BOARD
OF
COMMISSIONERS

March 07, 2016

7:00 P.M. - Regular Meeting

Historic Courtroom
Courthouse Complex

This agenda is only a tentative schedule of matters the Commissioners may address at their meeting and all items found on it may be deleted, amended or deferred. The Commissioners may also, in their absolute discretion, consider matters not shown on this agenda.

Special accommodations for the disabled who attend public meetings can be made by contacting the Clerk to the Board 24 hours in advance at 252-338-6363, Ext. 100.

Please turn Cell Phone ringers off during the meeting.

Agenda

Camden County Board of Commissioners
BOC - Regular Meeting
March 07, 2016
7:00 P.M.
Historic Courtroom, Courthouse Complex

Welcome & Call to Order

Invocation & Pledge of Allegiance

Chairman McLain

ITEM 1. **Public Comments**

It is requested that comments be limited to (2-3) minutes. The length and number of comments may be limited upon the Chairman's discretion due to scheduling and other issues.

ITEM 2. **Consideration of Agenda** (For discussion and possible action)

ITEM 3. **Presentations** (For discussion and possible action)

A. Cardinal Awards

ITEM 4. **Old Business** (For discussion and possible action)

ITEM 5. **New Business** (For discussion and possible action)

A. Monthly Tax Report - Dec 2015

B. Monthly Tax Report - Jan 2016

C. ConnectNC Bond

D. Resolution No. 2016-03-02 Opposing the Discontinuance of the Existing Tier Designation System

E. Proposal for Phase II WWTP Geohydrology Study

ITEM 6. **Board Appointments** (For discussion and possible action)

A. Camden County CAC's

ITEM 7. **Consent Agenda**

A. Draft Minutes

B. Budget Amendment - Ba0014-0018

C. CCS Budget Amendments

D. Tax Collection Report - January

E. Authorization to Collect April Renewal

F. Pick-Ups/Releases/Refunds

G. Letter in Support of Offshore Energy

H. FY 2015-2016 Addendum with Trillium Health Resources

I. Surplus Sheriff - Console 2

J. Surplus Sheriff - Light

K. Surplus Sheriff - Tires

L. Surplus Sheriff - Radar

M. Surplus Sheriff - Siren-Light Box

N. Surplus Sheriff - Mace Holder

O. Surplus Sheriff - 1999 Dodge Durango

ITEM 8. **Commissioners' Report**

ITEM 9. **County Manager's Report**

Recess to South Camden Water & Sewer District Board of Directors Meeting

Reconvene Commissioners' Meeting

ITEM 10. **Information, Reports & Minutes From Other Agencies**

A. Sales & Use Tax Report

B. Monthly Report - Register of Deeds

C. Camden Public Library Statistics February 2016 Report

D. Trillium Reports and Budget Requests for New Year

ITEM 11. **Other Matters** (For discussion and possible action)

ITEM 12. **Adjourn**

CAMDENCOUNTY
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Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Presentations

Item Number: 3.A
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Cardinal Awards**

Attachments:

Summary:

Chairman Mike McLain will present the State Cardinal Award to three Camden County employees with 30+ years of public service.

- Clarann Mansfield
- Miles Gregory
- Sylvia Holley

Recommendation:

No Action

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

New Business

Item Number: 5.A
Meeting Date: March 07, 2016

Submitted By: Lisa Anderson, Tax Administrator
Taxes
Prepared by: Angela Wooten

Item Title **Monthly Tax Report - Dec 2015**

Attachments: MonthlyTax Report - Dec 2015 (PDF)

Summary:

Monthly Tax Report - Dec 2015

Recommendation:

Review and Approve

MONTHLY REPORT OF THE TAX ADMINISTRATOR TO THE CAMDEN COUNTY BOARD OF COMMISSIONERS

OUTSTANDING TAX DELINQUENCIES BY YEAR

YEAR	REAL PROPERTY	PERSONAL PROPERTY
2014	126,206.23	5,565.19
2013	48,737.45	9,146.11
2012	25,642.42	12,161.46
2011	13,520.71	9,707.83
2010	10,756.74	6,416.37
2009	6,694.73	6,061.83
2008	6,133.35	6,209.90
2007	5,940.65	9,058.97
2006	1,996.46	14,433.63
2005	1,690.71	26,367.38

TOTAL REAL PROPERTY TAX UNCOLLECTED	247,319.45
TOTAL PERSONAL PROPERTY UNCOLLECTED	105,128.67
TEN YEAR PERCENTAGE COLLECTION RATE	99.47%
COLLECTION FOR 2015 vs. 2014	9,078.88 vs. 14,036.46

LAST 3 YEARS PERCENTAGE COLLECTION RATE

2014	98.06%
2013	99.17%
2012	99.47%

THIRTY LARGEST UNPAID ACCOUNTS

SEE ATTACHMENT "A"

THIRTY OLDEST UNPAID ACCOUNTS

SEE ATTACHMENT "B"

EFFORTS AT COLLECTION IN THE LAST 30 DAYS
ENDING December 2015
BY TAX ADMINISTRATOR

259	NUMBER DELINQUENCY NOTICES SENT
19	FOLLOWUP REQUESTS FOR PAYMENT SENT
7	NUMBER OF WAGE GARNISHMENTS ISSUED
9	NUMBER OF BANK GARNISHMENTS ISSUED
0	NUMBER OF PERSONAL PHONE CALLS MADE BY TAX ADMINISTRATOR TO DELINQUENT TAXPAYER
0	NUMBER OF PERSONAL VISITS CONDUCTED (COUNTY OFFICES)
0	PAYMENT AGREEMENTS PREPARED UNDER AUTHORITY OF TAX ADMINISTRATOR
0	NUMBER OF PAYMENT AGREEMENTS RECOMMENDED TO COUNTY ATTORNEY
0	NUMBER OF CASES TURNED OVER TO COUNTY ATTORNEY FOR COLLECTION (I.D. AND STATUS)
0	REQUEST FOR EXECUTION FILES WITH CLERK OF COURTS
0	NUMBER OF JUDGMENTS FILED

Roll	Parcel Number	Unpaid Amount	YrsDlq	Taxpayer Name	City	Property Address
R	01-7989-00-01-1714.0000	9,660.86	1	CHARLES MILLER HEIRS	SOUTH MILLS	HORSESHOE RD
R	02-8923-00-19-3774.0000	9,070.52	1	HALSTEAD VENTURE PARTNERS, LLC	CAMDEN	431 158 US W
R	03-8899-00-45-2682.0000	7,095.06	1	SEAMARK INC.	SHILOH	HOLLY RD
R	01-7998-01-08-8621.0000	6,199.91	2	WILLIE L. TURNER ETAL	SOUTH MILLS	1289 343 HWY N
R	03-8943-04-74-3506.0000	5,428.11	1	ELLIOTT & DONNA JACOBS	SHILOH	117 SUNSET AVE
R	03-8953-04-81-9832.0000	5,259.29	3	MAIDIA S. CECIL HEIRS	SHILOH	113 TROTMAN RD
R	02-8945-00-54-1099.0000	4,810.55	1	GERTIE LEE & JONOLA T ROUNTREE	CAMDEN	263 BELCROSS RD
R	03-8972-00-51-8423.0000	4,484.15	1	BRITTON OVERTON	SHILOH	103 WESLEY RD
R	02-8945-00-41-2060.0000	4,090.86	1	LASELLE ETHERIDGE SR.	CAMDEN	168 BUSHELL RD
R	02-8944-00-31-2148.0000	4,007.98	1	CARL HARRINGTON	CAMDEN	150 SAND HILLS RD
R	03-8952-01-49-1090.0000	3,621.40	1	DRACHMA,INC & SIMSON BAAI,LLC	SHILOH	343 HWY S
R	01-7080-00-62-1977.0000	3,495.60	8	SANDERS CROSSING OF CAMDEN CO	SOUTH MILLS	117 OTTERS PL
R	01-7998-01-08-6797.0000	3,131.98	4	EDWARD E. HARRIS JR.	SOUTH MILLS	1295 343 HWY N
R	03-8962-00-56-7217.0000	2,914.53	1	TONYA HUGHES HARRIS	SHILOH	253 WICKHAM RD
R	03-8965-00-44-7928.0000	2,914.17	1	WHALON & KATHLEEN MCCULLEN	SHILOH	404 SANDY HOOK RD
R	01-7989-04-90-6715.0000	2,900.35	4	ANDREW FEREBEE HEIRS	SOUTH MILLS	1334 343 HWY N
R	02-8934-04-61-9891.0000	2,864.33	1	WILLIAM EDGAR STAPLES	CAMDEN	244 COUNTRY CLUB RD
R	01-8000-00-36-9596.0000	2,721.09	1	EULA B. JOYNER	SOUTH MILLS	TROTTERS WAY
R	02-8934-04-71-8470.0000	2,700.25	1	JAMES MILTON JONES ETAL	CAMDEN	267 COUNTRY CLUB RD
R	03-8990-00-08-7291.0000	2,662.07	1	JAMES E RHODES	SHILOH	111 CATALAN DR
R	02-8943-01-26-9508.0000	2,570.16	1	FITZHERBERT, ADELL & BARBARA	CAMDEN	108 RIDGE RD
R	02-8935-01-08-8786.0000	2,558.35	1	LINWOOD GREGORY	CAMDEN	253 SLEEPY HOLLOW RD
R	03-8964-00-40-9957.0000	2,510.83	1	LASALLE SEARS HEIRS	SHILOH	291 BARTLETT RD
R	03-8965-00-58-1527.0000	2,493.33	3	TRACY SWAIN	SHILOH	SANDY HOOK RD
R	01-7998-01-18-1579.0000	2,468.70	1	FABIAN DIXON	SOUTH MILLS	1284 343 HWY N
R	03-8962-00-05-0472.0000	2,297.97	1	FRANK MCMILLIAN HEIRS	SHILOH	172 NECK RD
R	03-8943-04-93-8214.0000	2,287.69	1	L. P. JORDAN HEIRS	SHILOH	108 CAMDEN AVE
R	02-8936-00-21-4428.0000	2,271.93	2	CAROLYN MCDANIEL	CAMDEN	SCOTLAND RD
R	02-8935-02-66-7093.0000	2,245.74	1	B. F. ETHERIDGE HEIRS	CAMDEN	158 US E
R	02-8923-00-19-3774.0010	2,075.82	1	WILLIAM CONOVER	CAMDEN	431 158 US W

01/04/16 16:36:51

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Delinquencies Top-30 Unpaid

Attachment "A" Real

Roll	Parcel Number	YrsDlq	Unpaid Amount	Taxpayer Name	City	Property Address
R	03-8899-00-45-2682.0000	10	7,095.06	SEAMARK INC.	SHILOH	HOLLY RD
R	01-7998-01-08-8621.0000	10	6,199.91	WILLIE L. TURNER ETAL	SOUTH MILLS	1289 343 NC N
R	03-8943-04-93-8214.0000	10	2,287.69	L. P. JORDAN HEIRS	SHILOH	108 CAMDEN AVE
R	01-7999-00-32-3510.0000	10	1,928.53	LEAH BARCO	SOUTH MILLS	195 BUNKER HILL RD
R	03-8952-00-95-8737.0000	10	1,908.86	AUDREY TILLETT	SHILOH	171 NECK RD
R	01-7090-00-60-5052.0000	10	962.62	JOE GRIFFIN HEIRS	SOUTH MILLS	117 GRIFFIN RD
R	02-8955-00-13-7846.0000	10	659.94	MARIE MERCER	CAMDEN	IVY NECK RD
R	02-8936-00-24-7426.0000	10	633.65	BERNICE PUGH	CAMDEN	113 BOURBON ST
R	03-9809-00-45-1097.0000	10	260.40	MICHAEL OBER	SHILOH	CENTERPOINT RD
R	01-7090-00-95-5262.0000	10	255.08	JOHN F. SAWYER HEIRS	SOUTH MILL	OLD SWAMP RD
R	03-8980-00-61-1968.0000	10	218.26	WILLIAMSBURG VACATION	SHILOH	CAMDEN POINT RD
R	03-9809-00-17-2462.0000	10	141.61	TODD ALLEN RIGGS	SHILOH	LITTLE CREEK RD
R	01-7999-00-12-8596.0000	9	1,623.08	MOSES MITCHELL HEIRS	SOUTH MILLS	165 BUNKER HILL RD
R	01-7989-04-60-1954.0000	9	1,129.11	CHRISTINE RIDDICK	SOUTH MILLS	105 BLOODFIELD RD
R	03-8899-00-37-0046.0000	9	162.23	ELIZABETH LONG	SHILOH	HIBISCUS
R	01-7989-00-01-1714.0000	8	9,660.86	CHARLES MILLER HEIRS	SOUTH MILLS	HORSESHOE RD
R	02-8945-00-41-2060.0000	8	4,090.86	LASELLE ETHERIDGE SR.	CAMDEN	168 BUSHELL RD
R	01-7080-00-62-1977.0000	8	3,495.60	SANDERS CROSSING OF CAMDEN CO	SOUTH MILLS	117 OTTERS PL
R	02-8934-04-71-8470.0000	8	2,700.25	JAMES MILTON JONES ETAL	CAMDEN	267 COUNTRY CLUB RD
R	01-7988-00-91-0179.0001	8	1,918.10	THOMAS L. BROTHERS HEIRS	SOUTH MILLS	
R	02-8935-01-19-4055.0000	8	1,219.71	ANDERSON CARTWRIGHT SR.	CAMDEN	271 SLEEPY HOLLOW RD
R	01-7988-00-14-1370.0000	8	847.10	ISAAC COSTON	SOUTH MILLS	NORTH SIDE RD
R	02-8935-03-40-3652.1000	8	782.56	HOWARD DAVENPORT	CAMDEN	117 GUMBERRY RD
R	03-8962-00-50-0273.0000	8	764.31	DAISEY WILLIAMS BURNHAM	SHILOH	RAYMONS CREEK RD
R	01-7998-00-57-2800.1000	8	427.45	TINA RENEE LEARY	SOUTH MILLS	111 LINTON RD
R	01-7989-04-60-1568.0000	7	965.01	EMMA BRITE HEIRS	SOUTH MILLS	116 BLOODFIELD RD
R	03-8953-04-81-9832.0000	6	5,259.29	MAIDIA S. CECIL HEIRS	SHILOH	113 TROTMAN RD
R	03-8962-00-56-7217.0000	6	2,914.53	TONYA HUGHES HARRIS	SHILOH	253 WICKHAM RD
R	02-8936-00-00-8926.0000	6	1,923.82	ODELL TRAFTON	CAMDEN	215 SCOTLAND RD
R	03-9809-00-24-6322.0000	6	404.62	DAVID B. KIRBY	SHILOH	499 SAILBOAT RD

Attachment "Real"

Roll	Parcel Number	Unpaid Amount	YrsDlq	Taxpayer Name	City	Property Address
P	0001709	1,531.32	6	JOHN MATTHEW CARTER	CAMDEN	158 HWY
P	0001046	1,110.60	10	THIEN VAN NGUYEN	SHILOH	133 EDGEWATER DR
P	0000738	1,092.13	4	LESLIE ETHERIDGE JR	CAMDEN	431 158 US W
P	0001538	798.61	7	JEFFREY EDWIN DAVIS	HERTFORD	MIC MAC TRAIL
P	0001072	778.93	10	PAM BUNDY	SHILOH	105 AARON DR
P	0001883	655.29	4	DUNG LE TRAN	SHILOH	255 SAILBOAT ROAD
P	0001739	655.07	4	COAST TO COAST POWDER COATING	CAMDEN	330 158 HWY E
P	0001827	652.02	1	KAREN BUNDY	CAMDEN	431 158 US W
P	0001695	547.68	3	GARY STEWART ELKINS	CAMDEN	150 158 HWY W
P	0000352	443.65	9	ROBERT F. NERNEY	ELIZABETH CITY	107 SMALL DRIVE
P	0001230	411.11	3	JAMES NYE	SOUTH MILLS	101 ROBIN CT W
P	0001116	409.86	4	AL JORDAN	CAMDEN	390 158 HWY W
P	0000248	326.53	10	ROBERT H. OWENS	CAMDEN	363 # 15
P	0001227	322.05	9	THUAN NGOC TRAN	SHILOH	257 SAILBOAT RD
P	0000956	314.49	10	HUNG PHI LE	SHILOH	103 EDGEWATER DR
P	0001703	270.00	1	VAN ZANDER	MOYOCK	812 TULLS CREEK RD
P	0001672	268.26	5	DAVE SILVA	CAMDEN	390 158 HWY
P	0001693	261.90	6	ALLIANCE NISSAN	CAMDEN	158 HWY W
P	0002194	251.03	1	MORGAN ROBERSON	SHILOH	849 SANDY HOOK RD S
P	0001250	247.91	5	MICHELE LEE TAYLOR	SOUTH MILLS	108 BINGHAM RD
P	0001010	239.92	2	RAYBURN BURGESS	SHILOH	116 EDGEWATER DR
P	0001106	239.24	8	JAMI ELIZABETH VANHORN	SOUTH MILLS	617 MAIN ST
P	0001952	238.91	3	SANDY BOTTOM MATERIALS,INC	SOUTH MILLS	319 PONDEROSA RD
P	0002775	235.33	1	JEFFREY D & KIMBERLEE S KENNEY	SOUTH MILLS	164 MCPHERSON RD
P	0001220	219.05	10	KIMBERLY DIANE JOHNSON	SOUTH MILLS	172 KEETER BARN RD
P	0001694	216.51	3	THOMAS B.THOMAS	CAMDEN	150 158 HWY W
P	0001681	191.02	3	STEVE WILLIAMS	CAMDEN	150 158 HWY W
P	0001104	186.60	1	MICHAEL & MICHELLE STONE	CAMDEN	107 RIDGE ROAD
P	0001350	185.11	3	JOHN LARRY GAITHER	CAMDEN	124 SUMMER WAY
P	0001673	177.05	6	THOMAS PHILLIP WINSLOW	CAMDEN	158 HWY W

Attachment Personal

Roll	Parcel Number	YrsDlq	Unpaid Amount	Taxpayer Name	City	Property Address
P	0001046	10	1,110.60	THIEN VAN NGUYEN	SHILOH	133 EDGEWATER DR
P	0000738	10	1,092.13	LESLIE ETHERIDGE JR	CAMDEN	
P	0001072	10	778.93	PAM BUNDY	SHILOH	105 AARON DR
P	0000248	10	326.53	ROBERT H. OWENS	CAMDEN	363 # 15
P	0000956	10	314.49	HUNG PHI LE	SHILOH	103 EDGEWATER DR
P	0001220	10	219.05	KIMBERLY DIANE JOHNSON	SOUTH MILLS	172 KEETER BARN RD
P	0000837	10	139.42	DUC MINH LE		
P	0000316	10	122.12	JAMES P. JONES	CAMDEN	142 SANDHILLS RD
P	0000352	9	443.65	ROBERT F. NERNEY	ELIZABETH CITY	107 SMALL DRIVE
P	0001227	9	322.05	THUAN NGOC TRAN	SHILOH	257 SAILBOAT RD
P	0001106	9	239.24	JAMI ELIZABETH VANHORN	SOUTH MILLS	617 MAIN ST
P	0001538	7	798.61	JEFFREY EDWIN DAVIS	HERTFORD	MIC MAC TRAIL
P	0001545	7	160.66	LOUIS RUGGERI	ELIZABETH CITY	CAMDEN CAUSEWAY
P	0001540	7	120.95	DAVID LUKE	ELIZABETH CITY	CAMDEN CAUSEWAY
P	0001709	6	1,531.32	JOHN MATTHEW CARTER	CAMDEN	158 HWY
P	0001672	6	268.26	DAVE SILVA	CAMDEN	158 HWY
P	0001693	6	261.90	ALLIANCE NISSAN	CAMDEN	158 HWY W
P	0001673	6	177.05	THOMAS PHILLIP WINSLOW	CAMDEN	158 HWY W
P	0001827	5	652.02	KAREN BUNDY	CAMDEN	431 158 US W
P	0001250	5	247.91	MICHELE LEE TAYLOR	SOUTH MILLS	108 BINGHAM RD
P	0002775	5	235.33	JEFFREY D & KIMBERLEE S KENNEY	SOUTH MILLS	164 MCPHERSON RD
P	0001910	5	155.91	JEFFREY GEGAN	CAMDEN	379 COUNTRY CLUB RD
P	0001883	4	655.29	DUNG LE TRAN	SHILOH	255 SAILBOAT ROAD
P	0001739	4	655.07	COAST TO COAST POWDER COATING	CAMDEN	330 158 HWY E
P	0001116	4	409.86	AL JORDAN	CAMDEN	390 158 HWY W
P	0000891	4	165.68	LAC VAN TU	SHILOH	105 EDGEWATER DR
P	0001697	4	144.00	RANDY BRICKHOUSE	CAMDEN	150 158 HWY W
P	0001722	4	140.55	JANET LEARY	SOUTH MILLS	LINTON ROAD
P	0000605	4	103.52	ROBERT L. & MACY O. WELSH	CAMDEN	109 CANAL STREET
P	0001695	3	547.68	GARY STEWART ELKINS	CAMDEN	150 158 HWY W

Attachment Personal

CAMDENCOUNTY
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Board of Commissioners
AGENDA ITEM SUMMARY SHEET

New Business

Item Number: 5.B
Meeting Date: March 07, 2016

Submitted By: Lisa Anderson, Tax Administrator
Taxes
Prepared by: Angela Wooten

Item Title **Monthly Tax Report - Jan 2016**

Attachments: MonthlyTax Report - Jan 2016 (PDF)

Summary:

Monthly Tax Report - Jan 2016

Recommendation:

Review & Approve

MONTHLY REPORT OF THE TAX ADMINISTRATOR TO THE CAMDEN COUNTY BOARD OF COMMISSIONERS

OUTSTANDING TAX DELINQUENCIES BY YEAR

YEAR	REAL PROPERTY	PERSONAL PROPERTY
2015	440,319.55	9,049.65
2014	114,578.78	5,035.00
2013	44,811.50	9,102.67
2012	25,160.07	11,759.55
2011	13,477.59	9,004.45
2010	10,368.95	6,366.09
2009	6,637.69	6,061.83
2008	6,133.35	6,209.90
2007	5,854.64	9,040.54
2006	1,996.46	14,433.63

TOTAL REAL PROPERTY TAX UNCOLLECTED	669,338.58
TOTAL PERSONAL PROPERTY UNCOLLECTED	86,063.31
TEN YEAR PERCENTAGE COLLECTION RATE	98.88%
COLLECTION FOR 2016 vs. 2015	449,369.20 vs. 445,619.66

LAST 3 YEARS PERCENTAGE COLLECTION RATE

2015	93.23%
2014	98.24%
2013	99.23%

THIRTY LARGEST UNPAID ACCOUNTS

SEE ATTACHMENT "A"

THIRTY OLDEST UNPAID ACCOUNTS

SEE ATTACHMENT "B"

EFFORTS AT COLLECTION IN THE LAST 30 DAYS

ENDING January 2016

BY TAX ADMINISTRATOR

25	NUMBER DELINQUENCY NOTICES SENT
43	FOLLOWUP REQUESTS FOR PAYMENT SENT
8	NUMBER OF WAGE GARNISHMENTS ISSUED
7	NUMBER OF BANK GARNISHMENTS ISSUED
8	NUMBER OF PERSONAL PHONE CALLS MADE BY TAX ADMINISTRATOR TO DELINQUENT TAXPAYER
0	NUMBER OF PERSONAL VISITS CONDUCTED (COUNTY OFFICES)
26	PAYMENT AGREEMENTS PREPARED UNDER AUTHORITY OF TAX ADMINISTRATOR
0	NUMBER OF PAYMENT AGREEMENTS RECOMMENDED TO COUNTY ATTORNEY
0	NUMBER OF CASES TURNED OVER TO COUNTY ATTORNEY FOR COLLECTION (I.D. AND STATUS)
0	REQUEST FOR EXECUTION FILES WITH CLERK OF COURTS
0	NUMBER OF JUDGMENTS FILED

Attachment: MonthlyTax Report - Jan 2016 (1104 : Monthly Tax Report)

Roll	Parcel Number	Unpaid Amount	YrsDlq	Taxpayer Name	City	Property Address
R	02-8923-00-19-3774.0000	14,280.01	2	HALSTEAD VENTURE PARTNERS, LLC	CAMDEN	431 158 US W
R	03-8943-04-74-3506.0000	10,923.68	2	ELLIOTT & DONNA JACOBS	SHILOH	117 SUNSET AVE
R	02-8934-01-17-4778.0000	10,563.66	1	LARRY G. LAMB SR	CAMDEN	152 158 US W
R	01-7989-00-01-1714.0000	10,157.02	2	CHARLES MILLER HEIRS	SOUTH MILLS	HORSESHOE RD
R	01-7080-00-24-0936.0000	9,416.99	1	CAMDEN SQUARE ASSOCIATES	SOUTH MILLS	
R	01-8907-00-65-3412.0000	7,187.73	1	WAVERLY MEIGGS SAWYER	SOUTH MILLS	866 343 HWY N
R	01-7998-01-08-8621.0000	6,702.76	3	WILLIE L. TURNER ETAL	SOUTH MILLS	1289 343 HWY N
R	03-8899-00-45-2682.0000	6,669.45	2	SEAMARK INC.	SHILOH	HOLLY RD
R	02-8935-02-76-5639.0000	6,318.62	1	SHEILA RIGGS EDWARDS	CAMDEN	255 158 US E
R	01-8000-00-36-9596.0000	6,224.95	2	EULA B. JOYNER	SOUTH MILLS	TROTTERS WAY
R	03-8953-04-81-9832.0000	5,926.96	4	MAIDIA S. CECIL HEIRS	SHILOH	113 TROTMAN RD
R	02-8944-00-87-7021.0000	5,856.35	1	MARK M. BRIGMAN SR & LISA L.	CAMDEN	175 MCKIMMEY RD
R	02-8945-00-54-1099.0000	5,728.04	1	GERTIE LEE & JONOLA T ROUNTREE	CAMDEN	263 BELCROSS RD
R	03-8972-00-51-8423.0000	5,576.87	2	BRITTON OVERTON	SHILOH	103 WESLEY RD
R	02-8943-01-26-9508.0000	5,460.92	1	FITZHERBERT, ADELL & BARBARA	CAMDEN	108 RIDGE RD
R	02-8934-01-06-3185.0000	4,884.14	1	WAVERLY SAWYER	CAMDEN	117 HAVENWOOD DR
R	02-8935-04-63-0820.0000	4,658.52	1	BELCROSS PROPERTIES, LLC	CAMDEN	197 158 US E
R	03-8971-00-12-0477.0000	4,510.23	1	GILBERT WAYNE OVERTON &	SHILOH	187 THOMAS POINT RD
R	02-8934-04-61-9891.0000	4,390.72	1	WILLIAM EDGAR STAPLES	CAMDEN	244 COUNTRY CLUB RD
R	02-8945-00-41-2060.0000	4,389.43	2	LASELLE ETHERIDGE SR.	CAMDEN	168 BUSHELL RD
R	02-8944-00-31-2148.0000	4,143.22	2	CARL HARRINGTON	CAMDEN	150 SAND HILLS RD
R	03-8965-00-44-7928.0000	4,134.17	1	WHALON & KATHLEEN MCCULLEN	SHILOH	404 SANDY HOOK RD
R	03-8952-01-49-1090.0000	4,119.93	2	DRACHMA,INC & SIMSON BAAI,LLC	SHILOH	343 HWY S
R	02-8934-01-18-6001.0000	4,046.28	1	LINDA SUE LAMB HINTON	CAMDEN	150 158 US W
R	03-8943-04-83-8536.0000	3,917.80	2	JONES FAMILY CHILDRENS TRUST	SHILOH	125 CAMDEN AVE
R	01-7979-00-61-7358.0000	3,887.67	1	POTOMAC TIMBER INVESTMENTS #17	SOUTH MILLS	HORSESHOE RD
R	01-7998-01-08-6797.0000	3,814.55	1	EDWARD E. HARRIS JR.	SOUTH MILLS	1295 343 HWY N
R	03-8899-00-16-2671.2425	3,782.70	1	RAYBURN BURGESS	SHILOH	141 EDGEWATER DR
R	01-7080-00-62-1977.0000	3,776.26	9	SANDERS CROSSING OF CAMDEN CO	SOUTH MILLS	117 OTTERS PL
R	01-7998-01-18-1579.0000	3,772.55	2	FABIAN DIXON	SOUTH MILLS	1284 343 HWY N

Attachment
Real

Roll	Parcel Number	YrsDlq	Unpaid Amount	Taxpayer Name	City	Property Address
R	01-7998-01-08-8621.0000	10	6,702.76	WILLIE L. TURNER ETAL	SOUTH MILLS	1289 343 NC N
R	03-8899-00-45-2682.0000	10	6,669.45	SEAMARK INC.	SHILOH	HOLLY RD
R	03-8943-04-93-8214.0000	10	2,369.36	L. P. JORDAN HEIRS	SHILOH	108 CAMDEN AVE
R	03-8952-00-95-8737.0000	10	2,023.42	AUDREY TILLETT	SHILOH	171 NECK RD
R	01-7999-00-32-3510.0000	10	1,948.43	LEAH BARCO	SOUTH MILLS	195 BUNKER HILL RD
R	01-7999-00-12-8596.0000	10	1,821.39	MOSES MITCHELL HEIRS	SOUTH MILLS	165 BUNKER HILL RD
R	01-7989-04-60-1954.0000	10	1,202.85	CHRISTINE RIDDICK	SOUTH MILLS	105 BLOODFIELD RD
R	01-7090-00-60-5052.0000	10	897.36	JOE GRIFFIN HEIRS	SOUTH MILLS	117 GRIFFIN RD
R	02-8955-00-13-7846.0000	10	664.80	MARIE MERCER	CAMDEN	IVY NECK RD
R	02-8936-00-24-7426.0000	10	633.37	BERNICE PUGH	CAMDEN	113 BOURBON ST
R	01-7090-00-95-5262.0000	10	263.32	JOHN F. SAWYER HEIRS	SOUTH MILL	OLD SWAMP RD
R	03-9809-00-45-1097.0000	10	244.85	MICHAEL OBER	SHILOH	CENTERPOINT RD
R	03-8980-00-61-1968.0000	10	242.00	WILLIAMSBURG VACATION	SHILOH	CAMDEN POINT RD
R	03-8899-00-37-0046.0000	10	177.16	ELIZABETH LONG	SHILOH	HIBISCUS
R	03-9809-00-17-2462.0000	10	151.19	TODD ALLEN RIGGS	SHILOH	LITTLE CREEK RD
R	01-7989-00-01-1714.0000	9	10,157.02	CHARLES MILLER HEIRS	SOUTH MILLS	HORSESHOE RD
R	02-8945-00-41-2060.0000	9	4,389.43	LASELLE ETHERIDGE SR.	CAMDEN	168 BUSHELL RD
R	01-7080-00-62-1977.0000	9	3,776.26	SANDERS CROSSING OF CAMDEN CO	SOUTH MILLS	117 OTTERS PL
R	02-8934-04-71-8470.0000	9	2,958.09	JAMES MILTON JONES ETAL	CAMDEN	267 COUNTRY CLUB RD
R	01-7988-00-91-0179.0001	9	2,110.86	THOMAS L. BROTHERS HEIRS	SOUTH MILLS	
R	02-8935-01-19-4055.0000	9	1,388.49	ANDERSON CARTWRIGHT SR.	CAMDEN	271 SLEEPY HOLLOW RD
R	01-7988-00-14-1370.0000	9	982.00	ISAAC COSTON	SOUTH MILLS	NORTH SIDE RD
R	03-8962-00-50-0273.0000	9	866.96	DAISEY WILLIAMS BURNHAM	SHILOH	RAYMONS CREEK RD
R	02-8935-03-40-3652.1000	9	853.81	HOWARD DAVENPORT	CAMDEN	117 GUMBERRY RD
R	01-7998-00-57-2800.1000	9	427.45	TINA RENEE LEARY	SOUTH MILLS	111 LINTON RD
R	01-7989-04-60-1568.0000	8	1,040.55	EMMA BRITE HEIRS	SOUTH MILLS	116 BLOODFIELD RD
R	03-8953-04-81-9832.0000	7	5,926.96	MAIDIA S. CECIL HEIRS	SHILOH	113 TROTMAN RD
R	03-8962-00-56-7217.0000	7	3,422.49	TONYA HUGHES HARRIS	SHILOH	253 WICKHAM RD
R	02-8936-00-00-8926.0000	7	2,363.06	ODELL TRAFTON	CAMDEN	215 SCOTLAND RD
R	03-9809-00-24-6322.0000	7	475.00	DAVID B. KIRBY	SHILOH	499 SAILBOAT RD

Attachment P
Read

Roll	Parcel Number	Unpaid Amount	YrsDlq	Taxpayer Name	City	Property Address
P	0001709	1,767.99	7	JOHN MATTHEW CARTER	CAMDEN	158 HWY
P	0002482	1,239.55	1	MASTEC NORTH AMERICA	CAMDEN	
P	0000738	1,004.21	5	LESLIE ETHERIDGE JR	CAMDEN	431 158 US W
P	0001046	984.67	10	THIEN VAN NGUYEN	SHILOH	133 EDGEWATER DR
P	0000659	875.41	1	RICKY'S WELDING, INC.	SHILOH	864 SANDY HOOK RD
P	0001538	840.70	8	JEFFREY EDWIN DAVIS	HERTFORD	MIC MAC TRAIL
P	0001072	697.13	9	PAM BUNDY	SHILOH	105 AARON DR
P	0001883	655.29	5	DUNG LE TRAN	SHILOH	255 SAILBOAT ROAD
P	0001827	652.02	2	KAREN BUNDY	CAMDEN	431 158 US W
P	0001667	512.56	1	PETER L'ABBE	CAMDEN	158 HWY E
P	0000352	443.65	10	ROBERT F. NERNEY	ELIZABETH CITY	107 SMALL DRIVE
P	0001230	411.11	4	JAMES NYE	SOUTH MILLS	101 ROBIN CT W
P	0001116	409.86	5	AL JORDAN	CAMDEN	390 158 HWY W
P	0001104	399.81	1	MICHAEL & MICHELLE STONE	CAMDEN	107 RIDGE ROAD
P	0002194	397.16	1	MORGAN ROBERSON	SHILOH	849 SANDY HOOK RD S
P	0001227	322.05	10	THUAN NGOC TRAN	SHILOH	257 SAILBOAT RD
P	0001250	317.87	1	MICHELE LEE TAYLOR	SOUTH MILLS	108 BINGHAM RD
P	0001010	304.99	3	RAYBURN BURGESS	SHILOH	116 EDGEWATER DR
P	0001694	280.68	4	THOMAS B.THOMAS	CAMDEN	150 158 HWY W
P	0000688	277.38	1	WAVERLY SAWYER	CAMDEN	HAVENWOOD DR
P	0000543	273.95	1	TRACK 1 OF CAMDEN	CAMDEN	143 158 US W
P	0000248	273.12	10	ROBERT H. OWENS	CAMDEN	363 # 15
P	0001703	270.00	2	VAN ZANDER	MOYOCK	812 TULLS CREEK RD
P	0001672	268.26	6	DAVE SILVA	CAMDEN	390 158 HWY
P	0001106	263.99	9	JAMI ELIZABETH VANHORN	SOUTH MILLS	617 MAIN ST
P	0001693	261.90	7	ALLIANCE NISSAN	CAMDEN	158 HWY W
P	0001681	252.38	4	STEVE WILLIAMS	CAMDEN	150 158 HWY W
P	0001720	246.36	1	FREDERICK FEESER	SOUTH MILLS	MAIN ST
P	0001602	242.75	2	ROBERT EUGENE SNOOK	SOUTH MILLS	115 OTTERS PL
P	0001952	238.91	4	SANDY BOTTOM MATERIALS,INC	SOUTH MILLS	319 PONDEROSA RD

Attachment Personal

Roll	Parcel Number	YrsDlq	Unpaid Amount	Taxpayer Name	City	Property Address
P	0000738	10	1,004.21	LESLIE ETHERIDGE JR	CAMDEN	
P	0001046	10	984.67	THIEN VAN NGUYEN	SHILOH	133 EDGEWATER DR
P	0000352	10	443.65	ROBERT F. NERNEY	ELIZABETH CITY	107 SMALL DRIVE
P	0001227	10	322.05	THUAN NGOC TRAN	SHILOH	257 SAILBOAT RD
P	0000248	10	273.12	ROBERT H. OWENS	CAMDEN	363 # 15
P	0001106	10	263.99	JAMI ELIZABETH VANHORN	SOUTH MILLS	617 MAIN ST
P	0001220	10	107.86	KIMBERLY DIANE JOHNSON	SOUTH MILLS	172 KEETER BARN RD
P	0001072	9	697.13	PAM BUNDY	SHILOH	105 AARON DR
P	0001538	8	840.70	JEFFREY EDWIN DAVIS	HERTFORD	MIC MAC TRAIL
P	0001545	8	160.66	LOUIS RUGGERI	ELIZABETH CITY	CAMDEN CAUSEWAY
P	0001540	8	120.95	DAVID LUKE	ELIZABETH CITY	CAMDEN CAUSEWAY
P	0001709	7	1,767.99	JOHN MATTHEW CARTER	CAMDEN	158 HWY
P	0001672	7	268.26	DAVE SILVA	CAMDEN	158 HWY
P	0001693	7	261.90	ALLIANCE NISSAN	CAMDEN	158 HWY W
P	0001673	7	177.05	THOMAS PHILLIP WINSLOW	CAMDEN	158 HWY W
P	0000316	7	115.56	JAMES P. JONES	CAMDEN	142 SANDHILLS RD
P	0001827	6	652.02	KAREN BUNDY	CAMDEN	431 158 US W
P	0001250	6	317.87	MICHELE LEE TAYLOR	SOUTH MILLS	108 BINGHAM RD
P	0001910	6	228.46	JEFFREY GEGAN	CAMDEN	379 COUNTRY CLUB RD
P	0001883	5	655.29	DUNG LE TRAN	SHILOH	255 SAILBOAT ROAD
P	0001116	5	409.86	AL JORDAN	CAMDEN	390 158 HWY W
P	0000891	5	165.68	LAC VAN TU	SHILOH	105 EDGEWATER DR
P	0001697	5	144.00	RANDY BRICKHOUSE	CAMDEN	150 158 HWY W
P	0001722	5	140.55	JANET LEARY	SOUTH MILLS	LINTON ROAD
P	0000605	5	103.52	ROBERT L. & MACY O. WELSH	CAMDEN	109 CANAL STREET
P	0001230	4	411.11	JAMES NYE	SOUTH MILLS	101 ROBIN CT W
P	0001694	4	280.68	THOMAS B.THOMAS	CAMDEN	150 158 HWY W
P	0001681	4	252.38	STEVE WILLIAMS	CAMDEN	150 158 HWY W
P	0001952	4	238.91	SANDY BOTTOM MATERIALS,INC	SOUTH MILLS	319 PONDEROSA RD
P	0001350	4	222.30	JOHN LARRY GAITHER	CAMDEN	124 SUMMER WAY

Attachment Personal

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

New Business

Item Number:	5.C
Meeting Date:	March 07, 2016
Submitted By:	Michael Renshaw, County Manager Administration Prepared by: Angela Wooten
Item Title	**ConnectNC Bond**
Attachments:	RES NO 2016-03-01 (DOCX)

Summary:
The attached resolution (2016-03-01) in support of the Connect NC Bond Act for Education, Agriculture, Parks, and Water/Sewer is being presented for Board of Commissioners consideration. Of the nearly $75 million identified for state park improvements Camden County's Dismal Swamp State Park would, if the bond referendum were to be approved on March 15, receive $990,750 for needed park improvements. Additionally, $180 million would be invested in supporting North Carolina's agricultural sector.

