

BUDGET PROCESS

Changing conditions, along with demands for increased services, have forced a re-evaluation of the roles of local governments. As public officials, we are charged with the responsibility of ensuring that all local governmental services are provided in the most efficient and effective manner possible in order to maximize available resources. The budgetary process allows for the accumulation of financial and performance information relative to these services and provides the tools necessary to analyze the merits and cost implications of each.

LEGAL BUDGET REQUIREMENTS

North Carolina counties budget and spend money under the Local Government Budget and Fiscal Control Act (LGBFCA), as adopted by the North Carolina General Assembly. The LGBFCA (G.S. 159-10-13) establishes the dates by which each stage in the annual budget process is to be completed.

Budget Preparation Calendar

- Departmental requests, other than the public schools, must be submitted to the budget officer before April 30.
- School administrative units and community colleges must submit their proposed budgets and requests for county appropriations and supplemental tax levies no later than May 15.
- The recommended budget must be given to the Board of Commissioners no later than June 1.
- The Commission must enact the budget ordinance by July 1, when the budget year begins.

Budget Forms and Procedures

The budget officer must prescribe the forms and procedures for the departments to use in preparing their requests; in the words of G.S. 159-10, requests "shall be made in such form and detail, with such supporting information and justifications, as the budget officer may prescribe." G.S. 159-10 also requires that a budget request show actual expenditures for the prior year, estimated expenditures for the current year, and requests for the proposed budget year.

Departmental Requests

G.S. 159-11 requires that the budget officer's recommended budget be balanced unless the Board of Commissioners insists that an unbalanced budget be submitted. A further requirement is that the budget must be accompanied by a budget message. G.S. 159-11(b) states what the message should include:

- A concise explanation of the governmental goals fixed by the budget for the budget year,
- Important features of the activities anticipated in the budget,
- The reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and
- Any major changes in fiscal policy.

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Board Review

Once the budget is before the Board of Commissioners, several general legal provisions apply to Board review and adoption of the budget ordinance.

- At least ten days must pass between submission of the budget and the adoption of the budget ordinance.
- On the same day that the budget is submitted to the Board of Commissioners, the Budget Officer must file a copy of it in the office of the Clerk to the Board where it is available to the public and the press.
- The Clerk to the Board must publish a notice that the budget has been delivered to the Board of Commissioners and is available for public inspection. This advertisement must also note the time and place of the required public hearing.
- During the interval between submission and adoption, the Board may conduct its review at both regular and special meetings. At least one of these dates must be a public hearing at which any person who wishes to comment may.
- The Open Meetings Law (G.S. 143-318.9 - 318.18) applies to the budget preparation and adoption process.

Adoption of the Budget Ordinance

The budget ordinance must contain the appropriations, the estimated revenues, the property tax levy and actual tax rate. As required by the Local Government Budget and Fiscal Control Act (G.S. 159, Article 3), the governing board must adopt an annual balanced budget ordinance by July 1 for all funds except those funds that operate under project ordinances. A balanced budget is one in which the sum of estimated net revenues and appropriated fund balances equals the appropriations.

BUDGET PREPARATION AND ADOPTION

From inception to adoption, the budget process encompasses the better part of a year—normally 8 to 10 months. An outline of the *Budget Calendar* is included within this section. For Pitt County, the process begins in the Fall with solicitation of capital needs for inclusion in the County's multi-year Capital Improvement Program and departmental long-term goals and objectives. The Board of Commissioners holds a series of planning sessions during the winter months to identify and set the overall goals for the County and to review the financial forecast.

Budget packages and instructions were distributed to departments in March. After departments submitted their projected budget, individual budget conferences were held with each department head and the County Manager, Budget Administrator, and appropriate Deputy County Manager(s). Revisions were made as necessary in the operating and capital budgets and in revenue estimations until a balanced budget was presented by the County Manager to the Board of Commissioners.

The Manager's preliminary balanced budget was submitted to the Board of County Commissioners in May. Afterward, several workshop sessions were held to review requests and receive input. Based on input received, the Manager finalized his proposal and presented a Proposed Budget. The Manager's *Budget Message*, included in a previous section of this document, accompanied the proposed budget and outlines the recommendations and highlights major policy changes. A public hearing was held on June 7 to assure adequate opportunity to receive additional citizen input on the budget.

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Pitt County's budget was adopted on June 7, 2011, in accordance with legal requirements for final adoption prior to July 1.

The budget is prepared on the modified accrual basis of accounting as required by North Carolina General Statute 159-26(c). Appropriations lapse at year-end in the General and Special Revenue Funds for which annual budgets have been legally adopted. The budgets for Capital Project Funds are adopted on a project basis, which may cover more than one year. Appropriations are carried over in these funds until the project(s) are completed.

Budgets for General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Board of Commissioners annually adopts a budget by ordinance approximating funds and may, during the year, authorize supplemental appropriations.

BUDGET AMENDMENT PROCESS

Amendments increasing or decreasing revenues and expenditures to the Pitt County Budget may be submitted at any time during the year. After review by staff and recommendation of the Manager, amendments increasing revenue require formal approval by the Board of Commissioners. Decreases in funding from state, federal, or grant sources may be reduced without Board approval provided that staffing levels are not affected.

Authorization for transferring appropriations within a fund are as follows:

- The Deputy County Manager - Financial Services or designee may transfer amounts between objects of expenditure within a department (operating line items only).
- Movement of funds between/across expenditure categories (Personal/Operating/Capital) may be requested by Department but require approval of Manager. No salary lag can be used to fund part time staff or pay overtime without Manager acknowledgement. Movement of funds to purchase unbudgeted Capital requires same acknowledgement.
- The County Manager may transfer amounts less than \$20,000 between departments within a fund upon finding they are consistent with operational needs.
- The funding for merit (step) increases, reclassifications, and cost of living allowances may be moved from the budgeted reserve with the approval of the Deputy County Manager – Financial Services. For FY11-12, NO funding has been provided for merit plan, market adjustments or any incentive/progression plan increases.
- No revenues may be increased, no funds may be moved from the Contingency account, and no transfers between funds may be processed unless formal action is taken by the Board of Commissioners.
- Upon notification of funding decreases from the state, federal or grant sources, budgets may be adjusted to match with the approval of the County Manager or Deputy County Manager – Financial Services. Board of Commissioners' action will not be required unless staffing is affected.

BUDGET PROCESS

Pitt County Budget Calendar for FY 2011-12

December 2010	Staff update and review CIP and Financial Plan
February 7, 2011	Capital Improvement Planning Discussion (regular BOCC meeting) Review, update, affirm Board's Goals for FY 2011-12
February 2011	Departments formulate objectives/action plans for the budget year tied to Commissioners' goals
March 3, 2011	Departments notified of opening for FY 2011-12 MUNIS Budget entry access Forward budget packages to department heads Discuss budget process at regular department head meeting
March 31, 2011	All budget requests and documentation due from departments to Financial Services Department. (Departmental access to MUNIS budget entry closed at 5 p.m.)
April 1-15, 2011	Budget compilation and balancing
April 20, 2011	Budget documents to County Manager for review
April 25-29, 2011	Departmental budget conferences with County Manager
May 4, 2011	Return revised budget requests to departments for review
May 5-6, 2011	Receive departmental appeals on Manager's revisions/recommendations
May 16, 2011	Present overview, balanced budget (tentative) to Board of Commissioners at regular meeting. (This document will be used as a working copy during budget workshops.)
May 17-20, 2011	Workshops with Commissioners to present and review/amend tentative budget
May 23-27, 2011	Open for additional workshops, if needed
Mon, June 6, 2011	Manager's Recommended Budget and Budget Message presented to Board of Commissioners (regular BOCC meeting)
Tues, June 7, 2011	Hold public hearing for citizen input at 7 p.m. (and possible budget adoption)
June 2011	Available for additional workshops, if needed
June 20, 2011	Alternative date to adopt 2011-12 Budget (regular BOCC meeting)

BUDGET POLICIES

Pitt County maintains the following goals, guidelines and policies to ensure planned and orderly direction, to ensure fiscal responsibility, maintain a strong financial position, and maintain the necessary level of resources to provide the services required of its citizens.

GOALS

The following long-range goals were developed by the Board of Commissioners in strategic planning sessions in 2004 and were reconfirmed in February 2011 for continuation in the FY 2011-12 budget year:

1. To promote quality education;
2. To promote community safety through enhanced emergency service programs;
3. To advance economic development opportunities for Pitt County;
4. To enrich the quality of life for Pitt County citizens through opportunities for improved health and welfare;
5. To address the facility and space needs of all county government programs—general government, public schools and community college;
6. To champion infrastructure improvements throughout the county; and
7. To promote the provision of and access to recreational activities for county citizens.

FINANCIAL POLICIES

Pitt County's financial policies set forth basic guidelines for the overall fiscal management of the County. Operating independently of changing circumstances and conditions, these policies provide a framework to assist in the decision-making process for the Board of Commissioners and staff and establish guidelines for evaluating both current activities.

1. The Board of Commissioners provides general guidance through the adoption of the annual budget while the County Manager is charged with the implementation of the budget throughout the fiscal year. To this end, the Board of Commissioners has adopted a series of policies designed to give the Manager authority to, among other things, transfer funds within appropriations to meet changing operational needs, and to recommend personnel actions during the year throughout the budget as long as total authorized head-count is not exceeded.
2. The budget process places emphasis on those personnel and management issues of critical importance to the County's fiscal health: employee relations, office automation, implementation of new technologies, long-term work force planning and management incentives. In doing so, it provides for adequate levels of funding for all retirement systems and maintains the principle of avoiding layoffs to balance the budget, by planning personnel reductions to come from attrition, whenever possible.
3. Generally, expansion of existing services and programs, or the addition of a new service or program is considered in the proposed budget only when a new revenue source can support the ongoing costs or when the requesting department can identify an existing service or program which can be reduced or eliminated.
4. The County shall monitor departmental expenditures on a monthly basis to ensure conformity to adopted budgets and prepare monthly financial reports on all funds comparing actual revenues and expenditures to budgeted amounts. This report is presented to the Board of Commissioners at public session each month.
5. The County shall avoid budgetary practices or procedures that balance current period expenditures at the expense of future years' revenues and it shall be general policy to limit the use of prior year Fund Balance for operating and other on-going expenditures.

BUDGET POLICIES

6. The budget shall provide for the satisfactory maintenance of capital facilities and equipment.
7. The operating budget shall fully describe the major goals to be achieved by department and the services and programs to be delivered based upon the levels of funding anticipated or provided. They shall also provide brief descriptions of prior year accomplishments and mission statements for each department and division.
8. The County shall finance essential County services which have a Countywide benefit in the budget from revenue sources which are generated from a broad base, (i.e. property taxes, sales taxes). Throughout the budget document these revenue sources shall be noted as "General Fund Appropriation."
9. The County shall minimize the impact on the use of property tax by seeking alternative funding sources for County services that focus on user fees for responsive services and upgrading and/or enhancement of the property tax base.
10. The County shall review user fee rate structures on a yearly basis to continually and accurately charge the cost of service provided to the benefiting user or customers serviced, while being sensitive to the needs of low-income citizens.
11. The County shall actively oppose any legislation which forces local service mandates without concurrent Federal, State or Regional funding or providing additional locally-controlled funding sources.

REVENUE POLICIES

1. The County shall make every attempt to maintain a diverse and stable revenue base to shelter it from short and long-term fluctuations in any one revenue source.
2. The County shall project its annual revenues through an analytical process using historical data, economic trends, indicators, and conservative approaches for estimating future revenues.
3. The County shall try to establish user charges and set fees for services in its funds at a level that fully supports the total direct and indirect costs of the activities. The County should review these and all other fees/charges annually and modify them as necessary.
4. The County shall follow aggressive policies to ensure the highest collection percentage for delinquent County revenues.
5. The County shall purposely prepare conservative revenue estimates to ensure that through over collection of revenues and under spending of the budgeted expenditures, no appropriated fund balance will be needed to meet current expenses. Fund balance reliance should be reduced each year in order to improve the County's fiscal position.

RESERVE POLICIES

1. The County shall, as per Local Government Commission guidelines, maintain a minimum undesignated General Fund Balance of 8.33% or an amount equal to at least one month of General Fund operations. However, it is the County's goal to exceed this minimum and keep undesignated fund balance in the 20% range.
2. The County shall respect the integrity of fund balance and use it as sparingly as possible when funding future budgets.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

1. An independent audit shall be performed annually.

BUDGET POLICIES

2. The County shall produce a comprehensive annual financial report in accordance with Generally Accepted Accounting Practices (GAAP) as outlined by Governmental Accounting, Auditing and Financial Reporting (GAAFR).
3. The County shall maintain accounting control systems to ensure the safety of all assets held in the public trust and staff shall perform periodic unscheduled audits of all County departments that handle cash and negotiable instruments in the course of daily activities.

INVESTMENT POLICIES

1. The County shall make a cash-flow analysis of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled such that investment capabilities are maximized and follow the guidelines set forth under North Carolina General Statutes.
2. The County shall invest funds by using a flexible investment strategy to secure high returns of income on cash flow that are in excess of current needs and, when permitted by law, will pool cash from several different funds to maximize its potential earnings. Investments will be structured according to the County's overall financial condition in anticipation of financial opportunities and obligations.
3. The County's accounting system will provide regular information concerning cash position and investment performance and will allow earnings to be reflected monthly on financial reports.

DEBT POLICIES

1. The County shall confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues; and where the issuance of long-term debt is required, it will repay the bonds within a period not to exceed the expected useful life of the project.
2. The County shall attempt to keep average maturity of general obligation bonds at or below 20 years.
3. The County shall not incur long-term debt to support current operations.
4. The County shall maintain a sound relationship with all bond rating agencies and will keep them informed about current projects and other important fiscal events.

CAPITAL IMPROVEMENT BUDGET POLICIES

1. Capital projects include the acquisition or construction of long-term assets, normally costing greater than \$50,000 and with a life in excess of 10 years.
2. The County shall maintain the fiscal integrity of the County's operating, debt service and capital improvement budgets in order to provide services and construct and maintain public facilities.
3. The County shall make all capital improvements in accordance with an adopted capital acquisition program.
4. The County shall develop a multi-year plan for capital improvements, with proposed funding sources identified for each project. The plan should be updated and extended annually.
5. The County shall coordinate decision making for the capital improvement budget with the operating budget to make effective use of the County's limited resources for operating and maintaining existing services and facilities as well as planning for future needs.
6. The County shall attempt to maintain all its assets at a level adequate to protect the County's capital investment, to minimize future maintenance and replacement costs, and to maximize operating efficiency.
7. The County shall maintain a responsible and prudent fiscal condition to minimize long-term interest expense when financing capital improvements.

BUDGETARY ACCOUNTING SYSTEM & CONTROL

All County funds except proprietary funds are budgeted for on a Modified Accrual Basis in accordance with North Carolina General Statutes. Proprietary funds are budgeted on a Full Accrual Basis. Under the modified accrual basis, revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which a liability is incurred, if measurable, except for unmatured principal and interest on long-term debt that is recognized when due.

The entity wide financial statements will be reported on a full accrual basis separated by funds with governmental activities and business-type activities, in accordance with the Governmental Accounting Standards Board Statement No. 34. Under full accrual, revenues are recorded when earned and expenses are recorded when incurred. All governmental funds will be reported in the fund financial statements on a modified accrual basis. All proprietary funds will be reported in the fund financial statements on a full accrual basis.

FUND ACCOUNTING

Governmental accounting systems should be organized and operated on the basis of fund with account groups. A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities on balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The County operates its various funds under three broad categories with six fund types. Two account groups are not funds but are used to establish accountability over the County's fixed assets and general long-term debt. The following fund types are included in the Annual Operating Budget:

GOVERNMENTAL FUNDS

General Fund The General Fund is the principal fund used to account for the provisions of governmental services. The fund summarizes the financial transactions of functional services, based on departmental operations, except for those transactions that must be accounted for separately in other funds.

Special Revenue Funds Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for special purposes. There are 11 Special Revenue Funds: County Capital Reserve Fund, School Capital Reserve Fund, State & Federal Asset Forfeiture Fund; Community Development Block Grant Fund, State Grants Fund, Pitt Area Transit System Fund, Industrial Development Fund, Industrial Development Building Fund, Fire Districts Fund, EMS District Fund, and E911 Surcharge Fund.

Debt Service Funds The Debt Service Funds account for expenditures for principal and interest for all general long-term debt account group debt payments. Other governmental fund types provide the resources to the Debt Service Fund to make the payments through operating transfers.

Capital Project Funds Capital Project Funds are used to account for financial resources to be used for acquisition of major capital facilities. The County maintains separately for account and budgeting purposes the following Capital Project Funds: Pitt Community College Building Fund, Pitt Community College Bond Match Projects Fund, Pitt Community College 2009 Projects Fund, Community Schools & Recreation Building Fund, ECTC Building Fund, School Improvement Projects Fund, 2007 COPS Education Projects Fund, and Detention Center Capital Project Fund.

BUDGETARY ACCOUNTING SYSTEM & CONTROL

PROPRIETARY FUNDS

Enterprise Funds An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Pitt County has one enterprise fund—the Solid Waste & Recycling Fund.

