

**EDGECOMBE COUNTY  
NORTH CAROLINA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2015**



**EDGECOMBE COUNTY  
NORTH CAROLINA**

**LIST OF PRINCIPAL  
OFFICIALS**

**JUNE 30, 2015**

**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. CRABTREE  
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

CYNTHIA JENKINS  
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, 2015, 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 did not audit the financial statements of the Edgecombe County ABC Board, which represents 94%, 93% and 99% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. Those statements were audited by another auditor whose report has been furnished to us and, our opinion, insofar as it relates to the amounts included for the Edgecombe County ABC Board, is based solely on the report of another auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, based on our audit and the report of the auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Edgecombe County, North Carolina, as of June 30, 2015 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, the Local Government Employee's Retirement System Proportionate Share of Net Pension Liability (Asset) and Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide 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, other 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, other 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budget and actual schedules, other 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 March 7, 2016, 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  
March 7, 2016

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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, 2015. 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.

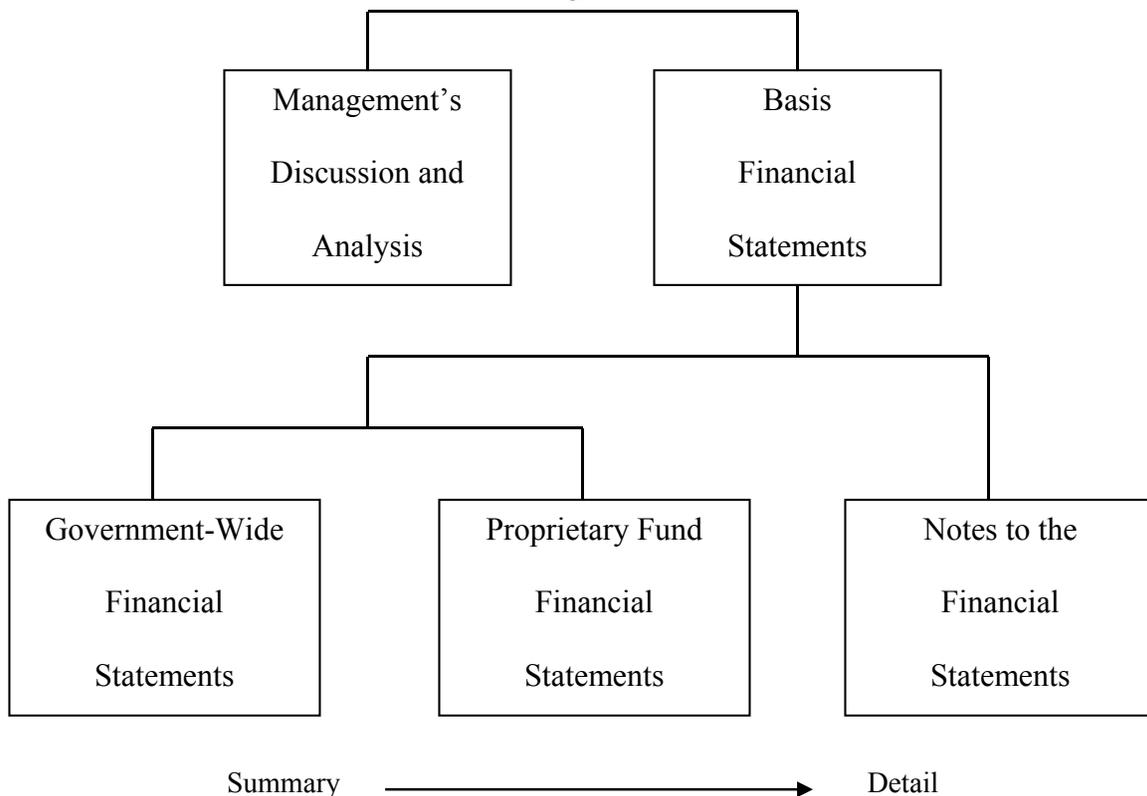
### Financial Highlights

- 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 \$63,103,723 (*net position*).
- The government's total net position decreased by \$4,036,438. The business-type activities increased by \$1,274,574. The governmental activities had a decrease of \$5,311,012.
- As of the close of the current fiscal year, Edgecombe County's governmental funds reported combined ending fund balances of \$15,725,598, an increase of \$747,653 in comparison with the prior year. Approximately 33.1 percent of this total amount, or \$5,197,415, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,174,080, or 11.7 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 \$3,165,393, new governmental debt obligations of \$12,152,701 of which \$5,087,452 are held in escrow until February 2016 for pay off of the original bonds issued. For Water Districts 1 & 5, Revenue Bond Anticipation notes of \$393,000 and a State Revolving note of \$343,478, respectively, were issued for construction & meter replacement. Additionally, the County issued a Memorandum of Understanding & expenditures for the Edgecombe Community College BioTech building which increased the County's obligations by \$6.9 million.
- 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Assets:</b>						
Current and						
other assets	\$ 28,156,178	\$ 26,871,719	\$ 3,789,647	\$ 3,411,666	\$ 31,945,825	\$ 30,283,385
Capital assets	36,342,414	37,578,498	50,295,419	48,672,399	86,637,833	86,250,897
Total assets	<u>64,498,592</u>	<u>64,450,217</u>	<u>54,085,066</u>	<u>52,084,065</u>	<u>118,583,658</u>	<u>116,534,282</u>
<b>Deferred Outflows of Resources</b>						
	<u>1,182,566</u>	<u>-</u>	<u>259,732</u>	<u>245,250</u>	<u>1,442,298</u>	<u>245,250</u>
<b>Liabilities:</b>						
Long-term liabilities						
outstanding	27,391,135	22,645,343	21,491,887	21,478,319	48,883,022	44,123,662
Other liabilities	2,820,314	3,568,377	1,428,232	765,431	4,248,546	4,333,808
Total liabilities	<u>30,211,449</u>	<u>26,213,720</u>	<u>22,920,119</u>	<u>22,243,750</u>	<u>53,131,568</u>	<u>48,457,470</u>
<b>Deferred Inflows of Resources</b>						
	<u>3,639,641</u>	<u>60,920</u>	<u>151,024</u>	<u>-</u>	<u>3,790,665</u>	<u>60,920</u>
<b>Net Position:</b>						
Net investment in						
capital assets	12,249,625	18,545,130	33,304,637	31,821,907	45,554,262	50,367,037
Restricted	5,100,403	5,303,585	-	-	5,100,403	5,303,585
Unrestricted	<u>14,480,040</u>	<u>14,326,862</u>	<u>(2,030,982)</u>	<u>(1,736,342)</u>	<u>12,449,058</u>	<u>12,590,520</u>
Total net position	<u>\$ 31,830,068</u>	<u>\$ 38,175,577</u>	<u>\$ 31,273,655</u>	<u>\$ 30,085,565</u>	<u>\$ 63,103,723</u>	<u>\$ 68,261,142</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 \$63,103,723 as of June 30, 2015. The County's net position decreased by \$4,036,438 for the fiscal year ended June 30, 2015. One of the largest portions (72.2%) 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 (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$12,449,058 is unrestricted.

The total unrestricted governmental net position increased by \$153,178 from the previous years which is a reflection of the Board's position to reduce county expenditures & to operate within the current revenue streams.

Management Discussion and Analysis  
Edgecombe County, North Carolina

**Edgecombe County's Changes in Net Position**  
**Figure 3**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 5,107,726	\$ 6,307,384	\$ 5,198,797	\$ 4,919,092	\$ 10,306,523	\$ 11,226,476
Grants and contributions:						
Operating	15,293,312	11,767,056	-	-	15,293,312	11,767,056
Capital	-	-	2,341,181	2,709,724	2,341,181	2,709,724
General Revenues:						
Property taxes	28,815,892	28,230,577	-	-	28,815,892	28,230,577
Other taxes	5,637,615	5,799,986	-	-	5,637,615	5,799,986
Grants and contributions not restricted to specific program						
	235,282	428,407	-	-	235,282	428,407
Other	45,045	1,821,887	556	2,606	45,601	1,824,493
Total revenues	<u>55,134,872</u>	<u>54,355,297</u>	<u>7,540,534</u>	<u>7,631,422</u>	<u>62,675,406</u>	<u>61,986,719</u>
<b>Expenses:</b>						
General Government	5,497,568	5,764,948	-	-	5,497,568	5,764,948
Public Safety	12,425,682	12,457,175	-	-	12,425,682	12,457,175
Transportation	62,066	62,228	-	-	62,066	62,228
Economic and Physical						
Development	1,826,924	1,382,799	-	-	1,826,924	1,382,799
Human Services	19,044,011	20,337,113	-	-	19,044,011	20,337,113
Culture and Recreation	610,531	614,282	-	-	610,531	614,282
Education	20,530,446	12,027,410	-	-	20,530,446	12,027,410
Interest on						
long-term debt	448,656	678,718	-	-	448,656	678,718
Landfill	-	-	2,695,735	2,390,012	2,695,735	2,390,012
Water and Sewer	-	-	3,570,225	3,878,376	3,570,225	3,878,376
Total expenses	<u>60,445,884</u>	<u>53,324,673</u>	<u>6,265,960</u>	<u>6,268,388</u>	<u>66,711,844</u>	<u>59,593,061</u>
Increase (decrease) in net position	<u>(5,311,012)</u>	<u>1,030,624</u>	<u>1,274,574</u>	<u>1,363,034</u>	<u>(4,036,438)</u>	<u>2,393,658</u>
Net position, July 1	38,175,577	37,144,953	30,085,565	28,722,531	68,261,142	65,867,484
Prior period adjustment	<u>(1,034,497)</u>	<u>-</u>	<u>(86,484)</u>	<u>-</u>	<u>(1,120,981)</u>	<u>-</u>
Net position, July 1 (restated)	37,141,080	37,144,953	29,999,081	28,722,531	67,140,161	65,867,484
Net position, June 30	<u>\$ 31,830,068</u>	<u>\$ 38,175,577</u>	<u>\$ 31,273,655</u>	<u>\$ 30,085,565</u>	<u>\$ 63,103,723</u>	<u>\$ 68,261,142</u>

### **Governmental Activities**

Governmental activities decreased the County's net position by \$5,311,012. This is mostly attributed to Memorandum of Understanding issued & expenditures for the Edgecombe Community College BioTech building which increased the County's obligations by \$6.9 million.

### **Business-Type Activities**

Business-type activities increased Edgecombe County's net position by \$1,274,574. 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 \$6,174,080 or 11.7% of General Fund expenditures. The County's fund balance available for appropriation in the General Fund is \$11,381,336, while total fund balance reached \$15,244,970. Of the \$11,381,336 available, \$1,570,991 is restricted and committed for schools and revaluation costs. This leaves \$9,810,345 or 16.36% available for other costs. Available fund balance represents 21.5% of General Fund expenditures, while total fund balance represents 28.8% of that same amount.

At June 30, 2015, the governmental funds of Edgecombe County reported a combined fund balance of \$15,725,598, a 5% increase from last year.

### **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 \$(2,034,566) and those for the Water and Sewer Districts equaled \$3,584. The total change in net position for both funds was an increase of \$1,274,574. 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, 2015 totals \$86,637,833 (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
- E-911 & Sheriff equipment

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Land	\$ 3,800,723	\$ 3,800,723	\$ 921,907	\$ 921,907	\$ 4,722,630	\$ 4,722,630
Buildings and improvements	30,746,642	32,188,826	1,484,127	1,546,464	32,230,769	33,735,290
Machinery and equipment	1,226,703	1,218,058	2,355,041	2,539,709	3,581,744	3,757,767
Plant and distribution systems	-	-	34,877,062	35,728,003	34,877,062	35,728,003
Vehicles and motorized equipment	568,346	370,891	775,348	912,965	1,343,694	1,283,856
Construction in progress	-	-	9,881,934	7,023,351	9,881,934	7,023,351
<b>Total capital assets</b>	<b><u>\$ 36,342,414</u></b>	<b><u>\$ 37,578,498</u></b>	<b><u>\$ 50,295,419</u></b>	<b><u>\$ 48,672,399</u></b>	<b><u>\$ 86,637,833</u></b>	<b><u>\$ 86,250,897</u></b>

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

**Long-Term Debt**

As of June 30, 2015, Edgecombe County had total bonded debt outstanding of \$11,826,000, all of which is backed by the full faith and credit of the County. The Water Districts (blended component units) also have \$9,375,000 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	
	2015	2014	2015	2014	2015	2014
General						
obligation bonds	\$ 8,211,000	\$ 8,610,000	\$ 3,615,000	\$ 3,615,000	\$ 11,826,000	\$ 12,225,000
Limited						
obligation bonds	6,246,000	6,589,800	11,104,000	11,715,200	17,350,000	18,305,000
Bond anticipation note	-	-	1,068,000	675,000	1,068,000	675,000
Revenue bonds	-	-	620,000	629,000	620,000	629,000
Notes payable	1,005,678	1,833,941	842,598	576,880	1,848,276	2,410,821
Installment purchases	8,794,500	2,449,620	-	-	8,794,500	2,449,620
<b>Total long-term debt</b>	<b>\$ 24,257,178</b>	<b>\$ 19,483,361</b>	<b>\$ 17,249,598</b>	<b>\$ 17,211,080</b>	<b>\$ 41,506,776</b>	<b>\$ 36,694,441</b>

Edgecombe County's total long-term debt obligations increased by \$4,812,335. The County incurred a \$6.9 million obligation for the Edgecombe Community College BioTech Building and \$393,000 in Bond Anticipation Notes for Districts 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 \$229,857,373. The County has \$885,000 in bonds authorized but un-issued for Water and Sewer District No. 4 at June 30, 2015.

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 9.2% 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.
- The Sales to Assessment Ratio for the County is approximately 103.7% meaning that our property values have remained close to market sales, unlike many other jurisdictions that have seen significant declines during revaluations. Edgecombe County has begun the process of revaluation & will be effective January 1, 2017 for the fiscal year 2017-2018.

## **Budget Highlights for the Fiscal Year Ending June 30, 2016**

### **Governmental Activities**

In the 2015-2016 Budget Ordinance, Edgecombe County raised the County tax rate to 95 cents per \$100 value. The total budget for the General Fund was increased from the previous year by \$1,108,738 for a total General Fund budget of \$58,840,360 and a fund balance appropriation of \$4,638,040, of which \$1,001,775 is from restricted fund balance for school debt service & revaluation costs, leaving a \$3,636,265 appropriation from general funds.

### **Business-Type Activities**

The water and sewer rates increased 10%. In addition, the County will assume responsibility for the water & sewer customers for the Town of Princeville which is approximately 700 additional customers. 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 remained the same. The County has completed the Landfill Gas Project is projected to receive approximately \$200,000 for electricity sales 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](http://www.edgecombecountync.gov) or send an email to [jharrell@co.edgecombe.nc.us](mailto:jharrell@co.edgecombe.nc.us) for more information.

