

**EDGECOMBE COUNTY
NORTH CAROLINA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

**EDGECOMBE COUNTY
NORTH CAROLINA**

**LIST OF PRINCIPAL
OFFICIALS**

JUNE 30, 2014

**BOARD OF COUNTY
COMMISSIONERS**

LEONARD WIGGINS
Chairman

JONATHAN K. FELTON
Vice-Chairman

EVELYN POWELL

DONALD C. BOSWELL

WILLIAM WOOTEN

VIOLA S. HARRIS

E. WAYNE HINES

COUNTY OFFICIALS

LORENZO CARMON
County Manager

JAMES KNIGHT
Sheriff

ART BRADLEY
Cooperative Extension
Director

MICHAEL CUMMINGS
Solid Waste Supervisor

JOANNE J. HARRELL
Director of Fiscal Services

JERRY W. SPRUELL
Director of Elections

GLORIA LYNDAKER
Tax Administrator

DEBORAH COLEY
Aging Director

ROBIN CARPENTER
Register of Deeds

JAMES PRICE
Maintenance Supervisor

MARVA SCOTT
Social Services Director

LARRY FLOWERS
Information Resources Director

FRANGIE MUNGO
Clerk of the Board

MINTON BEACH
Emergency Services
Director

MAHLON DELOATCH
County Attorney

KAREN LACHAPELLE
Health Director

BRIAN HASSELL
Planning and Inspections
Director

MICHAEL C. MATTHEWS
Water and Sewer Director

SHERRY JOHNSON
Veterans Service Officer

EDGECOMBE COUNTY, NORTH CAROLINA

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

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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Edgecombe County
Tarboro, North Carolina

Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Edgecombe County, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Edgecombe County ABC Board were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Edgecombe County, North Carolina, as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Edgecombe County's basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2015, on our consideration of Edgecombe County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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* in considering Edgecombe County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 20, 2015

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Management's Discussion and Analysis

As management of Edgecombe County, we offer readers of Edgecombe County's financial statements this narrative overview and analysis of the financial activities of Edgecombe County for the fiscal year ended June 30, 2014. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

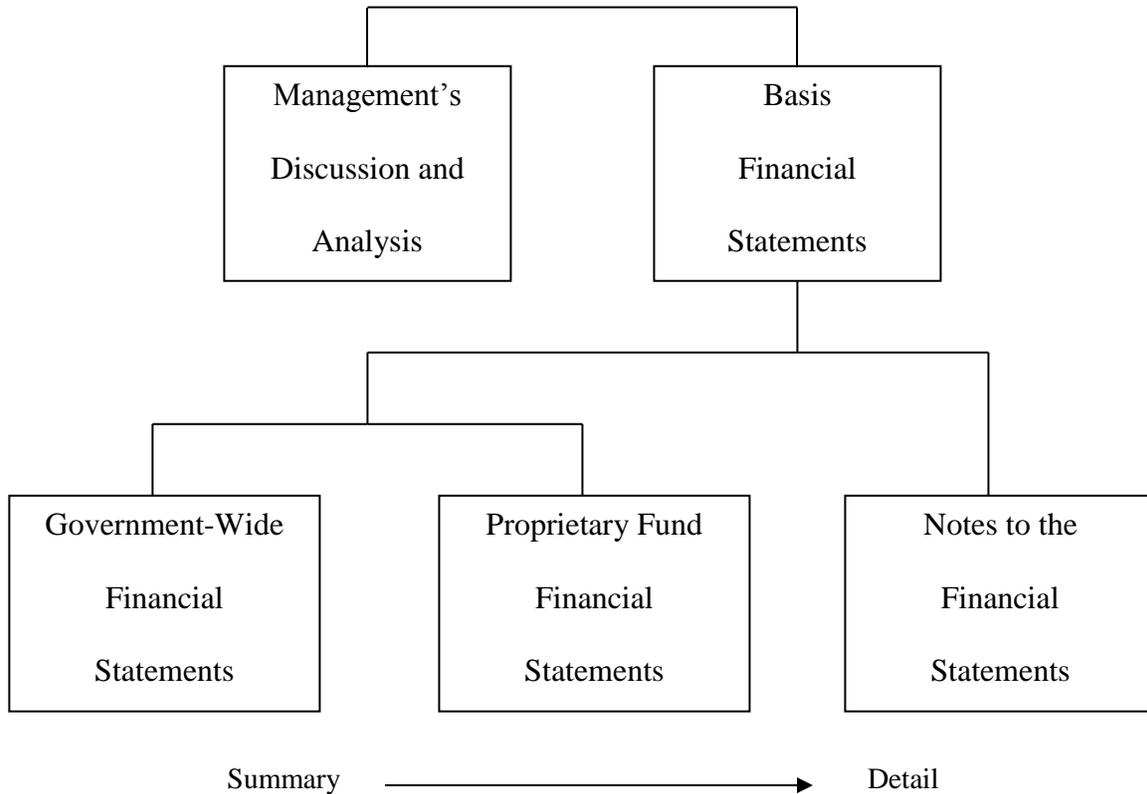
Financial Highlights

- The assets and deferred outflows of resources of Edgecombe County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$68,261,142 (*net position*).
- The government's total net position increased by \$2,393,658. The business-type activities increased by \$1,363,034. The governmental activities had an increase of \$1,030,624.
- As of the close of the current fiscal year, Edgecombe County's governmental funds reported combined ending fund balances of \$14,977,945, an increase of \$489,494 in comparison with the prior year. Approximately 35.5 percent of this total amount, or \$5,319,152, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,927,486, or 9.4 percent of total General Fund expenditures for the fiscal year.
- The net decrease in the County's long-term debt consisted of reductions due to principal payments of \$7,067,230, new debt issued of \$4,290,000, and a reclassification of Water Bonds issued by the Water Districts purchased by the County, which are no longer considered long-term debt of \$9,780,000.
- Edgecombe County maintains bond ratings from Moody's and Standard & Poor's of A2 and A+, respectively.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

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

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans and other post-employment benefits.

Government-Wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component unit. The governmental activities include most of the County's basic services such as public safety, human services, and general 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 Edgecombe County. The final category is the component units. Although legally separate from the County, the ABC Board is important to the County. The County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Edgecombe 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 Edgecombe County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

Management Discussion and Analysis
Edgecombe County, North Carolina

Edgecombe 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

Edgecombe 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. Edgecombe County uses enterprise funds to account for its water and sewer activity and for its solid waste operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Edgecombe County has one fiduciary fund, which is an agency fund.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Edgecombe County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found following the notes to the financial statements.

Management Discussion and Analysis
 Edgecombe County, North Carolina

Government-Wide Financial Analysis

**Edgecombe County's Net Position
 Figure 2**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	\$ 26,871,719	\$ 27,123,502	\$ 3,411,666	\$ 15,559,963	\$ 30,283,385	\$ 42,683,465
Capital assets	37,578,498	39,161,132	48,672,399	46,069,945	86,250,897	85,231,077
Total assets	<u>64,450,217</u>	<u>66,284,634</u>	<u>52,084,065</u>	<u>61,629,908</u>	<u>116,534,282</u>	<u>127,914,542</u>
Deferred Outflows of Resources	-	-	245,250	272,500	245,250	272,500
Liabilities:						
Long-term liabilities outstanding	22,645,343	25,411,937	21,478,319	31,279,678	44,123,662	56,691,615
Other liabilities	3,568,377	3,574,008	765,431	1,900,199	4,333,808	5,474,207
Total liabilities	<u>26,213,720</u>	<u>28,985,945</u>	<u>22,243,750</u>	<u>33,179,877</u>	<u>48,457,470</u>	<u>62,165,822</u>
Deferred Inflows of Resources	60,920	153,736	-	-	60,920	153,736
Net Position:						
Net investment in capital assets	18,545,130	16,415,933	31,821,907	28,080,692	50,367,037	44,496,625
Restricted	5,303,585	4,656,510	-	-	5,303,585	4,656,510
Unrestricted	<u>14,326,862</u>	<u>16,072,510</u>	<u>(1,736,342)</u>	<u>641,839</u>	<u>12,590,520</u>	<u>16,714,349</u>
Total net position	<u>\$ 38,175,577</u>	<u>\$ 37,144,953</u>	<u>\$ 30,085,565</u>	<u>\$ 28,722,531</u>	<u>\$ 68,261,142</u>	<u>\$ 65,867,484</u>

Management Discussion and Analysis
Edgecombe County, North Carolina

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$68,261,142 as of June 30, 2014. The County's net position increased by \$2,393,658 for the fiscal year ended June 30, 2014. One of the largest portions (73.8%) reflects the County's net investment in capital assets (e.g. land, buildings, equipment, and water distribution systems). Edgecombe County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Edgecombe 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. An additional portion of Edgecombe County's net position (7.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$12,590,520 is unrestricted.

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

- Overall decrease in expenses, including approximately \$1.7 million reduction in the human services expenses due to reduction in program costs in the department of social services
- Lower debt costs attributable to early pay off of installment debt

Management Discussion and Analysis
 Edgecombe County, North Carolina

Edgecombe County's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	\$ 6,307,384	\$ 7,420,455	\$ 4,919,092	\$ 5,060,708	\$ 11,226,476	\$ 12,481,163
Grants and contributions:						
Operating	11,767,056	15,494,114	-	-	11,767,056	15,494,114
Capital	-	1,126,692	2,709,724	918,202	2,709,724	2,044,894
General Revenues:						
Property taxes	28,230,577	28,349,770	-	-	28,230,577	28,349,770
Other taxes	5,799,986	4,732,126	-	-	5,799,986	4,732,126
Grants and contributions not restricted to specific program						
	428,407	660,914	-	-	428,407	660,914
Other	1,821,887	130,244	2,606	7,657	1,824,493	137,901
Total revenues	<u>54,355,297</u>	<u>57,914,315</u>	<u>7,631,422</u>	<u>5,986,567</u>	<u>61,986,719</u>	<u>63,900,882</u>
Expenses:						
General Government	5,764,948	6,173,964	-	-	5,764,948	6,173,964
Public Safety	12,457,175	14,031,237	-	-	12,457,175	14,031,237
Transportation	62,228	61,619	-	-	62,228	61,619
Economic and Physical						
Development	1,382,799	2,134,737	-	-	1,382,799	2,134,737
Human Services	20,337,113	20,753,209	-	-	20,337,113	20,753,209
Culture and Recreation	614,282	604,950	-	-	614,282	604,950
Education	12,027,410	12,954,144	-	-	12,027,410	12,954,144
Interest on						
long-term debt	678,718	821,817	-	-	678,718	821,817
Landfill	-	-	2,390,012	2,596,011	2,390,012	2,596,011
Water and Sewer	-	-	3,878,376	3,459,694	3,878,376	3,459,694
Total expenses	<u>53,324,673</u>	<u>57,535,677</u>	<u>6,268,388</u>	<u>6,055,705</u>	<u>59,593,061</u>	<u>63,591,382</u>
Increase (decrease) in net position	1,030,624	378,638	1,363,034	(69,138)	2,393,658	309,500
Net position, July 1	37,144,953	36,766,315	28,722,531	28,791,669	65,867,484	65,557,984
Net position, June 30	<u>\$ 38,175,577</u>	<u>\$ 37,144,953</u>	<u>\$ 30,085,565</u>	<u>\$ 28,722,531</u>	<u>\$ 68,261,142</u>	<u>\$ 65,867,484</u>

Governmental Activities

Governmental activities increased the County's net position by \$1,030,624. This is mostly attributed to debt forgiveness by North Carolina's Eastern Region of approximately \$500,000 and repayment of funds of approximately \$350,000.

Business-Type Activities

Business-type activities increased Edgecombe County's net position by \$1,363,034. This increase is attributed to the grants received for Water & Sewer District constructions.

Financial Analysis of the County's Funds

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

Governmental Funds

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

The General Fund is the chief operating fund of Edgecombe County. At the end of the current fiscal year, Edgecombe County's fund balance unassigned in the General Fund was \$4,927,486 or 9.4% of General Fund expenditures. The County's fund balance available for appropriation in the General Fund is \$10,607,311, while total fund balance reached \$14,495,290. Available fund balance represents 20.3% of General Fund expenditures, while total fund balance represents 27.7% of that same amount.

At June 30, 2014, the governmental funds of Edgecombe County reported a combined fund balance of \$14,977,945, a 3.4% increase from last year.

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 \$ 714,662.

Budgets are educated projections of expected operations in a coming year. At the time the budget is prepared there are many unknowns. Some expenditures are determined by the number of citizens that utilize the service, which could be more or less than expected or an unforeseen need that arises during the year that was not expected during the budget process. Also revenues budgeted in certain programs depends on the expenditures eligible for reimbursement in the various programs. In these cases, the actual revenue received may be less but in turn, the expenditures are less also.

Proprietary Funds

Edgecombe County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$(1,689,205) and those for the Water and Sewer Districts equaled \$(47,137). The total change in net position for both funds was a decrease of \$387,531 in the Solid Waste Fund and a decrease of \$959,159 in the Water and Sewer Districts. Other factors concerning the finances of these two funds have already been addressed in the discussion of Edgecombe County's business-type activities.

Capital Asset and Debt Administration

Capital Assets

Edgecombe County's capital assets for its governmental and business-type activities as of June 30, 2014 totals \$86,250,897 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, water distribution equipment and lines, and vehicles.

Capital asset transactions were kept to a minimum over the past year. Major capital asset transactions during the year include:

- Vehicles for various departments
- Additions to water and sewer distribution system
- Water and sewer equipment

Management Discussion and Analysis
 Edgecombe County, North Carolina

**Edgecombe County's Capital Assets
 (Net of depreciation)
 Figure 4**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	\$ 3,800,723	\$ 3,800,723	\$ 921,907	\$ 921,907	\$ 4,722,630	\$ 4,722,630
Buildings and improvements	32,188,826	33,644,998	1,546,464	1,608,719	33,735,290	35,253,717
Machinery and equipment	1,218,058	1,266,944	2,539,709	2,220,332	3,757,767	3,487,276
Plant and distribution systems	-	-	35,728,003	36,578,945	35,728,003	36,578,945
Vehicles and motorized equipment	370,891	448,467	912,965	1,059,857	1,283,856	1,508,324
Construction in progress	-	-	7,023,351	3,680,185	7,023,351	3,680,185
Total capital assets	<u>\$ 37,578,498</u>	<u>\$ 39,161,132</u>	<u>\$ 48,672,399</u>	<u>\$ 46,069,945</u>	<u>\$ 86,250,897</u>	<u>\$ 85,231,077</u>

Additional information on the County's capital assets can be found in Note III of the basic financial statements.

Management Discussion and Analysis
Edgecombe County, North Carolina

Long-Term Debt

As of June 30, 2014, Edgecombe County had total bonded debt outstanding of \$12,225,000, all of which is backed by the full faith and credit of the County. The Water Districts (blended component units) also have \$9,585,000 of issued general obligation bonds. These bonds are not considered outstanding because the County used the proceeds of the limited obligation bonds to purchase the Districts' bonds.

**Edgecombe County's Outstanding Debt
Long-Term Debt Obligations
Figure 5**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General						
obligation bonds	\$ 8,610,000	\$ 9,270,000	\$ 3,615,000	\$ 9,780,000	\$ 12,225,000	\$ 19,050,000
Limited						
obligation bonds	6,589,800	6,931,800	11,715,200	12,323,200	18,305,000	19,255,000
Bond anticipation note	-	-	675,000	3,615,000	675,000	3,615,000
Revenue bonds	-	-	629,000	638,000	629,000	638,000
Notes payable	1,833,941	3,004,116	576,880	654,640	2,410,821	3,658,756
Installment purchases	2,449,620	3,112,675	-	-	2,449,620	3,112,675
Total long-term debt	<u>\$ 19,483,361</u>	<u>\$ 22,318,591</u>	<u>\$ 17,211,080</u>	<u>\$ 27,010,840</u>	<u>\$ 36,694,441</u>	<u>\$ 49,329,431</u>

Edgecombe County's total long-term debt obligations decreased by \$12,634,990. The County paid off approximately \$7.1 million during the year, but also incurred \$4.3 million in General Obligation Bonds and Bond Anticipation Notes for Districts 4 and 5.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Edgecombe County is \$235,667,420. The County has \$885,000 in bonds authorized but un-issued for Water and Sewer District No. 4 at June 30, 2014.

Additional information regarding Edgecombe County's long-term debt can be found in Note III of the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the current economic climate of the County.

- Although the County's Unemployment rate is 14% the trend is down from the historical average of 16%.
- Although there have not been any major economic development announcements, we have had small growth and just as important there have been no major industry closings within the County.

Budget Highlights for the Fiscal Year Ending June 30, 2015

Governmental Activities

In the 2014-2015 Budget Ordinance, Edgecombe County raised the County tax rate to 89.5 cents per \$100 value. The total budget for the General Fund was increased from the previous year by \$36,205 for a total General Fund budget of \$57,731,622 and a fund balance appropriation of \$4,350,835, of which \$377,000 is from restricted fund balance for school debt service, leaving a \$3,973,835 appropriation from general funds.

Business-Type Activities

The water and sewer rates in the County remained the same. With continued construction on the fourth and final district, this is an opportunity for the County to not only serve its citizens but boost economic development with the water infrastructure to support industry. Rates for solid waste tipping fees also remained the same. The County has completed the Landfill Gas Project that will convert gas from the landfill into electricity to be sold back to our local EMC. As in the Governmental Activities, we are looking for different ways to reduce expenditures and operate more efficiently.

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 should be directed to the Director of Fiscal Services, Edgecombe County, PO Box 10, Tarboro, North Carolina 27886. You can also call 252-641-7840, visit our website www.edgecombecountync.gov or send an email to jharrell@co.edgecombe.nc.us for more information.