Mrs. Cameron Lowe, Interim Director of Camden County Cooperative Extension Services, will be presenting additional information concerning the $2 billion Connect NC bond referendum and its potential impact on both the State and upon Northeastern North Carolina.

Recommendation:

Consider adopting Resolution 2016-03-01 in support of Connect NC Bond.

RESOLUTION No. 2016-03-01
IN SUPPORT OF THE CONNECT NC BOND ACT

WHEREAS, the North Carolina General Assembly and Governor McCrory approved the Connect NC Bond Act during the 2015 Legislative Session; and

WHEREAS, The $2 billion bond will connect North Carolina to the 21st century through statewide investments in education, parks, safety, recreation, and water and sewer infrastructure; and

WHEREAS, The Connect NC bond will allow the state of North Carolina to pay for 50-year assets with 20-year financing without increasing taxes; and

WHEREAS, the Connect NC Bond will invest $75 million in State Parks across the state to repair and renovate, as well as update select facilities to make them more accessible to children with disabilities and Veterans with disabilities, and:

WHEREAS, the Dismal Swamp State Park will receive $990.750 of the $75 million for state park improvements.

WHEREAS, The Connect NC Bond Act will invest $1.3 billion dollars to the state's Universities and Community Colleges; and,

WHEREAS, the College of the Albemarle will receive $6.5 million to upgrade and construct facilities to offer state-of-the-art learning experiences for the citizens of North East North Carolina.

WHEREAS, Elizabeth City State University will receive $13 million for capital improvements to modernize and enhance existing facilities.

WHEREAS, the Connect NC Bond will provide $300 million statewide for water and sewer infrastructure loans and grants; and,

WHEREAS, $180 million will be invested in agriculture, which contributes $78 billion to the state's economy and accounts for 17 percent of the state's revenue; and

WHEREAS, $70 million will be invested in modernizing National Guard facilities, which will also make the guard eligible for additional federal funding, as North Carolina moves towards more centralized facilities.

NOW, THEREFORE, BE IT RESOLVED, that the Camden County Board of Commissioners supports the $2 Billion Connect NC Bond that invests in North Carolina's future, and encourages its citizens and votes to approve the Connect NC Bond.

APPROVED, this the 7th day of March, 2016.

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

New Business

Item Number: 5.D
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Resolution No. 2016-03-02 Opposing the Discontinuance of the Existing Tier Designation System**

Attachments: Tier System (PDF)
Resolution No. 2016-03-02 Tier Resolution DRAFT (DOCX)

Summary:

On December 14, 2015 the Program Evaluation Division of the General Assembly produced a Final Report to the Joint Legislative Program Evaluation Oversight Committee (Report 2015-11, attached). The purpose of this report was to examine the current Economic Development Tier System, which was established in 1996, and its impact upon improving economic prosperity within each of the 100 counties in North Carolina. The existing tier system designates counties as either Tier 1, Tier 2, or Tier 3 based upon a variety of economic distress indicators. Camden County has since the program's inception been designated as Tier 1 low wealth due to low population growth and low total tax valuation per capita.

The recommendations included in the Program Evaluation Division report include phasing out or discontinuing the economic development tier system for all non-economic development programs by July 1, 2017, and discontinuing the tier system for all economic development programs as of July 1, 2018.

Camden County's historical tier designation as Tier 1 low wealth has enabled the county to be eligible for a variety of critical economic development-related grants and programs necessary to fund infrastructure improvements which, in the absence of any significant commercial/retail or industrial tax base, the county would not be able to otherwise fund without placing significant property tax burdens on its citizens.

Recommendation:

The County Manager recommends that the Board of Commissioners approve and adopt the attached resolution in opposition to discontinuing the current tier designation system and to request that the General Assembly instead consider including new economic distress indicators as enumerated in the resolution.

North Carolina Should Discontinue the Economic Development Tiers System and Reexamine Strategies to Assist Communities with Chronic Economic Distress

Final Report to the Joint Legislative
Program Evaluation Oversight Committee

Report Number 2015-11

December 14, 2015

Program Evaluation Division
North Carolina General Assembly
Legislative Office Building, Suite 100
300 North Salisbury Street
Raleigh, NC 27603-5925
919-301-1404
www.ncleg.net/PED

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919-733-7778	919-733-9390

The report is also available online at www.ncleg.net/PED.

NORTH CAROLINA GENERAL ASSEMBLY
Legislative Services Office

Paul Coble, Legislative Services Officer

Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-5925
Tel. 919-301-1404 Fax 919-301-1406

John W. Turcotte
Director

December 14, 2015

Senator Fletcher L. Hartsell, Jr., Co-Chair, Joint Legislative Program Evaluation Oversight Committee
Representative Craig Horn, Co-Chair, Joint Legislative Program Evaluation Oversight Committee

North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, NC 27601

Honorable Co-Chairs:

The 2015–17 Program Evaluation Division work plan directed the division to examine the effectiveness of the economic development tiers system for North Carolina counties as defined in N.C. Gen. Stat. §143B-437.08 (a)-(f).

I am pleased to report that the Department of Commerce cooperated with us fully and was at all times courteous to our evaluators during the evaluation.

Sincerely,

John W. Turcotte
Director

PROGRAM EVALUATION DIVISION
NORTH CAROLINA GENERAL ASSEMBLY

December 2015 Report No. 2015-11

North Carolina Should Discontinue the Economic Development Tiers System and Reexamine Strategies to Assist Communities with Chronic Economic Distress

Summary

The Joint Legislative Program Evaluation Oversight Committee's 2015–17 Work Plan directed the Program Evaluation Division to consider the effectiveness of the economic development tiers system. The tiers system ranks all 100 North Carolina counties according to an index of economic measures and low-population/high-poverty adjustments. The Department of Commerce assigns each county a designation of Tier 1, Tier 2, or Tier 3, with Tier 1 counties being the most economically distressed. The tiers system was created to distribute business tax incentives, but that program expired in 2014.

Distributing state funding based on the economic development tiers system does not provide the greatest benefit to the most distressed counties. Currently, 15 state programs use the tiers system to distribute resources. North Carolina is the only state that uses a tiers system for non-economic development programs such as the Department of Agriculture and Consumer Services' pet spay and neuter program and the Department of Health and Human Services' medication assistance program. Such programs do not direct more resources toward the most economically distressed areas.

Components of the current tiers system formula distort identification of county economic distress. The low-population/high-poverty adjustments in the tier formula alter rankings in ways that may obfuscate distress. Designating all low-population counties as Tier 1 areas regardless of their actual economic conditions displaces other counties with more-distressed circumstances to other tiers. In addition, the tiers system uses county-level data, which masks economically distressed areas within more prosperous counties.

It has been 30 years since the legislature undertook a comprehensive study of ways to assist communities with chronic economic distress. The tiers system has been altered incrementally and the economic development incentives awarded through its use have shifted from statutory tax credits to discretionary grants. Neither of these approaches has substantially benefited the areas of the state most in need of economic development.

Based on these findings, the General Assembly should

- discontinue the economic development tiers system for all non-economic development programs by July 1, 2017;
- sunset the tiers system for all economic development programs as of July 1, 2018; and
- form a legislative commission to reexamine the State's strategy for identifying and assisting economically distressed communities.

Attachment: Tier System (1107 : Resolution No. 2016-03-02)

Purpose and Scope

As directed by the Joint Legislative Program Evaluation Oversight Committee's 2015-17 Work Plan, this report examines the effectiveness of the economic development tiers system for North Carolina counties as defined in N.C. Gen. Stat. §143B-437.08 (a)-(f). The scope of this report does not include the statutory exceptions for two-county industrial parks, multijurisdictional industrial parks, or eco-industrial parks.[1]

Specifically, this report addresses the following questions:

1. What are economic development tiers and why were they developed?
2. What are the benefits and drawbacks of the current tiers system?
3. What changes may be made to the current system to better target economic development efforts?
4. What are the ramifications of these changes to the current system?

During the course of this evaluation, stakeholders cited concerns with the current tiers system and proposed alternatives beyond modifications to the existing system. As a result of these concerns, PED also considered the State's overall approach to assisting communities experiencing economic distress.

To conduct this review, the Program Evaluation Division collected and analyzed information from

- a review of session laws and General Statutes;
- interviews with representatives from the Department of Commerce;
- a review of strategic planning documents, tier calculations, and evaluation documents from the Department of Commerce;
- interviews with representatives from the North Carolina Association of County Commissioners and the North Carolina League of Municipalities;
- small group discussions held with regional and county economic development professionals from across the state;
- a small group discussion held with academic and economic development professionals from local universities, rural development nonprofits, and state agencies;
- a survey of all state agencies that use economic development tiers to guide programmatic decisions; and
- interviews with representatives from the U.S. Department of Housing and Urban Development (HUD) and the Appalachian Regional Commission (ARC).

[1] N.C. Gen. Stat. §143B-437.08(g)(h) and (j).

Background

Publicly financed economic development consists of governmental intervention focused on fostering conditions for economic growth and improved quality of life. According to the U.S. Economic Development Administration, this process cultivates such conditions by expanding the capacity of individuals, firms, and communities to use their talents and skills to support innovation, lower transaction costs, and produce and trade goods and services.[2] Many public policy efforts focus on economic growth, which is the creation of more goods and services through increases in employment or investment. Economic development, in contrast, constitutes a broader set of activities aimed at preparing individuals to fully participate in the economy and make better use of available resources to create competitive advantages. Specific economic development goals may include longer life expectancy, higher levels of educational attainment, better health, and higher incomes and purchasing power.

Traditional means of achieving economic development goals include activities such as

- making investments in roads, telecommunications, and other infrastructure assets,
- increasing skill levels of the working population,
- removing barriers to participation in the labor force,
- providing direct support for businesses and industries, and
- increasing community and institutional capacity to support entrepreneurship and other development opportunities.

State law charges the Department of Commerce with the duty to promote and assist in the total economic development of North Carolina in accordance with state policy and laws.[3] The declared policy of the State of North Carolina is to achieve the following:

- actively encourage the expansion of existing environmentally sound North Carolina industry;
- actively encourage the recruitment of environmentally sound national and international industry into North Carolina through industrial recruitment efforts and through effective advertising, with an emphasis on high-wage-paying industry;
- promote the development of North Carolina's labor force to meet the State's growing industrial needs;
- promote the growth and development of travel and tourism industries;
- promote the development of state ports; and
- assure throughout state government the coordination of North Carolina's economic development efforts.

The economic development tiers system evolved from an effort to create tax incentives for new and expanding businesses in North Carolina. For many years, tax incentives were the main instruments of state and local economic development policy. The State offered tax incentives to private

[2] This definition of economic development is provided by the United States Economic Development Administration, which is a division of the United States Department of Commerce.
[3] N.C. Gen. Stat. § 143B-429.

industry, often in the form of tax credits, to spur the growth of businesses and jobs.

In 1987, North Carolina created an income tax credit for employers who created jobs in the most severely distressed counties in the state. To qualify for the credit, corporations had to create at least nine new full-time jobs and be located in a severely distressed county during that year. The Department of Commerce designated the 20 most severely distressed counties based on a formula that was the sum of (1) the county's relative rank among all state counties by rate of unemployment from lowest to highest and (2) the county's rank in per capita income from highest to lowest for the most recent 36-month period available. Subsequently, North Carolina expanded the use of tax incentives to new and existing businesses regardless of where they choose to locate. To continue to encourage greater economic growth in distressed areas, the State based the amount of tax credits on the level of economic distress in the county. Businesses located in more distressed counties could claim a greater tax credit for meeting certain criteria for job creation and wage standards. In addition, the State set lower standards for investment in more distressed counties than in more prosperous counties.

The statewide tiers designation system began nearly 20 years ago. The Article 3A William S. Lee tax incentives established in 1996 marked the first time North Carolina grouped all 100 counties into tier designations based on each county's level of economic distress. However, in 2006, the General Assembly replaced the William S. Lee credits with the Article 3J tax incentive program, which narrowed the focus of tax credits for job creation and business investment and made several changes to the tier designation system:

- reduced the number of tier designations from five to three;
- changed the calculation of the development factor to determine the county's level of distress; and
- refined the adjustment factors for population and poverty.

Exhibit 1 presents a timeline of the use of and changes to the tiers system.

Exhibit 1: Timeline of Economic Development Tiers System in North Carolina

1980

1986—North Carolina Commission on Jobs and Economic Growth undertakes yearlong study to identify major economic challenges facing the state. Economists and government officials agree a two-tiered economy is developing in which urban areas are prospering and rural areas are experiencing economic stagnation or decline.

1987—Session Law 1987-568 enacts a tax incentive for companies creating new, full-time jobs in severely distressed counties. Department of Commerce tasked with identifying the 20 most distressed counties in the state.

1989—General Assembly raises number of severely distressed counties from 20 to 25.

1990

1991—General Assembly raises number of severely distressed counties from 25 to 33.

1993—General Assembly raises number of severely distressed counties from 33 to 50.

1994—Economic Development Board (EDB) recommends incentive program that would reward expanding and new businesses in North Carolina regardless of where they choose to locate. Board realized that to incent greater economic growth in distressed areas of the state, incentives in these counties would have to be higher than in less-challenged counties where substantial amounts of economic growth would occur naturally.

1996—General Assembly approves Article 3A (William S. Lee) Tax Incentives for New and Expanding Businesses, containing incentives for job creation, investment in machinery and equipment, worker training, and research and development activities. Article 3A also creates five tiers of counties divided into intervals: the 10 most distressed counties, the next 15 most distressed, and three, 25-county cohorts for less-distressed areas of the state.

1999—General Assembly includes provisions to give counties with low populations and high poverty rates more-distressed status.

2000

2006—Article 3J tax incentive program completely replaces William S. Lee incentives for taxable years beginning on or after January 1, 2007. Like WSL, the Article 3J tax credits are offered for job creation, investment in machinery and equipment, research and development, and large investments in real property. Number of tier designations reduced from five to three.

2010

2014—Sunset of Article 3J and Research and Development Tax Credit (3F) programs. At this point, there are no other tax incentive programs that use the economic development tiers system.

2018—Majority of William S. Lee tax credits will be claimed by this time.

2020

2022—Majority of Article 3J tax credits will be claimed by this time.

Source: Program Evaluation Division.

N.C. Gen. Stat. §143B-437.08 defines the current version of North Carolina's economic development tier formula and includes four measures of distress:

1. Average unemployment rate for the most recent 12 months for which data are available.
2. Median household income for the most recent 12 months for which data are available.
3. Percentage growth in population for the most recent 36 months for which data are available.
4. Adjusted assessed property value per capita for the most recent taxable year.

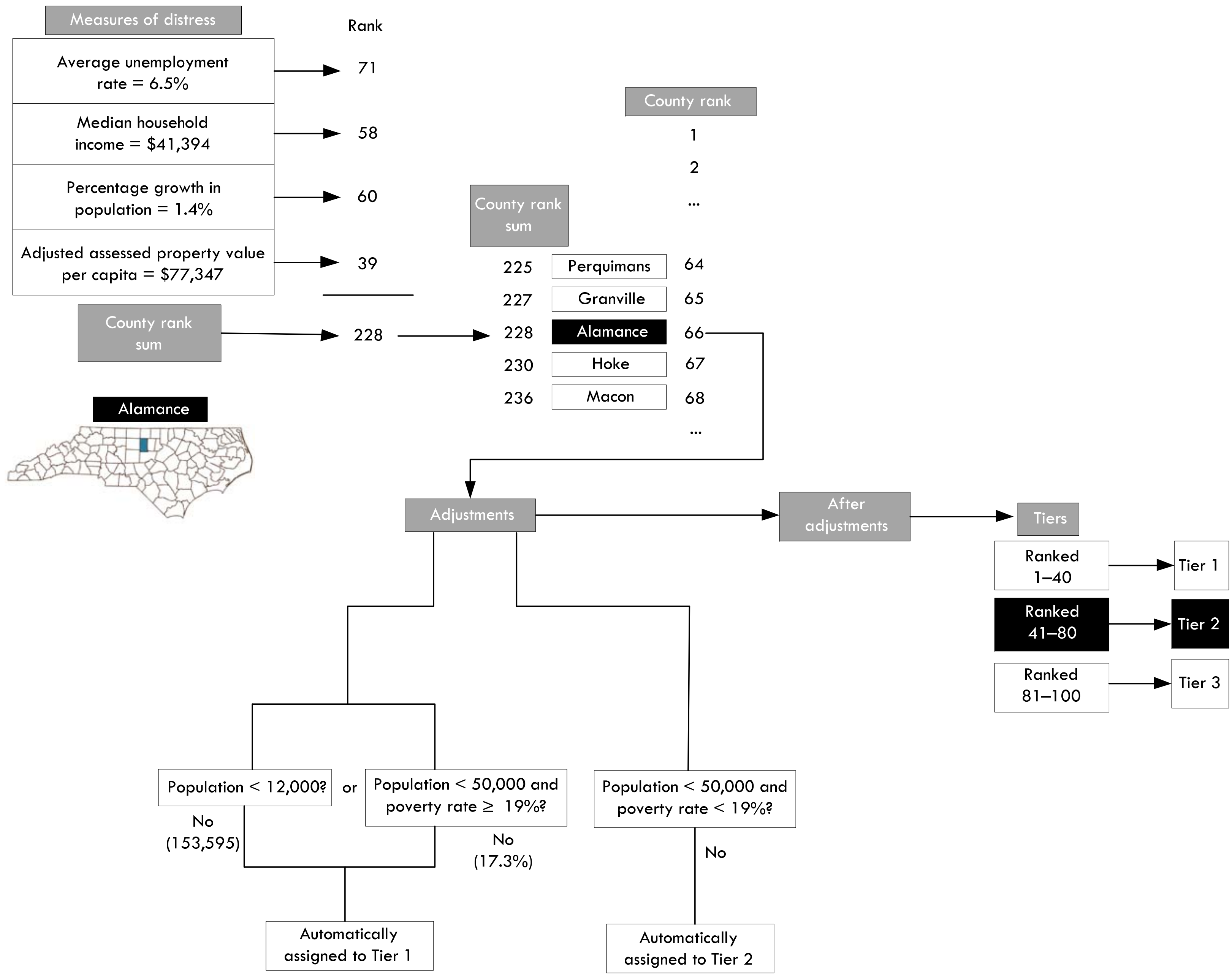
As depicted in Exhibit 2, each county is ranked from 1 to 100 on each variable, making the highest possible score 400 and the lowest 4. After calculating scores, counties are then ranked by scores from most distressed (1) to least distressed (100).

A county automatically qualifies for Tier 1 status if it:

1. has a population of fewer than 12,000 people, or
2. has a population of fewer than 50,000 people and a poverty rate of 19 percent or greater.

A county with a population of fewer than 50,000 people automatically qualifies as a Tier 2 county. After taking these qualifiers into account, counties are assigned a designation of Tier 1 (most distressed), Tier 2, or Tier 3 (least distressed). Assuming no ties in rankings, the 40 most distressed counties are designated as Tier 1, the next 40 as Tier 2, and the 20 least distressed as Tier 3. In the event of a tie for the final position as a Tier 1 or Tier 2 county, both counties are to be placed in the most distressed tier. A Tier 1 county retains this designation for at least two years. Appendix A shows 2015 Economic Development Tier Designations by County.

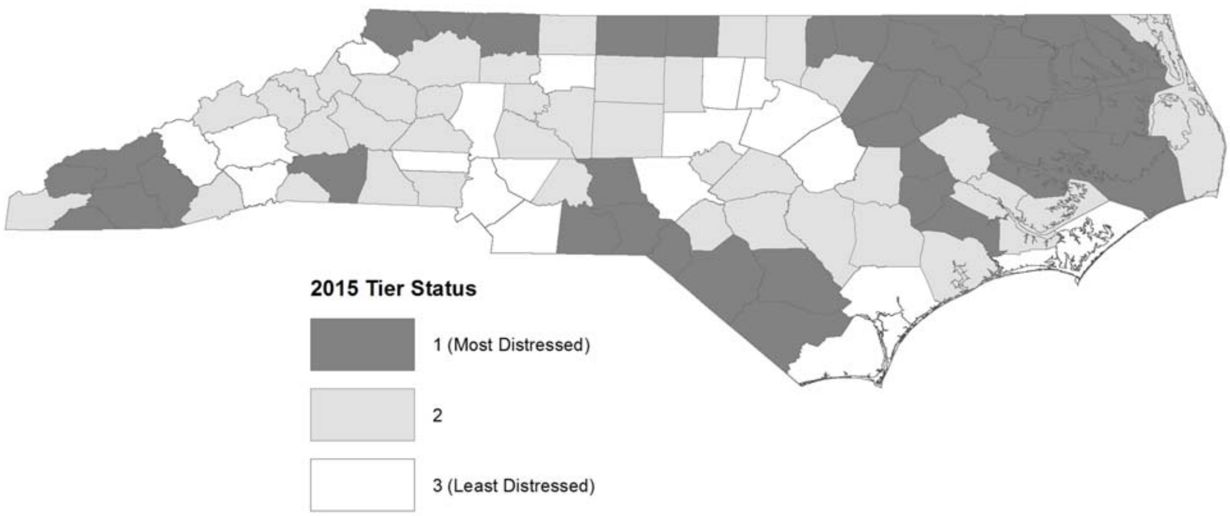
Exhibit 2: Example of Economic Development Tier Formula (Alamance County)



Source: Program Evaluation Division based on 2015 tier ranking information provided by the Department of Commerce.

Exhibit 3 depicts the current economic development tier designations by county for 2015.

Exhibit 3: Economic Development Tiers by County



Source: Program Evaluation Division based on Department of Commerce 2015 County Tier Designations.

The 2014 expiration of the Article 3J tax incentive program has forced reexamination of how the State should use the tiers system in the future. The Article 3J tax incentives program contained an automatic repeal provision effective January 1, 2014. The total cost of the William S. Lee and Article 3J tax incentives cannot be calculated until all of the tax credits are claimed; however, North Carolina spent more than $1.2 billion on these programs between 1996 and 2014.

North Carolina has shifted its economic development policy to emphasize discretionary incentive programs such as the Job Development Investment Grant (JDIG) and the One North Carolina Fund. The statutory nature of the tax incentives under Article 3J lacked sufficient granularity for the State to use tax credits to selectively recruit companies compatible with North Carolina's economic development goals. Although the discretionary grant programs JDIG and One North Carolina now constitute North Carolina's primary strategy for business development, neither program is required to consider geographic differences or the relative economic distress in different parts of the state. As a consequence, the State has awarded most of these discretionary funds to firms expanding or locating in more prosperous areas that were already attractive to investors.

The economic development tiers system was originally tied to tax incentive programs. Now that its original purpose has been eliminated, North Carolina should examine whether the tiers system in its current form is the best way to foster economic growth for the most distressed areas of the state.

Findings

Finding 1: Distributing state funding based on the economic development tiers system does not provide the greatest benefit to the most distressed counties.

North Carolina's tax incentive programs have expired but the tiers system is still being used by law or practice to distribute state resources. In Fiscal Year 2014–5, 15 programs used the economic development tiers system as part of their criteria to award and distribute funding or other limited resources across the state.[4] State law requires 10 of these programs to use the tiers system; the other 5 programs use the tiers system but are not required to do so. The state agencies operating these programs are:

- Department of Commerce (5 statutory; 1 non-statutory),
- Department of Agriculture and Consumer Services (2 statutory),
- Department of Health and Human Services (2 non-statutory),
- Department of Environmental Quality (2 statutory),
- Department of Transportation (1 non-statutory),
- North Carolina Housing Finance Agency (1 non-statutory), and
- North Carolina 911 Board (1 statutory).

As shown in Exhibit 4, only six of these programs focus on economic development (ED) activities; the Department of Commerce operates all of these programs. The nine other programs provide funding for non-economic development (non-ED) activities such as spay and neuter, public safety assistance points, and medication assistance. In Fiscal Year 2014–15, ED programs distributed $50.1 million and non-ED programs distributed $21.3 million. Appendix B provides detailed information on these programs.

[4] The North Carolina Arts Council does not use tier designation to make funding decisions, but the agency's grant-making policies exempt applicants in or serving counties designated as Tier 1 by the N.C. Department of Commerce from providing a one-to-one match in certain grant categories and allows these applicants to request 75 percent to 100 percent funding of their project costs.

Exhibit 4: Fifteen Programs Using the Economic Development Tiers System Distributed More than $71 Million in Fiscal Year 2014–15

	Economic Development (6)	Non-Economic Development (9)
Statutory (10)	• Industrial Development Fund Utility Account • Job Maintenance and Capital Development Investment • NC Green Business Fund • Main Street Solutions Fund • Building Reuse and Economic Infrastructure Programs	• NC Agricultural Development Farmland Preservation Trust Fund (Agriculture & Consumer Services) • Spay and Neuter (Agriculture & Consumer Services) • Abandoned Manufactured Home Cleanup Grants (Environmental Quality) • State Wastewater Reserve and State Drinking Water Reserve Programs (Environmental Quality) • Public Safety Assistance Points Grant Program (NC 911 Board)
Non-Statutory (5)	• Community Development Block Grant	• Oral Health Preventive Services (Health & Human Services) • Medication Assistance (Health & Human Services) • Strategic Prioritization Funding Plan for Regional Impact Transportation Investments Projects (Transportation) • Qualified Allocation Plan for Low Income Housing Tax Credit (NC Housing Finance Agency)
Fiscal Year 2014–15 Funding	**$50,160,455**	**$ 21,282,686**

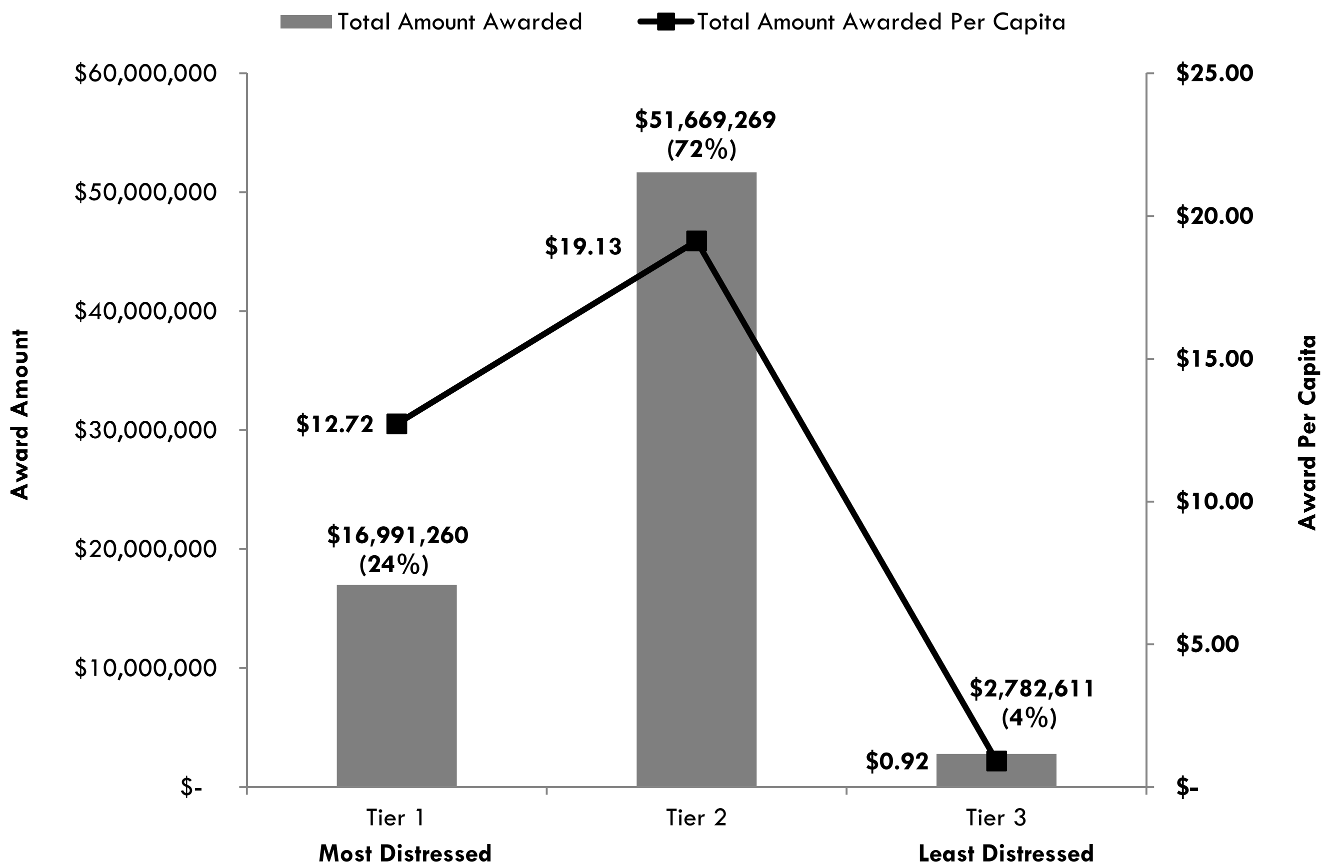
Notes: The Department of Commerce administers all economic development programs. The NC Green Business program has not awarded grants since Fiscal Year 2010–11. The Oral Health Preventive Services program uses the tiers system to assign coverage for public health dental hygienists and does not make grant awards. The Department of Transportation will distribute funding to projects selected in Fiscal Year 2014–15 for the Strategic Prioritization Funding Plan for Regional Impact Transportation Investments in Fiscal Years 2016–2025. The Qualified Allocation Plan for Low Income Housing Tax Credit program did not make grant awards in 2014–15 but will in Fiscal Year 2015–16.

Source: Program Evaluation Division based on administrative queries to programs using the economic development tiers system.

Use of the tiers system beyond distributing tax credits has benefitted middle tier counties more than the most distressed counties. According to stakeholders engaged for this project, the tiers system is perceived as an expedient way to identify distressed areas.[5] Using the tiers system for purposes other than distribution of tax credits assumes the majority of the funds will go to the most-distressed counties. However, Program Evaluation Division analyses show that middle tier counties benefitted the most from the use of the tiers system to distribute state resources. As shown in Exhibit 5, counties in Tier 2 received the most funding overall as well as the most funding on a per capita basis.

[5] The Program Evaluation Division conducted four focus groups that included academic and economic development professionals from local universities, rural development nonprofits, state agencies, and regional and county economic development organizations.

Exhibit 5: State Programs Using the Tiers System Distributed $71.4 million in Fiscal Year 2014-15; Middle Tier Counties Benefitted More than Other Counties



Note: The Program Evaluation Division calculated the total amount awarded per capita by dividing the total amount award received by counties in each tier by the combined population of counties in that tier receiving funding in 2014–15.

Source: Program Evaluation Division based on administrative queries to programs using the economic development tiers system.

Unlike other states, North Carolina has applied its economic development tiers system beyond its original intent. At least six states have developed county-based tiers systems to award tax credits to businesses for job creation, capital investment, or expansion projects: Arkansas, Georgia, Mississippi, South Carolina, Tennessee, and Wisconsin (see Exhibit 6).[6] In general, businesses in these states qualify for tax credits if they meet certain thresholds for the number of jobs created and/or the amount of annual wages offered. These states peg tax credits to the level of economic distress in each county; businesses can earn greater benefits or be required to meet lower thresholds for economic activity in more distressed counties. Of the six states identified, only South Carolina uses its tiers system for another purpose beyond distributing tax credits. South Carolina's Rural Infrastructure Authority grant program provides financial assistance to local governments for infrastructure or other economic development activities such as utility improvements, site preparation, or relocation expenses.[7] However, this program is still considered an economic

[6] State laws in Georgia, Mississippi, and South Carolina have provisions affecting distressed areas within counties.
[7] S.C. Code of Laws, Section 12-10-85.

development effort and therefore North Carolina remains alone in using the tiers system for non-ED purposes.

Exhibit 6: Six Other States Use County-Based Tiers Systems to Award Tax Credits, but Only South Carolina Uses its System for Another Purpose

State	# of Tiers	Measures of distress	Tax incentive-based use of tiers	Other uses
Arkansas	4	• Poverty rate • Unemployment rate • Per capita personal income • Population growth	• State income tax credit for job creation • Annual cash payments based on job creation • State income tax credit for investment in a new location or expansion project	None
Georgia	4	• Unemployment rate • Per capita income • Percentage of residents with incomes below the poverty level	• Statewide job tax credit for any business or headquarters (excluding retail) • Job tax credits for businesses of any nature in the 40 least developed counties	None
Mississippi	3	• Unemployment rate • Per capita income	• Job tax credit for certain types of businesses	None
South Carolina	4	• Unemployment rate • Per capita income	• Statewide job tax credit against corporate income tax liability	• Rural infrastructure grants for most distressed counties and municipalities
Tennessee	3	• Unemployment rate • Per capita income • Poverty level	• Credit against franchise and excise taxes for capital investment and job creation	None
Wisconsin	2	• Unemployment rate • Percentage of families with incomes below the poverty line • Median family income • Median per capita income • Average annual wage • Manufacturing assessment values, by county • Other significant or irregular indicators of economic distress	• Refundable tax credits to reduce state income tax liability or provide a refund for job creation	None

Notes: Georgia and Mississippi also designate distressed census tracts and offer tax credits for these areas. South Carolina's Rural Infrastructure Authority grant program sets aside 25% of funds for distressed areas within Tier I and Tier II counties. Wisconsin's tier designations include distressed municipalities.

Source: Program Evaluation Division based on research by the Department of Commerce and a review of other state statutes.

Several non-ED programs plan to move away from the tiers system; other programs are willing to use different criteria in their funding decisions. Programs operated by the Departments of Health and Human Services (DHHS) and Transportation (DOT) will move away from the tiers system and begin using other criteria for awards made during Fiscal Year 2015–16.

- DHHS used the tiers system for the Medication Assistance program as required by its funder Kate B. Reynolds Trust. However, the program has since begun receiving a recurring state appropriation and plans to use a regional approach for distributing funding instead of relying on tier designation.

- For the Oral Health Preventive Services program, DHHS plans to implement a regional approach that would rely less on the tiers system to allocate resources in the future.
- The Department of Transportation has switched to using the actual county distress rankings rather than the three tier designations in an effort to achieve a more direct relationship in giving projects in more distressed counties more points.
- The NC Housing Finance Agency started using the tiers system based on a recommendation of its stakeholders, who perceived the rankings as an established third-party source of information to identify areas of need. However, the agency stated it would go back to using its own measure of distress if the tiers system was eliminated.

Ten programs using the tiers system would require statutory changes to allow them to use different criteria to distribute funding. Repealing the statutory requirement to use the tiers system would mean these 10 programs would have to made administrative changes to their funding criteria or guidelines. For example, state law sets the amount of funding that the Industrial Development Fund Utility Account receives from Job Development Investment Grant awards.[8] In moving away from using the tiers system, state law would have to be changed to allow the Department of Commerce and other agencies to modify criteria for these programs.

Commerce officials did not object to ceasing the statutory requirement to use the tiers system for economic development programs. However, the department recommended adopting a single statewide methodology for measuring distress. However, a few non-ED programs statutorily required to use the tiers system noted they would prefer to use program-specific criteria instead:

- Department of Environmental Quality (DEQ) officials stated removing the statutory requirement to use the tiers system to allocate funding for the State Wastewater Reserve and State Drinking Water Reserve programs would allow the programs to reach more needy communities.[9,10]
- The NC 911 board is required by law to consider the tiers in its funding formula. However, tier designation only represents a maximum of 10 points towards an applicant's proposal. NC 911 officials stated the program would not be adversely affected if not required to use the tiers. Instead, the program would rely on accepted definitions of "rural" and "high cost" to identify areas of need.

In summary, North Carolina's tax incentive programs have expired but the use of the tiers system to distribute state resources persists. Fifteen

[8] G.S. § 143B-437.56(d) stipulates that 15% of Job Development Investment Grant awards in Tier 2 counties and 25% of awards in Tier 3 counties be transferred to the Industrial Development Fund Utility Account.
[9] Session Law 2015-241 changed the name of the Department of Environment and Natural Resources to the Department of Environmental Quality.
[10] This requirement expired June 30, 2015.

programs use the tiers systems in making their funding decisions; half of these programs do not focus on economic development. Use of the tiers system beyond awarding tax credits operates under the premise that the funds will go to the most distressed counties. However, the most distressed counties have not received the greatest benefit from these programs. Several non-economic development programs have indicated plans or interest in ceasing their use of the tiers system, but some programs require statutory changes in order to adopt different criteria.

Finding 2: Components of the current tiers system formula distort identification of county economic distress.