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EDGECOMBE COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION  
June 30, 2015

	Primary Government			Component Units		
	Governmental	Business-Type	Total	Edgecombe	Edgecombe	Public
	Activities	Activities		County	County	Facilities
			ABC Board	TDA	Corporation	
<b>Assets:</b>						
Current Assets:						
Cash and cash equivalents	\$ 13,396,437	\$ 1,719,919	\$ 15,116,356	\$ 793,696	\$ 75,352	\$ -
Receivables (net)	6,651,551	508,853	7,160,404	-	-	6,980,250
Due from other governments	3,160,002	867,490	4,027,492	-	-	-
Due from component unit	24,968	-	24,968	-	-	-
Due from primary government	-	-	-	-	42,888	-
Internal balances	392,808	(392,808)	-	-	-	-
Capital lease receivable	149,000	-	149,000	-	-	-
Inventories	-	-	-	473,513	-	-
Prepaid items	97,012	-	97,012	15,378	-	-
Total current assets	23,871,778	2,703,454	26,575,232	1,282,587	118,240	6,980,250
Restricted Assets:						
Cash and cash equivalents	993,912	1,025,011	2,018,923	-	-	-
Total restricted assets	993,912	1,025,011	2,018,923	-	-	-
Other Assets:						
Capital lease receivable - long-term	788,568	-	788,568	-	-	-
Net pension asset	1,547,345	61,182	1,608,527	11,972	-	-
Net investment in Joint Venture	954,575	-	954,575	-	-	-
Total other assets	3,290,488	61,182	3,351,670	11,972	-	-
Capital Assets:						
Land, improvements, and construction in progress	3,800,723	10,803,841	14,604,564	148,525	-	-
Other capital assets, net of depreciation	32,541,691	39,491,578	72,033,269	529,464	-	-
Total capital assets	36,342,414	50,295,419	86,637,833	677,989	-	-
Total assets	64,498,592	54,085,066	118,583,658	1,972,548	118,240	6,980,250
<b>Deferred Outflows of Resources</b>	1,182,566	259,732	1,442,298	22,084	-	-

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

EDGECOMBE COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION  
June 30, 2015

	Primary Government			Component Units		
	Governmental	Business-Type	Total	Edgecombe	Edgecombe	Public
	Activities	Activities		County	County	Facilities
			ABC Board	TDA	Corporation	
<b>Liabilities:</b>						
Current Liabilities:						
Accounts payable and accrued expenses	2,598,744	839,081	3,437,825	276,011	-	-
Due to component unit	42,888	-	42,888	-	-	-
Due to primary government	-	-	-	24,968	-	-
Accrued interest payable	178,682	50,663	229,345	-	-	-
Long-term liabilities, current portion	3,410,855	1,861,238	5,272,093	-	-	-
Liabilities to be paid from restricted assets:						
Accounts payable	-	476,533	476,533	-	-	-
Customer deposits	-	61,955	61,955	-	-	-
Total current liabilities	6,231,169	3,289,470	9,520,639	300,979	-	-
Long-Term Liabilities:						
Due in more than one year	23,980,280	19,630,649	43,610,929	67,531	-	6,980,250
Total liabilities	30,211,449	22,920,119	53,131,568	368,510	-	6,980,250
<b>Deferred Inflows of Resources</b>	3,639,641	151,024	3,790,665	29,178	-	-
<b>Net Position</b>						
Net investment in capital assets	12,249,625	33,304,637	45,554,262	677,989	-	-
Restricted for:						
Stabilization by State statute	4,144,925	-	4,144,925	-	42,888	-
Public safety	359,824	-	359,824	-	-	-
Education	577,079	-	577,079	-	-	-
Economic development	18,575	-	18,575	-	-	-
Tourism promotion	-	-	-	-	75,352	-
Other purposes	-	-	-	922,490	-	-
Unrestricted	14,480,040	(2,030,982)	12,449,058	(3,535)	-	-
Total net position	\$ 31,830,068	\$ 31,273,655	\$ 63,103,723	\$ 1,596,944	\$ 118,240	\$ -

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, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 5,497,568	\$ 757,356	\$ 3,206,582	\$ -
Public safety	12,425,682	2,248,417	-	-
Transportation	62,066	-	-	-
Economic and physical development	1,826,924	-	757,054	-
Human services	19,044,011	2,101,953	11,329,676	-
Cultural and recreation	610,531	-	-	-
Education	20,530,446	-	-	-
Interest on long-term debt	448,656	-	-	-
Total governmental activities	<u>60,445,884</u>	<u>5,107,726</u>	<u>15,293,312</u>	<u>-</u>
Business-Type Activities:				
Landfill	2,695,735	2,182,578	-	-
Water and sewer	3,570,225	3,016,219	-	2,341,181
Total business-type activities	<u>6,265,960</u>	<u>5,198,797</u>	<u>-</u>	<u>2,341,181</u>
Total primary government	<u>\$ 66,711,844</u>	<u>\$ 10,306,523</u>	<u>\$ 15,293,312</u>	<u>\$ 2,341,181</u>
<b>Component Units:</b>				
ABC Board	\$ 3,441,250	\$ 3,490,253	\$ -	\$ -
Tourism Development Authority	3,145	-	-	-
Public Facilities Corporation	6,980,250	-	6,980,250	-
Total component units	<u>\$ 10,424,645</u>	<u>\$ 3,490,253</u>	<u>\$ 6,980,250</u>	<u>\$ -</u>

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

EDGECOMBE COUNTY, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	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	Public Facilities Corporation
<b>Primary Government:</b>						
Governmental Activities:						
General government	\$ (1,533,630)	\$ -	\$ (1,533,630)			
Public safety	(10,177,265)	-	(10,177,265)			
Transportation	(62,066)	-	(62,066)			
Economic and physical development	(1,069,870)	-	(1,069,870)			
Human services	(5,612,382)	-	(5,612,382)			
Cultural and recreation	(610,531)	-	(610,531)			
Education	(20,530,446)	-	(20,530,446)			
Interest on long-term debt	(448,656)	-	(448,656)			
Total governmental activities	<u>(40,044,846)</u>	<u>-</u>	<u>(40,044,846)</u>			
Business-Type Activities:						
Landfill	-	(513,157)	(513,157)			
Water and sewer	-	1,787,175	1,787,175			
Total business-type activities	<u>-</u>	<u>1,274,018</u>	<u>1,274,018</u>			
Total primary government	<u>(40,044,846)</u>	<u>1,274,018</u>	<u>(38,770,828)</u>			
<b>Component Units:</b>						
ABC Board				\$ 49,003	\$ -	\$ -
Tourism Development Authority				-	(3,145)	-
Public Facilities Corporation				-	-	-
Total component units				<u>49,003</u>	<u>(3,145)</u>	<u>-</u>
<b>General Revenues:</b>						
Taxes:						
Property taxes, levied for general purpose	28,815,892	-	28,815,892	-	-	-
Local option sales tax	5,186,830	-	5,186,830	-	-	-
Other taxes and licenses	450,785	-	450,785	-	94,462	-
Grants and contributions not restricted to specific programs	235,282	-	235,282	-	-	-
Investment earnings, unrestricted	7,763	556	8,319	997	-	-
Miscellaneous, unrestricted	37,282	-	37,282	-	-	-
Total general revenues	<u>34,733,834</u>	<u>556</u>	<u>34,734,390</u>	<u>997</u>	<u>94,462</u>	<u>-</u>
Change in net position	<u>(5,311,012)</u>	<u>1,274,574</u>	<u>(4,036,438)</u>	<u>50,000</u>	<u>91,317</u>	<u>-</u>
Net position - beginning - previously stated	38,175,577	30,085,565	68,261,142	1,557,728	26,923	-
Prior period adjustment	(1,034,497)	(86,484)	(1,120,981)	(10,784)	-	-
Net position - beginning, restated	<u>37,141,080</u>	<u>29,999,081</u>	<u>67,140,161</u>	<u>1,546,944</u>	<u>26,923</u>	<u>-</u>
Net position - ending	<u>\$ 31,830,068</u>	<u>\$ 31,273,655</u>	<u>\$ 63,103,723</u>	<u>\$ 1,596,944</u>	<u>\$ 118,240</u>	<u>\$ -</u>

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

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2015**

	<u>Major Fund</u>		
	<u>General Fund</u>		
<b>Assets</b>			
Cash and cash equivalents	\$ 12,815,368	\$ 581,069	\$ 13,396,437
Receivables, net	3,700,355	449,081	4,149,436
Taxes receivable	4,769,706	191,149	4,960,855
Due from other funds	645,306	-	645,306
Prepaid items	97,012	-	97,012
Restricted assets - cash	993,912	-	993,912
Total assets	<u>\$ 23,021,659</u>	<u>\$ 1,221,299</u>	<u>\$ 24,242,958</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,415,386	\$ 226,246	\$ 2,641,632
Due to other funds	-	252,498	252,498
Total liabilities	<u>2,415,386</u>	<u>478,744</u>	<u>2,894,130</u>
<b>Deferred Inflows of Resources</b>	<u>5,361,303</u>	<u>261,927</u>	<u>5,623,230</u>
Fund Balances:			
Non-spendable:			
Prepays	97,012	-	97,012
Restricted:			
Stabilization by State statute	3,766,622	378,303	4,144,925
Public safety	-	359,824	359,824
Education	577,079	-	577,079
Economic development	-	18,575	18,575
Committed:			
Tax revaluation	993,912	-	993,912
Economic development	-	149,114	149,114
Assigned:			
Subsequent year's expenditures	3,636,265	-	3,636,265
Unassigned	6,174,080	(425,188)	5,748,892
Total fund balances	<u>15,244,970</u>	<u>480,628</u>	<u>15,725,598</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,021,659</u>	<u>\$ 1,221,299</u>	<u>\$ 24,242,958</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, 2015**

	<u><b>Total Governmental Funds</b></u>
<p>Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:</p>	
Total fund balance - governmental funds	\$ 15,725,598
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	36,342,414
Net pension asset	1,547,345
Net investment in Joint Venture	954,575
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,004,389
Investment in long-term capital lease receivable is not available to pay current period expenditures.	937,568
Charges related to advance refunding bond issue	177,452
Pension related deferrals	(3,626,358)
Other long-term assets are not available to pay current period expenditures and, therefore, are unavailable in the funds.	726,230
Liabilities for earned but unavailable revenues in fund statements	5,610,672
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>(27,569,817)</u>
Net position of governmental activities	<u><u>\$ 31,830,068</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, 2015**

	<u>Major Fund</u>		
	<u>General Fund</u>		
<b>Revenues:</b>			
Ad valorem taxes	\$ 28,684,053	\$ 962,752	\$ 29,646,805
Local option sales tax	4,468,791	718,039	5,186,830
Other taxes and licenses	152,067	298,718	450,785
Unrestricted intergovernmental	235,282	-	235,282
Restricted intergovernmental	14,536,258	757,054	15,293,312
Permits and fees	817,321	-	817,321
Sales and services	4,651,372	-	4,651,372
Investment earnings	7,763	-	7,763
Miscellaneous	37,282	-	37,282
Total revenues	<u>53,590,189</u>	<u>2,736,563</u>	<u>56,326,752</u>
<b>Expenditures:</b>			
Current:			
General government	5,749,869	-	5,749,869
Public safety	11,145,686	1,216,634	12,362,320
Transportation	62,066	-	62,066
Economic and physical development	1,076,849	761,719	1,838,568
Human services	19,131,341	-	19,131,341
Cultural and recreational	610,531	-	610,531
Intergovernmental:			
Education	12,207,973	718,039	12,926,012
Debt service:			
Principal	2,289,981	-	2,289,981
Interest and other charges	608,411	-	608,411
Bond issuance costs	83,548	-	83,548
Total expenditures	<u>52,966,255</u>	<u>2,696,392</u>	<u>55,662,647</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, 2015**

	<u>Major Funds</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>
Excess of revenues over (under) expenditures	623,934	40,171	664,105
<b>Other Financing Sources (Uses)</b>			
Transfers from (to) other funds	42,198	(42,198)	-
2015 Refunding bonds issued	5,171,000	-	5,171,000
Payment to refunding escrow agent	(5,087,452)	-	(5,087,452)
Total other financing sources and uses	125,746	(42,198)	83,548
Net change in fund balances	749,680	(2,027)	747,653
<b>Fund Balances:</b>			
Fund balances - beginning	14,495,290	482,655	14,977,945
Fund balances - ending	<u>\$ 15,244,970</u>	<u>\$ 480,628</u>	<u>\$ 15,725,598</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, 2015**

	<u><b>Total Governmental Funds</b></u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net changes in fund balances - total governmental funds	\$ 747,653
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.	(1,236,084)
Collection of capital lease principal reflected as revenue	(111,341)
Gain (loss) from the change in net investment in Joint Venture related to the Rocky Mount/Wilson Airport during the year, not recognized on the modified accrual basis	(12,304)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,004,389
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(1,080,539)
The issuance of long-term debt and the refunding of long-term debt provides current financial resources to governmental funds. The repayment of refunded long-term debt and 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.	(4,596,365)
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	97,861
Pension expense	(77,637)
Net pension obligations	(12,047)
Accrued interest and premium amortization	65,851
Other post-employment benefits	(100,449)
<b>Total changes in net position of governmental activities</b>	<u><u>\$ (5,311,012)</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, 2015**

	<b>General Fund</b>			<b>Variance With Final Budget Over/Under</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 27,315,694	\$ 27,367,843	\$ 28,684,053	\$ 1,316,210
Local option sales tax	4,580,000	4,580,000	4,468,791	(111,209)
Other taxes and licenses	58,000	160,000	152,067	(7,933)
Unrestricted intergovernmental	165,000	165,000	235,282	70,282
Restricted intergovernmental	14,385,278	16,637,188	14,536,258	(2,100,930)
Permits and fees	708,641	626,500	817,321	190,821
Sales and services	6,068,174	6,541,283	4,651,372	(1,889,911)
Investment earnings	-	-	7,763	7,763
Miscellaneous	100,000	187,417	37,282	(150,135)
Total revenues	<u>53,380,787</u>	<u>56,265,231</u>	<u>53,590,189</u>	<u>(2,675,042)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	6,645,078	6,642,427	5,749,869	892,558
Public safety	11,218,436	11,871,400	11,145,686	725,714
Transportation	62,066	62,066	62,066	-
Economic and physical development	981,047	1,295,583	1,076,849	218,734
Human services	21,990,343	22,271,875	19,131,341	3,140,534
Cultural and recreational	576,225	613,975	610,531	3,444
<b>Intergovernmental:</b>				
Education	12,127,325	14,580,165	12,207,973	2,372,192
<b>Debt Service:</b>				
Principal retirement	2,945,692	3,030,691	2,289,981	740,710
Interest and other charges	1,185,410	1,101,862	608,411	493,451
Bond issuance costs	-	83,548	83,548	-
Total expenditures	<u>57,731,622</u>	<u>61,553,592</u>	<u>52,966,255</u>	<u>8,587,337</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, 2015**

	General Fund			Variance With Final Budget Over/Under
	Original Budget	Final Budget	Actual	
Revenues Over (Under) Expenditures	(4,350,835)	(5,288,361)	623,934	5,912,295
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds	-	(150,000)	(107,802)	42,198
2015 Refunding bond proceeds	-	5,172,451	5,171,000	(1,451)
Payment to refunding escrow agent	-	(5,087,452)	(5,087,452)	-
Appropriated fund balance	4,350,835	5,353,362	-	(5,353,362)
Total other financing sources (uses)	4,350,835	5,288,361	(24,254)	(5,312,615)
Net change in fund balance	\$ -	\$ -	599,680	\$ 599,680
<b>Fund Balance:</b>				
Beginning of year, July 1			13,651,378	
End of year, June 30			14,251,058	
Legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Transfer-in from General Fund			150,000	
Fund balance, beginning			843,912	
Fund balance, ending (Exhibit 4)			\$ 15,244,970	

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, 2015**

	<u>Water and Sewer Operations</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>Assets:</b>			
Current Assets:			
Cash and cash equivalents	\$ 273,432	\$ 1,446,487	\$ 1,719,919
Receivables, net	1,171,631	204,712	1,376,343
Total current assets	<u>1,445,063</u>	<u>1,651,199</u>	<u>3,096,262</u>
Non-Current Assets:			
Restricted Assets:			
Cash and cash equivalents	1,025,011	-	1,025,011
Total restricted assets	<u>1,025,011</u>	<u>-</u>	<u>1,025,011</u>
Capital Assets:			
Land, improvements, and construction in progress	9,910,226	893,615	10,803,841
Capital assets (net)	35,926,217	3,565,361	39,491,578
Total capital assets	<u>45,836,443</u>	<u>4,458,976</u>	<u>50,295,419</u>
Net pension asset	30,591	30,591	61,182
Total non-current assets	<u>46,892,045</u>	<u>4,489,567</u>	<u>51,381,612</u>
Total assets	<u>48,337,108</u>	<u>6,140,766</u>	<u>54,477,874</u>
<b>Deferred Outflows of Resources</b>	<u>238,866</u>	<u>20,866</u>	<u>259,732</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, 2015**

	<u>Water and Sewer Operations</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>Liabilities:</b>			
Current Liabilities:			
Liabilities to be Paid from Restricted Assets:			
Accounts payable	476,533	-	476,533
Customer deposits	61,955	-	61,955
Accounts payable	662,520	176,561	839,081
Due to other funds	392,808	-	392,808
Accrued vacation	16,017	5,803	21,820
Accrued interest	50,663	-	50,663
Notes payable	21,458	77,760	99,218
Bond anticipation note payable	1,068,000	-	1,068,000
Revenue bonds payable	10,000	-	10,000
Limited obligation bonds payable	611,200	-	611,200
General obligation bonds payable	51,000	-	51,000
Total current liabilities	<u>3,422,154</u>	<u>260,124</u>	<u>3,682,278</u>
Non-Current Liabilities:			
Accrued landfill closure and post-closure care costs	-	3,448,218	3,448,218
Accrued OPEB	22,529	22,529	45,058
Accrued vacation	14,354	8,599	22,953
Notes payable	322,020	421,360	743,380
Revenue bonds payable	610,000	-	610,000
Limited obligation bonds payable	11,197,040	-	11,197,040
General obligation bonds payable	3,564,000	-	3,564,000
Total non-current liabilities	<u>15,729,943</u>	<u>3,900,706</u>	<u>19,630,649</u>
Total liabilities	<u>19,152,097</u>	<u>4,160,830</u>	<u>23,312,927</u>
<b>Deferred Inflows of Resources</b>	<u>75,512</u>	<u>75,512</u>	<u>151,024</u>
<b>Net Position:</b>			
Net investment in capital assets	29,344,781	3,959,856	33,304,637
Unrestricted	3,584	(2,034,566)	(2,030,982)
Total net position	<u>\$ 29,348,365</u>	<u>\$ 1,925,290</u>	<u>\$ 31,273,655</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, 2015**