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Edgecombe	Edgecombe
	Activities	Activities		County	County
			ABC Board	TDA	
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 13,560,745	\$ 1,648,474	\$ 15,209,219	\$ 680,360	\$ -
Receivables (net)	8,310,705	491,427	8,802,132	-	-
Due from other governments	2,936,024	204,287	3,140,311	-	-
Due from component unit	35,197	-	35,197	-	-
Due from primary government	-	-	-	-	26,923
Internal balances	120,660	(120,660)	-	-	-
Capital lease receivable	111,341	-	111,341	-	-
Inventories	-	-	-	480,046	-
Prepaid items	15,567	-	15,567	15,286	-
Total current assets	25,090,239	2,223,528	27,313,767	1,175,692	26,923
Restricted Assets:					
Cash and cash equivalents	843,912	1,188,138	2,032,050	-	-
Total restricted assets	843,912	1,188,138	2,032,050	-	-
Other Assets:					
Capital lease receivable - long-term	937,568	-	937,568	-	-
Total other assets	937,568	-	937,568	-	-
Capital Assets:					
Land, improvements, and construction in progress	3,800,723	7,945,258	11,745,981	-	-
Other capital assets, net of depreciation	33,777,775	40,727,141	74,504,916	725,135	-
Total capital assets	37,578,498	48,672,399	86,250,897	725,135	-
Total assets	64,450,217	52,084,065	116,534,282	1,900,827	26,923
Deferred Outflows of Resources	-	245,250	245,250	-	-

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Edgecombe	Edgecombe
	Activities	Activities		County ABC Board	County TDA
Liabilities:					
Current Liabilities:					
Accounts payable and accrued expenses	3,339,581	400,930	3,740,511	246,441	-
Due to component unit	26,923	-	26,923	-	-
Due to primary government	-	-	-	35,197	-
Unearned revenue	-	-	-	-	-
Accrued interest payable	201,873	55,757	257,630	-	-
Long-term liabilities, current portion	3,235,435	1,406,523	4,641,958	-	-
Liabilities to be paid from restricted assets:					
Accounts payable	-	212,520	212,520	-	-
Customer deposits	-	96,224	96,224	-	-
Total current liabilities	6,803,812	2,171,954	8,975,766	281,638	-
Long-Term Liabilities:					
Due in more than one year	19,409,908	20,071,796	39,481,704	61,461	-
Total liabilities	26,213,720	22,243,750	48,457,470	343,099	-
Deferred Inflows of Resources	60,920	-	60,920	-	-
Net Position					
Net investment in capital assets	18,545,130	31,821,907	50,367,037	725,135	-
Restricted for:					
Stabilization by State Statute	4,073,013	-	4,073,013	-	26,923
Public Safety	303,056	-	303,056	-	-
Education	862,078	-	862,078	-	-
Capital Project	42,198	-	42,198	-	-
Economic Development	23,240	-	23,240	-	-
Other purposes	-	-	-	849,572	-
Unrestricted	14,326,862	(1,736,342)	12,590,520	(16,979)	-
Total Net Position	\$ 38,175,577	\$ 30,085,565	\$ 68,261,142	\$ 1,557,728	\$ 26,923

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

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EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 5,764,948	\$ 933,488	\$ 435,605	\$ -
Public Safety	12,457,175	2,342,647	426,328	-
Transportation	62,228	-	-	-
Economic and Physical Development	1,382,799	136,679	-	-
Human Services	20,337,113	2,894,570	10,905,123	-
Cultural and Recreation	614,282	-	-	-
Education	12,027,410	-	-	-
Interest on long-term debt	678,718	-	-	-
Total Governmental Activities	<u>53,324,673</u>	<u>6,307,384</u>	<u>11,767,056</u>	<u>-</u>
Business-Type Activities:				
Landfill	2,390,012	2,002,251	-	157,262
Water and Sewer	3,878,376	2,916,841	-	2,552,462
Total Business-type Activities	<u>6,268,388</u>	<u>4,919,092</u>	<u>-</u>	<u>2,709,724</u>
Total Primary Government	<u>\$ 59,593,061</u>	<u>\$ 11,226,476</u>	<u>\$ 11,767,056</u>	<u>\$ 2,709,724</u>
Component Units:				
ABC Board	\$ 3,328,500	\$ 3,338,193	\$ -	\$ -
Tourism Development Authority	-	-	-	-
Total Component Units	<u>\$ 3,328,500</u>	<u>\$ 3,338,193</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Grants and contributions not restricted to specific programs

Investment earnings, unrestricted

Miscellaneous, unrestricted

Total General Revenues

Change in Net Position

Net Position - beginning

Net Position - ending

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Edgecombe County ABC Board	Edgecombe County TDA
\$ (4,395,855)	\$ -	\$ (4,395,855)		
(9,688,200)	-	(9,688,200)		
(62,228)	-	(62,228)		
(1,246,120)	-	(1,246,120)		
(6,537,420)	-	(6,537,420)		
(614,282)	-	(614,282)		
(12,027,410)	-	(12,027,410)		
(678,718)	-	(678,718)		
<u>(35,250,233)</u>	<u>-</u>	<u>(35,250,233)</u>		
	(230,499)	(230,499)		
-	<u>1,590,927</u>	<u>1,590,927</u>		
-	<u>1,360,428</u>	<u>1,360,428</u>		
<u>(35,250,233)</u>	<u>1,360,428</u>	<u>(33,889,805)</u>		
			\$ 9,693	\$ -
			<u>-</u>	<u>-</u>
			<u>9,693</u>	<u>-</u>
28,230,577	-	28,230,577	-	-
5,151,938	-	5,151,938	-	-
648,048	-	648,048	-	26,923
428,407	-	428,407	-	-
8,254	2,606	10,860	382	-
1,813,633	-	1,813,633	-	-
<u>36,280,857</u>	<u>2,606</u>	<u>36,283,463</u>	<u>382</u>	<u>26,923</u>
1,030,624	1,363,034	2,393,658	10,075	26,923
<u>37,144,953</u>	<u>28,722,531</u>	<u>65,867,484</u>	<u>1,547,653</u>	<u>-</u>
<u>\$ 38,175,577</u>	<u>\$ 30,085,565</u>	<u>\$ 68,261,142</u>	<u>\$ 1,557,728</u>	<u>\$ 26,923</u>

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

EDGECOMBE COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	<u>Major Fund</u>		
	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>Fund</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
Assets			
Cash and cash equivalents	\$ 13,035,320	\$ 525,425	\$ 13,560,745
Receivables, net	4,716,590	271,379	4,987,969
Taxes receivable	4,983,753	187,896	5,171,649
Due from other funds	208,528	-	208,528
Prepaid items	15,567	-	15,567
Restricted assets - cash	843,912	-	843,912
Total assets	<u>\$ 23,803,670</u>	<u>\$ 984,700</u>	<u>\$ 24,788,370</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 3,211,001	\$ 155,503	\$ 3,366,504
Due to other funds	-	87,868	87,868
Total liabilities	<u>3,211,001</u>	<u>243,371</u>	<u>3,454,372</u>
Deferred Inflows of Resources	<u>6,097,379</u>	<u>258,674</u>	<u>6,356,053</u>
Fund Balances:			
Non-spendable:			
Prepays	15,567	-	15,567
Restricted:			
Stabilization by State Statute	3,872,412	200,601	4,073,013
Public Safety	-	303,056	303,056
Education	862,078	-	862,078
Capital projects	-	42,198	42,198
Economic Development	-	23,240	23,240
Committed:			
Tax Revaluation	843,912	-	843,912
Economic Development	-	137,114	137,114
Assigned:			
Subsequent year's expenditures	3,973,835	-	3,973,835
Unassigned	4,927,486	(223,554)	4,703,932
Total fund balances	<u>14,495,290</u>	<u>482,655</u>	<u>14,977,945</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,803,670</u>	<u>\$ 984,700</u>	

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

EDGECOMBE COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Total
Governmental
Funds

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balance - governmental funds	\$	14,977,945
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		37,578,498
Investment in long-term capital lease receivable is not available to pay current period expenditures and is deferred in the funds.		1,048,909
Other long-term assets are not available to pay current period expenditures and, therefore, are unavailable in the funds.		1,122,308
Liabilities for earned but unavailable revenues in fund statements.		6,295,133
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(22,847,216)</u>
Net position of governmental activities	\$	<u><u>38,175,577</u></u>

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Major Fund</u>		
	<u>General Fund</u>		
Revenues:			
Ad valorem taxes	\$ 27,848,689	\$ 963,487	\$ 28,812,176
Local option sales tax	4,439,363	712,575	5,151,938
Other taxes and licenses	74,148	573,900	648,048
Unrestricted intergovernmental	428,407	-	428,407
Restricted intergovernmental	11,767,056	136,679	11,903,735
Permits and fees	658,948	-	658,948
Sales and services	5,618,974	-	5,618,974
Investment earnings	8,254	-	8,254
Miscellaneous	1,813,633	-	1,813,633
Total revenues	<u>52,657,472</u>	<u>2,386,641</u>	<u>55,044,113</u>
Expenditures:			
Current:			
General Government	5,658,449	-	5,658,449
Public Safety	10,751,255	1,293,266	12,044,521
Transportation	62,066	-	62,066
Economic and			
Physical Development	1,229,382	172,047	1,401,429
Human Services	19,780,899	-	19,780,899
Cultural and Recreational	612,680	-	612,680
Intergovernmental:			
Education	10,679,406	712,575	11,391,981
Debt service:			
Principal	2,835,230	-	2,835,230
Interest and other charges	767,364	-	767,364
Total expenditures	<u>52,376,731</u>	<u>2,177,888</u>	<u>54,554,619</u>
Net change in fund balances	280,741	208,753	489,494
Fund Balances:			
Fund balances - beginning	<u>14,214,549</u>	<u>273,902</u>	<u>14,488,451</u>
Fund balances - ending	<u>\$ 14,495,290</u>	<u>\$ 482,655</u>	<u>\$ 14,977,945</u>

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Total Governmental Funds</u>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
Net changes in fund balances - total governmental funds	\$ 489,494
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,475,922)
Collection of capital lease principal reflected as revenue	(107,217)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(106,712)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(581,599)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,835,230
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences	(15,742)
Net pension obligations	4,054
Accrued interest and premium amortization	88,646
Other post-employment benefits	(99,608)
Total changes in net position of governmental activities	<u><u>\$ 1,030,624</u></u>

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>General Fund</u>			Variance With Final Budget Over/Under
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 26,455,162	\$ 26,424,162	\$ 27,848,689	\$ 1,424,527
Local option sales tax	4,250,000	4,250,000	4,439,363	189,363
Other taxes and licenses	58,000	70,000	74,148	4,148
Unrestricted intergovernmental	165,000	167,508	428,407	260,899
Restricted intergovernmental	13,898,603	12,450,389	11,767,056	(683,333)
Permits and fees	725,799	637,160	658,948	21,788
Sales and services	6,715,593	6,995,854	5,618,974	(1,376,880)
Investment earnings	-	-	8,254	8,254
Miscellaneous	100,000	2,087,746	1,813,633	(274,113)
Total revenues	<u>52,368,157</u>	<u>53,082,819</u>	<u>52,657,472</u>	<u>(425,347)</u>
Expenditures				
Current:				
General Government	6,755,401	6,723,483	5,658,449	1,065,034
Public Safety	12,591,084	12,947,187	10,751,255	2,195,932
Transportation	62,066	62,066	62,066	-
Economic and				
Physical Development	969,060	1,202,960	1,229,382	(26,422)
Human Services	21,471,815	21,498,381	19,780,899	1,717,482
Cultural and Recreational	605,025	605,025	612,680	(7,655)
Intergovernmental:				
Education	11,860,027	12,594,027	10,679,406	1,914,621
Debt Service:				
Principal retirement	2,678,031	3,111,963	2,835,230	276,733
Interest and other charges	775,318	785,663	767,364	18,299
Total Expenditures	<u>57,767,827</u>	<u>59,530,755</u>	<u>52,376,731</u>	<u>7,154,024</u>

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund			Variance With Final Budget Over/Under
	Original Budget	Final Budget	Actual	
Revenues Over (Under) Expenditures	(5,399,670)	(6,447,936)	280,741	6,728,677
Other Financing Sources (Uses):				
Transfers from (to) other funds	-	(150,000)	(150,000)	-
Appropriated fund balance	5,399,670	6,597,936	-	(6,597,936)
Total other financing sources (uses)	5,399,670	6,447,936	(150,000)	(6,597,936)
Net change in fund balance	\$ -	\$ -	130,741	\$ 130,741
Fund Balance:				
Beginning of year, July 1			13,520,637	
End of year, June 30			13,651,378	
Legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Transfer-in from General Fund			150,000	
Fund Balance, Beginning			693,912	
Fund Balance, Ending (Exhibit 4)			\$ 14,495,290	

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	<u>Water and Sewer Operations</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Assets:			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 1,648,474	\$ 1,648,474
Receivables, net	355,339	340,375	695,714
Total Current Assets	<u>355,339</u>	<u>1,988,849</u>	<u>2,344,188</u>
Non-Current Assets:			
Restricted Assets:			
Cash and cash equivalents	1,188,138	-	1,188,138
Total Restricted Assets	<u>1,188,138</u>	<u>-</u>	<u>1,188,138</u>
Capital Assets:			
Land, improvements, and construction in progress	7,051,643	893,615	7,945,258
Capital assets (net)	<u>36,873,386</u>	<u>3,853,755</u>	<u>40,727,141</u>
Total Capital Assets	<u>43,925,029</u>	<u>4,747,370</u>	<u>48,672,399</u>
Total Non-Current Assets	<u>45,113,167</u>	<u>4,747,370</u>	<u>49,860,537</u>
Total Assets	<u>45,468,506</u>	<u>6,736,219</u>	<u>52,204,725</u>
Deferred Outflows of Resources:			
Unamortized bond refunding charges	<u>245,250</u>	<u>-</u>	<u>245,250</u>

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	<u>Water and Sewer Operations</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Liabilities:			
Current Liabilities:			
Liabilities to be Paid from Restricted Assets:			
Accounts payable	212,520	-	212,520
Customer deposits	96,224	-	96,224
Accounts payable	206,582	194,348	400,930
Due to other funds	120,660	-	120,660
Accrued vacation	17,695	15,868	33,563
Accrued interest	55,757	-	55,757
Notes payable	-	77,760	77,760
Bond anticipation note payable	675,000	-	675,000
Revenue bonds payable	9,000	-	9,000
Limited obligation bonds payable	611,200	-	611,200
Total Current Liabilities	<u>2,004,638</u>	<u>287,976</u>	<u>2,292,614</u>
Non-Current Liabilities:			
Accrued landfill closure and postclosure care costs	-	3,448,218	3,448,218
Accrued OPEB	16,602	14,780	31,382
Accrued vacation	17,910	4,840	22,750
Notes payable	-	499,120	499,120
Revenue bonds payable	620,000	-	620,000
Limited obligation bonds payable	11,835,326	-	11,835,326
General obligation bonds payable	3,615,000	-	3,615,000
Total Non-Current Liabilities	<u>16,104,838</u>	<u>3,966,958</u>	<u>20,071,796</u>
Total Liabilities	<u>18,109,476</u>	<u>4,254,934</u>	<u>22,364,410</u>
Net Position:			
Net investment in capital assets	27,651,417	4,170,490	31,821,907
Unrestricted	(47,137)	(1,689,205)	(1,736,342)
Total Net Position	<u>\$ 27,604,280</u>	<u>\$ 2,481,285</u>	<u>\$ 30,085,565</u>

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Water and Sewer Operations</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services and other	\$ 2,916,841	\$ 2,002,251	\$ 4,919,092
Operating Expenses:			
Salaries and employee benefits	445,833	656,986	1,102,819
Water purchases	1,153,188	-	1,153,188
Landfill operations	-	1,431,141	1,431,141
Water and sewer operations	718,611	-	718,611
Depreciation	948,856	301,885	1,250,741
Total Operating Expenses	<u>3,266,488</u>	<u>2,390,012</u>	<u>5,656,500</u>
Operating Income (Loss)	<u>(349,647)</u>	<u>(387,761)</u>	<u>(737,408)</u>
Non-Operating Revenues (Expenses):			
Interest and investment revenue	2,376	230	2,606
Interest expense	(611,888)	-	(611,888)
Total Non-Operating Revenue (Expenses)	<u>(609,512)</u>	<u>230</u>	<u>(609,282)</u>
Income (Loss) Before Contributions	(959,159)	(387,531)	(1,346,690)
Capital contributions	<u>2,552,462</u>	<u>157,262</u>	<u>2,709,724</u>
Change in Net Position	<u>1,593,303</u>	<u>(230,269)</u>	<u>1,363,034</u>
Total Net Position, beginning	<u>26,010,977</u>	<u>2,711,554</u>	<u>28,722,531</u>
Total Net Position, ending	<u>\$ 27,604,280</u>	<u>\$ 2,481,285</u>	<u>\$ 30,085,565</u>

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Water and Sewer Operations</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from customers	\$ 3,419,732	\$ 1,892,014	\$ 5,311,746
Cash paid for goods and services	(2,892,699)	(1,515,383)	(4,408,082)
Cash paid to employees for services	(447,311)	(659,227)	(1,106,538)
Net Cash Provided (Used) By Operating Activities	<u>79,722</u>	<u>(282,596)</u>	<u>(202,874)</u>
Cash Flows from Non-Capital Activities:			
Repayments to/from other funds	<u>120,660</u>	<u>-</u>	<u>120,660</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(3,343,166)	(510,029)	(3,853,195)
Bond/Debt issuance	4,290,000	-	4,290,000
Principal paid on bond maturities and equipment contracts	(4,232,000)	(77,760)	(4,309,760)
Interest paid on bond maturities and equipment contracts	(591,804)	-	(591,804)
Capital contributions - grants	<u>2,552,462</u>	<u>157,262</u>	<u>2,709,724</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,324,508)</u>	<u>(430,527)</u>	<u>(1,755,035)</u>
Cash Flows from Investing Activities:			
Interest on investments	<u>2,376</u>	<u>230</u>	<u>2,606</u>
Net Cash Provided (Used) by Investing Activities	<u>2,376</u>	<u>230</u>	<u>2,606</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,121,750)	(712,893)	(1,834,643)
Cash and Cash Equivalents:			
Beginning of year, July 1	2,309,888	2,361,367	4,671,255
End of year, June 30	<u>\$ 1,188,138</u>	<u>\$ 1,648,474</u>	<u>\$ 2,836,612</u>

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Water and Sewer Operations	Solid Waste Fund	Total
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (349,647)	\$ (387,761)	\$ (737,408)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	948,856	301,885	1,250,741
Changes in Assets and Liabilities:			
Decrease (increase) in accounts receivable	523,231	(110,237)	412,994
Increase (decrease) in accounts payable and accrued liabilities	(1,022,378)	(86,483)	(1,108,861)
Increase (decrease) in customer deposits	(20,340)	-	(20,340)
Total Adjustments	429,369	105,165	534,534
Net Cash Provided (Used) By Operating Activities	\$ 79,722	\$ (282,596)	\$ (202,874)

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

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Agency Fund
Assets:	
Cash and cash equivalents	\$ 236,780
 Liabilities and Net Position:	
Liabilities:	
Miscellaneous liabilities	\$ 203,318
Intergovernmental payable - Schools	31,955
Intergovernmental payable - State of North Carolina	1,507
Total Liabilities	\$ 236,780

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

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EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The County, which is governed by a seven-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 discretely presented component unit, a legally separate entity for which the County is financially accountable.

Edgecombe County Water Districts (the "Districts") exist to provide and maintain a water system for the County residents within the districts. The Districts are combined and reported as an enterprise fund in the County's financial statements. The County entered into an agreement during fiscal year 2006, with each existing District and which will encompass additional Districts as they are created, that transferred all assets, liabilities (excluding bond indebtedness, loans, and installment notes, along with accrued interest payable), operational rights, and responsibilities to the County. In consideration for this agreement, along with related accrued interest payable, the County agreed to pay the Districts an amount equal to debt service costs for the respective Districts for the duration of the respective bonds, loans, and notes. The County maintains the Districts' assets, provides water and sewer operations, and makes payments on outstanding debts on behalf of the respective Districts. Therefore, the County's financial statements reflect the assets and debts in the Edgecombe County Water Operations Fund. The Board of County Commissioners sits as the Board of each District. No separate financial statements are issued by these Districts.

Edgecombe County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

The Edgecombe County ABC Board (ABC Board) is a corporate body with powers outlined by N.C.G.S. 18B-701. The Members of the ABC Board's governing board are appointed by the County Board of Commissioners. The ABC Board is required by State Statute to distribute its surpluses to the General Fund of the County (and its municipalities), which represents a financial benefit to the County. The ABC Board, which has a June 30 year-end, is presented as if it is a separate proprietary fund of the County (discrete presentation). The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The Edgecombe County Tourism Development Authority (TDA) was established effective September 2, 2013 by the Board of Commissioners under the authority of North Carolina State Legislature House Bill 529 Approved July 9, 2013. The TDA was incorporated on October 14, 2014 as a Non-profit Corporation. The nine member Board consists of local officials, business owners and involved citizens. The Edgecombe County Board of Commissioners appointed four members, the Town of Tarboro also appointed four members followed by the Edgecombe County Chamber of Commerce who appointed one member. The Purpose of the TDA is to promote the development of travel and tourism related activities in Edgecombe County, North Carolina through State, regional, and national advertising, marketing, and promotional activities and campaigns.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Edgecombe County Water District No. 1	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serves as the governing board for the District.	None issued.
Edgecombe County Water District No. 2	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serves as the governing board for the District.	None issued.
Edgecombe County Water District No. 3	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serves as the governing board for the District.	None issued.
Edgecombe County Water District No. 4	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serves as the governing board for the District.	None issued.
Edgecombe County Water District No. 5	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serves as the governing board for the District.	None issued.
County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member Board of Commissioners that is appointed by the County Commissioners. The County can remove any Commissioner of the Authority with or without cause.	None issued.
Edgecombe County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surpluses to the General Fund of the County.	Edgecombe County ABC Board 404 W. Wilson Street Tarboro, NC 27886

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Edgecombe County Tourism Development Authority	Discrete	The members of the TDA's governing board are appointed by the County, the Town of Tarboro and the Chamber of Commerce. Fund's are generated through a 6% Occupancy Tax.	None issued.
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B. Basis of Presentation, Basis of Accounting

Government-Wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. 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, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

Water and Sewer Operations Fund. These funds are used to account for the operations of Edgecombe Water and Sewer and the related capital projects within the County. Water capital projects funds are consolidated with the operations fund for financial reporting purposes.

Solid Waste Fund. This fund accounts for the operations of the County's Solid Waste and Landfill activities and related capital projects. The Landfill Gas Capital Project Fund accounts for the County's new system to convert gas at the landfill to electricity. The Landfill Closure and Post-Closure Reserve Fund is a reserve established by the County to accumulate the funds necessary to cover the closure and post-closure care costs that will be incurred by the landfill in the future. The Landfill Closure and Post-Closure Reserve Fund and the Landfill Gas Capital Project Fund are consolidated with the operations fund for financial reporting purposes.

