	\$ 94	\$ 150
Expenditures:				
Current:				
General government:				
Salaries and employee benefits	66,210	65,166	1,044	61,397
Other operating expenditures	35,770	35,142	628	2,547
Total expenditures	101,980	100,308	1,672	63,944
Revenues over (under) expenditures	(101,980)	(100,214)	1,766	(63,794)
Other Financing Sources (Uses):				
Transfers in (out)	98,680	98,680	-	200,466
Appropriated fund balance	3,300	-	(3,300)	-
Total other financing sources (uses)	101,980	98,680	(3,300)	200,466
Net change in fund balance	\$ -	(1,534)	\$ (1,534)	136,672
Fund Balance:				
Beginning of year - July 1		165,183		28,511
End of year - June 30		\$ 163,649		\$ 165,183

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, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 7,000	\$ 5	\$ (6,995)	\$ 23
Miscellaneous	99,000	-	(99,000)	-
Total revenues	<u>106,000</u>	<u>5</u>	<u>(105,995)</u>	<u>23</u>
Other Financing Sources (Uses):				
Transfers in (out)	(514,497)	-	514,497	-
Appropriated fund balance	<u>408,497</u>	<u>-</u>	<u>(408,497)</u>	<u>-</u>
Total other financing sources (uses)	<u>(106,000)</u>	<u>-</u>	<u>106,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>5</u>	<u>\$ 5</u>	<u>23</u>
Fund Balance:				
Beginning of year - July 1		<u>9,935</u>		<u>9,912</u>
End of year - June 30		<u>\$ 9,940</u>		<u>\$ 9,935</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

AMBULANCE CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ -	\$ 2
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	2
Fund Balance:				
Beginning of year - July 1		<u>899</u>		<u>897</u>
End of year - June 30		<u>\$ 899</u>		<u>\$ 899</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

EDC CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 72	\$ 72	\$ 303
Expenditures:				
Current:				
Economic and physical development:				
Professional services	12,500	-	12,500	-
Other operating expenditures	114,700	-	114,700	-
Total expenditures	127,200	-	127,200	-
Revenues over (under) expenditures	(127,200)	72	127,272	303
Other Financing Sources (Uses):				
Transfers in (out)	(125,518)	-	125,518	-
Intrafund transfers	(52,500)	-	52,500	-
Appropriated fund balance	305,218	-	(305,218)	-
Total other financing sources (uses)	127,200	-	(127,200)	-
Net change in fund balance	\$ -	72	\$ 72	303
Fund Balance:				
Beginning of year - July 1		130,087		129,784
End of year - June 30		\$ 130,159		\$ 130,087

NORTHAMPTON COUNTY, NORTH CAROLINA

**PUBLIC SCHOOLS BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
State ADM funds	\$ 2,037,337	\$ 2,359,777	\$ -	\$ 2,359,777	\$ 322,440
State lottery funds	702,124	702,124	-	702,124	-
Total revenues	<u>2,739,461</u>	<u>3,061,901</u>	<u>-</u>	<u>3,061,901</u>	<u>322,440</u>
Expenditures:					
Current:					
Education:					
Land purchase	105,000	105,000	-	105,000	-
Renovation of existing buildings	2,374,398	2,974,758	119,717	3,094,475	(720,077)
Debt service - principal	260,063	-	260,063	260,063	-
Total expenditures	<u>2,739,461</u>	<u>3,079,758</u>	<u>379,780</u>	<u>3,459,538</u>	<u>(720,077)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(17,857)</u>	<u>(379,780)</u>	<u>(397,637)</u>	<u>(397,637)</u>
Other Financing Sources (Uses):					
Reimbursement from Board of Education	-	501,650	-	501,650	501,650
Total other financing sources (uses)	<u>-</u>	<u>501,650</u>	<u>-</u>	<u>501,650</u>	<u>501,650</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 483,793</u>	<u>(379,780)</u>	<u>\$ 104,013</u>	<u>\$ 104,013</u>
Fund Balance:					
Beginning of year - July 1			<u>483,793</u>		
End of year - June 30			<u>\$ 104,013</u>		

