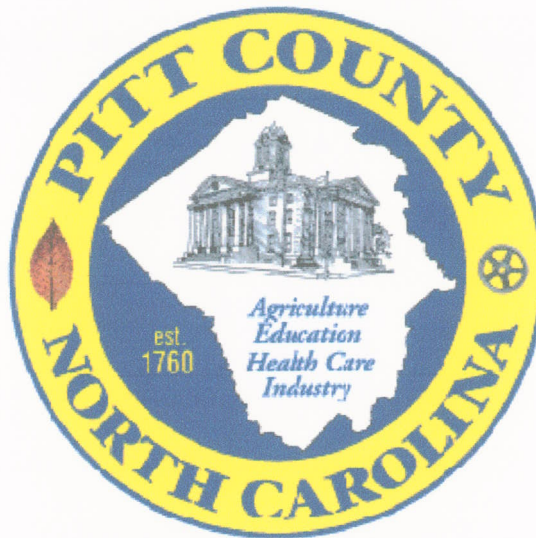


County of Pitt

North Carolina



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2004

Prepared By:
Pitt County Financial Services Department

Melonie T. Bryan
Deputy County Manager - Financial Services

PITT COUNTY, NORTH CAROLINA
General Purpose Financial Statements and Compliance Reports
For the Fiscal Year Ended June 30, 2004

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- Pitt County Profile
- GFOA Certificate of Achievement for Excellence in Financial Reporting
- List of Principal Officials
- Organizational Chart
- Mission, Values and Goals Statements



PITT COUNTY FINANCIAL SERVICES

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MELONIE T. BRYAN
DEPUTY COUNTY MANAGER -
FINANCIAL SERVICES

August 31, 2004

The Honorable Chairman and Members of the Board of Commissioners
Pitt County
Greenville, NC 27834

Dear Board Members:

It is our pleasure to present the Board of Commissioners and Citizens of Pitt County with the Comprehensive Annual Financial Report (CAFR) of Pitt County for the fiscal year ended June 30, 2004.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Pitt County Financial Services Department. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a comprehensive understanding of the County's financial activity have been included.

The Comprehensive Annual Financial Report is designed to meet the needs of a wide range of financial statement users and is divided into three main sections: introductory, financial, and statistical. The Introductory Section, which is unaudited, consists of this transmittal letter, a discussion of the County entitled *Pitt County Profile*, the prior year's Certificate of Achievement for Excellence in Financial Reporting, the principal officials of the County, the County's organizational chart and the County's Mission, Values and Goals Statements. This section gives the reader an overview of the County and its financial position. The Financial Section of the report contains the independent auditors' report and includes the section entitled *Management's Discussion and Analysis* as required by the Governmental Accounting Standards Board (GASB) Statement 34, the basic financial statements, combining and individual fund financial statements, and detailed budgetary information as required by North Carolina General Statutes. The auditors' report, the financial statements, and the notes are often issued separately for securities offerings or widespread distributions, and are frequently referred to as the "liftable" general-purpose financial statements. *Management's Discussion and Analysis* provides a complete financial review of the activities of last year. Detail included in this section should aid the reader in gaining a greater understanding of the financial impacts on the County and the resulting financial condition of the County. A complete summary of significant accounting policies is included in the Notes to the Financial Statements. The Statistical Section, which is unaudited, includes selected financial and economic information, generally presented on a multi-year basis.

Many tables in this section present financial data for the past ten years.

A Compliance/Single Audit is required under the provisions of the Single Audit Implementation Act and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Information related to this single audit, including the "Schedule of Expenditures of Federal and State Awards", findings, recommendations, and applicable laws and regulations, are detailed in a separately bound presentation available upon request at the County office. The Single Audit Act allows the use of an independent accounting firm to audit all grants, which eliminates the need to hire separate auditors for each grant.

In addition to funds and account groups of the County, the combined financial statements include the discrete presentation of two legally separate entities: Pitt County ABC Board and the Pitt County Industrial Development Commission. These entities are component units of the County.