The County reports the following fund type:

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. The Agency Fund is used to account for assets the County holds on behalf of others. The County maintains the following agency funds: The Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Edgecombe County Board of Education and the Nash Rocky Mount Schools Board of Education; the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the NC Department of Motor Vehicles; the Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities and special districts within the County; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Nonmajor Funds. The County maintains three annually budgeted funds. The Fire Districts Fund, Industrial Sites Development Fund, and Emergency Telephone System Fund are reported as nonmajor special revenue funds. The schools capital project and human services building capital project funds are reported as nonmajor capital project funds. The CDBG Scattered Sites Project Fund, CDBG Grant Fund, and the Economic Development and Housing Recovery Fund are reported as grant projects funds and multi-year budgets are adopted upon project approval.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements

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

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, 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. 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 position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Schools Capital Project Fund, Revaluation Fund, Fire Districts Fund, Industrial Sites Development Fund, Emergency Telephone System Fund, and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Block Grant-Scattered Site Fund, Community Development Block Grant Fund, Economic Development and Housing Recovery Fund, and the Enterprise Capital Projects Fund, which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all the annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, there was a material amendment to record the issuance of the Limited Obligation Bonds and several immaterial amendments to the original budget. 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.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

1. Deposits and Investments

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

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

The County's and the ABC Board's investments are carried at fair value 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.

2. Cash and Cash Equivalents

The County pools moneys 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 demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

The unexpended debt proceeds of the water capital project funds of \$1,091,914 are classified as restricted assets because their use is completely restricted to the purpose for which the debt originally issued. Customer deposits of \$96,224 held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund of \$843,912 is also classified as a restricted asset because its use is restricted per North Carolina General Statute 153A-150.

4. Other Assets

Capital Lease Receivable. The County's capital lease receivable is recorded at the present value of future lease payments, and interest is recognized as received in the government-wide statements. In the fund statements, all payments are recognized as income as they are received.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

5. 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 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2013.

6. Allowances for Doubtful Accounts

All receivables that historically experience uncollectable 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.

7. Inventories and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The cost of the inventory carried in the ABC Board is recorded as an expense as it is consumed or sold.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

8. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Edgecombe County Board of Education properties that have been included in capital assets. The properties have been deeded to the County to permit installment purchase financing and acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the County.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

<u>Asset Class</u>	<u>Years</u>
Buildings	31-50
Improvements	25
Furniture and equipment	10
Vehicles	3-5
Computer equipment	3

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

<u>Asset Class</u>	<u>Years</u>
Buildings	20
Furniture and equipment	10
Vehicles	3-5
Leasehold improvements	10-20

9. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has one item that meets this criterion – deferred cost of refunding. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only one item that meets the criterion for this category – prepaid taxes.

10. Long-Term Obligations

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

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

11. Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave for regular employees and forty-five days for law enforcement officers, with such leave being fully vested when earned. For the County’s government-wide and proprietary funds and the ABC Board, an expense and a liability

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

for compensated absences and the salary-related payments are recorded as the leave is earned. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

12. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Prepays – portion of fund balance that is not an available resource because it represents the year-end balance of prepaids, which are not spendable resources.

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

Restricted for Stabilization by State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain emergency telephone system expenditures.

Restricted for Education – portion of fund balance that is restricted by revenue source for education expenditures.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Restricted for Capital Projects – portion of fund balance that is restricted by revenue source for capital expenditures.

Restricted for Economic Development – portion of fund balance that is restricted by revenue source for Economic Development.

Committed Fund Balance – Portion of fund balance that can only be used for specific purpose imposed by majority vote of Edgecombe County’s governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Tax Revaluation – portion of fund balance that can only be used for Tax Revaluation.

Committed for Economic Development – portion of fund balance representing income from an economic development project that can only be used for economic development purposes.

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

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorized the manager to modify the appropriations by resource or appropriation within funds up to \$5,000.

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

The County has no established spending policy for programs with multiple revenue sources. The Finance Officer’s practice is to expend fund balance with restricted classification first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from the policy if it is in the best interest of the County or when required by grant or other contractual agreements.

The County has not adopted any minimum fund balance policy for the General Fund but monitors the percentage of fund balance to budgeted expenditures closely.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

F. Reconciliation of Government-wide and Fund Financial Statements

- 1.** Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$23,197,632 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the funds (total capital assets on government-wide statement in governmental activities column).	\$ 79,195,530
Less accumulated depreciation	(41,617,032)
Net capital assets	<u>37,578,498</u>
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements.	1,122,308
Investment in long-term capital lease receivable deferred in the fund statements.	1,048,909
Liabilities for deferred inflow of resources reported in the fund statements and not the government-wide	6,295,133
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are, therefore, not recorded in the fund statements:	
Bonds, leases, and installment financing	(19,867,309)
Compensated absences	(1,538,294)
Accrued interest payable	(201,873)
Net pension obligation	(258,815)
Other post-employment benefits	<u>(980,925)</u>
Total adjustment	<u><u>\$ 23,197,632</u></u>

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide Statement of Activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of \$541,130 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements, but capitalized as assets in the Statement of Activities	\$ 502,118
Collection of capital lease principal	(107,217)
Depreciation expense, the allocation of those assets over their useful lives that is recorded on the Statement of Activities but not in the fund statements.	(1,978,040)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(106,712)
Principal payments on debt owed and other decreases in debt owed are recorded as a use of funds on the fund statements but again affect only the Statement of Net Position in the government-wide statements.	2,835,230
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	88,646
Compensated absences and pension obligations are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(11,688)
Other post-employment benefits and pension costs	(99,608)
Property tax and other revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements.	(581,599)
Total adjustment	<u>\$ 541,130</u>

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

II. Stewardship, Compliance, and Accountability

A. Deficit Fund Balance

For the fiscal year ended June 30, 2014, the Community Development Block Grant Fund carried a deficit fund balance of \$70,778. The project expenditures were made in anticipation of grant reimbursements. However, the grant revenues were not available for current use and were, therefore, deferred in the fund statements. The deficit will be corrected upon the receipt of the grant funds.

III. Detail Notes On All Funds

A. Assets

1. Deposits

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

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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. Neither the County, the ABC Board, nor the TDA has any formal policy regarding custodial credit risk for deposits.

At June 30, 2014, the County's deposits had a carrying amount of \$1,872,961 and a bank balance of \$2,575,411. Of the bank balance, \$516,243 was covered by federal depository insurance and \$2,059,168 was covered by collateral held under the Pooling Method.

At June 30, 2014, Edgecombe County had \$3,025 cash on hand.

At June 30, 2014, the carrying amount of deposits for Edgecombe County ABC Board was \$677,635 and the bank balance was \$707,370. Of the bank balance, \$338,607 was covered by federal depository insurance and \$368,763 was insured under the Pooling Method. At June 30, 2013, the ABC Board has \$2,725 cash on hand.

2. Investments

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>Over 1 Year</u>
NC Capital Management Trust:				
Term portfolio *	\$ 4,900,811	\$ 4,900,811	\$ -	\$ -
Cash portfolio	<u>10,701,252</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total	<u><u>\$ 15,602,063</u></u>	<u><u>\$ 4,900,811</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

*Because the NCCMT Term Portfolio had a duration of .23 years, it was presented as an investment with a maturity of less than 6 months.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment practice limits at least half of the County's investment portfolio to maturities of less than 12 months.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2014. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under the NC G.S. 159-30 as amended.

3. Property Tax – Use-Value Assessment on Certain Lands

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

Year Levied	Tax	Interest *	Total
2014	\$ 1,808,072	\$ -	\$ 1,785,340
2013	1,782,751	102,508	1,861,612
2012	1,757,801	259,276	1,956,907
2011	1,706,216	405,226	2,016,829
Total	<u>\$ 7,054,840</u>	<u>\$ 767,010</u>	<u>\$ 7,620,688</u>

* (Interest figured through fiscal year-end June 30, 2014.)

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

4. Receivables

Receivables at the government-wide level at June 30, 2014 were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 2,358,375	\$ 7,408,634	\$ 2,664,645	\$ 35,197	\$ 12,466,851
Other governmental	-	187,896	271,379	-	459,275
Total receivables	<u>2,358,375</u>	<u>7,596,530</u>	<u>2,936,024</u>	<u>35,197</u>	<u>12,926,126</u>
Allowance for doubtful accounts	<u>(341,627)</u>	<u>(1,302,573)</u>	<u>-</u>	<u>-</u>	<u>(1,644,200)</u>
 Total governmental activities	 <u><u>\$ 2,016,748</u></u>	 <u><u>\$ 6,293,957</u></u>	 <u><u>\$ 2,936,024</u></u>	 <u><u>\$ 35,197</u></u>	 <u><u>\$ 11,281,926</u></u>
 Business-type Activities:					
Solid waste	\$ 270,037	\$ 634,951	\$ 204,287	\$ -	\$ 1,109,275
Water and sewer	<u>723,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>723,046</u>
Total receivables	<u>993,083</u>	<u>634,951</u>	<u>204,287</u>	<u>-</u>	<u>1,832,321</u>
Allowance for doubtful accounts	<u>(538,135)</u>	<u>(598,472)</u>	<u>-</u>	<u>-</u>	<u>(1,136,607)</u>
 Total business-type activities	 <u><u>\$ 454,948</u></u>	 <u><u>\$ 36,479</u></u>	 <u><u>\$ 204,287</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 695,714</u></u>

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The due from other governments that is owed to the County governmental and business-type activities consists of the following:

	Governmental Activities	Business-type Activities
N.C. Department of Revenue	\$ -	\$ 21,020
N.C. Department of Environment and Natural Resources	-	26,005
Sales and use tax	870,633	-
Other miscellaneous	635,311	-
Admin. reimbursement	1,101,421	-
Child day care	179,227	-
911 fees	47,825	-
Other grants - economic development	101,607	-
Other grants - landfill	-	157,262
Total	\$ 2,936,024	\$ 204,287

5. Capital Lease Receivable

The County entered into an agreement for the purchase of an industrial building currently occupied by OSSID LLC for \$1,375,000. The purchase was financed by the county with two notes from North Carolina's Eastern region. A capital lease agreement was executed with OSSID LLC equal to the debt service payments, taxes, and insurance costs annually for the term of the notes. Under the lease agreement, OSSID LLC has the option to purchase the building for \$1 at the end of the lease or earlier for a price equal to the amount corresponding to the month within which the date of exercise occurs. The purpose of the transaction was for economic development.

The future minimum lease payments receivable as of June 30, 2014 were as follows:

2015		\$ 149,000
2016		149,000
2017		149,000
2018		149,000
2019		149,000
Thereafter		465,750
Total		1,210,750
Less amount representing interest		(161,841)
Total		\$ 1,048,909

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

6. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 3,800,723	\$ -	\$ -	\$ 3,800,723
Total	<u>3,800,723</u>	<u>-</u>	<u>-</u>	<u>3,800,723</u>
Capital assets being depreciated:				
Buildings and improvements	29,573,368	110,023	(241,776)	29,441,615
Special item - schools	37,125,668	-	-	37,125,668
Equipment	5,178,090	194,522	-	5,372,612
Vehicles and motor equipment	3,296,251	197,573	(38,912)	3,454,912
Total	<u>75,173,377</u>	<u>502,118</u>	<u>(280,688)</u>	<u>75,394,807</u>
Less accumulated depreciation for:				
Buildings and improvements	11,075,268	824,054	(135,064)	11,764,258
Special item - schools	21,978,770	635,429	-	22,614,199
Equipment	3,911,146	243,408	-	4,154,554
Vehicles and motor equipment	2,847,784	275,149	(38,912)	3,084,021
Total	<u>39,812,968</u>	<u>\$ 1,978,040</u>	<u>\$ (173,976)</u>	<u>41,617,032</u>
Total capital assets being depreciated, net	<u>35,360,409</u>			<u>33,777,775</u>
Governmental activities				
Capital assets, net	<u>\$ 39,161,132</u>			<u>\$ 37,578,498</u>

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

General government	\$ 201,726
Public safety	756,861
Economic and physical development	1,986
Human services	382,038
Education	<u>635,429</u>
 Total	 <u><u>\$ 1,978,040</u></u>

Special Item – Schools

During 2006, General Obligation Bonds of \$9.37 million were issued for renovation projects on four schools. The titles of these four schools were transferred to the County through an agreement with the Edgecombe County School Board. The title to Phillips School was transferred to the County during the year 2009. This will facilitate accounting for the renovation projects and enable the County to request a refund of sales tax related to the construction. The cost of the schools and the accumulated depreciation were adjustments to the capital assets for the County. Once the bond debt is repaid, the title for the schools will revert back to the Edgecombe County School Board.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities				
Solid waste:				
Capital assets not being depreciated:				
Land	\$ 893,615	\$ -	\$ -	\$ 893,615
Total	<u>893,615</u>	<u>-</u>	<u>-</u>	<u>893,615</u>
Capital assets being depreciated:				
Buildings and improvements	1,737,239	-	-	1,737,239
Equipment	2,553,709	510,029	-	3,063,738
Vehicles	1,713,387	-	-	1,713,387
Total	<u>6,004,335</u>	<u>510,029</u>	<u>-</u>	<u>6,514,364</u>
Less ccumulated depreciation for:				
Buildings and improvements	727,249	43,930	-	771,179
Equipment	458,329	177,311	-	635,640
Vehicles	1,173,146	80,644	-	1,253,790
Total	<u>2,358,724</u>	<u>\$ 301,885</u>	<u>\$ -</u>	<u>2,660,609</u>
Total capital assets being depreciated, net	<u>3,645,611</u>			<u>3,853,755</u>
Solid waste capital assets, net	<u>\$ 4,539,226</u>			<u>\$ 4,747,370</u>

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Business-type activities (continued)				
Water and sewer operations:				
Capital assets not being depreciated:				
Land	\$ 28,292	\$ -	\$ -	\$ 28,292
Construction in progress	3,680,185	3,343,166	-	7,023,351
Total	<u>3,708,477</u>	<u>3,343,166</u>	<u>-</u>	<u>7,051,643</u>
 Capital assets being depreciated:				
Plant and distribution systems	42,780,549	-	-	42,780,549
Buildings and improvements	916,262	-	-	916,262
Equipment	327,104	-	-	327,104
Vehicles	657,848	-	-	657,848
Total	<u>44,681,763</u>	<u>-</u>	<u>-</u>	<u>44,681,763</u>
 Less accumulated depreciation for:				
Plant and distribution systems	6,201,604	850,942	-	7,052,546
Buildings and improvements	317,533	18,325	-	335,858
Equipment	202,152	13,341	-	215,493
Vehicles	138,232	66,248	-	204,480
Total	<u>6,859,521</u>	<u>\$ 948,856</u>	<u>\$ -</u>	<u>7,808,377</u>
 Total capital assets Being Depreciated, Net	<u>37,822,242</u>			<u>36,873,386</u>
 Water and sewer operations capital assets, net	<u>\$ 38,186,372</u>			<u>\$ 43,925,029</u>
 Business-type activities capital assets, net	<u>\$ 42,725,598</u>			<u>\$ 48,672,399</u>

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Construction Commitments

The government has active construction projects as of June 30, 2014 for the water distribution system. At year-end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Water distribution system	\$ 6,412,472	\$ 2,082,522

Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2014 was as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Amount</u>
Buildings	\$ 1,089,362	\$ 639,056	\$ 450,306
Furniture and equipment	305,893	184,715	121,178
Land	148,525	-	148,525
Motor vehicles	46,390	41,264	5,126
Total	<u>\$ 1,590,170</u>	<u>\$ 865,035</u>	<u>\$ 725,135</u>

Net Investment in Capital Assets

The net investment in capital assets at June 30, 2014 is composed of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital assets	\$ 37,578,498	\$ 48,672,399
Total debt, gross	19,867,309	17,942,406
Less:		
Debt not relating to capital assets	(833,941)	-
Unspent debt proceeds	-	(1,091,914)
Total capital debt	<u>19,033,368</u>	<u>16,850,492</u>
Net investment in capital assets	<u>\$ 18,545,130</u>	<u>\$ 31,821,907</u>

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2014 were as follows:

	<u>Vendors</u>	<u>Accrued Interest</u>	<u>Claims Incurred, But Not Reported</u>	<u>Total</u>
Governmental				
Activities:				
General	\$ 1,827,636	\$ 201,873	\$ 1,383,365	\$ 3,412,874
Other governmental	155,503	-	-	155,503
Total governmental activities	<u>\$ 1,983,139</u>	<u>\$ 201,873</u>	<u>\$ 1,383,365</u>	<u>\$ 3,568,377</u>
Business-type activities:				
Solid waste	\$ 194,348	\$ -	\$ -	\$ 194,348
Water and sewer district	419,102	55,757	-	474,859
Total business-type activities	<u>\$ 613,450</u>	<u>\$ 55,757</u>	<u>\$ -</u>	<u>\$ 669,207</u>

2. Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description

Edgecombe County and the ABC Board contribute 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 Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are 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 7.07% and for 7.41%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 7.07% of annual covered payroll. The contribution requirements of members and of Edgecombe County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2014, 2013, and 2012 were \$1,096,284, \$1,064,212, and \$1,086,313, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2014, 2013, and 2012 were \$15,734, \$14,277, and \$17,079, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

Law Enforcement Officers' Special Separation Allowance

Plan Description

Edgecombe 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% 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 law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	53
 Total	 63

A separate report was not issued for the plan.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.0% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include post-retirement benefit increases. The unfunded actuarial accrued liability is being amortized as a level dollar value of payroll on a closed basis. The remaining amortization period at December 31, 2012 was 18 years.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 111,189
Interest on net pension obligation	13,143
Adjustment to annual required contribution	<u>(21,417)</u>
Annual pension cost	102,915
Contributions made	<u>106,969</u>
Increase (decrease) in net pension obligation	(4,054)
Net pension obligation:	
Beginning of year	<u>262,869</u>
End of year	<u><u>\$ 258,815</u></u>

Three-Year Trend Information

<u>For Year</u> <u>Ended</u> <u>June 30</u>	<u>Annual</u> <u>Pension</u> <u>APC (Cost)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2012	\$ 102,109	108.54%	\$ 264,020
2013	102,868	101.12%	262,869
2014	102,915	103.94%	258,815

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$1,044,504. The covered payroll (annual payroll of active employees covered by the plan) was \$2,100,783 and the ratio of the UAAL to the covered payroll was 49.72%.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

EDGECOMBE COUNTY, NORTH CAROLINA
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Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

Edgecombe 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.

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2014 were \$104,972, which consisted of \$104,972 from the County and \$ 0 from the law enforcement officers.

Registers of Deeds' Supplemental Pension Fund

Plan Description

The County also contributes to the Registers of Deeds' Supplemental Pension Fund (the 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. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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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 3 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, 2014, the County's required and actual contributions were \$2,844.

Other Post-employment Benefits

Plan Description

Under a County resolution, Edgecombe County provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan) as a single-employer, defined benefit plan to cover retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the County. The County pays the full cost of coverage for these benefits. Also, the County's retirees can purchase coverage for their dependents as the County's group rates. The HCB Plan is available to qualified retirees at 100% until the age of 65 or until Medicare eligible, whichever is sooner. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

<u>Years of Service at Retirement</u>	<u>County Contribution</u>
30 or more	100%
5 to 29	0%

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Membership of the HCB Plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	44
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	481
 Total	 525

Funding Policy

The County pays the full cost for the healthcare benefits paid to qualified retirees under a County ordinance, which may be amended by the Board. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 3.45% of annual covered payroll. For the current year, the County contributed \$430,391 or 2.80% 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 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.

Annual OPEB Cost and Net OPEB Obligation.

The County's annual other post-employment benefit (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.

EDGECOMBE COUNTY, NORTH CAROLINA
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The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the post-employment healthcare benefits:

Annual required contribution	\$	530,336
Interest on net OPEB obligation		36,429
Adjustment to annual required contribution		<u>(34,801)</u>
Annual OPEB cost (expense)		531,964
Contributions made		<u>(430,391)</u>
Increase (decrease) in net OPEB obligation		101,573
Net OPEB obligation:		
Beginning of year		<u>910,734</u>
End of year	\$	<u><u>1,012,307</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the HCB Plan, and the net OPEB obligation for 2014 were as follows:

Three Year Trend Information			
For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 531,964	80.9%	\$ 1,012,307
2013	463,110	59.6%	910,734
2012	463,110	54.9%	723,636

Funded Status and Funding Progress

As of December 31, 2013, 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 \$6,805,022. The covered payroll (annual payroll of active employees covered by the plan) was \$15,372,792, and the ratio of UAAL to the covered payroll was 44.3 percent.

EDGECOMBE COUNTY, NORTH CAROLINA
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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 the healthcare cost trend. 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 information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

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 to 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, 2013 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a 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. The rate included a 3 percent inflation assumption. The medical cost trend rate varied between 7.75 and 5.00 percent. 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 unit credit on a level percent of pay, open basis. The remaining amortization period at December 31, 2013, was 30 years.