NORTHAMPTON COUNTY, NORTH CAROLINA

FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
Revenues:				
Roanoke Wildwood Fire District tax	\$ 177,982	\$ 176,866	\$ (1,116)	\$ 184,874
Garysburg Fire District tax	72,753	73,174	421	72,915
Gaston Fire District tax	97,142	98,470	1,328	97,383
Jackson Fire District tax	37,490	37,168	(322)	36,946
Lasker Fire District tax	24,390	24,400	10	24,483
Seaboard Fire District tax	75,792	75,977	185	76,961
Rich Square Fire District tax	58,638	59,123	485	58,209
Woodland Fire District tax	34,320	34,313	(7)	30,641
Interest earnings	-	3	3	-
Total revenues	<u>578,507</u>	<u>579,494</u>	<u>987</u>	<u>582,412</u>
Expenditures:				
Current:				
Public safety:				
Roanoke Wildwood levy	175,682	177,019	(1,337)	185,666
Garysburg levy	73,153	73,141	12	72,754
Gaston levy	98,442	98,360	82	97,278
Jackson levy	37,490	37,109	381	36,924
Lasker levy	24,390	24,384	6	24,466
Seaboard Fire District levy	75,942	75,937	5	76,934
Rich Square levy	59,088	59,074	14	58,069
Woodland levy	34,320	34,288	32	30,637
Total expenditures	<u>578,507</u>	<u>579,312</u>	<u>(805)</u>	<u>582,728</u>
Net change in fund balance	<u>\$ -</u>	182	<u>\$ 182</u>	(316)
Fund Balance:				
Beginning of year - July 1		<u>(422)</u>		<u>(106)</u>
End of year - June 30		<u>\$ (240)</u>		<u>\$ (422)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

TOURISM DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other taxes and licenses	\$ -	\$ 42,962	\$ 42,962	\$ 31,957
Investment earnings	-	12	12	5
Total revenues	-	42,974	42,974	31,962
Expenditures:				
Current:				
Economic and physical development:				
Other operating expenditures	40,723	39,093	1,630	15,344
Total expenditures	40,723	39,093	1,630	15,344
Revenues over (under) expenditures	(40,723)	3,881	44,604	16,618
Other Financing Sources (Uses):				
Transfers out	(1,302)	-	1,302	-
Appropriated fund balance	42,025	-	(42,025)	-
Total other financing sources (uses)	40,723	-	(40,723)	-
Net change in fund balance	\$ -	3,881	\$ 3,881	16,618
Fund Balance:				
Beginning of year - July 1		16,618		-
End of year - June 30		\$ 20,499		\$ 16,618

NORTHAMPTON COUNTY, NORTH CAROLINA

CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
Community development	\$ 400,000	\$ 8,250	\$ 9,584	\$ 17,834	\$ (382,166)
Miscellaneous	-	20,000	20,000	40,000	40,000
Total revenues	<u>400,000</u>	<u>28,250</u>	<u>29,584</u>	<u>57,834</u>	<u>(342,166)</u>
Expenditures:					
Economic development:					
Administration	400,000	7,375	10,912	18,287	381,713
Contributions to other agencies	-	100,000	-	100,000	(100,000)
Debt service:					
Principal	-	20,000	20,000	40,000	(40,000)
Total expenditures	<u>400,000</u>	<u>127,375</u>	<u>30,912</u>	<u>158,287</u>	<u>241,713</u>
Revenues over (under) expenditures	<u>-</u>	<u>(99,125)</u>	<u>(1,328)</u>	<u>(100,453)</u>	<u>(100,453)</u>
Other Financing Sources (Uses):					
Long-term debt issued	-	100,000	-	100,000	100,000
Total other financing sources (uses)	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 875</u>	<u>(1,328)</u>	<u>\$ (453)</u>	<u>\$ (453)</u>
Fund Balance:					
Beginning of year, July 1			<u>875</u>		
End of year, June 30			<u>\$ (453)</u>		