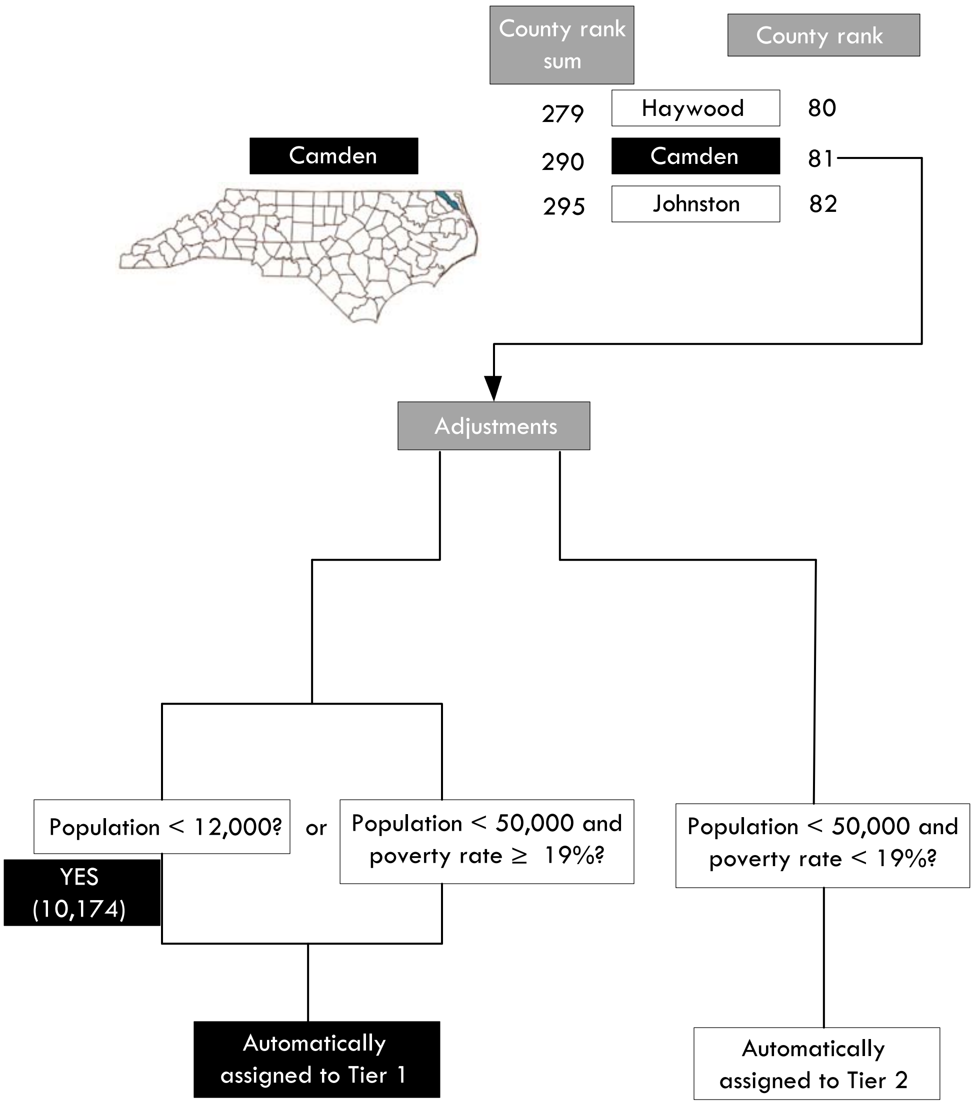
The Program Evaluation Division identified three major issues when examining the current formula used to calculate the tier designations:

- adjustments for population and poverty may mask distress;
- the fixed number of counties in each tier places dissimilar counties in the same tier; and
- county-level data masks areas of economic distress within prosperous counties.

Population and poverty adjustments added to the tier formula alter the rankings in ways that may obfuscate distress. In the tier designation formula, a county automatically qualifies for Tier 1(most distressed) status if it has a population of fewer than 12,000 people, or has a population of fewer than 50,000 people and a poverty rate of 19 percent or greater. A county with a population of fewer than 50,000 people automatically qualifies as a Tier 2 county. These adjustments grant Tier 1 status to low-population counties instead of giving Tier 1 status to all of the most economically distressed counties.

Low county population is not necessarily synonymous with economic distress. Some of the state's most prosperous counties have low populations. For instance, as Exhibit 7 illustrates, Camden County is the 81st most distressed county in the state based on 2015 data, but it is designated as a Tier 1 county because it has fewer than 12,000 residents. Stated differently, Camden County is in the top fifth of all North Carolina counties in prosperity. Designating all low-population counties as Tier 1 regardless of their actual economic conditions displaces counties with more-distressed circumstances into less-distressed tiers. The requirement that a Tier 1 county maintains that designation for at least two years also artificially affects the tier status of other counties.

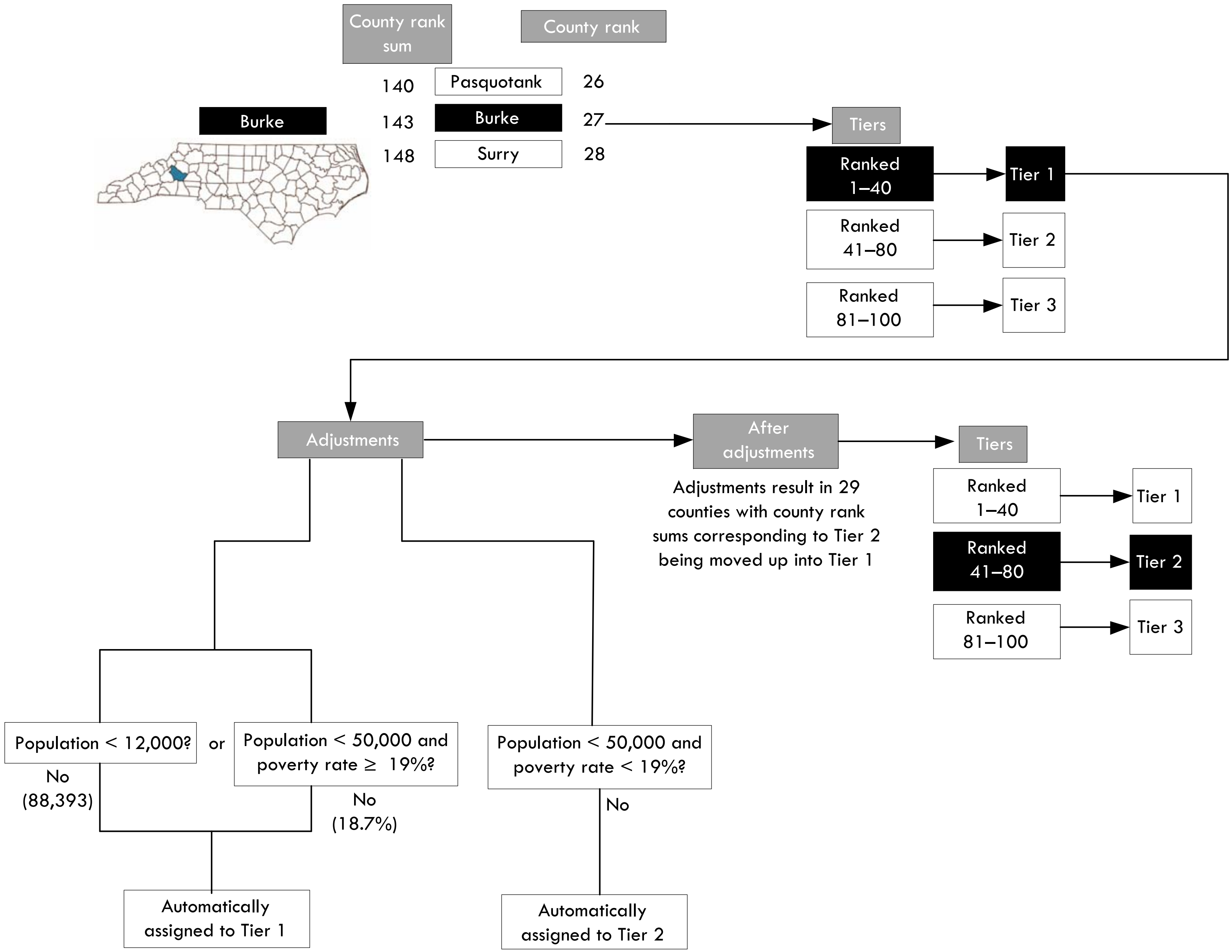
Exhibit 7: Camden County Ranks Among the Least-Distressed Counties but is Placed into Tier 1 Due to Population Adjustments



Source: Program Evaluation Division based on 2015 tier ranking information provided by the Department of Commerce.

The low-population/high-poverty adjustments affect a substantial number of counties. When the Department of Commerce calculated the 2015 tiers, eight counties fell below 12,000 in population and received automatic Tier 1 status and 21 counties had a population between 12,000 and 50,000 and a poverty rate at or above 19 percent. These counties also received automatic Tier 1 status. After these population and poverty adjustments were taken into consideration, 11 of the 40 Tier 1 positions remained for other counties. Fifteen additional counties with populations below 50,000 were granted Tier 2 status based solely on the population criterion. Exhibit 8 demonstrates how Burke County, the 27^{th} most-distressed county in the state based on actual data, receives a Tier 2 designation after low-population/high-poverty adjustments are made.

Exhibit 8: Burke County Ranks Among the Most-Distressed Counties but is Placed into Tier 2 Due to Adjustments



Source: Program Evaluation Division based on 2015 tier ranking information produced by the Department of Commerce.

The statutory requirement to produce exactly 40 Tier 1, 40 Tier 2, and 20 Tier 3 designations obscures the fact that some counties may be doing substantially worse than other counties within the same tier. For example, both Pender and Wake are Tier 3 counties despite evidence of much stronger economic wellbeing in Wake County. As Exhibit 9 depicts, even though the two counties have similar population growth and adjusted assessed property tax per capita, Pender County's median household income is $20,000 less than Wake County's and its unemployment rate is above the state median.

Exhibit 9

Pender County is Placed in the Same Tier as Wake County Despite Significant Differences

Measure	Pender	Wake	State Median
Adjusted Property Tax Base Per Capita (FY 2014–2015)	$114,592	$119,511	$87,751
Population Growth (July 2010–July 2013)	6.2%	6.4%	0.7%
Median Household Income 2012	$43,318	$64,107	$39,635
Unemployment (October 2013–September 2014)	7.5%	5.2%	7.2%

Source: Program Evaluation Division based on information used to calculate 2015 tiers.

Identifying distress at the county level masks economically distressed areas within Tier 3 counties. This phenomenon occurs in Tier 3 counties where a portion of the county is close to a thriving metropolitan area and another portion of the county is more distant (examples include Iredell, Union, Franklin, Johnston, Chatham, Pender, Watauga, Haywood, and Henderson). These counties may have robust population growth because they serve as residential communities to urban areas but may have little industrial development to augment their tax base. Significant economic differences also may occur in areas where a portion of the county contains beachfront communities or other valuable amenities and another portion does not (examples include Carteret, Brunswick, and Moore).

Economic conditions within the same county can vary substantially. For instance, Mooresville, located in south Iredell County, has a median household income of $61,000 and Statesville, located in northern part of the county, has a median household income of $32,000. The respective poverty rates for Mooresville and Statesville are 9.9% and 29.4%. This stark difference is depicted in Exhibit 10. Because these communities are located in the same county, they are eligible for the same level of state assistance afforded to Tier 3 counties and are bound by the same wage standards for some state programs. Even Mecklenburg and Wake County have areas and people facing great economic challenges yet as a whole these counties are the most prosperous in the state.

Exhibit 10: Sharp Distinctions in Economic Well-being Exist Between Communities in the Same Tier 3 County

Source: Program Evaluation Division based on 2009-2013 U.S. Census data for Iredell County.

Less prosperous areas located within Tier 3 counties are ineligible to receive some state funding for economic development. State law excludes Tier 3 counties from receiving awards from the Industrial Development Fund Utility Account and the Job Maintenance and Capital Development Fund.[11] Some of the less prosperous areas in Tier 3 counties had been eligible for Building Reuse funding when that program was operated by the North Carolina Rural Economic Development Center but became ineligible when the General Assembly transferred the program to the Department of Commerce in 2013.[12] Session Law 2014-090 amended that legislation to make rural census tracts in Tier 3 eligible for funding. A rural census tract is defined as one in which the population density is fewer than 500 people per square mile as of the latest decennial census.

Proposed changes to the tiers system may not lead to better identification of distressed areas. In 2014, the General Assembly tasked the Department of Commerce with "assessing factors that may be used to make an adjustment to a county's development tier designation regardless of the county's actual development factor assigned under G.S. 143B-437.08(b)." The legislation stated that "adjustment factors shall include, at a minimum, events or occurrences that negatively impact a county's rate of

[11] S.L. 2006-252 included a provision to allow tax credits for business located in areas designated as Urban Progress or Agrarian Growth zones. Municipalities with a population of at least 10,000 had the ability to define qualifying areas of poverty as Urban Progress zones and counties that did not have a municipality with a population of at least 10,000, could designate impoverished areas as Agrarian Growth zones. However, few communities took advantage of these designations because the zone designation requirements often did not include industrial parks or other areas suitable for development. Although the tax credits have sunset, these designations remain in statute.
[12] N.C. Sess. Law 2013-360, Section 15.10A.

unemployment, median household income, percentage growth in population, and assessed value per capita. The Department shall also consider aligning the State's development tier designations with the U.S. Housing and Urban Development entitlement designations." [13]

In response to this mandate, Commerce proposed several changes to the tier formula itself, including:

- removing adjusted assessed property value per capita and the percentage growth in population factors and add average annual wages to the formula;
- removing all existing small population and poverty adjustments;
- transitioning from a ranking system to an index in which there would be no designated tier levels; and
- calculating the index every other year.

Exhibit 11 summarizes the existing tiers system and the changes proposed by the Department of Commerce in 2015.

[13] N.C. Sess. Law 2014-100, Section 15.10B.

Exhibit 11: Comparison of Current Tier Designation and Department of Commerce's Proposed Economic Distress Index

	Economic Development Tier Designation G.S. § 143B-437.08	Proposed Economic Distress Index
Number of factors included	**Four factors:** 1. Average unemployment rate for the most recent 12 months for which data are available 2. Median household income for the most recent 12 months for which data are available 3. Percentage growth in population for the most recent 36 months for which data are available 4. Adjusted assessed property value per capita for the most recent taxable year	**Three factors** 1. Average unemployment rate for the most recent 12 months for which data are available 2. Median household income for the most recent 12 months for which data are available 3. Average annual wages collected from employers in all industry sectors
Makes population adjustment for small counties or counties with high poverty rates?	**Yes** Automatic Tier 1 designation for counties with • fewer than 12,000 people; or • fewer than 50,000 people and 19% or greater poverty rate Automatic Tier 2 designation for counties with • fewer than 50,000 people	**No**
Calculation methodology	• Each county is ranked from 1 to 100 on each variable, making the highest possible score 400 and the lowest 4 • Counties are then ranked from most distressed (1) to least distressed (100) to determine their Economic Distress Rank • Assuming no ties in rankings, the 40 most distressed counties are designated as Tier 1, the next 40 as Tier 2, and the 20 least distressed as Tier 3 • In the event of a tie for the final position as a Tier 1 or Tier 2 county, both counties will be placed in the more-distressed tier	• All counties are judged against the state average • The scores for each data measure are then averaged together, where the state average equals 1.0 • Counties out-performing the state average would be greater than 1.0 and those underperforming would be less than 1.0
Economic distress divided into tiers?	**Yes** Counties categorized into three tiers • Tier 1 – 40 counties • Tier 2 – 40 counties • Tier 3 – 20 counties	**No** • The distress index can be scored, ranked, and presented similarly to the tiers • Programs that utilize the index would determine their own cut-offs and allocate resources based on their needs
Calculates distress at the county level?	**Yes**	**Yes**
Frequency of calculation	**Every year**	**Every two years**

Source: Program Evaluation Division based on review of statutes and documents from the Department of Commerce.

A review by stakeholders of Commerce's proposed changes revealed one benefit and several challenges. Overall, academic stakeholders were not convinced Commerce's proposal would be an improvement on the existing system.

Benefit

- **Removing the low population adjustments would create an improved ranking of distressed counties.** When stakeholders reviewed the proposed changes to the tier designation system, they acknowledged this change would eliminate the potential for prosperous but low-population counties to receive Tier 1 status while pushing more-populous distressed counties into less-distressed tiers.

Challenges

- **Commerce's proposed measures may not capture the complexity of economic distress.** Unlike economic growth, which is fairly easy to measure through changes in output and employment, economic distress is harder to measure because it is a much more complex concept intertwined with social science variables such as well-being, quality of life, and economic status. Ideally, the measures used in an index will capture different pieces of information about economic conditions.
- **The proposed changes to the tiers system emphasize job creation, not economic distress.** Academic stakeholders expressed concern that the proposed system was a step backward because it placed an even greater emphasis on employment and wage variables and removed the only variables—adjusted assessed property tax per capita and percentage growth in population—that quantified other aspects of economic distress.
- **Commerce's proposal did not include indicators of chronic economic distress.** Academic stakeholders expressed concern that the index did not include measures that could identify long-term problems such as poverty rate and educational attainment.[14]

Furthermore, economic developers expressed concern that the Commerce proposal would not identify economically challenged areas within prosperous counties. The department recommended measuring distress at the county level and noted concerns about data quality and timeliness for data produced at the census tract level. However, many federal organizations, including the Appalachian Regional Commission (ARC) and the U.S. Department of Housing and Urban Development (HUD), the Small Business Administration, and other states such as Georgia, use the American Community Survey's five-year data for census tracts and have developed protocols for small area data integrity.

In summary, the Program Evaluation Division identified three major issues with the current tier ranking system that distort the level of economic distress experienced in North Carolina—population adjustments, the fixed

[14] The Department of Commerce initially considered including the percentage of individuals 25 and older without a high school diploma as a possible metric for the proposed economic distress index, but excluded this measure in favor of a more simplified formula.

number of counties in each tier, and use of county-level data. The Department of Commerce's proposed changes to the tiers system will eliminate the problems caused by population adjustments, but may not capture the full scope of economic distress and will not improve identification of distressed areas at the sub-county level.

Finding 3: It has been 30 years since the legislature undertook a comprehensive study of ways to assist communities with chronic economic distress.

In 1985, the General Assembly created the North Carolina Commission on Jobs and Economic Growth. At that time, the overall economy was fairly healthy, but a number of important economic sectors and geographic areas were experiencing serious and worsening difficulties. The Commission's purpose was to identify the major economic challenges facing the State and to develop practical proposals for consideration by the General Assembly and the executive branch.

The Commission attempted to address the concern about North Carolina's increasingly two-tiered economy by developing the economic development tiers system linked to tax credits for job creation. In 1987, North Carolina used the tiers system for the first time to identify the 20 counties with the highest levels of economic distress, as defined by per capita income and unemployment rates, and to award incentives to companies that made investments in job creation in these areas. The three-year measurement period for calculating the formula for the original tiers system indicates it was seen as an attempt to identify counties experiencing chronic economic distress.

For the purposes of this report, chronic economic distress is defined as the long-term persistence of factors associated with economic challenges in a community including:

- high unemployment;
- low per capita incomes;
- high poverty levels; and
- low levels of physical, social, and human capital (educational attainment, business investment, quality schools, housing stock and roads).

Time is an important component of economic distress. A community that experiences an acute economic shock such as the closing of a large business may experience economic distress for only a short period and then rebound. Other communities experience conditions of economic distress for years and even decades.[15] Analysis of the economic development tier rankings for each county from 2007 to 2013 indicates that counties consistently at or near the bottom in rank have experienced chronic economic distress as opposed to short-term difficulties.

As time passed, the General Assembly altered the tier formula to place more emphasis on current economic conditions. These alterations have

[15] Ten counties in North Carolina are classified by the Economic Research Service, a branch of the United State Department of Agriculture, as "persistent poverty" counties meaning they have had poverty rates that exceeded 20 percent in each of the last three decennial censuses. These counties are: Bertie, Bladen, Columbus, Halifax, Martin, Northampton, Pitt, Robeson, Tyrrell, and Washington.

created confusion about the purpose of the tiers system. For example, Commerce states its proposed index may be calculated every two years because it measures chronic economic distress, yet each of the index's three factors is measured for a 12-month period of time. These short measurement periods ensure data will be highly influenced by transitory or one-time events such as a plant closing and may not reflect conditions of chronic economic distress. Furthermore, as legislative changes directed the designation of more and more counties as distressed and expanded the types of industries eligible for credits, the State's ability to target efforts to the most distressed areas has been diluted.

Despite 30 years of policies and programs to improve economic well-being, many North Carolina communities still face substantial economic development challenges, yet there is no clear state strategy to assist these areas. A review of current North Carolina statutes reveals no overarching goals to improve economic conditions in distressed areas or a coordinated strategy to bring economic conditions in these areas up to par with state averages. As discussed earlier, the current discretionary incentives programs used for business recruitment are not required by law to consider a county's level of economic distress when making awards and cannot, in and of themselves, control market forces that make more prosperous counties attractive to corporate locations or expansion. Currently, neither the General Assembly nor the executive branch has a commission or a committee focused specifically on the needs of the State's most economically distressed communities.

The Program Evaluation Division has identified capacity building as a promising strategy to assist economically distressed communities. Communities experiencing economic distress generally possess a number of drawbacks negatively affecting their ability to attract industry such as low levels of physical infrastructure, educational attainment, and entrepreneurial capacity. These areas may require sustained state investments in the prerequisites for economic development including education, worker training, community development and other types of infrastructure to make them more livable and competitive. Researchers noted in 2008 that not all North Carolina counties will be big winners in attracting industry but all could improve their economic performance. Instead of focusing efforts on encouraging business relocations, the economic development strategy for economically distressed counties could focus on capacity-building programs that foster a strong business climate and build human and social capital in these areas.[16]

One organization that has used capacity-building programs to advance its goals is the Appalachian Regional Commission. The Appalachian Regional Commission (ARC) is a federal-state-local government partnership established by Congress in 1965 to raise Appalachia's socioeconomic status to be on par with the rest of the nation. In addition to transportation and community development initiatives, the commission has used capacity-building programs to foster a strong business climate and build human and social capital in these areas. One such ARC program is a

[16] Schweke, W. and DiSilvestro, F. (December 2008). *Business Incentives and North Carolina's Tier 1 Counties: Have They Worked?* Washington, DC: Corporation for Enterprise Development.

telecommunications and information technology initiative created to stimulate economic growth in the Region through technology-related avenues. ARC has designed the capacity-building components of its program to strengthen communities and help organizations fulfill their missions in an effective manner. This program includes the following elements:

- a mini-grant program to provide strategic planning and technical assistance so local communities can jump-start the process of economic development;
- workshops, knowledge sharing, and other activities to encourage community learning and leadership development;
- ARC outreach efforts that give local communities access to other resources, including nonprofits, foundations, and government agencies; and
- an online resource center for accessing information on funding, grant writing, and best practices.

In its 2011–2016 strategic plan, the Commission cites several accomplishments resulting from efforts to eliminate disparity in Appalachia during the past 50 years, including

- reducing the number of high-poverty counties in Appalachia from 295 to 116;
- creating or retaining more than 7 million jobs;
- constructing more than 2,500 miles of new highways;
- providing water and sewer services to 900,000 households; and
- doubling the percentage of adults with a high school education.[17]

An evaluation of 70 ARC telecommunications projects initiated from 1994–2000 found the Commission made significant progress toward fulfilling its goals of building access to infrastructure, infusing telecommunications technology into the business sector, and cultivating the skills and knowledge of the region's citizens to use technology effectively. ARC-supported infrastructure contributed to an increased awareness of the potential of telecommunications technologies for improving economies and individual lives, especially in areas with little or no past exposure to these technologies.[18] One well-known capacity-building project in North Carolina was the ARC-funded website of North Carolina's Handmade in America, which remained an important site for the arts and crafts industry in western North Carolina for more than 22 years.[19]

At one time, the Department of Commerce operated a capacity-building program for North Carolina communities called 21st Century Communities. Through this program, the department, along with community leaders, would undertake a comprehensive assessment of a community's strengths and challenges, help it develop a strategic economic growth plan, and work with the community to implement the plan. Although the 21st Century Communities designation did not provide direct financial

[17] *Moving Appalachia Forward: Appalachian Regional Commission Strategic Plan 2011–2016* (November 2010). Washington, DC: Appalachian Regional Commission.
[18] Appalachian Regional Commission (June 2003). *Evaluation of the Appalachian Regional Commission's Telecommunications Projects: 1994–2000*. Rockville, MD: Westat.
[19] Handmade in America closed in July 2015 due to lack of funding.

assistance, participation provided the county with priority for Commerce grants and the program assisted communities with gaining access to resources through partner organizations, such as the Golden LEAF Foundation, the U.S. Department of Agriculture, the N.C. Partnership for Children, UNC's School of Government, and other state government agencies. In the nine years of its existence, 35 counties participated in the program. However, the 21st Century Communities program was eliminated in the 2011 budget bill.[20]

In summary, the General Assembly created the Commission on Jobs and Economic Growth in 1985 with the purpose of improving the economic well-being of North Carolina's residents. Many of the programs and approaches to economic development it generated remain in existence. Although the State has experienced rapid economic advancement in the last thirty years, North Carolina still has counties and individual communities that are experiencing chronic economic distress. Existing business recruitment programs are unable to address the complex challenges faced by communities experiencing economic distress, and there is no overarching legislative goal or strategy in place to improve conditions in distressed communities. Creation of capacity-building programs specifically targeted at chronically distressed communities may help to make them more livable and economically competitive.

Recommendations

Recommendation 1. The General Assembly should eliminate the use of the economic development tiers system for all non-economic development programs by July 1, 2017 and direct state agencies to develop other criteria.

In Fiscal Year 2014–15, 15 programs used the economic development tiers system as part of their criteria to award or distribute funding; nine of these programs focused on non-economic development issues. Although the tiers system is perceived as a convenient way to identify distressed areas, Program Evaluation Division analysis demonstrated that the most-distressed counties did not receive the greatest benefit from these programs. As discussed in Finding 1, the Department of Transportation no longer uses the tiers system for its program because of the perceived subjectivity of the system. Other non-economic development programs should use different criteria to make funding decisions that would be more relevant to the purposes of their programs.

Because the most distressed counties have not received the greatest benefit from programs using the tiers system, the General Assembly should repeal all state laws requiring the following five non-economic development programs to incorporate the economic development tiers system in their funding decisions:

- NC Agricultural Development Farmland Preservation Trust Fund, Agriculture & Consumer Services;
- Spay and Neuter, Agriculture & Consumer Services;

[20] S.L. 2011-145, Sec. 14.3C.

- Abandoned Manufactured Home Cleanup Grants, Environmental Quality;
- State Wastewater Reserve and State Drinking Water Reserve Programs, Environmental Quality; and
- Public Safety Assistance Points Grant Program, NC 911 Board.

In addition, the General Assembly should require the following four programs that voluntarily use the tiers system to cease its use by July 1, 2017:

- Oral Health Preventive Services, Health & Human Services;
- Medication Assistance, Health & Human Services;
- Qualified Allocation Plan for Low Income Housing Tax Credit, NC Housing Finance Agency; and
- Strategic Prioritization Funding Plan for Regional Impact Transportation Investment Projects, Transportation.[21]

Lastly, the General Assembly should require these programs to develop criteria that are consistent with program objectives and report the new criteria to the Fiscal Research Division and their respective legislative oversight committees by October 1, 2016.[22]

Recommendation 2: The General Assembly should end the use of the tiers system for all economic development programs by July 1, 2018 and direct the Department of Commerce to develop alternate funding criteria.

From its origin, the economic development tiers system was tied to North Carolina's strategy of awarding tax credits to companies for job creation and investment. State law ended the incentive programs associated with the tiers system on January 1, 2014, and thus the tiers system has outlived its original purpose. As discussed in Finding 2, the adjustments for population and poverty may obscure economic distress experienced by counties. In addition, the current tiers system formula does not consider economic distress at the sub-county level. As a result, the General Assembly should amend state law to phase out the use of the tiers system by economic development programs to make grant determinations, calculate award amounts, or require grant matching, effective July 1, 2018. This directive should allow sufficient time for the Department of Commerce to consider alternative ways to award these funds and determine matching fund levels and other administrative issues.

The General Assembly should direct the Department of Commerce to develop a plan to transition the following economic development programs currently relying on the tiers system to alternate funding criteria for awards and matching requirements:

[21] The Department of Transportation has switched to using the actual county distress rankings in an effort to provide a more direct relationship of giving projects in more distressed counties greater points.
[22] The Departments of Agriculture & Consumer Services and Environmental Quality report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources. The Department of Health and Human Services reports to the Joint Legislative Oversight Committee on Health and Human Resources. The Department of Transportation reports to the Joint Legislative Transportation Oversight Committee. The NC 911 Board is administratively housed in the Department of Information Technology, which reports to the Joint Legislative Oversight Committee on Information Technology. The NC Housing Finance Agency reports to the Joint Legislative Oversight Committee on General Government.

- Industrial Development Fund Utility Account,
- Job Maintenance and Capital Development Investment Fund,
- NC Green Business Fund,
- Main Street Solutions Fund,
- Building Reuse and Economic Infrastructure Programs, and
- Community Development Block Grant.

In addition, the General Assembly should require the department to engage stakeholders in the process by allowing local and regional economic development professionals to review and submit comments on the plan and by seeking formal approval of the plan from the Rural Infrastructure Authority.

Lastly, the General Assembly should require the Department of Commerce to present its plan detailing how these programs will replace the tiers system with alternate funding criteria to the Joint Legislative Economic Development and Global Engagement Oversight Committee and the Fiscal Research Division by July 1, 2018.

Recommendation 3: The General Assembly should establish a commission to reexamine the State's strategy for identifying and assisting chronically distressed communities in the state.

Thirty years ago the North Carolina Commission on Jobs and Economic Growth was created by the General Assembly amid growing recognition that the state economy had come to a critical crossroads. The Commission's purpose was to identify the major economic challenges facing the State and to develop practical proposals for meeting these challenges to be submitted to the executive and legislative branches of state government.

One portion of the commission's recommendations focused on identifying areas of the state experiencing chronic economic distress and providing tax incentives for companies creating jobs in these areas. Although the State has experienced rapid economic advancement in the last 30 years, North Carolina still has counties and individual communities experiencing chronic economic distress. Existing business recruitment programs cannot address the complex challenges faced by communities experiencing chronic economic distress.

Reexamination of North Carolina's strategy for identifying and assisting economically distressed communities is an opportunity to develop a comprehensive state strategy to address chronic distress and target state aid to these communities. There is strategic value in knowing which parts of the state are experiencing the most difficult economic conditions. Economic development stakeholders agreed that the State should continue identifying distressed areas and suggested limiting efforts to areas with extreme distress and assisting these counties in becoming more attractive to business. However, any efforts to address chronic economic distress in North Carolina communities should be done in context and in coordination with the overarching state plan for economic development.

To assist these communities, the General Assembly should establish a commission, the North Carolina Commission on Economic Development for Distressed Communities, focused on the development of a comprehensive strategy for meeting the needs of North Carolina communities with the greatest levels of economic distress. The North Carolina Commission on Economic Development for Distressed Communities should be directed to

- determine how and at what geographic levels economic distress should be measured;
- decide which measurements, data sources, and time periods should be utilized to determine which areas of the State are experiencing economic distress;
- review the mission and resources of existing development programs and tools provided to assist distressed communities;
- identify how state resources can be directed to alleviate distress within communities;
- consider the Appalachian Regional Commission's approach for identifying distressed areas and offering capacity-building strategies for use in North Carolina; and
- recommend strategies for new economic development programs and for improving access to existing economic development tools for businesses and individuals in distressed communities.

The Program Evaluation Division recommends the Commission identify counties as economically distressed based on the sum of the county rankings of the four distress measures in the current tier formula before adjustments for low population and high poverty are made. Distressed counties must have been ranked among the 20 most distressed counties for six years or more, from 2007-2016.[23] This provision will identify areas of the state that are dealing with long-term, persistent economic distress as opposed to areas that are experiencing short-term challenges.

The commission should be comprised of 22 members appointed by the Speaker of the House of Representatives and the President Pro Tempore of the Senate. The Commission would be led by two co-chairs, one from the North Carolina House of Representatives and one from the North Carolina Senate.

The Speaker of the House of Representatives would appoint 10 members as follows:

- six members of the House of Representatives with one member designated as a co-chair and
- four members of the general public representing local government and businesses from the counties identified as the most economically distressed using the methodology proposed above.

The President Pro Tempore of the Senate would appoint 10 members as follows:

- six members of the Senate with one member designated as the co-chair appointed by the President Pro Tempore of the Senate and

[23] As of 2015, 18 counties meet these criteria: Anson, Bertie, Bladen, Caswell, Columbus, Edgecombe, Halifax, Hertford, Lenoir, Martin, Northampton, Richmond, Robeson, Rockingham, Scotland, Vance, Warren, and Washington.

- four members of the general public representing local government and businesses from the counties identified as the most economically distressed using the methodology proposed above.

The Secretary of Commerce and the President of the North Carolina Community College System shall serve on the commission as nonvoting ex-officio members.

To accomplish the stated objectives, the Commission should consult with subject matter experts from within state government such as the State demographer, the Assistant Secretary for Rural Economic Development, and the Assistant Secretary for Workforce Solutions among others. The Commission should also solicit input from economic development agencies, university faculty specializing in community and economic development issues, and representatives from federal development agencies.

The Commission should be directed to present a comprehensive strategy for meeting the needs of North Carolina communities with chronic economic distress to the General Assembly no later than March 1, 2018.

Appendices

Appendix A: 2015 Economic Development Tier Designations by County

Appendix B: Programs that Use the Economic Development Tiers

Agency Response

A draft of this report was submitted to the Department of Commerce to review. Its response is provided following the report.

Program Evaluation Division Contact and Acknowledgments

For more information on this report, please contact the lead evaluator, Sara Nienow, at sara.nienow@ncleg.net.

Staff members who made key contributions to this report include Pamela Taylor. John W. Turcotte is the director of the Program Evaluation Division.

Appendix A: 2015 Economic Development Tier Designations and Commerce Proposed Economic Distress Index Rank by County

County	Current Economic Distress Rank	2015 Tier	Proposed Index Rank	County	Current Economic Distress Rank	2015 Tier	Proposed Index Rank
Alamance	66	2	71	Johnston	82	3	86
Alexander	50	2	55	Jones	45	1	26
Alleghany	32	1	19	Lee	53	2	50
Anson	10	1	18	Lenoir	16	1	34
Ashe	38	1	20	Lincoln	78	3	79
Avery	59	2	22	Macon	68	1	38
Beaufort	37	1	39	Madison	73	2	67
Bertie	1	1	4	Martin	13	1	16
Bladen	14	1	9	McDowell	35	2	36
Brunswick	88	3	74	Mecklenburg	91	3	97
Buncombe	90	3	92	Mitchell	28	2	25
Burke	27	2	47	Montgomery	35	1	33
Cabarrus	91	3	93	Moore	89	3	84
Caldwell	22	2	31	Nash	21	1	40
Camden	81	1	88	New Hanover	95	3	89
Carteret	96	3	78	Northampton	12	1	14
Caswell	39	1	46	Onslow	70	2	59
Catawba	61	2	60	Orange	97	3	98
Chatham	100	3	96	Pamlico	51	2	30
Cherokee	23	2	7	Pasquotank	26	1	43
Chowan	33	1	27	Pender	77	3	48
Clay	74	1	41	Perquimans	64	1	42
Cleveland	30	2	49	Person	58	2	70
Columbus	11	1	15	Pitt	47	2	72
Craven	53	2	75	Polk	83	2	85
Cumberland	42	2	68	Randolph	57	2	65
Currituck	99	2	94	Richmond	6	1	8
Dare	85	2	57	Robeson	4	1	5
Davidson	62	2	63	Rockingham	19	1	44
Davie	76	2	83	Rowan	52	2	73
Duplin	34	2	32	Rutherford	18	1	13
Durham	94	3	99	Sampson	41	2	54
Edgecombe	3	1	3	Scotland	2	1	1
Forsyth	75	3	87	Stanly	63	2	69
Franklin	69	2	80	Stokes	47	2	66
Gaston	47	2	64	Surry	28	1	45
Gates	40	1	56	Swain	46	1	21
Graham	25	1	2	Transylvania	72	2	52
Granville	65	2	81	Tyrrell	24	1	12
Greene	15	1	28	Union	93	3	95
Guilford	71	2	82	Vance	7	1	11
Halifax	5	1	6	Wake	98	3	100
Harnett	59	2	51	Warren	17	1	10
Haywood	80	3	77	Washington	8	1	35
Henderson	87	3	91	Watauga	84	3	62
Hertford	9	1	23	Wayne	43	2	53
Hoke	67	2	61	Wilkes	31	2	29
Hyde	56	1	17	Wilson	20	1	37
Iredell	86	3	90	Yadkin	44	2	76
Jackson	79	1	58	Yancey	55	2	24

Attachment: Tier System (1107 : Resolution No. 2016-03-02)

Appendix B: Programs that Use the Economic Development Tiers

Economic Development Programs: Department of Commerce

Program Name	Description	Statutorily Required to Use Tiers	Fiscal Year 2014-15 Awards
Building Reuse and Economic Infrastructure Programs	Building Reuse provides grants to local governments for the renovation of vacant buildings, the renovation or expansion of a building occupied by an existing North Carolina company and the renovation, expansion or construction of health care entities that will lead to the creation of new, full-time jobs. Economic Infrastructure provides grants to local governments to assist with infrastructure projects that will lead to creation of new full-time jobs.	**Yes** • Priority given to Tier 1 and Tier 2 counties • Building Reuse awards grants to rural census tracts in Tier 3 counties	55 grants to local governments: $14,078,608 Tier 1: $6,223,959 Tier 2: $7,634,649 Tier 3: $220,000
Community Development Block Grant	Provides funding to local governments in form of grants to support private for-profit companies for infrastructure, building reuse, or demolition	**No** • Tiers determine maximum award amounts • 25 most distressed counties not required to provide the 25% local match	22 grants to local governments: $19,120,313 Tier 1: $2,795,213 Tier 2: $14,555,100 Tier 3: $1,770,000
Industrial Development Fund Utility Account	Provides funding to local government units of the most economically distressed counties in the state in creating jobs by funding construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed buildings	**Yes** • Only Tier 1 and Tier 2 locations qualify for grant funds • 25 most distressed counties not required to provide the 25% local match	7 grants to local governments: $4,311,534 Tier 1: $2,501,534 Tier 2: $1,810,000 Tier 3: N/A
Job Maintenance and Capital Development Investment Fund	Provides a limited number of grants to businesses located in Tier 1 or Tier 2 counties, where the business meets the requirements of a major employer or large manufacturing employer	**Yes** • Restricts grants to businesses located in Tier 1 or Tier 2 counties	1 grant to a private business: $12,000,000 Tier 1: $0 Tier 2: $12,000,000 Tier 3: N/A
Main Street Solutions Fund	Provides grants to assist planning agencies and small businesses with efforts to revitalize downtowns by creating jobs, funding infrastructure improvements and rehabilitating buildings	**Yes** • Restricts grants to businesses located in Tier 1 and Tier 2 counties and/or in designated North Carolina Main Street communities	5 grants to private businesses: $650,000 Tier 1: 175,000 Tier 2: 475,000 Tier 3: N/A
NC Green Business Fund	Provided awards to private business for projects that further one or more of the following goals: (a) save energy; (b) install or generate renewable energy to offset the use of energy from greenhouse gas-generating sources as a demonstration project or use all of the generated energy on-site; (c) promote building energy efficiency; and (d) create or retain jobs	**Yes** • Tiers used minimally; represented 5% of the overall criteria used when evaluating applications to the program	Has not made an award since Fiscal Year 2010–11

Non-Economic Development Programs: Other State Agencies

Agency & Program Name	Description	Statutorily Required to Use Tiers	Fiscal Year 2014-15 Awards
Agriculture & Consumer Services, Agriculture Development and Farmland Preservation (ADFP) Trust Fund	Funds projects to encourage the preservation of qualifying agricultural, horticultural, and forestlands to foster the growth, development, and sustainability of family farms	**Yes** • Tiers used to determine matching funding requirements to grants received from the ADFP Trust Fund to counties in association with a countywide farmland protection plan as defined in N.C. G.S. 106.744 c(2).	25 grants to local governments: $3,252,794 Tier 1: $1,362,200 Tier 2: $1,205,830 Tier 3: $684,764
Agriculture & Consumer Services, Spay & Neuter	Reimburses the costs incurred by cities and counties for spay/neuter procedures performed on dogs and/or cats owned by low-income individuals	**Yes** • Tier 1 counties receive 50% of available funds; the other 50% is divided between Tier 2 and Tier 3 counties • The amount each county receives is determined in the proportion of spay/neuter procedures per 1,000 people in the city/county compared to the rate of spay/neuter procedures per 1,000 people; Tier 1 counties are calculated only amongst Tier 1 Counties; Tiers 2/3 are calculated together	142 grants to local governments: $417,702 Tier 1: $209,302 Tier 2: $134,552 Tier 3: $73,847
Environmental Quality, Abandoned Manufactured Home Cleanup Grants	Awards grants to counties to cover the partial costs of cleaning up abandoned manufactured homes	**Yes** • Tiers are used in determining available award amounts and award components; Tier 3 counties are not eligible for the additional $2,500 planning grant	4 grants to local governments: $77,000 Tier 1: $50,500 Tier 2: $26,500 Tier 3: $0
Environmental Quality, State Wastewater Reserve and State Drinking Water Reserve Programs	Provides wastewater and drinking water grants in the form of high unit cost and technical assistance grants to local governments	**Yes** • Restricts grants to local governments in Tier 1 and Tier 2 counties	21 grants to local governments: $5,500,000 Tier 1: $1,458,311 Tier 2: $4,041,689 Tier 3: N/A
Health & Human Services, Medication Assistance	Awards grants to free clinics, community health centers, public health departments, and other health care safety net partners that provide medication assistance to their patients	**No** • Receives funds from Kate B. Reynolds Charitable Trust to provide grants to organizations in Tier 1 counties	15 grants to local governments: $455,488 Tier 1: $333,161 Tier 2: $88,327 Tier 3: $34,000

Agency & Program Name	Description	Statutorily Required to Use Tiers	Fiscal Year 2014-15 Awards
Health & Human Services, Public Health Dental Hygienist	The primary emphasis of the program is the delivery of preventive, educational, and dental preventive services to school-aged children	**No** • Targets services to include most Tier 1 and some Tier 2 counties	Does not award grants; assigns coverage of public health dental hygienists to targets areas
Transportation, Strategic Prioritization Funding Plan for Regional Impact Transportation Investment Projects	Provides funding for transportation projects involving highways that address cost-effective needs from a region-wide perspective and promote economic growth. These projects represent 30% of funds distributed as part of the Transportation Investment Strategy Formula[24]	**No** • Tiers designations used minimally as one of three components that comprised the accessibility/connectivity criteria and represented 2% of the overall project score	Projects selected in FY2014–15 will receive funding in Fiscal Years 2016–2025.
NC 911 Board, Public Safety Answering Point Grants	Provides grants to Public Safety Answering Points in rural and other high-cost areas	**Yes** • Tiers used to determine whether applicant serves a rural or high cost area; represents 10 points for Tier 1 counties, 5 points for Tier 2 counties, and 1 point for Tier 3 counties	4 grants to local governments: $11,579,702 Tier 1: $1,882,080 Tier 2: $9,697,622 Tier 3:$0
NC Housing Finance Agency, Low-Income Housing Tax Credit Awards	Provides federal tax credits to private developers to finance the construction and rehabilitation of quality rental housing that is affordable for low-income families and elderly persons	**No** • Tiers are used to designate high, moderate, and low-income counties	Program distributed awards in August 2015

Notes: The Spay & Neuter program awards grants on a calendar-year basis. North Carolina Session Law 2015-241 changed the name of the Department of Environment & Natural Resources to the Department of Environmental Quality.[25]

[24] N.C.G.S. § 136-189.11(d)(2)(a).
[25] N.C.Sess. Law 2015-241, Section 14.30(c).