General Description of the County

The County was formed in 1760 and has a land area of 656.52 square miles with a certified population of 139,007 as of July 2003 (certified). This information is the latest data released by the North Carolina Office of State Planning. Greenville, the County seat and largest city, is centrally located in the County. There are nine other incorporated municipalities in the County. The County has a commission/manager form of government, with the nine members of the Board of Commissioners being elected from districts on a partisan basis for staggered four-year terms. The County provides its citizens with an extensive array of services including education, human services (including public health, mental health and social services), public safety, cultural and recreational activities, economic and physical development, environmental protection, general administration, and others.

The CAFR includes all funds of the County in addition to all activities upon which the County exercises oversight responsibility, with the exception of schools that are administered by the Pitt County Board of Education. Financial support is also extended to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the Pitt County Board of Education and Pitt Community College. The County has evaluated its relationship with each of these entities according to criteria established by GASB Statement 14. However, as County allocations do not constitute a major portion of their revenues, or because the County has no authority to designate their management, none of these organizations have been included in the CAFR. Note 1 – Section B and Notes 15, 16 and 17 of the Notes to the Basic Financial Statements provide detailed explanations of the County's relationship to each outside entity and the reasons for their inclusion or exclusion.

Economic Condition and Outlook

Pitt County is a well-diversified employment and service center for eastern North Carolina. One of the fastest growing areas in the State, the population increased by 20% between 1980 (90,146) and 1990 (107,924), and an additional 24% between 1990 and 2000 (133,798). In early 1993, the County was designated a Metropolitan Statistical Area by the U.S. Department of the Census and

is known as the Greenville, N.C. MSA.

Pitt County is located in the central portion of the North Carolina Coastal Plain at the hub of a highway network, with over 735,000 people living within a 45-mile radius, and serves a large concentration of population and industry in eastern North Carolina. The County is the leader for retail sales in Eastern North Carolina and consistently ranks in the top 11 counties for retail sales in the State. Retail sales in the County have grown an average of 8% annually for the past 5 years, exceeded \$1 billion per year since Fiscal Year 1993-94 and began exceeding \$1.8 billion annually in Fiscal Year 1999-2000. The local economy is well diversified with government and wholesale/retail trade each accounting for approximately 25% of total employment, manufacturing accounting for 14%, and the service sector accounting for 23%. Major area employers include Pitt County Memorial Hospital - University Health Systems of Eastern Carolina, East Carolina University, Pitt County Board of Education, Collins & Aikman, NACCO Materials Handling Group, ASMO Greenville and DSM Pharmaceuticals. Employment levels are at approximately 65,000 persons. Industrial investments in 2003-2004 totaled approximately \$25 million and included expansions at Simclar, Caldwell Design, Convergys, NACCO Materials Handling Group, Dimon, ASMO Greenville and Fuji Silysia as well as the location of a new company, Metallix.

The Industrial Development Commission, created by voter referendum in 1957, continues to recruit new business and industry, both domestic and international. The number of inquiries from industry has increased steadily for many years as increased marketing efforts have generated more attention for Pitt County. In 1994, the Commission was successful in landing Pitt County's first Japanese project, ASMO Greenville and in late 1995, a second Japanese company, NC Asahi, joined ASMO in Indigreen Corporate Park. In 1997, the Development Commission played an active role in the sale of the Glaxo-Wellcome facility to Catalytica Pharmaceuticals, Inc. (now known as DSM Pharmaceuticals). This transaction not only kept a viable taxpayer on the property roles; it also preserved over 1,100 jobs slated for elimination due to the departure of Glaxo-Wellcome. In 1999-2000, the County's third Japanese firm - Fuji Silysia, a firm that produces paint products for the automotive industry located in Pitt County along with Convergys, a nationwide customer service center. While the bulk of the industrial growth during Fiscal Year 2003-2004 came through the expansion of existing industry rather than the location of new industry, it is noteworthy that each of these recruits listed above had expansion in the past 24 months evidencing the success of their operation in Pitt County.

Unfortunately, there have also been a couple of industrial announcements this past year that had a negative impact on our economy. Rubbermaid made the decision a year ago to close their Greenville plant which led to the layoff of about 200 employees during the summer of 2004. DSM Pharmaceuticals also restructured a portion of their plant and this action may lead to a layoff of approximately 100 employees by year-end. However, in response to these announcements, the Industrial Development Commission staff has focused their recruitment efforts on attracting new industry. Several announcements are pending which should effectively negate the loss of jobs within the County.