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	<u>Wellness and Recreation Centers Fund</u>	<u>First Responder Training Center Fund</u>	<u>EDC Project Grant Fund</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 71,789	\$ 755	\$ -	\$ 72,544
Total assets	<u>\$ 71,789</u>	<u>\$ 755</u>	<u>\$ -</u>	<u>\$ 72,544</u>
Liabilities and Fund Balances:				
Liabilities:				
Due to other funds	\$ 366,779	\$ -	\$ -	\$ 366,779
Total liabilities	<u>366,779</u>	<u>-</u>	<u>-</u>	<u>366,779</u>
Fund Balances:				
Unreserved	(294,990)	755	-	(294,235)
Total fund balances	<u>(294,990)</u>	<u>755</u>	<u>-</u>	<u>(294,235)</u>
Total liabilities and fund balances	<u>\$ 71,789</u>	<u>\$ 755</u>	<u>\$ -</u>	<u>\$ 72,544</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2010**

	Wellness and Recreation Centers Fund	First Responder Training Center Fund	EDC Project Grant Fund	Total
Revenues:				
Restricted intergovernmental	\$ 149,913	\$ -	\$ 899,375	\$ 1,049,288
Investment earnings	120	-	-	120
Total revenues	<u>150,033</u>	<u>-</u>	<u>899,375</u>	<u>1,049,408</u>
Expenditures:				
Current:				
Economic and physical development	-	-	899,375	899,375
Cultural and recreation	<u>223,669</u>	<u>-</u>	<u>-</u>	<u>223,669</u>
Total expenditures	<u>223,669</u>	<u>-</u>	<u>899,375</u>	<u>1,123,044</u>
Net change in fund balances	(73,636)	-	-	(73,636)
Fund Balances:				
Beginning of year - July 1	<u>(221,354)</u>	<u>755</u>	<u>-</u>	<u>(220,599)</u>
End of year - June 30	<u>\$ (294,990)</u>	<u>\$ 755</u>	<u>\$ -</u>	<u>\$ (294,235)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND
WELLNESS AND RECREATION CENTERS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
USDA grant	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Other grants	599,000	449,087	149,913	599,000	-
Investment earnings	-	5,026	120	5,146	5,146
Miscellaneous	25,000	26,500	-	26,500	1,500
Total revenues	<u>1,124,000</u>	<u>980,613</u>	<u>150,033</u>	<u>1,130,646</u>	<u>6,646</u>
Expenditures:					
Human services:					
Wellness Center - capital outlay	2,300,000	2,300,000	-	2,300,000	-
Cultural and recreation:					
Recreation Center - capital outlay	<u>2,216,748</u>	<u>2,167,482</u>	<u>223,669</u>	<u>2,391,151</u>	<u>(174,403)</u>
Total expenditures	<u>4,516,748</u>	<u>4,467,482</u>	<u>223,669</u>	<u>4,691,151</u>	<u>(174,403)</u>
Revenues over (under) expenditures	<u>(3,392,748)</u>	<u>(3,486,869)</u>	<u>(73,636)</u>	<u>(3,560,505)</u>	<u>(167,757)</u>
Other Financing Sources (Uses):					
Transfers in (out)	947,233	820,000	-	820,000	(127,233)
Long-term debt issued	<u>2,445,515</u>	<u>2,445,515</u>	<u>-</u>	<u>2,445,515</u>	<u>-</u>
Total other financing sources (uses)	<u>3,392,748</u>	<u>3,265,515</u>	<u>-</u>	<u>3,265,515</u>	<u>(127,233)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (221,354)</u>	<u>\$ (73,636)</u>	<u>\$ (294,990)</u>	<u>\$ (294,990)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND
 FIRST RESPONDER TRAINING CENTER
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