Internal Service Funds Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit or to other governmental units on a cost-replacement basis. Pitt County has four internal service funds: Employee Medical Insurance Fund, Retiree Medical Insurance Fund, Worker's Compensation Fund, and County Garage Fund.

FIDUCIARY FUNDS

Trust and Agency Funds Agency funds account for assets held by the County in a trustee capacity or as an agent; are custodial in nature; and do not involve measurement of results of operations. Pitt County has five agency funds (trust funds): Deferred Compensation; Social Services and Sheriff Trust Funds; Tax Collections Held for Municipalities; Flexible Benefit Plans; and Law Enforcement Officers Pension Fund.

ACCOUNT GROUPS

General Fixed Assets Account Group This group of accounts is established to account for all fixed assets for the County, other than those accounted for in the Proprietary Funds. General fixed assets acquired are recorded as expenditures in the various funds at the time of purchase.

General Long-Term Debt Account Group This group of accounts is established to account for all long-term obligations of the County, other than those accounted for in the Proprietary Funds.

FUND BALANCES

Pitt County uses five operating fund types: general fund, special revenue, capital projects, enterprise and internal service funds. Each type of fund maintains its own fund balance. Fund balance represents moneys that remain unspent after all budgeted expenditures have been made. These unspent moneys serve as working capital reserve and are available for appropriation or may be retained for capital projects or for emergencies.

The Local Government Commission (LGC), an office of the North Carolina State Treasurer's Office, recommends that counties maintain a minimum unreserved fund balance of eight percent (8%) in the General Fund. On average, counties of similar size to Pitt County (population > 100,000) maintain a fund balance of approximately 19 percent. At the end of Fiscal Year 2010-11, it is anticipated, Pitt County's General Fund is anticipated to have a fund balance of approximately \$28.4 million, of which \$15.6 million will be unreserved (audit in process). Pitt County's fund balance as a percentage of expenditures at June 30, 2011 will be 12 percent. The County monitors closely its fund balance position, as it plays a pivotal role in maintaining a strong financial position and meeting the needs of a growing county.

BUDGETARY ACCOUNTING SYSTEM & CONTROL

DEPOSITS AND INVESTMENTS

DEPOSITS

All deposits of the County are made in Board designated official depositories and collateralized as required by General Statute 159-31. The County may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts, money market accounts, and certificates of deposits.

All of the County's deposits are either insured or collateralized by using one of two options. Under Option 1, all deposits over the Federal depository insurance coverage are collateralized with securities held by the County's agent in the County's name. Under Option 2, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for the non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using Option 2 report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under Option 2, the potential exists for under-collateralization, and the risk may increase in periods of high cash flow. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each Option 2 depository. The County utilizes one official depository that collateralizes public deposits in excess of the allowable federal insurance coverage by the Option 2 method.

INVESTMENTS

G.S. 159-309(c) authorizes the County 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 banker's acceptance; and the North Carolina Cash Management Trust, an SEC registered mutual fund. Investments are stated at cost or amortized cost. The County pools moneys from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all enterprise fund cash and investments are essentially demand deposits and are considered cash and equivalents.

The County received special legislation during the 1999 Legislative Session that provided additional investment opportunities for the County. This legislation enabled the County to maximize returns generated by the investment of the \$30,000,000 received from the transfer of the County's hospital into traditionally higher yielding instruments such as stocks and bonds. However, due to changes that occurred in the economic climate, no funds are invested under the expanded authority at this time.

BUDGETARY CONTROL

In government, more than in business, the budget is an integral part of a unit's accounting system and daily operations. An annual or project budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations and lapses at the end of the fiscal year. The budget can only be amended by action of the Board of Commissioners. For Pitt County, appropriations in all funds are formally budgeted at the departmental level or project level. Project ordinances can be adopted for special revenue and capital project funds. However, for internal accounting purposes, budgetary control is maintained by object class (line item).

BUDGETARY ACCOUNTING SYSTEM & CONTROL

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the capital project funds. Accounting control is maintained by encumbering purchase amounts prior to the release of purchase orders to vendors. Purchase orders that would create an over-encumbrance at that level are not written until additional appropriations are available. Encumbrances outstanding at June 30th are reported as reservations of fund balance rather than expenditures and such encumbered funds are appropriated for expenditure in the subsequent fiscal year. The annual budget can be amended through several methods. Changes at the line item level within a department can be initiated and approved by the Department Head with joint approval by the Finance Officer. Transfers between departments less than \$20,000 within the same fund further require the County Manager's approval. The appropriation and expenditure of fund balance, expenditures from contingency, or transfers between funds can be initiated at the department level but must have Finance Officer, County Manager, and Board of County Commissioners approval before the amendment is valid.

PERFORMANCE MEASUREMENTS & TOTAL QUALITY

Accountability and improvement are essential parts of our operation and, therefore, a part of the budgetary process as well. Pitt County believes that a system of measurable objectives should be established for each area of its operations. The County began its initial stages of performance measures within the budget in Fiscal Year 1996-97 with only a few departments participating in the initial phase of identifying annual objectives. Each successive year, additional departments have been included in the process of identifying and reporting their objectives for the coming year and summarizing accomplishments from the previous year.

Departments have subsequently been introduced to various types of performance measures; and have advanced to identifying and reporting performance indicators in the budget process. All operational departments are identifying and including performance indicators to serve as measures for their objectives or department's productivity. These measures may be indicative of workload, efficiency, or effectiveness. Departments have continued to refine and improve identification and selection of indicators in an effort to accurately measure success. Departments also now link their departmental objectives to the Board of Commissioner's broad goals and develop relevant departmental goals. The staff actively monitors statewide and nationwide efforts on performance standards in government in order to make continuous improvements to the processes in place in Pitt County.

In addition to the performance component, Pitt County is committed to continuous improvement in quality. The County utilizes its Training Department, a division of Human Resources, to focus on Total Quality techniques through training programs offered to all employees. By identifying key services or processes and organizations that excel, the County utilizes benchmarking mechanisms to make improvements within government. Projects have included revamping the payroll time record process, which involved a Quality Team researching methods from various governmental and other outside agencies, taking optimum components, and sculpting a better process to serve the needs of Pitt County. This project has since been expanded to an electronic timekeeping and payroll notification system. Another major project was development and implementation of a new employee evaluation tool that uses performance objectives and interim evaluations to guide employees and their supervisors toward desired outcomes. Another team completed revisions to the Personnel Ordinance which were adopted in mid-2008. Other completed projects include a consolidated office supply purchasing process, consolidated copier service and a bulk cellular plan. Countywide imaging is underway in a phased approach.

The County's Management Team, led by the County Manager, also meets monthly for VPM (Vision, Planning, Monitoring) review. The purpose of this group is to review on-going projects – status, schedule, funding – goals – to ensure targets are met and to identify future work items for the "watch" list or action.

FINANCIAL PLANNING

Financial planning begins early in the budget process, usually in the fall of the year. The table on the following page shows the County's budget history for the past three years, the current year adopted budget, and the projections for four (4) future planning years. Management determined that given shifts in the economy, assumptions lose validity if the County projects too far into the future. This is similar to our Capital Improvement Plan practice of current plus four years and then a general 6-10 year estimate. The growth factors for both revenues and expenditures were established based on historical growth and planning estimates the County receives from various sources each fiscal year. Also in this section are several financial indicators and benchmarks used to compare with other counties in the state.

For Fiscal Year 2011-12, Management knew our stated assumptions would be skewed by the current economic climate as we drafted the new year revenue picture and spending plan. The affect of the national recession had to be factored in and the County's goal was to create the leanest possible budget.

Once the economic recovery begins, staff will once again use forecasting models to help draft future budgets. Our assumptions will need review and modification and staff will focus on that as we shift back to more normal conditions.

The budget forecast projections are based on the following assumptions:

FINANCIAL PLANNING ASSUMPTIONS

EXPENDITURES:

1. Salaries and benefits in both the General Government and Human Services categories will increase at 1% per year. Until the County experiences some recovery, staffing is not expected to increase and no merit or COLA increases have been funded.
2. Operating expenditures in both the General Government and Human Services categories typically increase at 2% per year. However, for FY11-12 departments were directed to absorb all operating increases. For purposes of planning 1% is used for future year assumptions.
3. Expenditures for the Public Schools and Community College are negotiated each year. The County looks at several items – uncontrollable expenditure growth (insurance, utilities, fuel), new facilities that were scheduled to come on line, and student growth – to arrive at funding for the new fiscal year. This type of annual analysis is done annually. For the purposes of this chart, we have employed a 3% growth factor to cover the Community College and the Board of Education needs.
4. Debt Service uses our current schedule for debt service payments (see Long Term Debt Service chart).
5. The annual funding requirements for the proposed Capital Outlay are from the multi-year plan as prepared during the budget process. Those items which will not be funded on a pay-as-you-go basis have had the annual debt service requirements estimated based on current market conditions and budgeted under the Debt Service category in "Proposed Multi-year CIP". There are no new projects at this time, however, new projects will be forthcoming from both the school system and the community college as the County receives both lottery proceeds and a .25% local option sales tax earmarked to fund debt for education construction. New debt is anticipated and an early, very rough estimate is included while the County waits for projects to come forward.

FINANCIAL PLANNING

6. The County strives to keep debt service at no more than 10% of the total general fund budget.
7. The category “Other Agencies” represents funding to groups that are not a part of the General Government or Human Services operating areas. Funding for cultural, recreational, special services, etc. is included in this line item.

REVENUES:

1. The current year property tax amount is based on our 2008 revaluation results. A 97% collection rate is anticipated and \$1.9 million is included in the estimate for delinquent collections. The County now follows a 4-year revaluation cycle and prior to the economic downturn was gaining 3-4% per year. The value has been stagnant with little change over the past two years. The County will revalue all property effective January 2012. A drop of 8-10% is anticipated and factored in the chart. Beyond 2012, annual growth is estimated at 1.5% pending proof of recovery.
2. Sales tax revenues are typically estimated to increase by 2.5-3% each year. However, over the past two years of economic uncertainty, little growth has been seen. For future years, 1% is used as a target.
3. All other revenues assume the current cost-sharing formulas for Social Services and other intergovernmental revenues. A 1% growth factor is used in this analysis.
4. In the past several years, revenues have flattened out and the County has, on occasion, made a conscious decision to utilize fund balance to cover expenditures. Actual expenditures are usually about 2% to 3% less than the budgeted appropriations and therefore, the “plug” of fund balance on the revenue side should usually be no more than 2.5% to 3.5% of the proposed budget in an effort to not actually spend it. This action also helps ensure that the dollar amount of fund balance actually increases.
5. The fund balance percentage is a function of dollars/budget and as the budget grows, it is not enough to maintain the same amount of fund balance. It must grow to simply hold constant the percentage. While the County has used fund balance to cover current expenses, there was a strong balance on which to rely and felt this action afforded the best return for Pitt citizens in tough economic times. Pitt County’s stated goal continues to be to maintain a fund balance of approximately 20%—higher than the overall state average and our peer group average—in spite of increased utilization of this funding source for several past fiscal year cycles. The County is subject to natural disasters (hurricanes) that often do not affect our counterparts in the western part of the state and therefore, we believe we should have slightly higher reserves.

FINANCIAL PLANNING

SUMMARY OF ESTIMATED GENERAL FUND FINANCIAL SOURCES & USES

Pitt County, North Carolina

	2010-11 Adopted	2011-12 Adopted*	2012-13 Forecast	2013-14 Forecast	2014-15 Forecast	2015-16 Forecast	2016-17 Forecast
Expenditures:							
General Government							
Salaries & Benefits	34.95	35.20	35.55	35.91	36.27	36.63	37.00
Operating	11.62	11.08	11.30	11.53	11.76	11.99	12.23
Human Services							
Salaries & Benefits	22.51	22.76	22.99	23.22	23.45	23.68	23.92
Operating	18.93	17.13	17.47	17.82	18.18	18.54	18.91
Schools/PCC							
	39.84	39.64	40.83	42.05	43.32	44.62	45.95
Other Agencies							
	0.88	0.84	0.70	0.70	0.70	0.70	0.70
Debt Service							
County	5.96	5.39	6.00	5.50	5.50	5.50	5.50
Schools	6.18	6.18	6.13	6.13	5.97	5.97	5.97
1/4 % Sales Tax	2.87	4.87	4.80	4.74	4.66	4.87	4.87
Proposed 5-year CIP	0.00	0.00	2.00	5.00	5.00	5.00	5.00
Capital Outlay							
Capital Outlay - General Government	0.83	0.04	0.65	0.65	0.65	0.65	0.65
Capital Outlay - Human Services	0.09	0.01	0.20	0.20	0.20	0.20	0.20
Schools/PCC CIP	0.83	0.83	0.83	0.83	0.83	0.83	0.83
Small Projects - Economic Development	0.16	0.16	0.20	0.20	0.20	0.20	0.20
Reserves							
	0.23	0.18	0.35	0.35	0.35	0.35	0.35
Transfers Out							
	1.52	1.69	0.50	0.50	0.50	0.50	0.50
Totals	147.40	146.00	150.50	155.33	157.53	160.23	162.79
Revenues:							
Property Taxes	75.74	75.89	78.17	80.51	82.93	85.41	87.98
Sales Taxes	15.78	15.82	15.98	16.14	16.30	16.46	16.63
All Other Revenues	42.22	39.54	39.94	40.33	40.74	41.15	41.56
Transfers In	9.14	11.08	6.33	6.33	5.97	5.97	5.97
Fund Balance Appropriated	4.52	3.67	10.09	12.01	11.59	11.24	10.66
Totals	147.40	146.00	150.50	155.33	157.53	160.23	162.79
Projected Tax Rate w/ Proposed CIP	0.665	0.665	0.665	0.665	0.665	0.665	0.665
<hr/>							
Total Long Term Debt as % of Budget with proposed CIP	8.24%	7.92%	9.39%	10.71%	10.46%	10.28%	10.12%
Fund Balance Appropriated as % of Budget	3.07%	2.51%	6.71%	7.73%	7.36%	7.02%	6.55%
Undesignated Fund Balance as a % of Budget (* = audited / **= audit in process)	**12.00	--	--	--	--	--	--
Assessed Property Valuation (*revaluation)	\$11.6B	\$11.6B	\$10.5B	\$12.1B	\$12.4B	\$12.4B	\$12.4B
Total Debt	155.6M	174.7M	\$200.0M	\$200.0M	\$200.0M	\$200.0M	\$200.0M
Total Debt as % of Assessed Valuation	1.34%	1.51%	1.90%	1.65%	1.61%	1.61%	1.61%

FINANCIAL PLANNING

	2010-11 Adopted	2011-12 Adopted	2012-13 Forecast	2013-14 Forecast	2014-15 Forecast	2015-16 Forecast	2016-17 Forecast
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Benchmark #1

Total Long Term Debt as % of Budget with proposed CIP	8.24%	7.92%	9.39%	10.71%	10.46%	10.28%	10.12%
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Moody's, Standard & Poors, Fitch Benchmark

Benchmark #2

Assessed Property Valuation	\$11.6B	\$11.6B	\$10.5B	\$12.1B	\$12.4B	\$12.4B	\$12.4B
Total Debt	155.6M	174.7M	\$200.0M	\$200.0M	\$200.0M	\$200.0M	\$200.0M
Total Debt as % of Assessed Valuation	1.34%	1.51%	1.90%	1.65%	1.61%	1.61%	1.61%

Moody's, Standard & Poors, Fitch Benchmark

Benchmark #3

Undesignated Fund Balance as a % of Budget (* = audited / ** = audit in process)	*12.00%	--	--	--	--	--	--
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State Average for Peer Group (Counties > 100,000) -- -- -- -- -- -- --

State Average - All Counties -- -- -- -- -- -- --

Source - N.C. State Treasurer - 2008 latest available data

Benchmark #4

General Obligation Debt Service Per Capita - Pitt County	\$1	\$0	\$0	\$0	\$0	\$0	\$0
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*The increase in Salarie/Benefit categories does not represent wage adjustments or new positions. FY2011-12 included a 27th payroll cycle based on pa "increases" the departmental budgets.