	<u>Water and Sewer Operations</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for services and other	\$ 3,016,219	\$ 2,182,578	\$ 5,198,797
<b>Operating Expenses:</b>			
Salaries and employee benefits	453,723	631,941	1,085,664
Water purchases	1,116,339	-	1,116,339
Landfill operations	-	1,775,400	1,775,400
Water and sewer operations	445,608	-	445,608
Depreciation	947,169	288,394	1,235,563
Total operating expenses	<u>2,962,839</u>	<u>2,695,735</u>	<u>5,658,574</u>
Operating income (loss)	<u>53,380</u>	<u>(513,157)</u>	<u>(459,777)</u>
<b>Non-Operating Revenues (Expenses):</b>			
Interest and investment revenue	152	404	556
Interest expense	(607,386)	-	(607,386)
Total non-operating revenue (expenses)	<u>(607,234)</u>	<u>404</u>	<u>(606,830)</u>
Income (loss) before contributions	(553,854)	(512,753)	(1,066,607)
Capital contributions	<u>2,341,181</u>	<u>-</u>	<u>2,341,181</u>
Change in net position	<u>1,787,327</u>	<u>(512,753)</u>	<u>1,274,574</u>
Total net position, beginning, original	27,604,280	2,481,285	30,085,565
Restatement	(43,242)	(43,242)	(86,484)
Total net position, restated	<u>27,561,038</u>	<u>2,438,043</u>	<u>29,999,081</u>
Total net position, ending	<u>\$ 29,348,365</u>	<u>\$ 1,925,290</u>	<u>\$ 31,273,655</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, 2015**

	<u>Water and Sewer Operations</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 2,926,962	\$ 2,318,241	\$ 5,245,203
Cash paid for goods and services	(841,997)	(1,793,187)	(2,635,184)
Cash paid to employees for services	(472,217)	(649,685)	(1,121,902)
Net cash provided (used)			
By operating activities	<u>1,612,748</u>	<u>(124,631)</u>	<u>1,488,117</u>
<b>Cash Flows from Non-Capital Activities:</b>			
Repayments to/from other funds	<u>272,148</u>	<u>-</u>	<u>272,148</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(2,858,583)	-	(2,858,583)
Bond/Debt issuance	736,478	-	736,478
Principal paid on bond maturities and equipment contracts	(620,200)	(77,760)	(697,960)
Interest paid on bond maturities and equipment contracts	(612,312)	-	(612,312)
Capital contributions - grants	1,579,874	-	1,579,874
Net cash provided (used) by capital and related financing activities	<u>(1,774,743)</u>	<u>(77,760)</u>	<u>(1,852,503)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	<u>152</u>	<u>404</u>	<u>556</u>
Net increase (decrease) in cash and cash equivalents	110,305	(201,987)	(91,682)
<b>Cash and Cash Equivalents:</b>			
Beginning of year, July 1	1,188,138	1,648,474	2,836,612
End of year, June 30	<u>\$ 1,298,443</u>	<u>\$ 1,446,487</u>	<u>\$ 2,744,930</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, 2015**

	<u>Water and Sewer Operations</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 53,380	\$ (513,157)	\$ (459,777)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	947,169	288,394	1,235,563
Pension expense	1,679	1,679	3,358
Changes in Assets and Liabilities:			
Decrease (increase) in accounts receivable	(54,988)	135,663	80,675
Decrease (increase) in deferred outflows of resources for pensions	(20,866)	(20,866)	(41,732)
Increase (decrease) in accounts payable and accrued liabilities	720,643	(16,344)	704,299
Increase (decrease) in customer deposits	(34,269)	-	(34,269)
Total adjustments	<u>1,559,368</u>	<u>388,526</u>	<u>1,947,894</u>
Net cash provided (used) by operating activities	<u>\$ 1,612,748</u>	<u>\$ (124,631)</u>	<u>\$ 1,488,117</u>

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, 2015**

	<b>Agency Fund</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 118,393
 <b>Liabilities and Net Position:</b>	
Liabilities:	
Miscellaneous liabilities	\$ 93,501
Intergovernmental payable - schools	23,168
Intergovernmental payable - State of North Carolina	1,724
Total liabilities	\$ 118,393

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

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 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 units, legally separate entities 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 Public Facilities Corporation ("the Corporation"), a nonprofit corporation organized under the laws of the State of North Carolina was incorporated in 2013 for the purpose of promoting the welfare of the citizens of the County by assisting the County in carrying out its governmental functions, including the financing of real estate and improvements, facilities and equipment. The County entered into an agreement during fiscal year 2015, for the acquisition and construction of a BioTech and Medical Simulation Center ("the project") for Edgecombe Community College ("ECC"). On October 6, 2014, the Corporation entered into a loan agreement to fund the project. The County agreed in a Memorandum of Agreement to provide funds to the Corporation to make all debt service payments under the loan agreement. The County Manager sits as the President and Treasurer of the Corporation. The Corporation, which has a June 30 year-end, is presented as if it is a separate proprietary fund of the County (discrete presentation).

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.

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Edgecombe County Public Facilities Corporation	Discrete	The members of the Corporation's Board are appointed by the County. The County and the Corporation have a financial benefit or burden relationship.	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 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. Funds are generated through a 6% occupancy tax.	None issued.

### **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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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.

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. 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 is consolidated with the operations fund for financial reporting purposes.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 Site Project Fund, CDBG Grant Fund Economic Development, and the Economic Development and Housing Recovery Fund are reported as grant projects funds and multi-year budgets are adopted upon project approval.

### 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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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.

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. All taxes including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 Project Fund, Community Development Block Grant Fund Economic Development, 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.

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

#### **1. Deposits and Investments**

All deposits of the County, the TDA, and Edgecombe County ABC Board are made in Board-designated official depositories and are secured as required by G.S. 159-31. The County, the TDA, 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, the TDA, 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, the TDA, 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).

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The County'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 \$963,056 are classified as restricted assets because their use is completely restricted to the purpose for which the debt originally issued. Customer deposits of \$61,955 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 \$993,912 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.

### **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, 2014.

### **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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 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.

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

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 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 three items that meet this criteria – deferred cost of refunding, pension related deferrals, and contributions made to the pension plan in the current fiscal year. 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 four items that meet the criteria for this category – prepaid taxes, taxes receivable, other receivables, and other pension related deferrals.

### 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 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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 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.

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

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*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, 2015

### 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 \$16,104,470 consists of several elements as follows:

<b>Description</b>	<b>Amount</b>
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).	\$ 79,867,967
Less accumulated depreciation	<u>(43,525,553)</u>
Net capital assets	36,342,414
Net pension asset	1,547,345
Net investment in Joint Venture	954,575
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,004,389
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements.	726,230
Investment in long-term capital lease receivable deferred in the fund statements	937,568
Charges related to advance refunding bond issue	177,452
Pension related deferrals	(3,626,358)
Liabilities for deferred inflow of resources reported in the fund statements and not the government-wide	5,610,672
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	(24,598,466)
Compensated absences	(1,440,433)
Accrued interest payable	(178,682)
Net pension obligation	(270,862)
Other post-employment benefits	<u>(1,081,374)</u>
Total adjustment	<u>\$ 16,104,470</u>

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 (\$6,058,665) as follows:

<b>Description</b>	<b>Amount</b>
Capital outlay expenditures recorded in the fund statements, but capitalized as assets in the Statement of Activities	\$ 672,437
Collection of capital lease principal	(111,341)
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	(1,908,521)
Principal payments on debt owed, charges related to refunding, 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.	(4,596,365)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,004,389
Gain (loss) from the change in net investment in Joint Venture related to the Rocky Mount/Wilson Airport during the year, not recognized on the modified accrual basis.	(12,304)
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)	65,851
Compensated absences and net pension obligations are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	85,814
County's portion of collective pension expense	(77,637)
Other post-employment benefits and pension costs	(100,449)
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.	(1,080,539)
Total adjustment	\$ (6,058,665)

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### **G. Defined Benefit Pension Plans**

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Register of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "State-administered defined benefit pension plans"). For the purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the State-administered defined benefit pension plans and additions to/deductions from the State-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the State-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

### **II. Stewardship, Compliance, and Accountability**

#### **Deficit Fund Balance**

For the fiscal year ended June 30, 2015, 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

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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.

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, 2015, the County's deposits had a carrying amount of \$2,088,122 and a bank balance of \$2,805,688. Of the bank balance, \$574,907 was covered by federal depository insurance and \$2,230,781 was covered by collateral held under the Pooling Method.

At June 30, 2015, Edgecombe County had \$3,105 cash on hand.

At June 30, 2015, the carrying amount of deposits for Edgecombe County ABC Board was \$790,821 and the bank balance was \$812,604. Of the bank balance, \$610,036 was covered by federal depository insurance and \$202,568 was insured under the Pooling Method. At June 30, 2015, the ABC Board has \$2,875 cash on hand.

At June 30, 2015, the Tourism Development Authority's deposits had a carrying amount of \$75,352 and a bank balance of \$75,352. All of the bank balance was covered by federal depository insurance.

### 2. Investments

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>
NC Capital Management Trust:			
Term portfolio *	\$ 4,905,263	\$ 4,905,263	\$ -
Cash portfolio	10,257,182	N/A	N/A
Total	<u>\$ 15,162,445</u>	<u>\$ 4,905,263</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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*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.

*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, 2015. 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.

<b>Year Levied</b>	<b>Tax</b>	<b>Interest *</b>	<b>Total</b>
2015	\$ 1,938,754	\$ -	\$ 1,938,754
2014	1,808,078	103,965	1,912,043
2013	1,782,751	262,956	2,045,707
2012	1,757,801	417,478	2,175,279
Total	<u>\$ 7,287,384</u>	<u>\$ 784,399</u>	<u>\$ 8,071,783</u>

\* (Interest figured through fiscal year-end June 30, 2015.)

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 4. Receivables

Receivables at the government-wide level at June 30, 2015 were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Other	Total
<b>Governmental Activities:</b>					
General	\$ 1,232,816	\$ 7,085,277	\$ 2,710,921	\$ 24,968	\$11,053,982
Other governmental	-	191,149	449,081	-	640,230
Total receivables	<u>1,232,816</u>	<u>7,276,426</u>	<u>3,160,002</u>	<u>24,968</u>	<u>11,694,212</u>
Allowance for doubtful accounts	<u>(268,350)</u>	<u>(1,589,341)</u>	<u>-</u>	<u>-</u>	<u>(1,857,691)</u>
Total governmental activities	<u>\$ 964,466</u>	<u>\$ 5,687,085</u>	<u>\$ 3,160,002</u>	<u>\$ 24,968</u>	<u>\$ 9,836,521</u>
<b>Business-Type Activities:</b>					
Solid waste	\$ 248,655	\$ 640,343	\$ 106,183	\$ -	\$ 995,181
Water and sewer	<u>751,539</u>	<u>-</u>	<u>761,307</u>	<u>-</u>	<u>1,512,846</u>
Total receivables	<u>1,000,194</u>	<u>640,343</u>	<u>867,490</u>	<u>-</u>	<u>2,508,027</u>
Allowance for doubtful accounts	<u>(527,821)</u>	<u>(603,863)</u>	<u>-</u>	<u>-</u>	<u>(1,131,684)</u>
Total business-type activities	<u>\$ 472,373</u>	<u>\$ 36,480</u>	<u>\$ 867,490</u>	<u>\$ -</u>	<u>\$ 1,376,343</u>

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	\$ 665,396	\$ -
N.C. Department of Environment and Natural Resources	-	48,921
US Marshal Svc	119,825	-
Sales and use tax	990,096	-
Other miscellaneous	21,271	-
Admin. reimbursement	837,007	-
Child Day Care	215,605	-
911 fees	23,893	-
Other grants - economic development	286,909	761,307
Other grants - landfill	-	57,262
Total	<u>\$ 3,160,002</u>	<u>\$ 867,490</u>

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 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, 2015 were as follows:

2016	\$	149,000
2017		149,000
2018		149,000
2019		149,000
2020		149,000
Thereafter		<u>316,750</u>
Total		1,061,750
Less amount representing interest		<u>(124,182)</u>
Total	\$	<u><u>937,568</u></u>

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 6. Capital Assets

#### Primary Government

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental Activities</b>				
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	29,441,615	-	-	29,441,615
Special item - schools	37,125,668	-	-	37,125,668
Equipment	5,372,612	239,024	-	5,611,636
Vehicles and motor equipment	3,454,912	433,413	-	3,888,325
Total	<u>75,394,807</u>	<u>672,437</u>	<u>-</u>	<u>76,067,244</u>
Less accumulated depreciation for:				
Buildings and improvements	11,764,258	818,000	-	12,582,258
Special item - schools	22,614,199	624,184	-	23,238,383
Equipment	4,154,554	230,379	-	4,384,933
Vehicles and motor equipment	3,084,021	235,958	-	3,319,979
Total	<u>41,617,032</u>	<u>\$ 1,908,521</u>	<u>\$ -</u>	<u>43,525,553</u>
Total capital assets being depreciated, net	<u>33,777,775</u>			<u>32,541,691</u>
<b>Governmental activities Capital assets, net</b>	<u>\$ 37,578,498</u>			<u>\$ 36,342,414</u>

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

General government	\$ 167,074
Public safety	737,434
Economic and physical development	4,766
Human services	375,063
Education	624,184
Total	<u>\$ 1,908,521</u>

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 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.

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Business-Type Activities:</b>				
<b>Solid waste:</b>				
Capital assets not being depreciated:				
Land	\$ 893,615	\$ -	\$ -	\$ 893,615
Total	893,615	-	-	893,615
Capital assets being depreciated:				
Buildings and improvements	1,737,239	-	-	1,737,239
Equipment	3,063,738	-	-	3,063,738
Vehicles	1,713,387	-	-	1,713,387
Total	6,514,364	-	-	6,514,364
Less accumulated depreciation for:				
Buildings and improvements	771,179	44,012	-	815,191
Equipment	635,640	173,013	-	808,653
Vehicles	1,253,790	71,369	-	1,325,159
Total	2,660,609	\$ 288,394	\$ -	2,949,003
Total capital assets being depreciated, net	3,853,755			3,565,361
<b>Solid waste capital assets, net</b>	\$ 4,747,370			\$ 4,458,976

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Business-Type Activities (continued)</b>				
<b>Water and sewer operations:</b>				
Capital assets not being depreciated:				
Land	\$ 28,292	\$ -	\$ -	\$ 28,292
Construction in progress	7,023,351	2,858,583	-	9,881,934
<b>Total</b>	<b>7,051,643</b>	<b>2,858,583</b>	<b>-</b>	<b>9,910,226</b>
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
<b>Total</b>	<b>44,681,763</b>	<b>-</b>	<b>-</b>	<b>44,681,763</b>
Less accumulated depreciation for:				
Plant and distribution systems	7,052,546	850,941	-	7,903,487
Buildings and improvements	335,858	18,325	-	354,183
Equipment	215,493	11,655	-	227,148
Vehicles	204,480	66,248	-	270,728
<b>Total</b>	<b>7,808,377</b>	<b>\$ 947,169</b>	<b>\$ -</b>	<b>8,755,546</b>
Total capital assets being depreciated, net	36,873,386			35,926,217
<b>Water and sewer operations capital assets, net</b>	<b>\$ 43,925,029</b>			<b>\$ 45,836,443</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 48,672,399</b>			<b>\$ 50,295,419</b>

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

#### Construction Commitments

The government has active construction projects as of June 30, 2015 for the water distribution system. At year-end, the government's commitments with contractors are as follows:

<b>Project</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>
Water distribution system	\$ 8,661,310	\$ 3,873,382

#### Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2015 was as follows:

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Amount</b>
Buildings	\$ 1,089,362	\$ 661,991	\$ 427,371
Furniture and equipment	305,893	206,560	99,333
Land	148,525	-	148,525
Motor vehicles	46,390	43,630	2,760
<b>Total</b>	<b>\$ 1,590,170</b>	<b>\$ 912,181</b>	<b>\$ 677,989</b>

#### Net Investment in Capital Assets

The net investment in capital assets at June 30, 2015 is composed of the following:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital assets	\$ 36,342,414	\$ 50,295,419
Total debt, gross	24,598,466	17,953,838
Less:		
Debt not relating to capital assets	(505,677)	-
Unspent debt proceeds	-	(963,056)
Total capital debt	24,092,789	16,990,782
<b>Net investment in capital assets</b>	<b>\$ 12,249,625</b>	<b>\$ 33,304,637</b>

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### B. Liabilities

#### 1. Payables

Payables at the government-wide level at June 30, 2015 were as follows:

	<u>Vendors</u>	<u>Due to Component Unit</u>	<u>Accrued Interest</u>	<u>Claims Incurred, But Not Reported</u>	<u>Total</u>
<b>Governmental</b>					
<b>Activities:</b>					
General	\$ 1,362,875	\$ 42,888	\$ 178,682	\$ 1,009,623	\$ 2,594,068
Other governmental	226,246	-	-	-	226,246
Total governmental activities	<u>\$ 1,589,121</u>	<u>\$ 42,888</u>	<u>\$ 178,682</u>	<u>\$ 1,009,623</u>	<u>\$ 2,820,314</u>
<b>Business-Type</b>					
<b>Activities:</b>					
Solid waste	\$ 176,561	\$ -	\$ -	\$ -	\$ 176,561
Water and sewer district	1,139,053	-	50,663	-	1,189,716
Total business-type activities	<u>\$ 1,315,614</u>	<u>\$ -</u>	<u>\$ 50,663</u>	<u>\$ -</u>	<u>\$ 1,366,277</u>

#### 2. Pension Plan Obligations

##### **Local Governmental Employees' Retirement System**

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

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service.

Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of credible service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015 was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,043,277 for the year ended June 30, 2015.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

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

At June 30, 2015, the County reported an asset of \$1,529,566 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was 0.259%, which was a decrease of 0.009% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$83,947. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 167,132
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,560,795
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	47,677
County contributions subsequent to the measurement date	<u>1,043,277</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 1,043,277</u></b>	<b><u>\$ 3,775,604</u></b>

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

\$1,043,277 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2016. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Amount</b>
2016	\$ (944,036)
2017	(944,036)
2018	(944,036)
2019	(943,496)
2020	-
Thereafter	-
Total	<u>\$ (3,775,604)</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.25 to 8.55%, including inflation and productivity factor
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	36.0%	2.5%
Global equity	40.5%	6.1%
Real estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation protection	<u>4.5%</u>	3.7%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: fixed income 2.2%, global equity 5.8%, real estate 5.2%, alternatives 9.8%, credit 6.8% and inflation protection 3.4%.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County's proportionate share of the net pension liability (asset)	\$5,192,008	\$(1,529,566)	\$ (7,188,914)

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

### **Law Enforcement Officers' Special Separation Allowance**

#### ***Plan Description***

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, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	11
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	52
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, 2015

### *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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria, which are outlined in GASB Statements 67 and 68:

- contributions to the pension plan and earnings on those contributions are irrevocable
- pension plan assets are dedicated to providing benefits to plan members
- pension plan assets are legally protected from the creditors or employers, non-employer contributing entities, the plan administrator, and plan members.

#### *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, 2013 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, 2013 was 17 years.

**EDGECOMBE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

***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	\$ 130,121
Interest on net pension obligation	12,941
Adjustment to annual required contribution	<u>(21,863)</u>
Annual pension cost	121,199
Contributions made	<u>109,152</u>
Increase (decrease) in net pension obligation	12,047
Net pension obligation:	
Beginning of year	<u>258,815</u>
End of year	<u><u>\$ 270,862</u></u>

**Three-Year Trend Information**

<b>For Year Ended June 30</b>	<b>Annual Pension APC (Cost)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2013	\$ 102,868	101.12%	\$ 262,869
2014	102,915	103.94%	258,815
2015	121,199	90.06%	270,862

***Funded Status and Funding Progress***

As of December 31, 2014, 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 \$1,159,984. The covered payroll (annual payroll of active employees covered by the plan) was \$1,996,992 and the ratio of the UAAL to the covered payroll was 58.09%.

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

#### **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, 2015 were \$108,817, which consisted of \$108,817 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 (RODSPF), a non-contributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The 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, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

**Contributions.** Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$2,844 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported an asset of \$78,961 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was .348%, which was an increase of .014% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of (\$2,952). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 725	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	425
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,078
County contributions subsequent to the measurement date	2,844	-
<b>Total</b>	<b>\$ 3,569</b>	<b>\$ 2,503</b>

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

\$2,844 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2016. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	<b>Amount</b>
<u>June 30</u>	<u>Amount</u>
2016	\$ (721)
2017	(721)
2018	(229)
2019	(107)
2020	-
Thereafter	-
Total	<u>\$ (1,778)</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.25 to 7.75%, including inflation and productivity factor
Investment rate of return	5.75%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75%) or 1-percentage-point higher (6.75%) than the current rate:

	<b>1% Decrease (4.75%)</b>	<b>Discount Rate (5.75%)</b>	<b>1% Increase (6.75%)</b>
County's proportionate share of the net pension liability (asset)	\$ (70,901)	\$ (78,961)	\$ (85,884)

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

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 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%

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	<u>525</u>

#### *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 annual required contributions (ARC) rate is 3.46% of annual covered payroll. For the current year, the County contributed \$423,401 or 2.75% 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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### *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.

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	\$ 532,356
Interest on net OPEB obligation	40,492
Adjustment to annual required contribution	<u>(35,322)</u>
Annual OPEB cost (expense)	537,526
Contributions made	<u>(423,401)</u>
Increase (decrease) in net OPEB obligation	114,125
Net OPEB obligation:	
Beginning of year	<u>1,012,307</u>
End of year	<u><u>\$ 1,126,432</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 2015 were as follows:

<b>Three Year Trend Information</b>			
<b>For Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2015	\$ 537,526	78.8%	\$ 1,126,432
2014	531,964	80.9%	1,012,307
2013	463,110	59.6%	910,734

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### *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%.

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% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3% inflation assumption. The medical cost trend rate varied between 7.75 and 5.00%. 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

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 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 (LERS) 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, 2015 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, 2015, those funds are held in investments with a cost and market value of \$1,496,705. 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, 2015

#### 4. Deferred Outflows and Inflows of Resources

Deferred Outflows and Inflows of Resources at year-end are composed of the following elements:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension - difference between expected and actual experience		
LGERS	\$ -	\$ 167,132
Register of Deeds	725	-
Pension - difference between projected and actual investment earnings	-	3,561,220
Pension - change in proportion and difference between employer contributions and proportionate share of contributions	-	49,755
Contributions to pension plan in 2014-2015 fiscal year	1,046,121	-
Charge on refunding of debt	395,452	-
Prepaid taxes not yet earned (general)	-	12,558
Property taxes receivable (net) (general)	-	4,769,706
Other taxes receivable (net) (general)	-	510,507
Taxes receivable (net) (special revenue)	-	191,149
Other deferred revenue (general)	-	68,532
Other deferred revenue (special revenue)	-	70,778
Total	\$ 1,442,298	\$ 9,401,337

#### 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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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.

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 \$3,800,943 in claims was incurred for benefits during the year ended June 30, 2015. Changes in the fund’s claims liability amount were as follows:

	<b>Year Ended June 30</b>	
	<b>2015</b>	<b>2014</b>
Unpaid claims, beginning of year	\$ 1,383,365	\$ 1,076,320
Incurred claims (including IBNRs)	3,800,943	4,525,090
Claim payments	(4,174,685)	(4,218,045)
Unpaid claims, end of year	\$ 1,009,623	\$ 1,383,365

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 6. **Contingent Liabilities**

At June 30, 2015, 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 material adverse effect on the County's financial position.

### 7. **Long-Term Obligations**

#### **Operating Lease**

An agreement was executed on September 9, 2014, between Edgecombe County, Public Facilities Corporation, and Edgecombe Community College, to lease a medical simulation center for Edgecombe Community College. The County is under obligation to appropriate funds for payment of the lease in the amount of \$6,980,250 pursuant to a Memorandum of Understanding between the above mentioned parties. Loan proceeds from PNC bank will be used with Golden Leaf grant proceeds and new market tax credit (NMTC) equity to construct the building. Principal payments will be made by the County, with interest payments from lease proceeds, in twelve (12) annual installments commencing on September 26, 2015 and continuing on the 26<sup>th</sup> day of each September thereafter, with a final installment due on October 8, 2026.

The County is obligated under other operating leases to make monthly payments of approximately \$15,343 through June 2015. Lease expenditures for the fiscal year ended June 30, 2015 totaled \$184,113.

#### **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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The County's general obligation bonds payable at June 30, 2015 comprise the following individual issues:

	<u>Balance</u> <u>June 30, 2015</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	\$ 485,000
\$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	2,555,000
\$5,171,000 Refunding School bonds - June 2015 due in annual principal payments of \$85,000 to \$542,000 and semi-annual interest payments of 1.92%; payable August 1 and February 1	<u>5,171,000</u>
	<u>8,211,000</u>
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	<u>3,615,000</u>
Total general obligation bonds	<u>\$ 11,826,000</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

The County's limited obligation debt at June 30, 2015 comprises the following:

	<b><u>Balance</u></b> <b><u>June 30, 2015</u></b>
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	\$ 6,246,000
Serviced by the Water & Sewer Fund	<u>11,104,000</u>
	<u><u>\$ 17,350,000</u></u>

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The County's financing debt at June 30, 2015 comprises the following:

	<u>Balance</u> <u>June 30, 2015</u>
Notes Payable:	
Serviced by the County's General Fund:	
\$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	\$ 260,684
\$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	244,994
\$2,000,000 note payable - April 2012; due in annual principal payments of \$500,000 through January 1, 2016; no interest	<u>500,000</u> <u>1,005,678</u>
Serviced by the County's Water and Sewer District #1:	
\$429,151 DENR Drinking Water State Revolving Fund agreement: To construct a water system improvement project Payments beginning May 2016 in annual installments of \$21,458, with 0% interest, payable through May 2035, unsecured	343,478
Serviced by the Solid Waste Fund:	
\$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	<u>499,120</u> <u>842,598</u>
Total	<u>\$ 1,848,276</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Balance</b>
	<b><u>June 30, 2015</u></b>
Installment Purchases:	
Serviced by the County's General Fund:	
\$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	\$ 1,703,621
\$121,750 installment agreement, due in annual principal and interest payments of \$7,366 through September 14, 2038; interest @ 4.375%; payable September 14	110,629
\$6,980,250 installment agreement, due in annual principal and interest payments of \$441,000 to \$746,500 through 2027 interest @ 4.82%	<u>6,980,250</u>
Total	<u><u>\$ 8,794,500</u></u>

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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):

<b>Business-Type Activities</b>				
	<b>General Obligation Bonds</b>	<b>Notes Payable</b>	<b>Limited Obligation Bonds</b>	
<b>Year</b>				
2016	\$ 51,000	\$ 99,218	\$ 611,200	
2017	52,000	99,218	611,200	
2018	53,000	99,218	611,200	
2019	55,000	99,218	598,400	
2020	56,000	99,218	588,800	
2021-2025	310,000	217,610	3,120,000	
2026-2030	364,000	107,290	1,430,400	
2031-2035	427,000	21,608	1,507,200	
2036-2040	501,000	-	1,424,000	
2041-2045	588,000	-	601,600	
2046-2050	690,000	-	-	
2051-2055	468,000	-	-	
Total	\$ 3,615,000	\$ 842,598	\$ 11,104,000	

<b>Governmental Activities</b>				
	<b>Notes Payable</b>	<b>Installment Purchases</b>	<b>General Obligation Bonds</b>	<b>Limited Obligation Bonds</b>
<b>Year</b>				
2016	\$ 570,300	\$ 1,103,560	\$ 745,000	\$ 343,800
2017	71,632	1,153,770	712,000	343,800
2018	73,010	843,202	705,000	343,800
2019	74,437	512,121	698,000	336,600
2020	75,915	536,996	691,000	331,200
2021-2025	140,384	3,106,817	3,331,000	1,755,000
2026-2030	-	1,479,393	1,329,000	804,600
2031-2035	-	26,193	-	847,800
2036-2040	-	32,448	-	801,000
2041-2045	-	-	-	338,400
Total	\$ 1,005,678	\$ 8,794,500	\$ 8,211,000	\$ 6,246,000

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Year	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,762,660	\$ 919,704	\$ 761,418	\$ 845,575	\$ 3,524,078	\$ 1,765,279
2017	2,281,202	763,722	762,418	820,489	3,043,620	1,584,211
2018	1,965,012	685,101	763,418	795,253	2,728,430	1,480,354
2019	1,621,158	624,052	752,618	761,505	2,373,776	1,385,557
2020	1,635,111	679,912	744,018	727,839	2,379,129	1,407,751
2021-2025	8,333,201	1,368,572	3,647,610	3,105,785	11,980,811	4,474,357
2026-2030	3,612,993	816,414	1,901,690	2,191,341	5,514,683	3,007,755
2031-2035	873,993	575,182	1,955,808	1,486,248	2,829,801	2,061,430
2036-2040	833,448	250,409	1,925,000	744,968	2,758,448	995,377
2041-2045	338,400	181,809	1,189,600	6,147,899	1,528,000	6,329,708
2046-2050	-	116,787	690,000	15,930	690,000	132,717
2051-2055	-	68,378	468,000	840	468,000	69,218
Total	<u>\$ 24,257,178</u>	<u>\$ 7,050,042</u>	<u>\$ 15,561,598</u>	<u>\$ 17,643,672</u>	<u>\$ 39,818,776</u>	<u>\$ 24,693,714</u>

At June 30, 2015, Edgecombe County Water and Sewer District No. 4 had bonds authorized but unissued of \$885,000.

The County's legal debt margin was \$229,857,373 at June 30, 2015.

### 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, 2015, the balance of the bonds was \$17,350,000. 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### 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 \$9,375,000 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:

On June 9, 2015, the County issues \$5,171,000 in General Obligation Refunding Bond Series 2015 with an interest rate of 1.92%. The proceeds were used to advance refund \$4,910,000 of outstanding General Obligation School Bonds Series 2006, which had interest rates ranging from 3.45% to 4.00%. The net proceeds of \$5,087,452 (including \$83,548 in underwriting fees and other issuance costs) were deposited with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the General Obligation School Bonds Series 2006 are considered defeased and the liability for those bonds has been removed from the Statement of Net Position.

The reacquisition price exceeded the net carrying amount of the old debt by \$177,452. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded a portion of the 2006 General Obligation School Bonds to reduce its total debt service payments over 11 years by \$357,002 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$324,104.

### 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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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.

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 10,000	\$ 18,870
2017	10,000	18,600
2018	10,000	18,300
2019	11,000	18,000
2020	11,000	17,700
2021-2025	60,000	81,720
2026-2030	70,000	72,120
2031-2035	81,000	60,990
2036-2040	94,000	48,060
2041-2045	108,000	33,180
2046-2050	127,000	15,930
2051-2055	28,000	840
Total	<u>\$ 620,000</u>	<u>\$ 404,310</u>

The County is not 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, 2015 is as follows:

<b>Water District No. 5:</b>	
Revenues	\$ 669,583
Operating expenses *	<u>468,853</u>
Net revenues	<u>\$ 200,730</u>
Debt service, principal and interest paid (revenue bond only)	<u>\$ 28,600</u>
Debt service coverage ratio	<u>702%</u>
Debt service, principal and interest paid (GO bonds and installment financing)	<u>\$ 252,925</u>
Debt service coverage ratio	<u>79%</u>

\* Per rate covenants, this does not include the depreciation expense of \$332,683.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,024,310. Principal and interest paid for the current year and total customer net revenues were \$28,600 and \$200,730, respectively.

### Bond Anticipation Notes – Proprietary Fund

\$675,000 USDA 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. On June 17, 2015, the County extended to a maturity date of December 17, 2015; interest at 1.55%.

\$393,000 USDA water and sewer revenue bond anticipation note issued on March 4, 2015 and maturing on March 3, 2016; interest at 1.55% for Water District No. 5 water line construction.

### Debt Related to Capital Activities

Of the total governmental activities debt listed, \$505,677 relates to assets to which the County does not hold title.