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

NORTHAMPTON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND
 EDC GRANT PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
NCCAR Grant	\$ 400,000	\$ 56,817	\$ -	\$ 56,817	\$ (343,183)
NCDOT reimbursement	<u>2,400,000</u>	<u>-</u>	<u>899,375</u>	<u>899,375</u>	<u>(1,500,625)</u>
Total revenues	<u>2,800,000</u>	<u>56,817</u>	<u>899,375</u>	<u>956,192</u>	<u>(1,843,808)</u>
Expenditures:					
Economic and physical development:					
Capital outlay	<u>2,800,000</u>	<u>56,817</u>	<u>899,375</u>	<u>956,192</u>	<u>1,843,808</u>
Total expenditures	<u>2,800,000</u>	<u>56,817</u>	<u>899,375</u>	<u>956,192</u>	<u>1,843,808</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**NONMAJOR DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ -	\$ 16	\$ 16	\$ -
Total revenues	-	16	16	-
Expenditures:				
Debt service:				
Principal retirement	968,612	704,452	264,160	966,103
Interest	606,942	591,982	14,960	649,254
Total expenditures	1,575,554	1,296,434	279,120	1,615,357
Revenues over (under) expenditures	(1,575,554)	(1,296,418)	279,136	(1,615,357)
Other Financing Sources (Uses):				
Transfers in (out):				
Special revenue funds	186,444	35,000	(151,444)	186,548
General Fund	1,389,110	1,261,419	(127,691)	1,428,911
Total other financing sources (uses)	1,575,554	1,296,419	(279,135)	1,615,459
Net change in fund balance	\$ -	1	\$ 1	102
Fund Balance:				
Beginning of year - July 1		102		-
End of year - June 30		\$ 103		\$ 102