FINANCIAL PLANNING

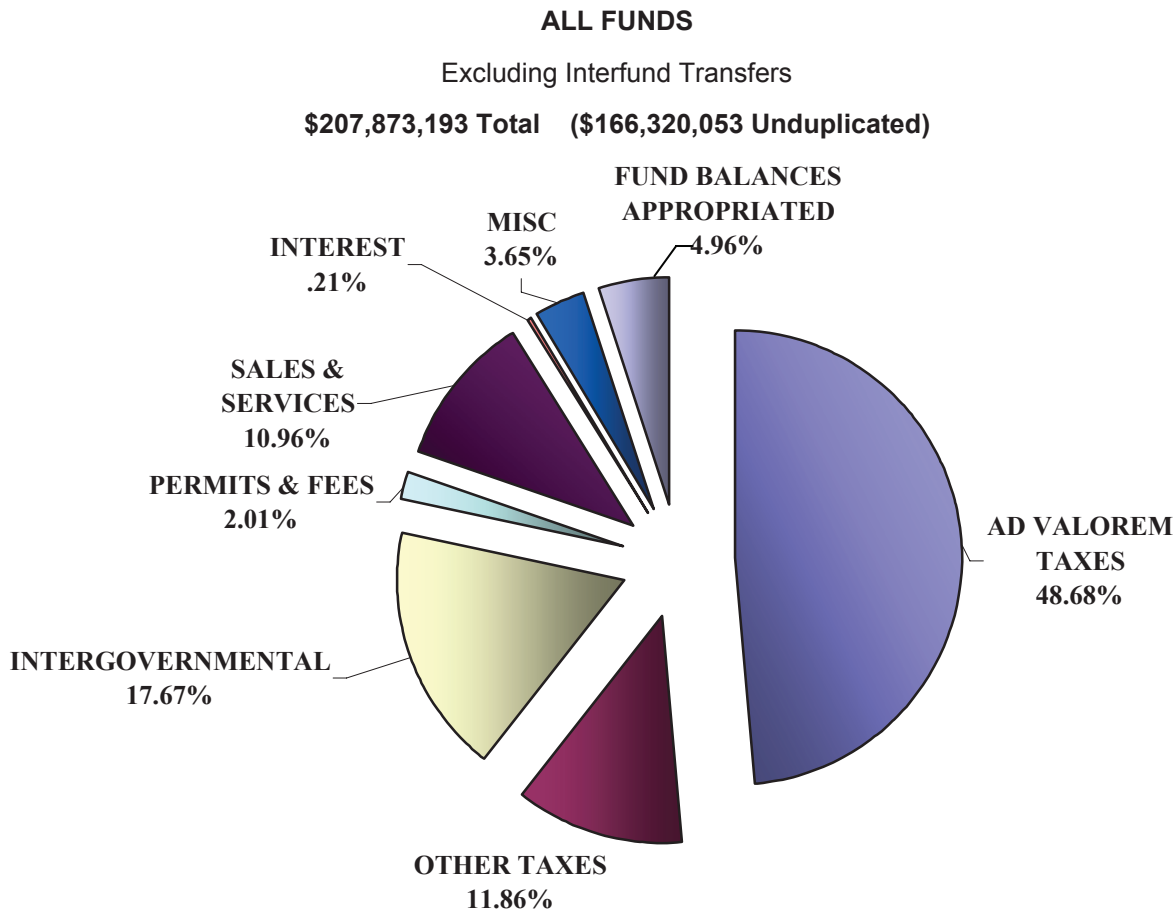
FINANCIAL BENCHMARKS FOR COMPARATIVE PURPOSES

Benchmark	Pitt County Ranking	Pitt County Amount	State Average
Population (2009 Certified)	15	158,575	93,826
Valuation per Capita	63	\$72,989	\$110,262
2008 Per Capita Income	28	\$32,874	\$31,255
Tax Levy per Capita	34	\$485	\$589
Tax Rate per \$100	44	0.665	0.6141
Effective Tax Rate per \$100	37	0.6562	0.5867
Sales/Assessment Ratio	41	98.67%	96.28%
Total School Resources/ADM	45	\$2,052	\$2,119
School Current Expense/ADM	38	\$1,498	\$1,476
School Capital Expense/ADM	47	\$554	\$612
School Debt Service/ADM	41	\$489	\$467

Source: 2010-11 Budget & Tax Survey as prepared by the North Carolina Association of County Commissioners.

REVENUE & EXPENDITURE SUMMARY

WHERE DOES THE MONEY COME FROM?



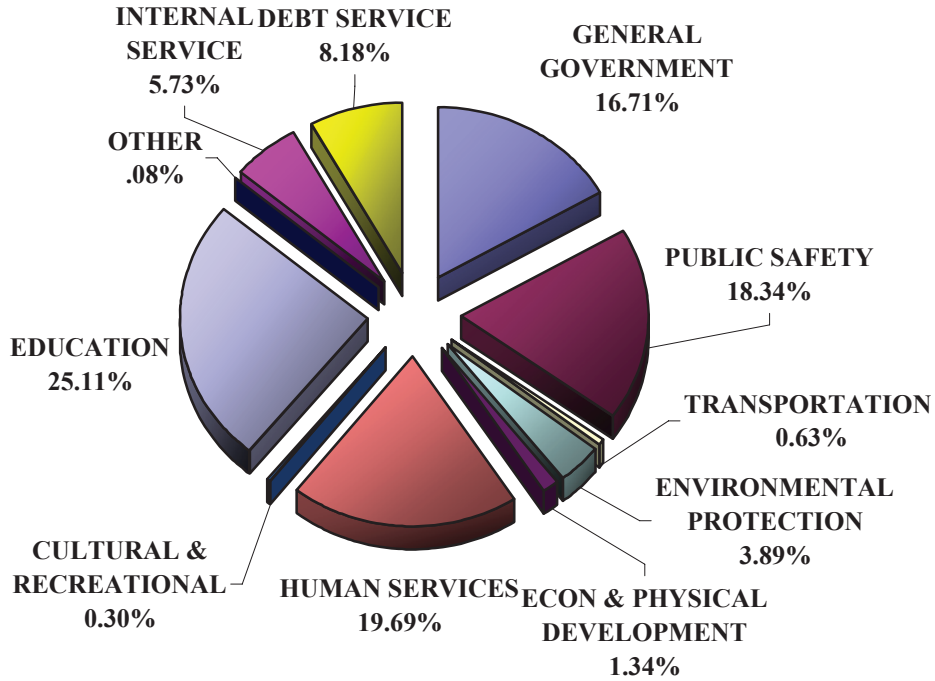
FY 2011-12 REVENUE SOURCES	
AD VALOREM TAXES	\$80,955,511
OTHER TAXES	\$19,714,900
INTERGOVERNMENTAL	\$29,395,677
PERMITS & FEES	\$3,345,161
SALES & SERVICES	\$18,231,654
INTEREST EARNINGS	\$353,700
MISCELLANEOUS	\$6,073,839
FUND BALANCES APPROPRIATED	\$8,249,611
UNDUPLICATED TOTAL	\$166,320,053
INTERFUND TRANSFERS	\$41,553,140
TOTAL BUDGET	\$207,873,193

REVENUE & EXPENDITURE SUMMARY

WHERE DOES THE MONEY GO?

ALL FUNDS - BY SERVICE AREA

\$207,873,193 Total (\$166,320,053 Unduplicated)



FY 2011-12 APPROPRIATIONS	
GENERAL GOVERNMENT	\$34,741,566
PUBLIC SAFETY	\$38,115,609
TRANSPORTATION	\$1,306,793
ENVIRONMENTAL PROTECTION	\$8,094,496
ECON & PHYSICAL DEVELOPMENT	\$2,794,451
HUMAN SERVICES	\$40,920,728
CULTURAL & RECREATIONAL	\$625,530
EDUCATION	\$52,188,153
OTHER	\$170,000
INTERNAL SERVICE	\$11,906,349
DEBT SERVICE	\$17,009,518
TOTAL BUDGET	\$207,873,193
LESS INTERFUND TRANSFERS	\$41,553,140
UNDULICATED TOTAL	\$166,320,053

REVENUE & EXPENDITURE SUMMARY

BUDGET SUMMARY - ALL FUNDS

	BUDGET FY 2009-10	BUDGET FY 2010-11	BUDGET FY 2011-12	PERCENT CHANGE
REVENUES / SOURCES				
Ad Valorem Taxes	79,587,094	80,929,875	80,955,511	0.03%
Other Taxes	21,098,286	20,280,186	19,714,900	-2.79%
Intergovernmental	33,278,957	33,211,408	29,395,677	-11.49%
Permits and Fees	3,519,046	3,445,425	3,345,161	-2.91%
Sales and Services	18,082,624	19,142,830	18,231,654	-4.76%
Interest Earnings	1,237,252	667,600	353,700	-47.02%
Miscellaneous	5,408,822	5,999,913	6,073,839	1.23%
Fund Balances Appropriated	6,784,581	5,625,123	8,249,611	46.66%
Unduplicated Total	168,996,662	169,302,360	166,320,053	-1.76%
Interfund Transfers	37,398,595	40,110,144	41,553,140	3.60%
GRAND TOTAL	206,395,257	209,412,504	207,873,193	-0.74%

EXPENDITURES / USES

General Government	37,233,630	36,336,667	34,741,566	-4.39%
Public Safety	37,096,062	38,771,021	38,115,609	-1.69%
Transportation	1,215,732	1,372,631	1,306,793	-4.80%
Environmental Protection	8,086,816	8,062,096	8,094,496	0.40%
Economic & Physical Development	3,360,934	2,897,366	2,794,451	-3.55%
Human Services	42,779,468	42,520,298	40,920,728	-3.76%
Cultural & Recreational	652,459	662,076	625,530	-5.52%
Education	51,439,593	52,026,817	52,188,153	0.31%
Other	177,500	228,658	170,000	-25.65%
Internal Service	10,551,560	11,249,655	11,906,349	5.84%
Debt Service	13,801,503	15,285,219	17,009,518	11.28%
GRAND TOTAL	206,395,257	209,412,504	207,873,193	-0.74%
Less Interfund Transfers	37,398,595	40,110,144	41,553,140	3.60%
Unduplicated Total	168,996,662	169,302,360	166,320,053	-1.76%

REVENUE & EXPENDITURE SUMMARY

BUDGET SUMMARY ALL FUNDS - BY FUND TYPE

<i>FUND TYPE</i>	<i>FUND NUMBER</i>	<i>FUND TITLE</i>	<i>ADOPTED FY 2010-11</i>
General Fund			
	100	General Fund	107,366,729
	150	Public Health Fund	9,880,375
	160	Social Services Fund	30,091,751
	170	Court Facilities Fund	285,000
	190	Mental Health Fund	612,500
	300	Debt Service Fund	17,009,518
			<u>165,245,873</u>
Special Revenue Funds			
	200	School Capital Reserve Fund	6,924,689
	210	Article 46 Sales Tax Reserve	4,872,841
	240	State Grants Fund	562,965
	241	Pitt Area Transit Fund	1,302,293
	260	Industrial Development Fund	1,223,207
	280	Fire Districts Fund	1,586,238
	281	EMS District Fund	4,918,447
	290	E911 Surcharge Fund	525,157
	510	School Capital Projects Fund	750,000
			<u>22,665,837</u>
Enterprise Fund			
	600	Solid Waste Fund	7,817,446
Internal Service Funds			
	820	County Garage Fund	970,066
	840	Employee Medical Insurance Fund	9,024,383
	841	Retiree Medical Insurance Fund	985,200
	850	Worker's Compensation Fund	926,700
			<u>11,906,349</u>
Fiduciary Fund			
	110	LEO Pension Fund	237,688
TOTAL BUDGET FY 11-12			207,873,193

REVENUE & EXPENDITURE SUMMARY

MAJOR REVENUE SOURCE ANALYSIS

Pitt County government has many sources of revenue. The revenue sources support the County's General Fund and the County's only enterprise fund, the Solid Waste and Recycling Fund. Revenues are affected by an array of outside forces. Fortunately, even when the nation and state economies were struggling with an economic downturn, Pitt County continued to experience economic growth which has led to increases in sales taxes, property taxes, and other sources. State and Federal sources are also a significant source of revenue. These sources, however, are not expected to grow as rapidly in the future; and many programs, especially in Human Services, may experience some decline in revenues. The overall economy is rebounding after several sluggish years and is positively impacting the County.

To estimate revenues for the coming year, the County Manager and Financial Services Department consult with the Tax Assessor and other department heads. Current trends and expected changes for the coming year are considered. The County considers revenue trends over the past five years as well as the effect the County's growth will have on those trends in projecting revenues.

TAX BASE

Property tax valuations have shown steady growth over the past several years. While State statute requires the revaluation of real property at least every eight (8) years, the Pitt County commissioners made the decision several years ago to change the revaluation cycle to occur every four (4) years. Therefore, properties in Pitt County were reassessed effective January 1, 2008 and are scheduled for review again in 2012. This change allows the County to recognize the revenue from our continued growth and help address the demands created by this growth. For the 2008 revaluation, property values throughout the county increased by approximately 15 percent. Pitt County has maintained continuous growth in its tax base through economic development activities and revaluation even though the North Carolina State Legislature removed property and business inventories from the taxable base after 1988.

AD VALOREM TAX

Current year budgeted net property tax estimates of \$74,600,826 are based on a \$11.565 billion estimated valuation. The tax rate for Fiscal Year 2011-12 is \$0.665 per \$100 of real and personal property. A collection rate of 97% is projected. Of the \$.665 tax rate, \$.656 is budgeted in the General Fund to support general government operations and \$.009 is budgeted in the Industrial Development Fund to offset economic development costs.

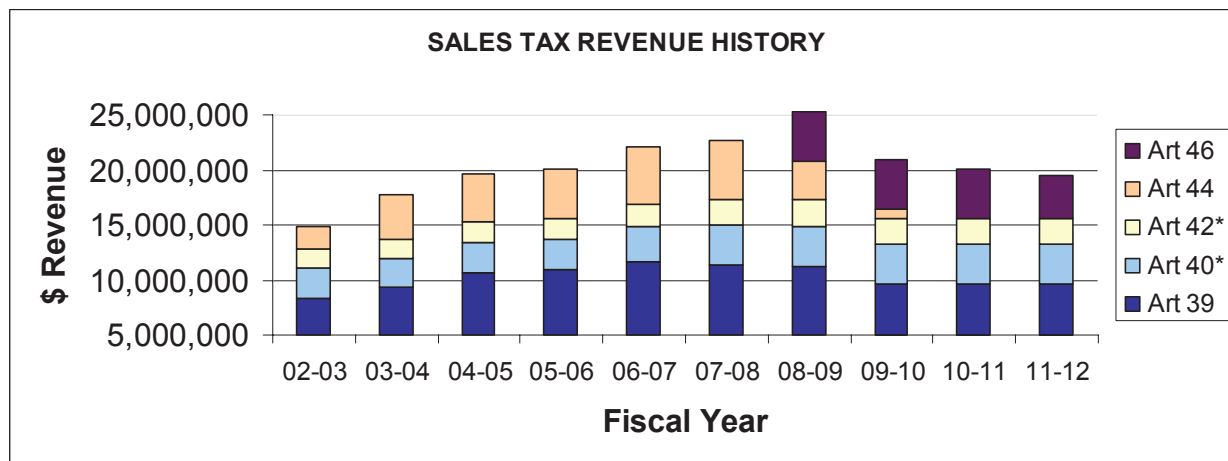
SALES TAXES

The current sales tax rate in Pitt County is 7% where Pitt County receives two and one-quarter cents (2.25). The make-up of the 2.25% in sales tax proceeds received by the County is as follows: Article 39 – 1%, Article 40 - .5%, Article 42 - .5%, and Article 46 - .25%. Counties started ceding Article 44 tax proceeds to the State in Fall 2009 as part of the Medicaid legislation adopted three years ago, becoming a revenue stream to help the State absorb 100% of Medicaid costs with no County participation.

REVENUE & EXPENDITURE SUMMARY

In Pitt County, the total countywide sales tax collections are distributed between the cities in the County and Pitt County government based on the population in each governmental unit. The County's share of Article 39 is unrestricted as to purpose/use. The Articles 40 and 42 have restrictions as to purpose that are imposed by General Statute. Currently, 30% of one of the one-half cent (Article 40) sales taxes must be used for school capital projects. Prior to fiscal year 2010-2011, the Board of Commissioners gave 40% - an extra 10%. The practice reverted to the mandated 30% for fiscal year 2010-2011 and will remain in effect for the 2011-2012 fiscal year. The second one-half cent (Article 42) is allocated 60% for schools and 40% for general government. School sales tax collections are deposited directly in the School Capital Reserve Fund. The third, optional one-half cent (Article 44) was enacted December 1, 2002, in Pitt County to replace reimbursements lost from the State of North Carolina. These funds from the State had been replacement for revenues such as inventory taxes (repealed in 1987-88) and intangibles taxes (repealed in 1997). The reimbursements had provided little growth in revenue over the years they had been in place. Therefore, the one-half cent sales tax has proven to be beneficial to the County, as growth in retail sales has been steady over the years due to a strong economic base. Article 44 tax ceded to the State in Fall 2009 as part of the Medicaid relief bill passed by the General Assembly in 2007 whereby counties are being relieved of the responsibility of funding any share of Medicaid costs. The Article 46 tax was passed by a positive vote via referendum in November 2007. The proceeds of this tax are earmarked for education (K-12 and Community College) construction.

Continued annexations by the cities in the County could reduce the County's share of sales tax collections. Additionally, a slowing of economic growth negatively impacts this revenue stream. A continued erosion of this revenue could cause the County to review the distribution method currently employed to gauge if the other available option (ad valorem-based) is more beneficial.



*Reflects portion received in General Fund.

INTERGOVERNMENTAL REVENUE

Intergovernmental revenue consists of restricted and unrestricted funds. Over 97 percent of restricted intergovernmental revenue comes from State and Federal grants for the Public Health and Social Services departments. Federal funds are passed through State agencies and often require matching funds from the County. State funds received by the County may also require a local monetary match. While these departments have experienced significant growth in the past, programs continue to be downsized at the State level. Any significant funding reductions could result in mid-year adjustments to affected programs.

REVENUE & EXPENDITURE SUMMARY

Unrestricted revenues consist primarily of proceeds from the sale of beer, wine and ABC store sales. The County's revenues from sale of alcohol have been stable and have experienced only modest growth.