### 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, 2015:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion of Balance
<b>Governmental Activities:</b>					
General obligation debt	\$ 8,610,000	\$ 5,171,000	\$ (5,570,000)	\$ 8,211,000	\$ 745,000
Notes payable	1,833,941	-	(828,263)	1,005,678	570,300
Installment purchase	2,449,620	6,980,250	(635,370)	8,794,500	1,103,560
Limited obligation debt	6,589,800	-	(343,800)	6,246,000	343,800
Premium on debt	383,948	-	(42,660)	341,288	-
Compensated absences	1,538,294	825,115	(922,976)	1,440,433	648,195
Unfunded special					
separation allowance	258,815	121,199	(109,152)	270,862	-
Net pension liability (LGERS)	3,108,155	-	(3,108,155)	-	-
OPEB	980,925	516,024	(415,575)	1,081,374	-
Total governmental activities	<u>\$ 25,753,498</u>	<u>\$ 13,613,588</u>	<u>\$ (11,975,951)</u>	<u>\$ 27,391,135</u>	<u>\$ 3,410,855</u>

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<b>Balance July 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2015</b>	<b>Current Portion of Balance</b>
<b>Business-Type Activities:</b>					
<b>Water and Sewer Districts:</b>					
General obligation debt	\$ 3,615,000	\$ -	\$ -	\$ 3,615,000	\$ 51,000
Limited obligation debt	11,715,200	-	(611,200)	11,104,000	611,200
Premium on debt	731,326	-	(27,086)	704,240	-
Bond anticipation note	675,000	393,000	-	1,068,000	1,068,000
Revenue bonds	629,000	-	(9,000)	620,000	10,000
Notes payable	-	343,478	-	343,478	21,458
Compensated absences	35,605	13,667	(18,901)	30,371	16,017
Net pension liability (LGERS)	64,753	-	(64,753)	-	-
OPEB	16,602	10,751	(4,824)	22,529	-
<b>Total water and sewer district</b>	<b>17,482,486</b>	<b>760,896</b>	<b>(647,286)</b>	<b>17,507,618</b>	<b>1,777,675</b>
<b>Solid Waste Fund:</b>					
Notes payable	576,880	-	(77,760)	499,120	77,760
Accrued landfill closure and post-closure care costs	3,448,218	-	-	3,448,218	-
Compensated absences	20,708	6,481	(12,787)	14,402	5,803
Net pension liability (LGERS)	64,753	-	(64,753)	-	-
OPEB	14,780	10,751	(3,002)	22,529	-
<b>Total landfill</b>	<b>4,125,339</b>	<b>17,232</b>	<b>(158,302)</b>	<b>3,984,269</b>	<b>83,563</b>
<b>Total business-type activities</b>	<b>\$ 21,607,825</b>	<b>\$ 778,128</b>	<b>\$ (805,588)</b>	<b>\$ 21,491,887</b>	<b>\$ 1,861,238</b>
	<b>Balance July 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2015</b>	<b>Current Portion of Balance</b>
<b>Discretely Presented Component Units:</b>					
Compensated absences	\$ 12,649	\$ 7,074	\$ -	\$ 19,723	\$ -
OPEB	48,812	7,166	(8,170)	47,808	-
<b>Total discretely presented component units</b>	<b>\$ 61,461</b>	<b>\$ 14,240</b>	<b>\$ -</b>	<b>\$ 67,531</b>	<b>\$ -</b>

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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

### 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, 2015, 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, 2015.

### C. Interfund Balances and Activity

Interfund balances at June 30, 2015 consist of a loan from the General Fund to the Water and Sewer Fund of \$392,808, the CDBG Scattered Site Project Fund of \$62,385, the Economic Development and Housing Recovery Fund of \$122,335, and the CDBG Grant Fund of \$67,778 for short-term operating cash flow purposes.

Transfers to/from other funds at June 30, 2015 consisting of the following:

From the Human Services Building Capital Project	
Fund to the General Fund to close out project	\$ <u>42,198</u>

### 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	\$ 15,244,970
Less:	
Non-spendable - prepaids	97,012
Stabilization by State Statute	3,766,622
Appropriated fund balance 2015 budget	3,636,265
Tax revaluation	993,912
Education	577,079
Remaining fund balance	\$ <u>6,174,080</u>

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

#### 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 \$-0- for capital outlay to the Airport during the fiscal year ended June 30, 2015. 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, 2015. 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, 2015. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$540,794 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.

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 \$1,453,420 for operations and \$8,951,898 for capital outlay to the community college during the fiscal year ended June 30, 2015. 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.

The County, in conjunction with the City of Rocky Mount, City of Wilson, Wilson County, and Nash County, participates in a joint venture to operate the Rocky Mount/Wilson Airport Authority ("Authority"). Each of the entities appoints members of the seven-member Board of Commissioners of the Authority. The County appoints one of the seven Board members. The

## EDGECOMBE COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

County has an ongoing financial responsibility for the Authority. The County contributed \$47,857 to the Authority's operating purposes during the year ended June 30, 2015. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$954,575 has been reported in the governmental activities in the County's basic financial statements at June 30, 2015. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Drive, Elm County, North Carolina 27822.

#### **V. Jointly Governed Organization**

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 Statute §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 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, 2015. The County contributed \$35,431 to the Arts Council during the year ended June 30, 2015. Complete financial statements for the Arts Council can be obtained from the Arts Council office at 130 Bridgers Street, Tarboro, North Carolina 27886.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015, 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 by-laws state that private sector funds are matched on an equal basis by the public partners. For fiscal year June 30, 2015, the County contributed \$157,245 to support the partnership.

### VI. Benefit Payments Issued by the State

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

	<u>Federal</u>	<u>State</u>
Temporary Assistance for Needy Families	\$ 732,978	\$ -
Independent living	12,166	-
Medicaid	73,970,806	41,087,335
Special Supp. Nutrition program for WIC	1,395,957	-
Title IV-E, adoption subsidy	377,057	97,774
State/County special assistance for adults	-	687,950
CWS adoption subsidy	-	287,244
Total	<u>\$ 76,488,964</u>	<u>\$ 42,160,303</u>

### 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.

# EDGECOMBE COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

### **VIII. Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) Statement 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27), in the fiscal year ended June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ended June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$2,001,376 and \$86,484, respectively.

During the current fiscal year, the County determined that the Rocky Mount/Wilson Airport Authority, an investment previously recorded at cost, should have been reported as an equity interest joint venture. A prior period adjustment was made and beginning net position for governmental activities were increased by \$966,879 to record this change.

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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, 2015**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b - a)/c)</b>
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%
12/31/14	-	1,159,984	1,159,984	-	1,996,992	58.09%

**EDGECOMBE COUNTY, NORTH CAROLINA  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2015**

<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%
2014	130,121	83.88%

**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	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% - 7.85%
Cost-of living adjustments	N/A
*Includes inflation at	3.00%

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**OTHER POST-EMPLOYMENT BENEFITS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
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, 2015**

<b>Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
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%
2015	532,356	79.53%

**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%
Cost-of-living adjustments	N/A
*Includes inflation at	3.00%

**EDGECOMBE COUNTY, NORTH CAROLINA  
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
LAST TWO FISCAL YEARS\***

	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.269%	0.259%
Proportion of the net pension liability (asset) (\$)	\$ (1,529,566)	\$ 3,237,661
Covered-employee payroll	\$ 16,495,575	\$ 14,663,525
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-9.27%	22.08%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

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

\*\* This will be the same percentage for all participant employers in the LGERS plan.

**EDGECOMBE COUNTY, NORTH CAROLINA  
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
EDGECOMBE COUNTY'S CONTRIBUTIONS  
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,043,277	\$ 1,075,651
Contributions in relation to the contractually required contribution	<u>1,043,277</u>	<u>1,075,651</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 14,807,316	\$ 16,495,575
Contributions as a percentage of covered-employee payroll	7.05%	6.52%

**EDGECOMBE COUNTY, NORTH CAROLINA  
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
LAST TWO FISCAL YEARS\***

	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.334%	0.348%
Proportion of the net pension liability (asset) (\$)	\$ (78,961)	\$ (71,387)
Covered-employee payroll	\$ 156,533	\$ 155,936
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-50.44%	-45.78%
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

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

**EDGECOMBE COUNTY, NORTH CAROLINA  
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
EDGECOMBE COUNTY'S CONTRIBUTIONS  
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,844	\$ 2,844
Contributions in relation to the contractually required contribution	<u>2,844</u>	<u>2,844</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 158,457	\$ 156,533
Contributions as a percentage of covered-employee payroll	1.79%	1.82%

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad Valorem Taxes:			
Taxes	\$ 26,922,843	\$ 28,219,526	\$ 1,296,683
Penalties and interest	445,000	464,527	19,527
Total Ad Valorem Taxes	<u>27,367,843</u>	<u>28,684,053</u>	<u>1,316,210</u>
Local Option Sales Taxes:			
Article 39 one percent	1,200,000	935,794	(264,206)
Article 40 one - half of one percent	1,500,000	1,612,998	112,998
Article 42 one - half of one percent	1,080,000	1,169,977	89,977
Article 46 sales tax	800,000	750,022	(49,978)
Total Local Option Sales Taxes	<u>4,580,000</u>	<u>4,468,791</u>	<u>(111,209)</u>
Other Taxes and Licenses:			
Animal tax	12,000	10,392	(1,608)
Franchise tax	50,000	41,867	(8,133)
Privilege licenses	5,000	128	(4,872)
Occupancy tax	90,000	94,475	4,475
Gross receipt tax	3,000	5,205	2,205
Total Other Taxes and Licenses	<u>160,000</u>	<u>152,067</u>	<u>(7,933)</u>
Unrestricted Intergovernmental:			
NC Department of Motor Vehicles	75,000	128,439	53,439
Beer and wine tax	90,000	106,843	16,843
Total Unrestricted Intergovernmental	<u>165,000</u>	<u>235,282</u>	<u>70,282</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND**  
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**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues (continued):</b>			
Restricted Intergovernmental:			
General Fund	4,350,452	3,206,582	(1,143,870)
Health Department	1,707,573	1,464,795	(242,778)
Department of Social Services	10,579,163	9,864,881	(714,282)
Total Restricted Intergovernmental	<u>16,637,188</u>	<u>14,536,258</u>	<u>(2,100,930)</u>
Permits and Fees:			
Building and zoning permits	42,500	110,812	68,312
Register of Deeds	300,000	326,996	26,996
Sheriff, Jail, and other law fees	234,000	351,790	117,790
Legal fee reimbursement	50,000	27,723	(22,277)
Total Permits and Fees	<u>626,500</u>	<u>817,321</u>	<u>190,821</u>
Sales and Services:			
Rents, concessions, and fees	871,530	613,216	(258,314)
Inmate housing	1,500,000	1,685,947	185,947
Health fees	4,072,612	2,177,525	(1,895,087)
Social Services fees	82,141	174,054	91,913
Sale of fixed assets	15,000	630	(14,370)
Total Sales and Services	<u>6,541,283</u>	<u>4,651,372</u>	<u>(1,889,911)</u>
Investment earnings	<u>-</u>	<u>7,763</u>	<u>7,763</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, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues (continued):</b>			
Miscellaneous:			
Other	164,605	993	(163,612)
Insurance claims	22,812	36,289	13,477
Total Miscellaneous	<u>187,417</u>	<u>37,282</u>	<u>(150,135)</u>
Total Revenues	<u>56,265,231</u>	<u>53,590,189</u>	<u>(2,675,042)</u>
<b>Expenditures:</b>			
General Government:			
Governing Body:			
Salaries and employee benefits	103,144	89,202	13,942
Other operating expenditures	174,410	167,954	6,456
Dues and meetings	45,000	41,152	3,848
Total Governing Body	<u>322,554</u>	<u>298,308</u>	<u>24,246</u>
Administration:			
Salaries and employee benefits	462,321	460,926	1,395
Other operating expenditures	86,500	54,343	32,157
Total Administration	<u>548,821</u>	<u>515,269</u>	<u>33,552</u>
Elections:			
Salaries and employee benefits	253,425	212,084	41,341
Other operating expenditures	122,895	92,479	30,416
Total Elections	<u>376,320</u>	<u>304,563</u>	<u>71,757</u>
Finance:			
Salaries and employee benefits	335,800	326,441	9,359
Audit	61,000	60,250	750
Other operating expenditures	123,850	108,712	15,138
Total Finance	<u>520,650</u>	<u>495,403</u>	<u>25,247</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, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
General Government (continued):			
Tax Collector:			
Salaries and employee benefits	211,739	203,151	8,588
Other operating expenditures	286,270	136,343	149,927
Total Tax Collector	<u>498,009</u>	<u>339,494</u>	<u>158,515</u>
Department of Motor Vehicles			
Salaries and employee benefits	133,530	132,171	1,359
Other operating expenditures	8,113	6,495	1,618
Total Department of Motor Vehicles	<u>141,643</u>	<u>138,666</u>	<u>2,977</u>
Tax Assessor:			
Salaries and employee benefits	341,832	326,079	15,753
Other operating expenditures	236,500	141,140	95,360
Total Tax Assessor	<u>578,332</u>	<u>467,219</u>	<u>111,113</u>
Legal:			
Contracted services	<u>64,000</u>	<u>44,517</u>	<u>19,483</u>
Data Processing:			
Salaries and employee benefits	232,000	227,312	4,688
Other operating expenditures	151,500	126,269	25,231
Total Data Processing	<u>383,500</u>	<u>353,581</u>	<u>29,919</u>
Register of Deeds:			
Salaries and employee benefits	242,150	228,115	14,035
Other operating expenditures	183,150	145,978	37,172
Children's trust fund	1,800	1,315	485
Domestic violence fund	8,500	8,520	(20)
Total Register of Deeds	<u>435,600</u>	<u>383,928</u>	<u>51,672</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
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**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
General Government (continued):			
Public Buildings:			
Salaries and employee benefits	431,198	408,732	22,466
Other operating expenditures	57,500	40,867	16,633
Utilities	611,500	548,485	63,015
Maintenance	706,500	511,565	194,935
Capital outlay	190,000	194,282	(4,282)
Total Public Buildings	<u>1,996,698</u>	<u>1,703,931</u>	<u>292,767</u>
Court Facilities:			
Rent - Courts of Justice	70,000	44,408	25,592
Law library	22,000	9,294	12,706
Juvenile detention	16,800	16,800	-
Total Court Facilities	<u>108,800</u>	<u>70,502</u>	<u>38,298</u>
Central Services:			
Insurance and other	573,500	586,986	(13,486)
Other Operating Expenditures	94,000	47,502	46,498
Total Central Services	<u>667,500</u>	<u>634,488</u>	<u>33,012</u>
Total General Government	<u>6,642,427</u>	<u>5,749,869</u>	<u>892,558</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits	3,563,953	3,659,203	(95,250)
Other operating expenditures	854,039	722,509	131,530
Narcotics control	32,000	27,880	4,120
Capital outlay	361,366	323,156	38,210
Total Sheriff	<u>4,811,358</u>	<u>4,732,748</u>	<u>78,610</u>
Project Re-entry Grant			
Contractual Services	64,542	27,528	37,014
Other operating expenditures	10,400	3,366	7,034
Total Project Re-entry Grant	<u>74,942</u>	<u>30,894</u>	<u>44,048</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
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**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Public Safety (continued):			
Jail:			
Salaries and employee benefits	2,674,033	2,576,932	97,101
Other operating expenditures	1,633,000	1,242,134	390,866
Total Jail	<u>4,307,033</u>	<u>3,819,066</u>	<u>487,967</u>
Fire:			
Forest fire contracts	92,172	78,975	13,197
Workman's compensation	15,000	12,968	2,032
Total Fire	<u>107,172</u>	<u>91,943</u>	<u>15,229</u>
Emergency Management Coordinator:			
Salaries and employee benefits	247,000	245,980	1,020
Other operating expenditures	63,454	58,639	4,815
Total Emergency Mgmt. Coordinator	<u>310,454</u>	<u>304,619</u>	<u>5,835</u>
E911:			
Other operating expenditures	<u>6,750</u>	<u>2,164</u>	<u>4,586</u>
Communications:			
Salaries and employee benefits	551,352	539,608	11,744
Other operating expenditures	185,755	158,333	27,422
Total Communications	<u>737,107</u>	<u>697,941</u>	<u>39,166</u>
Rescue Squads:			
Medicaid revenues - Rescue	153,500	148,897	4,603
Contracted services	1,000,000	1,000,000	-
Total Rescue Squads	<u>1,153,500</u>	<u>1,148,897</u>	<u>4,603</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
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**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Public Safety (continued):			
Medical Examiner:			
Fees	7,000	7,708	(708)
Autopsies	35,000	35,000	-
Total Medical Examiner	<u>42,000</u>	<u>42,708</u>	<u>(708)</u>
Animal Control:			
Salaries and employee benefits	123,811	118,946	4,865
Other operating expenditures	23,844	11,741	12,103
Capital Outlay	32,000	27,718	4,282
Total Animal Control	<u>179,655</u>	<u>158,405</u>	<u>21,250</u>
Inspections:			
Salaries and employee benefits	120,229	101,927	18,302
Other operating expenditures	21,200	14,374	6,826
Total Inspections	<u>141,429</u>	<u>116,301</u>	<u>25,128</u>
Total Public Safety	<u>11,871,400</u>	<u>11,145,686</u>	<u>725,714</u>
Transportation:			
Contribution to regional airport	<u>62,066</u>	<u>62,066</u>	<u>-</u>
Economic and Physical Development:			
Agricultural Extension:			
Contractual Services	271,396	183,990	87,406
Other operating expenditures	86,790	61,515	25,275
Total Agricultural Extension	<u>358,186</u>	<u>245,505</u>	<u>112,681</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
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**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Economic and Physical Development (continued):			
Soil and Water Conservation:			
Salaries and employee benefits	155,215	151,727	3,488
Other operating expenditures	12,300	8,434	3,866
Total Soil & Water Conservation	<u>167,515</u>	<u>160,161</u>	<u>7,354</u>
Economic Development:			
Industrial Incentive	208,535	183,536	24,999
Carolina Gateway Partnership	158,368	157,245	1,123
Rocky Mount/Edgecombe County Community Development Corporation	22,530	22,530	-
Tourism Development Agency	90,000	94,461	(4,461)
Contractual services	56,000	74,883	(18,883)
Total Economic Development	<u>535,433</u>	<u>532,655</u>	<u>2,778</u>
Planning:			
Salaries and employee benefits	173,149	111,105	62,044
Other operating expenditures	61,300	27,423	33,877
Total Planning	<u>234,449</u>	<u>138,528</u>	<u>95,921</u>
Total Economic and Physical Development	<u>1,295,583</u>	<u>1,076,849</u>	<u>218,734</u>
Human Services:			
Veterans Service Officer:			
Salaries and employee benefits	87,400	77,060	10,340
Other operating expenditures	3,700	4,100	(400)
Total Veterans Service Officer	<u>91,100</u>	<u>81,160</u>	<u>9,940</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
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**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Human Services (continued):			
Other:			
Youth services	254,401	242,786	11,615
Misc. Human Services	51,737	47,995	3,742
Total Other	<u>306,138</u>	<u>290,781</u>	<u>15,357</u>
Health Department:			
Administration:			
Salaries and employee benefits	93,091	86,439	6,652
Other operating expenditures	107,362	103,773	3,589
Total Administration	<u>200,453</u>	<u>190,212</u>	<u>10,241</u>
Maternal and Child Health:			
Salaries and employee benefits	352,890	370,128	(17,238)
Other operating expenditures	91,300	83,843	7,457
Total Maternal and Child Health	<u>444,190</u>	<u>453,971</u>	<u>(9,781)</u>
Family Planning:			
Salaries and employee benefits	420,930	410,299	10,631
Other operating expenditures	111,755	103,003	8,752
Total Family Planning	<u>532,685</u>	<u>513,302</u>	<u>19,383</u>
866 Healthy Communities:			
Salaries and employee benefits	23,239	23,239	-
Other operating expenditures	3,592	3,590	2
Total 866 Healthy Communities	<u>26,831</u>	<u>26,829</u>	<u>2</u>
Maternal Care Coordination:			
Salaries and employee benefits	193,156	182,093	11,063
Other operating expenditures	20,304	17,479	2,825
Total Maternal Care Coordination	<u>213,460</u>	<u>199,572</u>	<u>13,888</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
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	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Human Services (continued):			
Health Department (continued):			
School Nurse Initiative Program:			
Salaries and employee benefits	240,929	215,584	25,345
Other operating expenditures	9,071	1,621	7,450
Total School Nurse Initiative Program	<u>250,000</u>	<u>217,205</u>	<u>32,795</u>
School Health:			
Salaries and employee benefits	213,097	216,547	(3,450)
Other operating expenditures	11,077	10,059	1,018
Total School Health	<u>224,174</u>	<u>226,606</u>	<u>(2,432)</u>
Healthy Start:			
Salaries and employee benefits	88,325	65,974	22,351
Other operating expenditures	20,838	18,333	2,505
Total Healthy Start	<u>109,163</u>	<u>84,307</u>	<u>24,856</u>
Environmental Health:			
Salaries and employee benefits	289,383	290,086	(703)
Other operating expenditures	22,447	22,463	(16)
Total Environmental Health	<u>311,830</u>	<u>312,549</u>	<u>(719)</u>
Tuberculosis:			
Salaries and employee benefits	77,488	44,074	33,414
Other operating expenditures	25,942	18,500	7,442
Total Tuberculosis	<u>103,430</u>	<u>62,574</u>	<u>40,856</u>
Adult Health Services:			
Salaries and employee benefits	466,109	202,682	263,427
Other operating expenditures	100,314	88,673	11,641
Total Adult Health Services	<u>566,423</u>	<u>291,355</u>	<u>275,068</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
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**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Human Services: (continued)			
Health Department (continued):			
Health Works:			
Salaries and employee benefits	49,318	56,913	(7,595)
Other operating expenditures	13,858	16,356	(2,498)
Total Health Works	<u>63,176</u>	<u>73,269</u>	<u>(10,093)</u>
Home Health Services:			
Salaries and employee benefits	639,692	457,689	182,003
Other operating expenditures	403,366	199,468	203,898
Total Home Health Services	<u>1,043,058</u>	<u>657,157</u>	<u>385,901</u>
Primary Care:			
Salaries and employee benefits	-	59,888	(59,888)
Other operating expenditures	-	225	(225)
Total Health Promotion	<u>-</u>	<u>60,113</u>	<u>(60,113)</u>
Child Service Coordination			
Salaries and employee benefits	147,373	124,122	23,251
Other operating expenditures	55,821	15,838	39,983
Total Child Service Coordination	<u>203,194</u>	<u>139,960</u>	<u>63,234</u>
Immunization Action Plan:			
Salaries and employee benefits	54,234	48,568	5,666
Other operating expenditures	18,238	9,401	8,837
Total Immunization Action Plan	<u>72,472</u>	<u>57,969</u>	<u>14,503</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
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**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Human Services: (continued)			
Health Department (continued):			
Communicable Disease:			
Salaries and employee benefits	227,224	257,273	(30,049)
Other operating expenditures	21,361	18,859	2,502
Total Communicable Disease	<u>248,585</u>	<u>276,132</u>	<u>(27,547)</u>
Comprehensive Breast:			
Salaries and employee benefits	47,957	32,052	15,905
Other operating expenditures	10,896	7,840	3,056
Total Comprehensive Breast	<u>58,853</u>	<u>39,892</u>	<u>18,961</u>
Breast Health Initiative:			
Salaries and employee benefits	12,181	11,425	756
Other operating expenditures	29,959	12,374	17,585
Total Breast Health Initiative	<u>42,140</u>	<u>23,799</u>	<u>18,341</u>
AIDS:			
Salaries and employee benefits	10,417	10,417	-
HIV/STD Prevention Risk Reduction:			
Salaries and employee benefits	41,746	43,774	(2,028)
Other operating expenditures	18,254	18,123	131
Total HIV/STD Prevention Risk Reduction	<u>60,000</u>	<u>61,897</u>	<u>(1,897)</u>
Triple P Funds - Nash County			
Salaries and employee benefits	5,000	5,000	-