Commerce

PAT McCRORY
Governor

JOHN E. SKVARLA, III
Secretary

November 30, 2015

Mr. John W. Turcotte
Director
Program Evaluation Division
North Carolina General Assembly
300 North Salisbury Street
Raleigh, NC 27603-5925

Dear Mr. Turcotte,

On behalf of the North Carolina Department of Commerce, thank you for the opportunity to review and respond to the Performance Evaluation Division report, *The State Should Discontinue the Economic Development Tiers System and Reexamine Strategies to Assist Communities with Chronic Economic Distress.* Please accept this letter as our response to this report.

Recommendation 1: The General Assembly should eliminate the use of the economic development tiers system for all non-economic development programs by July 1, 2017 and direct state agencies to develop other criteria.

While this recommendation does not directly apply to Commerce, the Department strongly endorses the adoption of one common set of criteria and a shared ranking of county distress for all state agencies. Having multiple measures and methodologies across agencies will add to the confusion county economic developers and others face when trying to understand the state's policies and programs.

Recommendation 2: The General Assembly should end the use of the tiers system for all economic development programs by July 1, 2018 and direct the Department of Commerce to develop alternate funding criteria.

The Department agrees with replacing or eliminating the current tiers system, with preference to eliminating the tiers and moving to a statewide index. The Department believes there is a benefit to having a single, statewide model for evaluating economic distress and that Commerce is best suited to continue to calculate and disseminate its results.

The Department has evaluated numerous models and approaches to measuring economic distress and has made a proposal to the General Assembly. The Department could implement this index prior to July 1, 2018, assuming necessary changes to the impacted statutes could be made in the short session.

Recommendation 3: The General Assembly should establish a commission to reexamine the State's strategy for identifying and assisting chronically distressed communities in the state.

The root causes for chronic economic distress are extremely complex and include not just economic-related factors, but educational, health, mobility and other interrelated components. The Department agrees that reexamining the state's strategy for assisting chronically distressed communities in the state is a worthwhile endeavor; however the Department believes that the best approach would be to develop both short- and long-term strategies to address this issue.

Over the long-term, with appropriate resources, the Department of Commerce is willing to lead a thorough inter-agency review of the current strategies employed to prevent and alleviate chronic distress. In addition, opportunities and best-practices for fighting distress can be examined and appropriate solutions can be identified. Actionable recommendations, along with any investment requirements or statutory changes from the State of North Carolina could be presented to the appropriate parties in the Legislature during the 2017 long-session.

In order to properly lead this analysis, the Department would need an estimated $150,000 appropriation to temporarily augment staff and align resources to engage in this important and time-intensive work. The resulting recommendations may also require additional investment by the State of North Carolina that could be considered by the North Carolina General Assembly in the 2017 session. As the State's prime economic development agency, with a history of facilitating and leading the State's economic development board and the State's strategic plans, the Department of Commerce is well positioned to champion this effort. Such an approach will be more efficient and effective than appointing a 22-member commission with a directive to make recommendations by March 2018.

In addition, given the importance of this issue, the Department believes there are specific strategies that could be effective in making meaningful progress in the near-term. This issue is too important to wait for the full results of an extensive analysis before action is taken. There are strategies the Department is prepared to propose that can quickly be implemented, focused on the key areas of capacity-building, strategic infrastructure development (water, sewer, roads, rail, broadband, etc.) and capital availability for start-up and small businesses. With approval during the short session, the Department could begin implementation of these strategies in the first half of 2016.

We greatly appreciate the opportunity to work with your team and to provide a response the report's recommendations. Thank you for your hard work on this important issue. Please do not hesitate to contact us if you have any questions or need any additional details about our feedback.

Sincerely,

John E. Skvarla, III

RESOLUTION No. 2016-03-02

Opposing Discontinuance of the Economic Development Tier System

Whereas, the Program Evaluation Division of the North Carolina General Assembly has issued Report Number 2015-11 under the date of December 14, 2015 with recommendations to:

- Discontinue the Economic Development Tier System for all non-economic development programs by July 1, 2017
- Sunset the tier system for all economic development programs as of July 1, 2018
- Form a legislative commission to reexamine the State's strategy for identifying and assisting economically distressed communities

Whereas, Camden County is developmentally and economically distressed due to the lack of critical water, sewer, gas and broadband infrastructure to attract job producing industrial and commercial businesses, and;

Whereas, Camden County has very few commercial and industrial jobs inside the county forcing our residents to travel outside the County and State for employment resulting in an 87% outmigration of jobs, and;

Whereas, discontinuing the tier system will negatively impact Camden County's ability to attract State funds to build critical infrastructure to attract businesses and jobs to the county, and;

Whereas, without State funding assistance local taxes must be increased to fund infrastructure and these costs will be borne by a very small population base, and;

Whereas, historically Camden County has benefited from designation as a Tier 1 economically distressed county through the award of State funding for multiple critical infrastructure projects in support of attracting private investment and job creation, and;

Now, therefore, be it resolved that

- Camden County
- Opposes discontinuance of the existing tier designation system until a new system is in place
- Recommends any new economic distress classification system consider the following factors related to:
  - Out migration of jobs due to limited local employment opportunities
  - Average wages generated by businesses within the county boundaries
  - Commercial/industrial property valuation per capita

____

Michael McLain, Chairman

ATTEST:

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Angela Wooten, Clerk

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>New Business</u>

Item Number: 5.E
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Proposal for Phase II WWTP Geohydrology Study**

Attachments: Geohydrologic and Soils Analysis, Phase 1, Williams Site, Camden NC (PDF)

Summary:

On August 7, 2015 the county received a fee proposal (see attached) submitted by Mr. Edwin Andrews for the completion of a Phase 1 and Phase II Hydrogeolgic and Soils Analysis of the Williams Farms of NC parcel and the proposed future site of the Courthouse Area Wastewater Treatment Plant (WWTP). The Board of Commissioners approved and funded the Phase I study, which was completed in October 2015. The results of this Phase I study indicated that the proposed site was suitable for the construction and operation of a 50,000 gallon per day (GPD) treatment facility using high-rate infiltration technology, and that the site would accommodate future expansion to 100,000 GPD treatment capacity to meet growth needs within the Courthouse commercial growth corridor.

It is now necessary that the county move forward with the Phase II geohydrology study, which will complete all soil, agronomic and hydrogeologic analyses needed for properly permitting the Courthouse Area WWTP. Mr. Andrews has proposed a fee for this Phase II study and report of $19,780. This report will be used to further finalize support for a NC DWR permit application.

Recommendation:

The County Manager recommends that the Board of Commissioners approve the expenditure of

$19,780 for completion of the Phase II Hydrogeologic and Soils Analysis and authorize the County Manager to execute the contract agreement between the county and Edwin Andrews & Associates, P.C.

HYDROGEOLOGY
GEOLOGY

ENVIRONMENTAL SCIENCES
SOILS

EDWIN ANDREWS & ASSOCIATES, P.C.
CONSULTING HYDROGEOLOGY AND SOIL SCIENCE
P.O. BOX 30653
RALEIGH, N.C. 27622 - 0653
PHONE: (919) 851 - 7844
FAX: (919) 851 - 6058

August 7, 2015

Mr. Michael Renshaw
County Manager
P.O. Box 190
Camden, N.C. 27921

Re: Proposal Hydrogeologic and Soils Analysis; Williams Site
Camden, NC, EAA Prop INF 080715B

Dear Mr. Renshaw:

This proposal offers hydrogeologic and soil evaluation of the William's Tract, which is located approximately 1 mile east of the intersection of Rt 34 and US 58 Camden, N.C. This evaluation is to determine suitability of the site for wastewater disposal using infiltration basins. The proposal is divided into two phases. Phase I, is similar in scope to the investigation for the site off of Rt 343, that we completed in June 2015, except that there will be geotechnical borings and survey support at the Williams Tract. Phase II is to further evaluate the hydrogeology and soils needed for permitting, in the event that Camden County, wishes to pursue obtaining a Non-Discharge Permit from N.C.D.W.R. Phase II provides cost estimates for the soils, agronomic and hydrogeologic analysis needed for permitting.

Phase I:

The first phase offers a preliminary analysis similar to the report we completed in June, with the addition of twelve geotechnical borings by GET. The geotechnical boring logs will be used to configure the basins using the best sand aquifer matrix feasible, taking into account potential setbacks. With this mapping to locate a test well site, we will construct the aquifer test wells, perform the aquifer test, so that we can build the preliminary models.

This phase includes soil analysis, test well construction, aquifer testing and construction of a steady state computer model (MODFLOW) so that we can evaluate alternatives.

Phase II

The second phase would be to complete all Soil, Agronomic and Hydrogeologic Analyses needed for permitting: This proposed evaluation will be to continue to analyze the site for high rate infiltration using basins to conform with 15A NCAC 2T .0706(a or b) and requirements in the associated policy documents. This analysis will also conform with with the rules change from 15A NCAC 2H .0200 to 15ACNC 2T .0700 (2006) and subsequent policies pertaining to soils, and hydrogeologic analysis.

The following policies need to be included in the site evaluation protocol:
May 31, 2007, "Hydrogeologic Investigation and Reporting Policy"
May 31, 2007, "Groundwater Modeling Policy"
September 12, 2008, "Soil Scientist Evaluation Policy"
September 12, 2008, " Water Balance Calculation Policy"

SCHEDULE

We propose to complete the Phase I evaluation within eight weeks of receiving notice to proceed. However, delays may be possible depending on the time to receive the results of the survey support and drawings.

Fees:

Phase I: - Preliminary Analysis of Design Alternatives:

Construct piezometers (12) - Map water table surface	$ 1,800.00
Survey support (estimate)	$ 1,000.00
Soils Analysis - evaluate geotechnical borings and map aquifer	$ 2,800.00
Construct two wells for aquifer testing	$ 2,500.00
Perform aquifer testing and analysis	$ 2,800.00
Build and Refine Calibration Model	$ 2,500.00
Analyze Options using Steady State Loading Model - Letter Report	$ 2,600.00
Subtotal:	$16,000.00
Geotechnical Borings and services GET	$8,260.00
Total Phase I	- $24,260.00

Phase II: - Additional efforts to finalize support for NC DWR Permit Application Support:

Perform Water Balance - Hydraulic Conductivity Analyses	$2,800.00
Perform Sensitivity Analysis	$2,380.00
Loading Model Analysis	$6,160.00
Solute Transport Modeling	$5,800.00
Report	$2,640.00
Total Phase II	- $19,780.00

Total through permitting	$44,040.00

I have attached a proposal acceptance form for Phase I, if you wish to use it, or a simple purchase order could be used, when you are ready. I look forward to working with Camden County.

Very truly yours,
Edwin Andrews & Associates, P.C.

Edwin T. Andrews III

Edwin E. Andrews III, P.G., N.C.L.S.S.
Consulting Hydrogeologist and Soil Scientist

encl.

Mr. Michael Renshaw
County Manager, Camden County, N.C.
Re: Proposal Hydrogeologic and Soils Analysis;
Camden County, NC, EAA Prop INF 080715B
August 7, 2015

HYDROGEOLOGY
GEOLOGY

ENVIRONMENTAL SCIENCES
SOILS

EDWIN ANDREWS & ASSOCIATES, P.C.
CONSULTING HYDROGEOLOGY AND SOIL SCIENCE
P.O. BOX 30653
RALEIGH, N.C. 27622 - 0653
PHONE: (919) 851 - 7844
FAX: (919) 851 - 6058

LETTER OF AGREEMENT ACCEPTED - Phase 1:

We (I) the undersigned having authority to execute this Agreement for the Owner and having read and understood the proposal for Camden County, Williams Tract Camden, N.C., dated August 7, 2015 (identified as Proposal number PINF 080715B Preliminary Analysis Phase I site - $16,000.00 each plus $8,260.00 Geotechnical Drilling - $24,260.00 Total; do hereby agree to the terms and conditions stated therein and referenced documents or attachments as evidenced by my seal.

Name & Address of Owner: COUNTY OF CAMDEN, NC
P.O. BOX 190
CAMDEN, NC 27921
ATTN: MIKE RENSHAW, COUNTY MANAGER

Signature Preliminary: Michael R. Renshaw

Signature Preliminary+ Complete Analysis: Michael R. Renshaw

Name & Title (Printed): MICHAEL R. RENSHAW

Date: 9/9/2015

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Signature of Finance Officer

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Board Appointments

Item Number: 6.A
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Camden County CAC's**

Attachments:

Summary:

There are still two vacancies on this board. The vacancies have been posted on the county website as directed by the Board at the Feb 1st regular meeting. Staff has not received any volunteer applications since being advertised on the county website.

Recommendation:

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Consent Agenda</u>

Item Number: 7.A
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Draft Minutes**

Attachments: 2015-12-07 BOC Minutes Draft (DOCX)

Summary:

2015-12-07 BOC Org Draft Minutes

Recommendation:

Review & Approve

Camden County Board of Commissioners
December 7th, 2015
10:00 A.M. - Organizational Meeting
Historic Courtroom, Courthouse Complex
Camden, North Carolina

MINUTES

The regular meeting of the Camden County Board of Commissioners was held on December 7th, 2015 in the Historic Courtroom, Camden, North Carolina. The following Commissioners were present:

Chairman McLain, Vice Chair Sandra Duckwall,
Commissioners Garry Meiggs, Clayton Riggs and Tom White

Also attending were County Manager Michael Renshaw, County Attorney John Morrison and Clerk to the Board Angela L. Wooten.

County Attorney John Morrison called to order the December 7th, 2015 organizational meeting of the Camden County Board of Commissioners at 10:01 am.

Invocation and Pledge of Allegiance

Chairman Michael McLain gave the invocation and led those present in the Pledge of Allegiance.

Public Comments

Chairman Michael McLain asked if there were any members of the public wishing to come forward and speak before the board. Hearing none Chairman Michael McLain moved to the next item of business.

Consideration of Agenda

County Attorney John Morrison asked if there were any changes to the agenda. Not hearing any changes, County Attorney John Morrison called for a motion.

Commissioner Tom White made a motion to approve the agenda as presented. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

<u>**Organizational Meeting**</u>

Item 3.A - Election of Chairman to the Board

County Attorney John Morrison called for nominations for the Chairman of the Board

Commissioner Garry Meiggs nominated Mike McLain to continue as Chairman for an additional year.

County Attorney John Morrison ask if there were any other nominations for Chairman. Hearing none, he called for a motion.

Commissioner Tom White made a motion for Michael McLain to serve as Chairman of the Board for an additional year. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

As Michael McLain has been elected chairman, he leads the rest of the meeting.

Item 3.B - Election of Vice Chairman to the Board

Commissioner Tom White made a motion to appoint Commissioner Garry Meiggs as Vice Chairman. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

Item 3.C - Approval of Bonds

Bonds as required by NCGS 159-29.

Finance Officer $550,000
Treasurer Courthouse/Shiloh Fire Commission $50,000
Treasurer South Mills Fire District $50,000
Treasurer Joyce Creek Drainage District $50,000
Treasurer South Camden Water and Sewer District $50,000
Treasurer Camden Tourism Development Authority $50,000
Board of Commissioner $15,000
Tax Assessor & Collector County $50,000
Sheriff $25,000
Register of Deeds $25,000

Commissioner Clayton Riggs made a motion to approve the bonds. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

Item 3.D - 2016 State Holiday Schedule

2016 Holiday Schedule		
New Year's Day	January 1, 2016	Friday
Martin Luther King, Jr.	January 18, 2016	Monday
Good Friday	March 25, 2016	Friday
Memorial Day	May 30, 2016	Monday
Independence Day	July 4 2016	Monday
Labor Day	September 5, 2016	Monday
Veteran's Day	November 11, 2016	Friday
Thanksgiving	November 24 & 25, 2016	Thursday and Friday
Christmas	December 23, 26 & 27. 2016	Friday, Monday and Tuesday

Commissioner Garry Meiggs made a motion to adopt the 2016 State Holiday Schedule. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

Item 3.E - 2016 Board of Commissioners Meeting Calendar

MEETING DATE & TIME		AGENDA ITEMS DEADLINE	
Monday, January 04, 2016	7:00 PM	Monday, December 28, 2015	5:00 PM
Tuesday, January 19, 2016	7:00 PM	Tuesday, January 12, 2016	5:00 PM
Monday, February 01, 2016	7:00 PM	Tuesday, January 26, 2016	5:00 PM
Monday, March 07, 2016	7:00 PM	Tuesday, March 01, 2016	5:00 PM
Monday, March 21, 2016	7:00 PM	Tuesday, March 15, 2016	5:00 PM
Monday, April 04, 2016	7:00 PM	Tuesday, March 29, 2016	5:00 PM
Monday, May 02, 2016	7:00 PM	Tuesday, April 26, 2016	5:00 PM
Monday, May 16, 2016	7:00 PM	Tuesday, May 10, 2016	5:00 PM
Monday, June 06, 2016	7:00 PM	Tuesday, May 31, 2016	5:00 PM
Tuesday, July 05, 2016	7:00 PM	Tuesday, June 28, 2016	5:00 PM
Monday, July 18, 2016	7:00 PM	Tuesday, July 12, 2016	5:00 PM
Monday, August 01, 2016	7:00 PM	Tuesday, July 26, 2016	5:00 PM
Tuesday, September 06, 2016	7:00 PM	Tuesday, August 30, 2016	5:00 PM
Monday, September 19, 2016	7:00 PM	Tuesday, September 13, 2016	5:00 PM
Monday, October 03, 2016	7:00 PM	Tuesday, September 27, 2016	5:00 PM
Monday, November 07, 2016	7:00 PM	Tuesday, November 01, 2016	5:00 PM
Monday, November 21, 2016	7:00 PM	Tuesday, November 15, 2016	5:00 PM
Monday, December 05, 2016	8:00 AM	Tuesday, November 29, 2016	5:00 PM
Monday, January 02, 2017	7:00 PM	Thursday, December 22, 2016	5:00 PM

DURING ANY MONTH WITH ONLY ONE SCHEDULED MEETING, AN ADDITIONAL MEETING MAY BE SCHEDULED IF THE WORKLOAD IS ADEQUATE.

Commissioner Clayton Riggs made a motion to approve the 2016 Board of Commissioners Meeting Calendar as presented. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

New Business

Item 4.A - Proposed 2016 McClees Consulting Contract

THIS CONTRACT AND AGREEMENT for services by an independent contractor (herein referred to as the "Contract") is made and entered into this _____ day of _________, 2015, by and between CAMDEN COUNTY, NORTH CAROLINA (herein "Client") and McCLEES CONSULTING, INC., of Pamlico County, NC (herein "Consultant").

BACKGROUND

Client is a duly organized county of the State of North Carolina, and having as its principal address: 330 East Highway 158, PO Box 190, Camden, NC 27921.

Consultant is a corporation, incorporated and operating under the laws of North Carolina, and having as its principal address: 45 White Farm Road, PO Box 430, Oriental, NC 28571.

Client is in need of the expertise and services of Consultant to lobby on behalf of Client.
Consultant has experience in lobbying, is familiar with the goals of Client, is familiar with coastal and eastern North Carolina issues, and has skills, knowledge, abilities, and experience to benefit Client.

The parties desire to enter into this lobbying agreement.

THEREFORE, in consideration of the premises and of the agreements, stipulations, and covenants herein contained, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. **Consultation.**

(a) Client hereby engages Consultant to render lobbying services and Consultant agrees to provide such services upon the terms and conditions of this Contract.

(b) Consultant is being retained because of the personal skill, expertise, and experience of Joseph D. McClees. All services to be performed under this Contract shall be performed personally by Joseph D. McClees with the assistance of S. Henri McClees, Attorney at Law, unless Client gives its prior written consent to another arrangement.

(c) Consultant shall report to Michael Renshaw, Camden County Manager.

2. **Term.** The term of the Contract shall begin on the first day of January, 2016 and continue through December 31, 2016.

3. **Consulting Fees.** Client shall pay to Consultant fees for services as follows:

(a) The sum of Seventeen Thousand Five Dollars ($17,500.00) for lobbying services, payable in payments of Five Thousand Dollars ($5,000.00) on or before the tenth day of January, February, and March, 2016; and, further, a final payment of Two Thousand Five Hundred Dollars on or before the tenth day of April, 2016; and, further,

(b) Client shall pay for lobbyists and principal 2016 registration fees due to the State of North Carolina, totaling Seven Hundred Fifty Six Dollars ($756.00), payable at the time of the execution of this Contract and in any event before January 11, 2016; and, further,

(c) Reimbursement of travel expenses for approved out of state travel, when incurred upon the specific direction of the Client, including mileage and reimbursement for actual expenses for lodging, food, and taxis, together with other approved transportation, if any.

(d) The parties agree there will be no reimbursement for in-state travel or other in-state expenses except as set forth herein or in-state expenses directed by Client to be spent for specific purposes agreed upon in advance of any such expenditure.

4. **Independent Contractor**. The parties acknowledge and agree the relationship of Consultant with Client is that of independent contractor. Except as provided in this Contract, neither party shall exercise any control over the activities and operations of the other. Neither Client nor Consultant is liable or responsible for the acts, omissions, or defaults of the other in any manner. Consultant, as well as any employees or independent contractors of Consultant, shall not be considered, under the provisions of this Contract or otherwise, to be employees of Client for any purpose whatsoever.

5. **Compliance** with North Carolina lobbying and ethics laws. The parties hereto agree to comply with all reporting, lobbying, and ethics requirements set forth in Chapter 120C "Lobbying" and Chapter 138A "State Government Ethics Act" of the NC General Statutes, specifically including NCGS §120C et seq. and §138A-1 et seq. Further, the parties hereto agree to the following:

(a) Consultant will prepare all lobbying authorizations, registrations, expense reports, and submit principal authorizations and expense reports to Client for execution and timely submission to the NC Secretary of State Lobbying Compliance Division.

(b) Client will review, sign, and submit on a timely basis all required lobbying authorizations and expense reports. The County Manager will execute all required lobbying documentation on behalf of Client.

6. **Applicable Law**. The laws of North Carolina shall govern this Contract.

7. **Entire Agreement; Amendment**. This Contract supersedes all prior understandings and agreements and informal working arrangements between the parties, written and oral. This Contract may not be amended orally, but only by a writing duly executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Contract the day and year first written above.

Commissioner Tom White made a motion to approve the 2016 McClees Consulting Contract as presented. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

<u>Consent Agenda</u>

Commissioner Clayton Riggs requested to pull consent item 5.D Budget Amendment for discussion.

Vice Chair Garry Meiggs made a motion to remove item 5.D from consent and put it in new business for discussion as item 4.B Budget Amendment. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

New Business

Item 4.B – Budget Amendments

COMMISSIONER CLAYTON RIGGS advised the public that the Sheriff is requesting a budget amendment to move funds from within the Sheriff Budget to the School Resource Officer (SRO) budget into salaries. A new hire will be paid at a higher rate than what was budgeted due to the new hires' extensive experience in law enforcement and teaching abilities. The amount to be moved into the SRO budget is $4,212.00.

ACCT NUMBER	DESCRIPTION	INCREASE	DECREASE
Expenses			
105100-503000	Part time salaries		$2,000
105100-516100	Maintenance Radios		$1,000
105100-526000	Advertise		$ 400
105100-531000	Gas & Oil		812
105110 - 502000	Salaries	$4,212	

Commissioner Tom White made a motion to approve the budget amendment for the school resource officer.. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

Consent Agenda

Commissioner Clayton Riggs made a motion to approve the consent agenda as presented. The motion passed 4-0 with Chairman McLain and Commissioners Garry

Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

Consent Agenda
Item 5.A - Draft Minutes – October 5th, 2015

October 5th, 2015 Draft Minutes

Consent Agenda
Item 5.B - Trillium Playground Contract

TRILLIUM HEALTH RESOURCES HEALTH RESOURCES
AGREEMENT FOR PROFESSIONAL SERVICES

CONTRACT PERIOD: September 18, 2015 – June 30, 2016

THIS AGREEMENT made and entered into this the 18th day of September 2015 and between Trillium Health Resources, an Area Authority organized and existing pursuant to North Carolina Statutes, Chapter 122C, whose mailing address is 1708 E. Arlington Boulevard, Greenville, NC 27858, ID # 56-0898928, and Camden County Parks and Recreation through County of Camden (hereinafter referred to as the "CONTRACTEE"), whose mailing address is PO Box 190, Camden, NC 27921, Phone Number 252-338-1919 ext.239 and whose tax identification number (or social security number) is 56-6000282.

W I T N E S S E T H:

For and in consideration of the mutual promises hereinafter set forth, the parties intending to be legally bound do hereby agree as follows:

1. The CONTRACTEE does hereby agree to provide the following services to TRILLIUM HEALTH RESOURCES: CONTRACTEE will manage and ensure the construction and ongoing maintenance of an inclusive playground at Community Park: 117 N. Carolina Hwy 343 S., Camden, NC 27921. The CONTRACTEE will need to get approval from TRILLIUM HEALTH RESOURCES and send to Amy Corbitt at Amy.Corbitt@trilliumnc.org for approval by the Trillium Health Resources Project Team to ensure the playground is TRULY inclusive before any purchases are made.

- Submit playground layouts for approval no later than December 31st, 2015
- Construction to start as soon as possible after receiving approval from Trillium Health Resources on playgrounds to be completed by June 30th, 2016
- Trillium Health Resources will have no ongoing commitment to the playground once construction is complete.

2. TRILLIUM HEALTH RESOURCES agrees to pay to the CONTRACTEE, for the services set forth in paragraph 1 of this agreement, as follows:

    a. A maximum of $125,000.00.

    b. This funding allocation is for actual expenditures.

    c. If a deposit is required for any portion of the funding it will require prior approval from Trillium Health Resources in writing.

    d. Invoices are due by the 10th of the month following the month services were provided. Each invoice shall have an attestation/certification statement that states the following: "I hereby attest or certify that the services reported for payment are correct and have been performed according to the terms of the contract." This statement shall be signed and dated by the CONTRACTEE.

    e. Each invoice shall have the name of the playground.

    f. Invoices will be sent to – Attention: Accounts Payable, at 144 Community College Road, Ahoskie, NC 27910-9320, or accountspayable@trilliumnc.org. Payment shall be made to the CONTRACTEE within thirty (30) days from the receipt date of approved, accurate and complete invoicing.

    g. Invoicing that is received after sixty (60) days from the deadline will not be processed.

3. It is expressly understood and agreed that in carrying out the services to be performed hereunder:

a. The CONTRACTEE shall furnish, at CONTRACTEE's own cost and expense, CONTRACTEE's own materials and supplies required to carry out CONTRACTEE's duties hereunder, except as otherwise expressly provided in paragraph 2 above;

b. Any and all other expenses incurred by the CONTRACTEE in performing the required services shall be at the CONTRACTEE's sole cost and expense;

c. The CONTRACTEE will work at such times and for such hours as TRILLIUM HEALTH RESOURCES deems necessary for the fulfillment of the contract.

d. The CONTRACTEE shall be an independent contractor and not an employee with respect to TRILLIUM HEALTH RESOURCES, and the CONTRACTEE shall have all of the rights and duties, and all of the discretion normally associated with such relationship

e. If reimbursement of funds is required by Medicaid, the State of North Carolina or TRILLIUM HEALTH RESOURCES, due to negligent record keeping, or documentation by the CONTRACTEE or a failure by the CONTRACTEE to comply with minimum standards, APSM 30-1, or to follow licensure or accreditation requirements or Medicaid requirements, the CONTRACTEE will be responsible for the reimbursement of all such funds including administrative overhead within 30 days of notification.

4. TRILLIUM HEALTH RESOURCES Trillium Health Resources is required to provide to the CONTRACTEE all pertinent rules, regulations, standards and other information distributed by the Division necessary for the performance of the CONTRACTEE under the terms of the contract. TRILLIUM HEALTH RESOURCES is required to monitor the contract to assure compliance with rules of the Commission, the Secretary and G.S. 122C-142.

5. <u>TERMINATION</u>. This agreement may be terminated under the following circumstances:

A. TRILLIUM HEALTH RESOURCES may terminate the agreement immediately if funds granted for the program are revoked or terminated by the funding agencies in a manner beyond the control of TRILLIUM HEALTH RESOURCES for the duration of the contract period. In this situation, any and all of the obligations of the TRILLIUM HEALTH RESOURCES and the CONTRACTEE under this contract shall immediately cease.

B. The contract may be terminated immediately by either party with cause upon written notice to the other party and with written documentation to the other party detailing the grounds for termination. TRILLIUM HEALTH RESOURCES agrees to compensate the CONTRACTEE for services performed under this contract prior to the date of termination.

C. TRILLIUM HEALTH RESOURCES may terminate this contract immediately upon notice to the CONTRACTEE, without cause, in its sole discretion. TRILLIUM HEALTH RESOURCES agrees to compensate the CONTRACTEE for services performed under this contract prior to the date of termination.

D. If this Contract is for a period greater than thirty (30) days, it may also be terminated at any time upon mutual consent of both parties or after thirty (30) days upon notice of termination by one of the contracting parties.

E. If a dispute arises between CONTRACTEE and TRILLIUM HEALTH RESOURCES with regard to the terms of this Agreement, and such dispute cannot be resolved by mutual agreement, TRILLIUM HEALTH RESOURCES shall exercise its rights of termination under subparagraph (b) above.

F. If time sheet, billing documentation, and notes are not received on deadlines given in paragraph 2 above it will be grounds for termination of this Agreement. NOT APPLICABLE

6. The parties hereto agree that TRILLIUM HEALTH RESOURCES may in its discretion withhold from any or all of the payments made pursuant to paragraph 2 hereof any amounts which TRILLIUM HEALTH RESOURCES deems necessary for compliance with any state or federal laws or regulations, including without limitation, the Internal Revenue Code, as amended.

7. The CONTRACTEE and TRILLIUM HEALTH RESOURCES shall indemnify and hold harmless each other and their designated representatives from any and all claims, suits, actions, and liabilities caused by the CONTRACTEE's performance of work pursuant to this agreement.

8. In addition to the foregoing, the following terms and conditions shall be a part of this contract: CONTRACTEE agrees to acknowledge TRILLIUM HEALTH RESOURCES as the funding source in any brochures, advertising, trainings, or other information distributed to the public. CONTRACTEE should not use the

TRILLIUM HEALTH RESOURCES name on any literature without obtaining prior written approval from TRILLIUM HEALTH RESOURCES.

9. This Agreement shall be construed according to and governed by the laws of the State of North Carolina, notwithstanding the fact that both or either of the parties hereto is or may become a resident or citizen of another state or country.

10. This Agreement contains the entire agreement of the parties hereto. No modification, amendment, change or discharge of any terms or provisions of this Agreement shall be valid or binding unless the same is in writing and signed by both the parties hereto. No waiver of any of the terms of the Agreement shall be valid unless signed by the party against whom each such waiver is asserted. Any waiver of any provision of this Agreement in any instance shall not be a waiver in any other instance; and according to policy adopted by TRILLIUM HEALTH RESOURCES, CONTRACTEE shall not be restricted to fund balance limitations.

11. CONTRACTEE is responsible for the adoption, assessment, collection and disposition of fees, if applicable, in accordance with G.S. 122C-146.

12. If applicable, equipment purchased with non-unit-cost reimbursement funds, such as startup or special purpose funding, title to assets purchased under the contract in whole or in part rests with TRILLIUM HEALTH RESOURCES so long as that party continues to provide the services which were supported by the contract. If such services are discontinued, disposition of the assets shall occur as approved by the Division. NOT APPLICABLE

13. If applicable, the CONTRACTEE shall provide TRILLIUM HEALTH RESOURCES with consumer records and data about individual consumers for purpose of monitoring, research and study, financial audits of third party payers, research and evaluation. NOT APPLICABLE

14. When applicable, the CONTRACTEE shall make available to TRILLIUM HEALTH RESOURCES its accounting records for the purpose of audit by State authorities and that the party will, when required by general statute or in accordance with the annual Memorandum of Agreement, have an annual audit by an independent certified public accountant and submit to the TRILLIUM HEALTH RESOURCES two (2) copies of the audit report within (90) days of the end of the CONTRACTEE's previous fiscal year, of which one copy shall be forwarded to the Office of the State Auditor at 300 N. Salisbury Street, Raleigh, NC 27603-5903.

15. CONTRACTEE agrees to secure and maintain all appropriate insurance, including worker's compensation, general liability and property damage and agrees to provide TRILLIUM HEALTH RESOURCES with proof of such insurance upon receipt.

16. This contract shall contain no stricken and initialed provisions, other than for correction of minor clerical errors. Any stricken and initialed provisions shall not be deemed removed from this contract, and the contract shall be interpreted as if such provisions had not been stricken. Both parties to the contract must initial corrections of clerical errors.

17. Health Insurance Portability and Accountability Act (HIPAA). The CONTRACTEE and TRILLIUM HEALTH RESOURCES shall be in compliance with the final HIPAA rules and regulations and each party shall provide evidence to the other party of this compliance upon request. The parties hereto specifically agree to amend this Agreement on a timely basis as necessary to comply with any and all laws relating to privacy of healthcare information, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA). If the parties are unable to agree to such amendments, they agree to participate in mediation. If the parties are still unable to agree, the Agreement will terminate in accordance with Section 5 b of the agreement prior to the effective date(s) for compliance with such privacy laws. If applicable the Business Associate Agreement must be signed.

18. Comply with all Confidentiality Rules and Requirements in accordance with N.C.G.S. 122C-51 through 122C-56. The CONTRACTEE agrees to keep these matters confidential and to discuss them with only the appropriate TRILLIUM HEALTH RESOURCES staff member or other professional people designated by TRILLIUM HEALTH RESOURCES. The CONTRACTEE has read and signed the Confidentiality Rules required of Mental Health Centers.

Consent Agenda
Item 5.C - Budget Amendment – Playground Equipment

ACCT NUMBER	DESCRIPTION	INCREASE	DECREASE
Revenues 65330613-439764	Park Grant	$125,000	
Expenses 656130-574095	Playground	$125,000	

Consent Agenda
Item 5.D - Budget Amendments - School Resource Officer

Moved to new business Item 4.B. Budget Amendments - School Resource Officer

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Consent Agenda
Item 5.E - Tax Collection Report – November

Day	Amount	Amount	Name of Account	Deposits
2	18,580.22	7,421.17	$280.59 - Refund / $1.00 - short	26,001.39
3	24,062.41			24,062.41
4	9,877.12			9,877.12
5	16,642.51			16,642.51
6	16,852.11		$7.80 - Refund	16,852.11
9	33,254.26		$2.12 - Refund	33,254.26
10	6,253.06			6,253.06
12	20,392.31			20,392.31
	529,296.16			529,296.16
13	18,016.59			18,016.59
16	20,882.82			20,882.82
	210,733.46	225,914.97	$1,090.63 - Refund	436,648.43
17	22,667.57			22,667.57
	1,247,215.28	8,447.84	$2,129.04 - Refund	1,255,663.12
18	15,674.71		$0.10 - Refund/$0.70 - short	15,674.71
19	19,696.07			19,696.07
20	12,223.70			12,223.70

23	32,354.81		$13.51 - Refund	32,354.81
24	5,456.80		$0.03 - Over	5,456.80
25	23,947.75		$595.11 - Refund	23,947.75
	1,206.92		$33.50 - Refund	
30	22,837.52	15,991.48	$21.97 - Refund	38,829.00
	4,777.46		$940.48 - Refund	4,777.46
	$2,332,901.62	**$257,775.46**		**$2,589,470.16**
	$2,590,677.08			**$2,590,677.08**
	-$5,114.85	**Refund**		
	-$0.03	**Over**		
	$1.70	**Shortage**		
	$0.00			
	$2,585,563.90			

Consent Agenda
Item 5.F - Tax Refunds, Pickups, & Releases

Michael Wenthe	$128.73 Discovery - Pick-up	Pick/up- 18483 P-12988-15
Margaret G. Thomas	$126.21 Discovery - Pick-up	Pick/Up-18462 P-12965-15
Michael & Michelle Stone	$234.53 Discovery - Pick-up	Pick/up-18453 P-12940-15
Derek Charles Smithson	$182.62 Discovery - Pick-up	Pick/up-18447P-12931-15
Wade & Cheryl Smith	$142.31 Discovery - Pick-up	Pick/up-18446 P-12930-15
George Rowland	$176.52 Discovery - Pick-up	Pick/up-18430P-12924-15
Morgan Roberson	$160.74 Discovery - Pick-up	Pick-up-18426P-12914-15
Peter L'Abbe	$563.81 Discovery - Pick-up	Pick-up-18408P-12999-15
Dung Le Tran	$148.44 Discovery - Pick-up	Pick-up-18465P-12966-15

Consent Agenda
Item 5.G - Tax Authorization to Collect (January Renewals)

SOUTH MILLS	COURTHOUSE	SHILOH	TOTAL
18,569.49	17,890.25	9,036.82	45,496.56

Consent Agenda

Item 5.H - Set Public Hearing – Special Use Permit Application (UDO 2015-10-08) for Outdoor Shooting Range for Law Enforcement

Sheriff Perry has applied for an Outdoor Shooting Range facility that will allow his personnel and possible other law enforcement personnel to maintain their qualifications required by the state.