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at 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. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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liability beyond the payment of monthly contributions. Contributions are determined as 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. Due to a surplus, the Local Governmental Employees' Retirement System (LGERs) Board of Trustees voted to grant temporary relief, effective July 1, 2012 for the employer Death Benefit Plan contribution based on the number of years the employer has contributed to the Death Benefit Plan as of December 31, 2010. The Death Benefit relief for Edgecombe County was granted for three years beginning July 1, 2012.

3. Closure and Post-Closure Care Costs - Edgecombe County Solid Waste Facility

Federal and State laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill stopped accepting municipal solid waste on January 1, 1998.

The County is also permitted to accept construction and demolition waste on top of a closed landfill site for maximum period of five years or until maximum capacity has been reached. The estimated closure and post-closure liability at June 30, 2014 is \$3,448,218 and includes costs accrued for closure of the original landfill and a cumulative amount reported to date based on the use of 57% of the construction and demolition landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$1,861,788 over the remaining life.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements. However, the County has also elected to establish a reserve fund that accumulates resources through annual contributions for the payment of closure and post-closure care costs. At June 30, 2014, those funds are held in investments with a cost and market value of \$1,496,301. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

4. Deferred Outflows and Inflows of Resources

The amount of deferred outflows of resources is a charge on refunding of debt of \$245,250.

Deferred Inflows of Resources at year-end is composed of the following elements:

	Unearned Revenue	Unavailable Revenue
Prepaid taxes not yet earned (general)	\$ 60,920	\$ -
Property taxes receivable (net) (general)	-	4,983,753
Other taxes receivable (net) (general)	-	734,548
Taxes receivable (net) (special revenue)	-	187,896
Other deferred revenue (general)	-	318,158
Other deferred revenue (special revenue)	-	70,778
 Total	 \$ 60,920	 \$ 6,295,133

5. 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 coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general liability coverage of \$2 million per occurrence, and workers' compensation coverage up to the statutory limits. 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, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property coverage, and single occurrence losses of \$350,000 for workers' compensation.

The County carries flood insurance through the North Carolina Association of County Commissioners (NCACC). Because the County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County has purchased adequate flood insurance coverage with a \$25,000 deductible per flood occurrence.

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 and the Tax Collector are each individually bonded for \$500,000 and 100,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$500,000.

EDGECOMBE COUNTY, NORTH CAROLINA
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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.

Edgecombe County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. 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 operates a limited risk, self-insurance program to provide health benefits to County employees. Premiums are paid into the General Fund by all other funds (including amounts withheld from employees) and are available to pay claims and administrative costs of the program. The Interfund premiums are based upon actual estimates of the amounts needed to pay prior and current year claims. Administrative services are contracted with CIGNA, Inc. Aggregate stop loss is purchased in the amount of 125% of expected annual claims and losses above \$75,000 on any one claim.

Premiums are paid to the fund by the County for employees and by the employee for dependents. A total of \$4,525,090 in claims was incurred for benefits during the year ended June 30, 2014. Changes in the fund's claims liability amount were as follows:

	Year Ended June 30	
	2014	2013
Unpaid claims, beginning of year	\$ 1,076,320	\$ 881,051
Incurred claims (including IBNRs)	4,525,090	2,922,114
Claim payments	(4,218,045)	(2,726,845)
Unpaid claims, end of year	\$ 1,383,365	\$ 1,076,320

6. Contingent Liabilities

At June 30, 2014, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorneys, the ultimate outcome of these legal matters will not have a materially adverse effect on the County's financial position.

7. Long-Term Obligations

General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Edgecombe County Water District issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water District Fund, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due.

EDGECOMBE COUNTY, NORTH CAROLINA
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The County's general obligation bonds payable at June 30, 2014 comprise the following individual issues:

	<u>Balance</u> <u>6/30/2014</u>
General Obligation Bonds:	
Serviced by the County's General Fund:	
\$9,370,000 School Bonds - February 1, 2006; due in annual principal payments of \$250,000 to \$550,000 and semi-annual interest payments of 3.45% to 4%; payable August 1 and February 1	\$ 5,880,000
\$3,430,000 2010 School Bonds - March 9, 2010; due in annual principal payments of \$170,000 to \$175,000 and semi-annual interest payments of 3.00% to 4.25%; payable April 1 and October 1	2,730,000
	8,610,000
Serviced by Water and Sewer District #1:	
\$2,350,000 Series 2013 General Obligation Refunding Bonds; Due in annual installments of \$60,000 to \$120,000 (beginning 2014), plus interest @ 2 - 5% through June 2038	2,290,000
Serviced by Water and Sewer District #2:	
\$3,450,000 Series 2013 General Obligation Refunding Bonds; due in annual installments of \$65,000 to \$165,000 (beginning 2014, plus interest @ 2 - 5% through June 2042	3,385,000
Serviced by Water and Sewer District #3:	
\$265,000 Series 2013 General Obligation Refunding Bonds; due in annual installments of \$5,000 to \$25,000 (beginning 2014); plus interest @ 2 - 5% through June 2043	260,000
Serviced by Water and Sewer District #4:	
\$3,615,000 Series 2013 General Obligation Bonds; due in annual installments of \$51,000 to \$159,000 (beginning 2016); plus interest @ 3.25% through June 2053	3,615,000

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Serviced by Water and Sewer District #5:	
\$3,715,000 Series 2013 General Obligation Refunding Bond; due in annual installments of \$65,000 to \$210,000 (beginning 2014); plus interest @ 2 - 5% through June 2043	<u>3,650,000</u>
	<u>13,200,000</u>
 Total General Obligation Bonds	 <u><u>\$ 21,810,000</u></u>

The County's limited obligation debt at June 30, 2014 comprises the following:

	<u>Balance</u> <u>6/30/2014</u>
Limited Obligation Bond Payable:	
\$19,255,000 Limited Obligation Series 2013; due in annual installments of \$220,000 to \$1,010,000 (beginning 2014); plus interest @ 2 - 5% through June 2043	
Serviced by the General Fund	\$ 6,589,800
Serviced by the Water & Sewer Fund	<u>11,715,200</u>
	<u><u>\$ 18,305,000</u></u>

EDGECOMBE COUNTY, NORTH CAROLINA
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The County's financing debt at June 30, 2014 comprises the following:

	<u>Balance</u> <u>6/30/2014</u>
Notes Payable:	
\$760,000 Note Payable - June 22, 2007; due in quarterly principal and interest payments of \$23,284 through June 2017; interest @ 4.125%; payable on September 1, December 1, March 1, and June 1	\$ 259,250
\$990,000 Note Payable - April 15 2011; due in semi-annual principal and interest payments of \$50,871.79 through March 1, 2023; interest @ 3.5%; payable September 1 and March 1	293,269
\$385,000 Note Payable - April 15 2011; due in semi-annual principal and interest payments of \$22,981.12 through March 1, 2021; interest @ 3.5%; payable September 1 and March 1	281,422
\$2,000,000 Note Payable - April 2012; due in annual principal payments of \$500,000 through January 1, 2016; no interest	1,000,000
	1,833,941

EDGECOMBE COUNTY, NORTH CAROLINA
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	<u>Balance</u> <u>6/30/2014</u>		
Installment Purchases:			
\$9,500,000 Installment Agreement - November 10, 1997; due in semi-annual principal and interest payments of \$362,750 through December 2017; interest @ 4.25%; payable December 1 and June 1	\$ 2,336,475		
\$121,750 Installment Agreement, due in annual principal and interest payments of \$7,366 through September 14, 2038; interest @ 4.375%; payable September 14	<table style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: right;">113,145</td></tr> <tr><td style="text-align: right;"><u>2,449,620</u></td></tr> </table>	113,145	<u>2,449,620</u>
113,145			
<u>2,449,620</u>			
Total	<u><u>\$ 4,283,561</u></u>		

The County's Solid Waste financing debt at June 30, 2014 is comprised of the following:

	<u>Balance</u> <u>6/30/2014</u>	
Solid Waste Payable:		
\$700,000 Edgecombe Martin Company Electric Membership Corporation: due in monthly principal payments of \$6,480; no interest; payable the 1st of each month beginning December 1, 2012	<table style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: right;">\$ 576,880</td></tr> </table>	\$ 576,880
\$ 576,880		

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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The following table summarizes the annual requirements to amortize all long-term debt outstanding (excluding bond anticipation notes, compensated absence, accrued separation allowance, enterprise revenue bonds payables, and closure/post closure accrual):

Year	Business-Type Activities		
	General Obligation	Notes	Limited Obligation
	Bonds	Payable	Bonds
2015	\$ -	\$ 77,760	\$ 611,200
2016	51,000	77,760	611,200
2017	52,000	77,760	611,200
2018	53,000	77,760	611,200
2019	55,000	77,760	598,400
2020-2024	300,000	188,080	3,062,400
2025-2029	352,000	-	1,801,600
2030-2034	414,000	-	1,465,600
2035-2039	485,000	-	1,513,600
2040-2044	570,000	-	828,800
2045-2049	668,000	-	-
2050-2054	615,000	-	-
Total	\$ 3,615,000	\$ 576,880	\$ 11,715,200

Year	Governmental Activities			
	Notes	Installment	General	Limited
	Payable	Purchases	Obligation	Obligation
			Bonds	Bonds
2015	\$ 652,739	\$ 655,920	\$ 660,000	\$ 343,800
2016	657,533	690,449	660,000	343,800
2017	159,924	624,332	660,000	343,800
2018	73,010	379,072	660,000	343,800
2019	74,437	2,996	660,000	336,600
2020-2024	216,298	17,067	3,300,000	1,722,600
2025-2029	-	21,143	1,840,000	1,013,400
2030-2034	-	26,193	170,000	824,400
2035-2039	-	32,448	-	851,400
2040-2044	-	-	-	466,200
Total	\$ 1,833,941	\$ 2,449,620	\$ 8,610,000	\$ 6,589,800

EDGECOMBE COUNTY, NORTH CAROLINA
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Year	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 2,312,459	\$ 719,745	\$ 688,960	\$ 596,229	\$ 3,001,419	\$ 1,315,974
2016	2,351,782	654,458	739,960	581,424	3,091,742	1,235,882
2017	1,788,056	569,162	740,960	561,430	2,529,016	1,130,592
2018	1,455,882	494,956	741,960	541,404	2,197,842	1,036,360
2019	1,074,033	1,562,928	731,160	521,346	1,805,193	2,084,274
2020-2024	5,255,965	939,192	3,550,480	2,217,468	8,806,445	3,156,660
2025-2029	2,874,543	459,085	2,153,600	1,543,270	5,028,143	2,002,355
2030-2034	1,020,593	283,111	1,879,600	1,117,583	2,900,193	1,400,694
2035-2039	883,848	169,178	1,998,600	747,375	2,882,448	916,553
2040-2044	466,200	64,605	1,398,800	385,169	1,865,000	449,774
2045-2049	-	-	668,000	166,465	668,000	166,465
2050-2054	-	-	615,000	50,635	615,000	50,635
Total	\$ 19,483,361	\$ 5,916,420	\$ 15,907,080	\$ 9,029,798	\$ 35,390,441	\$ 14,946,218

At June 30, 2014, Edgecombe County Water and Sewer District No. 4 had bonds authorized but unissued of \$885,000.

The County's legal debt margin was \$235,667,420 at June 30, 2014.

Limited Obligation Bonds

On May 1, 2013, the County Water Districts issued individual refunding bonds in the amount of \$9,780,000 for each of the Water Revenue Bonds being refinanced. The County then issued Limited Obligation Bonds ("LOBs") to purchase these bonds, as well as to refinance several Installment Purchase Contracts; the County (and bondholders) have a security interest in the Water District's refunding bonds. When debt service is due, each water district will remit the debt service payments for their respective bonds to the County, who will then remit it to the bondholders. If a district does not pay, the County has the bonds (and the District's ad valorem taxing power for the general obligation bonds) as collateral. The Limited Obligation Bonds are appropriation-backed and require the Board to budget for the debt service annually. The payments will consist of an annual principal payment and bi-annual interest payments between 2% and 5% over the life of the term. As of June 30, 2014, the balance of the bonds was \$18,305,000. The reader should note that this debt issuance is entirely offset by the Water District's Refunding 2013 Bonds as detailed below under the General Obligation Indebtedness section.

EDGECOMBE COUNTY, NORTH CAROLINA
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General Obligations Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Edgecombe County Water Districts issue general obligation bonds to provide funds for acquisition and construction of major water system capital improvements. These bonds, which are recorded in Water District Funds, are collateralized by the full faith, credit and taxing power of the District. Principal and interest payment are appropriated when due.

Water Bonds - The Water Districts (blended component units of the County) issued GO debt, the proceeds of which were used to refund existing District debt. The County then issued Limited Obligation Bonds in an amount sufficient to purchase all of the Districts' GO debt. The Districts and the County assign their rights to a third-party trustee that receives the debt payments from the Districts and uses those funds to make debt service payments on the Limited Obligation Bonds. The remaining GO debt of \$9,585,000 issued by the Districts and held by the County are Intrafund balances which have been eliminated during the consolidation process and are not reflected in the final debt balances of the Water Fund.

Advance Refundings – Water Districts:

In prior years, the County has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and related fixed earnings are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed from the County's liabilities.

Revenue Bonds

In December 2011, the County issued \$638,000 of Water & Sewer Revenue Bonds to finance sewer lines for Water & Sewer District No. 5. At 3% interest, the interest on the bonds is payable annually on June 1. The revenue bonds, which mature through June 1, 2051, are reported on the Edgecombe Water & Sewer District No 5 financial statements because the principal and interest on the bonds are payable from the net revenues of the system.

The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest
2015	\$ 9,000	\$ 18,870
2016	10,000	18,600
2017	10,000	18,300
2018	10,000	18,000
2019	11,000	17,700
2020-2024	58,000	83,460
2025-2029	68,000	74,160
2030-2034	79,000	63,360
2035-2039	91,000	50,790
2040-2044	105,000	36,330
2045-2049	122,000	19,590
2050-2054	<u>56,000</u>	<u>2,520</u>
Total	<u>\$ 629,000</u>	<u>\$ 421,680</u>

The County has been in compliance with bond covenants. The Bond Order requires the Net Revenues for each fiscal year be no less than 110% of the revenue bond debt service requirements and no less than 100% of the debt service requirements of any General Obligation bonds and installment financing obligations of the District. The debt service coverage ratio for the year ended June 30, 2014, is as follows:

Water District No. 5:	
Revenues	\$ 652,167
Operating expenses *	<u>516,783</u>
Net revenues	<u>\$ 135,384</u>
Debt service, principal and interest paid (Revenue Bond only)	<u>\$ 27,870</u>
Debt service coverage ratio	<u>486%</u>
Debt service, principal and interest paid (GO Bonds and installment financing)	<u>\$ 39,709</u>
Debt service coverage ratio	<u>341%</u>

* Per rate covenants, this does not include the depreciation expense of \$334,369.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The County has pledged future water and sewer customer revenues of Water District No. 5, net of specified operating expenses, to repay \$638,000 in water and sewer system revenue bonds issued in December 2011. Proceeds from the bonds provided financing for the sewer lines for Water & Sewer District No. 5. The bonds are payable solely from water and sewer customer net revenues of the District and are payable through 2051. Annual principal and interest payments on the bonds are expected to require less than 20 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,050,680. Principal and interest paid for the current year and total customer net revenues were \$27,870 and \$135,384, respectively.

Bond Anticipation Notes – Proprietary Fund

\$675,000 Water Revenue Bond Anticipation Note issued on October 24, 2013 and maturing on March 19, 2015; interest at 1.36% for Water District No. 5 water line construction.

Debt Related to Capital Activities

Of the total Governmental Activities debt listed, \$833,941 relates to assets to which the County does not hold title.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2014:

	<u>Balance July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>	<u>Current Portion of Balance</u>
Governmental					
Activities:					
General					
obligation debt	\$ 9,270,000	\$ -	\$ (660,000)	\$ 8,610,000	\$ 660,000
Notes payable	3,004,116	-	(1,170,175)	1,833,941	652,739
Installment					
purchase	3,112,675	-	(663,055)	2,449,620	655,920
Limited					
obligation debt	6,931,800	-	(342,000)	6,589,800	343,800
Premium on debt	426,608	-	(42,660)	383,948	-
Compensated					
absences	1,522,552	1,035,654	(1,019,912)	1,538,294	922,976
Unfunded					
Special					
Separation					
Allowance	262,869	102,915	(106,969)	258,815	-
OPEB	881,317	515,468	(415,860)	980,925	-
Total					
Governmental					
Activities	<u>\$ 25,411,937</u>	<u>\$ 1,654,037</u>	<u>\$ (4,004,771)</u>	<u>\$ 22,645,343</u>	<u>\$ 3,235,435</u>

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>	<u>Current Portion of Balance</u>
Business-Type Activities:					
Water and Sewer Districts:					
Water Bonds (see note					
"General Obligation					
Indebtedness")					
	\$ 9,780,000	\$ -	\$ (9,780,000)	\$ -	\$ -
General					
obligation debt	-	3,615,000	-	3,615,000	-
Limited					
obligation debt	12,323,200	-	(608,000)	11,715,200	611,200
Premium on debt	758,413	-	(27,087)	731,326	-
Bond anticipation note	3,615,000	675,000	(3,615,000)	675,000	675,000
Revenue bonds	638,000	-	(9,000)	629,000	9,000
Compensated					
absences	38,111	17,696	(20,202)	35,605	17,695
OPEB	15,574	8,733	(7,705)	16,602	-
Total Water and Sewer Districts					
	<u>27,168,298</u>	<u>4,316,429</u>	<u>(14,039,087)</u>	<u>17,417,733</u>	<u>1,312,895</u>
Solid Waste Fund:					
Notes payable	654,640	-	(77,760)	576,880	77,760
Accrued landfill closure and post-closure care costs					
	3,419,011	29,207	-	3,448,218	-
Compensated					
absences	23,886	15,868	(19,046)	20,708	15,868
OPEB	13,843	7,763	(6,826)	14,780	-
Total Landfill					
	<u>4,111,380</u>	<u>52,838</u>	<u>(103,632)</u>	<u>4,060,586</u>	<u>93,628</u>
Total Business-Type Activities					
	<u>\$ 31,279,678</u>	<u>\$ 4,369,267</u>	<u>\$ (14,142,719)</u>	<u>\$ 21,478,319</u>	<u>\$ 1,406,523</u>

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>	<u>Current Portion of Balance</u>
Discretely Presented Component Units:					
Compensated					
absences	\$ 19,441	\$ -	\$ (6,792)	\$ 12,649	\$ -
OPEB	42,035	9,388	(2,611)	48,812	-
 Total Discretely Presented Component Units	 <u>\$ 61,476</u>	 <u>\$ 9,388</u>	 <u>\$ (6,792)</u>	 <u>\$ 61,461</u>	 <u>\$ -</u>

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

Conduit Debt Obligation

Edgecombe County Industrial Facility and Pollution Control Authority have 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, 2014, there was one series of industrial revenue bonds outstanding. The Company for whom they were issued, is in bankruptcy and it is impossible to determine what the unpaid balance is at June 30, 2014.

C. Interfund Balances and Activity

Interfund balances at June 30, 2014 consist of a loan from the General Fund to the Water and Sewer Fund of \$120,660, the CDBG Scattered Site Project Fund of \$17,090, and the CDBG Grant Fund of \$70,778 for short-term operating cash flow purposes.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

D. Fund Balance

Currently Edgecombe County does not have a revenue spending policy.

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

Total fund balance - General Fund	\$ 14,495,290
Less:	
Non-spendable - Prepaids	15,567
Stabilization	3,872,412
Appropriated Fund Balance 2015 budget	3,973,835
Tax Revaluation	843,912
Education	862,078
Remaing Fund Balance	\$ 4,927,486

IV. Joint Ventures

The County, in conjunction with the Town of Tarboro, participates in the Tarboro-Edgecombe Airport Authority. Each participating government appoints three members to the six-member board. The Airport is a joint venture established to facilitate economic expansion within the County and improve the quality of life for its citizens. The Airport is not self-sustaining. The County has an ongoing financial responsibility for the Airport because it and the Town are legally obligated under the intergovernmental agreement that created the Airport to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$5,875 for operations and \$8,334 for capital outlay to the Airport during the fiscal year ended June 30, 2014. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2014. Complete financial statements for the Airport can be obtained from the Airport's administrative offices of the Town of Tarboro, PO Box 220, Tarboro, North Carolina 27886.