**EDGECOMBE COUNTY, NORTH CAROLINA**  
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	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Human Services: (continued)			
Health Department (continued):			
WIC:			
Salaries and employee benefits	402,994	372,675	30,319
Other operating expenditures	22,500	15,079	7,421
Total WIC	<u>425,494</u>	<u>387,754</u>	<u>37,740</u>
Special Programs:			
Salaries and employee benefits	311,301	245,399	65,902
Other operating expenditures	141,657	133,947	7,710
Total Special Programs	<u>452,958</u>	<u>379,346</u>	<u>73,612</u>
Dental Program:			
Salaries and employee benefits	155,963	136,870	19,093
Other operating expenditures	254,818	240,995	13,823
Total Dental Program	<u>410,781</u>	<u>377,865</u>	<u>32,916</u>
Nurse Family - North Hampton Grant:			
Salaries and employee benefits	2,484	1,875	609
Other operating expenditures	2,516	483	2,033
Total Nurse Family - North Hampton Grant	<u>5,000</u>	<u>2,358</u>	<u>2,642</u>
Diabetes:			
Salaries and employee benefits	74,272	46,561	27,711
Other operating expenditures	6,794	4,931	1,863
Total Diabetes	<u>81,066</u>	<u>51,492</u>	<u>29,574</u>
BT Preparedness:			
Salaries and employee benefits	37,746	37,746	-
Other operating expenditures	13,604	13,604	-
Total BT Preparedness	<u>51,350</u>	<u>51,350</u>	<u>-</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
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	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Human Services (continued):			
Health Department (continued):			
Other Grants:			
Other operating expenditures	4,622	4,494	128
University Health System Grant:			
Salaries and employee benefits	36,856	30,635	6,221
Other operating expenditures	4,758	4,455	303
Total University Health System Grant	41,614	35,090	6,524
826 Title X HIV Services:			
Salaries and employee benefits	6,637	6,637	-
Other operating expenditures	7,451	7,451	-
Total 826 Title X HIV Services	14,088	14,088	-
Farm Bureau - Healthy Living			
Other operating expenditures	2,178	1,167	1,011
Total SGK UCP Lay Advisors	2,178	1,167	1,011
Region 9 Transformation:			
Salaries and employee benefits	519	319	200
Other operating expenditures	981	981	-
Total Region 9	1,500	1,300	200
Total Health Department	6,280,185	5,290,391	989,794
Mental Health:			
Assist to the Beacon Center	18,500	19,360	(860)
Aging:			
Salaries and employee benefits	48,230	47,324	906
Other operating expenditures	11,092	2,430	8,662
Total Aging	59,322	49,754	9,568

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Human Services (continued):			
Social Services:			
Administration:			
Salaries and employee benefits	7,574,192	6,690,185	884,007
Other operating expenditures	1,109,262	858,130	251,132
Capital outlay	20,000	19,318	682
Total Administration	<u>8,703,454</u>	<u>7,567,633</u>	<u>1,135,821</u>
Public Assistance:			
Assistance payments	<u>6,813,176</u>	<u>5,832,262</u>	<u>980,914</u>
Total Social Services	<u>15,516,630</u>	<u>13,399,895</u>	<u>2,116,735</u>
Total Human Services	<u>22,271,875</u>	<u>19,131,341</u>	<u>3,140,534</u>
Cultural and Recreational:			
Contribution to local library	549,744	548,449	1,295
Cultural Arts Council	35,431	35,431	-
School recreation	28,800	26,651	2,149
Total Cultural and Recreational	<u>613,975</u>	<u>610,531</u>	<u>3,444</u>
Education:			
Public Schools:			
Current	8,782,905	8,782,905	-
Building capital fund (PSBCF)	1,800,000	-	1,800,000
Community Colleges:			
Current	1,453,420	1,453,420	-
Capital Outlay	2,543,840	1,971,648	572,192
Total Education	<u>14,580,165</u>	<u>12,207,973</u>	<u>2,372,192</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, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures (continued):</b>			
Debt Service:			
Principal retirement	3,030,691	2,289,981	740,710
Interest and other charges	1,101,862	608,411	493,451
Bond issuance costs	83,548	83,548	-
Total Debt Service	<u>4,216,101</u>	<u>2,981,940</u>	<u>1,234,161</u>
Total Expenditures	<u>61,553,592</u>	<u>52,966,255</u>	<u>8,587,337</u>
Revenues Over (Under) Expenditures	<u>(5,288,361)</u>	<u>623,934</u>	<u>5,912,295</u>
Other Financing Sources (Uses):			
Transfers To/From Other Funds:			
Revaluation	(150,000)	(150,000)	-
Capital Project	-	42,198	42,198
2015 Refunding bond proceeds	5,172,451	5,171,000	(1,451)
Payment to refunding escrow agent	(5,087,452)	(5,087,452)	-
Appropriated fund balance	5,353,362	-	(5,353,362)
Total Other Financing Sources (Uses)	<u>5,288,361</u>	<u>(24,254)</u>	<u>(5,312,615)</u>
Net change in fund balance	<u>\$ -</u>	<u>599,680</u>	<u>\$ 599,680</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>13,651,378</u>	
End of year, June 30		<u>\$ 14,251,058</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, 2015**

	<b>2015</b>		<b>Variance Over/Under</b>
	<b>Budget</b>	<b>Actual</b>	
Other Financing Sources:			
Transfer In:			
General Fund	\$ -	\$ 150,000	\$ 150,000
Revenues and Other Sources			
Over (Under) Expenditures	<u>\$ -</u>	150,000	<u>\$ 150,000</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>843,912</u>	
End of year, June 30		<u>\$ 993,912</u>	

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<b>Special Revenue Funds</b>					
	<b>CDBG Scattered Site Project Fund</b>	<b>Fire Districts Fund</b>	<b>Industrial Sites Development Fund</b>	<b>Emergency Telephone System</b>	<b>CDBG Grant Fund</b>	<b>Economic Development and Housing Recovery Fund</b>
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ 696	\$ 149,114	\$ 359,824	\$ -	\$ -
Accounts receivable, net	62,385	777	-	23,893	70,778	153,746
Taxes receivable, net	-	191,149	-	-	-	-
<b>Total assets</b>	<b>\$ 62,385</b>	<b>\$ 192,622</b>	<b>\$ 149,114</b>	<b>\$ 383,717</b>	<b>\$ 70,778</b>	<b>\$ 153,746</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ -	\$ 1,473	\$ -	\$ -	\$ 3,000	\$ 12,836
Due to other funds	62,385	-	-	-	67,778	122,335
<b>Total liabilities</b>	<b>62,385</b>	<b>1,473</b>	<b>-</b>	<b>-</b>	<b>70,778</b>	<b>135,171</b>
Deferred Inflows of Resources	-	191,149	-	-	70,778	-
<b>Fund Balances:</b>						
Restricted for:						
Stabilization by State statute	62,385	777	-	23,893	-	153,746
Public safety	-	-	-	359,824	-	-
Economic development	-	-	-	-	-	18,575
Committed:						
Economic development	-	-	149,114	-	-	-
Unassigned	(62,385)	(777)	-	-	(70,778)	(153,746)
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>149,114</b>	<b>383,717</b>	<b>(70,778)</b>	<b>18,575</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 62,385</b>	<b>\$ 192,622</b>	<b>\$ 149,114</b>	<b>\$ 383,717</b>	<b>\$ 70,778</b>	<b>\$ 153,746</b>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Capital Project Fund</b>		<b>Total Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
		<b>Schools Capital Project Fund</b>	<b>Human Services Building Capital Project Fund</b>		
<b>Assets</b>					
Cash and cash equivalents	\$ 509,634	\$ 71,435	\$ -	\$ 71,435	\$ 581,069
Accounts receivable, net	311,579	137,502	-	137,502	449,081
Taxes receivable, net	191,149	-	-	-	191,149
<b>Total assets</b>	<b>\$ 1,012,362</b>	<b>\$ 208,937</b>	<b>\$ -</b>	<b>\$ 208,937</b>	<b>\$ 1,221,299</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 17,309	\$ 208,937	\$ -	\$ 208,937	\$ 226,246
Due to other funds	252,498	-	-	-	252,498
<b>Total liabilities</b>	<b>269,807</b>	<b>208,937</b>	<b>-</b>	<b>208,937</b>	<b>478,744</b>
Deferred Inflows of Resources	261,927	-	-	-	261,927
<b>Fund Balances:</b>					
Restricted for:					
Stabilization by State statute	240,801	137,502	-	137,502	378,303
Public safety	359,824	-	-	-	359,824
Economic development	18,575	-	-	-	18,575
Committed:					
Economic development	149,114	-	-	-	149,114
Unassigned	(287,686)	(137,502)	-	(137,502)	(425,188)
<b>Total fund balances</b>	<b>480,628</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>480,628</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,012,362</b>	<b>\$ 208,937</b>	<b>\$ -</b>	<b>\$ 208,937</b>	<b>\$ 1,221,299</b>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Special Revenue Funds</u>					
	<b>CDBG Scattered Site Project Fund</b>	<b>Fire Districts Fund</b>	<b>Industrial Sites Development Fund</b>	<b>Emergency Telephone System</b>	<b>CDBG Grant Fund</b>	<b>Economic Development and Housing Recovery Fund</b>
<b>Revenues</b>						
Ad valorem taxes	\$ -	\$ 962,752	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-	-	-
Restricted intergovernmental	197,938	-	-	-	-	559,116
Other taxes and licenses	-	-	12,000	286,718	-	-
Total revenues	<u>197,938</u>	<u>962,752</u>	<u>12,000</u>	<u>286,718</u>	<u>-</u>	<u>559,116</u>
<b>Expenditures</b>						
Public safety	-	962,752	-	253,882	-	-
Education	-	-	-	-	-	-
Economic and						
Physical development	201,156	-	-	-	-	560,563
Total expenditures	<u>201,156</u>	<u>962,752</u>	<u>-</u>	<u>253,882</u>	<u>-</u>	<u>560,563</u>
Excess (deficiency) of revenues over expenditures	(3,218)	-	12,000	32,836	-	(1,447)
<b>Other Financing Sources (Uses)</b>						
Transfers to/from other funds	-	-	-	-	-	-
Net change in fund balances	(3,218)	-	12,000	32,836	-	(1,447)
<b>Fund Balances:</b>						
Beginning of year, July 1	<u>3,218</u>	<u>-</u>	<u>137,114</u>	<u>350,881</u>	<u>(70,778)</u>	<u>20,022</u>
End of year, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,114</u>	<u>\$ 383,717</u>	<u>\$ (70,778)</u>	<u>\$ 18,575</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	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		
<b>Revenues</b>					
Ad valorem taxes	\$ 962,752	\$ -	\$ -	\$ -	\$ 962,752
Local option sales tax	-	718,039	-	718,039	718,039
Restricted intergovernmental	757,054	-	-	-	757,054
Other taxes and licenses	298,718	-	-	-	298,718
Total revenues	<u>2,018,524</u>	<u>718,039</u>	<u>-</u>	<u>718,039</u>	<u>2,736,563</u>
<b>Expenditures</b>					
Public safety	1,216,634	-	-	-	1,216,634
Education	-	718,039	-	718,039	718,039
Economic and Physical development	761,719	-	-	-	761,719
Total expenditures	<u>1,978,353</u>	<u>718,039</u>	<u>-</u>	<u>718,039</u>	<u>2,696,392</u>
Excess (deficiency) of revenues over expenditures	40,171	-	-	-	40,171
<b>Other Financing Sources (Uses)</b>					
Transfers to/from other funds	-	-	(42,198)	(42,198)	(42,198)
Net change in fund balances	40,171	-	(42,198)	(42,198)	(2,027)
<b>Fund Balances:</b>					
Beginning of year, July 1	440,457	-	42,198	42,198	482,655
End of year, June 30	<u>\$ 480,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480,628</u>