NORTHAMPTON COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010			2009
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating Revenues:				
Water and sewer sales	\$ 2,396,037	\$ 2,548,763	\$ 152,726	\$ 2,527,678
Water and sewer taps	25,000	19,800	(5,200)	26,500
Other operating revenues	13,800	13,417	(383)	16,629
Total operating revenues	<u>2,434,837</u>	<u>2,581,980</u>	<u>147,143</u>	<u>2,570,807</u>
Non-Operating Revenues:				
Interest earned on investments	7,500	264	(7,236)	899
Total revenues	<u>2,442,337</u>	<u>2,582,244</u>	<u>139,907</u>	<u>2,571,706</u>
Expenditures:				
Salaries and employee benefits	483,242	461,910	-	457,266
Purchased water	343,193	329,080	-	356,064
Sewage treatment	347,684	347,511	-	342,436
Other operating expenses	451,608	419,674	-	423,246
Capital outlay	-	-	-	13,776
Debt service:				
Debt principal	445,500	445,500	-	471,870
Interest and fees	480,147	480,114	-	497,916
Total expenditures	<u>2,551,374</u>	<u>2,483,789</u>	<u>67,585</u>	<u>2,562,574</u>
Revenues over (under) expenditures	<u>(109,037)</u>	<u>98,455</u>	<u>207,492</u>	<u>9,132</u>
Other Financing Sources (Uses):				
Appropriated fund balance	109,037	-	(109,037)	-
Total other financing sources (uses)	<u>109,037</u>	<u>-</u>	<u>(109,037)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 98,455</u>	<u>\$ 98,455</u>	<u>\$ 9,132</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>		<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 98,455	\$ 9,132
Debt principal		445,500	471,870
Increase in compensated absences		608	(6,310)
Increase in other post-employment benefits		(28,177)	(28,768)
Capital outlay		-	13,776
Depreciation		<u>(549,385)</u>	<u>(552,398)</u>
 Total Water and Sewer Capital Projects		<u>\$ (32,999)</u>	<u>\$ (92,698)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
Revenues:				
Operating Revenues:				
Solid waste fees	\$ 1,932,988	\$ 1,931,935	\$ (1,053)	\$ 1,927,390
White goods and tire disposal tax	26,000	30,244	4,244	29,158
Solid waste disposal tax	9,700	12,566	2,866	8,298
Other operating revenues	37,775	32,588	(5,187)	31,947
Total operating revenues	<u>2,006,463</u>	<u>2,007,333</u>	<u>870</u>	<u>1,996,793</u>
Non-Operating Revenues:				
Capital contributions	10,000	3,503	(6,497)	791
Interest earned on investments	-	81	81	95
Total non-operating revenues	<u>10,000</u>	<u>3,584</u>	<u>(6,416)</u>	<u>886</u>
Total revenues	<u>2,016,463</u>	<u>2,010,917</u>	<u>(5,546)</u>	<u>1,997,679</u>
Expenditures:				
Salaries and employee benefits	141,222	139,731	1,491	137,035
Solid waste pickup	1,996,436	1,996,381	55	2,031,654
Other operating expenses	78,805	73,574	5,231	61,678
Debt service:				
Debt principal and interest	-	-	-	4,689
Total expenditures	<u>2,216,463</u>	<u>2,209,686</u>	<u>6,777</u>	<u>2,235,056</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(198,769)</u>	<u>1,231</u>	<u>(237,377)</u>
Other Financing Sources (Uses):				
Transfers in (out) - General Fund	<u>200,000</u>	<u>200,000</u>	-	-
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,231</u>	<u>\$ 1,231</u>	<u>\$ (237,377)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		2009
	Budget	Actual	Variance Over/Under Actual
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 1,231	\$ (237,377)
Debt principal		-	4,689
Increase in compensated absences		(55)	(1,137)
Increase in other post-employment benefits		(8,398)	(8,575)
Depreciation		<u>(6,676)</u>	<u>(8,378)</u>
Change in net assets		<u>\$ (13,898)</u>	<u>\$ (250,778)</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
Social Services:				
Assets:				
Cash and cash equivalents	\$ 22,983	\$ 279,195	\$ 286,718	\$ 15,460
Liabilities:				
Accounts payable	\$ 22,983	\$ 279,195	\$ 286,718	\$ 15,460
Inmate Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 43,103	\$ 57,705	\$ 49,232	\$ 51,576
Liabilities:				
Accounts payable	\$ 43,103	\$ 57,705	\$ 49,232	\$ 51,576
Motor Vehicle Tax:				
Assets:				
Cash and cash equivalents	\$ 22,616	\$ 335,278	\$ 354,341	\$ 3,553
Accounts receivable	102,838	3,701	-	106,539
Total assets	<u>\$ 125,454</u>	<u>\$ 338,979</u>	<u>\$ 354,341</u>	<u>\$ 110,092</u>
Liabilities:				
Accounts payable	<u>\$ 125,454</u>	<u>\$ 338,979</u>	<u>\$ 354,341</u>	<u>\$ 110,092</u>
Rescue Squad:				
Assets:				
Cash and cash equivalents	\$ 36,954	\$ 191,972	\$ 222,051	\$ 6,875
Accounts receivable	652,083	77,691	-	729,774
Total assets	<u>\$ 689,037</u>	<u>\$ 269,663</u>	<u>\$ 222,051</u>	<u>\$ 736,649</u>
Liabilities:				
Intergovernmental payable	\$ 652,083	\$ 77,691	\$ -	\$ 729,774
Accounts payable	36,954	191,972	222,051	6,875
Total liabilities	<u>\$ 689,037</u>	<u>\$ 269,663</u>	<u>\$ 222,051</u>	<u>\$ 736,649</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
3% Interest Payable to State:				
Assets:				
Cash and cash equivalents	\$ 1,255	\$ 15,007	\$ 14,961	\$ 1,301
Liabilities:				
Intergovernmental payable	\$ 1,255	\$ 15,007	\$ 14,961	\$ 1,301
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 126,911	\$ 879,157	\$ 927,303	\$ 78,765
Accounts receivable	754,921	81,392	-	836,313
Total assets	<u>\$ 881,832</u>	<u>\$ 960,549</u>	<u>\$ 927,303</u>	<u>\$ 915,078</u>
Liabilities:				
Intergovernmental payable	\$ 653,338	\$ 92,698	\$ 14,961	\$ 731,075
Accounts payable	228,494	867,851	912,342	184,003
Total liabilities	<u>\$ 881,832</u>	<u>\$ 960,549</u>	<u>\$ 927,303</u>	<u>\$ 915,078</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2010