PERMITS AND FEES

Permits and fees consist of revenues from excise stamps, building permits, inspection fees, Register of Deeds fees, and fees for services performed by the County's human service agencies. The revenues have increased steadily in the past. The County does not anticipate a significant change in the revenues from these sources this year.

Public Health and Social Services – the departments that provide most of our human service activities - receive significant reimbursement from Medicaid, Medicare, and private insurance for providing services to clients. Funding from these sources should not be affected by declines in Federal and State funding.

SALES AND SERVICES

Revenues from sales and services come from a variety of sources including the County's Detention Center, the E911 Surcharge, and user charges from the Solid Waste and Recycling programs. Miscellaneous rents, concessions, and other fees are derived from the operations of various county departments. These sources are expected to remain stable.

INVESTMENT EARNINGS

The County invests its available cash primarily in agency securities, certificates of deposit, the North Carolina Cash Management Trust and other secured investments. North Carolina General Statutes define acceptable investment options. Traditionally, the earnings have increased as the County's fund balance has increased. After a drop in performance due to nationwide economic conditions and a lack of available investment options with attractive rates, the County's investments are gradually improving. A conscious decision by the Board of Commissioners several years ago to spend down fund balance to help defer a tax increase on the citizens during a tight economy has left fewer available dollars to invest. Therefore, a lower principal balance to invest has limited earning capacity.

REVENUE & EXPENDITURE SUMMARY

REVENUE SUMMARY - BY FUND

	<i>ACTUAL FY 2009-10</i>	<i>ACTUAL FY 2010-11</i>	<i>BUDGET FY 2011-12</i>	<i>% OF TOTAL FUND</i>	<i>% CHANGE FY 11 to FY 12</i>
General - Fund 100					
Ad Valorem Taxes	74,512,534	74,733,080	75,891,191	70.68%	1.55%
Other Taxes	14,406,370	14,478,116	15,814,900	14.73%	9.23%
Unrestricted Intergovernmental	71,738	230,334	230,000	0.21%	-0.15%
Restricted Intergovernmental	610,044	413,200	541,050	0.50%	30.94%
Permits & Fees	1,657,510	1,514,582	1,658,500	1.54%	9.50%
Sales & Services	5,915,240	6,092,267	5,823,422	5.42%	-4.41%
Investments	375,758	274,380	350,000	0.33%	27.56%
Miscellaneous	2,269,688	2,293,971	2,227,666	2.07%	-2.89%
Other Debt & NonRevenue	1,579,401	1,815,800	4,830,000	4.50%	166.00%
TOTAL	101,398,283	101,845,731	107,366,729	100.00%	5.42%
LEO Pension - Fund 110					
Interest Earnings	-	-	-	0.00%	0.00%
Miscellaneous	-	-	-	0.00%	0.00%
Transfer from General Fund	180,203	162,764	237,688	100.00%	46.03%
TOTAL	180,203	162,764	237,688	100.00%	46.03%
Health - Fund 150					
Transfer from General Fund	4,131,204	4,197,967	4,154,631	42.05%	-1.03%
Restricted & Unrestricted	5,821,396	5,628,963	5,200,744	52.64%	-7.61%
Fund Balance Appropriated	-	-	525,000	5.31%	0.00%
TOTAL	9,952,600	9,826,930	9,880,375	100.00%	0.54%
Social Services - Fund 160					
Transfer from General Fund	8,291,418	9,433,295	9,217,405	30.63%	-2.29%
Other Transfers	-	-	263,130	0.87%	
Restricted & Unrestricted	22,930,374	21,056,833	20,611,216	68.49%	-2.12%
TOTAL	31,221,792	30,490,128	30,091,751	100.00%	-1.31%
Court Facilities - Fund 170					
Facilities Fees	296,828	287,178	285,000	100.00%	-0.76%
Interest Earnings	686	1,371	-	0.00%	-100.00%
Miscellaneous	137	-	-	0.00%	
Fund Balance Appropriated	-	-	-	0.00%	100.00%
TOTAL	297,651	288,549	285,000	100.00%	-1.23%
Mental Health - Fund 190					
Transfer from General Fund	600,000	500,000	487,500	79.59%	-2.50%
Restricted & Unrestricted	152,058	107,041	100,000	16.33%	-6.58%
Fund Balance Appropriated	-	-	25,000	4.08%	100.00%
TOTAL	752,058	607,041	612,500	100.00%	0.90%
School Capital Reserve - Fund 200					
Sales Tax	4,905,117	4,322,316	4,500,000	64.98%	4.11%
State ADM Funds	-	-	-	0.00%	
Lottery Funds	1,183,917	5,083,917	-	0.00%	-100.00%
Miscellaneous	1,648,511	-	-	0.00%	0.00%
Fund Balance Appropriated	-	-	2,424,689	35.02%	
TOTAL	7,737,545	9,406,233	6,924,689	100.00%	-26.38%

REVENUE & EXPENDITURE SUMMARY

REVENUE SUMMARY - BY FUND

	ACTUAL FY 2009-10	ACTUAL FY 2010-11	BUDGET FY 2011-12	% OF TOTAL FUND	% CHANGE FY 11 to FY 12
Sales Tax Reserve - Fund 210					
Sales Tax	4,315,754	3,792,421	3,900,000	56.32%	0.00%
Interest Earnings	9,458	1,668	2,500	0.04%	0.00%
Fund Balance Appropriated	-	-	970,341	14.01%	0.00%
TOTAL	4,325,212	3,794,089	4,872,841	70.37%	0.00%
State/Federal Forfeiture - Fund 220					
	108,631	110,753	-	0.00%	0.00%
State Grants - Fund 240					
	2,697,777	2,975,857	562,965	8.13%	-81.08%
Pitt Area Transit System - Fund 241					
Unrestricted Intergovernmental	275,896	710,337	498,580	7.20%	100.00%
Sales & Services	765,772	575,787	734,365	10.61%	100.00%
Miscellaneous	24,243	14,392	20,500	0.30%	100.00%
Transfer from General Fund	31,628	52,000	48,848	0.71%	100.00%
Fund Balance Appropriated	-	-	-	0.00%	100.00%
TOTAL	1,097,540	1,352,515	1,302,293	18.81%	100.00%
Industrial Development - Fund 260					
Ad Valorem Taxes	1,257,011	1,146,819	1,009,635	82.54%	-11.96%
Restricted Intergovernmental	269,343	243,992	-	0.00%	0.00%
Rental Income	194,881	180,707	213,572	17.46%	18.19%
Interest Earnings	-	-	-	0.00%	0.00%
Fund Balance Appropriated	-	-	-	0.00%	0.00%
TOTAL	1,721,235	1,571,517	1,223,207	100.00%	-22.16%
Indust. Dev. Shell Bldg - Fund 270					
	1,821	400,250	-	0.00%	0.00%
Fire Districts - Fund 280					
Ad Valorem Taxes	1,659,078	1,609,621	1,586,238	100.00%	-1.45%
EMS District - Fund 281					
Ad Valorem Taxes	2,495,649	2,491,522	2,468,447	50.19%	-0.93%
Sales & Service	2,538,210	2,699,817	2,450,000	49.81%	-9.25%
Miscellaneous	6,489	1,532	-	0.00%	0.00%
Transfer from General Fund	-	-	-	0.00%	0.00%
TOTAL	5,040,348	5,192,870	4,918,447	100.00%	-5.28%
E911 Surcharge - Fund 290					
911 User Fees	759,286	759,286	441,535	84.08%	-41.85%
Interest Earnings	1,331	266	200	0.04%	-24.83%
Transfer from General Fund	-	20,388	-	0.00%	-100.00%
Fund Balance Appropriated	-	-	83,422	15.89%	100.00%
TOTAL	760,617	779,940	525,157	100.00%	-32.67%
Debt Service - Fund 300					
Proceeds from Sale	-	5,437,427	-	0.00%	0.00%
Transfer from General Fund	7,123,606	5,915,880	5,390,192	31.69%	0.00%
Transfer from School Capital Reserve	6,333,917	6,179,141	6,174,689	36.30%	0.00%
Other Transfers	1,413,217	3,831,559	4,899,763	28.81%	27.88%
Interest Earnings	1,790	171	-	0.00%	0.00%
Miscellaneous	268,301	207,369	544,874	3.20%	162.76%
TOTAL	15,140,830	21,571,546	17,009,518	100.00%	-21.15%

REVENUE & EXPENDITURE SUMMARY

REVENUE SUMMARY - BY FUND

	<i>ACTUAL FY 2009-10</i>	<i>ACTUAL FY 2010-11</i>	<i>BUDGET FY 2011-12</i>	<i>% OF TOTAL FUND</i>	<i>% CHANGE FY 11 to FY 12</i>
School Capital Project - Fund 510	937,000	1,150,000	750,000	100.00%	-34.78%
Solid Waste - Fund 600					
User Charges	7,487,911	7,972,137	7,297,746	93.35%	-8.46%
Interest Earnings	4,203	885	-	0.00%	0.00%
Other Revenues	830,053	817,829	519,700	6.65%	-36.45%
TOTAL	8,322,168	8,790,850	7,817,446	100.00%	-11.07%
County Garage - Fund 820					
User Charges	757,738	951,543	970,066	100.00%	1.95%
Other Revenues	-	-	-	0.00%	0.00%
TOTAL	757,738	951,543	970,066	100.00%	1.95%
Hospitalization - Fund 840					
User Charges	874,481	582,378	251,700	2.51%	-56.78%
Interest Earnings	1,681	473	1,000	0.01%	111.38%
Fund Transfer	8,520,517	8,921,676	9,245,724	92.37%	0.00%
Fund Balance Appropriated	-	-	511,159	5.11%	0.00%
TOTAL	9,396,679	9,504,526	10,009,583	100.00%	0.00%
Worker's Compensation - Fund 850					
Interest Earnings	841	87	-	0.00%	0.00%
Other Revenues	86	-	-	0.00%	0.00%
Transfer from General Fund	495,000	650,000	650,000	70.14%	0.00%
Transfer from Solid Waste Fund	10,000	12,186	12,500	1.35%	0.00%
Transfer from PATS	11,160	14,200	14,200	1.53%	0.00%
Transfer from Employee Medical	-	250,000	250,000	26.98%	0.00%
TOTAL	517,087	926,473	926,700	100.00%	0.00%
GRAND TOTAL	204,023,892	213,309,726	207,873,193	100.00%	-2.55%

REVENUE & EXPENDITURE SUMMARY

EXPENDITURE SUMMARY - BY FUND

	ACTUAL FY 2009-10	REVISED FY 2010-11*	ORIGINAL REQUEST FY 2011-12	SECOND REQUEST FY 2011-12	INC/DEC FY 2011-12	% CHANGE FY 11 to 12
GENERAL FUND - Fund 100						
Governing Board	238,891	230,265	230,717	214,265	(16,000)	-2.69%
County Manager	430,020	451,419	453,306	449,106	(2,313)	
Financial Services	815,126	845,802	829,444	808,303	(37,499)	-4.43%
Tax Administration ⁽¹⁾	2,077,284	2,336,525	2,482,128	2,349,715	13,190	0.56%
Legal	861,510	394,520	450,634	443,586	49,066	-49.66%
Legal - DSS	-	486,711	-	-	(486,711)	
Elections ⁽²⁾	674,762	575,412	726,836	650,496	75,084	13.05%
Register of Deeds ⁽³⁾	713,336	744,560	859,120	750,155	5,595	0.75%
Public Information	157,685	194,592	173,841	179,341	(15,251)	-7.84%
Human Resources	579,852	583,325	593,761	562,511	(20,814)	
Veteran Services	114,499	118,439	124,637	121,709	3,270	-2.50%
Imaging Services/Mailroom	130,610	139,696	143,577	126,307	(13,389)	
Management Information Systems	2,514,208	2,145,328	2,166,501	2,125,951	(19,377)	-2.23%
Geographic Information Systems	418,890	415,530	392,103	388,103	(27,427)	
Buildings & Grounds	2,329,398	2,514,273	2,638,901	2,448,901	(65,372)	-2.60%
Housekeeping Services	408,356	427,000	427,000	361,500	(65,500)	-15.34%
Sheriff ⁽⁴⁾	10,442,263	10,715,893	11,741,978	10,902,217	186,324	
Detention Center	12,039,642	14,111,612	14,899,380	13,703,317	(408,295)	-1.00%
Jail Health Services	1,525,692	1,765,506	1,818,148	1,718,148	(47,358)	
Jail Inmate Coordinator	49,940	51,034	53,923	53,923	2,889	
Contract Salaries - Sheriff's Office	369,867	375,000	250,000	250,000	(125,000)	-33.33%
School Security ⁽⁵⁾	571,955	667,293	708,335	432,726	(234,567)	-35.15%
Emergency Management	864,502	913,241	840,628	837,628	(75,613)	
Communications	1,066,075	1,164,319	1,473,150	1,186,319	22,000	-2.58%
Planning - E911	140,499	123,776	131,800	129,800	6,024	
Planning	764,733	763,267	728,229	683,229	(80,038)	
Permitting Center	154,414	160,136	165,668	164,668	4,532	-3.99%
Inspections	299,960	310,316	327,781	325,581	15,265	
Animal Control	492,051	492,396	488,173	474,242	(18,154)	-3.69%
Medical Examiner	76,930	93,500	93,500	93,500	-	0.00%
Other Public Safety	210,452	357,401	342,401	415,401	58,000	16.23%
Transportation	5,059	4,500	4,500	4,500	-	0.00%
Other Environmental Protection	1,000	1,000	1,000	1,000	-	0.00%
Other Economic Development	156,351	156,438	174,000	174,000	17,562	11.23%
Engineering	151,491	187,314	172,032	167,244	(20,070)	-10.71%
Cooperative Extension Service	335,297	351,551	353,342	340,172	(11,379)	-3.24%
Farmers' Market	37,038	43,006	45,061	41,931	(1,075)	-2.50%
Pitt Soil & Water	251,500	268,021	276,050	276,050	8,029	3.00%
Non-Departmental	923,607	1,642,549	1,898,074	1,189,174	(453,375)	-27.60%
Other Human Services	224,494	219,890	226,490	214,393	(5,497)	-2.50%
Pitt County Schools						
Current Expense	34,139,841	34,639,841	35,100,661	34,466,642	(173,199)	-0.50%
Capital Outlay	750,000	750,000	750,000	750,000	-	0.00%
Pitt Community College						
Current Expense	4,110,835	4,370,835	4,723,702	4,348,981	(21,854)	-0.50%
Capital Outlay	75,000	75,000	135,000	75,000	-	0.00%
Cultural & Recreational	645,587	662,076	759,845	625,530	(36,546)	-5.52%
Transfers to Other Funds	21,717,792	21,801,907	21,902,258	21,171,464	(630,443)	-2.89%
Contingency ⁽⁶⁾	-	155,217	180,000	170,000	14,783	9.52%
GENERAL FUND TOTAL	105,058,294	109,997,232	113,457,615	107,366,729	(2,630,503)	-2.39%

(1) Increase due to Revaluation.

(2) Municipal Elections to be held this fiscal year.

(3) \$45,000 of Register of Deeds restricted funds being used to offset increase for one time expense.

(4) Sheriff offered \$200,000 in additional expenses reductions and \$112,000 in additional revenues in effort to reduce budget. Additionally, the Sheriff will freeze 7 additional positions as vacancies allow during FY11-12.

(5) 100% offset by outside funding.

(6) Contingency funds are moved to operating departments via budget amendments after BOCC approval.