The County also participates in a joint venture to operate the Edgecombe Memorial Library and Braswell Memorial Library along with local municipalities. The County Board of Commissioners appoints three board members to the six-member boards of the Libraries. The County has an ongoing financial responsibility for the joint venture because the Libraries' continued existence depends on the participating governments' continued funding. None of the participating governments has any equity interest in the Libraries, so no equity interest has been reflected in the financial statements at June 30, 2014. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$548,448 to the Libraries to supplement its activities. Complete financial statements for the Libraries can be obtained from the Libraries' offices at 909 Main Street, Tarboro, North Carolina 27886 and 727 N. Grace Street, Rocky Mount, North Carolina, respectively.

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The County, in conjunction with the State of North Carolina and the Edgecombe County Board of Education, participates in a joint venture to operate the Edgecombe County Community College. Each of the participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,386,000 for operations and \$619,379 for capital outlay to the community college during the fiscal year ended June 30, 2014. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2010. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 2009 W. Wilson Street Ext., Tarboro, North Carolina 27886.

V. Jointly Governed Organization

The County, in conjunction with the City of Wilson, City of Rocky Mount, County of Wilson, and County of Nash, participates in the Rocky Mount - Wilson Regional Airport Authority. Each participating City appoints two members and each participating County appoints one member to the seven-member board. The Airport is a joint venture established to facilitate economic expansion within the region and improve the quality of life for its citizens. The County has an ongoing financial responsibility for the Airport because it and the other participants are legally obligated under the intergovernmental agreement that created the Airport to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$46,900 for operations and \$0 for capital outlay to the Airport during the fiscal year ended June 30, 2014. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2014. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 250 Airport Drive, Elm City, North Carolina 27822.

Effective July 1, 2012, The Beacon Center, Eastpointe Human Services and Southeastern Regional Mental Health, Developmental Disabilities and Substance Abuse Services and the Counties of Bladen, Columbus, Duplin, Edgecombe, Greene, Lenoir, Nash, Robeson, Sampson, Scotland, Wayne and Wilson merged Beacon and Southeastern Regional into Eastpointe (New Catchment Area). This merger took place in order to operate as an LME/MCO under North Carolina's 1915(b)/(c) Medicaid Waiver Program as a single prepaid inpatient health plan for mental health, developmental disabilities and substance abuse services beginning no later than January 1, 2013, and to continue to manage the provision of high quality, cost-effective behavioral health services to consumers who are citizens of Bladen, Columbus, Duplin, Edgecombe, Green, Lenoir, Nash, Robeson, Sampson, Scotland, Wayne and Wilson Counties. Following the merger, Eastpointe, as the surviving LME/MCO entity is governed by an Area Board. The Area Board consists of up to twenty-seven (27) members, with the ability to increase its membership as needed. The number of directors on the Area Board, their Qualifications and the Area Board's organization is consistent with the provisions of N.C. General Statue §122C-118.1, as it may be hereinafter amended, or of any successor statute governing organization and membership of the governing board of an LME. The three counties in the New Catchment Area with the largest population each have three (3) representatives on the Area Board. Each other

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

county in the New Catchment Area have two (2) representatives on the Area Board. The identification of the counties, which have such population for this purpose shall be re-examined every three (3) years based on any changes in population. The population numbers used will be those published by the N.C. Department of Health and Human Services.

As of July 1, 2012, Edgecombe County has two representatives on the board. Each participant in the joint venture will make an annual appropriation with the majority of funding coming from other sources. None of the participating governments have an equity interest in Eastpointe, so no equity interest will be reflected in the financial statements. Further information regarding the LME/MCO can be obtained from Eastpointe's Corporate office at 514 East Main Street, P.O. Box 369, Beulaville, N.C. 28518.

The County participates in a joint venture with the Town of Tarboro to operate the Edgecombe County Cultural Arts Council, Inc. The County appoints thirteen of the nineteen board members to the Board of Arts Council. Neither participating government has any equity interest in the Arts Council, so no equity interest has been reflected in the financial statements at June 30, 2014. The County contributed \$ 35,431 to the Arts Council during the year ended June 30, 2014. Complete financial statements for the Arts Council can be obtained from the Arts Council office at 130 Bridgers Street, Tarboro, North Carolina 27886.

The County participates in a joint venture with the City of Rocky Mount and Nash County to operate the Down East Home Consortium, (the "DEHC"). The agreement commenced on June 30, 1996, and covered three consecutive fiscal years. After the initial period, the members of the DEHC chose to continue as a consortium and must notify HUD when it has dissolved. The participating governments mutually agree that Rocky Mount shall act as the lead entity. Each of the entities appoints one member of the three-member DEHC Home Coordinating committee. Each participating government shall receive a percentage of the home funds based on a proration of the population. Each participating government shall be responsible for providing matching funds required by federal regulations for any home funds allocated and accepted for use by that government. For fiscal year June 30, 2014 the County made no contributions to DEHC.

The County participates in a joint venture with Nash County, the Town of Tarboro, and the City of Rocky Mount to operate Carolinas Gateway Partnership, Inc. The partnership's bylaws state that private sector funds are matched on an equal basis by the public partners. For fiscal year June 30, 2014, the County contributed \$140,570 to support the partnership.

VI. Benefit Payments Issued by the State

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

EDGECOMBE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

VII. 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.

Operating Leases

The County is obligated under operating leases to make monthly payments ranging from \$55 to \$4,440 through June 2015. Lease expenditures for the fiscal year ended June 30, 2014 totaled \$177,553. Under these leases, minimum lease payments for the fiscal year ending June 30, 2015 total \$177,553.

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EDGECOMBE COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/94	\$ -	\$ 204,738	\$ 204,738	\$ -	\$ 976,889	20.96%
12/31/95	-	246,470	246,470	-	1,048,731	23.50%
12/31/96	-	332,050	332,050	-	1,088,328	30.51%
12/31/97	-	347,380	347,380	-	1,108,039	31.35%
12/31/98	-	352,569	352,569	-	1,182,195	29.82%
12/31/99	-	391,485	391,485	-	1,394,619	28.07%
12/31/00	-	642,145	642,145	-	1,384,109	46.39%
12/31/01	-	634,387	634,387	-	1,533,872	41.36%
12/31/02	-	655,749	655,749	-	1,549,290	42.33%
12/31/03	-	743,010	743,010	-	1,600,376	46.43%
12/31/04	-	873,911	873,911	-	1,625,775	53.75%
12/31/05	-	817,612	817,612	-	1,784,149	45.83%
12/31/06	-	815,976	815,976	-	1,859,394	43.88%
12/31/07	-	948,719	948,719	-	1,958,095	48.45%
12/31/08	-	936,905	936,905	-	1,973,902	47.46%
12/31/09	-	1,142,606	1,142,606	-	2,049,359	55.75%
12/31/10	-	1,040,758	1,040,758	-	2,148,725	48.44%
12/31/11	-	1,044,561	1,044,561	-	2,009,960	51.97%
12/31/12	-	1,056,391	1,056,391	-	2,078,658	50.82%
12/31/13	-	1,044,504	1,044,504	-	2,100,783	49.72%

**EDGECOMBE COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2004	\$ 90,553	58.17%
2005	77,630	90.65%
2006	86,223	90.43%
2007	79,336	101.09%
2008	81,461	98.52%
2009	93,512	92.06%
2010	93,944	93.71%
2011	109,311	87.73%
2012	106,097	98.04%
2013	111,189	96.20%

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	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	17 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% - 7.85%
*Includes inflation at	3.00%
Cost-of living adjustments	N/A

EDGECOMBE COUNTY, NORTH CAROLINA
OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/08	\$ -	\$ 5,226,254	\$ 5,226,254	\$ -	\$ 14,811,257	35.29%
12/31/09	-	5,865,377	5,865,377	-	14,276,424	41.08%
12/31/11	-	6,370,361	6,370,361	-	15,858,614	40.17%
12/31/13	-	6,805,022	6,805,022	-	15,372,792	44.27%

EDGECOMBE COUNTY, NORTH CAROLINA
OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2014

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 378,961	52.80%
2010	379,944	62.90%
2011	514,714	56.30%
2012	460,284	55.22%
2013	460,284	59.97%
2014	530,336	81.15%

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	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Pre-Medicare trend rate	7.75% to 5%
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 25,979,162	\$ 27,289,860	\$ 1,310,698
Penalties and interest	445,000	558,829	113,829
Total Ad Valorem Taxes	<u>26,424,162</u>	<u>27,848,689</u>	<u>1,424,527</u>
Local Option Sales Taxes:			
Article 39 one percent	1,200,000	1,061,286	(138,714)
Article 40 one - half of one percent	2,000,000	2,122,920	122,920
Article 42 one - half of one percent	450,000	475,050	25,050
Article 46 sales tax	600,000	780,107	180,107
Total Local Option Sales Taxes	<u>4,250,000</u>	<u>4,439,363</u>	<u>189,363</u>
Other Taxes and Licenses:			
Animal tax	12,000	11,182	(818)
Franchise tax	50,000	55,273	5,273
Privilege licenses	5,000	4,585	(415)
Gross receipt tax	3,000	3,108	108
Total Other Taxes and Licenses	<u>70,000</u>	<u>74,148</u>	<u>4,148</u>
Unrestricted Intergovernmental:			
Hold Harmless Provision	-	223,407	223,407
NC Department of Motor Vehicles	77,508	105,498	27,990
Beer and wine tax	90,000	99,502	9,502
Total Unrestricted Intergovernmental	<u>167,508</u>	<u>428,407</u>	<u>260,899</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues (continued):			
Restricted Intergovernmental:			
General Fund	279,995	435,605	155,610
Health Department	1,835,461	1,645,151	(190,310)
Department of Social Services	10,010,780	9,259,972	(750,808)
Court facility fees	50,000	53,170	3,170
CBA Youth Services	212,153	303,361	91,208
Nash County - Veteran Services Officer	45,000	51,085	6,085
ABC bottle taxes	17,000	18,712	1,712
Total Restricted Intergovernmental	<u>12,450,389</u>	<u>11,767,056</u>	<u>(683,333)</u>
Permits and Fees:			
Building and zoning permits	52,500	43,646	(8,854)
Election fees	-	44,414	44,414
Register of Deeds	300,000	276,544	(23,456)
Sheriff, Jail, and other law fees	234,660	252,964	18,304
Legal fee reimbursement	50,000	41,380	(8,620)
Total Permits and Fees	<u>637,160</u>	<u>658,948</u>	<u>21,788</u>
Sales and Services:			
Rents, concessions, and fees	541,034	555,329	14,295
Inmate housing	2,600,000	2,046,037	(553,963)
Health fees	3,656,521	2,724,927	(931,594)
Social Services fees	89,299	169,643	80,344
Sale of fixed assets	109,000	123,038	14,038
Total Sales and Services	<u>6,995,854</u>	<u>5,618,974</u>	<u>(1,376,880)</u>
Investment earnings	<u>-</u>	<u>8,254</u>	<u>8,254</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues (continued):			
Miscellaneous:			
Other	2,082,384	1,806,706	(275,678)
Donations	4,550	4,515	(35)
Insurance claims	812	2,412	1,600
Total Miscellaneous	<u>2,087,746</u>	<u>1,813,633</u>	<u>(274,113)</u>
Total Revenues	<u>53,082,819</u>	<u>52,657,472</u>	<u>(425,347)</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries and employee benefits	103,209	89,789	13,420
Other operating expenditures	164,410	178,608	(14,198)
Dues and meetings	45,000	38,635	6,365
Total Governing Body	<u>312,619</u>	<u>307,032</u>	<u>5,587</u>
Administration:			
Salaries and employee benefits	535,060	430,392	104,668
Other operating expenditures	256,100	128,252	127,848
Total Administration	<u>791,160</u>	<u>558,644</u>	<u>232,516</u>
Elections:			
Salaries and employee benefits	243,237	218,476	24,761
Other operating expenditures	142,095	106,165	35,930
Total Elections	<u>385,332</u>	<u>324,641</u>	<u>60,691</u>
Finance:			
Salaries and employee benefits	340,310	316,790	23,520
Audit	50,000	58,000	(8,000)
Other operating expenditures	125,400	83,233	42,167
Total Finance	<u>515,710</u>	<u>458,023</u>	<u>57,687</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
General Government (continued):			
Tax Collector:			
Salaries and employee benefits	246,716	236,164	10,552
Other operating expenditures	228,348	198,727	29,621
Total Tax Collector	<u>475,064</u>	<u>434,891</u>	<u>40,173</u>
Department of Motor Vehicles			
Salaries and employee benefits	120,788	120,888	(100)
Other operating expenditures	8,665	7,568	1,097
Total Department of Motor Vehicles	<u>129,453</u>	<u>128,456</u>	<u>997</u>
Tax Assessor:			
Salaries and employee benefits	351,415	305,600	45,815
Other operating expenditures	234,200	172,280	61,920
Total Tax Assessor	<u>585,615</u>	<u>477,880</u>	<u>107,735</u>
Legal:			
Contracted services	54,000	60,634	(6,634)
Data Processing:			
Salaries and employee benefits	242,450	213,574	28,876
Other operating expenditures	142,600	125,559	17,041
Total Data Processing	<u>385,050</u>	<u>339,133</u>	<u>45,917</u>
Register of Deeds:			
Salaries and employee benefits	230,175	225,662	4,513
Other operating expenditures	199,150	142,889	56,261
Children's trust fund	1,800	1,190	610
Domestic violence fund	8,500	7,140	1,360
Total Register of Deeds	<u>439,625</u>	<u>376,881</u>	<u>62,744</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
General Government (continued):			
Public Buildings:			
Salaries and employee benefits	400,450	366,531	33,919
Other operating expenditures	36,812	18,329	18,483
Utilities	706,575	602,333	104,242
Maintenance	681,000	480,214	200,786
Capital outlay	110,000	110,022	(22)
Total Public Buildings	<u>1,934,837</u>	<u>1,577,429</u>	<u>357,408</u>
Court Facilities:			
Rent - Courts of Justice	16,800	16,800	-
Jury Commission	11,000	3,608	7,392
Law library	11,500	10,780	720
Juvenile detention	122,418	70,760	51,658
Total Court Facilities	<u>161,718</u>	<u>101,948</u>	<u>59,770</u>
Central Services:			
Insurance and other	374,300	371,966	2,334
Other Operating Expenditures	179,000	140,891	38,109
Total Central Services	<u>553,300</u>	<u>512,857</u>	<u>40,443</u>
Total General Government	<u>6,723,483</u>	<u>5,658,449</u>	<u>1,065,034</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits	3,595,069	3,547,004	48,065
Other operating expenditures	874,911	812,381	62,530
Narcotics control	46,453	39,800	6,653
Capital outlay	174,000	173,742	258
Total Sheriff	<u>4,690,433</u>	<u>4,572,927</u>	<u>117,506</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Public Safety (continued):			
Jail:			
Salaries and employee benefits	2,609,118	2,547,366	61,752
Other operating expenditures	1,651,000	1,248,890	402,110
Total Jail	<u>4,260,118</u>	<u>3,796,256</u>	<u>463,862</u>
Fire:			
Forest fire contracts	90,375	84,944	5,431
Workman's compensation	15,000	11,904	3,096
Total Fire	<u>105,375</u>	<u>96,848</u>	<u>8,527</u>
Emergency Management Coordinator:			
Salaries and employee benefits	243,800	242,709	1,091
Other operating expenditures	63,456	53,481	9,975
Total Emergency Mgmt. Coordinator	<u>307,256</u>	<u>296,190</u>	<u>11,066</u>
E911:			
Other operating expenditures	6,750	3,718	3,032
Total E911	<u>6,750</u>	<u>3,718</u>	<u>3,032</u>
Communications:			
Salaries and employee benefits	546,298	531,018	15,280
Other operating expenditures	193,800	159,452	34,348
Total Communications	<u>740,098</u>	<u>690,470</u>	<u>49,628</u>
Rescue Squads:			
Medicaid revenues - Rescue	1,500,000	4,603	1,495,397
Contracted services	1,000,000	1,000,000	-
Total Rescue Squads	<u>2,500,000</u>	<u>1,004,603</u>	<u>1,495,397</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Public Safety (continued):			
Medical Examiner:			
Fees	7,000	5,200	1,800
Autopsies	35,000	17,000	18,000
Total Medical Examiner	<u>42,000</u>	<u>22,200</u>	<u>19,800</u>
Animal Control:			
Salaries and employee benefits	121,586	119,075	2,511
Other operating expenditures	22,864	15,084	7,780
Total Animal Control	<u>144,450</u>	<u>134,159</u>	<u>10,291</u>
Inspections:			
Salaries and employee benefits	130,007	119,987	10,020
Other operating expenditures	20,700	13,897	6,803
Total Inspections	<u>150,707</u>	<u>133,884</u>	<u>16,823</u>
Total Public Safety	<u>12,947,187</u>	<u>10,751,255</u>	<u>2,195,932</u>
Transportation:			
Contribution to regional airport	62,066	62,066	-
Economic and Physical Development:			
Water and Sewer Projects:			
Other operating expenditures	189,200	220,260	(31,060)
Agricultural Extension:			
Contractual Services	286,001	208,737	77,264
Other operating expenditures	100,690	89,973	10,717
Total Agricultural Extension	<u>386,691</u>	<u>298,710</u>	<u>87,981</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Economic and Physical Development (continued):			
Soil and Water Conservation:			
Salaries and employee benefits	153,530	151,715	1,815
Other operating expenditures	11,250	9,449	1,801
Total Soil & Water Conservation	<u>164,780</u>	<u>161,164</u>	<u>3,616</u>
Economic Development:			
Industrial Incentive	76,000	75,993	7
Carolina Gateway Partnership	140,569	140,570	(1)
Rocky Mount/Edgecombe County Community Development Corporation	22,630	22,530	100
Contractual services	2,100	93,037	(90,937)
Total Economic Development	<u>241,299</u>	<u>332,130</u>	<u>(90,831)</u>
Planning:			
Salaries and employee benefits	155,190	162,995	(7,805)
Other operating expenditures	65,800	54,123	11,677
Total Planning	<u>220,990</u>	<u>217,118</u>	<u>3,872</u>
Total Economic and Physical Development	<u>1,202,960</u>	<u>1,229,382</u>	<u>(26,422)</u>
Human Services:			
Veterans Service Officer:			
Salaries and employee benefits	85,300	77,055	8,245
Other operating expenditures	3,900	3,466	434
Total Veterans Service Officer	<u>89,200</u>	<u>80,521</u>	<u>8,679</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Human Services (continued):			
Other:			
Youth services	245,508	329,899	(84,391)
Misc. Human Services	51,975	48,190	3,785
Total Other	<u>297,483</u>	<u>378,089</u>	<u>(80,606)</u>
Health Department:			
Administration:			
Salaries and employee benefits	69,014	118,987	(49,973)
Other operating expenditures	108,065	107,043	1,022
Total Administration	<u>177,079</u>	<u>226,030</u>	<u>(48,951)</u>
Maternal and Child Health:			
Salaries and employee benefits	522,195	466,103	56,092
Other operating expenditures	100,298	93,812	6,486
Total Maternal and Child Health	<u>622,493</u>	<u>559,915</u>	<u>62,578</u>
Family Planning:			
Salaries and employee benefits	397,090	447,574	(50,484)
Other operating expenditures	110,573	99,249	11,324
Total Family Planning	<u>507,663</u>	<u>546,823</u>	<u>(39,160)</u>
866 Healthy Communities:			
Salaries and employee benefits	12,157	12,695	(538)
Other operating expenditures	3,616	3,601	15
Total 866 Healthy Communities	<u>15,773</u>	<u>16,296</u>	<u>(523)</u>
Maternal Care Coordination:			
Salaries and employee benefits	194,031	182,112	11,919
Other operating expenditures	41,497	14,817	26,680
Total Maternal Care Coordination	<u>235,528</u>	<u>196,929</u>	<u>38,599</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Human Services (continued):			
Health Department (continued):			
School Nurse Initiative Program:			
Salaries and employee benefits	261,802	223,165	38,637
Other operating expenditures	3,670	3,695	(25)
Total School Nurse Initiative Program	<u>265,472</u>	<u>226,860</u>	<u>38,612</u>
School Health:			
Salaries and employee benefits	209,324	199,349	9,975
Other operating expenditures	17,449	9,366	8,083
Total School Health	<u>226,773</u>	<u>208,715</u>	<u>18,058</u>
Healthy Start:			
Salaries and employee benefits	121,461	99,292	22,169
Other operating expenditures	27,463	7,341	20,122
Total Healthy Start	<u>148,924</u>	<u>106,633</u>	<u>42,291</u>
Environmental Health:			
Salaries and employee benefits	312,036	304,832	7,204
Other operating expenditures	30,156	28,516	1,640
Total Environmental Health	<u>342,192</u>	<u>333,348</u>	<u>8,844</u>
Tuberculosis:			
Salaries and employee benefits	63,163	55,072	8,091
Other operating expenditures	18,732	13,559	5,173
Total Tuberculosis	<u>81,895</u>	<u>68,631</u>	<u>13,264</u>
Adult Health Services:			
Salaries and employee benefits	215,711	201,306	14,405
Other operating expenditures	52,000	52,145	(145)
Total Adult Health Services	<u>267,711</u>	<u>253,451</u>	<u>14,260</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Human Services: (continued)			
Health Department (continued):			
Health Works:			
Salaries and employee benefits	50,761	48,774	1,987
Other operating expenditures	13,478	13,403	75
Total Health Works	<u>64,239</u>	<u>62,177</u>	<u>2,062</u>
Home Health Services:			
Salaries and employee benefits	693,945	660,451	33,494
Other operating expenditures	337,201	367,203	(30,002)
Total Home Health Services	<u>1,031,146</u>	<u>1,027,654</u>	<u>3,492</u>
Health Promotion:			
Salaries and employee benefits	-	273	(273)
Total Health Promotion	<u>-</u>	<u>273</u>	<u>(273)</u>
Child Service Coordination			
Salaries and employee benefits	158,345	115,884	42,461
Other operating expenditures	44,619	11,518	33,101
Total Child Service Coordination	<u>202,964</u>	<u>127,402</u>	<u>75,562</u>
Immunization Action Plan:			
Salaries and employee benefits	45,252	59,428	(14,176)
Other operating expenditures	10,146	10,617	(471)
Total Immunization Action Plan	<u>55,398</u>	<u>70,045</u>	<u>(14,647)</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Human Services: (continued)			
Health Department (continued):			
Communicable Disease:			
Salaries and employee benefits	247,959	261,974	(14,015)
Other operating expenditures	20,963	17,163	3,800
Total Communicable Disease	<u>268,922</u>	<u>279,137</u>	<u>(10,215)</u>
Comprehensive Breast:			
Salaries and employee benefits	38,564	26,659	11,905
Other operating expenditures	13,446	11,096	2,350
Total Comprehensive Breast	<u>52,010</u>	<u>37,755</u>	<u>14,255</u>
Breast Health Initiative:			
Salaries and employee benefits	8,257	3,256	5,001
Other operating expenditures	37,282	23,817	13,465
Total Breast Health Initiative	<u>45,539</u>	<u>27,073</u>	<u>18,466</u>
AIDS:			
Salaries and employee benefits	10,416	10,645	(229)
HIV/STD Prevention Risk Reduction:			
Salaries and employee benefits	43,882	43,176	706
Other operating expenditures	16,118	9,668	6,450
Total HIV/STD Prevention Risk Reduction	<u>60,000</u>	<u>52,844</u>	<u>7,156</u>
Triple P Funds - Nash County			
Salaries and employee benefits	5,000	5,238	(238)
Total Triple P Funds - Nash County	<u>5,000</u>	<u>5,238</u>	<u>(238)</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Human Services: (continued)			
Health Department (continued):			
WIC:			
Salaries and employee benefits	368,738	363,353	5,385
Other operating expenditures	45,622	34,817	10,805
Total WIC	<u>414,360</u>	<u>398,170</u>	<u>16,190</u>
Special Programs:			
Salaries and employee benefits	265,131	267,943	(2,812)
Other operating expenditures	107,720	107,967	(247)
Total Special Programs	<u>372,851</u>	<u>375,910</u>	<u>(3,059)</u>
Dental Program:			
Salaries and employee benefits	152,360	145,518	6,842
Other operating expenditures	286,236	248,554	37,682
Total Dental Program	<u>438,596</u>	<u>394,072</u>	<u>44,524</u>
Nurse Family - North Hampton Grant:			
Salaries and employee benefits	3,940	4,366	(426)
Other operating expenditures	1,060	1,060	-
Total Nurse Family - North Hampton Grant	<u>5,000</u>	<u>5,426</u>	<u>(426)</u>
Diabetes:			
Salaries and employee benefits	74,146	69,666	4,480
Other operating expenditures	7,225	3,921	3,304
Total Diabetes	<u>81,371</u>	<u>73,587</u>	<u>7,784</u>
BT Preparedness:			
Salaries and employee benefits	33,638	37,879	(4,241)
Other operating expenditures	17,711	16,868	843
Total BT Preparedness	<u>51,349</u>	<u>54,747</u>	<u>(3,398)</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Human Services (continued):			
Health Department (continued):			
Other Grants:			
Other operating expenditures	51,988	24,128	27,860
University Health System Grant:			
Salaries and employee benefits	34,198	34,132	66
Other operating expenditures	8,882	7,755	1,127
Total University Health System Grant	43,080	41,887	1,193
826 Title X HIV Services:			
Salaries and employee benefits	1,868	1,854	14
Other operating expenditures	485	485	-
Total 826 Title X HIV Services	2,353	2,339	14
SGK UCP Lay Advisors:			
Salaries and employee benefits	3,201	4,278	(1,077)
Other operating expenditures	299	34	265
Total SGK UCP Lay Advisors	3,500	4,312	(812)
Region 9 Transformation:			
Salaries and employee benefits	1,072	-	1,072
Other operating expenditures	9,778	9,450	328
Total Region 9	10,850	9,450	1,400
Total Health Department	6,162,435	5,827,902	334,533
Mental Health:			
Assist to the Beacon Center	18,000	15,431	2,569
Aging:			
Salaries and employee benefits	47,215	47,323	(108)
Other operating expenditures	11,106	3,290	7,816
Total Aging	58,321	50,613	7,708