Planning Board met on November 18, 2015 to consider Special Use Permit application and after discussion with staff, adjacent property owners and applicant, Planning Board recommended approval of the Special Use Permit application with the conditions as stated in Staffs Findings on a 6-0 vote.

Staff recommends setting the public hearing for January 4, 2016.

Commissioner's Report

Commissioner Clayton Riggs mentioned that the Tax Policy Committee has outlined a set of rules for future tax collection that will be brought to the board for approval.

Chairman Michael McLain thanks staff for the Christmas Tree Lighting Ceremony.

County Manager's Report

County Manager Mike Renshaw had the following items to report:

- The county was notified that the Golden Leaf Pre Application has been approved and they have invited us to apply in full for a $200,000 grant to be used for construction costs of the Core Area Wastewater treatment plant
- The annual staff Christmas Luncheon will be at the Senior Center on Dec 9th from 12:00 - 2:00.

Recess Commissioner's Meeting

SOUTH CAMDEN WATER & SEWER DISTRICT
BOARD OF DIRECTORS

Item 1. Call to Order

Chairman Michael McLain called to order the December 7th, 2015 Regular meeting of the South Camden Water and Sewer District Board of Directors Meeting at 10:20 am

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Item 2. Public Comments

Chairman Michael McLain asked if there were any members of the public wishing to come forward and speak before the board. Hearing none mm moved to the next item of business.

Item 3. Consideration of Agenda

Commissioner Clayton Riggs made a motion to approve the agenda as presented. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

Item 4. Consent Agenda

Vice Chair Garry Meiggs made a motion to approve the consent agenda as presented. The motion passed 4-0 with Chairman McLain and Commissioners Garry Meiggs, Clayton Riggs and Tom White voting aye; no Commissioner voting no; Vice Chair Sandra Duckwall absent; and no Commissioner not voting.

4.A - Draft Minutes

October 5th, 2015
November 2nd, 2015

4.B - SCWSD Monthly Report

	Submitted	Completed	Percent	Status
Water	80	80	100%	0

Sewer	11	11	100%	0

Item 5. Other Matters

Chairman Michael McLain asked if there were any other matter for the board. Hearing none, he moved to adjourn.

Item 6. Adjourn

As there were no other matters for the South Camden Water and Sewer District Board of Directors, Chairman Michael McLain adjourned.

Reconvene Commissioner's Meeting

<u>Information from Board and Staff</u>

The following items were provided to the Board for their information, and a copy of these items is maintained in the Clerk's office.

A. North Carolina's October Employment Figures Released
B. TDA Audit
C. NC Department of Commerce
D. Register of Deeds - Monthly Report
E. Library - Monthly Report
F. EMS Reports

<u>Other Matters</u>

Commissioner Tom White mentioned that the EMS response times have greatly improved. County Manager Mike Renshaw stated that the average response time is 7-8 minutes since opening station 14 in South Mills.

Vice Chair Garry Meiggs mentioned that when the library opened there were around 5,000 items in the collection and that number is now 15,000.

Meeting Adjourned

At 10:25 PM, Chairman Michael McLain asked if there were any other matters to come before the Board of Commissioners, hearing none, and by acclamation the meeting was adjourned.

____
Chairman Michael McLain
Camden County Board of Commissioners

ATTEST:

____
Angela Wooten
Clerk to the Board

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Consent Agenda

Item Number:	7.B
Meeting Date:	March 07, 2016
Submitted By:	Stephanie Humphries, Finance Director Finance Prepared by: Stephanie Humphries
Item Title	**Budget Amendment - Ba0014-0018**

Attachments:

15-16-BA014	(DOC)
15-16-BA015	(DOC)
15-16-BA016	(DOC)
15-16-BA017	(DOC)
15-16-BA018	(DOC)

Summary: Approval needed for the following:

BA-0014	Sewer upgrade line item transfer to correct funding source
BA-0015	Adjustment to Playground grant award
BA-0016	SCVFD request to use fund balance for larger truck loan payment
BA-0017	HCCBG grant award increased match requirement
BA-0018	Sheriff request to fund pay plan for two positions

Recommendation:

Approve request

2015-16-BA014
CAMDEN COUNTY BUDGET AMENDMENT

BE IT ORDAINED by the Governing Board of the County of Camden, North Carolina that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2016.

Section 1. To amend the Water/Sewer Upgrade Fund as follows:

ACCT NUMBER	DESCRIPTION OF ACCT	AMOUNT INCREASE	DECREASE
Expenses			
237200-599900	Fund Reserves		$20,000
237500-597230	Sewer Upgrade	$20,000	

This Budget Amendment is made to move appropriation to correct department line item.

This will result in no change to the Contingency of the General Fund.

Balance in Contingency $22,500.00

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Budget Officer and the Finance Officer for their direction. Adopted this 7th day of March, 2016.

Clerk to Board of Commissioners | **Chairman, Board of Commissioners**

2015-16-BA015
CAMDEN COUNTY BUDGET AMENDMENT

BE IT ORDAINED by the Governing Board of the County of Camden, North Carolina that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2016.

Section 1. To amend the Community Park Fund as follows:

		AMOUNT	
ACCT NUMBER	**DESCRIPTION OF ACCT**	**INCREASE**	**DECREASE**
Expenses			
656130-574095	Playground	$37,492	
65330613-439764	Park Grant	$37,492	

This Budget Amendment is made to appropriate funds for additional playground revenues and expenditures.

This will result in no change to the Contingency of the General Fund.

Balance in Contingency $22,500.00

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Budget Officer and the Finance Officer for their direction. Adopted this 7th day of March, 2016.

Clerk to Board of Commissioners **Chairman, Board of Commissioners**

2015-16-BA016

CAMDEN COUNTY BUDGET AMENDMENT

BE IT ORDAINED by the Governing Board of the County of Camden, North Carolina that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2016.

Section 1. To amend the South Camden VFD Fund as follows:

		AMOUNT	
ACCT NUMBER	**DESCRIPTION OF ACCT**	**INCREASE**	**DECREASE**
Expenses			
405300-511320	Debt Service	$43,997	
40399530-439900	Fund Balance Appropriated	$43,997	

This Budget Amendment is made to appropriate funds for a larger payment on truck loan.

This will result in no change to the Contingency of the General Fund.

Balance in Contingency $22,500.00

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Budget Officer and the Finance Officer for their direction. Adopted this 7th day of March, 2016.

Clerk to Board of Commissioners **Chairman, Board of Commissioners**

2015-16-BA017

CAMDEN COUNTY BUDGET AMENDMENT

BE IT ORDAINED by the Governing Board of the County of Camden, North Carolina that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2016.

Section 1. To amend the General Fund as follows:

		AMOUNT	
ACCT NUMBER	**DESCRIPTION OF ACCT**	**INCREASE**	**DECREASE**
Expenses			
105900-596000	Home & Community Care BG	$1,691	
10399400-439900	Fund Balance Appropriated	$1,691	

This Budget Amendment is made to appropriate funds for additional match requirement.

This will result in no change to the Contingency of the General Fund.

Balance in Contingency $22,500.00

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Budget Officer and the Finance Officer for their direction. Adopted this 7th day of March, 2016.

Clerk to Board of Commissioners **Chairman, Board of Commissioners**

2015-16-BA018
CAMDEN COUNTY BUDGET AMENDMENT

BE IT ORDAINED by the Governing Board of the County of Camden, North Carolina that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2016.

Section 1. To amend the General Fund as follows:

ACCT NUMBER	DESCRIPTION OF ACCT	AMOUNT INCREASE	AMOUNT DECREASE
Expenses			
105100-502000	Salaries	$9,821	
105100-505000	FICA	$752	
Revenue			
10-439900	Fund Balance Appropriated	$10,573	

This Budget Amendment is made to appropriate funds for pay plan adjustments, and vacation payouts for terminated employment.

This will result in no change to the Contingency of the General Fund.

Balance in Contingency $22,500.00

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Budget Officer and the Finance Officer for their direction. Adopted this 7th day of March, 2016.

______________________________ ______________________________

Clerk to Board of Commissioners **Chairman, Board of Commissioners**

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Consent Agenda

Item Number:	7.C
Meeting Date:	March 07, 2016
Submitted By:	Angela Wooten, Clerk to the Board Administration Prepared by: Angela Wooten
Item Title	**CCS Budget Amendments**
Attachments:	CCS Budget Amendments 1 (PDF) CCS Budget Amendments 2 (PDF) CCS Budget Amendments 3 (PDF)

Summary:

Camden County Schools - Budget Amendments

Recommendation:

Review & Approve

Budget Amendment

Camden County Schools Administrative Unit

Other Local Current Expense Fund

The Camden County Board of Education at a meeting on the 11th day of February, 2016 passed the following resolution.

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2016.

Code Number	Description of Code	Amount Increase	Amount Decrease
5100	Regular Instructional Programs		4,250.00
5800	School Based Support Services	15,009.00	
6100	Support & Dev Services		2,200.00
6400	Technology Support Services		5,000.00
6900	Policy, Leadership, Pub Relation		3,559.00

Explanation:

Total Appropriation in Current Budget	$	917,920.00
Amount of Increase/Decrease of Above Amendment		.00
Total Appropriation in Current Amended Budget	$	917,920.00

Passed by majority vote of the Board of Education of Camden County on the 11th day of February 2016.

Chairman, Board of Education

Secretary, Board of Education

We the Board of County Commissioners of Camden County hereby approve the changes in the County School Funds Budget as indicated above, and have made entry of these changes on the minutes of said Board, this _____ day of _______________ 20____.

Chairman, Board of County Commissioners

Clerk, Board of County Commissioners

BUDGET AMENDMENT
February 11, 2016

8. Other Local Current Expense Fund

A. We have reviewed this area of the budget and find that we must transfer funds within the program area to cover expenses. We request your approval of the following amendment.

Classroom Teacher

5110.841.121	Salary – Teacher	$	-	750.00
5110.841.162	Substitute Pay		+	120.00
5110.841.195	Planning Period Stipend		+	34.00
5110.841.211	Emp Soc Sec Costs		-	70.00
5110.841.221	Emp Retirement Costs		+	824.00
5110.841.231	Emp Hosp Ins Costs		+	13.00
5110.841.332	Travel – Itinerant Teachers		-	171.00
Total – Classroom Teacher		$	+	.00

B. We have reviewed this area of the budget and must transfer funds within the budgeted areas of this program. We request your approval of the following amendment.

Board of Education

6910.860.311	Contracted Services	$	+	8,300.00
6910.860.312	Workshop Expenses		-	4,400.00
6910.860.371	Legal Liability Insurance		-	3,900.00
Total – Children with Special Needs		$	+	.00

C. We have reviewed this area of the budget and must transfer funds within the program area for salaries, benefits and computer related purchases. We request your approval of the following amendment.

Computer Tech

5110.905.311	Contracted Services	$	-	2,000.00
5110.905.418	Comp Software & Supplies		-	3,200.00
5110.905.462	Pur of Non-Cap Comp Hdwe		+	950.00
5810.905.418	Comp Software & Supplies		+	2,250.00
5860.905.146	Salary – Computer Tech		+	7,236.00
5860.905.211	Emp Soc Sec Costs		+	1,070.00
5860.905.221	Emp Retirement Costs		+	2,135.00
5860.905.231	Emp Hosp Ins Costs		+	2,318.00
6110.905.332	Travel		+	300.00
6110.905.341	Telephone		-	1,000.00

BUDGET AMENDMENT
Other Local Current Expense Fund
February 11, 2016, Page 2

6110.905.418	Comp Software & Supplies	-	1,000.00
6110.905.422	Repair Parts/Materials	-	500.00
6400.905.418	Comp Software & Supplies	-	3,000.00
6400.905.462	Pur of Non-Cap Comp Hdwe	-	2,000.00
6940.905.461	Pur of Non-Cap Comp Equipment	-	3,559.00
Total – Computer Tech		$ +	.00

Passed by majority vote of the Board of Education of Camden County on the 11th day of February, 2016.

Chairman, Board of Education

Secretary, Board of Education

Budget Amendment

Camden County Schools Administrative Unit

Capital Outlay Fund

The Camden County Board of Education at a meeting on the 11th day of February, 2016, passed the following resolution.

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2016.

Code Number	Description of Code	Amount: Increase	Amount: Decrease
9200	Category II Projects		650.00
9300	Category III Projects	650.00	

Explanation:

Total Appropriation in Current Budget	$	393,339.00
Amount of Increase / (Decrease) of Above Amendment		.00
Total Appropriation in Current Amended Budget	$	393,339.00

Passed by majority vote of the Board of Education of Camden County Schools on the 11TH day of February 2016 .

Chairman, Board of Education

Secretary, Board of Education

We the Board of County Commissioners of Camden County hereby approve the changes in the County School Funds Budget as indicated above, and have made entry of these changes in the minutes of said Board, this _____ day of ______________ 2____.

Chairman, Board of County Commissioners

Clerk, Board of County Commissioners

BUDGET AMENDMENT
February 11, 2016

4. Capital Outlay Fund

A. We have reviewed this area of the budget and find that we must transfer funds to cover expenses within other rograms. We request your approval of the following amendment.

Category II Projects		
9210.077.541	Furniture & Equipment	$ - 650.00
Total – Category II Projects		$ - 650.00
		============

B. We must increase our budget in this program area to cover the cost of purchasing a utility truck bed for the maintenance van. We request your approval of the following amendment.

Category III Projects		
9303.077.551	Pur of County Vehicle	$ + 650.00
Total – Category III Projects		$ + 650.00
		============

Passed by majority vote of the Board of Education of Camden County on the 11th day of February, 2016.

Chairman, Board of Education

Secretary, Board of Education

Budget Amendment

Camden County Schools Administrative Unit

Local Current Expense Fund

The Camden County Board of Education at a meeting on the 11th day of February, 2016 passed the following resolution.

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2016.

Code Number	Description of Code	Amount – Increase	Amount – Decrease
5400	School Leadership Services		2,245.00
6600	Financial & Hum Resources	2,245.00	

Explanation:

Total Appropriation in Current Budget	$	2,326,232.00
Amount of Increase/Decrease of Above Amendment		.00
Total Appropriation in Current Amended Budget	$	2,326,232.00

Passed by majority vote of the Board of Education of Camden County on the 11th day of February 2016.

Chairman, Board of Education

Secretary, Board of Education

We the Board of County Commissioners of Camden County hereby approve the changes in the County School Funds Budget as indicated above, and have made entry of these changes on the minutes of said Board, this _____ day of _______________ 20____.

Chairman, Board of County Commissioners

Clerk, Board of County Commissioners

BUDGET AMENDMENT
February 11, 2016

2. Local Current Expense Fund

A. We have reviewed this are and the budget and must transfers funds out to cover the cost of professional services within the Fiscal Services budget. We request your approval of the following amendment.

Office of Principal				
5400.870.116	Salary – Assistant Principal	$	-	4,564.00
5400.870.231	Emp Hosp Ins Costs		+	2,319.00
Total – Office of Principal		$	-	2,245.00

B. We have reviewed this area of the budget and must transfer funds in to cover the costs of software data conversion. We request your approval of the following amendment.

Fiscal Services				
6610.875.319	Other Professional/Tech Services	$	+	2,245.00
Total – Fiscal Services		$	+	2,245.00

Passed by majority vote of the Board of Education of Camden County on the 11th day of February, 2016.

Chairman, Board of Education

Secretary, Board of Education

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Board of Commissioners
AGENDA ITEM SUMMARY SHEET

__Consent Agenda__

Item Number: 7.D
Meeting Date: March 07, 2016

Submitted By: Lisa Anderson, Tax Administrator
Taxes
Prepared by: Angela Wooten

Item Title **Tax Collection Report - January**

Attachments: Tax Collection Report - Jan(PDF)

Summary:

Tax Collection Report - January

Recommendation:

Review & Approve

Tax Collection Report

January 2016

Day	Amount	Amount	Name of Account	Deposits
4	41,007.14	67,272.53	$2.06 - Over	108,279.67
	34,238.07	16,347.73	$91.04 - Refund	50,585.80
5	73,952.47	29,057.44		103,009.91
	25,961.57		$18.14 - Refund	25,961.57
6	29,474.46		$0.95 - Refund	29,474.46
7	17,455.62			17,455.62
	14,540.25			14,540.25
8	15,987.05			15,987.05
11	15,188.71			15,188.71
12	8,828.13		$12.38 - Refund	8,828.13
13	2,747.66			2,747.66
14	6,059.47		$2.95 - Refund	6,059.47
	6,267.12		$6.74 - Refund	
15	8,268.39		$0.55 - Refund'	8,268.39
19	6,876.57			6,876.57
20	5,374.99			5,374.99
21	6,900.38			6,900.38
22	4,020.13		$0.48-Refund / $0.24-Short	4,020.13
25	6,984.24			6,984.24
26	4,553.38			4,553.38
27	460.40			460.40
28	4,745.13			4,745.13
29	1,106.10		$0.01 - Refund	
	14,337.35		$3.96 - refund	14,337.35
	4,757.26			4,757.26
				.00
	$360,092.04	**$112,677.70**		**$465,396.52**
	$472,769.74			**$472,769.74**
	-$137.20	**Refund**		
	-$2.06	**Over**		
	$0.24	**Shortage**		
	$0.00			
	$472,630.72			

Submitted by: Lisa S. Anderson Date: 2-8-16

Approved by: ______________________ Date: __________

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Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Consent Agenda</u>

Item Number: 7.E
Meeting Date: March 07, 2016

Submitted By: Lisa Anderson, Tax Administrator
Taxes
Prepared by: Angela Wooten

Item Title **Authorization to Collect April Renewal**

Attachments: Auth to collect - April (PDF)

Summary:

Authorization to Collect April Renewal

Recommendation:

Review & Approve

STATE OF NORTH CAROLINA

COUNTY OF CAMDEN

TO: The Tax Administrator of Camden County April Ren. Due 05/15/16 (NEW SYSTEM)

You are hereby authorized, empowered, and commanded to collect the taxes set forth in the tax records filed in the office of the Tax Administrator and in the tax receipts herewith delivered to you, in the amounts and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon personal property of the respective taxpayers in the County of Camden, and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell personal property of such taxpayers for and on account thereof, in accordance with the law.

SOUTH MILLS	COURTHOUSE	SHILOH	TOTAL
20,174.29	18,798.33	11,506.76	50,479.38

Witness my hand and official seal this _________day of ____________________________

____
Chairman, Camden County Board of Commissioners

Attest:

____
Clerk to the Board of Commissioners of Camden County

This is to certify that I have received the tax receipts and duplicates for collection in the amounts as listed herein.

Lisa S. Anderson
Tax Administrator of Camden County

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Consent Agenda</u>

Item Number: 7.F
Meeting Date: March 07, 2016

Submitted By: Lisa Anderson, Tax Administrator
Taxes
Prepared by: Angela Wooten

Item Title **Pick-Ups/Releases/Refunds**

Attachments: Refunds (PDF)

Summary:

Recommendation:

Review and Approve

Refunds Over $100.00

North Carolina Vehicle Tax System

NCVTS Pending Refund report

Refunds over $100.00

Payee Name	Primary Owner	Secondary Owner	Address 1	Address 3	Refund Type	Bill #	Plate Number	Status	Transaction #	Refund Description	Refund Reason	Create Date	Authorization Date	Tax Jurisdiction	Levy Type	Change	Interest Change	Total Chang
SWINSKI, ROBERT ANTHONY	SWINSKI, ROBERT ANTHONY	SWINSKI, DONNA MAE	PO BOX 145	SOUTH MILLS, NC 27976	Proration	0029003900	DKY3271	AUTHORIZED	41040780	Refund Generated due to proration on Bill #0029003900-2015-2015-0000-00	Tag Surrender	01/19/2016	1/20/2016 2:28:17 PM	1843	Tax	($203.82)	$0.00	($203.8
														1	Tax	($3.00)	$0.00	($3.0
																	Refund	$206.

Submitted by Lisa S. Anderson Date 2-3-16

Lisa S. Anderson, Tax Administrator Camden County

Approved by__________ Date__________

P. Michael McLain, Chairman Camden County Board of Commissioners

Refunds Over $100.00

ACS Tax System
2/09/16 9:44:09

Refunds to be Issued by Finance Office

CAMDEN COUNTY

Page :

Refund$	Remit To:		Reference:	Drawer/Transaction Info:
199.72	ALBEMARLE ELEC MEMBERSHIP CORP P.O. BOX 69 HERTFORD	NC 27944	2015 U 02.0745.00.00.9000.0000 overpayment r87350-2015	20151222 1 223189
147.64	BRIDGERS,VAL M. 160 HORSESHOE ROAD SOUTH MILLS	NC 27976	2015 R 01-7989-00-12-8417.0000 OVERPAYMENTS #87495 #87496	20151230 1 223594
1,024.75	CASWELL COUNTY TAX DIRECTOR P.O. BIX 204 YANCEYVILLE	NC 27379	2015 R 02-8933-02-97-4412.0000 Bill #R225220/2015 M. Dearing	20151228 2 223371
1,057.86	CORELOGIC RETS-ATTN:REFUND DEP PO BOX 961250 FORT WORTH	TX 761619858	2015 R 02 8936 00 80 4267 0000 overpayment - R-91016-15	20151229 2 223441
308.85	CORELOGIC-ATTN: REFUND DEPT. PO BOX 961250 FORT WORTH	TX 761619858	2015 R 03 8952 02 69 8199 0000 overpayment - R-92020-15	20151229 2 223481
1,628.37	DITECH FINANCIAL, LLC 1 CORELOGIC DRIVE WESTLAKE	TX 76262	2015 R 02-8935-01-46-5685.0000 02 8944 00 50 8694 pd 12-22-15	20151228 2 223335
304.75	HARDISON,MELVA T LE 758 NC 343 S CAMDEN	NC 27921	2015 R 02-8943-01-49-1735.0000 value correction as per bob	20160204 99 224505
145.73	HASTE,ERIE T. JR. & SUZANNE 340 CAMDEN CAUSEWAY ELIZABETH CITY	NC 27909	2015 R 02-8924-00-50-5658.0000 value adjustment as per bob	20160204 99 224513
253.35	WHITE,ROBERT H. 248 MCPHERSON ROAD SOUTH MILLS	NC 27976	2015 R 01 7081 00 24 3830 0000 overpayment - R-88823-15	20151229 2 223430
5,071.02	Total Refunds			

***

Submitted by Lisa S. Anderson Date 2-9-16
Lisa S. Anderson, Tax Administrator Camden County

Approved by ______________________ Date ______________
P. Michael McLain, Chairman Camden Board of Commissioners

Attachment: Refunds (1080 : Pick-Ups/Releases/Refunds)

NAME	REASON	TYPE NO.
Robert Joseph Campbell	$138.60 Released - Turned in plates	Pick-up/18711 V-34801-2008
Camden Equipment, LLC	$148.55 Released - Turned in plates	Pick-up/18709 V-25526-2005
Camden Equipment, LLC	$148.55 Released - Turned in plates	Pick-up/18700 V-25517-2005
Camden Equipment, LLC	$136.20 Released - Turned in plates	Pick-up/18699 V-25516-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18698 V-25515-2005
Camden Equipment, LLC	$148.55 Released - Turned in plates	Pick-up/18697 V-25514-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18696 V-25513-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18689 V-25512-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18688 V-25511-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18687 V-25510-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18686 V-25509-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18685 V-25508-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18683 V-25506-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18684 V-25507-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18682 V-25505-2005

NAME	REASON	TYPE NO.
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18681 V-25504-2005
Camden Equipment, LLC	$136.20 Released - Turned in plates	Pick-up/18708 V-25525-2005
Camden Equipment, LLC	$136.20 Released - Turned in plates	Pick-up/18707 V-25524-2005
Camden Equipment, LLC	$136.20 Released - Turned in plates	Pick-up/18706 V-25523-2005
Camden Equipment, LLC	$136.20 Released - Turned in plates	Pick-up/18705 V-25522-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18704 V-25521-2005
Camden Equipment, LLC	$148.65 Released - Turned in plates	Pick-up/18703 V-25520-2005
Camden Equipment, LLC	$136.20 Released - Turned in plates	Pick-up/18702 V-25519-2005
Camden Equipment, LLC	$136.20 Released - Turned in plates	Pick-up/18701 V-25518-2005
Tracy Swain	$3,383.50 Roll back recalculated - backed out at closing R-03 8965 00 58 1527 0000	Pick-up/18675 Bills from 2012 to 2015

NAME	REASON	TYPE NO.
E. Craig Sawyer	$155.13 Storm Water Fee adjustment per Dan Porter	Pick-Up - 18551 R-88995 - 2015

NAME	REASON	TYPE NO.
Gary Stewart Elkins	$321.94 Passed away in 2011-boat was sold - released	Pick-Up/18599 P-7777-2012
Gary Stewart Elkins	$280.50 Passed away in 2011-boat was sold - released	Pick-Up/18600 P-11595-2014
Gary Stewart Elkins	$233.77 Passed away in 2011-boat was sold - released	Pick-Up/18601 P-12747-2015
Terry Gerber Albertson	$101.96 Turned in plates - for refund	Pick -Up/18615 238997593-new
Erie T. Haste Jr. & Suzanne	$145.73 Value adjustment per Bob of Pearson Appraisal	Pick-Up/18616 R-90518-2015
Effie Pauline Creekmore	$217.65 Roll back taxes - pick-up	Pick-Up/18624 R-67576-2013 R-82904-2014 R-90020-2015

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Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Consent Agenda

Item Number: 7.G
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Letter in Support of Offshore Energy**

Attachments: 2016 Grasstop Letter for 5 YP - Draft (DOCX)

Summary:

Recommendation:

Review and approve

March 7th, 2016

The Honorable Sally Jewell
Secretary
U.S. Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

RE: Development of 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program

Dear Secretary Jewell,

As the Interior Department moves forward in determining which areas to leave open for possible future offshore oil and gas leasing, I write to you in strong support of maintaining inclusion of the Mid- and South Atlantic in the 2017-2022 Outer Continental Shelf Oil and Gas Leasing Proposed Program ("Proposed Program").

The state of North Carolina is positioned to realize significant benefits from future Atlantic oil and natural gas development. In addition to helping to secure access to affordable, reliable energy for the state's residents and businesses, exploration and production of oil and natural gas off the North Carolina Shore would lead to good-paying jobs and generate substantial economic activity. In turn, such economic activity would also provide the state and local governments with much-needed public revenue to fund projects that contribute to the quality of life for citizens throughout the state.

Furthermore, the Camden County, NC Board of Commissioners urges the Interior Department and other federal agencies to promptly conclude the review of pending applications to conduct Atlantic oil and gas seismic exploration and issue the permits and necessary approvals. Obtaining an updated oil and gas resource estimate is critical to ensuring informed decisions related to possible future Atlantic oil and gas development. With existing estimates based on decades-old technology, it is vital that new exploration using modern techniques be applied to ensure economically and environmentally-efficient activity should development ultimately take place.

Finally, to ensure that North Carolina is adequately positioned to bear costs related to development in adjacent waters and has access to the same benefits as other states with offshore oil and gas activity, The Camden County, NC Board of Commissioners fully supports the expansion of revenue-sharing to states beyond the Gulf of Mexico, including North Carolina.

In closing, the Camden County, NC Board of Commissioners appreciate your attention to this important matter and respectfully request your support in keeping the Atlantic in the Proposed Program, moving forward with promptly approving Atlantic oil and gas seismic permit applications, and expanding revenue-sharing to all states with adjacent offshore oil and gas activity.

Sincerely,

P. Michael McLain
Chairman

Camden County Board of Commissioners

cc: The Honorable Abigail Ross Hopper, Director, U.S. Bureau of Ocean Energy Management

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Consent Agenda</u>

Item Number: 7.H
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **FY 2015-2016 Addendum with Trillium Health Resources**

Attachments: Playground Camden County Proposal (XLSX)

Summary:

Recommendation:

CAROLINA PARKS & PLAY
Recreational Products

ALL PURCHASE ORDERS, CONTRACTS, AND CHECKS TO BE MADE OUT TO:
Landscape Structures, Inc.
601 7th Street South
Delano, MN 55328-8605
763-972-5200

PROPOSAL

DATE: 10-Feb-16

P.O. #:

Customer Information

CONTACT: Timothy White
PHONE (252) 338-1919 (x239)
FAX:
E-MAIL: twhite@camdencountync.gov

SHIP TO: Camden County

BILL TO: Camden County Parks & Recreation
117 N. NC 343
Camden, NC 27921

Camden, NC
F.O.B.
FREIGHT ☑ Prepaid ☐ Collect

net 30 days
Terms: subj to credit approval by CPP

3-4 WEEKS
SHIPPING TIME

pricing good for 60 days

QTY	ITEM NO.	DESCRIPTION	UNIT WT	UNIT PRICE	WEIGHT	EXTENDED AMT
	LANDSCAPE STRUCTURES INCLUSIVE PLAYGROUND					
		As Shown in Design # 89218-1-3				$ 99,924.0
		Includes:				
		Custom Designed PlayBooster Inclusive Play Structure				
1	186568B	Pulse Table Tennis				
1	214438A	Rhapsody Animato Metallophone				
1	214443A	Rhapsody Goblet Drum				
1	214442A	Rhapsody Grandioso Chimes				
1	214445A	Rhapsody Kettle Drum				
1	214444A	Rhapsody Kundo Drum				
1	214441A	Rhapsody Vivo Metallophone				
		Welcome Sign (5-12 Yrs)				
1		Poured-in Place Rubber Safety Surfacing (approx 2662 sf)				$ 37,268.0
1		Concrete Sidewalk/Curb				$ 4,800.0
		Trillium Courtesy Discount				$ (10,000.0

*any required fees, licenses or permits are the responsibility of the customer. Such fees and/or addiyional insured's are not included in this price and must be added if applicable.
*unless otherwise indicated price does not include installation.
*1.5% monthly interest on balances over 30 days

Total Weight	-	
Sub-Total	$	131,992.0
INSTALLATION	$	25,000.0
FREIGHT	$	5,500.0
sales tax 6.75%	$	10,968.2
TOTAL	$	173,460.2

Customer Signature & P.O. number

Dan McSweeney (910) 297-3469 — 2/10/2016
CP&P REPRESENTATIVE — DATE

Attachment: Playground Camden County Proposal (1112 : Trillium Contract Addendum)

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Consent Agenda</u>

Item Number: 7.I
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Surplus Sheriff - Console 2**

Attachments: Surplus Sheriff - console 2 (PDF)

Summary:

Console 2

Recommendation:

Review & Approve

Surplus Property Request

Requested by: Sheriff Perry

(•) **Sell** ( ) **Dispose**

Department: Sheriff's Office

Item: Console fits 2015 Ford F150

Disposal Method: Govdeals

Suggested Value: $500.00

Reason for surplus: No longer in use

Item Description

New console removed from new Ford F150 truck, cup holders, Storage Box with heater vents.

Manager Approval

Disposal Method: Govdeals

Value: Start bid @ $ 350.00

Comments:

Board Approval

Approved/Denied:

Date:

Final Disposition Date:

Method:

Amount:

Purchased by:

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Consent Agenda</u>

Item Number: 7.J
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Surplus Sheriff - Light**

Attachments: Surplus Sheriff Light 6 (PDF)

Summary:

Light

Recommendation:

Review & Approve

Surplus Property Request

Requested by:	Sheriff Perry
	(●) **Sell** ( ) **Dispose**
Department:	Sheriff's Office
Item:	Light Switch
Disposal Method:	Govdeals
Suggested Value:	$200.00
Reason for surplus:	No longer in use

Item Description

8 - Rocker Type switch control box, use for bar lights, corner strobe, Grille / Deck Lights, or AUX plug
Sold as one sell.

Manager Approval

Disposal Method:	Govdeals
Value:	Start bid @ $ 150.00
Comments:	

Board Approval

Approved/Denied:	
Date:	

Final Disposition Date:

Method:	
Amount:	
Purchased by:	

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Consent Agenda

Item Number: 7.K
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Surplus Sheriff - Tires**

Attachments: Surplus Sheriff tires (PDF)

Summary:

Tires

Recommendation:

Review & Approve

Surplus Property Request

Requested by: Sheriff Perry

(●) **Sell** ( ) **Dispose**

Department: Sheriff's Office

Item: Continental Tires

Disposal Method: Govdeals

Suggested Value: $500.00

Reason for surplus: No longer in use

Item Description

Set of tires (4) with center caps and rims, fits 2006 Ford Expedition (P265 / 70R17), less than 5,000 miles.

Manager Approval

Disposal Method: Govdeals

Value: Start bid @ $ 400.00

Comments:

Board Approval

Approved/Denied:

Date:

Final Disposition Date:

Method:

Amount:

Purchased by:

Attachment: Surplus Sheriff tires (1093 : Surplus Sheriff- Tires)

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Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Consent Agenda

Item Number: 7.L
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Surplus Sheriff - Radar**

Attachments: Surplus Sheriff Radar 5 (PDF)

Summary:

Radar

Recommendation:

Review & Approve

Surplus Property Request

Requested by: Sheriff Perry

(•) **Sell** ( ) **Dispose**

Department: Sheriff's Office

Item: Radar

Disposal Method: Govdeals

Suggested Value: $350.00

Reason for surplus: No longer in use

Item Description

Radar : 3 - PRO 1000 and 4 - Golden Eagle, 15 - antenna and wires.
Sold as one sell.

Manager Approval

Disposal Method: Govdeals

Value: Start bid @ $ 250.00

Comments:

Board Approval

Approved/Denied:

Date:

Final Disposition Date:

Method:

Amount:

Purchased by:

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Consent Agenda</u>

Item Number: 7.M
Meeting Date: March 07, 2016

Submitted By: Angela Wooten, Clerk to the Board
Administration
Prepared by: Angela Wooten

Item Title **Surplus Sheriff - Siren-Light Box**

Attachments: Surplus Sheriff Siren-Light Box 4 (PDF)

Summary:

Siren-Light Box

Recommendation:

Review & Approve

Surplus Property Request

Requested by: Sheriff Perry

(•) **Sell** ( ) **Dispose**

Department: Sheriff's Office

Item: Siren/Light/PA control box

Disposal Method: Govdeals

Suggested Value: $350.00

Reason for surplus: No longer in use

Item Description

Siren / Light control boxes. Three - CODE 3 (VC7 Strike Force), Ten - Whelen , Two - Signal (SS700).
Total of 15 sold together as one sell.