REVENUE & EXPENDITURE SUMMARY

EXPENDITURE SUMMARY - BY FUND

	<i>ACTUAL FY 2009-10</i>	<i>REVISED FY 2010-11*</i>	<i>ORIGINAL REQUEST FY 2011-12</i>	<i>SECOND REQUEST FY 2011-12</i>	<i>INC/DEC FY 2011-12</i>	<i>% CHANGE FY 11 to 12</i>
OTHER FUNDS						
Law Enforcement Pension - Fund 110	153,516	162,764	237,688	237,688	74,924	46.03%
Health - Fund 150	10,280,069	10,645,312	10,353,473	9,880,375	(764,937)	-7.19%
Social Services - Fund 160	31,220,606	31,816,185	30,725,762	30,091,751	(1,724,434)	-5.42%
Court Facilities - Fund 170	332,521	333,611	304,344	285,000	(48,611)	-14.57%
Mental Health - Fund 190	812,826	666,000	625,000	612,500	(53,500)	-8.03%
School Capital Reserve - Fund 200	7,270,917	7,359,946	6,929,141	6,924,689	(435,257)	-5.91%
Sales Tax Reserve - Fund 210	1,305,531	4,512,000	4,872,841	4,872,841	360,841	8.00%
State/Federal Forfeiture - Fund 220	304,270	172,180	-	-	(172,180)	-100.00%
State Grants - Fund 240	2,793,068	5,842,559	561,420	562,965	(5,279,594)	-90.36%
Pitt Area Transit - 241	1,043,998	1,507,382	1,344,747	1,302,293	(205,089)	-13.61%
Industrial Development - Fund 260	1,737,952	1,500,649	1,207,925	1,223,207	(277,442)	-18.49%
Fire Districts - Fund 280	1,608,824	1,747,879	1,550,012	1,586,238	(161,641)	-9.25%
EMS District - Fund 281	4,733,188	4,954,335	4,870,606	4,918,447	(35,888)	-0.72%
E911 Surcharge - Fund 290	453,355	894,288	525,157	525,157	(369,131)	-41.28%
Debt Service - Fund 300	15,163,609	21,579,369	16,984,518	17,009,518	(4,569,851)	-21.18%
School Capital Projects - Fund 510	850,473	1,246,025	750,000	750,000	(496,025)	-39.81%
Solid Waste & Recycling- Fund 600	7,104,233	7,817,132	8,095,064	7,817,446	314	0.00%
County Garage - Fund 820	747,992	932,981	1,004,330	970,066	37,085	3.97%
Employee Medical - Fund 840	7,437,615	9,135,288	9,024,383	9,024,383	(110,905)	-1.21%
Retiree Medical Insurance Fund - 841	731,981	815,000	985,200	985,200	170,200	20.88%
Worker's Compensation - Fund 850	875,929	1,026,386	926,700	926,700	(99,686)	-9.71%
GRAND TOTAL	202,020,769	224,664,503	215,335,926	207,873,193	(16,791,310)	-7.47%

* As of 5/9/2011

REVENUE & EXPENDITURE SUMMARY

EXPENDITURE SUMMARY - ALL FUNDS BY SERVICE AREA

	<i>ACTUAL FY 2009-10</i>	<i>ADOPTED FY 2010-11</i>	<i>ADOPTED FY 2011-12</i>	<i>% CHANGE FY 11 to FY 12</i>
GENERAL GOVERNMENT				
Governing Board	238,891	230,265	214,265	-6.95%
County Manager	430,020	446,319	449,106	0.62%
Financial Services	815,126	845,802	808,303	-4.43%
Tax Administration	2,077,284	2,336,525	2,349,715	0.56%
Legal	861,510	391,645	443,586	13.26%
Legal - DSS	-	489,586	-	
Elections	674,762	575,412	650,496	13.05%
Register of Deeds	713,336	698,160	750,155	7.45%
Public Information	157,685	192,385	179,341	-6.78%
Human Resources	579,852	583,325	562,511	-3.57%
Imaging Services/Mail Room	130,610	139,696	126,307	-9.58%
Management Information Systems	2,514,208	2,137,664	2,125,951	-0.55%
Geographic Information Systems	418,890	415,530	388,103	-6.60%
Buildings & Grounds	2,329,398	2,514,273	2,448,901	-2.60%
Housekeeping Services	408,356	427,000	361,500	-15.34%
Nondepartmental	923,607	1,649,799	1,189,174	-27.92%
Retirement Funds-Law Enforcement	153,516	162,764	237,688	46.03%
Court Facilities	332,521	333,611	285,000	-14.57%
General Fund Interfund Transfers	21,717,792	21,766,906	21,171,464	-2.74%
TOTAL	35,477,364	36,336,667	34,741,566	-4.39%
PUBLIC SAFETY				
Sheriff	10,812,130	10,953,309	11,152,217	1.82%
Detention Center	12,039,642	14,111,612	13,703,317	-2.89%
Jail Health Services	1,525,692	1,765,506	1,718,148	-2.68%
Jail Inmate Services	49,940	51,034	53,923	5.66%
School Security	571,955	667,293	432,726	-35.15%
Emergency Management	864,502	853,481	837,628	-1.86%
Communications	1,066,075	1,164,319	1,186,319	1.89%
Planning - E911	140,499	123,776	129,800	4.87%
E911 Surcharge	453,355	894,288	525,157	-41.28%
Animal Control	492,051	484,950	474,242	-2.21%
Inspections	299,960	310,316	325,581	4.92%
Medical Examiner	76,930	93,500	93,500	0.00%
State & Federal Grants	2,793,068	617,394	562,965	-8.82%
State & Federal Asset Forfeiture	304,270	-	-	0.00%
Fire Districts	1,608,824	1,572,709	1,586,238	0.86%
EMS District	4,733,188	4,750,133	4,918,447	3.54%
Other Public Safety	210,452	357,401	415,401	16.23%
TOTAL	38,042,533	38,771,021	38,115,609	-1.69%
TRANSPORTATION				
Transportation	5,059	4,500	4,500	0.00%
Pitt Area Transit	1,043,998	1,368,131	1,302,293	-4.81%
TOTAL	1,049,057	1,372,631	1,306,793	-4.80%
ENVIRONMENTAL PROTECTION				
Pitt Soil & Water	251,500	263,098	276,050	4.92%
Other Environmental Protection	1,000	1,000	1,000	0.00%
Solid Waste & Recycling	7,104,233	7,797,998	7,817,446	0.25%
TOTAL	7,356,733	8,062,096	8,094,496	0.40%

REVENUE & EXPENDITURE SUMMARY

EXPENDITURE SUMMARY - ALL FUNDS BY SERVICE AREA

	<i>ACTUAL FY 2009-10</i>	<i>ADOPTED FY 2010-11</i>	<i>ADOPTED FY 2011-12</i>	<i>% CHANGE FY 11 to FY 12</i>
ECONOMIC & PHYSICAL DEVELOPMENT				
Planning	764,733	760,287	683,229	-10.14%
Permitting Center	154,414	160,136	164,668	2.83%
Engineering	151,491	187,314	167,244	-10.71%
Industrial Development	1,737,952	1,251,134	1,223,207	-2.23%
Cooperative Extension Service	335,297	339,051	340,172	0.33%
Farmers' Market	37,038	43,006	41,931	-2.50%
Other Economic Development	156,351	156,438	174,000	11.23%
TOTAL	3,337,276	2,897,366	2,794,451	-3.55%
HUMAN SERVICES				
Health	10,280,069	10,411,937	9,880,375	-5.11%
Social Services	31,220,606	31,140,032	30,091,751	-3.37%
Mental Health	812,826	630,000	612,500	-2.78%
Veterans Services	114,499	118,439	121,709	2.76%
Other Human Services	224,494	219,890	214,393	-2.50%
TOTAL	42,652,494	42,520,298	40,920,728	-3.76%
CULTURAL & RECREATIONAL				
Libraries, Arts & Recreation Contributions	645,587	662,076	625,530	-5.52%
TOTAL	645,587	662,076	625,530	-5.52%
EDUCATION				
Pitt County Schools	34,889,841	35,389,841	35,216,642	-0.49%
Pitt Community College	4,185,835	4,445,835	4,423,981	-0.49%
Pitt Co. Schools Capital Reserve	7,270,917	6,929,141	6,924,689	-0.06%
Pitt County Schools Capital Projects	850,473	750,000	750,000	0.00%
Article 46 Sales Tax Reserve	1,305,531	4,512,000	4,872,841	8.00%
TOTAL	48,502,597	52,026,817	52,188,153	0.31%
OTHER				
Contingency	-	228,658	170,000	-25.65%
TOTAL	-	228,658	170,000	-25.65%
INTERNAL SERVICE				
Employee Medical	7,437,615	8,885,288	9,024,383	1.57%
Retiree Medical Insurance	731,981	815,000	985,200	20.88%
Worker's Compensation	875,929	676,386	926,700	37.01%
County Garage	747,992	872,981	970,066	11.12%
TOTAL	9,793,517	11,249,655	11,906,349	5.84%
DEBT SERVICE				
Debt Service	15,163,609	15,285,219	17,009,518	11.28%
TOTAL	15,163,609	15,285,219	17,009,518	11.28%
GRAND TOTAL	202,020,767	209,412,504	207,873,193	-0.74%
Less Interfund Transfers	38,243,603	40,110,144	41,553,140	3.60%
UNDUPLICATED TOTAL	163,777,165	169,302,360	166,320,053	-1.76%

FUND SUMMARY

Fund Type and Assignment Numbers

The various funds of Pitt County are maintained in the fund types listed below. For more information on fund accounting, see section entitled "Budgetary Accounting System & Control".

GENERAL OPERATING FUNDS

100 General
150 Health
160 Social Services
170 Court Facility
190 Mental Health
300 Debt Service

SPECIAL REVENUE FUNDS

200 School Capital Reserve
220 State and Federal Forfeitures
236 Community Development Block Grant
240 State Grants
241 Pitt Area Transit System
260 Industrial Development Commission
270 Industrial Development Building
280 Fire Districts
281 EMS District
290 E911 Surcharge

CAPITAL PROJECTS

491 Community Schools & Recreation
510 School Improvement Projects

ENTERPRISE FUNDS

600 Solid Waste and Recycling

INTERNAL SERVICE FUNDS

820 Garage
840 Employee Medical Insurance
841 Retiree Medical Insurance
850 Workers Compensation

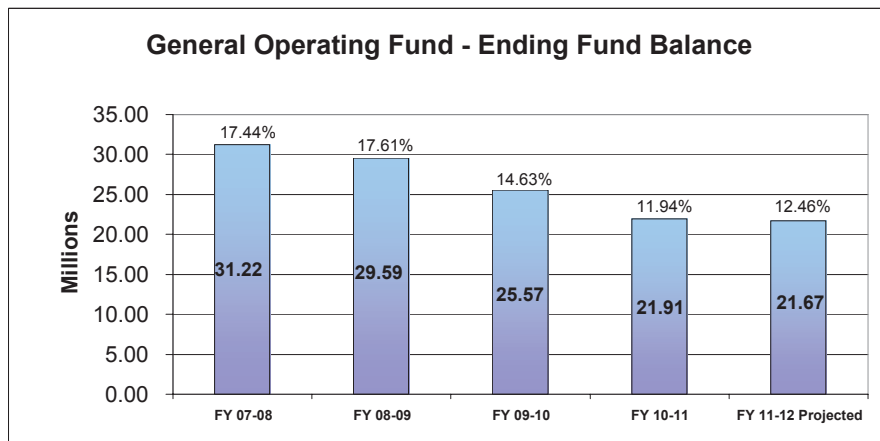
FIDUCIARY FUNDS

110 LEO Pension

FUND SUMMARY

FUND BALANCE HISTORY - GENERAL OPERATING FUNDS

	ACTUAL 2007-08	ACTUAL 2008-09	ACTUAL 2009-10	ACTUAL 2010-11	PROJECTED 2011-12
BEGINNING FUND BALANCE	35,042,766	31,218,322	29,587,704	25,573,897	21,907,375
REVENUES					
PROPERTY TAXES	67,597,323	73,608,057	74,512,534	74,733,080	76,000,000
OTHER TAXES & LICENSES	24,804,551	19,862,264	16,055,561	16,655,382	16,000,000
INTERGOVERNMENTAL	26,424,551	27,777,430	30,479,585	28,276,384	28,000,000
PERMITS AND FEES	2,701,522	1,919,372	1,904,427	1,759,371	1,950,000
SALES AND SERVICES	5,599,793	6,152,708	6,142,186	6,629,509	7,200,000
INVESTMENT EARNINGS	1,952,192	965,062	326,444	225,751	400,000
MISCELLANEOUS	657,601	652,801	717,758	610,352	500,000
TOTAL REVENUE	129,737,533	130,937,694	130,138,495	128,889,829	130,050,000
OTHER FINANCING SOURCES					
OPERATING TRANSFERS IN	321,941	-	60,000	60,000	-
OPERATING TRANSFERS OUT	(8,418,577)	(7,740,497)	(8,019,967)	(6,915,543)	(6,600,000)
PROCEEDS FROM LEASE PURCHASE	-	-	-	615,000	-
PREMIUM - ISSUANCE OF DEBT	-	-	429,401	-	-
TOTAL OTHER FINANCING SOURCES	(8,096,636)	(7,740,497)	(7,530,566)	(6,240,543)	(6,600,000)
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT	14,224,253	13,972,599	13,629,713	13,455,312	12,900,000
PUBLIC SAFETY	23,384,276	25,117,976	28,667,612	30,130,739	29,000,000
ENVIRONMENTAL PROTECTION	231,415	242,986	252,499	229,879	240,000
ECONOMIC & PHYSICAL DEV	1,703,686	1,620,299	1,599,268	1,459,154	1,570,000
HUMAN SERVICES	48,668,953	45,042,960	42,612,499	40,327,489	39,700,000
CULTURAL & RECREATIONAL	645,510	608,328	645,587	654,435	650,000
EDUCATION	36,461,897	38,077,316	39,075,676	39,835,676	39,500,000
DEBT SERVICE	145,351	145,351	138,882	223,124	130,000
TOTAL EXPENDITURES	125,465,341	124,827,815	126,621,736	126,315,808	123,690,000
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(3,824,444)	(1,630,618)	(4,013,807)	(3,666,522)	(240,000)
FUND BALANCE, ENDING	31,218,322	29,587,704	25,573,897	21,907,375	21,667,375
RESTRICTED/ASSIGNED	5,486,442	6,713,916	5,319,000	4,464,769	4,215,000
UNASSIGNED	17,860,905	16,633,431	14,306,099	11,254,925	11,200,000
GENERAL FUND EXPENDITURES	133,885,263	132,568,312	134,152,304	131,616,688	123,690,000
FUND BALANCE (UNRESERVED) AS % OF EXPENDITURES	17.44%	17.61%	14.63%	11.94%	12.46%



FUND SUMMARY

FUND BALANCE HISTORY - OTHER FUNDS

(Fund types other than General Operating Fund)

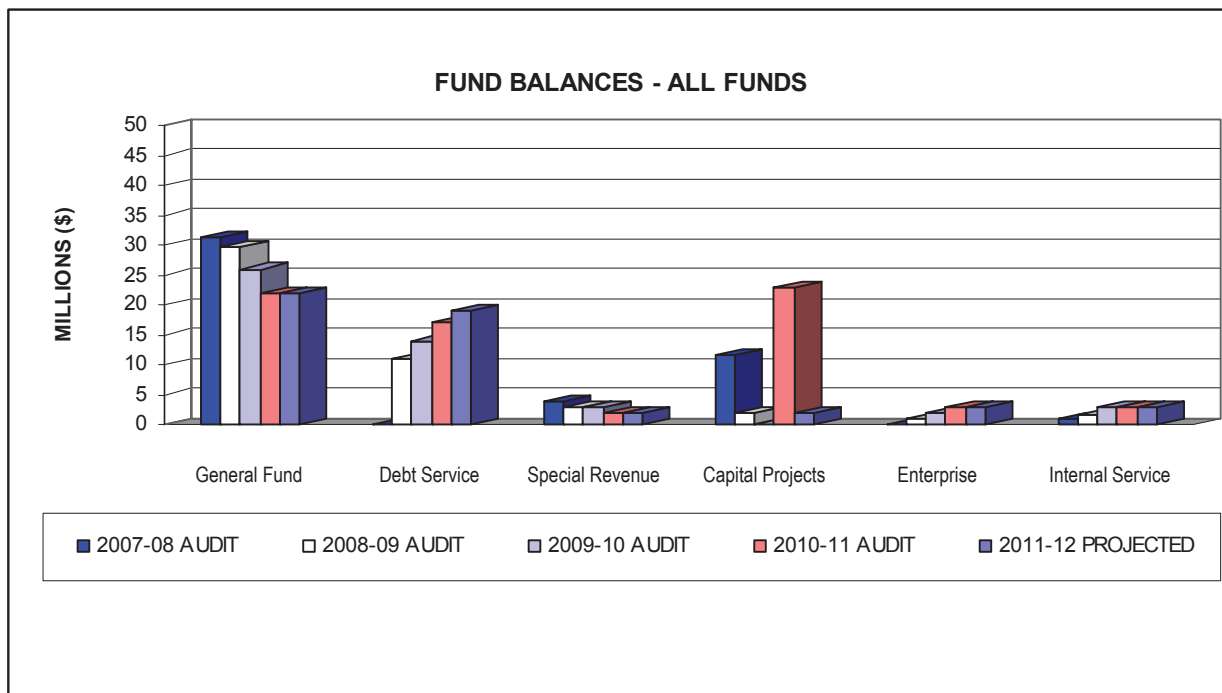
	ACTUAL 2007-08	ACTUAL 2008-09	ACTUAL 2009-10	ACTUAL 2010-11	PROJECTED 2011-12
DEBT SERVICE FUND					
Beginning Fund Balance	-	3,092,829 ⁽¹⁾	10,884,123	14,412,068 ⁽³⁾	17,124,756
Revenues	-	17,218,701	12,062,757	14,104,659	12,000,000
(Expenditures)	-	-	-	(16,077,046)	(15,800,000)
Transfers In/Out	-	(9,427,407)	(8,576,448)	4,685,075	5,400,000
Ending Fund Balance	-	10,884,123	14,370,432	17,124,756	18,724,756
NON MAJOR SPECIAL REVENUE FUNDS					
Beginning Fund Balance	2,290,400	831,120 ⁽¹⁾	2,848,982	2,055,712 ⁽³⁾	2,434,763
Revenues	17,032,534	11,875,922	11,290,927	12,218,588	11,200,000
(Expenditures)	(8,566,086)	(10,546,491)	(11,373,579)	(12,010,000)	(11,800,000)
Transfers In/Out	(6,832,906) ⁽¹⁾	688,431	93,985	170,463	100,000
Ending Fund Balance	3,923,942	2,848,982	2,860,315	2,434,763	1,934,763
NON MAJOR CAPITAL PROJECTS FUNDS ⁽²⁾					
Beginning Fund Balance	22,520,466	11,545,681	1,869,667	20,312,391 ⁽³⁾	8,699,620
Revenues	2,009,207	1,323,822	954,071	1,104,361	750,000
(Expenditures)	(35,524,866)	(13,964,836)	(4,690,194)	(19,850,437)	(13,600,000)
Transfers In/Out	2,304,383	2,965,000	1,706,744	7,133,305	0
Proceeds from Issuance of Debt	20,236,491	-	-	-	5,500,000
Ending Fund Balance	11,545,681	1,869,667	(159,712)	8,699,620	1,349,620
MAJOR CAPITAL PROJECTS FUNDS ⁽²⁾					
Beginning Fund Balance	-	-	-	- ⁽³⁾	14,497,474
Revenues	-	-	-	10,863	250,000
(Expenditures)	-	-	-	(7,950,379)	(14,500,000)
Transfers In/Out	-	-	-	22,436,990	-
Proceeds from Issuance of Debt	-	-	-	-	-
Ending Fund Balance	-	-	-	14,497,474	247,474
ENTERPRISE FUND					
Beginning Fund Balance	(67,754)	(130,298)	833,841	2,092,877	2,793,802
Revenues	7,811,609	8,006,660	8,319,797	8,160,746	8,100,000
(Expenditures)	(7,874,153)	(7,042,521)	(7,060,761)	(7,459,821)	(7,700,000)
Ending Fund Balance	(130,298)	833,841	2,092,877	2,793,802	3,193,802
INTERNAL SERVICE FUNDS					
Beginning Fund Balance	813,062	1,056,193	1,524,262	2,571,519	3,106,564
Revenues	7,989,063	8,867,807	9,857,735	10,302,782	10,500,000
(Expenditures)	(7,745,932)	(8,399,738)	(8,810,478)	(9,767,737)	(10,350,000)
Ending Fund Balance	1,056,193	1,524,262	2,571,519	3,106,564	3,256,564

(1) Two special revenue funds were reclassified to "major" funds in last year's audit. Fund balance @ June 30, 2008 split between non-major and major as reflected in 2009 audit.