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Human Services (continued):			
Social Services:			
Administration:			
Salaries and employee benefits	7,180,750	6,825,357	355,393
Other operating expenditures	1,019,334	890,517	128,817
Total Administration	<u>8,200,084</u>	<u>7,715,874</u>	<u>484,210</u>
Public Assistance:			
Assistance payments	<u>6,672,858</u>	<u>5,712,469</u>	<u>960,389</u>
Total Social Services	<u>14,872,942</u>	<u>13,428,343</u>	<u>1,444,599</u>
Total Human Services	<u>21,498,381</u>	<u>19,780,899</u>	<u>1,717,482</u>
Cultural and Recreational:			
Contribution to local library	540,794	548,449	(7,655)
Cultural Arts Council	35,431	35,431	-
School recreation	28,800	28,800	-
Total Cultural and Recreational	<u>605,025</u>	<u>612,680</u>	<u>(7,655)</u>
Education:			
Public Schools:			
Current	8,674,027	8,674,027	-
Building capital fund (PSBCF)	800,000	-	800,000
NC Lottery allocations	1,000,000	-	1,000,000
Community Colleges:			
Current	1,420,000	1,386,000	34,000
Capital Outlay	700,000	619,379	80,621
Total Education	<u>12,594,027</u>	<u>10,679,406</u>	<u>1,914,621</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures (continued):			
Debt Service:			
Principal retirement	3,111,963	2,835,230	276,733
Interest and other charges	785,663	767,364	18,299
Total Debt Service	<u>3,897,626</u>	<u>3,602,594</u>	<u>295,032</u>
Total Expenditures	<u>59,530,755</u>	<u>52,376,731</u>	<u>7,154,024</u>
Revenues Over (Under) Expenditures	<u>(6,447,936)</u>	<u>280,741</u>	<u>6,728,677</u>
Other Financing Sources (Uses):			
Transfers To/From Other Funds:			
Revaluation	(150,000)	(150,000)	-
Appropriated fund balance	6,597,936	-	(6,597,936)
Total Other Financing Sources (Uses)	<u>6,447,936</u>	<u>(150,000)</u>	<u>(6,597,936)</u>
Net change in fund balance	<u>\$ -</u>	<u>130,741</u>	<u>\$ 130,741</u>
Fund Balance:			
Beginning of year, July 1		<u>13,520,637</u>	
End of year, June 30		<u>\$ 13,651,378</u>	

**EDGECOMBE COUNTY, NORTH CAROLINA
REVALUATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	2014		Variance Over/Under
	Budget	Actual	
Other Financing Sources:			
Transfer In:			
General Fund	\$ -	\$ 150,000	\$ 150,000
Net change in fund balance	<u>\$ -</u>	<u>150,000</u>	<u>\$ 150,000</u>
Fund Balance:			
Beginning of year, July 1		<u>693,912</u>	
End of year, June 30		<u>\$ 843,912</u>	

EDGECOMBE COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds			
	CDBG Scattered Sites Project Fund	Fire Districts Fund	Industrial Sites Development Fund	Emergency Telephone System
Assets				
Cash and cash equivalents	\$ -	\$ 13,589	\$ 137,114	\$ 313,346
Accounts receivable, net	22,689	777	-	47,825
Taxes receivable, net	-	187,896	-	-
 Total assets	 <u>\$ 22,689</u>	 <u>\$ 202,262</u>	 <u>\$ 137,114</u>	 <u>\$ 361,171</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,381	\$ 14,366	\$ -	\$ 10,290
Due to other funds	17,090	-	-	-
Total liabilities	<u>19,471</u>	<u>14,366</u>	<u>-</u>	<u>10,290</u>
 Deferred Inflows of Resources	 <u>-</u>	 <u>187,896</u>	 <u>-</u>	 <u>-</u>
 Fund Balances:				
Restricted for:				
Stabilization by State Statute	22,689	777	-	47,825
Capital projects	-	-	-	-
Public Safety	-	-	-	303,056
Economic Development	3,218	-	-	-
Committed:				
Economic Development	-	-	137,114	-
Unassigned	<u>(22,689)</u>	<u>(777)</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>3,218</u>	<u>-</u>	<u>137,114</u>	<u>350,881</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 22,689</u>	 <u>\$ 202,262</u>	 <u>\$ 137,114</u>	 <u>\$ 361,171</u>

CDBG Grant Fund	Economic Development and Housing Recovery Fund	Total Nonmajor Special Revenue Funds	Capital Project Fund		Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
			Schools Capital Project Fund	Human Services Building Capital Project Fund		
\$ -	\$ 19,178	\$ 483,227	\$ -	\$ 42,198	\$ 42,198	\$ 525,425
70,778	8,140	150,209	121,170	-	121,170	271,379
-	-	187,896	-	-	-	187,896
<u>\$ 70,778</u>	<u>\$ 27,318</u>	<u>\$ 821,332</u>	<u>\$ 121,170</u>	<u>\$ 42,198</u>	<u>\$ 163,368</u>	<u>\$ 984,700</u>
\$ -	\$ 7,296	\$ 34,333	\$ 121,170	\$ -	\$ 121,170	\$ 155,503
70,778	-	87,868	-	-	-	87,868
<u>70,778</u>	<u>7,296</u>	<u>122,201</u>	<u>121,170</u>	<u>-</u>	<u>121,170</u>	<u>243,371</u>
<u>70,778</u>	<u>-</u>	<u>258,674</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,674</u>
-	8,140	79,431	121,170	-	121,170	200,601
-	-	-	-	42,198	42,198	42,198
-	-	303,056	-	-	-	303,056
-	20,022	23,240	-	-	-	23,240
-	-	137,114	-	-	-	137,114
(70,778)	(8,140)	(102,384)	(121,170)	-	(121,170)	(223,554)
<u>(70,778)</u>	<u>20,022</u>	<u>440,457</u>	<u>-</u>	<u>42,198</u>	<u>42,198</u>	<u>482,655</u>
<u>\$ 70,778</u>	<u>\$ 27,318</u>	<u>\$ 821,332</u>	<u>\$ 121,170</u>	<u>\$ 42,198</u>	<u>\$ 163,368</u>	<u>\$ 984,700</u>

EDGECOMBE COUNTY, NORTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	CDBG Scattered Sites Fund	Fire Districts Fund	Industrial Sites Development Fund	Emergency Telephone System
Revenues				
Ad valorem taxes	\$ -	\$ 963,487	\$ -	\$ -
Local option sales tax	-	-	-	-
Restricted intergovernmental	91,039	-	-	-
Other taxes and licenses	-	-	-	573,900
Total revenues	91,039	963,487	-	573,900
Expenditures				
Public Safety	-	963,487	-	329,779
Education	-	-	-	-
Economic and				
Physical Development	87,821	-	-	-
Total expenditures	87,821	963,487	-	329,779
Net change in fund balances	3,218	-	-	244,121
Fund Balances:				
Beginning of year, July 1	-	-	137,114	106,760
End of year, June 30	\$ 3,218	\$ -	\$ 137,114	\$ 350,881

CDBG Grant Fund	Economic Development and Housing Recovery Fund	Total Nonmajor Special Revenue Funds	Capital Project Fund		Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
			Schools Capital Project Fund	Human Services Building Capital Project Fund Fund		
\$ -	\$ -	\$ 963,487	\$ -	\$ -	\$ -	\$ 963,487
-	-	-	712,575	-	712,575	712,575
-	45,640	136,679	-	-	-	136,679
-	-	573,900	-	-	-	573,900
-	45,640	1,674,066	712,575	-	712,575	2,386,641
-	-	1,293,266	-	-	-	1,293,266
-	-	-	712,575	-	712,575	712,575
4,000	80,226	172,047	-	-	-	172,047
4,000	80,226	1,465,313	712,575	-	712,575	2,177,888
(4,000)	(34,586)	208,753	-	-	-	208,753
(66,778)	54,608	231,704	-	42,198	42,198	273,902
\$ (70,778)	\$ 20,022	\$ 440,457	\$ -	\$ 42,198	\$ 42,198	\$ 482,655

**EDGECOMBE COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCATTERED SITE PROJECT FUND (09-C-1990 and ER 10-C-2140)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted Intergovernmental:					
Community Development					
Block Grants:					
CDBG 12-C-2415	\$ 225,000	\$ 215	\$ 22,473	\$ 22,688	\$ (202,312)
ER 10-C-2140	500,000	411,951	68,566	480,517	(19,483)
Total revenues	<u>725,000</u>	<u>412,166</u>	<u>91,039</u>	<u>503,205</u>	<u>(221,795)</u>
Expenditures:					
Economic and					
Physical Development:					
CDBG 12-C-2415					
Rehabilitation	202,500	-	6,472	6,472	196,028
Administration	22,500	215	16,217	16,432	6,068
Total	<u>225,000</u>	<u>215</u>	<u>22,689</u>	<u>22,904</u>	<u>202,096</u>
ER 10-C-2140:					
Rehabilitation	455,000	378,910	58,122	437,032	17,968
Administration	45,000	33,041	7,010	40,051	4,949
Total	<u>500,000</u>	<u>411,951</u>	<u>65,132</u>	<u>477,083</u>	<u>22,917</u>
Total expenditures	<u>725,000</u>	<u>412,166</u>	<u>87,821</u>	<u>499,987</u>	<u>225,013</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,218	<u>\$ 3,218</u>	<u>\$ 3,218</u>
Fund Balance:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 3,218</u>		

**EDGECOMBE COUNTY, NORTH CAROLINA
FIRE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	2014		Variance Over/Under
	Budget	Actual	
Revenues:			
Ad valorem taxes	\$ 1,063,500	\$ 963,487	\$ (100,013)
Expenditures:			
Public Safety:			
Fire Districts	<u>1,063,500</u>	<u>963,487</u>	<u>100,013</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year, July 1		-	
End of year, June 30		<u>\$ -</u>	

**EDGECOMBE COUNTY, NORTH CAROLINA
INDUSTRIAL SITES DEVELOPMENT FUND
SCHEDULED OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	2014		
	Budget	Actual	Variance Over/Under
Revenues:			
Investment earnings	\$ -	\$ -	\$ -
Property sale/lease payments	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Economic and Physical Development:			
Engineering	-	-	-
Other Financing Sources (Uses):			
Transfers Out	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year, July 1		<u>137,114</u>	
End of year, June 30		<u>\$ 137,114</u>	

EDGECOMBE COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	2014		Variance Over/Under
	Budget	Actual	
Revenues:			
NC 911 PSAP fees	\$ 573,900	\$ 573,900	\$ -
Total revenues	<u>573,900</u>	<u>573,900</u>	<u>-</u>
Expenditures:			
Public Safety:			
Implemental Functions	82,170	13,430	68,740
Phone and furniture	85,000	71,044	13,956
Equipment repair	52,062	63,612	(11,550)
Hardware	1,000	1,121	(121)
Training	500	50	450
Capital Outlay - 50% Public Safety	<u>353,168</u>	<u>180,522</u>	<u>172,646</u>
Total expenditures	<u>573,900</u>	<u>329,779</u>	<u>244,121</u>
Net change in fund balance	<u>\$ -</u>	244,121	<u>\$ 244,121</u>
Fund Balance:			
Beginning of year, July 1		<u>106,760</u>	
End of year, June 30		<u>\$ 350,881</u>	

**EDGECOMBE COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
ECONOMIC DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted Intergovernmental:					
Community Development					
Block Grants:					
CDBG 09-C-1952					
Capacity Bldg.	\$ 75,000	\$ -	\$ -	\$ -	\$ (75,000)
CDBG 10-E-2187 -					
Superior Essex	750,000	750,000	(750,000)	-	(750,000)
Total revenues	<u>825,000</u>	<u>750,000</u>	<u>(750,000)</u>	<u>-</u>	<u>(825,000)</u>
Expenditures:					
Economic Development:					
Community Development					
Block Grants:					
CDBG 09-C-1952 -					
Capacity Bldg.:					
Other professional	67,500	67,500	-	67,500	-
Administration	7,500	3,278	-	3,278	4,222
Total	<u>75,000</u>	<u>70,778</u>	<u>-</u>	<u>70,778</u>	<u>4,222</u>
CDBG 10-E-2187 -					
Superior Essex:					
Rehabilitation	750,000	750,000	(750,000)	-	750,000
Administration	20,000	16,000	4,000	20,000	-
Total	<u>770,000</u>	<u>766,000</u>	<u>(746,000)</u>	<u>20,000</u>	<u>750,000</u>
Total expenditures	<u>845,000</u>	<u>836,778</u>	<u>(746,000)</u>	<u>90,778</u>	<u>754,222</u>

**EDGECOMBE COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
ECONOMIC DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues Over					
(Under) Expenditures	(20,000)	(86,778)	(4,000)	(90,778)	(70,778)
Other Financing					
Sources (Uses):					
Transfers In	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (66,778)</u>	(4,000)	<u>\$ (70,778)</u>	<u>\$ (70,778)</u>
Fund Balance:					
Beginning of year, July 1			<u>(66,778)</u>		
End of year, June 30			<u>\$ (70,778)</u>		

EDGECOMBE COUNTY, NORTH CAROLINA
ECONOMIC DEVELOPMENT AND HOUSING RECOVERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30,2014

	<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:					
NC Housing and Finance:					
2012 Urgent Repair	\$ 75,000	\$ 37,500	\$ 37,500	\$ 75,000	\$ -
2013 Single Family Repair	170,000	-	8,140	8,140	(161,860)
Down East Home	604,334	372,099	-	372,099	(232,235)
CNEF Grant	9,000	9,000	-	9,000	-
The Rural Center-SEPRO	60,000	34,523	-	34,523	(25,477)
County match	1,800	1,800	-	1,800	-
Investment income	-	897	-	897	897
Total revenues	<u>920,134</u>	<u>455,819</u>	<u>45,640</u>	<u>501,459</u>	<u>(418,675)</u>
Expenditures:					
Economic and Physical Development:					
NC Housing and Finance:					
2010 Urgent Repair	75,000	2,959	72,041	75,000	-
2013 Single Family Repair	170,000	-	8,140	8,140	161,860
Down East Home	604,334	372,099	-	372,099	232,235
Community Togetherness	9,000	7,074	45	7,119	1,881
The Rural Center-SEPRO	61,800	19,079	-	19,079	42,721
Total expenditures	<u>920,134</u>	<u>401,211</u>	<u>80,226</u>	<u>481,437</u>	<u>438,697</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 54,608</u>	<u>(34,586)</u>	<u>\$ 20,022</u>	<u>\$ 20,022</u>
Fund Balance:					
Beginning of year, July 1			<u>54,608</u>		
End of year, June 30			<u>\$ 20,022</u>		

**EDGECOMBE COUNTY, NORTH CAROLINA
SCHOOLS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	2014		
	Budget	Actual	Variance Over/Under
Revenues:			
Local sales tax - restricted portion	\$ 750,000	\$ 712,575	\$ (37,425)
Expenditures:			
Education:			
Schools - capital outlay	750,000	712,575	37,425
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	