The Pitt County Industrial Building Fund, which was established in 1988 from private contributions and a matching grant from the County, is used to construct shell buildings as another tool to attract companies to the area. The first shell was sold in 1993 to Durr Medical for

a medical product distribution facility. The second shell building, encompassing 79,600 square feet was completed in 1995 and is located in the Farmville Industrial Park. This facility was sold in the spring of 2000 to Coastal Beverage Company for use as a consolidated beer distribution site. In addition to the shell buildings, money from the Fund was used to help purchase the Prepshirt Manufacturing facility in the Greenville Industrial Park in December 1995. The County has converted the building into a technology incubator to serve the needs of high-tech start-up companies. There are currently sufficient tenants in the facility generating monthly rental payments sufficient to cover debt service needs.

Major Initiatives

During the year, the County was involved in a number of major projects and programs. Highlights of these projects are discussed in the following paragraphs:

Education. The Pitt County School Board and the Board of Commissioners jointly developed and approved an Education Compact during Fiscal Year 1999-2000 that provided for increased funding and greater accountability over a five year period. A major goal of the compact is to be within the top one-third of North Carolina's 117 school systems in funding for education as well as in the area of student achievement and test scores. At the close of Fiscal Year 2002-2003, the County exceeded its stated goal in the compact by holding the 29th position in terms of per pupil funding as reported by the Department of Public Instruction within the 117 systems (top 25%). Data for funding performance for the 2003-2004 year will not be published until later this fall. However, year-over-year progress in test score improvement is apparent as the 2003-2004 performance again showed performance gains across the system.

The first Education Compact sunsets in Fiscal Year 2004-2005. As this tool has been viewed by both the School Board and the Board of County Commissioners as vital in our continued success and communication, a team of representatives from both boards, their staffs and the community at large has been created to develop the next Compact. As before, it is anticipated that this compact will span a 5 year period. Adoption is scheduled for October/November 2004.

The Board of Commissioners also recognizes the school system's construction needs due to high growth areas, projected increases in student population, and the need to alleviate existing overcrowding. The Board of Commissioners is dedicating 40% of Article 40 and 60% of Article 42 - the one-half percent sales taxes - and 100% of the Public School Building Capital Funds to a School Capital Reserve Fund for the purpose of retiring current school bonds and to build future facilities. The Board of Commissioners also commits \$750,000 each year from the General Fund to supplement capital needs of the school system.

A major item for discussion during the Fiscal Year 2003-2004 budget deliberations was additional funding for school facility construction. In July 2003, \$30 million in additional indebtedness, combined with approximately \$6 million in local funds, were allocated for construction projects ranging from two new schools (a PreK-5 and a PreK-8) to the renovation/expansion of several existing schools and the addressing of some equity issues at high schools throughout the County. These projects are currently underway and the County is

currently in the final stages of issuing the Certificates of Participation (COPs) for these projects. Lastly, the County recognizes that construction needs still exist for the school system. Discussions are underway between the staffs and both elected bodies to establish the amount for the next phase and to determine the funding methodology for future school construction projects.

Long Range Planning. The County staff and the Board of Commissioners continue to improve the process of developing long range financial and capital improvement plans for the County. To this end, we have developed a multi-year plan that is updated and reviewed annually as an integral part of the budget process. This plan allows the Board the opportunity to establish priorities and plan for their evolution in an orderly fashion. This plan is also reviewed and revised by the Board at least once per year.

Coupled with this endeavor is the establishment of work plans and benchmarks for each department. This makes both staff and elected officials aware of items that are facing the County and again, allows the County to plan for their implementation. This planning effort should help improve communications among staff, elected officials and the general public. Quarterly reporting of results is expected to start with the 1st quarter of Fiscal Year 2004-2005.

EMS and Communications Studies. The County determined that two major work program areas for Fiscal Year 2004-2005 would continue to be long-range planning for Emergency Medical Services and Communications. These areas are somewhat intertwined and were studied simultaneously in the past. Fire and Rescue services in the County are, for the most part, provided by volunteer squads. As the citizenry has moved to a more urbanized lifestyle, day coverage on the EMS side has become a problem and funding has not been sufficient to hire paid staff.