(2) Capital Projects are adopted at the Project Ordinance level at the inception of the project. A project ordinance runs for the life of the project and annual reappropriation is not necessary. Therefore, there are no budgets for the capital projects fund included in this document. Deficit balance reflects county advancement of funds for A/E costs prior to debt issuance.

(3) Funds aligned between major & non-major in the special revenue & capital projects shifted due to shifts in the categorization as the projects were consummated (established as major fund) or near completion (shifted to non-major fund status).

FUND SUMMARY



As shown, all of the above fund types maintain their own fund balances each year. In some fund types, steady growth is a necessity. The County consciously works to increase the fund balance in the General Fund—a combination of the General Operating Fund, Court Facilities, Mental Health, Public Health, and Social Services Funds. This presentation method is used to be consistent with the County’s audit presentation. The General Fund is the one in which the County has discretionary spending power and is also the fund observed by the Local Government Commission (LGC), a division of the North Carolina Treasurer’s Office.

The LGC requires an unrestricted fund balance equivalent to a minimum of 8% of the prior year’s expenditures; and for units the size of Pitt County, recommends 15-16%. Prior to the recent economic downturn, counties of similar size to Pitt County averaged a fund balance of 17-19%. It is anticipated that many counties will again see their ratios slip when June 2011 audits are complete. For Pitt County, a fund balance of approximately 12% is anticipated after completion of our 2011 audit. While the County strives to maintain and increase fund balance each year the Board has used fund balance to continue operations to our Citizens in a depressed economy. The demands for a county’s services run counter-cyclical to the economy – at a time when it makes sense to tighten your belt – the demands for our products/services via our public safety and human service departments are at an all time high. The Board feels it has taken sound steps in the adoption of the Fiscal Year 2011-12 budget to return to a stronger fund balance position in 2012 as the economy improves. Pitt County has a practice to aggressively work to contain costs and maximize revenues with an eye toward keeping this financial indicator solid. The over collection of revenues and the trend for departments to spend between 96-98% of their budgets usually negates the need to actually spend any fund balance appropriated. In recent years, fund balance has been used to cover one-time expenditures (i.e. grant match) in lieu of creating a fluctuating tax rate.

Annual changes in the Special Revenue Fund are indicative of active grant programs. Construction activity on County projects is reflected in the Capital Projects Fund. Balances increase and decrease as projects are active and then completed. The proprietary fund types--Enterprise and Internal Service—are designed to hold constant from year to year. Rates (i.e. Solid Waste tipping fees; health insurance premiums) are reviewed annually and adjusted as needed to cover costs. The County monitors these

DEBT SUMMARY

LEGAL DEBT LIMIT

The County is subject to the Municipal Finance Law of North Carolina which limits the amount of net debt the County may have outstanding to eight percent of the appraised value of property subject to taxation. At June 30, 2011, the County's statutory debt capacity is \$750,138,163. At that same point in time, the County's actual gross outstanding debt was \$174,675,060 which is comprised of \$105,330,000 in Certificates of Participation, \$59,835,000 in Limited Obligation Bonds, \$5,952,500 in Qualified School Construction Bonds, and \$3,954,178 in outstanding installment financing.

In North Carolina, no bonds may be issued without the approval of the Department of the State Treasurer, Local Government Commission. A sworn statement of debt must also be filed attesting that net debt will not exceed the eight percent limitation on appraised property value.

Certificates of Participation, Limited Obligation Bonds, Qualified School Construction Bonds and lease-purchase financing do not pledge the "full faith and credit" of the County but rather offer the investors/lien holders the purchased property as security for the financing, and the repayment is subject to annual appropriation. In the event of default, repossession or foreclosure action could occur.

While General Obligation Bonds may be used in North Carolina to finance long term improvements, Pitt County does not have any debt of this type or any outstanding authorizations to issue such debt in the future.

DEBT OTHER THAN GENERAL OBLIGATION BONDS

The County has outstanding public issues (Certificates of Participation (COP), Limited Obligation Bonds (LOB) or Qualified School Construction Bonds (QSCB)) with a total balance of \$171,117,500 as of July 1, 2011, as indicated on the debt schedule following this summary. These issues include:

2001 COP, 1992 Refunding, Public Facilities - In July 1992, the County issued \$6,145,000 in Certificates of Participation to finance the construction of a new mental health and public health center. In 2001, the balance of \$4.3 million was refunded and combined with \$8.3 million in new money for Courthouse Phase II renovations for a total COPs issue of \$12,635,000.

2004A COP & 2004B COP, Partial Refunding of 1997A and School Projects – In October, 2004, the County issued \$12,510,000 to advance refund a portion of the 1997A Certificates of Participation for the Courthouse and an Elementary School. An additional \$30,000,000 was issued to finance the construction of a new middle school.

2007 COP, Schools, Partial Refunding of 2000A & 2000B – In March 2007, the County issued \$59,365,000 to advance refund a portion of the Certificates known as 2000A and 2000B (\$29,300,000 refunded). New funding of \$30,065,000 was earmarked to build a new elementary school and complete four school additions.

2007 COP, Detention Center Expansion – In October, 2007, the County issued \$19,855,000 to finance the construction of a 192-bed expansion to the Detention Center.

2010 QSCB, Sadie Salter Project – In December, 2010, the County issued \$5,952,500 to finance renovations and an addition to Sadie Saulter School. The interest payments will be covered by the federal government through ARRA Stimulus Program.

DEBT SUMMARY

2009 LOB, School Projects – In December, 2009, the County issued \$35,145,000 to finance additions, renovations and parking lot configurations at D. H. Conley High, Eastern Elementary, and Farmville Central High as well as the construction of a new elementary school.

2010 LOB, Partial Refunding of 2001 – In October, 2007, the County issued \$5,470,000 to advance refund a portion of the Certificates known as 2001.

2010 LOB, Pitt Community College Project – In November, 2010, the County issued \$22,080,000 to finance the construction of three new facilities at the college. The facilities are a General Academic Building, a Construction and Industrial Technology Building and a Maintenance Shop.

Other outstanding debt for the County consists of several loans from the Global Transpark Development Trust Fund (GTP) and several from lending institutions, the balances of which are shown on the debt payable summary at the end of this section. These loans include funds for the following:

Technology Incubator - The County originally borrowed \$500,000 in 1995 to purchase a facility to begin an economic incubator program to attract new industry into the County. This loan was refinanced in August 1996 with a new principal balance of \$1,200,000. The additional funds were used to renovate the building purchased in 1995.

Grifton Sewer Project - A second GTP Loan was issued to the County in December 1999 for the benefit of the Town of Grifton in the amount of \$261,000 for the Town to extend municipal sewer service. In July, 2005, the County facilitated an additional loan for sewer extension for the Town of Grifton. This loan was for \$250,000 and will run through 2015.

Ambulances – A short-term loan from BB&T was secured in November, 2008 in the amount of \$348,000 to purchase three ambulances.

EMS Facilities – The County borrowed \$560,000 from Wachovia in December 2003 to construct two EMS stations.

Guaranteed Energy Savings Project – In July, 2005, the County entered into a 12 year \$2,697,002 financing to pay for energy improvements throughout County facilities.

Stokes and Pactolus Sewer Project – In February, 2010, the County was a recipient of funding from the American Recovery and Reinvestment Act (ARRA – Stimulus) for the extension of sewer to the Stokes/Pactolus area. This is a joint project between the County, the School System and Greenville Utilities, whereby the County's total commitment is \$901,132 over 20 years due to NCDENR.

MIS Upgrades – The County borrowed \$430,000 from Wachovia in November, 2009, for computer system upgrades throughout the County. This is a short-term loan and will not exceed 42 months.

Vehicle Replacement Program – The County borrowed \$615,000 from RBC Bank to implement a systematic replacement plan for rolling stock. This is a 3-5 year loan.

DEBT SUMMARY

BOND RATINGS

Rating agencies review Pitt County's financial position each time the county issues debt, analyzing our debt burden, proposed debt, general economy, infrastructure needs, and overall outlook for the future. Upon our last review in August/September 2007, the following ratings were received from these agencies:

Rating Agency	Rating Type	Rating for Current Project	Opinion
Moody's	GO	Aa2	Affirmed
	COPS	Aa3	Stable Outlook
Standard & Poor's	GO	AA	Affirmed
	COPS	AA-	Stable Outlook
Fitch	GO	AA+	Affirmed
	COPS	AA	Stable Outlook

Pitt County takes pride in its AA ratings from all three agencies, considering less than 15 percent of debt issues taken to the public market by counties in general carry the AA rating.

IMPACT ON CURRENT & FUTURE BUDGET YEARS

The fiscal year 2011-12 adopted budget for Pitt County is \$207,873,193. This covers only the operating costs of the County and a few pay-as-you-go projects.

All existing capital projects of the County were established by Project Ordinances at the start of each project, and that authorization lasts until the project is completed. No annual carryover budgets are required.

Capital items such as equipment and rolling stock like tractors/mowers are budgeted in each department's operating budget. The County does not feel the dollar volume of these purchases necessitates borrowing money to complete the purchase. This is analyzed each year before the County adopts its budget; and thus far, it has been determined that a pay-as-you-go method is appropriate.

For fiscal year 2010-11, the County implemented a rolling cycle to replace our fleet over the next four years. The first year included a loan with debt service over 3.5 years. The intent was that moving forward, the County would purchase some vehicles with cash and some via borrowed funds to reach a point that as each loan year was paid off, an equal amount of vehicles will be cash purchased allowing all cash purchases in the future. Fiscal year 2010-11 was a larger than typical financing to help address needs that had been deferred over several years due to the economic concerns. Unfortunately, due to continued economic strain, the plan was shelved for fiscal year 2011-12 in order to try and live within existing revenue stream and not raise taxes on our Citizens in the continued recession.

FUTURE ANTICIPATED OBLIGATION

The County continues to prepare a multi-year Capital Improvement Plan with anticipated needs noted. Under North Carolina law, school facilities are typically funded by the counties. The lottery has brought some educational funding from the State, however, the amount is not sufficient to cover the annual debt projected to meet current construction needs. Therefore, Pitt County also voted in the ¼% local option

DEBT SUMMARY

sales tax in November 2007. This measure, authorized by the State in August 2007 was favorably passed and was implemented on April 1, 2008. This tax should generate \$4 M each year earmarked for education construction either for pay-go projects or to service long term debt. When combined with lottery proceeds and debt capacity to be “freed up” in future years as debt is retired, the County should be able to begin a systematic attack on outstanding education capital needs. To date, the 2009 LOBS, 2010 LOBS and 2010 QSCBs are serviced within this revenue stream. Future projects at Pitt Community College and Pitt County Schools are under consideration with no firm date of issuance at present. Both systems have a number of projects under construction and several in the planning stage with no action anticipated prior to fiscal year 2012-13.

LONG-RANGE PLANNING

Facility and space needs of county government programs continue to be an identified goal of the Pitt County Board of Commissioners. Education Construction for both the K-12 and Community College System are the County’s top priority and with new revenue sources, progress towards addressing needs has been accomplished with new facilities scheduled to come on-line in both 2011-12 and 2012-13 fiscal years.

DEBT SUMMARY

**PITT COUNTY
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2011**

Assessed Valuations:	
Assessed Value	\$11,565,123,007
Debt Limit - Eight Percent (8%) of Appraised Valuation	 \$925,209,841
Gross Debt:	
Certificates of Participation	\$105,330,000
Limited Obligation Bonds	\$59,835,000
Qualified School Construction Bonds	\$5,952,500
	<hr/> \$171,117,500
Other:	
Other Loans	<hr/> \$3,954,178
Gross Debt	 \$175,071,678
Net Debt	 \$175,071,678
Legal Debt Margin	 \$750,138,163

DEBT SUMMARY

PITT COUNTY SCHEDULE OF DEBT PAYABLE June 30, 2011

	Issue Date	Due Serially To	Interest Rate	Original Issue	Balance June 30, 2011
Certificates of Participation / Limited Obligation Bonds / Qualified School Construction Bond					
2004A COP, Partial Refunding of 1997A	October 25, 2004	FY 16-17	Variable	\$ 12,510,000	\$ 7,815,000
2001 COP, 1992 Refunding of Health/MIH Plus New Money for Courthouse Phase II	October 1, 2001	FY 25-26	Variable	\$ 12,635,000	\$ 365,000
2004B COP, School Projects	October 25, 2004	FY 28-29	Variable	\$ 30,000,000	\$ 24,850,000
2007 COP, Partial Refunding of 2000A & 2000B	March 15, 2007	FY 31-32	Variable	\$ 59,365,000	\$ 54,500,000
2007 COP, Detention Center Expansion	October 31, 2007	FY 27-28	Variable	\$ 19,855,000	\$ 17,800,000
2009 LOB, School Projects	December 1, 2009	FY 33-34	Variable	\$ 35,145,000	\$ 32,890,000
2010 QSCB, Sadie Sautler Project	December, 2010	FY 27-28	0.000%	\$ 5,952,500	\$ 5,952,500
2010 LOB, Partial Refunding of 2001	November 18, 2010	FY 25-26	Variable	\$ 5,470,000	\$ 5,420,000
2010 LOB, Pitt Community College Project	November 18, 2010	FY 34-35	Variable	\$ 22,080,000	\$ 21,525,000
				<u>\$203,012,500</u>	<u>\$ 171,117,500</u>
Other Loans					
Global Transpark, Technology Incubator	August 7, 1996	FY 11-12	4.125%	\$ 1,200,000	\$ 26,647
Global Transpark, Griffon Sewer Project	December, 1999	FY 16-17	3.500%	\$ 261,000	\$ 112,744
Global Transpark, Griffon #2	July 11, 2005	FY 14-15	3.500%	\$ 250,000	\$ 109,400
NCDENR, Stokes/Pactolus Sewer	October, 2009	FY 29-30	0.000%	\$ 901,132	\$ 856,075
BB&T, Ambulances	November 19, 2008	FY 13-14	3.210%	\$ 348,000	\$ 215,671
Wachovia, EMS Facilities	December 10, 2003	FY 13-14	3.750%	\$ 560,000	\$ 168,000
Wachovia, MIS Upgrades	November 16, 2009	FY 12-13	3.360%	\$ 430,000	\$ 251,836
Wachovia, Guaranteed Energy	April 5, 2006	FY 17-18	3.560%	\$ 2,697,002	\$ 1,683,728
RBC, Vehicle Replacement Program	February 28, 2011	FY 12-13	3.260%	\$ 615,000	\$ 530,077
				<u>\$ 7,262,134</u>	<u>\$ 3,954,178</u>
Total Debt Payble				\$210,274,634	\$ 175,071,678

DEBT SUMMARY

ANNUAL LONG-TERM* DEBT SERVICE SUMMARY - 2011-2021

	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
GENERAL GOVERNMENT DEBT										
Courthouse (1997 COPS)/2004 Refunded	793,571	791,904	793,604	792,705	792,868	793,522	-	-	-	-
Courthouse / 92 Refunding (2001 COPS)	379,965	-	-	-	-	-	-	-	-	-
Schools (2004 COPS)	2,273,424	2,218,424	2,483,424	2,431,594	2,373,344	2,302,594	2,231,844	2,161,094	2,104,494	2,033,744
Detention (2007 COPS)	1,536,206	1,536,606	1,536,744	1,534,744	1,537,094	1,537,294	1,536,094	1,533,494	1,533,494	1,533,894
Courthouse / 2001 Refunding (2010 LOBS)	230,150	589,050	575,750	568,450	541,300	529,300	512,300	490,450	473,900	453,700
Sub-total	5,213,316	5,135,984	5,389,522	5,317,493	5,244,606	5,162,710	4,280,238	4,185,038	4,111,888	4,021,338
PUBLIC SCHOOL DEBT **										
Pitt County Schools (1997 COPS)/2004 Ref	723,774	722,263	723,803	722,983	723,132	723,728	-	-	-	-
Schools (2007 COPS)	5,405,858	5,253,558	5,192,233	5,075,345	4,985,545	4,774,995	4,736,845	4,575,845	4,575,845	4,373,045
Sub-total	6,129,632	5,975,811	5,916,036	5,798,328	5,708,677	5,498,723	4,736,845	4,575,845	4,575,845	4,373,045
ARTICLE 46 SALES TAX***										
Schools (2009 COPS)	2,817,100	2,767,050	2,717,000	2,666,950	2,616,900	2,566,850	2,516,800	2,459,600	2,402,400	2,345,200
Schools (2009 QSCE)	350,147	350,147	350,147	350,147	350,147	350,147	350,147	350,147	350,147	350,147
Pitt Community College (2010 LOB)	1,705,594	1,687,594	1,669,594	1,642,594	1,615,594	1,588,594	1,561,594	1,534,594	1,507,594	1,466,594
Sub-total	4,872,841	4,804,791	4,736,741	4,659,691	4,582,641	4,505,591	4,428,541	4,344,341	4,260,141	4,161,941
Grand Total	16,215,789	15,916,586	16,042,299	15,775,512	15,535,924	15,167,024	13,445,624	13,105,224	12,947,874	12,556,324

*This chart represents loans with debt service greater than or equal to 20 years at issuance, typically Certificates of Participation and Limited Obligation Bonds.