**EDGECOMBE COUNTY, NORTH CAROLINA
HUMAN SERVICES BUILDING CAPITAL PROJCT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Variance Over/Under</u>
			<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment Income	\$ 9,670	\$ 4,551	\$ -	\$ 4,551	\$ (5,119)
Expenditures:					
Renovations:					
Construction	5,959,102	5,904,350	-	5,904,350	54,752
Engineering	441,705	449,924	-	449,924	(8,219)
Note payoff	1,000,000	1,000,000	-	1,000,000	-
Furnishings	608,863	608,079	-	608,079	784
Total expenditures	<u>8,009,670</u>	<u>7,962,353</u>	<u>-</u>	<u>7,962,353</u>	<u>47,317</u>
Revenues Over (Under) Expenditures	(8,000,000)	(7,957,802)	-	(7,957,802)	42,198
Other Financing Sources:					
Installment loan issuance	<u>8,000,000</u>	<u>8,000,000</u>	<u>-</u>	<u>8,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 42,198</u>	<u>-</u>	<u>\$ 42,198</u>	<u>\$ 42,198</u>
Fund Balance:					
Beginning of year, July 1			<u>42,198</u>		
End of year, June 30			<u>\$ 42,198</u>		

EDGECOMBE COUNTY, NORTH CAROLINA
WATER DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual			Variance Over/Under
		Prior Year	Current Year	Total to Date	
Revenues:					
Water District No. 5:					
Restricted Intergovernmental:					
USDA/Rural Development	\$ 3,988,000	\$ 3,988,018	\$ -	\$ 3,988,018	\$ 18
General Obligation Bonds	3,928,000	3,928,000	-	3,928,000	-
Local match	231,495	26,636	-	26,636	(204,859)
Local match-Draughn Road	162,336	154,035	54,015	208,050	45,714
Total	<u>8,309,831</u>	<u>8,096,689</u>	<u>54,015</u>	<u>8,150,704</u>	<u>(159,127)</u>
New Hope Church Road:					
Restricted Intergovernmental:					
Rural Center	625,000	-	-	-	(625,000)
USDA Grant	1,296,750	-	-	-	(1,296,750)
Total	<u>1,921,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,921,750)</u>
Water District No. 4 - Phase III					
Restricted Intergovernmental:					
Rural Center	1,000,000	-	-	-	(1,000,000)
USDA Grant	3,013,590	-	2,422,403	2,422,403	(591,187)
Local match	63,600	69,277	-	69,277	5,677
Total	<u>4,077,190</u>	<u>69,277</u>	<u>2,422,403</u>	<u>2,491,680</u>	<u>(1,585,510)</u>
Water District No. 5 - 97 Wastewater:					
Restricted Intergovernmental:					
USDA Grant	1,000,000	999,999	-	999,999	(1)
USDA Revenue Bonds	638,000	638,000	-	638,000	-
NC Clean Water Bonds	1,728,859	1,619,227	76,044	1,695,271	(33,588)
The Rural Center	400,000	400,000	-	400,000	-
The Rural Center	1,000,000	900,000	-	900,000	(100,000)
Local match	760	662	-	662	(98)
Total	<u>4,767,619</u>	<u>4,557,888</u>	<u>76,044</u>	<u>4,633,932</u>	<u>(133,687)</u>
Miscellaneous Water Projects:					
Meter Replacement Project	428,464	-	-	-	(428,464)
Sales tax refunded	-	-	107,697	107,697	107,697
Investment income	-	6,747	2,376	9,123	9,123
Total	<u>428,464</u>	<u>6,747</u>	<u>110,073</u>	<u>116,820</u>	<u>(311,644)</u>
Total revenues	<u>19,504,854</u>	<u>12,730,601</u>	<u>2,662,535</u>	<u>15,393,136</u>	<u>(4,111,718)</u>

EDGECOMBE COUNTY, NORTH CAROLINA
WATER DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Year	Current Year		
Expenditures:					
Water District No. 5:					
Construction	6,017,288	6,015,510	-	6,015,510	1,778
Draughn Road Construction	417,762	307,951	58,775	366,726	51,036
Engineering Fees	744,860	725,654	-	725,654	19,206
Land Right of Way	23,450	23,450	-	23,450	-
Leggett Note Purchase	203,742	176,929	-	176,929	26,813
Administration and Legal	46,712	46,228	-	46,228	484
Capitalized Interest	67,212	67,212	-	67,212	-
Equipment	759,780	631,999	-	631,999	127,781
Contingency	29,026	29,026	-	29,026	-
Total	<u>8,309,832</u>	<u>8,023,959</u>	<u>58,775</u>	<u>8,082,734</u>	<u>227,098</u>
New Hope Church Road:					
Construction	1,978,529	-	379,573	379,573	1,598,956
Engineering Fees	346,300	-	-	-	346,300
Land Right of Way	158,000	-	-	-	158,000
Administration and Legal	15,000	-	73,841	73,841	(58,841)
Capitalized interest	98,921	-	-	-	98,921
Total	<u>2,596,750</u>	<u>-</u>	<u>453,414</u>	<u>453,414</u>	<u>2,143,336</u>
Water District No. 4 - Phase III:					
Construction	6,554,120	3,139,241	2,893,659	6,032,900	521,220
Engineering Fees	697,000	186,151	153,372	339,523	357,477
Land Right of Way	15,000	163	75	238	14,762
Administration and Legal	95,000	46,679	47,382	94,061	939
Capitalized interest	37,880	-	37,430	37,430	450
Contingency	293,190	-	-	-	293,190
Total	<u>7,692,190</u>	<u>3,372,234</u>	<u>3,131,918</u>	<u>6,504,152</u>	<u>1,188,038</u>
Water District No. 5 - 97 Wastewater:					
Construction	3,859,746	3,913,064	-	3,913,064	(53,318)
Engineering Fees	608,029	511,541	-	511,541	96,488
Land Right of Way	86,100	86,044	-	86,044	56
Administration and Legal	81,222	33,163	-	33,163	48,059
Grant Administration	30,000	-	-	-	30,000
Capitalized Interest	50,000	14,212	-	14,212	35,788
Contingency	52,521	-	-	-	52,521
Total	<u>4,767,618</u>	<u>4,558,024</u>	<u>-</u>	<u>4,558,024</u>	<u>209,594</u>
Miscellaneous Water Projects:					
Meter Replacement Project	428,464	13,200	497	13,697	414,767
Total	<u>428,464</u>	<u>13,200</u>	<u>497</u>	<u>13,697</u>	<u>414,767</u>
Total expenditures	<u>23,794,854</u>	<u>15,967,417</u>	<u>3,644,604</u>	<u>19,612,021</u>	<u>4,182,833</u>

EDGECOMBE COUNTY, NORTH CAROLINA
WATER DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues Over					
(Under) Expenditures	<u>(4,290,000)</u>	<u>(3,236,816)</u>	<u>(982,069)</u>	<u>(4,218,885)</u>	<u>71,115</u>
Other Financing Sources (Uses):					
New Hope Church Rd bond anticipation notes issued	675,000	-	675,000	675,000	-
District No. 4 bond anticipation notes issued	<u>3,615,000</u>	<u>3,615,000</u>	<u>-</u>	<u>3,615,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,290,000</u>	<u>3,615,000</u>	<u>675,000</u>	<u>4,290,000</u>	<u>-</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 378,184</u>	<u>\$ (307,069)</u>	<u>\$ 71,115</u>	<u>\$ 71,115</u>

**EDGECOMBE COUNTY, NORTH CAROLINA
WATER AND SEWER OPERATIONS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2014**

	2014		Variance Over/Under
	Budget	Actual	
Revenues:			
Operating Revenues:			
Water Sales - charges for service	\$ 2,776,500	\$ 2,513,494	\$ (263,006)
Sewer Sales - charges for service	70,000	65,665	(4,335)
Late charges and penalties	163,000	168,951	5,951
Total operating revenues	<u>3,009,500</u>	<u>2,748,110</u>	<u>(261,390)</u>
Non-Operating Revenues:			
Water tap fees	60,000	58,362	(1,638)
Other	120,000	110,369	(9,631)
Total non-operating revenues	<u>180,000</u>	<u>168,731</u>	<u>(11,269)</u>
Total revenues	<u>3,189,500</u>	<u>2,916,841</u>	<u>(272,659)</u>
Expenditures:			
Water Operation and Administration:			
Salaries and employee benefits	467,650	447,311	20,339
Water purchases	1,080,000	1,153,188	(73,188)
Operating expenditures	451,800	448,507	3,293
System maintenance	64,000	76,364	(12,364)
Debt Service:			
Principal	4,283,593	4,232,000	51,593
Interest	599,020	591,804	7,216
Total expenditures	<u>6,946,063</u>	<u>6,949,174</u>	<u>(3,111)</u>
Revenues over (under) expenditures	<u>(3,756,563)</u>	<u>(4,032,333)</u>	<u>(275,770)</u>

**EDGECOMBE COUNTY, NORTH CAROLINA
WATER AND SEWER OPERATIONS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2014**

	2014		Variance Over/Under
	Budget	Actual	
Other Financing Sources (Uses):			
Revenue bonds issued	3,615,000	3,615,000	-
Fund Balance appropriation	141,563	-	(141,563)
 Total Other Financing Sources (Uses)	 <u>3,756,563</u>	 <u>3,615,000</u>	 <u>(141,563)</u>
 Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	 <u>\$ -</u>	 <u>\$ (417,333)</u>	 <u>\$ (417,333)</u>

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

Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (417,333)</u>
Reconciling Items:	
Payment of debt principal	4,232,000
Issuance of long-term debt	(3,615,000)
Amortization of refunding costs and premium	(163)
Change in interest accrual	(19,921)
Decrease in accrued vacation pay & OPEB	1,478
Depreciation	(948,856)
From capital projects fund:	
Project expenditures not capitalized	(193,740)
Capital contributions	2,552,462
Interest income	2,376
Total Reconciling Items	<u>2,010,636</u>
 Change in Net Position	 <u>\$ 1,593,303</u>

EDGECOMBE COUNTY, NORTH CAROLINA
LANDFILL GAS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Restricted Intergovernmental:					
Golden Leaf Grant	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -
NC Dept of Energy Grant	325,000	248,780	57,262	306,042	(18,958)
Total revenues	<u>425,000</u>	<u>248,780</u>	<u>157,262</u>	<u>406,042</u>	<u>(18,958)</u>
Expenditures:					
Construction	1,012,680	829,887	192,767	1,022,654	(9,974)
Engineering	408,055	433,484	49,956	483,440	(75,385)
Capital Outlay	1,279,265	937,783	237,165	1,174,948	104,317
Total expenditures	<u>2,700,000</u>	<u>2,201,154</u>	<u>479,888</u>	<u>2,681,042</u>	<u>18,958</u>
Revenues Over (Under) Expenditures	<u>(2,275,000)</u>	<u>(1,952,374)</u>	<u>(322,626)</u>	<u>(2,275,000)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfer from Solid Waste	1,575,000	1,575,000	-	1,575,000	-
Loan issuance-EMCEMC	700,000	700,000	-	700,000	-
Total Other Financing Sources (Uses)	<u>2,275,000</u>	<u>2,275,000</u>	<u>-</u>	<u>2,275,000</u>	<u>-</u>
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 322,626</u>	<u>\$ (322,626)</u>	<u>\$ -</u>	<u>\$ -</u>

EDGECOMBE COUNTY, NORTH CAROLINA
SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2014

	2014		Variance Over/Under
	Budget	Actual	
Revenues:			
Operating Revenues:			
Charges for Services:			
Solid Waste charges	\$ 1,900,000	\$ 1,816,855	\$ (83,145)
Total operating revenues	<u>1,900,000</u>	<u>1,816,855</u>	<u>(83,145)</u>
Non-operating Revenues:			
Investment earnings	-	230	230
Scrap tire	70,000	124,575	54,575
White goods	-	9,167	9,167
Other Grants	10,000	16,816	6,816
Other income	12,250	34,838	22,588
Total non-operating revenues	<u>92,250</u>	<u>185,626</u>	<u>93,376</u>
 Total revenues	 <u>1,992,250</u>	 <u>2,002,481</u>	 <u>10,231</u>
Expenditures:			
Operating Expenditures:			
Salaries and employee benefits	727,750	659,227	68,523
Other operating expenditures	1,701,722	1,401,934	299,788
Total operating expenditures	<u>2,429,472</u>	<u>2,061,161</u>	<u>368,311</u>
Capital outlays	<u>33,128</u>	<u>30,141</u>	<u>2,987</u>
Debt service:			
Principal	<u>77,800</u>	<u>77,760</u>	<u>40</u>
 Total expenditures	 <u>2,540,400</u>	 <u>2,169,062</u>	 <u>371,338</u>

EDGECOMBE COUNTY, NORTH CAROLINA
SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2014

	2014		Variance Over/Under
	Budget	Actual	
Revenues Over (Under) Expenditures	(548,150)	(166,581)	381,569
Other Financing Sources (Uses):			
Fund balance appropriated	548,150	-	(548,150)
Total other financing sources (uses)	548,150	-	(548,150)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (166,581)</u>	<u>\$ (166,581)</u>

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

Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ (166,581)</u>
Reconciling Items:	
Payment of debt principal	77,760
Capital outlays	30,141
Depreciation	(301,885)
Capital contributions	157,262
(Increase) decrease in accrued landfill closure and post-closure care costs	(29,207)
(Increase) decrease in accrued vacation pay & OPEB	2,241
Total Reconciling Items	<u>(63,688)</u>
Change in net position	<u>\$ (230,269)</u>

EDGECOMBE COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2014

Fiscal Year	Uncollected Balance July 1, 2013	Additions	Collections And Credits	Uncollected Balance June 30, 2014
2013-2014	\$ -	\$ 27,534,246	\$ 25,725,379	\$ 1,808,867
2012-2013	2,110,397		990,867	1,119,530
2011-2012	1,107,425		272,898	834,527
2010-2011	824,858		205,893	618,965
2009-2010	687,085		85,221	601,864
2008-2009	378,375		42,547	335,828
2007-2008	318,381		29,051	289,330
2006-2007	281,130		22,838	258,292
2005-2006	238,594		16,201	222,393
2004-2005	210,722		13,992	196,730
2003-2004	229,879		229,879	-
	<u>\$ 6,386,846</u>	<u>\$ 27,534,246</u>	<u>\$ 27,634,766</u>	<u>\$ 6,286,326</u>
				Less: allowance for uncollectible accounts (1,302,573)
				<u>Ad Valorem Taxes Receivable - Net: \$ 4,983,753</u>
Reconciliation with Revenues:				
				Ad valorem taxes collected - General Fund <u>\$ 27,848,689</u>
				Reconciling Items:
				Penalties and Interest collected (558,829)
				Taxes written off 344,906
				<u>Total Reconciling Items (213,923)</u>
				Total Collections and Credits <u>\$ 27,634,766</u>

EDGECOMBE COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2014

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original Levy:				
Property taxed at:					
current year's rate	\$ 3,079,972,558	0.86	\$ 26,487,763	\$ 22,986,013	\$ 3,501,750
Penalties			2,249	2,249	
Total	3,079,972,558		26,490,012	22,988,262	3,501,750
Discoveries at:					
current year's rate	136,316,046	0.86	1,172,318	1,172,318	-
Abatements at					
current year's rate	<u>(14,893,488)</u>	0.86	<u>(128,084)</u>	<u>(109,184)</u>	<u>(18,900)</u>
Total Property Valuation	<u>\$ 3,201,395,116</u>				
Net Levy			\$ 27,534,246	\$ 24,051,396	\$ 3,482,850
Uncollected taxes at June 30, 2014			1,808,867	1,615,074	193,793
Current Year's Taxes Collected			<u>\$ 25,725,379</u>	<u>\$ 22,436,322</u>	<u>\$ 3,289,057</u>
Current Levy Collection Percentage			<u>93.43%</u>	<u>93.28%</u>	<u>94.44%</u>

EDGECOMBE COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Levy</u>	<u>Accounts Receivable</u>
Harrison	\$ 52,019	\$ 1,619
Tri-County	43,217	3,150
Davenport	34,310	2,799
Heartsease	125,180	4,660
Princeville	110,250	8,660
Speed	88,239	6,092
South Edgecombe	97,801	6,715
Macclesfield	61,848	2,943
Leggett	74,888	4,525
West Edgecombe	144,954	7,392
Lewis	63,815	3,154
Conetoe	95,349	6,224
Sharp Point	5,771	99
Pintain	5,416	485
Total original levy	<u>1,003,057</u>	<u>\$ 58,517</u>
Less uncollected at June 30, 2013	58,517	
Current Year's Taxes Collected	<u>\$ 944,540</u>	
Percent Current Year Collected	<u>94.17%</u>	

**EDGECOMBE COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY (in thousands and dollars)
FOR THE YEAR ENDED JUNE 30, 2014**

Secondary Market Disclosures:

	Levy
Assessed Valuation	
Assessment Ratio	104%
Real Property	\$ 2,547,862,606
Personal Property	773,980,462
Public Service companies	132,339,526
Less tax exempt property	(252,787,478)
Total Assessed Valuation	3,201,395,116
Tax Rate per \$100	0.86
Levy (includes discoveries, releases and abatements)	\$ 27,534,246

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30:

Fire Protection Districts	\$ 1,003,057
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EDGECOMBE COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ 28,849	\$ 284,813	\$ 281,707	\$ 31,955
Liabilities:				
Intergovernmental Payable:				
Schools	\$ 27,429	\$ 324,598	\$ 320,072	\$ 31,955
State of North Carolina	1,420	-	1,420	-
Total Liabilities	\$ 28,849	\$ 324,598	\$ 321,492	\$ 31,955
Motor Vehicle Tax:				
Assets:				
Cash and cash equivalents	\$ 73,437	\$ 1,636,912	\$ 1,507,031	\$ 203,318
Liabilities:				
Miscellaneous liabilities	\$ 73,437	\$ 1,766,793	\$ 1,636,912	\$ 203,318
Deed of Trust Fee:				
Assets:				
Cash and cash equivalents	\$ 1,581	\$ 19,586	\$ 19,660	\$ 1,507
Liabilities:				
Intergovernmental Payable:				
State of North Carolina	\$ 1,581	\$ 19,660	\$ 19,734	\$ 1,507
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 103,867	\$ 1,941,311	\$ 1,808,398	\$ 236,780
Liabilities:				
Miscellaneous liabilities	\$ 73,437	\$ 1,766,793	\$ 1,636,912	\$ 203,318
Intergovernmental Payable:				
Schools	27,429	324,598	320,072	31,955
State of North Carolina	3,001	19,660	21,154	1,507
Total Liabilities	\$ 103,867	\$ 2,111,051	\$ 1,978,138	\$ 236,780

**EDGECOMBE COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM UNSPENT BALANCE
PSAP RECONCILIATION
JUNE 30, 2014**

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

Net change in fund balance reported on budget to actual.	\$ 244,121
A portion of 911 revenue received not reported on budget to actual.	
Interest reported in the General Fund.	23
Ineligible 911 expenditures reported in the Emergency Telephone System Fund.	5,360
Beginning balance - PSAP Revenue-Expenditure Report	<u>89,791</u>
Ending balance - PSAP Revenue-Expenditure Report	<u><u>\$ 339,295</u></u>

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EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF FUND NET POSITION - BY DISTRICT
PROPRIETARY FUNDS
JUNE 30, 2014

	Water and Sewer District #1	Water and Sewer District #2	Water and Sewer District #3
Assets:			
Current Assets:			
Accounts receivable, net	\$ 85,736	\$ 68,490	\$ 32,941
Due from the Districts	-	-	-
Total current assets	<u>85,736</u>	<u>68,490</u>	<u>32,941</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and cash equivalents	446,230	345,342	(474,656)
Due from the Districts	-	-	-
Total restricted assets	<u>446,230</u>	<u>345,342</u>	<u>(474,656)</u>
Capital Assets:			
Land, improvements, and construction in progress	-	-	-
Capital assets, net	7,758,706	6,580,478	7,418,040
Total Capital Assets	<u>7,758,706</u>	<u>6,580,478</u>	<u>7,418,040</u>
Total non-current assets	<u>8,204,936</u>	<u>6,925,820</u>	<u>6,943,384</u>
Total assets	<u>8,290,672</u>	<u>6,994,310</u>	<u>6,976,325</u>
Deferred Outflow of Resources	<u>93,294</u>	<u>82,062</u>	<u>2,858</u>
Liabilities:			
Current Liabilities:			
Liabilities to be paid from Restricted Assets:			
Accounts payable	-	-	-
Customer deposits	-	-	-
Accounts payable	-	-	-
Due to other funds	-	-	-
Due to Water Fund	60,000	75,000	5,000
Accrued vacation	-	-	-
Accrued interest	10,095	11,394	4,393
Bond anticipation note payable	-	-	-
Revenue bonds payable	-	-	-
Limited obligation bonds payable	-	-	-
Total current liabilities	<u>70,095</u>	<u>86,394</u>	<u>9,393</u>
Non-Current Liabilities:			
Accrued OPEB	-	-	-
Accrued vacation	-	-	-
Due to Water Fund	2,230,000	3,310,000	255,000
Revenue bonds payable	-	-	-
2013 Limited Obligation Bonds and premium	1,117,862	134,678	1,479,977
General obligation bonds payable	-	-	-
Total non-current liabilities	<u>3,347,862</u>	<u>3,444,678</u>	<u>1,734,977</u>
Total liabilities	<u>3,417,957</u>	<u>3,531,072</u>	<u>1,744,370</u>
Net Position:			
Net investment in capital assets	6,640,844	6,445,800	5,938,063
Unrestricted	<u>(1,674,835)</u>	<u>(2,900,500)</u>	<u>(703,250)</u>
Total net position	<u>\$ 4,966,009</u>	<u>\$ 3,545,300</u>	<u>\$ 5,234,813</u>