**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, 2015**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>					
Restricted Intergovernmental:					
Community Development					
Block Grants:					
CDBG 12-C-2415	\$ 225,000	\$ 22,688	\$ 201,372	\$ 224,060	\$ (940)
ER 10-C-2140	500,000	480,517	(3,434)	477,083	(22,917)
Total revenues	<u>725,000</u>	<u>503,205</u>	<u>197,938</u>	<u>701,143</u>	<u>(23,857)</u>
<b>Expenditures:</b>					
Economic and					
Physical Development:					
CDBG 12-C-2415					
Rehabilitation	202,500	6,472	189,813	196,285	6,215
Administration	22,500	16,432	11,343	27,775	(5,275)
Total	<u>225,000</u>	<u>22,904</u>	<u>201,156</u>	<u>224,060</u>	<u>940</u>
ER 10-C-2140:					
Rehabilitation	450,000	437,032	-	437,032	12,968
Administration	50,000	40,051	-	40,051	9,949
Total	<u>500,000</u>	<u>477,083</u>	<u>-</u>	<u>477,083</u>	<u>22,917</u>
Total expenditures	<u>725,000</u>	<u>499,987</u>	<u>201,156</u>	<u>701,143</u>	<u>23,857</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,218</u>	<u>(3,218)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>3,218</u>		
End of year, June 30			<u>\$ -</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, 2015**

	2015		Variance Over/Under
	Budget	Actual	
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,077,500	\$ 962,752	\$ (114,748)
<b>Expenditures:</b>			
Public Safety:			
Fire districts	1,077,500	962,752	114,748
Net change in fund balance	\$ -	-	\$ -
<b>Fund Balance:</b>			
Beginning of year, July 1		-	
End of year, June 30		\$ -	

**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, 2015**

	2015		Variance Over/Under
	Budget	Actual	
<b>Revenues:</b>			
Property sale/lease payments	\$ -	\$ 12,000	\$ 12,000
Total revenues	-	12,000	12,000
 Net change in fund balance	 \$ -	 12,000	 \$ 12,000
 <b>Fund Balance:</b>			
Beginning of year, July 1		137,114	
End of year, June 30		\$ 149,114	

**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, 2015**

	<b>2015</b>		<b>Variance Over/Under</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Revenues:</b>			
NC 911 PSAP fees	\$ 286,718	\$ 286,718	\$ -
Total revenues	<u>286,718</u>	<u>286,718</u>	<u>-</u>
<b>Expenditures:</b>			
Public Safety:			
Phone and furniture	85,000	81,268	3,732
Equipment repair	52,062	68,231	(16,169)
Hardware	2,000	363	1,637
Training	500	1,250	(750)
Capital outlay - 50% public safety	147,156	102,770	44,386
Total expenditures	<u>286,718</u>	<u>253,882</u>	<u>32,836</u>
Net change in fund balance	<u>\$ -</u>	32,836	<u>\$ 32,836</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>350,881</u>	
End of year, June 30		<u>\$ 383,717</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, 2015**

	<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>	
<b>Revenues:</b>					
Restricted Intergovernmental:					
Community Development					
Block Grants:					
CDBG 09-C-1952					
Capacity bldg.	\$ 75,000	\$ -	\$ -	\$ -	\$ (75,000)
Total revenues	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>
<b>Expenditures:</b>					
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>
Net change in fund balance	<u>\$ -</u>	<u>\$ (70,778)</u>	<u>-</u>	<u>\$ (70,778)</u>	<u>\$ (70,778)</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>(70,778)</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 30,2015**

	<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>	
<b>Revenues:</b>					
Restricted Intergovernmental:					
NC Housing and Finance:					
2014 Urgent Repair	\$ 75,000	\$ -	\$ 29,010	\$ 29,010	\$ (45,990)
2013 Single Family Repair	170,000	8,140	130,106	138,246	(31,754)
NC Dept of Commerce	400,000	-	400,000	400,000	-
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>715,800</u>	<u>54,360</u>	<u>559,116</u>	<u>613,476</u>	<u>(102,324)</u>
<b>Expenditures:</b>					
Economic and Physical Development:					
NC Housing and Finance:					
2014 Urgent Repair	75,000	-	29,010	29,010	45,990
2013 Single Family Repair	170,000	8,140	130,106	138,246	31,754
ACME - 2014 007 3201-2538	400,000	-	400,000	400,000	-
Community Togetherness	9,000	7,119	1,447	8,566	434
The Rural Center-SEPRO	61,800	19,079	-	19,079	42,721
Total expenditures	<u>715,800</u>	<u>34,338</u>	<u>560,563</u>	<u>594,901</u>	<u>120,899</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 20,022</u>	(1,447)	<u>\$ 18,575</u>	<u>\$ 18,575</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>20,022</u>		
End of year, June 30			<u>\$ 18,575</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, 2015**

	<b>2015</b>		<b>Variance Over/Under</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Revenues:</b>			
Local sales tax - restricted portion	\$ 750,000	\$ 718,039	\$ (31,961)
<b>Expenditures:</b>			
Education:			
Schools - capital outlay	<u>750,000</u>	<u>718,039</u>	<u>31,961</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	

**EDGECOMBE COUNTY, NORTH CAROLINA  
HUMAN SERVICES BUILDING CAPITAL PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment income	\$ 9,670	\$ 4,551	\$ -	\$ 4,551	\$ (5,119)
<b>Expenditures:</b>					
Renovations:					
Construction	5,916,902	5,904,350	-	5,904,350	12,552
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>7,967,470</u>	<u>7,962,353</u>	<u>-</u>	<u>7,962,353</u>	<u>5,117</u>
Revenues over (under) expenditures	(7,957,800)	(7,957,802)	-	(7,957,802)	(2)
<b>Other Financing Sources (Uses):</b>					
Installment loan issuance	8,000,000	8,000,000	-	8,000,000	-
Transfer to General Fund	<u>(42,200)</u>	<u>-</u>	<u>(42,198)</u>	<u>(42,198)</u>	<u>2</u>
Total other financing sources (uses)	<u>7,957,800</u>	<u>8,000,000</u>	<u>(42,198)</u>	<u>7,957,802</u>	<u>2</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 42,198</u>	<u>(42,198)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>42,198</u>		
End of year, June 30			<u>\$ -</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, 2015**

	Project Authorization	Actual			Variance Over/Under
		Prior Year	Current Year	Total to Date	
<b>Revenues:</b>					
Water District No. 5:					
Restricted Intergovernmental:					
USDA Grant-Draughn Road	\$ -	\$ -	\$ 45,985	\$ 45,985	\$ 45,985
New Hope Church Road:					
Restricted Intergovernmental:					
Rural Center	625,000	-	-	-	(625,000)
USDA grant	1,296,750	-	1,170,379	1,170,379	(126,371)
Total	<u>1,921,750</u>	<u>-</u>	<u>1,170,379</u>	<u>1,170,379</u>	<u>(751,371)</u>
Water District No. 4 - Phase III					
Restricted Intergovernmental:					
Rural Center	1,000,000	-	396,558	396,558	(603,442)
USDA grant	3,013,590	2,422,403	422,529	2,844,932	(168,658)
Local match	63,600	69,277	-	69,277	5,677
Total	<u>4,077,190</u>	<u>2,491,680</u>	<u>819,087</u>	<u>3,310,767</u>	<u>(766,423)</u>
Water District No. 5 - Logsboro Road					
Restricted Intergovernmental:					
USDA grant	1,298,780	-	238,870	238,870	(1,059,910)
Clean water state revolving funds	1,650,000	-	-	-	(1,650,000)
NC clean water bonds	600,000	-	-	-	(600,000)
CDBG IF	750,000	-	66,860	66,860	(683,140)
Local match	66,500	-	-	-	(66,500)
Total	<u>4,365,280</u>	<u>-</u>	<u>305,730</u>	<u>305,730</u>	<u>(4,059,550)</u>
Miscellaneous Water Projects:					
Investment income	-	-	152	152	152
Total	<u>-</u>	<u>-</u>	<u>152</u>	<u>152</u>	<u>152</u>
Total revenues	<u>10,364,220</u>	<u>2,491,680</u>	<u>2,341,333</u>	<u>4,833,013</u>	<u>(5,531,207)</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, 2015**

	Project Authorization	Actual			Variance Over/Under
		Prior Year	Current Year	Total to Date	
<b>Expenditures:</b>					
New Hope Church Road:					
Construction	1,978,529	379,573	1,258,162	1,637,735	340,794
Engineering fees	346,300	-	112,053	112,053	234,247
Land right of way	158,000	-	6,315	6,315	151,685
Administration and legal	15,000	73,841	15,435	89,276	(74,276)
Capitalized interest	98,921	-	-	-	98,921
Total	<u>2,596,750</u>	<u>453,414</u>	<u>1,391,965</u>	<u>1,845,379</u>	<u>751,371</u>
Water District No. 4 - Phase III:					
Construction	6,554,120	6,032,900	360,920	6,393,820	160,300
Engineering fees	697,000	339,523	42,527	382,050	314,950
Land right of way	15,000	238	-	238	14,762
Administration and legal	95,000	94,061	21,460	115,521	(20,521)
Capitalized interest	37,880	37,430	-	37,430	450
Contingency	293,190	-	-	-	293,190
Total	<u>7,692,190</u>	<u>6,504,152</u>	<u>424,907</u>	<u>6,929,059</u>	<u>763,131</u>
Water District No. 5 - Logsboro Road:					
Construction	3,577,327	-	629,755	629,755	2,947,572
Engineering fees	592,900	-	34,095	34,095	558,805
Land right of way	33,000	-	-	-	33,000
Administration and legal	92,000	-	34,880	34,880	57,120
Capitalized Interest	33,500	-	-	-	33,500
Contingency	429,553	-	-	-	429,553
Total	<u>4,758,280</u>	<u>-</u>	<u>698,730</u>	<u>698,730</u>	<u>4,059,550</u>
Miscellaneous Water Projects:					
Meter replacement project	428,464	497	342,981	343,478	84,986
Total	<u>428,464</u>	<u>497</u>	<u>342,981</u>	<u>343,478</u>	<u>84,986</u>
Total expenditures	<u>15,475,684</u>	<u>6,958,063</u>	<u>2,858,583</u>	<u>9,816,646</u>	<u>5,659,038</u>
Revenues over (under) expenditures	<u>(5,111,464)</u>	<u>(4,466,383)</u>	<u>(517,250)</u>	<u>(4,983,633)</u>	<u>127,831</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, 2015**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Other Financing Sources (Uses):</b>					
Meter replacement project debt proceed issued - DWSRF	428,464	-	343,478	343,478	(84,986)
Water District No. 5 - Logsboro Road bond anticipation notes issued - USDA	393,000	-	393,000	393,000	-
New Hope Church Rd bond anticipation notes issued - USDA	675,000	675,000	-	675,000	-
District No. 4 bond anticipation notes issued - USDA	<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>5,111,464</u>	<u>4,290,000</u>	<u>736,478</u>	<u>5,026,478</u>	<u>(84,986)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ (176,383)</u>	<u>\$ 219,228</u>	<u>\$ 42,845</u>	<u>\$ 42,845</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, 2015**

	2015		Variance Over/Under
	Budget	Actual	
<b>Revenues:</b>			
Operating Revenues:			
Water sales - charges for service	\$ 2,743,000	\$ 2,732,061	\$ (10,939)
Sewer sales - charges for service	70,000	59,464	(10,536)
Late charges and penalties	156,000	155,733	(267)
Total operating revenues	<u>2,969,000</u>	<u>2,947,258</u>	<u>(21,742)</u>
Non-Operating Revenues:			
Water tap fees	<u>60,000</u>	<u>68,961</u>	<u>8,961</u>
Total revenues	<u>3,029,000</u>	<u>3,016,219</u>	<u>(12,781)</u>
<b>Expenditures:</b>			
Water Operation and Administration:			
Salaries and employee benefits	485,400	472,217	13,183
Water purchases	1,100,000	1,116,339	(16,339)
Operating expenditures	397,100	392,696	4,404
System maintenance	95,000	52,912	42,088
Debt Service:			
Principal	700,000	620,200	79,800
Interest	600,000	612,312	(12,312)
Total expenditures	<u>3,377,500</u>	<u>3,266,676</u>	<u>110,824</u>
Revenues over (under) expenditures	<u>(348,500)</u>	<u>(250,457)</u>	<u>98,043</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, 2015**

	<b>2015</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
Other Financing Sources (Uses):			
Fund balance appropriation	348,500	-	(348,500)
Revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ (250,457)	\$ (250,457)
 <b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and other sources over expenditures and other uses		\$ (250,457)	
 Reconciling Items:			
Payment of debt principal		620,200	
Amortization of refunding costs and premium		(166)	
Change in interest accrual		5,092	
Decrease in accrued vacation pay & OPEB		(693)	
Depreciation		(947,169)	
Contributions made to the pension plan in the current fiscal year		20,866	
Pension expense		(1,679)	
From Capital Projects Fund:			
Capital contributions		2,341,181	
Interest income		152	
Total reconciling items		2,037,784	
Change in net position		\$ 1,787,327	

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**SOLID WASTE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>2015</b>		<b>Variance Over/Under</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Revenues:</b>			
Operating Revenues:			
Charges for Services:			
Solid waste charges	\$ 1,872,250	\$ 1,884,545	\$ 12,295
Landfill gas electric sales & carbon credits	-	117,722	117,722
Total operating revenues	<u>1,872,250</u>	<u>2,002,267</u>	<u>130,017</u>
Non-operating Revenues:			
Investment earnings	-	404	404
Scrap tire	57,000	141,174	84,174
Other grants	10,000	13,666	3,666
Other income	10,000	25,471	15,471
Total non-operating revenues	<u>77,000</u>	<u>180,715</u>	<u>103,715</u>
Total revenues	<u>1,949,250</u>	<u>2,182,982</u>	<u>233,732</u>
<b>Expenditures:</b>			
Operating Expenditures:			
Salaries and employee benefits	680,470	649,685	30,785
Other operating expenditures	1,820,477	1,775,400	45,077
Total operating expenditures	<u>2,500,947</u>	<u>2,425,085</u>	<u>75,862</u>
Debt service:			
Principal	<u>77,800</u>	<u>77,760</u>	<u>40</u>
Total expenditures	<u>2,578,747</u>	<u>2,502,845</u>	<u>75,902</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**SOLID WASTE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	2015		Variance Over/Under
	Budget	Actual	
Revenues over (under) expenditures	(629,497)	(319,863)	309,634
Other Financing Sources (Uses):			
Fund balance appropriated	629,497	-	(629,497)
Total other financing sources (uses)	629,497	-	(629,497)
Revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ (319,863)	\$ (319,863)