**Board of Education covers this debt service with restricted sales tax revenues and ADM Capital Building funds.

***Article 46 tax was passed by a positive vote via referendum in November 2007. The proceeds of this tax are earmarked for education (K-12 and Community College) construction.

DEBT SUMMARY

ANNUAL LONG-TERM* DEBT SERVICE PRINCIPAL AND INTEREST BREAKDOWN - 2011-2021

	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
GENERAL GOVERNMENT DEBT										
Courthouse (1997 COPS)/2004 Refunded	P 611,910	638,080	669,440	692,975	719,125	755,735	-	-	-	-
Courthouse / 92 Refunding (2001 COPS)	I 181,661	153,844	124,164	99,730	73,743	37,787	-	-	-	-
	P 365,000	-	-	-	-	-	-	-	-	-
	I 14,965	-	-	-	-	-	-	-	-	-
Schools (2004 COPS)	P 1,100,000	1,100,000	1,420,000	1,420,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000	1,415,000
Detention (2007 COPS)	I 1,173,424	1,118,424	1,063,424	1,011,594	958,344	887,594	816,844	746,094	689,494	618,744
Courthouse / 2001 Refunding (2010 LOBS)	P 740,000	770,000	800,000	830,000	870,000	905,000	940,000	975,000	1,015,000	1,055,000
	I 796,206	766,606	736,744	704,744	667,094	632,294	596,094	558,494	518,494	478,894
	P 55,000	415,000	410,000	405,000	400,000	400,000	395,000	385,000	380,000	375,000
	I 175,150	174,050	165,750	153,450	141,300	129,300	117,300	105,450	93,900	78,700
Sub-total	5,213,316	5,135,984	5,389,522	5,317,493	5,244,606	5,162,710	4,280,238	4,185,038	4,111,888	4,021,338
PUBLIC SCHOOL DEBT **										
Pitt County Schools (1997 COPS)/2004 Ref	P 558,090	581,940	610,560	632,025	655,875	689,265	-	-	-	-
Schools (2007 COPS)	I 165,684	140,313	113,243	90,958	67,257	34,463	-	-	-	-
	P 2,960,000	2,915,000	2,990,000	2,990,000	3,025,000	2,945,000	3,030,000	3,015,000	3,055,000	3,075,000
	I 2,445,858	2,338,558	2,202,233	2,085,345	1,960,545	1,829,995	1,706,845	1,560,845	1,520,845	1,298,045
Sub-total	6,129,632	5,975,811	5,916,036	5,798,328	5,708,677	5,498,723	4,736,845	4,575,845	4,575,845	4,373,045
ARTICLE 46 SALES TAX***										
Schools (2009 LOBS)	P 1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000
Schools (2010 QSCB)	I 1,387,100	1,337,050	1,287,000	1,236,950	1,186,900	1,136,850	1,086,800	1,029,600	972,400	915,200
Pitt Community College (2010 LOBS)	P 337,507	337,507	337,507	337,507	337,507	337,507	337,507	337,507	337,507	337,507
	I 12,640	12,640	12,640	12,640	12,640	12,640	12,640	12,640	12,640	12,640
	P 900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	895,000
	I 805,594	787,594	769,594	742,594	715,594	688,594	661,594	634,594	607,594	571,594
Sub-total	4,872,841	4,804,791	4,736,741	4,659,691	4,582,641	4,505,591	4,428,541	4,344,341	4,260,141	4,161,941
Grand Total	16,215,789	15,916,586	16,042,299	15,775,512	15,535,924	15,167,024	13,445,624	13,105,224	12,947,874	12,556,324

*This chart represents loans with debt service greater than or equal to 20 years at issuance, typically Certificates of Participation and Limited Obligation Bonds.

**Board of Education covers this debt service with restricted sales tax revenues and ADM Capital Building funds.

***Article 46 tax was passed by a positive vote via referendum in November 2007. The proceeds of this tax are earmarked for education (K-12 and Community College) construction.

TAX SUMMARY

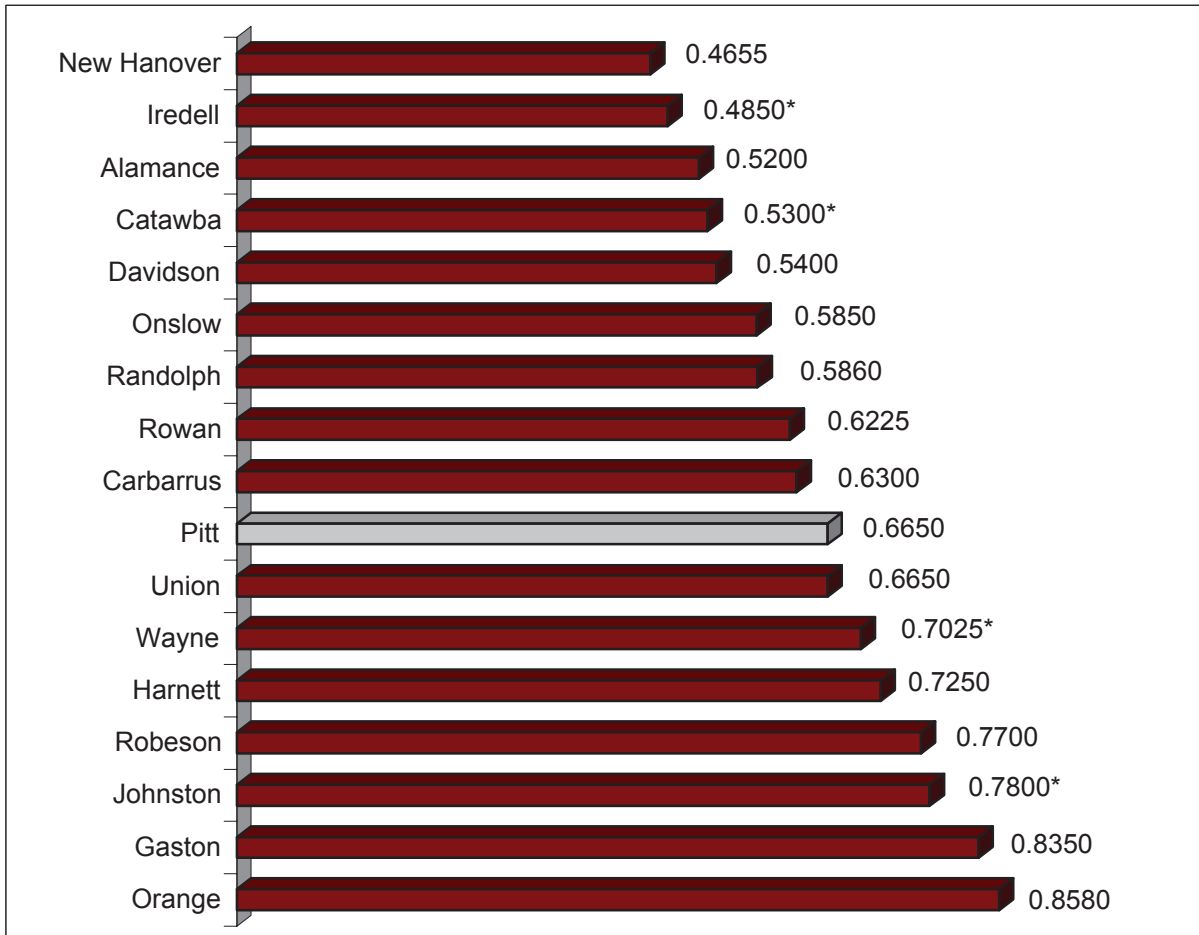
**PITT COUNTY
ANALYSIS OF ADOPTED TAX LEVY
FISCAL YEAR 2011-12
Tax Rate per \$100 = \$0.665**

	<i>Estimated Value</i>		<i>Levy Proceeds</i>
Real & Personal Property	\$11,565,123,007	@ .665/\$100	\$76,908,068
Adjustment for Non-Collection (<i>Collection Rate</i>)			X 97%
Total Ad Valorem Tax			<hr/> \$74,600,826

DISTRIBUTION OF AD VALOREM TAX PROCEEDS ACROSS FUNDS

General Fund	\$0.6560	\$73,591,191
Development Commission Fund	\$0.0090	<hr/> \$1,009,635
		\$74,600,826

**COMPARISON OF AD VALOREM TAX RATES
FISCAL YEAR 2011-12 ADOPTED LEVIES**

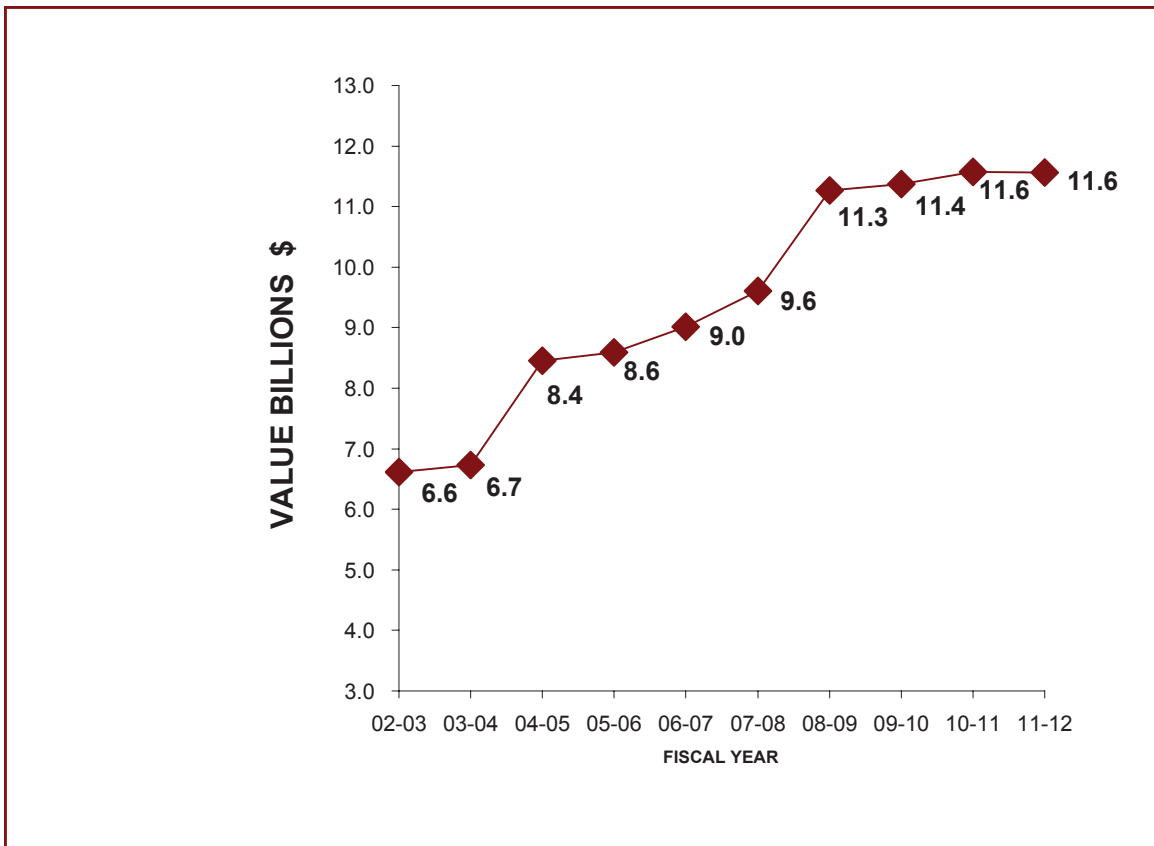


**Counties with populations 100,000 to 199,999
Ad Valorem Tax Rate Per \$100 Valuation**

The N. C. Association of County Commissioners' survey of newly adopted tax rates for the 2011-12 fiscal year shows that 71 counties in North Carolina maintained their rates at the previous level. Increases were experienced in 21 counties including 7 counties that went through revaluation and adopted a rate higher than their published "revenue neutral" rate - 5 reduced rates. Three counties adopted interim budgets.

Note: Counties in the comparison with an asterisk (*) underwent revaluation this year.

**PITT COUNTY
ASSESSED PROPERTY VALUATION**



Revaluation of real property is required by statute every eight (8) years. Pitt County Commissioners voted in 2004 to conduct property revaluation every four years. Pitt County completed a four-year revaluation effective January 1, 2008 for levy of taxes in Fiscal Year 2008-09 and will begin conducting another four-year revaluation with the next one effective January 1, 2012.

TAX SUMMARY

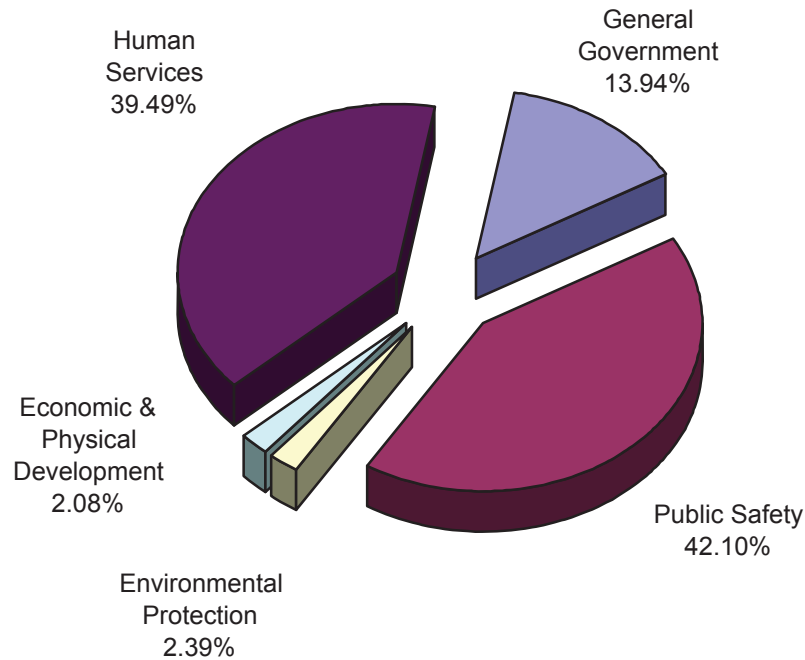
PITT COUNTY

**2011
TOP TEN TAXPAYERS**

<i>Taxpayer</i>	<i>Type</i>	<i>Value</i>
DSM Dyneema LLC	Manufacturer	\$ 262,018,187
DSM Pharmaceuticals	Manufacturer	211,430,150
Carolina Telephone	Communications	57,728,335 (Est)
Asmo	Manufacturer	56,196,982
Attends Healthcare Products Inc	Manufacturer	51,509,574
Weyerhaeuser Company	Manufacturer	46,966,121
North Campus Crossing LLC (I & II)	Apartments	45,418,511
Copper Beech Townhome Communities	Apartments	43,156,107
Marelda Greenville Mall (Colonial)	Mall	41,858,620
PL Greenville LP (Bellamy)	Apartments	39,542,426
		\$ 855,825,013