Fiscal Year	Uncollected Balance July 1, 2009	Additions	Collections and Credits	Uncollected Balance June 30, 2010
2009-2010	\$ -	\$ 14,472,101	\$ 13,705,780	\$ 766,321
2008-2009	704,666	-	407,623	297,043
2007-2008	215,151	-	69,759	145,392
2006-2007	115,786	-	23,582	92,204
2005-2006	78,066	-	13,276	64,790
2004-2005	56,480	-	7,681	48,799
2003-2004	46,933	-	4,918	42,015
2002-2003	43,883	-	3,925	39,958
2001-2002	26,696	-	2,651	24,045
2000-2001	20,829	-	1,155	19,674
1999-2000	5,208	-	5,208	-
Total	<u>\$ 1,313,698</u>	<u>\$ 14,472,101</u>	<u>\$ 14,245,558</u>	1,540,241
Plus: Uncollected taxes on 2009-2010 motor vehicles				58,721
Less: Allowance for uncollectible accounts - General Fund				<u>(685,000)</u>
Ad valorem taxes receivable, net - General Fund				<u>\$ 913,962</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 14,386,288
Reconciling items:				
Interest collected				(163,078)
Taxes written off				5,208
Tax refunds				50,993
Miscellaneous adjustments				<u>(33,853)</u>
Total collections and credits				<u>\$ 14,245,558</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2010

	County-Wide		Total Levy		
			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	
	Property Valuation	Rate	Total Levy		
Original Levy:					
Property taxed at current year's rate	\$1,846,381,026	\$ 0.78	\$ 14,401,772	\$ 13,339,731	\$ 1,062,041
Penalties	-		16,374	16,374	-
Total	<u>1,846,381,026</u>		<u>14,418,146</u>	<u>13,356,105</u>	<u>1,062,041</u>
Discoveries	<u>7,051,667</u>		<u>55,003</u>	<u>55,003</u>	<u>-</u>
Deferred tax on secondary use property	<u>1,141,282</u>		<u>8,902</u>	<u>8,902</u>	<u>-</u>
Abatements	<u>(1,275,641)</u>		<u>(9,950)</u>	<u>(681)</u>	<u>(9,269)</u>
Total property valuation	<u>\$1,853,298,333</u>				
Net Levy			14,472,101	13,419,329	1,052,772
Uncollected taxes at June 30, 2010			<u>766,321</u>	<u>592,418</u>	<u>173,903</u>
Current Year's Taxes Collected			<u>\$ 13,705,780</u>	<u>\$ 12,826,911</u>	<u>\$ 878,869</u>
Current Levy Collection Percentage			<u>94.70%</u>	<u>95.59%</u>	<u>83.48%</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2010**

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio		100%
Real property	\$ 1,569,190,268	
Personal property	185,329,833	
Public service companies	<u>98,778,232</u>	
Total assessed valuation	<u>\$ 1,853,298,333</u>	
Tax rate per \$100		0.78
Levy (includes discoveries, releases and abatements)	<u>\$ 14,472,101</u>	

NORTHAMPTON COUNTY, NORTH CAROLINA

TEN LARGEST TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2010 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Dominion NC Power	Utility	\$ 55,097,233	2.97%
Lowe's Home Center	Warehousing/distribution	51,397,189	2.77%
Kapstone Kraft Paper Corp/West Fraser Inc	Pulp, paper, and wood products	23,536,940	1.27%
Smithfield Carroll's Farms	Hog processing	21,942,421	1.18%
Georgia Pacific	Chemical manufacturing	20,182,660	1.09%
Roanoke Electric Membership Corp.	Utility	12,108,146	0.65%
CSX	Railroad	9,415,303	0.51%
Severn Peanut	Agriculture/nuts	9,334,655	0.50%
Glover Contracting Co, Inc.	Construction	7,915,951	0.43%
Carolina Telephone	Utility	<u>7,798,723</u>	<u>0.42%</u>
Total		<u>\$ 218,729,221</u>	<u>11.80%</u>