**Reconciliation from Budgetary Basis  
(Modified Accrual) to Full Accrual:**

Revenues and other financing sources (uses) over (under) expenditures	\$ (319,863)
Reconciling Items:	
Payment of debt principal	77,760
Depreciation	(288,394)
Contribution made to the pension plan in the current fiscal year	20,866
Pension expense	(1,679)
(Increase) decrease in accrued vacation pay & OPEB	(1,443)
Total reconciling items	(192,890)
Change in net position	\$ (512,753)

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2015**

<b>Fiscal Year</b>	<b>Uncollected Balance July 1, 2014</b>	<b>Additions</b>	<b>Collections And Credits</b>	<b>Uncollected Balance June 30, 2015</b>
2014-2015	\$ -	\$ 28,665,283	\$ 27,106,162	\$ 1,559,121
2013-2014	1,808,867		654,976	1,153,891
2012-2013	1,119,530		233,081	886,449
2011-2012	834,527		157,627	676,900
2010-2011	618,965		92,594	526,371
2009-2010	601,864		62,807	539,057
2008-2009	335,828		33,732	302,096
2007-2008	289,330		20,034	269,296
2006-2007	258,292		21,320	236,972
2005-2006	222,393		13,499	208,894
2004-2005	196,730		196,730	-
	<u>\$ 6,286,326</u>	<u>\$ 28,665,283</u>	<u>\$ 28,592,562</u>	<u>\$ 6,359,047</u>
				Less: allowance for uncollectible accounts (1,589,341)
				<u>Ad valorem taxes receivable - net: \$ 4,769,706</u>
<b>Reconciliation with Revenues:</b>				
				Ad valorem taxes collected - General Fund <u>\$ 28,684,053</u>
				Reconciling Items:
				Penalties and interest collected (464,527)
				Taxes written off and miscellaneous <u>373,036</u>
				Total reconciling items <u>(91,491)</u>
				Total collections and credits <u>\$ 28,592,562</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**ANALYSIS OF CURRENT LEVY**  
**COUNTY-WIDE LEVY**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>County-Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property taxed at current year's rate	\$ 3,013,416,872	0.895	\$ 26,970,081	\$ 24,056,287	\$ 2,913,794
Penalties			142,197	142,197	-
Total	<u>3,013,416,872</u>		<u>27,112,278</u>	24,198,484	2,913,794
Discoveries at current year's rate	184,348,827	0.895	1,649,922	1,649,922	-
Abatements at current year's rate	<u>(10,828,715)</u>	0.895	<u>(96,917)</u>	<u>(86,635)</u>	<u>(10,282)</u>
Total property valuation	<u>\$ 3,186,936,984</u>				
Net Levy			\$ 28,665,283	\$ 25,761,771	\$ 2,903,512
Uncollected taxes at June 30, 2015			1,559,121	1,552,560	6,561
Current Year's Taxes Collected			<u>\$ 27,106,162</u>	<u>\$ 24,209,211</u>	<u>\$ 2,896,951</u>
Current Levy Collection Percentage			<u>94.56%</u>	<u>93.97%</u>	<u>99.77%</u>

**EDGECOMBE COUNTY, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original Levy</u>	<u>Accounts Receivable</u>
Harrison	\$ 50,749	\$ 1,950
Tri-County	40,409	3,123
Davenport	33,127	2,445
Heartsease	134,823	3,507
Princeville	106,047	7,074
Speed	85,589	5,517
South Edgecombe	93,410	5,815
Macclesfield	58,314	1,795
Leggett	73,523	4,177
West Edgecombe	138,076	6,566
Lewis	60,393	2,802
Conetoe	92,862	5,381
Sharp Point	5,421	93
Pintain	5,122	446
Total original levy	<u>977,865</u>	<u>\$ 50,691</u>
Less uncollected at June 30, 2015	50,691	
Current Year's Taxes Collected	<u>\$ 927,174</u>	
Percent Current Year Collected	<u>94.82%</u>	

**EDGECOMBE COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2015**

**Secondary Market Disclosures:**

	<b>Levy</b>
<b>Assessed Valuation</b>	
Assessment ratio	103.75%
Real property	\$ 2,550,232,941
Personal property	776,041,234
Public service companies	130,325,184
Less tax exempt property	(269,662,375)
Total assessed valuation	3,186,936,984
Tax Rate per \$100	0.895
Levy (includes discoveries, releases and abatements)	\$ 28,665,283

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	\$ 977,865
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**EDGECOMBE COUNTY, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Balance July 1, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2015</b>
<b>Fines and Forfeitures:</b>				
Assets:				
Cash and cash equivalents	\$ 31,955	\$ 247,938	\$ 256,725	\$ 23,168
Liabilities:				
Intergovernmental Payable:				
Schools	\$ 31,955	\$ 256,725	\$ 265,512	\$ 23,168
<b>Motor Vehicle Tax:</b>				
Assets:				
Cash and cash equivalents	\$ 203,318	\$ 1,376,734	\$ 1,486,551	\$ 93,501
Liabilities:				
Miscellaneous liabilities	\$ 203,318	\$ 1,266,917	\$ 1,376,734	\$ 93,501
<b>Deed of Trust Fee:</b>				
Assets:				
Cash and cash equivalents	\$ 1,507	\$ 18,836	\$ 18,619	\$ 1,724
Liabilities:				
Intergovernmental Payable:				
State of North Carolina	\$ 1,507	\$ 18,619	\$ 18,402	\$ 1,724
<b>Totals - All Agency Funds:</b>				
Assets:				
Cash and cash equivalents	\$ 236,780	\$ 1,643,508	\$ 1,761,895	\$ 118,393
Liabilities:				
Miscellaneous liabilities	\$ 203,318	\$ 1,266,917	\$ 1,376,734	\$ 93,501
Intergovernmental Payable:				
Schools	31,955	256,725	265,512	23,168
State of North Carolina	1,507	18,619	18,402	1,724
Total liabilities	\$ 236,780	\$ 1,542,261	\$ 1,660,648	\$ 118,393

**EDGECOMBE COUNTY, NORTH CAROLINA  
EMERGENCY TELEPHONE SYSTEM UNSPENT BALANCE  
PSAP RECONCILIATION  
JUNE 30, 2015**

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	\$	32,836
A portion of 911 revenue received not reported on budget to actual.		
Ineligible 911 expenditures reported in the Emergency Telephone System Fund.		16,741
Beginning balance - PSAP Revenue-Expenditure report		<u>339,295</u>
Ending balance - PSAP Revenue-Expenditure report	\$	<u><u>388,872</u></u>

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**EDGECOMBE COUNTY, NORTH CAROLINA**  
**STATEMENT OF FUND NET POSITION - BY DISTRICT**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2015**

	<u>Water and Sewer District #1</u>	<u>Water and Sewer District #2</u>	<u>Water and Sewer District #3</u>	<u>Water and Sewer District #4</u>
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 117,486
Accounts receivable, net	-	-	-	396,558
Total current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,044</u>
Non-current Assets:				
Restricted Assets:				
Cash and cash equivalents	-	-	-	-
Total restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets:				
Land, improvements, and construction in progress	371,769	-	-	6,627,622
Capital assets, net	<u>7,512,574</u>	<u>6,412,155</u>	<u>7,236,049</u>	<u>2,079,553</u>
Total capital assets	<u>7,884,343</u>	<u>6,412,155</u>	<u>7,236,049</u>	<u>8,707,175</u>
Net pension asset	-	-	-	-
Total non-current assets	<u>7,884,343</u>	<u>6,412,155</u>	<u>7,236,049</u>	<u>8,707,175</u>
Total assets	<u>7,884,343</u>	<u>6,412,155</u>	<u>7,236,049</u>	<u>9,221,219</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities:</b>				
Current Liabilities:				
Liabilities to be paid from restricted assets:				
Accounts payable	-	-	-	-
Customer deposits	-	-	-	-
Accounts payable	-	-	-	117,488
Due to other funds	-	-	-	392,808
Due to (from) Water Fund	(527,767)	(632,110)	700,401	(445,434)
Accrued vacation	-	-	-	-
Accrued interest	9,746	11,206	4,082	9,791
Notes payable	21,458	-	-	-
Bond anticipation note payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Limited obligation bonds payable	223,480	75,000	242,720	-
General obligation bonds payable	-	-	-	51,000
Total current liabilities	<u>(273,083)</u>	<u>(545,904)</u>	<u>947,203</u>	<u>125,653</u>
Non-Current Liabilities:				
Accrued OPEB	-	-	-	-
Accrued vacation	-	-	-	-
Revenue bonds payable	-	-	-	-
Note payable	322,020	-	-	-
2013 limited obligation bonds and premium	2,894,232	3,428,380	1,157,365	-
General obligation bonds payable	-	-	-	3,564,000
Total non-current liabilities	<u>3,216,252</u>	<u>3,428,380</u>	<u>1,157,365</u>	<u>3,564,000</u>
Total liabilities	<u>2,943,169</u>	<u>2,882,476</u>	<u>2,104,568</u>	<u>3,689,653</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position:</b>				
Net investment in capital assets	4,423,153	2,908,775	5,835,964	5,092,175
Unrestricted	<u>518,021</u>	<u>620,904</u>	<u>(704,483)</u>	<u>439,391</u>
Total net position	<u>\$ 4,941,174</u>	<u>\$ 3,529,679</u>	<u>\$ 5,131,481</u>	<u>\$ 5,531,566</u>

EDGECOMBE COUNTY, NORTH CAROLINA  
STATEMENT OF FUND NET POSITION - BY DISTRICT  
PROPRIETARY FUNDS  
JUNE 30, 2015

	Water and Sewer District #5	Water Fund	Eliminations	Total Water and Sewer
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents	\$ -	\$ 155,946	\$ -	\$ 273,432
Accounts receivable, net	364,749	410,324	-	1,171,631
Total current assets	<u>364,749</u>	<u>566,270</u>	<u>-</u>	<u>1,445,063</u>
Non-current Assets:				
Restricted Assets:				
Cash and cash equivalents	476,533	548,478	-	1,025,011
Total restricted assets	<u>476,533</u>	<u>548,478</u>	<u>-</u>	<u>1,025,011</u>
Capital Assets:				
Land, improvements, and construction in progress	2,910,835	-	-	9,910,226
Capital assets, net	12,685,886	-	-	35,926,217
Total capital assets	<u>15,596,721</u>	<u>-</u>	<u>-</u>	<u>45,836,443</u>
Net pension asset	-	30,591	-	30,591
Total non-current assets	<u>16,073,254</u>	<u>579,069</u>	<u>-</u>	<u>46,892,045</u>
Total assets	<u>16,438,003</u>	<u>1,145,339</u>	<u>-</u>	<u>48,337,108</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>238,866</u>	<u>-</u>	<u>238,866</u>
<b>Liabilities:</b>				
Current Liabilities:				
Liabilities to be paid from restricted assets:				
Accounts payable	476,533	-	-	476,533
Customer deposits	-	61,955	-	61,955
Accounts payable	364,749	180,283	-	662,520
Due to other funds	-	-	-	392,808
Due to (from) Water Fund	(108,645)	1,013,555	-	-
Accrued vacation	-	16,017	-	16,017
Accrued interest	15,838	-	-	50,663
Notes payable	-	-	-	21,458
Bond anticipation note payable	1,068,000	-	-	1,068,000
Revenue bonds payable	10,000	-	-	10,000
Limited obligation bonds payable	70,000	-	-	611,200
General obligation bonds payable	-	-	-	51,000
Total current liabilities	<u>1,896,475</u>	<u>1,271,810</u>	<u>-</u>	<u>3,422,154</u>
Non-Current Liabilities:				
Accrued OPEB	-	22,529	-	22,529
Accrued vacation	-	14,354	-	14,354
Revenue bonds payable	610,000	-	-	610,000
Note payable	-	-	-	322,020
2013 limited obligation bonds and premium	3,717,063	-	-	11,197,040
General obligation bonds payable	-	-	-	3,564,000
Total non-current liabilities	<u>4,327,063</u>	<u>36,883</u>	<u>-</u>	<u>15,729,943</u>
Total liabilities	<u>6,223,538</u>	<u>1,308,693</u>	<u>-</u>	<u>19,152,097</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>75,512</u>	<u>-</u>	<u>75,512</u>
<b>Net Position:</b>				
Net investment in capital assets	10,598,191	486,523	-	29,344,781
Unrestricted	(383,726)	-	-	3,584
Total net position	<u>\$ 10,214,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,348,365</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, 2015**

	<u>Water and Sewer District #1</u>	<u>Water and Sewer District #2</u>	<u>Water and Sewer District #3</u>
<b>Operating Revenues</b>			
Charges for services and other	\$ 946,643	\$ 890,021	\$ 376,330
<b>Operating Expenses</b>			
Salaries and employee benefits	142,401	133,884	56,611
Water purchases	350,364	329,407	139,284
Water operations	118,180	111,111	46,981
Sewer operations	15,884	20,718	-
Depreciation	217,840	168,324	181,991
Total operating expenses	<u>844,669</u>	<u>763,444</u>	<u>424,867</u>
Operating income (loss)	<u>101,974</u>	<u>126,577</u>	<u>(48,537)</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest and investment revenue	-	-	-
Interest expense and refinance costs	(120,787)	(136,537)	(52,401)
Total non-operating revenues (expenses)	<u>(120,787)</u>	<u>(136,537)</u>	<u>(52,401)</u>
Income (loss) before contributions and transfers	(18,813)	(9,960)	(100,938)
Capital contributions	-	-	-
Change in net position	(18,813)	(9,960)	(100,938)
<b>Net Position:</b>			
Beginning of year, July 1	4,966,009	3,545,300	5,234,813
Prior period adjustment	(6,022)	(5,661)	(2,394)
Beginning of year, July 1, restated	<u>4,959,987</u>	<u>3,539,639</u>	<u>5,232,419</u>
End of year, June 30	<u>\$ 4,941,174</u>	<u>\$ 3,529,679</u>	<u>\$ 5,131,481</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, 2015**

	<u>Water and Sewer District #4</u>	<u>Water and Sewer District #5</u>	<u>Total Water and Sewer</u>
<b>Operating Revenues</b>			
Charges for services and other	\$ 133,642	\$ 669,583	\$ 3,016,219
<b>Operating Expenses</b>			
Salaries and employee benefits	20,103	100,724	453,723
Water purchases	49,463	247,821	1,116,339
Water operations	16,684	83,591	376,547
Sewer operations	-	32,459	69,061
Depreciation	46,331	332,683	947,169
Total operating expenses	<u>132,581</u>	<u>797,278</u>	<u>2,962,839</u>
Operating income (loss)	<u>1,061</u>	<u>(127,695)</u>	<u>53,380</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest and investment revenue	-	152	152
Interest expense and refinance costs	(117,488)	(180,173)	(607,386)
Total non-operating revenues (expenses)	<u>(117,488)</u>	<u>(180,021)</u>	<u>(607,234)</u>
Income (loss) before contributions and transfers	(116,427)	(307,716)	(553,854)
Capital contributions	<u>819,087</u>	<u>1,522,094</u>	<u>2,341,181</u>
Change in net position	702,660	1,214,378	1,787,327
<b>Net Position:</b>			
Beginning of year, July 1	4,829,757	9,028,401	27,604,280
Prior period adjustment	(851)	(28,314)	(43,242)
Beginning of year, July 1, restated	<u>4,828,906</u>	<u>9,000,087</u>	<u>27,561,038</u>
End of year, June 30	<u>\$ 5,531,566</u>	<u>\$ 10,214,465</u>	<u>\$ 29,348,365</u>

**EDGECOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY**  
**(A Discretely Presented Component Unit of Edgecombe County, North Carolina)**  
**BALANCE SHEET**  
**JUNE 30, 2015**

**Assets:**

Cash and cash equivalents	\$	75,352
Receivables, net		42,888
		118,240
	\$	118,240

**Fund Balances:**

Restricted:

Stabilization by State statute	\$	42,888
Tourism promotion		75,352
Total fund balances		118,240
	\$	118,240

**EDGECOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY**  
**(A Discretely Presented Component Unit of Edgecombe County, North Carolina)**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>2015</b>		<b>Variance Over/Under</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Revenues:</b>			
County occupancy tax	\$ 105,000	\$ 94,462	\$ (10,538)
Grant awards	30,000	-	(30,000)
Total revenues	<u>135,000</u>	<u>94,462</u>	<u>(40,538)</u>
<b>Expenditures:</b>			
Tourism promotion	<u>135,000</u>	<u>3,145</u>	<u>131,855</u>
Net change in fund balance	<u>\$ -</u>	<u>91,317</u>	<u>\$ 91,317</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>26,923</u>	
End of year, June 30		<u>\$ 118,240</u>	

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