Manager Approval

Disposal Method: Govdeals

Value: Start bid @ $ 250.00

Comments:

Board Approval

Approved/Denied:

Date:

Final Disposition Date:

Method:

Amount:

Purchased by:

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Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Consent Agenda</u>

Item Number:	7.N
Meeting Date:	March 07, 2016
Submitted By:	Angela Wooten, Clerk to the Board Administration Prepared by: Angela Wooten
Item Title	**Surplus Sheriff - Mace Holder**
Attachments:	Surplus Sheriff Mace 3 (PDF)

Summary:

Mace Holder

Recommendation:

Review & Approve

Surplus Property Request

Requested by: Sheriff Perry

(•) **Sell** ( ) **Dispose**

Department: Sheriff's Office

Item: Mace Holders

Disposal Method: Govdeals

Suggested Value: $50.00

Reason for surplus: No longer in use

Item Description

Mace Holder, fits 2 " belts and holds 2 oz bottle

Manager Approval

Disposal Method: Govdeals

Value: Start bid @ $ 50.00

Comments:

Board Approval

Approved/Denied:

Date:

Final Disposition Date:

Method:

Amount:

Purchased by:

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Consent Agenda</u>

Item Number: 7.O
Meeting Date: March 07, 2016

Submitted By: Tony Perry, Sheriff
Sheriff
Prepared by: Angela Wooten

Item Title **Surplus Sheriff - 1999 Dodge Durango**

Attachments: surplus of 1999 Dodge Durango (PDF)
1999 Dodge Durango - Right Side (JPG)

Summary:

1999 Dodge Durango

Recommendation:

Review & Approve

Surplus Property Request

Requested by: Sheriff Tony Perry

(•) Sell ( ) Dispose

Department: Sheriff Office

Item: Dodge Durango

Disposal Method: GovDeals

Suggested Value: $2,000.00

Reason for surplus: Removed from fleet

Manager Approval

Disposal Method: GovDeals

Value: Start bids at $2,000.00

Comments:

Board Approval

Approved/Denied:

Date:

Final Disposition Date:

Method:

Amount:

Purchased by:

Item Description

1999 Dodge Durango , Vin # 1B4HS28Y3XF669726, White in color, 132,302 miles, V8, automatic, 4X4, Power Streering, A/C, Power widows & doors. Overall condition good, runs good. Has third row seat. Tires : Michelin LTX M/S
31 X 10.5 R15 LT

Att

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Information, Reports & Minutes From Other Agencies

Item Number: 10.A
Meeting Date: March 07, 2016

Submitted By: Stephanie Humphries, Finance Director
Finance
Prepared by: Stephanie Humphries

Item Title **Sales & Use Tax Report**

Attachments: Sales tax collections PDF 15-16 (PDF)

Summary:

Information Only

Recommendation:

No Action

					Finance	9-Feb-16								
2015-2016														
SALES TAX - REVENUE COLLECTION REPORT														
	July*	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**	Totals	Budgete
Art. 39	$47,938	$115,595	$30,156	$49,667	$36,908	$44,054							$324,319	$565,0
Art. 40	$22,581	$38,611	$16,843	$22,402	$18,396	$20,726							$139,559	$425,0
Art. 42	$11,220	$24,478	$7,847	$11,471	$9,023	$10,389							$74,428	$125,0
Art. 44	$2	$20,549	$2	$6	$0	$0							$20,560	
Totals	$81,741	$199,233	$54,847	$83,547	$64,328	$75,169	$0	$0	$0	$0	$0	$0	$558,865	
Total Budgeted														**$1,115,0**
SALES TAX REVENUE- SCHOOL CAPITAL RESERVE FUND														
	July*	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**	Totals	Budgete
Art. 40	$17,256	$16,547	$15,215	$15,586	$14,584	$15,428							$94,615	$160,0
Art. 42	$34,511	$36,716	$30,430	$31,171	$29,167	$30,856							$192,852	$190,0
Totals	$51,767	$53,264	$45,645	$46,757	$43,751	$46,284	$0	$0	$0	$0	$0	$0	$287,468	
Total Budgeted														**$350,0**
Grand	**$133,508**	**$252,497**	**$100,492**	**$130,304**	**$108,079**	**$121,453**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$846,332**	**$1,465,0**
**Amended*														
2014-2015														
SALES TAX - REVENUE COLLECTION REPORT														
	July	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**	Totals	Budgete
Art. 39	$44,058	$42,111	$22,402	$52,255	$54,114	$41,782	$53,444	$43,525	$43,288	$45,900	$44,030	$42,237	$529,146	$525,0
Art. 40	$38,988	$34,814	$35,370	$33,479	$35,220	$34,201	$41,563	$31,886	$30,973	$32,613	$34,850	$37,517	$421,476	$360,0
Art. 42	$10,488	$9,928	$6,185	$12,046	$12,308	$9,971	$12,478	$10,325	$10,146	$10,713	$10,240	$10,172	$125,000	$125,0
Art. 44	$53	$2	$2	$3	-$3	$0	$0	-$11	$36	-$11	$0	$0	$71	
Totals	$93,587	$86,855	$63,959	$97,783	$101,639	$85,954	$107,484	$85,725	$84,444	$89,214	$89,121	$89,927	$1,075,692	
Total Budgeted														**$1,010,0**
SALES TAX REVENUE- SCHOOL CAPITAL RESERVE FUND														
	July	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**	Totals	Budgete
Art. 40	$16,709	$14,920	$15,158	$14,348	$15,094	$14,658	$17,813	$13,666	$13,274	$13,977	$14,936	$16,079	$180,631	$150,0
Art. 42	$15,732	$14,892	$9,278	$18,069	$18,462	$14,957	$18,717	$15,488	$15,220	$16,069	$15,360	$15,257	$187,501	$175,0
Totals	$32,441	$29,812	$24,436	$32,417	$33,556	$29,615	$36,529	$29,153	$28,494	$30,046	$30,296	$31,336	$368,132	
Total Budgeted														**$325,0**
Grand	**$126,029**	**$116,668**	**$88,395**	**$130,200**	**$135,196**	**$115,569**	**$144,014**	**$114,879**	**$112,938**	**$119,260**	**$119,417**	**$121,263**	**$1,443,824**	**$1,335,0**
	Notes: 8-2015 includes a lump sum payment for an audit creating a higher than usual sales tax payment.													

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Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Information, Reports & Minutes From Other Agencies

Item Number:	10.B
Meeting Date:	March 07, 2016
Submitted By:	Tammy Krauss, Register of Deeds Register of Deeds Prepared by: Angela Wooten
Item Title	**Monthly Report - Register of Deeds**
Attachments:	Monthly Report - Register of Deeds - Jan 2016 (PDF) Monthly Report - Register of Deeds - Feb 2016 (PDF)

Summary:

Monthly Report - Register of Deeds

Recommendation:

No Action

Camden County Register of Deeds: Tammie Krauss
January 2016 Daily Deposit

DATE	NC CHILDRI TRUST	NC DOM. VIO. FUND	STATE REV. STAMPS	COUNTY REV. STAMPS	RETIREMEN	AUTO FUND	STATE TREASURY	ROD GENERAL	TOTAL
01/04/16	$ -	$ -	$ 76.44	$ 79.56	$ 3.84	$ 22.21	$ 43.40	$ 186.80	$ 412.25
01/05/16	$ -	$ -	$ 67.62	$ 70.38	$ 3.24	$ 20.16	$ 37.20	$ 155.40	$ 354.00
01/06/16	$ -	$ -	$ -	$ -	$ 0.04	$ 0.29	$ -	$ 2.57	$ 2.90
01/07/16	$ -	$ -	$ 150.43	$ 156.57	$ 2.90	$ 18.56	$ 31.00	$ 140.99	$ 500.45
01/08/16	$ -	$ -	$ 9.80	$ 10.20	$ 2.49	$ 15.82	$ 18.60	$ 129.09	$ 186.00
01/11/16	$ 5.00	$ 30.00	$ -	$ -	$ 3.26	$ 15.49	$ 24.80	$ 139.20	$ 217.75
01/12/16	$ -	$ -	$ -	$ -	$ 1.96	$ 12.27	$ 18.60	$ 97.47	$ 130.30
01/13/16	$ -	$ -	$ -	$ -	$ 4.17	$ 25.02	$ 49.60	$ 199.16	$ 277.95
01/14/16	$ -	$ -	$ 311.64	$ 324.36	$ 4.06	$ 25.57	$ 37.20	$ 204.07	$ 906.90
01/15/16	$ -	$ -	$ -	$ -	$ 3.03	$ 19.35	$ 18.60	$ 161.02	$ 202.00
01/19/16	$ -	$ -	$ -	$ -	$ 5.72	$ 33.95	$ 62.00	$ 279.53	$ 381.20
01/20/16	$ 5.00	$ 30.00	$ 292.53	$ 304.47	$ 6.54	$ 39.08	$ 55.80	$ 299.58	$ 1,033.00
01/21/16	$ -	$ -	$ 127.40	$ 132.60	$ 3.12	$ 19.97	$ 18.60	$ 166.31	$ 468.00
01/22/16	$ -	$ -	$ -	$ -	$ 5.43	$ 33.36	$ 62.00	$ 261.21	$ 362.00
01/25/16	$ -	$ -	$ 254.80	$ 265.20	$ 2.01	$ 13.27	$ 12.40	$ 106.32	$ 654.00
01/26/16	$ -	$ -	$ 181.30	$ 188.70	$ 2.09	$ 12.53	$ 24.80	$ 99.78	$ 509.20
01/27/16	$ -		$ 15.68	$ 16.32	$ 3.06	$ 19.61	$ 31.00	$ 150.43	$ 236.10
01/28/16	$ 5.00	$ 30.00	$ -	$ -	$ 1.20	$ 4.39	$ -	$ 39.41	$ 80.00
01/29/16			$ 296.94	$ 309.06	$ 3.38	$ 21.08	$ 37.20	$ 163.69	$ 831.35
									$ -
									$ -
									0.00
									0.00
									$ -
TOTAL	$ 15.00	$ 90.00	$ 1,784.58	$ 1,857.42	$ 61.54	$ 371.98	$ 582.80	$ 2,982.03	$ 7,745.35

Ledger Report - Fee Distribution

Printed: *2/1/2016*

TAMMIE KRAUSS, REGISTER OF DEEDS

Camden County, NC

1/1/2016 - 1/31/2016

NC Children's Trust Fund	$15.00
NC Domestic Violence Fund	$90.00
State Revenue Stamp	$1,784.58
County Revenue Stamp	$1,857.42
Land Transfer Fee	$0.00
Floodplain Map Fund	$0.00
Supplemental Retirement	$61.54
ROD Automation Fund	$371.98
Dept Of Cultural Resources	$0.00
Vital Records Fund	$0.00
State General Fund	$0.00
State Treasurer Amount	$582.80
ROD General Fund	$2,982.03
Total Distribution For Period	$7,745.35

Cash Total	$524.60
Check Total	$7,220.75
Pay Account Total	$0.00
Overpayment Total	$0.00
Total Deposit For Period	$7,745.35

Total Escrow Change	$0.00

Camden County Register of Deeds: Tammie Krauss
February 2016 Daily Deposit

DATE	NC CHILDRI TRUST	NC DOM. VIO. FUND	STATE REV. STAMPS	COUNTY REV. STAMPS	RETIREMEN	AUTO FUND	STATE TREASURY	ROD GENERAL	TOTAL
02/01/16	$ -	$ -			$ 2.41	$ 14.66	$ 24.80	$ 118.88	$ 160.75
02/02/16	$ -	$ -	$ 4.90	$ 5.10	$ 1.17	$ 5.82	$ 18.60	$ 52.41	$ 88.00
02/03/16	$ -	$ -	$ 228.34	$ 237.66	$ 3.39	$ 21.15	$ 37.20	$ 164.26	$ 692.00
02/04/16	$ -	$ -	$ 475.30	$ 494.70	$ 1.62	$ 8.12	$ 24.80	$ 73.16	$ 1,077.70
02/05/16	$ 5.00	$ 30.00	$ -	$ -	$ 2.86	$ 16.68	$ 12.40	$ 124.06	$ 191.00
02/08/16	$ -	$ -	$ 9.80	$ 10.20	$ 2.73	$ 13.58	$ 43.40	$ 122.29	$ 202.00
02/09/16	$ -	$ -	$ -		$ 1.33	$ 8.78	$ 12.40	$ 65.99	$ 88.50
02/10/16	$ -	$ -	$ 88.20	$ 91.80	$ 3.39	$ 20.41	$ 31.00	$ 170.65	$ 405.45
02/11/16	$ 5.00	$ 30.00	$ 268.52	$ 279.48	$ 4.26	$ 20.79	$ 37.20	$ 187.00	$ 832.25
02/12/16	$ 5.00	$ 30.00	$ 222.46	$ 231.54	$ 4.11	$ 23.62	$ 24.80	$ 186.47	$ 728.00
02/15/16	$ -	$ -	$ -	$ -	$ 1.17	$ 5.82	$ 18.60	$ 52.41	$ 78.00
02/16/16	$ -	$ -	$ -	$ -	$ 4.00	$ 24.56	$ 43.40	$ 195.04	$ 267.00
02/17/16	$ -	$ -	$ 54.88	$ 57.12	$ 2.49	$ 16.45	$ 12.40	$ 134.66	$ 278.00
02/18/16	$ -	$ -	$ 27.93	$ 29.07	$ 4.72	$ 28.68	$ 49.60	$ 232.00	$ 372.00
02/19/16	$ -	$ -	$ 274.40	$ 285.60	$ 9.11	$ 61.38	$ 74.40	$ 461.16	$ 1,166.05
02/22/16	$ -	$ -	$ 196.00	$ 204.00	$ 2.76	$ 16.33	$ 31.00	$ 133.91	$ 584.00
02/23/16	$ -	$ -	$ 61.74	$ 64.26	$ 3.17	$ 20.29	$ 31.00	$ 156.54	$ 337.00
02/24/16	$ -	$ -	$ 294.00	$ 306.00	$ 1.99	$ 12.50	$ 18.60	$ 99.41	$ 732.50
02/25/16					$ 0.40	$ 2.03	$ 6.20	$ 18.27	$ 26.90
02/26/16	$ 5.00	$ 30.00	$ 194.53	$ 202.47	$ 6.62	$ 38.34	$ 55.80	$ 305.84	$ 838.60
02/29/16					$ 2.46	$ 16.88	$ 18.60	$ 125.81	$ 163.75
									0.00
									0.00
									$ -
TOTAL	$ 20.00	$ 120.00	$ 2,401.00	$ 2,499.00	$ 66.16	$ 396.87	$ 626.20	$ 3,180.22	$ 9,309.45

Ledger Report - Fee Distribution

Printed: *3/1/2016*

TAMMIE KRAUSS, REGISTER OF DEEDS
Camden County, NC
2/1/2016 - 2/29/2016

NC Children's Trust Fund	$20.00
NC Domestic Violence Fund	$120.00
State Revenue Stamp	$2,401.00
County Revenue Stamp	$2,499.00
Land Transfer Fee	$0.00
Floodplain Map Fund	$0.00
Supplemental Retirement	$66.16
ROD Automation Fund	$396.87
Dept Of Cultural Resources	$0.00
Vital Records Fund	$0.00
State General Fund	$0.00
State Treasurer Amount	$626.20
ROD General Fund	$3,180.22
Total Distribution For Period	$9,309.45

Cash Total	$767.45
Check Total	$8,542.00
Pay Account Total	$0.00
Overpayment Total	$0.00
Total Deposit For Period	$9,309.45

Total Escrow Change	$0.00

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Information, Reports & Minutes From Other Agencies</u>

Item Number: 10.C
Meeting Date: March 07, 2016

Submitted By: Alfreda Gorden, Assistant
Library
Prepared by: Krystal Lancaster

Item Title **Camden Public Library Statistics February 2016 Report**

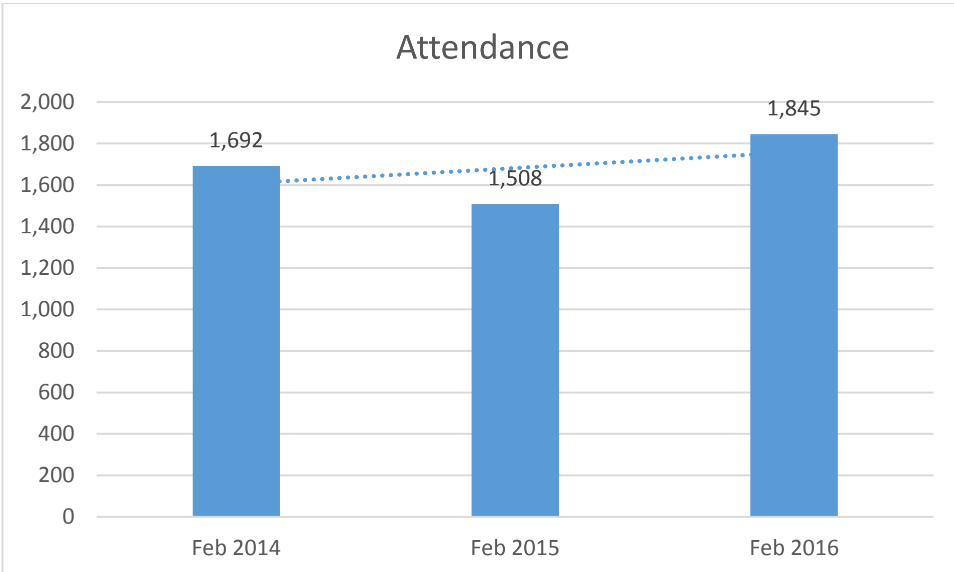
Attachments: Camden County Public Library Statistics February 2016 (PDF)

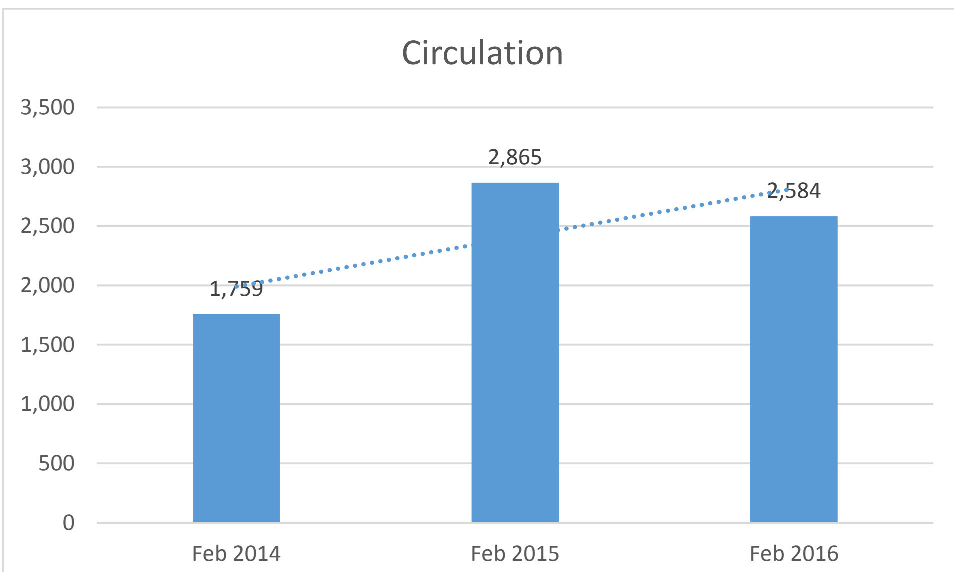
Summary:

Recommendation:

Camden County Public Library
February 2016 Statistics

- **Visitor Count:** 1845
- **Days/Hours Open:** 28/229
- **# Items in Collection:** 12,657 (Opening Day Collection # Items = 4,755)
- **Total Check Outs/Renewals:** 2,584
- **Library Card Holders**: 2,519
- **Computer/ Wireless Use:** 854/439
- **Juvenile Programs :** 13 programs /151 attendance
- **Adult Programs :** 3 programs / 10 attendance
- **Meeting Room:** 12 reservations / 101 attendance


Attendance
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
1,692
1,508
1,845
Feb 2014
Feb 2015
Feb 2016


Circulation
3,500
3,000
2,500
2,000
1,500
1,000
500
0
1,759
2,865
2,584
Feb 2014
Feb 2015
Feb 2016

Board of Commissioners
AGENDA ITEM SUMMARY SHEET

<u>Information, Reports & Minutes From Other Agencies</u>

Item Number:	10.D
Meeting Date:	March 07, 2016
Submitted By:	Angela Wooten, Clerk to the Board Administration Prepared by: Angela Wooten
Item Title	**Trillium Reports and Budget Requests for New Year**
Attachments:	Microsoft Outlook - Memo Style (PDF) ECBH Signed Financial Statements 06 30 15 (PDF) CoastalCare Audit - Signed Financial Statements 06 30 15 (PDF) Trillium Persons Served by County July-Dec2015 (PDF)

Summary:

Staff received the attached email and attachments from Joy Futrell, MBA Vice President of Business Operations, Trillium Health Resources

Recommendation:

Information Only

Angela Wooten

Subject: FW: Trillium reports and budget requests for new year
Attachments: ECBH Signed Financial Statements 06 30 15.pdf; CoastalCare Audit - Signed Financial Statements 06 30 15.pdf; Trillium Persons Served by County July-Dec2015.pdf

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From: Joy Futrell [mailto:Joy.Futrell@trilliumnc.org]
Sent: Tuesday, February 16, 2016 12:05 PM
To: Trillium County Finance Officers; Trillium County Managers
Cc: Wanda Murphy; Leza Wainwright
Subject: Trillium reports and budget requests for new year

Good afternoon- Attached are several documents for your review and a description and summary of each is below:

- ECBH Signed Financial Statements and CoastalCare Audit: These files are the final audits for both ECBH and CoastalCare.

- Trillium Persons Served by County: This report gives the persons served by each disability area and the value of services provided in each county from July 1, 2015 through December 31, 2015.

I will be forwarding you our Fiscal Monitoring Report within the next week. We are finalizing all of the audit entries for the balances that need to transfer over from CoastalCare.

This is the time of year we are all beginning our budget process for the new fiscal year. Many of you have already sent us your individual budget schedules. Because Trillium is funded by our counties per NCGS 122C-115 you should not need for us to complete the individual budget packages each of you have. County funding will cover recovery services and Crisis Intervention Training (CIT) that our state funding does not. Our request is that each county continue to provide the same amount for fiscal year 2016-2017 as you have in the current year and Trillium will continue to contract to provide these resources in each county.

Thank you for your continued support of Trillium Health Resources and our mission to assure appropriate services are provided, to assist those with mental health, intellectual developmental disabilities and substance abuse needs. Please let me know if you have any questions - Joy

Joy Futrell, MBA
Vice President of Business Operations
Trillium Health Resources
www.TrilliumHealthResources.org

Joy.Futrell@TrilliumNC.org
P 1-866-998-2597

24-Hour Access to Care Line
1-877-685-2415

Like us on Facebook!
Trillium Health Resources
Trillium Direct Connect Recovery
Trillium Direct Connect Enrichment

EAST CAROLINA BEHAVIORAL HEALTH

FINANCIAL STATEMENTS AND
COMPLIANCE REPORTS

As of and for the Year Ended June 30, 2015

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

EAST CAROLINA BEHAVIORAL HEALTH
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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Area Board of Directors
Trillium Health Resources
Greenville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of East Carolina Behavioral Health (the "Agency"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency'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 Agency'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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of June 30, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7 to the financial statements, the Agency adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result, net position as of June 30, 2014 has been restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying Supplementary Information as listed in the table of contents as well as the schedule of expenditures of federal and state awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose 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 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 the Agency's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
November 30, 2015

EAST CAROLINA BEHAVIORAL HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

As management of East Carolina Behavioral Health (the "Agency"), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency 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 Agency's financial statements, which follow this narrative.

Financial Highlights

- The Agency's net position increased approximately $13.5 million (or 15%) to $105.5 million, as compared to the previous year's end. The overall increase in net position is related to the results of managed care organization (MCO) operations, net of a $1.3 million reduction in beginning net position related to implementation of GASB Statement No. 68.
- Net investment in capital assets increased approximately $489,000 (or 15.5%), compared to 2014, primarily due to the acquisition of capital assets in 2015.
- Restricted net position increased approximately $3.4 million (42.9%), compared to 2014, as a result of the Medicaid Waiver contract requirement to reserve 2% of Medicaid Waiver revenues until 15% of such revenues have been reserved.
- Unrestricted net position increased approximately $9.6 million, compared to 2014.
- Operating revenues increased approximately $475,000 (0.2%), while operating expenses increased approximately $8.8 million (4.4%) primarily due to a $5.6 million increase in investment in additional types of Medicaid services in the catchment area and a $9.3 million increase in Medicaid B expenditures, offset by a $2 million decrease in IBNR.

Overview of the Financial Statements

The Agency's basic financial statements consist of three components; 1) the MD&A, 2) fund financial statements, and 3) notes to the financial statements. Because the Agency is a special-purpose government engaged in business-type activities only, the financial statements are presented in accordance with paragraph 138 of GASB Statement 34. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Agency. In addition to the management's discussion and analysis, management has prepared the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

Overview of the Agency

The Agency's primary mission is to manage a publicly funded health care system which addresses the mental health, substance abuse and intellectual and developmental disability needs of citizens in the 19-county catchment area. The Agency's operations are funded primarily through Medicaid waiver funds, as well as federal and state grants.

EAST CAROLINA BEHAVIORAL HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

Fund Financial Statements

The financial statements are presented on the fund basis. The fund financial statements provide a more detailed look at the Agency's most significant activities by focusing on the individual activities of the major funds. 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. The Agency, 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 ("G.S."), the Agency's budget ordinance, or requirements under the Medicaid waivers. The focus is now on the activities of the major funds, and not on the type of fund. The Agency maintains one major fund based on its activities. The fund is an enterprise fund which uses the full accrual basis of accounting and accounts for the Agency's activities in a manner similar to a for-profit business.

The Agency adopts an annual budget as required by G.S. 159-42(c). The budget is a legally adopted document that incorporates input from the citizens and the management of the Agency and the decisions of the Board about which services to provide and how to pay for them. The budgetary statements demonstrate how well the Agency complied with the budget ordinance and whether or not the Agency succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the legal budget document. The budgetary statements are presented as supplementary information to demonstrate compliance with applicable state laws. To account for the difference between the budgetary basis of accounting and the full accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Notes to the Financial Statements

The next section of the financial statements is the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 13-30 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information required by the North Carolina Department of Health and Human Services.

Statement of Net Position

A summary of the Agency's Statements of Net Position at June 30, 2015 and 2014, are presented in Table A-1.

Table A-1
Condensed Statements of Net Position

	June 30, 2015	June 30, 2014
Current and other assets	$ 120,383,869	$ 102,689,453
Capital assets	3,644,306	3,154,443
Total assets	124,028,175	105,843,896
DEFERRED OUTFLOWS OF RESOURCES	1,120,441	-
Current liabilities	15,882,000	18,266,986
Long-term liabilities	784,120	731,732
Total liabilities	16,666,120	18,998,718
DEFERRED INFLOWS OF RESOURCES	2,962,247	-
Net Position:		
Investment in capital assets	3,644,306	3,154,443
Restricted	11,485,472	8,036,008
Unrestricted	90,390,471	80,780,227
Total net position	$ 105,520,249	$ 91,970,678

Net position may serve over time as one useful indicator of a government's financial condition. The assets of the Agency exceeded liabilities by $10,520,249 as of June 30, 2015. The Agency's net position increased by $14.9 million for the fiscal year ended June 30, 2015. However, the increase was offset by an adjustment to beginning net position as described below. The largest portion of net position (85.7%) reflects the Agency's unrestricted cash. The Agency uses these funds to pay providers of services and to manage risk associated with the capitation payments under the Medicaid waivers.

An additional portion of the Agency's net position represents resources that are subject to external restrictions on how they may be used. A percentage of 85.7% of the total net position is unrestricted while 10.8% of the net position is restricted by the Medicaid b/c waiver contract and Pugh Memorial. The remaining balance represents the net investment in capital assets. Also, the Agency implemented GASB Statements 68 and 71 this year. With the new reporting change, the Agency is allocated its proportionate share of the Local Governmental Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by $1,323,414. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Agency's management.

EAST CAROLINA BEHAVIORAL HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

Statement of Revenues, Expenses, and Changes in Net Position

While the Statement of Net Position shows the net position of the Agency at the beginning and end of the fiscal year, the Statement of Revenues, Expenses, and Changes in Net Position provides answers to the nature and source of these changes.

Table A-2
Condensed Statements of Changes in Net Position

	Year Ended June 30, 2015	Year Ended June 30, 2014
Operating revenues:		
Federal, state, and local funding	$ 44,784,258	$ 44,828,880
Charges for services - Medicaid Waiver	178,293,141	176,910,912
Other income	80,624	942,995
Total operating revenues	223,158,023	222,682,787
Operating expenses:		
Personnel expenses	15,208,172	15,638,828
Administrative expenses	6,741,217	6,005,759
Depreciation expense	297,643	790,583
Contracts and grants	186,135,841	177,009,331
Other	269,218	392,542
Total operating expenses	208,652,091	199,837,043
Nonoperating revenues (expenses):		
Loss on disposal of capital assets	(360)	(382,634)
Interest income	367,413	450,864
Total nonoperating revenues (expenses)	367,053	68,230
Increase in net position	14,872,985	22,913,974
Total net position, beginning of year	91,970,678	69,056,704
Restatement	(1,323,414)	-
Total net position, end of year	$ 105,520,249	$ 91,970,678

The Agency's total revenues increased by 0.2% in 2015, primarily due to capitated revenues provided under the Medicaid waiver program. The Agency's operating expenses increased by approximately 4.4% in 2015 due to services provided under the Medicaid waiver. Overall, total revenues exceeded expenses by approximately $15.0 million, resulting in a net increase in net position for the current period.

Budgetary Analysis
Over the course of the year, the Agency revised the budget several times primarily due to revisions in expected funding from State, federal and local sources, including the Medicaid Waiver contract.

Capital Assets and Debt Administration

The Agency's investment in capital assets as of June 30, 2015, totaled $3,644,306, net of accumulated depreciation, as shown in Table A-3. These assets include land, leasehold improvements, furniture and other equipment, and vehicles. Capital assets increased during the year with new equipment additions.

Table A-3
Capital Assets

	June 30, 2015	June 30, 2014
Land	$ 533,508	$ 533,508
Buildings	1,907,743	2,035,561
Other Improvements	55,948	62,822
Equipment and Other	1,147,107	522,552
Total Capital Assets	$ 3,644,306	$ 3,154,443

Additional information on the Agency's capital assets can be found in Note 5 of the Basic Financial Statements.

At June 30, 2015, the Agency had no outstanding debt associated with these capital assets.

Economic and Other Factors and Next Year's Budget

A number of economic factors currently affect the financial and operational performance of health care entities and the Agency including the following:

Restructuring of Mental Health Services in North Carolina.
A major restructuring of the management and delivery systems of mental health, developmental disabilities, and substance abuse agencies and authorities has been underway in North Carolina for several years, resulting in the Agency providing services as a Medicaid 1915 b/c waiver entity beginning in 2012. This reform continues to evolve and affects the financial activities and operating models of local management entities during the process. Trillium, the entity formed from the merger of East Carolina Behavioral Health and CoastalCare as of July 1, 2015 (see Note 19), will have a $16.7 million dollar reduction to the FY16 State funding due to legislative budget reductions. The Agency is evaluating the impact the reductions will have on the budget and will prepare a budget revision for the Board for this reduction.

Requests for Information

The Agency's financial statements are designed to present users with a general overview of the Agency's finances and to demonstrate the Agency's accountability. If you have any questions about the report or need additional financial information, please contact Joy Futrell, Vice President of Operations, Trillium Health Resources, 144 Community College Road, Ahoskie, North Carolina, 29710.

EAST CAROLINA BEHAVIORAL HEALTH
STATEMENT OF NET POSITION

JUNE 30, 2015

ASSETS	
Current Assets:	
Cash and cash equivalents	$ 85,752,129
Accounts receivable	12,890,889
Prepaid expenses	4,078,873
Total Current Assets	102,721,891
Noncurrent Assets:	
Restricted cash and cash equivalents	11,466,870
Net OPEB assets	4,979,700
Net pension assets	1,215,408
Capital assets:	
Land	533,508
Other capital assets (net of accumulated depreciation)	3,110,798
Total Assets	124,028,175
DEFFERED OUTFLOWS OF RESOURCES	
Pension deferrals	1,120,441
LIABILITIES	
Current Liabilities:	
Accounts payable and other current liabilities	4,606,285
Liability for claims incurred, but not reported	11,030,715
Compensated absences - current portion	245,000
Total Current Liabilities	15,882,000
Noncurrent Liabilities:	
Compensated absences - long term	784,120
Total Liabilities	16,666,120
DEFFERED INFLOWS OF RESOURCES	
Pension deferrals	2,962,247
NET POSITION	
Investment in capital assets	3,644,306
Restricted:	
Medicaid risk reserve	11,466,870
Pugh Memorial	18,602
Unrestricted	90,390,471
Total Net Position	$ 105,520,249

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

EAST CAROLINA BEHAVIORAL HEALTH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2015

Operating Revenues:		
Intergovernmental:		
Local	$	2,155,692
Federal		7,461,228
State		35,167,338
Charges for services		
Medicaid Waiver services and administration		178,293,141
Other income		80,624
Total Operating Revenues		223,158,023
Operating Expenses:		
Personnel		15,208,172
Professional services		1,837,902
Supplies and materials		269,283
Current obligations and services		2,362,088
Fixed charges and expenses		2,271,944
Depreciation expense		297,643
Contracts and grants		186,135,841
Other		269,218
Total Operating Expenses		208,652,091
Operating Income		14,505,932
Nonoperating Income (Expense):		
Loss on disposal of capital assets		(360)
Interest income		367,413
Total Nonoperating Income (Expense)		367,053
Changes in net position		14,872,985
Total net position, beginning, as previously reported		91,970,678
Restatement		(1,323,414)
Net position, beginning, as restated		90,647,264
Total net position, end of year	$	105,520,249

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

EAST CAROLINA BEHAVIORAL HEALTH
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

Cash flows from operating activities	
Cash received from federal, state, and local agencies	$ 214,948,998
Cash payments to suppliers of goods and services	(195,551,263)
Cash payments to employees	(15,135,784)
Other cash payments, net	(2,152,195)
Net cash provided by operating activities	2,109,756
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(787,866)
Net cash used in capital and related financing activities	(787,866)
Cash flows from investing activities	
Interest earned on investments	367,413
Net cash provided by investing activities	367,413
Net increase in cash and cash equivalents	1,689,303
Cash and cash equivalents at beginning of year	95,529,696
Cash and cash equivalents at end of year	$ 97,218,999
Reconciliation of operating income to net cash provided by operating activities	
Operating income	$ 14,505,932
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	297,643
Pension expense	145,784
Increase in accounts receivable	(8,128,402)
Decrease in net OPEB assets	145,800
Increase in prepaid expenses	(1,681,602)
Increase in deferred outflows of resources	(842,800)
Decrease in accounts payable and other current liabilities	(2,404,987)
Increase in compensated absences	72,388
Net cash provided by operating activities	$ 2,109,756

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

EAST CAROLINA BEHAVIORAL HEALTH

STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUND

YEAR ENDED JUNE 30, 2015

ASSETS	
Cash and cash equivalents	$ 617,520
Investments	5,997,385
	6,614,905
LIABILITIES	
Accounts payable	240,507
NET POSITION	
Restricted for other postemployment benefits	$ 6,374,398

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

EAST CAROLINA BEHAVIORAL HEALTH
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUND

YEAR ENDED JUNE 30, 2015

Additions:		
Net appreciation (depreciation) in fair value of investments	$	(56,528)
Interest		187,689
Total Additions		131,161
Deductions:		
Benefits		240,507
Total Deductions		240,507
Changes in net position		(109,346)
Net position, beginning of year		6,483,744
Net position, end of year	$	6,374,398

Note 1—Summary of significant accounting policies

The basic financial statements of East Carolina Behavioral Health (the "Agency") have been prepared in conformity with accounting principles generally accepted in the United States as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

Reporting Entity – The Agency is a Local Management Entity – Managed Care Organization ("LME-MCO") designated by and functioning under the control of the North Carolina Department of Health and Human Services to provide mental health, developmental disabilities and substance abuse services in Beaufort, Bertie, Camden, Chowan, Craven, Currituck, Dare, Gates, Hertford, Hyde, Jones, Martin, Northampton, Pamlico, Pasquotank, Pitt, Perquimans, Tyrrell, and Washington counties. The services include reviewing and evaluating the area needs and programs in mental health, mental impairment, mental retardation, alcoholism, drug dependency and related fields, and developing jointly with the North Carolina Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, an annual plan for the effective development, use and control of state and local facilities and resources in a comprehensive program of mental health service for the residents of the area. The Agency, which is governed by a twenty-one member board of directors appointed by the Boards of Commissioners from the 19-county catchment area, is an area authority empowered by Chapter 122C of the North Carolina General Statutes with the responsibility to oversee and control all activities related to mental health, developmental disabilities, and substance abuse services in its target area. The Agency has no component units, which under generally accepted accounting principles are legally separate entities for which the Agency is financially accountable.

Description of a Local Management Entity - Managed Care Organization ("LME-MCO") – An LME-MCO is an agency in the State of North Carolina that plans, develops, implements, and monitors behavioral health services within a specified geographic area, according to State requirements. This includes developing a full range of services that provide inpatient and outpatient treatment, services, and/or supports for both insured and uninsured individuals. These services are primarily funded by federal and state grants. The LME-MCO agency also manages behavioral health services in a specific geographic area provided through the State's Medicaid 1915(b) (c) Waiver plan. Under this plan, the Agency receives a contractual capitated fee per member per month and coordinates care through a defined network of providers, physicians and hospitals.

Basis of Presentation – Fund Accounting – The accounts of the Agency are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses.

The Agency accounts for its operations as an enterprise fund. An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Agency reports the following major enterprise fund:

Enterprise Fund - The Enterprise Fund is the major operating fund of the Agency which accounts for all activity.

Note 1—Summary of significant accounting policies (continued)

The Agency reports the following fiduciary fund type:

Pension Trust Fund – The Agency maintains one Pension Trust Fund – the Other Postemployment Benefit Fund. Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of other postemployment benefit plans and defined contribution plans. The Other Postemployment Benefit Fund accounts for the Agency's contributions for health care coverage provided to qualified retirees.

The Enterprise Fund and Fiduciary Fund financial statements are reported using the economic resources measurement focus and 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 Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Measurement Focus and Basis of Accounting – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, and all liabilities associated with the operation of this fund are included on the statement of net position. Net position is the result of deducting all the liabilities and deferred inflows of resources from all the assets and deferred outflows of resources. Total net position is segregated into three components: 1) net investment in capital assets, 2) restricted assets, and 3) unrestricted assets. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Fiduciary funds are also accounted for using this measurement focus and basis of accounting.

Intergovernmental revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

All funds of the Agency are maintained on the modified accrual basis during the year; however, the financial statements for the Agency have been reported on the accrual basis. Under this basis, revenues are recorded when earned and expenses are recorded when incurred. In converting from the modified accrual basis to the full accrual basis, the changes required may include adjustments for uncollected receivables, depreciation, capital outlay, compensated absences, and other postemployment benefits.

When both restricted and unrestricted resources are available for use (use is approved by the third party who required the restriction), the Agency uses restricted resources first, then unrestricted resources as they are needed.

Budgetary Data – The Agency maintains budgetary controls over all funds, as required by North Carolina General Statute 159-42 (c-d). An annual budget is adopted for the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted 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, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The budget was prepared on the modified accrual basis of accounting. The budget presented in these statements is the budget ordinance amended through June 30, 2015.

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

EAST CAROLINA BEHAVIORAL HEALTH
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1—Summary of significant accounting policies (continued)

Deposits and Investments – All deposits of the Agency are made in board-designated official depositories and are secured as required by G.S. 159-31. The Agency may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the Agency 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 Agency to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (“NCCMT”).

The Agency’s investments with a maturity of more than one year at acquisition and non-money market 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. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

Cash and Cash Equivalents – The Agency 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 for the statement of cash flows.

Restricted Cash – Restricted cash consists of cash required to be set aside in a separate account by the Medicaid Waiver contract with the State, and which may only be spent if authorized by the State.

Accounts Receivable – All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts when appropriate. This amount is estimated by analyzing the percentage of receivables that were written off in prior years and evaluating current information related to the collectability of individual receivables.

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

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 costs for leasehold improvements, equipment, and vehicles 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.

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

	Years
Buildings and improvements	40
Vehicles	5
Furniture and equipment	10
Computers and software	3-5

Note 1—Summary of significant accounting policies (continued)

The Agency evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used by the Agency are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the Agency are measured using the method that best reflects the diminished service utility of the capital asset. Any insurance recoveries received as a result of impairment events or changes in circumstances resulting in the impairment of a capital asset are netted against the impairment loss.

Liability for Claims Incurred, but not Reported – Under the Medicaid 1915(b)(c) Waiver, the Agency pays providers for Medicaid claims in the Agency's 19-county catchment area. The Agency estimates claims incurred but not reported ("IBNR"). IBNR was estimated to be $11,030,715 as of June 30, 2015.

Long-term Obligations – Long-term obligations are reported as liabilities and classified as short-term or long-term depending on their respective maturities.

Compensated Absences – The vacation policy of the Agency provides for the accumulation of up to 30 days earned vacation leave with such leave being fully vested when earned. Accumulated vacation in excess of 30 days as of June 30 each year is transferred to earned sick leave. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current portion in the statement of net position.

The sick leave policy of the Agency provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Agency has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position – Net position is classified into three parts: investment in capital assets, restricted, and unrestricted. Unrestricted net position includes the portion of net position that bears no restriction as to use or purpose. Investment in capital assets includes resources invested in capital assets. Restricted net position includes revenue resources that are restricted to specific purposes externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law.