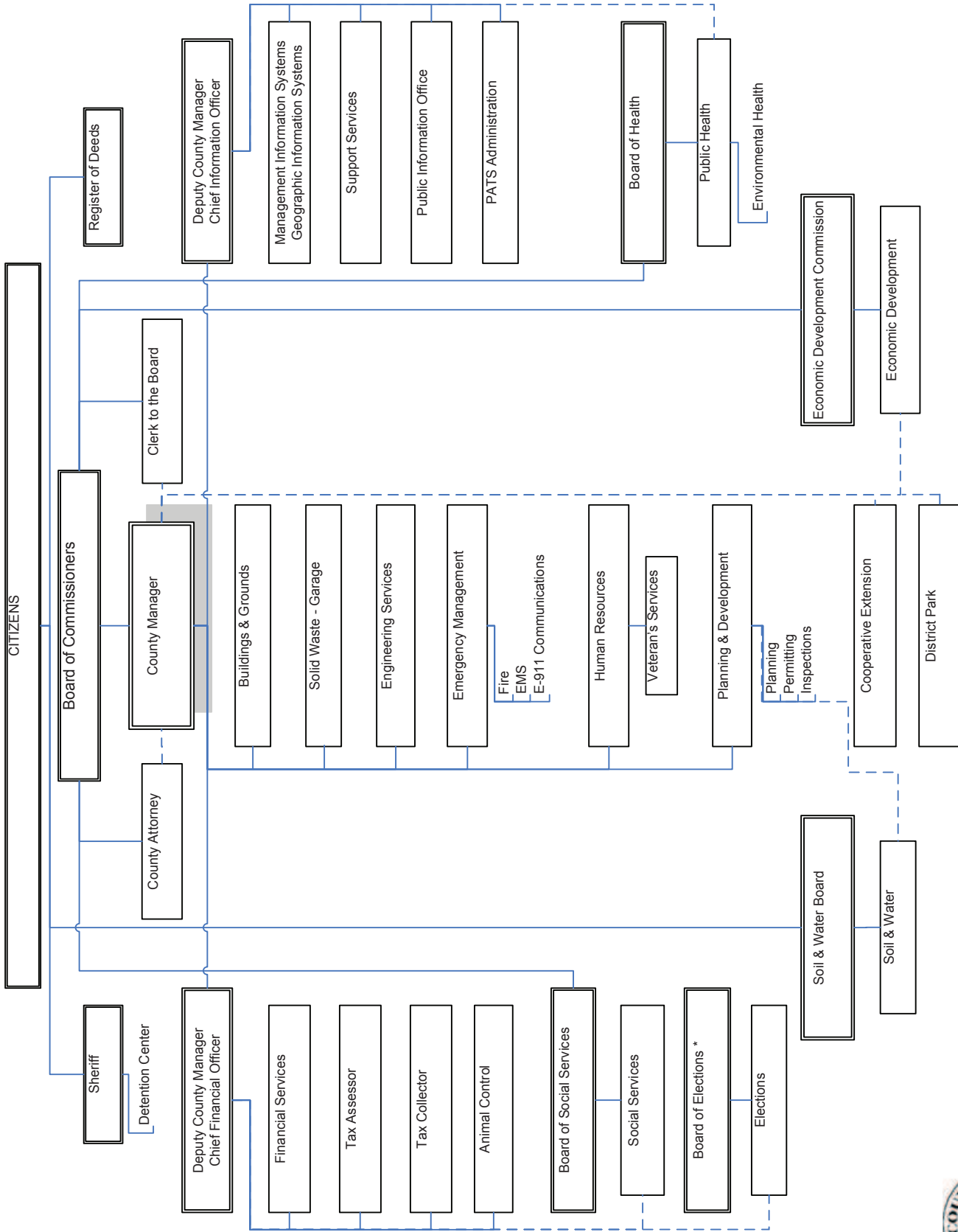
HUMAN RESOURCES SUMMARY

PERCENTAGE OF FTE POSITIONS BY SERVICE AREA Fiscal Year 2011-12



Service Area	FTEs
General Government	129.60
Public Safety	391.50
Environmental Protection	22.25
Economic & Physical Development	19.35
Human Services	367.20
Total FTE Positions	929.90

HUMAN RESOURCES SUMMARY

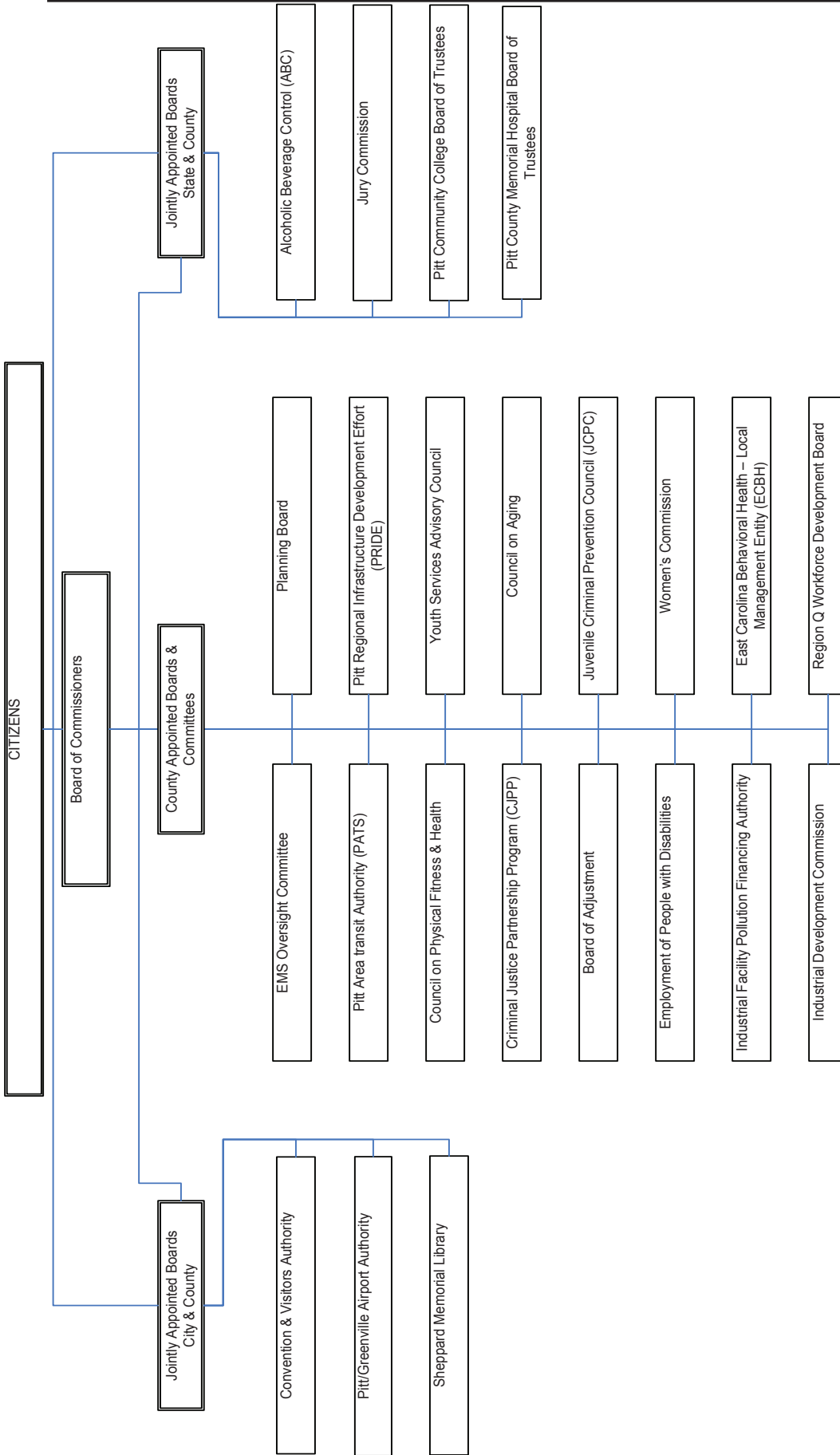


As of July 2011
 Dotted line denotes liaison
 * State appointed



Pitt County Organizational Chart

HUMAN RESOURCES SUMMARY



HUMAN RESOURCES SUMMARY

SUMMARY OF POSITIONS BY SERVICE AREA

	<i>AMENDED FY 2008-09</i>	<i>AMENDED FY 2009-10</i>	<i>AMENDED FY 2010-11</i>	<i>REQUESTED FY 2011-12</i>	<i>ADOPTED FY 2011-12</i>	<i>% CHANGE FY 10 to 11</i>
GENERAL GOVERNMENT						
County Manager	4.00	4.00	4.00	4.00	4.00	0.00%
Financial Services	11.00	11.00	11.00	10.00	9.60	-12.73%
Tax Administration	33.50	33.00	33.00	34.00	32.00	-3.03%
Legal	10.00	10.00	3.50	4.00	4.00	14.29%
Legal - DSS	0.00	0.00	6.00	0.00	0.00	-100.00%
Board of Elections	6.00	6.00	6.00	6.00	6.00	0.00%
Register of Deeds	11.00	11.00	10.00	10.00	10.00	0.00%
Public Information	2.00	2.00	2.00	2.00	2.00	0.00%
Human Resources	8.00	8.00	7.00	7.00	7.00	0.00%
Print Shop/Mailroom	2.00	2.00	2.00	2.00	2.00	0.00%
Management Info Systems	27.00	27.00	26.00	26.00	26.00	0.00%
Geographic Info Systems	3.00	3.00	3.00	3.00	3.00	0.00%
Buildings & Grounds	25.00	25.00	23.00	23.00	23.00	0.00%
Garage	0.50	0.50	0.50	0.50	0.00	-100.00%
Court Facilities	1.00	1.00	1.00	1.00	1.00	0.00%
TOTAL	144.00	143.50	138.00	132.50	129.60	-6.09%
PUBLIC SAFETY						
Sheriff	137.00	138.00	139.00	143.50	139.00	0.00%
Detention Center	147.00	177.00	195.00	195.00	186.00	-4.62%
School Security	11.00	11.00	11.00	11.00	9.00	-18.18%
Jail Inmate Coordinator	1.00	1.00	1.00	1.00	1.00	0.00%
Emergency Management	6.00	6.00	6.00	6.00	6.00	0.00%
EMS District	14.00	14.00	18.00	18.00	18.00	0.00%
Communications	17.50	18.00	18.00	24.00	18.00	0.00%
Animal Control	7.25	7.00	6.00	6.00	6.00	0.00%
E911 Surcharge	2.75	0.00	0.00	0.00	0.00	--
Inspections	5.00	5.00	4.00	4.00	4.00	0.00%
State Grants	3.00	11.50	11.50	4.50	4.50	-60.87%
TOTAL	351.50	388.50	409.50	413.00	391.50	-4.40%
ENVIRONMENTAL PROTECTION						
Pitt Soil & Water	4.00	4.00	4.00	4.00	4.00	0.00%
Solid Waste & Recycling	17.50	17.75	17.75	17.75	18.25	2.82%
TOTAL	21.50	21.75	21.75	21.75	22.25	2.30%

HUMAN RESOURCES SUMMARY

SUMMARY OF POSITIONS BY SERVICE AREA

	<i>AMENDED FY 2008-09</i>	<i>AMENDED FY 2009-10</i>	<i>AMENDED FY 2010-11</i>	<i>REQUESTED FY 2011-12</i>	<i>ADOPTED FY 2011-12</i>	<i>% CHANGE FY 10 to 11</i>
ECONOMIC & PHYSICAL DEVELOPMENT						
Planning	9.25	9.25	9.25	8.25	8.25	-10.81%
E911 Planning	0.00	2.25	1.75	1.75	1.75	0.00%
Permitting Center	3.50	3.50	3.00	3.00	3.00	0.00%
Engineering	1.75	1.75	1.75	1.50	1.75	0.00%
Industrial Development	4.00	4.00	4.00	4.00	4.00	0.00%
Farmers Market	0.60	0.60	0.60	0.60	0.60	0.00%
TOTAL	19.10	21.35	20.35	19.10	19.35	-4.91%
HUMAN SERVICES						
Health	137.90	137.90	139.40	139.40	131.90	-5.38%
Employee Medical Ins Fund		0.00	0.00	0.00	1.00	0.00%
Pitt Area Transit	20.00	20.00	21.00	21.00	21.00	0.00%
Social Services	234.00	238.00	229.00	235.30	233.30	1.88%
Veterans Services	2.00	2.00	2.00	2.00	2.00	0.00%
TOTAL	393.90	377.90	370.40	376.70	367.20	-0.86%
GRAND TOTAL	930.00	953.00	960.00	963.05	929.90	-3.14%

Note: This chart is based on authorized Full Time Equivalent (FTE) positions.

HUMAN RESOURCES SUMMARY

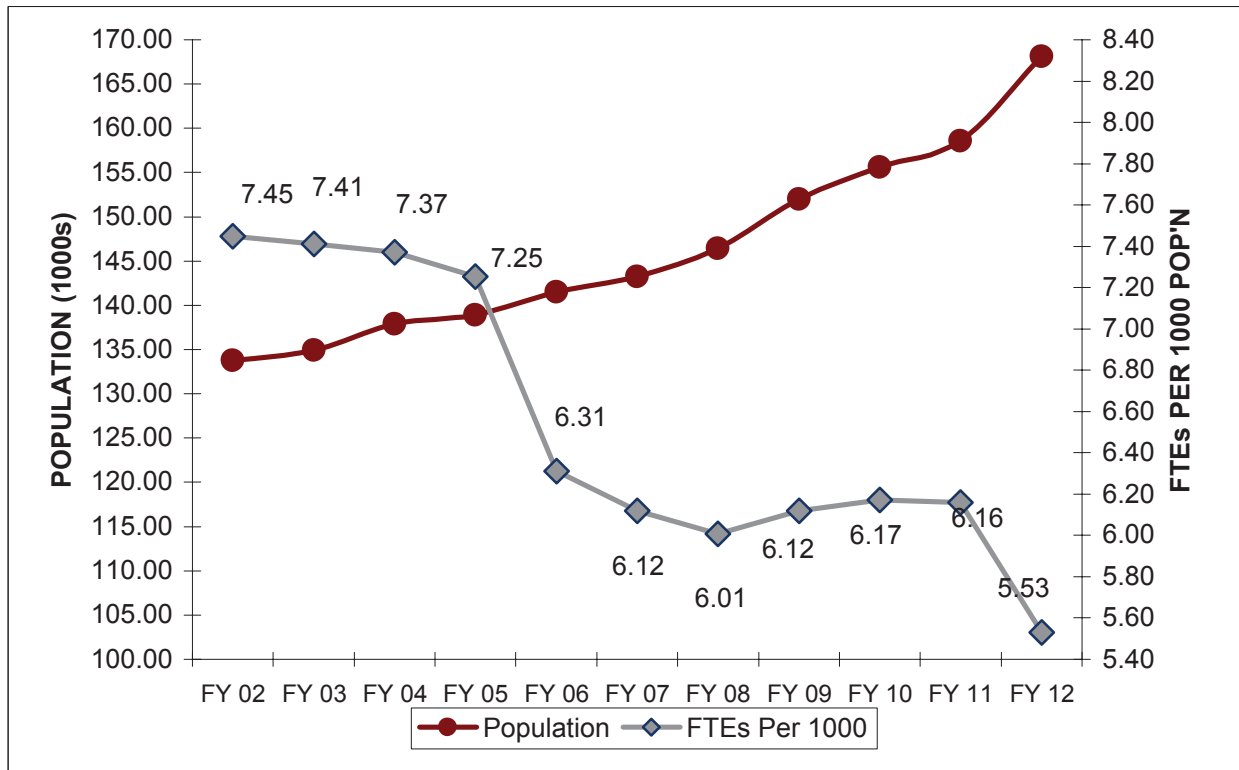
NEW POSITION REQUESTS FY 2011-12

<i>Department</i>	<i>Title</i>	<i>Pay Grade</i>	<i>Funding Sources</i>	<i>Board Adopted</i>
Tax Administration	Database Administrator	73	General Fund	-
Sheriff Department	Detective - Basic (previously grant funded) DV	66-11	General Fund	-
	Detective - Advanced (previously grant funded) HITS	68-11	General Fund	-
	Detective - Advanced (previously grant funded) PM	68-15	General Fund	-
	Detective - Advanced (previously grant funded) HT *	68-21	General Fund	-
	Crime Analyst (previously grant funded) HITS	63-9	General Fund	-
Communications	Telecommunicator I	61	General Fund	-
	Telecommunicator I	61	General Fund	-
	Telecommunicator I	61	General Fund	-
	Telecommunicator I	61	General Fund	-
	Telecommunicator I	61	General Fund	-
	Telecommunicator I	61	General Fund	-
	Total			-

* Position funded starting January 2012
DV - Domestic Violence
HITS - High Incident Target Strikes
PM - Prescription Monitoring
HT - Human Trafficking

HUMAN RESOURCES SUMMARY

PITT COUNTY FULL TIME EQUIVALENT POSITIONS PER 1000 POPULATION



Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
FTE Positions	1000.2	1016.4	1007.8	892.85	876.45	879.5	930	960.25	976.5	929.9
Population	134,936	137,901	138,922	141,499	143,212	146,398	151,996	155,607	158,575	168,148

As the graph above indicates, the growth in County population has increased steadily. However, over the past several years the number of County positions (employees) per 1000 population has decreased due to FY 2007-08 divestiture of Mental Health services to the private sector. The more current decreases reflect changes in operational design and headcount - permanent changes to the size of the respective operations. These actions were taken in an effort to create long term sustainability and address current and future economic constraints.