To that end, the County implemented a special taxing district in Fiscal Year 2002-2003 to support the operations and staffing in the Emergency Medical Services area. This increase in funding has allowed the County to resolve many of the coverage issues and bring the County service delivery to the paramedic level. Two new County EMS facilities were built in Fiscal Year 2003-2004 to centralize location within the service districts of Bell Arthur and Bethel. The County will continue to work with the both the fire and EMS squads in Fiscal Year 2004-2005 to further implement study findings, resolve coverage issues and equalize and improve service levels.

The need for a review of our communications system was highlighted in 1999 as the County worked through Hurricane Floyd. The County is continuing to investigate 800-trunking systems, equipment needs of the County, and funding options this year. There is currently proposed legislation pending in the General Assembly that would expand the use of E-911 surcharge funds; a source the County is considering to fund the communication project. However, this project got a boost when the County was awarded a \$1.1 million dollar grant to begin the first phase of improvement. These enhancements and the new equipment should come on line during the next fiscal year.

Zoning & Growth Management, Coordination / Provision of Water Services. The County implemented County-wide zoning in November 2003 and staff is currently involved in full

implementation of this new process. We have had little dissent over zoning as staff took a measured approach and encouraged citizen participation through workshops, forums, and citizen membership on the planning committees before this change passed. The County started a major update of its comprehensive plan as part of last year's work program. In conjunction with this effort, the County is working to develop a master plan for water services. Municipal providers and private water corporations and cooperatives currently serve the needs of our citizens. The County's water study committee is reviewing long-term water supply needs and will bring forward recommendations for consideration during Fiscal Year 2004-2005. Grant funding received from the North Carolina's Eastern Region and the North Carolina Rural Center will help facilitate the completion of this study.

Financial Information

Internal Control. The internal control structure is designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met for both internal and external reporting purposes. Refining internal controls is an ongoing process that is necessary to provide these assurances.

Budget. Any internal control structure is only as good as the budget used to monitor compliance. North Carolina General Statutes require the adoption of an annual budget for all funds except fiduciary funds, internal service funds and those funds for which expenditures are authorized by project ordinance. The annual budget is adopted on the modified accrual basis of accounting, as mandated by the statutes, and is an integral part of the County's accounting system and daily operations.

Under modified accrual accounting, revenues are recorded when they are both measurable and available. The County makes every attempt to maintain a diverse and stable revenue base to shelter it from short and long-term fluctuations in any one revenue source. Aggressive collection policies are in place to ensure the highest collection percentage possible for County revenues. User charges and fees will be reviewed annually to establish amounts that support the cost of service provision.

Expenditures are recorded when a liability is incurred, except for accrued vacation benefits. Governmental fund types, such as the County's General Fund, Special Revenue Funds and Capital Project Funds are reported on the modified accrual basis. Proprietary Funds of the County are reported on the accrual basis whereby revenues are recorded when earned and expenses are recorded when incurred. The Board of County Commissioners can only amend the budget since it creates a legal limit on spending authorizations. Once the budget or project ordinance is adopted, budgetary control is maintained to ensure compliance with the budget as adopted or amended. Department or function within each individual fund as deemed appropriate establishes the level of budgetary control. At the end of the fiscal year, encumbrances are reported as a reservation of fund balance. Unencumbered balances lapse for annually adopted budgets. It is believed that the County's internal accounting controls adequately protect assets

and provide reasonable assurance of the proper recording of financial transactions.

Fund Balance. The County, as per Local Government Commission (Department of State Treasurer) guidelines, must maintain, at a minimum, undesignated Fund Balance of 8.33% - an amount equal to one month of General Fund operations. It is the County's stated goal to respect the integrity of Fund Balance and use it sparingly. Over the past several years, the County has made a conscious decision to spend-down some of its fund balance to increase funding to public education and also fund several capital projects. The budget adopted for Fiscal Year 2004-2005 returns to the posture of no anticipated spending of Fund Balance. It is the County's intention to maintain a minimum undesignated Fund Balance of at least 20% and at June 30, 2004 the County had 21.5% undesignated.

Grants. As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. The County's single audit for the fiscal year ended June 30, 2004 and the report, along with any areas of concern, are included in a separately bound presentation and available through the Financial Services Department.