Water and Sewer District #4	Water and Sewer District #5	Water Fund	Eliminations	Total Water and Sewer
\$ 7,691	\$ 57,897	\$ 102,584	\$ -	\$ 355,339
-	-	210,000	(210,000)	-
<u>7,691</u>	<u>57,897</u>	<u>312,584</u>	<u>(210,000)</u>	<u>355,339</u>
329,700	217,587	323,935	-	1,188,138
-	-	9,375,000	(9,375,000)	-
<u>329,700</u>	<u>217,587</u>	<u>9,698,935</u>	<u>(9,375,000)</u>	<u>1,188,138</u>
6,231,005	820,638	-	-	7,051,643
2,097,595	13,018,567	-	-	36,873,386
<u>8,328,600</u>	<u>13,839,205</u>	<u>-</u>	<u>-</u>	<u>43,925,029</u>
8,658,300	14,056,792	9,698,935	(9,375,000)	45,113,167
<u>8,665,991</u>	<u>14,114,689</u>	<u>10,011,519</u>	<u>(9,585,000)</u>	<u>45,468,506</u>
-	67,036	-	-	245,250
162,289	50,231	-	-	212,520
49,154	-	47,070	-	96,224
-	-	206,582	-	206,582
-	-	120,660	-	120,660
-	70,000	-	(210,000)	-
-	-	17,695	-	17,695
9,791	20,084	-	-	55,757
-	675,000	-	-	675,000
-	9,000	-	-	9,000
-	-	611,200	-	611,200
<u>221,234</u>	<u>824,315</u>	<u>1,003,207</u>	<u>(210,000)</u>	<u>2,004,638</u>
-	-	16,602	-	16,602
-	-	17,910	-	17,910
-	3,580,000	-	(9,375,000)	-
-	620,000	-	-	620,000
-	129,009	8,973,800	-	11,835,326
3,615,000	-	-	-	3,615,000
<u>3,615,000</u>	<u>4,329,009</u>	<u>9,008,312</u>	<u>(9,375,000)</u>	<u>16,104,838</u>
<u>3,836,234</u>	<u>5,153,324</u>	<u>10,011,519</u>	<u>(9,585,000)</u>	<u>18,109,476</u>
4,713,600	12,406,196	(9,585,000)	-	26,559,503
116,157	(3,377,795)	-	-	1,044,777
<u>\$ 4,829,757</u>	<u>\$ 9,028,401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,604,280</u>

EDGECOMBE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BY DISTRICTS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Water and Sewer District #1</u>	<u>Water and Sewer District #2</u>	<u>Water and Sewer District #3</u>
Operating Revenues			
Charges for services and other	\$ 902,837	\$ 795,552	\$ 365,101
Operating Expenses			
Salaries and employee benefits	136,542	124,532	57,151
Water purchases	353,177	322,113	147,827
Water operations	204,852	186,834	85,743
Sewer operations	21,881	-	-
Depreciation	217,839	168,324	181,991
Total operating expenses	<u>934,291</u>	<u>801,803</u>	<u>472,712</u>
Operating income (loss)	<u>(31,454)</u>	<u>(6,251)</u>	<u>(107,611)</u>
Non-Operating Revenues (Expenses)			
Interest and investment revenue	-	-	-
Interest expense and refinance costs	(140,481)	(139,417)	(77,608)
Total non-operating revenues (expenses)	<u>(140,481)</u>	<u>(139,417)</u>	<u>(77,608)</u>
Income (loss) before contributions and transfers	(171,935)	(145,668)	(185,219)
Capital contributions	-	-	-
Change in net assets	(171,935)	(145,668)	(185,219)
Net Assets:			
Beginning of year, July 1	<u>5,137,944</u>	<u>3,690,968</u>	<u>5,420,032</u>
End of year, June 30	<u>\$ 4,966,009</u>	<u>\$ 3,545,300</u>	<u>\$ 5,234,813</u>

Exhibit F-2

Water and Sewer District #4	Water and Sewer District #5	Total Water and Sewer
\$ 201,184	\$ 652,167	\$ 2,916,841
31,492	96,116	445,833
81,457	248,614	1,153,188
47,248	144,205	668,882
-	27,848	49,729
46,333	334,369	948,856
<u>206,530</u>	<u>851,152</u>	<u>3,266,488</u>
<u>(5,346)</u>	<u>(198,985)</u>	<u>(349,647)</u>
2,376	-	2,376
<u>(79,111)</u>	<u>(175,271)</u>	<u>(611,888)</u>
<u>(76,735)</u>	<u>(175,271)</u>	<u>(609,512)</u>
(82,081)	(374,256)	(959,159)
<u>2,422,403</u>	<u>130,059</u>	<u>2,552,462</u>
2,340,322	(244,197)	1,593,303
<u>2,489,435</u>	<u>9,272,598</u>	<u>26,010,977</u>
<u>\$ 4,829,757</u>	<u>\$ 9,028,401</u>	<u>\$ 27,604,280</u>

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

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

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

Independent Auditor's Report

To the Board of Commissioners
Edgecombe County
Tarboro, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Edgecombe County, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Edgecombe County's basic financial statements, and have issued our report thereon dated January 20, 2015. The financial statements of the Edgecombe County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. And therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies 2014-001 and 2014-002 in the accompanying Schedule of Findings and Responses to be material weaknesses.

730 13th Avenue Drive SE ♦ Hickory, North Carolina 28602 ♦ Phone 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, North Carolina 28681 ♦ Phone 828-632-9025 ♦ Fax 828-632-9085
Toll Free Both Locations 1-800-948-0585 ♦ Website: www.martinstarnes.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Edgecombe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of non-compliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2014-002.

Edgecombe County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of This Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 20, 2015

EDGECOMBE COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014**

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

• Material weakness identified? Yes

• Significant deficiency identified not considered to be material weaknesses? None noted

Non-compliance material to financial statements noted? Yes

EDGECOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2014

2. Findings Related to the Audit of the Basic Financial Statements

Finding 2014-001 Controls Over Financial Reporting:

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

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

Effect: The County's management and other users of the financial statements do not have timely information for decision-making and monitoring of the County's financial position and adherence to laws, regulations, and other requirements.

Cause: Extenuating circumstances including personnel issues and accounting for complex transactions caused delays in preparing information for the annual audit and preparation of the financial statements.

Context: The County's annual financial statements are not available in a timely manner for internal use and are materially past due to outside reporting agencies.

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

Name of Contact Person: JoAnne Harrell, Finance Director

Views of Responsible Officials and Planned Corrective Actions: The County is aware of the circumstances, which lead to the late completion of the annual audit and issuance of the financial statements. Management will dedicate resources accordingly in order to prepare for the annual audit and issue the 2015 financial statements in a timely manner.

EDGECOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2014

2. Findings Related to the Audit of the Basic Financial Statements (continued)

Finding 2014-002 Deficit Fund Equity:

Criteria: North Carolina General Statutes preclude units from having funds that operate in a deficit.

Condition: There were violations of the General Statutes regarding deficit fund equity in the CDBG Grant Fund.

Effect: The County was in violation of North Carolina General Statutes.

Cause: The County adopted a balanced budget; however, the fund is currently at a deficit balance until grant reimbursements, which were deferred for fund accounting purposes, are received.

Recommendation: The County should transfer funds to these projects to cover the deficit until reimbursement revenues become available.

Contact Person: JoAnne Harrell, Finance Director

Views of Responsible Officials and Planned Corrective Actions: The County concurs and will re-evaluate the current recording of the projects in question. The appropriate action will be taken during fiscal year 2015 to address any deficit revenues. However, management expects the grants to be received during fiscal year 2015, correcting the deficit fund balance and making any further action unnecessary.

EDGECOMBE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

2013-001: This finding was not repeated in the current year.

2013-002: Repeated as finding 2014-001.

2013-003: Repeated as finding 2014-002.

2013-004: This finding was not repeated in the current year.

**EDGECOMBE COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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EDGECOMBE COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2014

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

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Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures of Federal and State Awards Required By OMB Circular A-133; And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Edgecombe County
Tarboro, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Edgecombe County, North Carolina's compliance with the types of compliance requirements described in OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Edgecombe County's major Federal programs for the year ended June 30, 2014. Edgecombe County's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Edgecombe County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Edgecombe County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Edgecombe County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Edgecombe County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Edgecombe County's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Edgecombe County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Edgecombe County, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Edgecombe County's basic financial statements. We issued our report thereon dated January 20, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Edgecombe County's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to January 20, 2015.

The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
February 16, 2015

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Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures of Federal And State Awards Required By OMB Circular A-133; And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Edgecombe County
Tarboro, North Carolina

Report on Compliance for Each Major State Program

We have audited Edgecombe County's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Edgecombe County's major State programs for the year ended June 30, 2014. Edgecombe County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Edgecombe County, North Carolina's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Edgecombe County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, Edgecombe County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Edgecombe County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Edgecombe County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Edgecombe County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Edgecombe County, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Edgecombe County's basic financial statements. We issued our report thereon dated January 20, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Edgecombe County's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to January 20, 2015.

The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects in relation to the financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
February 16, 2015

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EDGECOMBE COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

1. Summary of Auditor's Results

Federal Awards

Internal control over major Federal programs:

- Material weakness (es) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? No

Identification of major Federal programs:

Federal Program	CFDA Number
Medicaid Cluster	93.778, 93.777, 93.775
Temporary Assistance for Needy Families (TANF)	93.558, 93.714
Children's Health Insurance Program - N.C. Health Choice	93.767
Adoption Assistance	93.659

Dollar threshold used to distinguish between Type A and Type B Programs \$2,518,814

Auditee qualified as low-risk auditee? No

EDGECOMBE COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

1. Summary of Auditor's Results (continued)

State Awards

Internal control over major State programs:

- Material weakness (es) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major State programs:

Medicaid Cluster
Children's Health Insurance Program -
N.C. Health Choice
Subsidized Child Care Cluster

2. Federal Award Findings and Questioned Costs

None reported

3. State Award Findings and Questioned Costs

None reported

EDGECOMBE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

2013-005: The condition was not present in the current year; the finding is not repeated.

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2014

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures	State Expenditures	Local Expenditures
FEDERAL GRANTS:				
U.S. Department of Health and Human Services:				
Passed Through N.C. Department of Health and Human Services:				
Division of Social Services:				
Administration:				
Low Income Home Energy Administration	93.568	\$ 63,773	\$ -	\$ -
Low Income Home Energy Assistance	93.568	561,500	-	-
Crisis Intervention	93.568	339,616	-	-
Family Preservation	93.556	20,436	-	-
Adult Services	93.667	24,818	11,235	8,178
In-Home Services	93.667	9,360	-	1,337
Social Services Block Grant	93.667	273,725	39,162	104,295
IV-D Administration	93.563	951,711	-	490,383
Links	93.674	16,168	4,042	-
Permanency Planning	93.645	36,852	-	12,284
NC Health Choice	93.767	23,817	2,028	5,490
Total Administration		<u>2,321,776</u>	<u>56,467</u>	<u>621,967</u>
Direct Benefit Payments:				
AFDC Payments and Penalties	93.560	(931)	(304)	(304)
Independent Living Transitional Special Links	93.674	11,985	-	-
Children's Health Insurance Program -				
N.C. Health Choice	93.767	1,079,380	340,511	-
Total Direct Benefits		<u>1,090,434</u>	<u>340,207</u>	<u>(304)</u>
TANF Cluster:				
Administration:				
Temporary Assistance for Needy Families (TANF)	93.558	1,282,997	-	1,128,743
Direct Benefit Payments:				
Temporary Assistance for Needy Families	93.558	1,064,398	-	880,413
TANF Payments and Penalties	93.558	648,595	(28)	84,192
Total TANF Cluster		<u>2,995,990</u>	<u>(28)</u>	<u>2,093,348</u>
Foster Care and Adoption Cluster (Note 2):				
Administration:				
IV-E Adoption Training	93.659	21,118	-	21,948
Title IV-E CPS	93.658	10,300	25,546	5,150
Title IV-E Adoption	93.659	236	-	-
Title IV-E Foster Care Training	93.658	149,711	-	149,316
Title IV-E Foster Care Subsidy	93.658	105,089	43,077	10,394
Fos./Par.Fing. and Crime His	93.658	-	90	-
Direct Benefit Payments:				
Title IV-E Adoption Subsidy	93.659	410,363	107,009	107,009
IV-E Foster Care	93.658	102,235	28,090	28,090
Total Foster Care and Adoption Cluster		<u>799,052</u>	<u>203,812</u>	<u>321,907</u>

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2014

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Medicaid Cluster:				
Administration:				
Medical Assistance Program	93.778	885,347	-	853,177
Adult Care Home Case Management	93.778	9,480	4,740	4,740
MA Expansion	93.778	27,027	27,027	-
State County Special Assistance	93.778	10,995	-	10,995
Medical Transportation	93.778	79,137	-	79,137
Direct Benefit Payments:				
Medical Assistance Program	93.778	68,177,250	38,411,401	-
Total Division of Medical Assistance		<u>69,189,236</u>	<u>38,443,168</u>	<u>948,049</u>
Subsidized Child Care (Note 2):				
Child Care Development Fund Cluster:				
Division of Social Services:				
Child Care Development Fund - Administration	93.596	115,349	-	-
Division of Child Development:				
Child Care and Development Fund - Discretionary	93.575	721,090	-	-
Child Care and Development Fund - Mandatory	93.596	478,307	-	-
Child Care and Development Fund - Match	93.596	104,386	-	-
Total Child Care Development Fund Cluster		<u>1,419,132</u>	<u>-</u>	<u>-</u>
Temporary Assistance for Needy Families	93.558	404,754	-	-
Foster Care Title IV-E	93.658	20,369	10,630	-
State Appropriations	N/A	-	221,152	-
TANF-MOE	N/A	-	70,103	-
Total Subsidized Child Care Cluster		<u>1,844,255</u>	<u>301,885</u>	<u>-</u>
Centers for Disease Control and Prevention:				
Passed Through N.C. Department of Health and Human Services:				
Division of Public Health:				
Prevention Investigations and Technical Assistance	93.283	2,550	-	-
Maternal and Child Health Services Block Grant	93.994	150,729	116,603	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	32,202	-	-
Cooperative Agreements for State-Based				
Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	15,866	5,100	-
Immunization Grant	93.268	22,918	-	-
Social Service Block Grant	93.667	-	500	-
Healthy Start Communities	93.926	101,180	-	-
Temporary Assistance for Needy Families	93.558	13,088	-	-
PPHF 2012: Breast and Cervical Cancer Screening				
Opportunities for States, Tribes, and Territories Solely Financed by 2012 Prevention and Public Health Funds	93.744	595	-	-
Public Health Emergency Preparedness	93.069	34,291	-	-
State-Wide Health Promotion Program	93.991	20,699	-	-

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2014

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures	State Expenditures	Local Expenditures
Office of Population Affairs: Passed Through N.C. Department of Health and Human Services: Office of Population Affairs: Family Planning Services	93.217	82,275	-	-
Total N.C. Department of Health and Human Services		476,393	122,203	-
Total U.S. Department of Health and Human Services		78,717,136	39,467,714	3,984,967
U.S. Department of Agriculture:				
Passed Through N.C. Department of Health and Human Services: Division of Social Services: SNAP Cluster: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	709,526	-	709,526
Total Division of Social Services		709,526	-	709,526
Division of Public Health: Administration: Special Supplemental Nutrition Program for WIC	10.557	401,923	-	-
Direct Benefit Payments: Special Supplemental Nutrition Program for WIC	10.557	1,473,369	-	-
Total Division of Public Health		1,875,292	-	-
Passed Through N.C. Rural Economic Development Center: Water and Waste Program Cluster: Water and Waste Disposal Systems for Rural Communities	10.770	2,476,418	76,044	1,146,157
Total U.S. Department of Agriculture		5,061,236	76,044	1,855,683
U.S. Department of Energy:				
Passed Through N.C. Department of Commerce: Energy Efficiency and Conservation Block Grant	81.128	-	57,262	422,626
Total U.S. Department of Energy		-	57,262	422,626
U.S. Department of Housing and Urban Development:				
Passed Through N.C. Department of Commerce: CDBG - State Administered CDBG Cluster: Community Development Block Grant/State's Program	14.228	91,039	-	-
CDBG Scattered Site	14.228	22,473	-	-
CDBG ER 10-C-2140	14.228	68,566	-	-
Total U.S. Department of Housing and Urban Development		182,078	-	-

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2014

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures	State Expenditures	Local Expenditures
STATE GRANTS:				
N.C. Department of Human and Health Services:				
Division of Social Services:				
Administration:				
County Funded Programs	N/A	-	-	387,015
AFDC Incent/Prog Integrity	N/A	-	1,498	-
Energy Assistance Private Grant	N/A	-	1,160	-
Non-Allocating and Non-Reimbursable	N/A	-	-	86,757
Direct Benefit Payments:				
State/County Special Assistance for Adults	N/A	-	710,771	710,771
CWS Adoption Subsidy	N/A	-	294,180	67,795
State Foster Home	N/A	-	31,142	31,142
SFHF Maximization	N/A	-	45,566	45,566
Total Division of Social Services		-	1,084,317	1,329,046
N.C. Department of Human and Health Services:				
Division of Health Services:				
HIV/STD Non-traditional Test Sites (NTS)	N/A	-	60,000	-
Women's Health Service Fund	N/A	-	10,523	-
General Aid to Counties	N/A	-	166,735	-
General Communicable Disease Control	N/A	-	7,367	-
Child Health	N/A	-	6,521	-
ESMM Community Grants	N/A	-	6,285	-
TB Medical Services	N/A	-	2,968	-
Tuberculosis	N/A	-	50,992	-
Food and Lodging Fees	N/A	-	6,620	-
Environmental Health	N/A	-	4,000	-
School Nurse Funding Initiative	N/A	-	234,133	-
Maternal Health (HMHC)	N/A	-	4,709	-
Total Division of Health Services		-	560,853	-
Total N.C. Department of Human and Health Services		-	1,645,170	1,329,046
N.C. Department of Crime Control and Public Safety:				
Emergency Management Services Grant	N/A	-	35,317	-
Justice Assistance Grant	N/A	-	2,225	-
Governor's Crime Prevention	N/A	-	52,216	-
Technology	N/A	-	52,516	-
Basic Law Enforcement	N/A	-	99,608	-
Crime Prevention	N/A	-	6,969	-
CBA Youth Services	N/A	-	246,361	-
Total N.C. Department of Crime Control and Public Safety		-	495,212	-
N.C. Department of Transportation:				
Rural Operating Assistance Program	N/A	-	181,691	-

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2014

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
N.C. Department of Environment and Natural Resources:				
Rural Center Grants	N/A	-	34,125	34,125
Scrap Tire Program	N/A	-	57,006	-
Total N.C. Department of Environment and Natural Resources		-	91,131	34,125
N.C. Department of Juvenile Justice and Delinquency Prevention:				
Youth Services - Juvenile Crime Prevention and Control	N/A	-	57,000	-
Total N.C. Department of Juvenile Justice and Delinquency Prevention		-	57,000	-
N.C. Housing Finance Agency:				
Urgent Repair Housing Projects	N/A	-	72,041	-
Total N.C. Housing Finance Agency		-	72,041	-
Total Financial Assistance		\$ 83,960,450	\$ 42,086,003	\$ 7,203,821

Notes to the Schedule of Expenditures of Federal and State Awards:

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards includes the Federal and State grant activity of Edgecombe County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the basic financial statements. However, due to the County's involvement in determining eligibility, they are considered Federal awards to the County and are included in this schedule.

Note 2: State Clusters of Programs

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

Note 3: Loans Outstanding

Edgecombe County had the following loan balance outstanding at June 30, 2014:
Water and Waste Disposal Loan (CFDA # 10.770) \$3,615,000.