> *Restricted for Medicaid Risk Reserve* – This classification includes the portion of net position that is restricted by the Medicaid 1915 b/c waiver.
>
> *Restricted for Pugh Memorial* – This classification includes the portion of net position that is restricted for use as defined by the donor.

Revenue and Expense Recognition – The Agency classifies its revenue as operating and nonoperating and its expenses as operating and nonoperating in the accompanying statement of revenues, expenses, and changes in net position. Transactions resulting from the primary purpose of the Agency, which is to provide mental health, developmental disabilities and substance abuse services in Beaufort, Bertie, Camden, Chowan, Craven, Currituck, Dare, Gates, Hertford, Hyde, Jones, Martin, Northampton, Pamlico, Pasquotank, Pitt, Perquimans, Tyrrell, and Washington Counties, are reported as operating revenues and expenses. Operating expenses generally result from providing services in connection with the Agency's principal ongoing operations. Operating revenues include monies received from federal, state, and local governments related to providing services to individuals who meet the respective eligibility criteria. Medicaid Waiver revenues are recognized when monies are received. Grant revenues are recognized when allowable activities and costs in accordance with related grant requirements are incurred. All revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating revenues and expenses.

Note 1—Summary of significant accounting policies (continued)

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial 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 will not be recognized as an expense until then. The Agency has one item that meets this criterion, contributions made to the pension plan in 2015 fiscal year and other deferrals resulting from implementation of GASB Statement 68. In addition to liabilities, the statement of financial position will sometimes 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 Agency has one item that meets the criterion for this category – deferrals of pension expense that result from the implementation of GASB Statement 68.

Pensions – For 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 position of the Local Governmental Employees' Retirement System ("LGERS") and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan members' contributions are recognized in the period in which the contributions are due. The Agency's employer contributions are recognized when due and the Agency has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Note 2—Cash and cash equivalents

Deposits – All of the Agency'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 Agency in its name. 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 Agency, these deposits are considered to be held by their agents in the entity's name. 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 Agency or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Agency under the Pooling Method, the potential exists for undercollaterization, 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 Agency has no formal policy regarding custodial credit risks for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Agency complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2015, the Agency's restricted and unrestricted deposits had a carrying amount of $94,024,114 and a bank balance of $99,792,247. Of the bank balance, $516,792 was covered by Federal Depository Insurance; $99,275,455 in interest bearing deposits was covered by collateral held under the Pooling Method.

Restricted deposits include cash segregated for the Medicaid risk reserve, which by contractual arrangement with the Agency's funding agency may only be expended for Medicaid Waiver or other purposes approved by the funding agency, and which management does not expect to draw on in 2015. This balance of $11,466,870 was held in a separate bank account at June 30, 2015.

EAST CAROLINA BEHAVIORAL HEALTH
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 3—Investments

At June 30, 2015, the Agency's investments and maturities were as follows:

	Fair Value	Less than 6 Months	6-12 Months	1-3 Years	4-7 Years
NC Capital Management Trust					
Term Portfolio	$ 3,812,405	$ 3,812,405	$ -	$ -	$ -
U.S. Government Agencies:					
U.S. Treasury Note	403,220	-	-	-	403,220
Federal Home Loan Bank	1,506,218			475,890	1,030,328
Federal Farm Credit Bank	2,597,161	-	999,530	960,880	636,751
Government National Mortgage Association	1,490,786	-	-	-	1,490,786
	$ 9,809,790	$ 3,812,405	$ 999,530	$ 1,436,770	$ 3,561,085

Interest Rate Risk – The Agency has no policy on interest rate risk.

Custodial Credit Risk – The Agency has no policy on custodial credit risk.

Credit Risk – The Agency's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The Agency's investments in U.S. Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, and Federal National Mortgage Association) are rated AA+ by Standard & Poor's.

Note 4—Receivable

Receivables at June 30, 2015, were as follows:

	Other Governments
General	$ 12,890,889
Less allowance for doubtful accounts	-
Total	$ 12,890,889

Management has determined that there was not a need to establish an allowance for uncollectible accounts at June 30, 2015.

EAST CAROLINA BEHAVIORAL HEALTH
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 5—Capital assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 533,508	$ -	$ -	$ 533,508
Total capital assets not being depreciated	533,508	-	-	533,508
Capital assets being depreciated:				
Buildings	4,322,654	7,675	6,180	4,324,149
Leasehold improvements	122,112	-	-	122,112
Furniture and other equipment	3,032,080	780,191	-	3,812,271
Total capital assets being depreciated	7,476,846	787,866	6,180	8,258,532
Less accumulated depreciation for:				
Buildings	2,287,093	132,667	3,354	2,416,406
Leasehold improvements	59,290	6,874	-	66,164
Furniture and other equipment	2,509,528	158,102	2,466	2,665,164
Total accumulated depreciation	4,855,911	297,643	5,820	5,147,734
Capital assets being depreciated, net	2,620,935	$ 490,223	$ 360	3,110,798
Capital assets, net	$ 3,154,443			$ 3,644,306

In addition, the Agency acquired $148,594 of minor capital assets that were below the capitalization threshold of $5,000.

Note 6—Payables

Accounts payable, incurred but not reported claims, and other current liabilities at June 30, 2015, were as follows:

	Vendors	Accrued Wages and Benefits	Incurred but not Reported Claims	Total
Payables	$ 4,332,930	$ 273,355	$ 11,030,715	$ 15,637,000

Note 7—Change in accounting principles/restatement

The Agency implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*, in the fiscal year ending June 30, 2015. The implementation of the statements required the Agency to record beginning net pension liability and the effects on net position of contributions made by the Agency during the measurement period (fiscal year ending June 30, 2014) and after the measurement period (fiscal year ending June 30, 2015). As a result, beginning net position for the Agency decreased by $1,323,414.

Note 8—Retirement plan

Plan Description – The Agency is a participating employer in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers ("LEOs") of participating local governmental entities. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Agency employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Agency's contractually required contribution rate for the year ended June 30, 2015, was 7.07% of compensation for general employees, 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 Agency were $842,800, for the year ended June 30, 2015.

Refunds of Contributions – Agency 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 the 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 Agency reported an asset of $1,215,408 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 Decmber 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 Agency's proportion of the net pension asset was based on a projection of the Agency'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 Agency's proportion was 0.2061%, which was an increase of 0.0283% from its proportion measured as of June 30, 2013.

Note 8—Retirement plan (continued)

For the year ended June 30, 2015, the Agency recognized pension expense of $145,784. At June 30, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 132,804
Net difference between projected and actual earnings on pension plan investments	-	2,829,443
Changes in proportion and differences between Organization contributions and proportionate share of contributions	277,641	-
Organization contributions subsequent to the measurement date	842,800	-
Total	$ 1,120,441	$ 2,962,247

$842,800 reported as deferred outflows of resources related to pensions resulting from Agency 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 outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	$ 69,584	$ (740,645)
2017	69,584	(740,645)
2018	69,584	(740,645)
2019	68,889	(740,312)
	$ 277,641	$ (2,962,247)

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%
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 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.

Note 8—Retirement plan (continued)

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 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 assets class as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real
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	4.5%	3.7%
Total	100%	

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 period of projected benefit payments to determine the total pension liability.

Note 8—Retirement plan (continued)

Sensitivity of the Agency's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate – The following presents the Agency's proportionate share of the net pension asset calculated using the discount rate of 7.25%, as well as what the Agency'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:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Agency's proportionate share of the net pension liability (asset)	$ 4,125,620	$ (1,215,408)	$ (5,712,381)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net postion is available in the separately issued CAFR for the State of North Carolina.

Note 9—Deferred compensation plan

East Carolina Behavorial Health offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits eligible employees to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. In accordance with GASB Statement 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* East Carolina Behavorial Health's Deferred Compensation Plan requires all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries.

Note 10—Other postemployment benefits

Plan Description – In addition to providing pension benefits, East Carolina Behavioral Health has elected to provide healthcare benefits, through a single employer defined benefit plan, to specified retirees of East Carolina Behavioral Health who have at least twenty years of continuous service with the North Carolina Local Governmental Employees' Retirement System (System), which the final 10 years of service must be with East Carolina Behavioral Health. Six participants have been grandfathered to be eligible with 10 years of employment due to a merger. Pre-65 coverage is the same as the sponsor's group health coverage for active employees. Medicare supplement and drug coverage are offered to post-65 retirees only with no spousal coverage offered. Retired employees meeting the criteria, discussed herein, will be provided hospitalization in the same manner as the active East Carolina Behavioral Health employees. East Carolina Behavioral Health pays 100% of the retiree premium costs. Pre-65 retirees can purchase coverage for their dependents at East Carolina Behavioral Health's group rates if they had dependent coverage at retirement. Per Board action, this benefit is no longer available for employees hired after July 1, 2007. The Board may amend the benefit provisions. A separate report was not issued for the plan.

Currently, 49 retirees and dependents are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2015, East Carolina Behavioral Health made payments for post-retirement health benefit premiums of $240,507. East Carolina Behavioral Health has a self-funded health insurance plan with a third-party administrator.

Note 10—Other postemployment benefits (continued)

Membership of the Plan consisted of the following at July 1, 2015, the date of the latest actuarial valuation:

	General Employees
Retirees and dependents receiving benefits	49
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	30
Total	79

Funding Policy – East Carolina Behavioral Health pays 100% of the cost of coverage for the healthcare benefits paid to qualified retirees under a Board resolution that can be amended by East Carolina Behavioral Health Board. East Carolina Behavioral Health's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage.

A resolution was adopted by the Board in December 2010 to establish an irrevocable trust account to hold funds for future benefits. During fiscal year 2012, East Carolina Behavioral Health elected to fund the healthcare benefits in full, based on the unfunded actuarial accrued liability in the July 1, 2009 actuarial valuation report, by depositing funds into the irrevocable trust account with Reliance Trust Company.

The current Annual Required Contribution rate is 7.87% of annual covered payroll. For the current year, East Carolina Behavioral Health contributed $0, or 0%, of annual covered payroll. East Carolina Behavioral Health has a self-funded insurance plan with a third-party administrator for healthcare coverage. East Carolina Behavioral Health's obligation to contribute to the Plan is established and may be amended by East Carolina Behavioral Health's Board.

Summary of Significant Accounting Policies – The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Contributions are recognized when due, and East Carolina Behavioral Health will provide the contributions to the Plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. 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. Short-term money market debt instruments, deposits, and repurchase agreements are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price. Administration costs of the Plan are financed through investment earnings.

Annual Other Postemployment Benefit ("OPEB") Cost and Net OPEB Obligation – The Agency's annual OPEB cost is calculated based on the annual required contribution ("ARC") of the employer, 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 30 years. The following table shows the components of the Agency's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation for the postemployment healthcare benefits:

Note 10—Other postemployment benefits (continued)

Annual required contribution	$ 153,400
Interest on net OPEB obligation	(230,600)
Adjustment to annual required contribution	223,000
Annual OPEB cost (expense)	145,800
Contributions made	-
Increase (decrease) in net OPEB obligation	145,800
Net OPEB obligation, beginning of year	(5,125,500)
Net OPEB obligation, end of year	$ (4,979,700)

East Carolina Behavioral Health's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2015 were as follows:

For Year ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	$ 145,800	0.00%	$ (4,979,700)
2014	200,200	0.00%	(5,125,500)
2013	184,000	0.00%	(5,325,700)

Fund Status and Funding Progress – As of July 1, 2015, the most recent actuarial valuation date, the plan was fully funded. The actuarial accrued liability for benefits was $7,320,700, and the actuarial value of assets was $6,374,400 resulting in an unfunded actuarial accrued liability (UAAL) of $946,300. The covered payroll (annual payroll of active employees covered by the plan) was $1,948,301, and the ratio of the UAAL to the covered payroll was 48.6 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare 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 multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Note 10—Other postemployment benefits (continued)

In the July 1, 2015 actuarial valuation, the actuarial cost method was changed from the projected unit credit actuarial cost method to the entry age normal—level percent of salary cost method in anticipation of forthcoming changes to GASB other postemployment benefits accounting standards. The actuarial assumptions included a 4.50 percent investment rate of return (net of administrative expenses), which is the blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 2.50 percent inflation assumption. The medical cost trend rate varied between 8.50 and 5.00 percent. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of pay on an open basis. The remaining amortization period at July 1, 2015 was 30 years.

Note 11—Other employment benefits

East Carolina Behavioral Health has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (the "System") (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of $25,000 and will not exceed $50,000. All death benefit payments are made from the Death Benefit Plan. East Carolina Behavioral Health has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. East Carolina Behavioral Health considers these contributions to be immaterial.

Note 12—Risk management

Under East Carolina Behavioral Health's risk management program, the risk management program provides coverage for health insurance up to a maximum of $40,000 for each individual claim. East Carolina Behavioral Health purchases commercial insurance for individual medical claims in excess of $40,000 and aggregate claims in excess of $1,000,000. Settled claims have not exceeded this commercial coverage in any of the last three fiscal years.

East Carolina Behavioral Health participates in the program and makes payments to the risk management program based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. Amounts withheld from employees and the East Carolina Behavioral Health's general funds are available to pay claims, claim reserves, and administrative costs of the program. The claims liability of $240,507 reported in the Pension Trust Fund at June 30, 2015 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

Changes in the reported liability were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2013-2014	$ 175,430	$ 2,186,228	$ 2,192,516	$ 169,142
2014-2015	169,142	2,043,315	1,971,950	240,507

Note 12—Risk management (continued)

Employees have the option to continue group coverage for a maximum of 18 months if terminated or hours worked are reduced, causing an employee to be ineligible for coverage. An employee who is disabled may continue for an additional 11 months. Covered dependents have the option to continue group coverage for a maximum of 36 months if their coverage is terminated due to employee's death, divorce, or legal separation, employee's entitlement to Medicare, or a dependent child ceases to be a dependent under the terms of the group's coverage. As East Carolina Behavioral Health is generally self-insured, actual claims paid for former employees will be different than premiums paid by these former employees for coverage continuance, but no assessment of net cost or net benefit to East Carolina Behavioral Health has been calculated. These expenditures are recognized in the fiscal year the claims service date relates to and premiums are received for. Claims are paid weekly and premiums are paid at the beginning of each month of covered service.

The Agency is exposed to various risks of losses related to torts; malpractice; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency carries commercial insurance to cover substantially all risks of loss. The Agency obtains commercial general liability and professional liability coverage of $5 million in the aggregate with a $3 million limit per occurrence, property coverage up to the total insurance values of the property policy, and workers' compensation coverage up the statutory limits, director's and officers' insurance of $2 million per policy period.

East Carolina Behavioral Health carries flood insurance with amounts of coverage of $669,100 for buildings and $94,100 for contents in the Hertford and Camden offices. There is a $1,000 deductible for each.

The Agency 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.

In accordance with G.S. 159.29, the Agency's employees that have access to $100 or more at a given time of the Agency's funds are performance bonded through a commercial surety bond. The Chief Executive Officer, the Assistant Director of Administration, and the Finance Director are individually bonded for $100,000. The remaining employees that have access to funds are covered under a blanket bond of $250,000 with a deductible of $1,000.

Note 13—Commitments and contingencies

The Agency 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 future refund of grant monies, as the Agency does not anticipate any material refunds.

From time to time, the Agency is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Agency's financial position or results of operations.

Note 14—Long-term obligations

The following is a summary of changes in the Agency's long-term obligations for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Net Increase (Decrease)	June 30, 2015	Amounts Due within One Year
Compensated Absences	$ 956,732	$ 72,388	$ 1,029,120	$ 245,000
Net Pension Liability	2,143,173	(2,143,173)	-	-
	$ 3,099,905	$ (2,070,785)	$ 1,029,120	$ 245,000

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. The LGERS pension 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.

Note 15—Non-cancellable operating leases

The Agency leases certain operating facilities under non-cancellable operating leases. Future lease payments due under these leases subsequent to June 30, 2015 are as follows:

Year Ending June 30,	Amount
2016	$ 483,599
2017	417,975
2018	322,453
2019	188,528
2020	107,389
	$ 1,519,944

Total rent expense for all operating leases amounted to $373,888 for the year ended June 30, 2015.

Note 16—Economic dependence

The Agency receives approximately 19% of its revenue from State and Federal (passed through the State) intergovernmental revenue, and 80% of its revenue from the Medicaid Waiver contract, for the various programs the Agency administers. Any significant change, either increase or decrease, in funding for these programs could result in a material change in the operations of the Agency.

Note 17—Local grants

The Agency serves Beaufort, Bertie, Camden, Chowan, Craven, Currituck, Dare, Gates, Hertford, Hyde, Jones, Martin, Northampton, Pamlico, Pasquotank, Pitt, Perquimans, Tyrrell, and Washington counties. The Counties' portion of the Agency's total revenue is included in local funds revenue. The actual amount of county general funds and county alcoholic beverage commission funds received during the year ended June 30, 2015 was as follows:

County of Pamlico	$	34,083
County of Washington		30,000
Chowan County		34,387
Martin County		55,365
Beaufort County		173,599
Pasquotank County		96,194
Camden County		24,077
Perquimans County		30,261
Craven County		278,730
Tyrrell County		9,080
Bertie County		49,390
Northampton County		81,614
Pitt County		630,721
Hertford County		88,474
Dare County		411,040
Gates County		29,922
Jones County		23,414
Currituck County		63,914
Hyde County		11,427
	$	2,155,692

Note 18—Pending accounting pronouncements

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Agency:

GASB Statement Number 72, "*Fair Value Measurement and Application*" will be effective for the Agency beginning with its year ending June 30, 2016.

GASB Statement Number 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*" will be effective for the Agency beginning with its year ending June 30, 2017.

GASB Statement Number 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*" will be effective for the Agency beginning with its year ending June 30, 2017.

GASB Statement Number 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" will be effective for the Agency beginning with its year ending June 30, 2018.

GASB Statement Number 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*" is effective for the Agency beginning with its year ending June 15, 2016.

GASB Statement Number 77, "*Tax Abatement Disclosures*" will be effective for the Agency beginning with its year ending after June 30, 2017.

Note 19—Subsequent events

Two public LME/MCO agencies, CoastalCare and East Carolina Behavioral Health consolidated effective July 1, 2015. East Carolina Behavioral Health is the acquiring entity and changed its name, effective July 1, 2015, to reflect the change in its organization. The continuing entity, known as Trillium Health Resources, will manage state funds and Medicaid dollars for behavioral health services across 24 counties in eastern North Carolina. Trillium will oversee access and manage services for consumers with mental health, substance use and intellectual/developmental disability needs.

Management has evaluated subsequent events through November 30, 2015 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by governmental accounting standards board.

- Schedule of Funding Progress for the Other Postemployment Benefits.
- Schedule of Employer Contributions for the Other Postemployment Benefits.
- Notes to the Required Schedules for the Other Postemployment Benefits.
- Schedule of Proportionate Share of Net Pension Asset - Local Governmental Employees' Retirement System
- Schedule of Contributions to Local Governmental Employees' Retirement System

EAST CAROLINA BEHAVIORAL HEALTH
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value Plan Assets	Accrued Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2015	$ 6,374,400	$ 7,320,700	$ 946,300	87.07%	$ 1,948,301	48.6%
7/1/2012	6,718,300	7,062,600	344,300	95.13%	10,327,516	3.3%
7/1/2011	-	6,800,900	6,800,900	0.00%	3,662,866	185.7%

Schedule of Employer Contributions

June 30,	Annual Required Contribution	Percentage of ARC Contributed
2015	$ 153,400	0.00%
2014	203,100	0.00%
2013	186,900	0.00%
2012	466,700	1448.87%
2011	500,000	60.33%
2010	479,000	39.25%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined by assumption from an actuarial valuation as follows:

Valuation date	7/1/2015
Actuarial cost method	Entry age normal – level percent of salary*
Amortization method	Increase of 2.5% per year
Remaining amortization period	30 Years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment rate of return*	4.5%
Medical cost trend	8.5% - 5.5%
Cost of living adjustments	None

*Note that the actuarial cost method was changed from the projected unit credit actuarial cost method to the entry age normal – level percent of salary actuarial cost method for the July 1, 2015 actuarial valuation.

EAST CAROLINA BEHAVIORAL HEALTH
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Asset
Local Governmental Employees' Retirement System
Last Two Fiscal Years June 30, *

	2015	**2014**
Agency's proportion of the net pension liability (asset) (%)	0.2061%	0.1778%
Agency's proportion of the net pension liability (asset) ($)	$ (1,215,408)	$ 2,143,173
Agency's covered-employee payroll	$ 11,585,458	$ 10,351,679
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10%	21%
Plan fiduciary net position as a percentage of the total pension liability	102.6%	94.35%

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

EAST CAROLINA BEHAVIORAL HEALTH
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Contributions
Local Governmental Employees' Retirement System
Last Two Fiscal Years June 30, *

	2015	2014
Contractually required contribution	$ 842,800	$ 819,759
Contributions in relation to the contractually required contribution	842,800	819,759
Contribution deficiency (excess)	$ -	$ -
Agency's covered-employee payroll	$ 11,935,325	$ 11,585,458
Contributions as a percentage of covered-employee payroll	7.06%	7.08%

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

SUPPLEMENTARY INFORMATION

EAST CAROLINA BEHAVIORAL HEALTH
BALANCE SHEET (NON-GAAP)

JUNE 30, 2015

ASSETS	
Cash and cash equivalents	
Restricted	$ 11,466,870
Unrestricted	85,752,129
Accounts receivable	
Client and third-party	438,781
Due from other governments	12,452,108
Prepaid expenses	4,078,873
Total Assets	$ 114,188,761
LIABILITIES	
Accounts payable	$ 4,606,285
Liability for claims incurred, but not reported	11,030,715
Total Liabilities	15,637,000
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	333,133
Total Deferred Inflows of Resources	333,133
FUND BALANCES	
Nonspendable	4,078,873
Restricted:	
Stabilization of State Statute	12,598,207
Medicaid Risk Reserve	11,466,870
Pugh Memorial	18,602
Committed	37,190,553
Unassigned	32,865,523
Total Fund Balances	98,218,628
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 114,188,761
Amounts Reported in the Statement of Net Position are Different Because:	
Fund balance	$ 98,218,628
Accounts receivable not collected within 60 days after year end is deferred in the fund	333,133
Capital assets are not financial resources and therefore are not reported in the fund	3,644,306
Asset to pay future other postemployment benefits is not reported in the fund	4,979,700
Asset to pay future pension benefits is not reported in the fund	1,215,408
Contributions to Pension Plans in the current fiscal year and changes in differences between contributions and proportionate share of contributions are deferred outflows of resources on the Statement of Net Position	1,120,441
Liability for compensated absences is not due and payable in the current period and therefore, is not reported in the fund	(1,029,120)
Deferred inflow for pension benefits that is not due and payable in the current period and therefore, is not reported in the fund	(2,962,247)
Total Net Position	$ 105,520,249

EAST CAROLINA BEHAVIORAL HEALTH

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL - (NON-GAAP)

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Operating Revenues:				
Intergovernmental:				
State & Federal	$ 43,859,524	$ 43,912,377	$ 42,628,566	$ (1,283,811)
Local	2,158,873	2,111,885	2,155,692	43,807
Medicaid	167,739,769	168,636,540	178,040,149	9,403,609
Other Income	511,160	1,149,096	483	(1,148,613)
Total Operating Revenues	214,269,326	215,809,898	222,824,890	7,014,992
Operating Expenditures:				
Personnel	17,696,763	17,431,763	15,200,210	2,231,553
Professional services	1,900,000	5,936,500	1,837,902	4,098,598
Supplies	83,500	1,879,500	120,689	1,758,811
Current obligations	1,979,500	2,547,000	1,849,978	697,022
Fixed expenses	2,350,836	2,339,411	2,271,944	67,467
Capital outlay	270,000	1,072,800	936,460	136,340
Other expenses	3,404,795	3,422,731	269,218	3,153,513
Contracts	200,083,932	195,980,193	186,135,841	9,844,352
Total Operating Expenditures	227,769,326	230,609,898	208,622,242	21,987,656
Operating income	(13,500,000)	(14,800,000)	14,202,648	29,002,648
Nonoperating Revenues:				
Interest income	500,000	500,000	367,413	(132,587)
Other Financing Sources (Uses):				
Appropriated fund balance	13,000,000	14,300,000	-	(14,300,000)
Revenues and other financing sources (uses) over (under) expenditures	$ -	$ -	$ 14,570,061	$ 14,570,061

Reconciliation of change in net position:	
Total revenues and other financing sources	$ 223,192,303
Total expenditures and other financing uses	(208,622,242)
Subtotal	14,570,061
Depreciation	(297,643)
Capitalized assets	787,866
Agency's portion of collective pension expense	(145,784)
Net OPEB expense	(145,800)
Change in accrued vacation	(72,388)
Decrease in available revenues	333,133
Bad debt expense	(156,100)
Loss on disposal of assets	(360)
Subtotal	302,924
Change in net position	$ 14,872,985

EAST CAROLINA BEHAVIORAL HEALTH

SCHEDULE OF COMMITTED FUND BALANCES

JUNE 30, 2015

General Medicaid Reserve	$ 35,799,333
Capital Equipment	1,000,000
Building Sales Proceeds	391,220
	$ 37,190,553

COMPLIANCE SECTION

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor
on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards*

To the Area Board of Directors
Trillium Health Resources
Greenville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of East Carolina Behavioral Health (the "Agency"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated November 30, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Cherry Bekaert LLP

Raleigh, North Carolina
November 30, 2015

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor
on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major Federal Program and
on Internal Control Over Compliance
in Accordance with OMB Circular A-133 and
the State Single Audit Implementation Act

To the Area Board of Directors
Trillium Health Resources
Greenville, North Carolina

Report on Compliance for Each Major Federal Program

We have audited East Carolina Behavioral Health's (the "Agency") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the North Carolina Local Government Commission, that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2015. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

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

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

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

Cherry Bekaert LLP

Raleigh, North Carolina
November 30, 2015

Cherry Bekaert LLP
CPAs & Advisors

**Report of Independent Auditor
on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major State Program
and on Internal Control Over Compliance in
Accordance with OMB Circular A-133 and the
State Single Audit Implementation Act**

To the Area Board of Directors
Trillium Health Resources
Greenville, North Carolina

Report on Compliance for Each Major State Program

We have audited East Carolina Behavioral Health's (the "Agency") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the North Carolina Local Government Commission that could have a direct and material effect on each of the Agency's major State programs for the year ended June 30, 2015. The Agency's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

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

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

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

Cherry Bekaert LLP

Raleigh, North Carolina
November 30, 2015

EAST CAROLINA BEHAVIORAL HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2015

Part I - Summary of Audit Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified?	____ yes	X none reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major federal program:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified?	____ yes	X none reported
Type of auditor's report on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	____ yes	X no

Identification of the major federal programs:

Program Name	CFDA Number(s)
Block Grants for Prevention and Treatment of Substance Abuse	93.959
Continuum of Care	14.267
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbance	93.104

The above programs are tested as part of a state identified unit cluster.

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000	
Auditee qualified as low-risk auditee?	X yes	____ no

EAST CAROLINA BEHAVIORAL HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

State Awards

Internal control over major State program:

Material weakness(es) identified?	____	yes	X	no
Significant deficiency(ies) identified?	____	yes	X	none reported
Type of auditor's report on compliance for major State programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	____	yes	X	no

Identification of major State programs:

Program Name

Single Stream Funding
Mental Health Crosscutting

Part II – Financial Statement Findings

None reported.

Part III – Federal Award Findings and Questioned Costs

None reported

Part IV – State Award Findings and Questioned Costs

None reported

EAST CAROLINA BEHAVIORAL HEALTH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2015

None reported.

EAST CAROLINA BEHAVIORAL HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2015

Federal/State Grantor/Pass-Through Grantor Program Title	CFDA Number	Federal Expenditures	State Expenditures
FEDERAL AWARDS			
U.S. Department of Housing and Urban Development			
Shelter Plus Care	14.238	$ 188,747	$ -
Continuum of Care	14.267	551,224	-
		739,971	-
U.S. Department of Health and Human Services			
Passed through NC Department of Health and Human Services:			
Division of Medical Health, Developmental Disabilities, and Substance Abuse Services:			
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbance	93.104	430,860	-
Substance Abuse and Mental Health Service Administration			
Passed through NC Department of Health and Human Services:			
Division of Medical Health, Developmental Disabilities, and Substance Abuse Services:			
Block Grant for Community Mental Health Services - Community Based Program-Mental Health	93.958	914,684	-
Social Services Block Grant			
Community Based Programs Mental Health	93.667	73,371	-
Community Development Disabilities Services	93.667	24,998	-
Community Based Programs for Substance Abuse Prevention	93.667	95,986	-
		194,355	-
Block Grant for Prevention and Treatment of Substance Abuse - Community Based Programs-Substance Abuse	93.959	5,034,899	-
Total U.S. Department of Health and Human Services		6,574,798	-
Total Federal Awards and State Matches		7,314,769	-
STATE AWARDS			
NC Department of Health and Human Services			
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:			
Single Stream Funding		-	31,948,182
Crisis Services - Local Psych Inpatient		-	1,886,231
Bridge Funding		-	167,083
DOJ Housing		-	35,290
DOJ Supported Employment		-	211,620
Traumatic Brain Injury		-	120,000
Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services		-	34,368,406
Total State Awards		-	34,368,406
Total Federal and State Awards		$ 7,314,769	$ 34,368,406

See Notes to Schedule of Expenditures of Federal and State Awards.

EAST CAROLINA BEHAVIORAL HEALTH

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2015

Note 1—Basis of Presentation

The accompanying schedule of expenditures of Federal and State awards includes the Federal and State grant activity of East Carolina Behavioral Health and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2—Social Services Block Grant Expenditures

Expenditures for Social Services Block Grant, CFDA 93.667, are approximately $122,000 less than the payments confirmed by NC DHHS. Auditor obtained a report of all NCTracks claim transactions coded to this grant in order to select a sample for testing the grant as a major program, based on the payments confirmed by NC DHHS. However, the report included “void” transactions for approximately 200 of the claims reported as paid on the confirmation, even though the effect of the voids was not included in the confirmation. As these voided claims were no longer valid transactions of the grant expenditure population, they were excluded, reducing the grant expenditure population to approximately $194,000. Consequently, the program was no longer considered a major program.

COASTALCARE

FINANCIAL STATEMENTS
AND COMPLIANCE REPORTS

As of and for the Year Ended June 30, 2015

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

COASTALCARE

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Area Board of Directors
Trillium Health Resources
Greenville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of CoastalCare (the "Agency"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency'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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 Agency'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 Agency'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 opinion.

Opinion

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2015, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 6 to the financial statements, the Agency adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result, net position as of June 30, 2014 has been restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying Supplementary Information as listed in the table of contents as well as the schedule of expenditures of federal and state awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2015, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose 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 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 the Agency's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
November 23, 2015

COASTALCARE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

As Management of CoastalCare (the "Agency"), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency 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 Agency's financial statements, which follow this narrative.

Financial Highlights

- The Agency's net position increased by approximately $16.9 million (or 68.3%) to $41.5 million, compared to 2014. The overall increase in net position is related to the Medicaid Waiver contract and results of managed care organization (MCO) operations.
- Net investment in capital assets increased approximately $153,000 (or 2.2%), compared to 2014, primarily due to the increase of construction in progress and acquisition of capital assets in 2015.
- Restricted net position increased approximately $3.1 million (84.7%) as a result of the Medicaid Waiver contract requirement to reserve 2% of Medicaid Waiver revenues until 15% of such revenues have been reserved.
- Unrestricted net position increased by approximately $13.6 million, compared to 2014.
- Operating revenues increased approximately $18 million (11.2%), while operating expenses increased approximately $9.9 million (6.6%). These increases were primarily related to an increase in the Medicaid Waiver contract revenue.

Overview of the Financial Statements

The Agency's basic financial statements consist of three components: 1) the MD&A, 2) fund financial statements, and 3) notes to the financial statements. Because the Agency is a special-purpose government engaged in business-type activities only, the financial statements are presented in accordance with paragraph 138 of GASB Statement 34. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Agency. In addition to the management's discussion and analysis, management has prepared the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

Overview of the Agency

CoastalCare's primary mission is to provide mental health, developmental disabilities, and substance abuse services to eligible persons in a five-County area. The Agency's operations are funded almost entirely through a Medicaid 1915(b)(c) Waiver contract with the State, in addition to federal and state grants received from the State.

Fund Financial Statements

The financial statements are presented on the fund basis. The fund financial statements provide a more detailed look at the Agency'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. The Agency, 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 ("G.S."), the Agency's budget ordinances, or other applicable guidelines. The Agency has one fund, which is an enterprise fund. This fund uses the full accrual basis of accounting and accounts for the Agency's activities in a manner similar to a for-profit business.

Fund Financial Statements (continued)

The Agency adopts an annual budget as required by G.S. 159-42(c). The budget is a legally adopted document that incorporates input from the citizens and the management of the Agency and the decisions of the Board about which services to provide and how to pay for them. The budgetary statements demonstrate how well the Agency complied with the budget ordinance and whether or not the Agency succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the legal budget document. The budgetary statements are presented as supplementary information to demonstrate compliance with applicable state laws. To account for the difference between the budgetary basis of accounting and the full accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Notes to the Financial Statements

The next section of the financial statements is the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 10-25 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information required by the North Carolina Department of Health and Human Services.

Statement of Net Position

A summary of the Agency's Statements of Net Position at June 30, 2015 and 2014 is presented in Table A-1.

Table A-1
Condensed Statements of Net Position

	June 30, 2015	June 30, 2014
Other assets	$ 43,543,950	$ 25,390,763
Capital assets	7,087,260	6,894,633
Total assets	50,631,210	32,285,396
DEFERRED OUTFLOWS OF RESOURCES	1,168,901	-
Other liabilities	7,474,364	6,439,881
Long-term liabilities	589,022	566,855
Total liabilities	8,063,386	7,006,736
DEFERRED INFLOWS OF RESOURCES	2,238,538	-
Net position:		
Investment in capital assets	7,087,260	6,894,633
Restricted	6,798,871	3,681,169
Unrestricted	27,612,056	14,702,858
Total net position	$ 41,498,187	$ 25,278,660

The net position of the Agency increased to $41.5 million during 2015, an increase of $16.9 million. Unrestricted cash and investments (in "other assets") increased by approximately $14 million, and claims payable (in "other liabilities") of approximately $5.7 million were recorded, primarily due to the provision of services under the Medicaid waiver. This was an increase of approximately $952,000 from 2014, which is primarily due to the availability of more accurate data for estimating claims incurred but not reported, and all parties' greater familiarity with the claims processing system, enabling more rapid processing of claims. Also, the Agency implemented GASB Statements 68 and 71 this year. With the new reporting change, the Agency is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by $725,376. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Agency's management.

Statement of Revenues, Expenses, and Changes in Net Position
While the Statement of Net Position shows the net position of CoastalCare at the beginning and end of the fiscal year, the Statement of Revenues, Expenses, and Changes in Net Position provides answers to the nature and source of these changes.

Table A-2
Condensed Statements of Changes in Net Position

	Year Ended June 30,	
	2015	**2014**
Operating revenues:		
Charges for services - Medicaid Waiver	$ 155,804,637	$ 138,768,752
Federal, state, and local funding	23,647,257	22,648,229
Total operating revenues	179,451,894	161,416,981
Operating expenses:		
Personnel	13,584,374	13,008,950
Administrative expenses	2,223,333	2,504,558
Depreciation expense	516,000	529,913
Medicaid Waiver services	124,478,793	114,801,172
Other behavioral health services	21,865,341	21,965,807
Medicaid & CAP pass through	13,278	-
Total operating expenses	162,681,119	152,810,400
Operating income	16,770,775	8,606,581
Nonoperating revenues:		
Interest income	7,481	21,108
Gain on sale of capital assets	-	38,646
Miscellaneous income	166,647	577,561
Nonoperating revenues, net	174,128	637,315
Increase in net position	16,944,903	9,243,896
Total net position, beginning	25,278,660	16,034,764
Restatement	(725,376)	-
Total net position, ending	$ 41,498,187	$ 25,278,660

The Agency's total revenues increased by 11.1% in 2015, primarily due to capitated revenues provided under the Medicaid waiver program. The Agency's operating expenses increased by approximately 6.7% in 2015 due to services provided under the Medicaid waiver. Overall, total revenues exceeded expenses by approximately $16.9 million, resulting in a net increase in net position for the current period.

Budgetary Analysis
Over the course of the year, the Agency revised the budget several times primarily due to revisions in expected funding from State, federal and local sources, including the Medicaid Waiver contract.

Capital Assets and Debt Administration

At June 30, 2015, the Agency had $7,087,260 invested in capital assets, net of accumulated depreciation, as shown in Table A-3.

Table A-3
Capital Assets

	June 30, 2015	June 30, 2014
Land	$ 1,667,972	$ 1,667,972
Construction in progress	541,937	-
Furniture and other equipment	1,092,178	1,210,569
Buildings	3,785,173	4,016,092
	$ 7,087,260	$ 6,894,633

At June 30, 2015, the Agency had no outstanding debt associated with these capital assets. Noncurrent liabilities at June 30, 2015 and 2014 were as follows:

	June 30, 2015	June 30, 2014
Other postemployment benefits	$ 589,022	$ 566,855

Economic and Other Factors and Next Year’s Budget

A number of economic factors currently affect the financial and operational performance of health care entities and the Agency including the following:

Restructuring of Mental Health Services in North Carolina
A major restructuring of the management and delivery systems of mental health, developmental disabilities, and substance abuse agencies and authorities has been underway in North Carolina for several years, resulting in CoastalCare providing services as a Medicaid waiver entity beginning in 2013. This reform continues to evolve and affects the financial activities and operating models of local management entities during the process.

Requests for Information

The Agency's financial statements are designed to present users with a general overview of the Agency's finances and to demonstrate the Agency's accountability. If you have any questions about the report or need additional financial information, please contact Joy Futrell, Vice President of Operations, Trillium Health Resources, 144 Community College Road, Ahoskie, NC 27910.