Cash Management. Effective cash management, including the forecasting of cash requirements, provides for efficient utilization of available cash resources. To this end, the County has a Cash Management and Investment Policy. The objectives of the policy are to increase the amount of idle money invested, to increase investment earnings, and provide adequate safety and liquidity of the County's money. The plan addresses five (5) areas: cash receipts, investments, cash disbursements, banking relations, and monitoring and reporting on the plan.

In addition to the established Cash Management Plan, the Director of Financial Services will continue to develop and implement a series of internal controls which are designed to prevent losses of public money arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions of employees and officers of the County.

Risk Management. In recent years changes in the insurance industry have affected many counties in North Carolina; however, Pitt County has been able to secure coverage in the commercial market due to an excellent loss history. The County made the decision in Fiscal Year 2002-2003 budget deliberations to self-insure for workers' compensation coverage. Due to rising premium costs, the County felt better suited to control costs by emphasizing our safety and wellness programs. We use a third party administrator to review and process claims and have been successful in containing costs. This program was continued for Fiscal Year 2004-2005 and we anticipate similar results. Medical, dental and vision coverage for employees and their dependents are self-funded by the County. The dental and vision plans are internally self-administered and the County contracts with a third party to administer the health coverage.

Debt. The County's Capital Improvement Plan (CIP) and debt policies guide long-term decision making on facility and other capital needs. The County strives to confine long-term borrowing to capital improvements that can not be paid with current resources to terms of less than 25 years paying attention to the expected useful life of the project. Long term debt will not be used as a

source of funding for current operations. The County will maintain a sound relationship with all bond rating agencies and lending institutions.

The County reviews its CIP on an annual basis and looks at a ten-year window of needs. This long range planning helps the County anticipate rather than react and make better long term debt decisions. The County will look to issue future debt for public school facilities through a bond referendum in 2005. Additionally, new revenue sources will be sought from the North Carolina General Assembly during the 2005 session to help create capacity for future debt.

Independent Audit

North Carolina General Statutes require an annual independent audit of all local government units in the State. Martin Starnes & Associates, CPAs, P.A., a firm of independent certified public accountants, has audited the financial records of the County and their opinion has been included in this report. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County are free of material misstatement. Their audit was made in accordance with generally accepted auditing standards and, included examining on a test basis, evidence supporting the amounts and disclosures in the basic financial statements as well as assessing the accounting principles used and significant estimates made by management. Their opinion concluded that the accompanying financial statements for the fiscal year ended June 30, 2004 have been prepared in conformity with generally accepted accounting principles and supported the issuance of an unqualified opinion.

Other Relevant Information

The Federal and State Single Audit Acts require the County's auditors to study internal controls and perform additional tests on transactions involving grant funds. The auditors' reports on this work are included in a separately bound report – "Compliance Letters for the Year Ended June 30, 2004". Copies are available through the Financial Services Department. Any findings or questioned costs reported in this report are subject to subsequent review by the appropriate grantor agencies. The review could result in refunds of grant moneys if some expenditures are deemed improper. Every effort has been made to insure all disbursements are in accordance with the grants' provisions. Required refunds, if any, should be immaterial.

The financial statements have been prepared in compliance with applicable General Statutes of North Carolina and in conformance with standards set forth by:

- *The Government Accounting Standards Board (GASB)
- *The State Auditor, State of North Carolina
- *The Government Finance Officers Association of the United States & Canada (GFOA)
- *The American Institute of Certified Public Accountants and its Committee on Governmental Accounting and Auditing

There has been significant summarizing of financial detail to make the report easily readable and understandable.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the County of Pitt for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003. This was the fourteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County believes that our current Comprehensive Annual Financial Report (CAFR) continues to meet the Certificate of Achievement Program's requirements and it will be submitted to GFOA to determine its eligibility for another certificate.

In addition, the government has received the GFOA's Distinguished Budget Presentation Award for its annual budget document for Fiscal Year 2003-2004. This marked the seventh consecutive fiscal year the County received this companion award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and as a communications tool.