COASTALCARE
STATEMENT OF NET POSITION

JUNE 30, 2015

ASSETS		
Current Assets:		
Cash and cash equivalents	$	32,925,799
Accounts receivable		952,493
Prepaid expenses		66,657
Total Current Assets		33,944,949
Noncurrent Assets:		
Restricted cash for Medicaid Risk Reserve		6,798,871
Refundable facility deposit		1,881,659
Net pension asset		918,471
Capital assets:		
Total capital assets not being depreciated		2,209,909
Total capital assets being depreciated, net of accumulated depreciation		4,877,351
Total Assets		50,631,210
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals		1,168,901
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses		1,237,511
Claims payable		5,660,603
Accrued compensated absences, current portion		576,250
Total Current Liabilities		7,474,364
Noncurrent Liabilities:		
Other postemployment benefits		589,022
Total Liabilities		8,063,386
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals		2,238,538
NET POSITION		
Investment in capital assets		7,087,260
Restricted, 2% Medicaid waiver risk reserve		6,798,871
Unrestricted		27,612,056
Total Net Position	$	41,498,187

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

COASTALCARE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2015

Operating Revenues:	
Charges for Services:	
Medicaid Waiver services	$ 139,813,808
Medicaid Waiver administration	15,990,829
Total Charges for Services	155,804,637
Federal, State, and Local Funding:	
Federal grants	2,463,913
State Single Stream grant	13,103,373
State inpatient crisis service grant	2,674,710
State LME administrative grant	1,634,167
Local grants	3,771,094
Total Federal, State, and Local Funding	23,647,257
Total Operating Revenues	179,451,894
Operating Expenses:	
Personnel	13,584,374
Supplies and materials	610,259
Current obligations and services	1,222,133
Fixed charges	390,941
Depreciation expense	516,000
Contracts and grants	19,311,841
Medicaid Waiver services	124,478,793
Inpatient crisis services	2,553,500
Medicaid & CAP pass through	13,278
Total Operating Expenses	162,681,119
Operating income	16,770,775
Nonoperating Revenues:	
Interest income	7,481
Miscellaneous income	166,647
Total Nonoperating Revenues	174,128
Change in net position	16,944,903
Total net position, beginning, as previously reported	25,278,660
Restatement	(725,376)
Net position, beginning, as restated	24,553,284
Total net position, ending	$ 41,498,187

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

COASTALCARE

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

Cash flows from operating activities:	
Cash received from federal, state, and local agencies	$ 179,130,798
Cash payments to suppliers for goods and services	(147,486,105)
Cash payments to employees for services	(13,991,988)
Net cash provided by operating activities	17,652,705
Cash flows from noncapital financing activities:	
Cash received from tenants and other sources	166,647
Net cash provided by noncapital financing activities	166,647
Cash flows from capital and related financing activities:	
Proceeds from disposal of assets	26,031
Acquisition and construction of capital assets	(734,659)
Net cash used in capital and related financing activities	(708,628)
Cash flows from investing activities:	
Interest earned on investments	7,481
Net cash provided by investing activities	7,481
Net increase in cash and cash equivalents	17,118,205
Cash and cash equivalents at beginning of year	22,606,465
Cash and cash equivalents at end of year	$ 39,724,670
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 16,770,775
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	516,000
Pension expense	165,221
Increase in accounts receivable	(234,193)
Decrease in prepaid expenses	117,682
Increase in deferred outflows of resources	(739,430)
Increase in accounts payable	133,542
Increase in claims payable	951,415
Decrease in unearned revenue	(86,903)
Increase in compensated absences	36,429
Increase in other postemployment benefits	22,167
Net cash provided by operating activities	$ 17,652,705

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

Note 1—Summary of significant accounting policies

The basic financial statements of CoastalCare (the "Agency") have been prepared in conformity with accounting principles generally accepted in the United States as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

Reporting Entity – CoastalCare is a public body and a body corporate and politic created under the authority of Chapter 122C of the General Statutes of North Carolina. The Agency was created on July 1, 2012 as a result of a merger of two Area Authorities. CoastalCare's mission is to provide mental health, developmental disabilities and substance abuse services for eligible persons in the counties of Brunswick, Carteret, New Hanover, Onslow, and Pender in North Carolina. The Agency is governed by a 20-member Area Board, with each of the five counties served appointing four members.

Description of a Local Management Entity - Managed Care Organization ("LME-MCO") – An LME-MCO is an agency in the State of North Carolina that plans, develops, implements, and monitors behavioral health services within a specified geographic area, according to State requirements. This includes developing a full range of services that provide inpatient and outpatient treatment, services, and/or supports for both insured and uninsured individuals. These services are primarily funded by federal and state grants. The LME-MCO agency also manages behavioral health services in a specific geographic area provided through the State's Medicaid 1915(b)(c) Waiver plan. Under this plan, the agency receives a contractual capitated fee per member per month and coordinates care through a defined network of providers, physicians and hospitals.

Basis of Presentation - Fund Accounting – CoastalCare's accounts are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses.

The Agency accounts for its operations as an enterprise fund. An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus and Basis of Accounting – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, and all liabilities associated with the operation of this fund are included on the statement of net position. Net position is the result of deducting all the liabilities and deferred inflows of resources from all the assets and deferred outflows of resources. Total net position is segregated into three components: 1) net investment in capital assets, 2) restricted assets, and 3) unrestricted assets. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

All funds of the Agency are maintained on the modified accrual basis during the year; however, the financial statements for the Agency have been reported on the accrual basis. Under this basis, revenues are recorded when earned and expenses are recorded when incurred. In converting from the modified accrual basis to the full accrual basis, the changes required may include adjustments for uncollected receivables, depreciation, long-term obligations, and capital outlay.

Note 1—Summary of significant accounting policies (continued)

When both restricted and unrestricted resources are available for use (use is approved by the third party who required the restriction), the Agency uses restricted resources first, then unrestricted resources as they are needed.

Budgetary Data – The Agency maintains budgetary controls over all funds, as required by North Carolina General Statute ("G.S.") 159-42 (c-d). An annual budget is adopted for all enterprise funds, except the enterprise capital project fund. A multi-year budget is adopted for that fund. Enterprise capital project funds are consolidated with the operating funds for reporting purposes. Expenditures may not legally exceed appropriations at the line item level for the "operating" sub-fund or at the object level for the capital project sub-fund. The management of the Agency may transfer appropriations. Any such transfers must be reported to the Board at the next regular meeting. The budget was prepared on the modified accrual basis of accounting. The final budget presented in the supplementary information is the budget ordinance as amended through June 30, 2015.

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

Cash and Cash Equivalents – The Agency 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 for the statement of cash flows.

Deposits and Investments – All deposits of the Agency are made in board-designated official depositories and are collateralized as required by G.S. 159-31. The Agency may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the Agency 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 Agency to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust ("NCCMT").

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

Restricted Assets – Restricted cash includes the Risk Reserve, which is required to be established in accordance with the Agency's Medicaid Waiver contract with the State, and which may only be spent if authorized by the State.

Accounts Receivable – All receivables that historically experience uncollectable accounts are shown net of an allowance for doubtful accounts, when appropriate. This amount is estimated by analyzing the percentage of receivables that were written off in prior years and evaluating current information related to the collectability of individual receivables. No allowance was considered necessary as of June 30, 2015.

Prepaid Items – Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid.

Note 1—Summary of significant accounting policies (continued)

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 costs are $5,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

	Years
Vehicles	4 - 5
Furniture and other equipment	5 - 20
Buildings	20 - 25

The Agency evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used by the Agency are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the Agency are measured using the method that best reflects the diminished service utility of the capital asset. Any insurance recoveries received as a result of impairment events or changes in circumstances resulting in the impairment of a capital asset are netted against the impairment loss.

Claims Payable – Under the Medicaid 1915(b)(c) Waiver, the Agency pays providers for Medicaid claims in the Agency's five-county catchment area. The Agency estimates claims incurred but not reported ("IBNR"), and adds that to claims reported but not paid ("RBNP") as of June 30, reporting the total as Claims Payable. IBNR was estimated to be $4,114,473 as of June 30, 2015.

Compensated Absences – The vacation policies of the Agency provide for the accumulation of up to 30 days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. Based on the Agency's prior experience of paying out approximately the entire beginning balance of the liability for compensated absences each year, the Agency estimates that the entire liability for compensated absences will be paid out during the next fiscal year and therefore reports it as a current liability in the financial statements.

The sick leave policy of the Agency provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. As the Agency has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position – The Agency's net position is classified as follows:

Investment in Capital Assets - This represents the Agency's total investment in capital assets. The agency has no related debt.

Restricted - Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute. A portion of net position is restricted by the Division of Medical Assistance for future obligations of the Medicaid Waiver. This amount is set aside in a separate bank account and at June 30, 2015, the balance was $6,798,871.

Unrestricted - The Agency's unrestricted net position at June 30, 2015 was $27,612,056.

Note 1—Summary of significant accounting policies (continued)

Revenue and Expense Recognition – The Agency classifies its revenue as operating and nonoperating and its expenses as operating and nonoperating in the accompanying statement of revenues, expenses, and changes in net position. Transactions resulting from the primary purpose of the Agency, which is to ensure the provision of mental health, developmental disabilities and substance abuse services and administer the Medicaid Waiver program in Brunswick, Carteret, New Hanover, Onslow, and Pender Counties, are reported as operating revenues and expenses. Operating expenses generally result from providing services in connection with the Agency's principal ongoing operations. Operating revenues include monies received from federal, state, and local governments related to providing services to individuals who meet the respective eligibility criteria. Medicaid Waiver revenues are recognized when monies are received. Grant revenues are recognized when allowable activities and costs in accordance with related grant requirements are incurred. All revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating revenues and expenses.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial 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 Agency has one item that meets this criterion, contributions made to the pension plan in the 2015 fiscal year. In addition to liabilities, the statement of financial position will sometimes 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 Agency has one item that meets the criterion for this category - deferrals of pension expense that result from the implementation of GASB Statement 68.

Pensions - For 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 position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Agency's employer contributions are recognized when due and the Agency has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Note 2—Cash and cash equivalents

Deposits – All of the Agency's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the Federal Depository Insurance coverage level are collateralized with securities held by the Agency in its name. 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 Agency, these deposits are considered to be held by the Agency's agents in its name. 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 Agency or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Agency under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Agency does not have a policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Agency complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

Note 2—Cash and cash equivalents (continued)

At June 30, 2015, the Agency's restricted and unrestricted deposits, excluding cash on hand of $100, had a carrying amount of $37,531,476 and a bank balance of $39,869,038. Of the bank balance, $250,000 was covered by federal depository insurance, and $39,619,038 was covered by collateral held under the Pooling Method. The Agency's cash on hand at June 30, 2015 consisted of various petty cash funds totaling $100.

Restricted deposits include cash segregated for the Medicaid risk reserve, which by contractual arrangement with the Agency's funding agency may only be expended for Medicaid Waiver or other purposes approved by the funding agency, and which management does not expect to draw on in 2015. This balance of $6,798,871 was held in a separate bank account at June 30, 2015.

Investments – At June 30, 2015, the Agency's investments of $2,193,094 consisted solely of investments in the NC Capital Management Trust Cash Portfolio, an SEC-registered (2a-7) Money Market Mutual Fund.

Credit Risk – The Agency's investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2015.

Interest Rate Risk – The Agency has no policy on interest rate risk or credit risk.

Note 3—Accounts receivable

Accounts receivable at June 30, 2015 consist of the following:

Sales tax refunds	$	60,118
Due from other governments (State and Federal)		623,327
Due from counties		70,400
Due from others		198,648
Total	$	952,493

Note 4—Refundable deposit

On May 24, 2007, one of the Agency's predecessor entities and New Hanover County entered into an agreement whereby the entity transferred two parcels of land totaling 12.7 acres to the County, and the County agreed to construct a facility to be leased to the entity. The agreement was amended during the year ended June 30, 2009 to terminate the obligations to construct and lease the facility. In addition, during fiscal year 2012, four of the 12.7 acres of land were sold and the net proceeds of the sale were remitted to the Agency, resulting in a gain on the sale of the land. The refundable facility deposit in the statement of net position is the $1,881,659 carrying value of the remaining 8.7 acres of land. The Agency's Board may request the County to return the land at any time.

Note 5—Capital assets

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

	Beginning Balances	Increases/ Reclassifications	Decreases/ Reclassifications	Ending Balances
Capital assets not being depreciated:				
Land	$ 1,667,972	$ -	$ -	$ 1,667,972
Construction in progress	-	541,937	-	541,937
Total capital assets not being depreciated	1,667,972	541,937	-	2,209,909
Capital assets being depreciated:				
Furniture and other equipment	2,077,501	179,279	(177,120)	2,079,660
Buildings	5,065,342	13,443	(26,033)	5,052,752
Total capital assets being depreciated	7,142,843	192,722	(203,153)	7,132,412
Less accumulated depreciation for:				
Furniture and other equipment	(866,932)	(296,803)	176,253	(987,482)
Buildings	(1,049,250)	(219,197)	868	(1,267,579)
Total accumulated depreciation	(1,916,182)	$ (516,000)	$ 177,121	(2,255,061)
Total capital assets being depreciated, net	5,226,661			4,877,351
Capital assets, net	$ 6,894,633			$ 7,087,260

Note 6—Change in Accounting Principles/Restatement

The Agency implemented GASB statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and GASB statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*, in the fiscal year ending June 30, 2015. The implementation of the statements required the Agency to record beginning net pension liability and the effects on net position of contributions made by the Agency during the measurement period (fiscal year ending June 30, 2014) and after the measurement period (fiscal year ending June 30, 2015). As a result, beginning net position for the Agency decreased by $725,376.

COASTALCARE
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 7—Long-term obligations

The following is a summary of changes in the Agency's long-term obligations for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion
Compensated absences	$ 539,821	$ 36,429	$ -	$ 576,250	$576,250
Net Pension Liability	659,610	-	(659,610)	-	-
Net OPEB Obligation	566,855	22,167	-	589,022	-
	$1,766,286	$ 58,596	$ (659,610)	$ 1,165,272	$576,250

The LGERS pension 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.

Note 8—Risk management

The Agency is exposed to various risks of loss related to torts; malpractice; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency purchases a multi-coverage package and other commercial insurance for claims against property, general liability, and auto liability. These policies include total limits of $2 million for general liability, $2 million for auto liability and $17,419,920 for property. The Agency also maintains a professional liability policy to protect the Agency, its officials and employees (other than physicians) for claims due to rendering or failure to render professional services. Limits of liability under this policy are $1 million for each occurrence and $3 million total limit. Physicians are insured from claims under their individual professional liability insurance policies. In addition to the above coverage, the Agency purchases umbrella liability coverage with a limit of $1 million. Umbrella liability coverage applies in excess of general liability, automobile liability and employer's liability and excludes professional liability and directors' and officers' liability. 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 Agency carries health coverage through a commercial carrier for the Agency's employees.

The Agency also participates in a self-funded risk financing pool administered by the North Carolina Association of County Commissioners for workers' compensation coverage up to the statutory limits. The pool is audited annually and the audited financial statements are available to the Agency on request. The pool is reinsured through a multi-state public entity captive for single occurrence losses in excess of a $750,000 retention. The pool is self sustaining through member premiums (i.e., the Agency has transferred risks of loss to the pool).

In accordance with G.S. 159-29, all of the Agency's employees (excluding individually bonded employees) are performance bonded through a membership in a crime coverage risk management pool in the amount of $250,000. The Director of Finance is bonded for $100,000.

Note 9—Retirement system

Plan Description – The Agency is a participating employer in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one apointed 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, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Agency employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Agency's contractually required contribution rate for the year ended June 30, 2015, was 7.07% of compensation for general employees, 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 Agency were $739,430, for the year ended June 30, 2015.

Refunds of Contributions – Agency 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 the 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 Agency reported an asset of $918,471 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 Decmber 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 Agency's proportion of the net pension asset was based on a projection of the Agency'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 Agency's proportion was .002%, which was a decrease of .001% from its proportion measured as of June 30, 2013.

Note 9—Retirement system (continued)

For the year ended June 30, 2015, the Agency recognized pension expense of $165,221. At June 30, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 100,359
Net difference between projected and actual earnings on pension plan investments	-	2,138,179
Changes in proportion and differences between Agency contributions and proportionate share of contributions	429,471	-
Agency contributions subsequent to the measurement date	739,430	-
Total	$ 1,168,901	$ 2,238,538

$739,430 reported as deferred outflows of resources related to pensions resulting from Agency 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 outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	$ 107,637	$ (559,698)
2017	107,637	(559,698)
2018	107,637	(559,698)
2019	106,560	(559,444)
	$ 429,471	$ (2,238,538)

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%
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 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.

Note 9—Retirement system (continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	4.5%	3.7%
Total	100%	

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.

Note 9—Retirement system (continued)

Sensitivity of the Agency's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate – The following presents the Agency's proportionate share of the net pension asset calculated using the discount rate of 7.25%, as well as what the Agency'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:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Agency's proportionate share of the net pension liability (asset)	$ 3,117,687	$ (918,470)	$ (4,316,785)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net postion is available in the separately issued CAFR for the State of North Carolina.

Other Employment Benefits

The Agency 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 LGERS, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the LGERS at the time of death, are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed $50,000 or be less than $25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Agency, the Agency does not determine the number of eligible participants. The Agency has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State.

Note 10—Supplemental retirement income plan

Plan Description – The Agency 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 employees of the Agency. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Plan is included in the 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 Plan. 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 – The Agency's employees may participate in the Plan on a voluntary basis. In addition to employee contributions, the Agency provides an employer matching contribution up to 2% of gross salary for all eligible employees. Total Agency and employee contributions were $148,607 and $352,184, respectively, for the year ended June 30, 2015.

Note 11—Other postemployment benefits

Healthcare Benefits

Plan Description – The Agency administers a single-employer defined benefit Employee Group Health Plan (the "Health Plan"). This plan provides postemployment healthcare benefits, including prescription drug coverage, to retirees of the Agency, provided they have participated in the LGERS for a minimum of 30 years of service and have at least 20 years of creditable service with the Agency, or for an employee retiring at the age of 60, with at least 25 years of service in the LGERS and have at least 20 years of service with the Agency. The Agency contributes an amount equal to the individual premium paid by the Agency for all individual employees. Retirees have the option of purchasing coverage for their dependents at the Agency's group rates, but at the expense of the retiree. Retirees who qualify for coverage receive the same benefits as active employees. When a retiree becomes eligible for Social Security and/or Medicare, the coverage will end for the retiree and the retiree's dependents and/or family members. The Board of Directors may amend the benefit provisions. A separate financial report was not issued for the plan.

Membership of the Health Plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

	General Employees
Retirees and dependents receiving benefits	11
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	179
	190

Funding Policy – The Agency pays the full cost of coverage for the health care benefits paid to qualified retirees. The Agency's members pay $715.80 (employee's spouse) and $202.02 (children) per month for dependent coverage. The Agency has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current annual required contribution ("ARC") rate is 1.04% of annual covered payroll. For the current year, the Agency contributed $76,467 or 0.08% of annual covered payroll. There were no contributions made by employees. The Agency obtains healthcare coverage through private insurers. The Agency's obligation to contribute to the Health Plan is established and may be amended by the Area Board of Directors.

Summary of Significant Accounting Policies – Postemployment expenses are recognized on the accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenses are paid as they come due.

COASTALCARE
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 11—Other postemployment benefits (continued)

Annual Other Postemployment Benefit ("OPEB") Cost and Net OPEB Obligation – The Agency's annual OPEB cost (expense) is calculated based on the ARC of the employer, 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 30 years. The following table shows the components of the Agency's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation for the healthcare benefits:

Annual required contribution	$ 97,621
Interest on net OPEB obligation	22,674
Adjustment to annual required contribution	(21,661)
Annual OPEB cost (expense)	98,634
Contributions made	(76,467)
Increase (decrease) in net OPEB obligation	22,167
Net OPEB obligation, beginning of year	566,855
Net OPEB obligation, end of year	$ 589,022

The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2015 were as follows:

Three-Year Trend Information

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	$ 98,634	77.5%	$ 589,022
2014	104,606	68.7%	566,855
2013	104,549	69.9%	534,138

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 $1,199,604. The covered payroll (annual payroll of active employees covered by the plan) was $9,411,982, and the ratio of the UAAL to the covered payroll was approximately 13%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 11—Other postemployment benefits (continued)

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

In the December 31, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment return on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75 to 5.00% annually. The investment rate included a 3.00% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013 was 30 years.

Note 12—Commitments and contingencies

As of June 30, 2015, the Agency was committed to contracts totaling approximately $594,000 for HVAC repair and roof replacement.

The Agency 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 future refund of grant monies, as the Agency does not anticipate any material refunds.

Note 13—Economic dependence

The Agency receives approximately 11% of its revenue from State and Federal (passed through the State) intergovernmental revenue, and 87% of its revenue from the Medicaid Waiver contract, for the various programs the Agency administers. Any significant change, either increase or decrease, in funding for these programs could result in a material change in the operations of the Agency.

Note 14—Local grants

The Agency serves Brunswick, Carteret, New Hanover, Onslow, and Pender Counties. The Counties' portion of the Agency's total revenue is included in local funds revenue. The actual amount of county general funds and county alcoholic beverage commission funds received during the year ended June 30, 2015 was as follows:

Brunswick County	$ 709,779
Carteret County	228,000
New Hanover County	2,159,809
Onslow County	500,000
Pender County	173,506
	$ 3,771,094

COASTALCARE
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 15—Operating leases

The Agency leases space in Morehead City, North Carolina from Carteret County at an annual rate of $76,800, for as long as mutually agreed upon by both parties, with a minimum of one year's notice to terminate, unless both parties mutually agree on early termination. For the year ended June 30, 2015, Carteret County agreed to refund the rent payments to CoastalCare at the end of the year. The Agency also leases space in Jacksonville, North Carolina from Onslow County, renewable annually at mutually agreed upon terms. Onslow County rent for 2015 was $133,114, and has not been renewed for 2016.

In 1999 and 2000, one of the Agency's predecessor entities advanced a total of $572,500 to Brunswick County to aid in the funding of the construction of a new facility to be partially occupied by the entity upon completion. Upon completion of the facility, the Agency began leasing its portion of the facility for $1 annually for a term of 20 years. The amount contributed towards the cost of construction is included as a building within capital assets and is being depreciated over the lease term.

The Agency leases copiers and vehicles at an annual rate of $328 to $5,388 for periods ranging from March 2011 till October 2019. The future minimum lease payments under the leases for each of the years ending December 31 are as follows:

2016	$ 98,485
2017	73,426
2018	64,656
2019	16,164
Total	$ 252,731

The Agency had rental expense of $275,812 for the year ended June 30, 2015.

Note 16—Pending accounting pronouncements

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Agency:

GASB Statement Number 72, "*Fair Value Measurement and Application*" will be effective for the Agency beginning with its year ending June 30, 2016.

GASB Statement Number 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*" will be effective for the Agency beginning with its year ending June 30, 2017.

GASB Statement Number 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*" will be effective for the Agency beginning with its year ending June 30, 2017.

GASB Statement Number 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" will be effective for the Agency beginning with its year ending June 30, 2018.

GASB Statement Number 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*" is effective for the Agency beginning with its year ending June 15, 2016.

GASB Statement Number 77, "*Tax Abatement Disclosures*" will be effective for the Agency beginning with its year ending after June 30, 2017.

COASTALCARE
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 17—Subsequent events

Two public LME/MCO agencies, CoastalCare and East Carolina Behavioral Health consolidated effective July 1, 2015. East Carolina Behavioral Health is the acquiring entity and changed its name, effective July 1, 2015, to reflect the change in its organization. The continuing entity, known as Trillium Health Resources, will manage state funds and Medicaid dollars for behavioral health services across 24 counties in eastern North Carolina. Trillium will oversee access and manage services for consumers with mental health, substance use and intellectual/developmental disability needs.

Subsequent to June 30, 2015, $4,735,000 was transferred to a trust to pay for other postemployment benefits in the future for current CoastalCare retirees ($535,000) and current CoastalCare employees ($4,200.000) at June 30, 2015.

Management has evaluated subsequent events through November 23, 2015 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

- Schedule of Funding Progress for the Other Postemployment Benefits.
- Schedule of Employer Contributions for the Other Postemployment Benefits.
- Notes to the Required Schedules for the Other Postemployment Benefits.
- Schedule of Proportionate Share of Net Pension Asset - Local Government Employees' Retirement System
- Schedule of Contributions - Local Government Employees' Retirement System

COASTALCARE
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION

Other Postemployment Benefits
Schedule of Funding Progress

Actuarial Valuation Date [1]	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2013	$ -	$ 1,199,604	$ 1,199,604	-	$ 9,411,982	12.7%
12/31/2012	-	1,411,102	1,411,102	-	6,848,717	20.6%

Other Postemployment Benefits
Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2015	$ 98,634	77.50%
2014	104,606	68.7%
2013	103,651	70.5%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined by assumption from an actuarial valuation as follows:

Valuation date	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level Percentage of pay, open
Remaining amortization period	30 Years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment rate of return*	4.0%
Medical cost trend	7.75% - 5.00%
* Includes inflation at	3.00%
Cost of living adjustments	None

[1] Data from earlier valuations for the predecessor governments is not as of the same valuation date and is not presented herein.

COASTALCARE
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Asset
Local Government Employees' Retirement System
Last Two Fiscal Years June 30, *

	2015	2014
Agency's proportion of the net pension liability (asset) (%)	0.002%	0.001%
Agency's proportion of the net pension liability (asset) ($)	$ (918,470)	$ 1,384,986
Agency's covered-employee payroll	9,285,792	7,883,521
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-9.9%	17.6%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	94.35%

Schedule of Contributions
Local Government Employees' Retirement System
Last Two Fiscal Years June 30, *

	2015	2014
Contractually required contribution	$ 739,430	$ 659,610
Contributions in relation to the contractually required contribution	739,430	659,610
Contribution deficiency (excess)	$ -	$ -
Agency's covered-employee payroll	$ 10,017,469	$ 9,285,792
Contributions as a percentage of covered-employee payroll	7.4%	7.1%

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

SUPPLEMENTARY INFORMATION

COASTALCARE
BALANCE SHEET (NON-GAAP)

JUNE 30, 2015

ASSETS		
Cash and cash equivalents		
Restricted	$	6,798,871
Unrestricted		32,925,799
Accounts receivable		
Client and third-party		258,766
Due from other governments		693,727
Prepaid items		66,657
Total Assets	$	40,743,820
LIABILITIES		
Accounts payable	$	1,237,511
Claims payable		5,660,603
Total Liabilities		6,898,114
DEFERRED INFLOWS OF RESOURCES		
Unavailable receivables		213,831
Total Deferred Inflows of Resources		213,831
FUND BALANCES		
Nonspendable for prepaid items		66,657
Restricted for stabilization by state statute		751,991
Restricted for 2% Medicaid risk reserve		6,798,871
Committed for capital projects		160,804
Committed for Retiree Health Insurance		4,200,000
Assigned		450,441
Unassigned		21,203,111
Total Fund Balances		33,631,875
Total Liabilities, Deferred Inflows, and Fund Balances	$	40,743,820

Amounts Reported in the Statement of Net Position are Different Because:		
Fund balance, per above	$	33,631,875
Accounts receivable due from other governments not collected within 60 days after year end is deferred in the fund		213,831
Refundable facility deposits consisting of land transferred to New Hanover County which is not reported in the fund		1,881,659
Capital assets are not financial resources and therefore, are not reported in the fund		7,087,260
Contributions to Pension Plans in the current fiscal year and changes in differences between contributions and proportionate share of contributions are deferred outflows of resources on the Statement of Net Position		1,168,901
Liability for other postemployment benefits is not due and payable in the current period and therefore, is not reported in the fund		(589,022)
Liability for compensated absences is not due and payable in the current period and therefore, is not reported in the fund		(576,250)
Net pension asset		918,471
Deferred inflow for pension benefits that is not due and payable in the current period and therefore, is not reported in the fund		(2,238,538)
Net Position	$	41,498,187

COASTALCARE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL- (NON-GAAP)

YEAR ENDED JUNE 30, 2015

	Operating Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Operating Revenues:				
Charges for Services:				
Medicaid Waiver services	$ 121,812,256	$ 141,342,908	$ 139,813,808	$ (1,529,100)
Medicaid Waiver administration	14,461,729	14,461,729	15,990,829	1,529,100
Total Charges for Services	136,273,985	155,804,637	155,804,637	-
Federal, State, and Local Funding:				
Local grants	3,776,609	3,793,515	3,724,627	(68,888)
State Single Stream grant	12,143,366	12,447,501	13,056,903	609,402
Federal grants	3,621,072	4,374,623	2,510,383	(1,864,240)
Medicaid pass-through funds	500,000	500,000	-	(500,000)
State inpatient crisis service grant	3,202,875	3,202,875	2,674,710	(528,165)
State LME administration grant	1,720,047	1,634,167	1,634,167	-
Total Federal, State, and Local Funding	24,963,969	25,952,681	23,600,790	(2,351,891)
Total Operating Revenues	161,237,954	181,757,318	179,405,427	(2,351,891)
Operating Expenditures:				
Personnel	13,980,655	14,783,875	13,360,557	1,423,318
Supplies and materials	899,400	678,400	610,260	68,140
Current obligations and services	896,350	1,078,350	1,222,134	(143,784)
Fixed charges	431,002	534,791	390,942	143,849
Capital outlay	-	607,000	734,659	(127,659)
Contracts and grants	20,015,416	21,366,984	19,311,841	2,055,143
Medicaid Waiver contract services	121,812,256	139,813,808	124,478,793	15,335,015
Inpatient crisis services	3,202,875	3,202,875	2,553,500	649,375
Contingency	1,000,000	691,235	-	691,235
Total Operating Expenditures	162,237,954	182,757,318	162,662,686	20,094,632
Operating income	(1,000,000)	(1,000,000)	16,742,741	17,742,741
Nonoperating Revenues:				
Interest earned on investments	-	-	7,481	7,481
Miscellaneous	-	-	166,647	166,647
Total Nonoperating Revenues	-	-	174,128	174,128
Other Financing Sources (Uses):				
Transfer in (out)	-	-	200,000	200,000
Appropriated fund balance	1,000,000	1,000,000	-	(1,000,000)
Total other financing sources (uses)	1,000,000	1,000,000	200,000	(800,000)
Revenues and other financing sources (uses) over (under) expenditures	$ -	$ -	$ 17,116,869	$ 17,116,869

COASTALCARE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL- (NON-GAAP) (CONTINUED)

YEAR ENDED JUNE 30, 2015

Reconciliation of change in net position:	
Total revenues and other financing sources	$ 179,579,555
Total expenditures and other financing uses	(162,462,686)
Subtotal	17,116,869
Depreciation	(516,000)
Capital outlay	734,659
Agency's portion of collective pension expnese	(165,221)
Net OPEB expense	(22,167)
Change in accrued vacation	(36,429)
Decrease in available receivables	46,470
Bad debt expense	(13,278)
Subtotal	28,034
Change in net position	$ 17,144,903

COASTALCARE

SCHEDULE OF CHANGES IN THE STATUS OF CAPITAL PROJECT FUND

(NON-GAAP)

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2015

	Project Authorization	Prior Years	Closed Projects	Current Year	Total
Revenues	$ -	$ -	$ -	$ -	$ -
Expenditures	200,000	-	-	-	200,000
Revenues over (under) expenditures	200,000	-	-	-	200,000
Other financing sources (uses):					
Transfers out	-	-	-	(200,000)	(200,000)
Total other financing sources (uses)	-	-	-	(200,000)	(200,000)
Revenues and other financing sources (uses) over (under) expenditures	$ 200,000	$ -	$ -	$ (200,000)	$ -
Reconciliation of modified accrual basis to full accrual basis:					
Excess of revenues and other financing sources under expenditures and other financing uses				$ (200,000)	
Change in net position				$ (200,000)	

COMPLIANCE SECTION

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Area Board of Directors
Trillium Health Resources
Greenville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of CoastalCare (the "Agency"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated November 23, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Cherry Bekaert LLP

Raleigh, North Carolina
November 23, 2015

Cherry Bekaert LLP
CPAs & Advisors

**Report of Independent Auditor
on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major Federal Program and
on Internal Control Over Compliance
in Accordance with OMB Circular A-133 and
the State Single Audit Implementation Act**

To the Area Board of Directors
Trillium Health Resources
Greenville, North Carolina

Report on Compliance for Each Major Federal Program

We have audited CoastalCare's (the "Agency") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the North Carolina Local Government Commission, that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2015. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

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

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

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

Cherry Bekaert LLP

Raleigh, North Carolina
November 23, 2015

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor
on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major State Program
and on Internal Control Over Compliance in
Accordance with OMB Circular A-133 and the
State Single Audit Implementation Act

To the Area Board of Directors
Trillium Health Resources
Greenville, North Carolina

Report on Compliance for Each Major State Program

We have audited CoastalCare's (the "Agency") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the North Carolina Local Government Commission that could have a direct and material effect on each of the Agency's major State programs for the year ended June 30, 2015. The Agency's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

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

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

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

Cherry Bekaert LLP

Raleigh, North Carolina
November 23, 2015

COASTALCARE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2015

Part I – Summary of Audit Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified?	____ yes	X none reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major federal program:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified?	____ yes	X none reported
Type of auditor's report on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	____ yes	X no

Identification of the major federal programs:

Program Name	CFDA Number(s)
Block Grants for Prevention and Treatment of Substance Abuse	93.959
Social Services Block Grant	93.667

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000	
Auditee qualified as low-risk auditee?	____ yes	X no

COASTALCARE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

State Awards

Internal control over major State program:

Material weakness(es) identified?	______ yes	X no
Significant deficiency(ies) identified?	______ yes	X none reported
Type of auditor's report on compliance for major State programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	______ yes	X no

Identification of major State programs:

Program Name

Single Stream Funding
Mental Health Crosscutting

Part II – Financial Statement Findings

None reported.

Part III – Findings and Questioned Costs for Federal Awards

None reported

Part IV – Findings and Questioned Costs for State Awards

None reported

COASTALCARE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2015

None reported.

COASTALCARE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2015

Federal/State Grantor/Pass-Through Grantor Program Title	CFDA Number	Federal Expenditures	State Expenditures
FEDERAL AWARDS			
U.S. Department of Housing and Urban Development			
Office of Community Planning and Development			
Shelter Plus Care	14.238	$ 83,030	$ -
U.S. Department of Health and Human Services			
Passed through NC Department of Health and Human Services:			
Division of Medical Assistance:			
State Children's Insurance Program - N.C. Health Choice	93.767	43,581	-
Substance Abuse and Mental Health Services Administration			
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	75,995	-
Block Grant for Community Mental Health Services: Community Based Programs - Mental Health	93.958	751,855	-
Social Services Block Grant			
- Community Based Programs Mental Health	93.667	108,397	
- Community Based Programs Intellectual and Developmental Disabilities	93.667	110,188	
- Community Based Programs Substance Abuse Prevention	93.667	108,098	
		326,683	
Block Grant for Prevention and Treatment of Substance Abuse: Community Based Programs - Substance Abuse	93.959	1,242,596	-
SAMSA-Projects of Regional/National Significance Partnership for Success	93.243	16,263	-
Total U.S. Department of Health and Human Services		2,540,003	-
STATE AWARDS			
NC Department of Health and Human Services			
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:			
Traumatic Brain Injury		-	32,332
DOJ Housing		-	116,207
DOJ Transition		-	78,221
DOJ Supported Employment		-	182,035
Bridge Funding		-	9,750
Single Stream Funding		-	13,685,879
Multidisciplinary Evaluation		-	4,100
Crisis Services and Local Psych Inpatient		-	2,674,210
Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services		-	16,782,734
Total Federal and State Awards		$ 2,540,003	$ 16,782,734

See Notes to Schedule of Expenditures of Federal and State Awards.

COASTALCARE

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2015

Note 1—Basis of presentation

The accompanying schedule of expenditures of Federal and State awards includes the Federal and State grant activity of CoastalCare and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Trillium Health Resources

Persons Served by County July 1, 2015 - December 31, 2015

County	Annual County General Funding	Rank	Population	Rank	Disability Area * Mental Health	I/DD	Substance Abuse	Total Persons Served*	Rank	Value of Services Provided	Rank
Beaufort	$ 156,599.00	8	47,714	8	1,425	207	482	1,965	8	$ 8,474,869	6
Bertie	$ 44,590.00	15	20,621	15	489	57	75	583	14	$ 2,908,297	14
Brunswick	$ 250,443.00	5	117,852	4	3,196	518	681	4,193	4	$ 11,682,345	5
Camden	$ 20,000.00	22	10,239	22	146	25	42	189	22	$ 922,111	21
Carteret	$ 198,000.00	7	69,358	6	2,054	322	398	2,608	6	$ 6,238,862	7
Chowan	$ 29,478.00	17	14,637	16	332	59	112	470	16	$ 2,596,741	15
Craven	$ 249,827.00	6	104,513	5	2,370	363	674	3,213	5	$ 12,816,935	4
Currituck	$ 50,316.00	13	24,958	11	400	66	96	536	15	$ 2,319,556	16
Dare **	$ 411,040.00	4	35,373	10	661	78	224	911	10	$ 2,981,070	13
Gates	$ 28,000.00	18	11,947	20	157	34	19	199	21	$ 773,322	22
Hertford	$ 77,750.00	11	24,595	12	555	87	74	648	13	$ 3,483,019	10
Hyde	$ 10,914.00	23	5,743	23	122	16	14	147	23	$ 441,723	24
Jones	$ 20,306.00	21	10,470	21	261	42	43	325	20	$ 1,436,607	20
Martin	$ 48,462.00	14	23,714	13	691	85	176	877	11	$ 3,358,911	11
New Hanover	$ 2,151,117.00	1	216,951	1	7,091	1,370	1,659	9,567	1	$ 28,099,853	1
Northampton	$ 77,614.00	12	21,218	14	640	66	64	735	12	$ 3,015,408	12
Onslow	$ 500,000.00	2	193,221	2	4,936	651	555	5,862	2	$ 13,379,924	3
Pamlico	$ 30,593.00	16	13,137	18	339	42	106	450	18	$ 1,901,268	18
Pasquotank	$ 85,506.00	10	39,655	9	987	163	148	1,209	9	$ 4,998,092	9
Pender	$ 156,000.00	9	56,540	7	1,734	268	323	2,216	7	$ 5,969,078	8
Perquimans	$ 26,906.00	20	13,627	17	276	52	49	352	19	$ 1,955,064	17
Pitt	$ 487,500.00	3	174,414	3	3,873	576	1,028	5,172	3	$ 23,297,414	2
Tyrrell	$ 8,814.00	24	4,135	24	86	14	15	112	23	$ 590,800	23
Washington	$ 27,000.00	19	12,682	19	344	66	145	506	16	$ 1,798,769	19
Other Counties***					252	29	277	551		$ 1,602,763	
Total	**$ 5,146,775.00**		**1,267,314**		**33,417**	**5,256**	**7,479**	**43,596**		**$ 147,042,802**	

* Total is unduplicated; since a single individual may receive services in more than one category, the columns do not sum across

** Dare County funding includes funding targeted for the county-developed New Horizons program.

***Other Counties include: No County Listed, Alamance, Bladen, Columbus, Cumberland, Duplin, Edgecombe, Franklin, Gaston, Granville, Greene, Guilford, Halifax, Harnett, Johnston, Lenoir, Macon, Madison, Nash, Randolph, Robeson, Sampson, Vance, Wake, Warren, Wayne, and Wilson

Sources:

Persons Served Data Source : CI:Claims: Claims by Service Definition
Value of Services Data Source : CI: Claims: Claims by Service Definition (Approved/Adjudicated Claims)

Population Data Source: NC Office of State Budget and Management (OSBM) website. https://ncosbm.s3.amazonaws.com/s3fs-public/demog/countygrowth_cert_2014.html. July 2014 estimate. Last updated: 10/8/15 Downloaded: 1/21/16