Acknowledgements

Appreciation is expressed to each member of the Financial Services Department for their assistance in the preparation of this report. It is due to their professional competency and dedication that this Comprehensive Annual Financial Report was completed and contains full financial information about the County's operations. We would also like to recognize the cooperation of each County department as we work together to serve all of the residents of Pitt County. Additional thanks are due to the Board of Commissioners for their continued guidance and support. You have played a vital role in enabling the County to achieve and maintain a high degree of fiscal integrity. We believe this report reflects the financial stability of Pitt County and we submit it to you with pride.

Respectfully submitted,



Melonie T. Bryan
Deputy County Manager-Financial Services

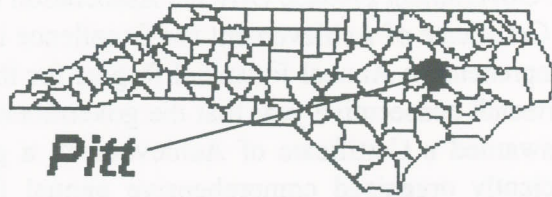


D. Scott Elliott
County Manager

PITT COUNTY PROFILE

Pitt County was formed in 1760 and has a land area of approximately 656 square miles. Pitt County's 2003 estimated population is 138,922 based on the North Carolina Office of State Budget and Management's provisional estimate. In the 2000 Census, the County's population was 133,798. Greenville, the county seat and largest city, is centrally located in the County. There are nine other incorporated

municipalities within Pitt County. Through its location at the hub of a radiating highway network, the County serves the largest concentration of population and industry in the eastern portion of North Carolina. Over one-half million people live within a 45-mile radius of the County.



Pitt County is a rapidly growing, well-diversified employment and service center for eastern North Carolina. As one of the fastest growing centers in the State, the population increased by 23.34% between 1990 and 2000. Pitt County now ranks as the 13th most populous county in North Carolina. The Greenville Metropolitan Statistical Area (MSA), which encompasses all of Pitt County, was the fourth fastest growing MSA in the State during the 1990's. Greenville is the home to East Carolina University and the East Carolina University School of Medicine. Major employers in the area include East Carolina University, Pitt County Memorial Hospital, DSM Pharmaceuticals, NACCO Materials Handling Group, Collins & Aikman, DIMON International, and ASMO. As a university community with a strong business and manufacturing base, the area is characterized by an expanding, highly productive, multi-skilled labor force; a diversified economic base; a low cost of living; an excellent educational system; a large regional health care complex; abundant cultural and recreational opportunities; financially sound, progressive, and pro-business local government; and a mild climate.

Located on the coastal plain, the County is in the eastern part of North Carolina, approximately 90 miles east of the capital city of Raleigh, 75 miles from the Atlantic Ocean, and 220 miles south of Washington, D. C. The Tar River runs through the center of the County. The land generally slopes toward the east and is level with low rolling hills in the west. The temperatures average from a daily high of 73 degrees to a daily low of 50 degrees. The average precipitation is 47 inches of rainfall with only occasional accumulations of snowfall each year.

The County operates under the Commissioner-Manager form of government with the nine members of the Board of Commissioners being elected from districts on a partisan basis for staggered, four-year terms. The Chairman presides over all County Commissioner meetings (held on the first and third Monday of each month) and has the ability to vote on any issue. The Commissioners enact all general and technical ordinances, approve the annual budget and set the accompanying tax rate, approve contracts and originate general management policies. The Commissioners employ a County Manager, who serves at the Board's pleasure and who directs the daily operations of the County with the assistance of three Deputy Managers.

Property taxes may be levied by the County without a vote of the people and are collected as an annual ad valorem tax (\$0.70 per \$100 valuation for fiscal year 2005) on the appraised value of all real and tangible personal property within its boundaries.

EDUCATION

Pitt County is served by a public school system as well as many excellent private parochial and non-parochial schools. Advanced educational opportunities within the county are also abundant.

PITT COUNTY PROFILE

Pitt County Schools

One public school system serves Pitt County and its municipalities. The Pitt County Schools Administrative Unit is governed by the Board of Education consisting of twelve members, two each elected from six geographic districts. A school superintendent is appointed by the Board of Education.

The State provides funding for a basic minimum educational program (approximately 66%) which is supplemented by the County and Federal governments. This minimum program provides funds for operational costs only. The financing of public school facilities has been a joint State and County effort. Thus, local financial support from the County is provided for capital and operating costs which are not provided for by the State or Federal government.

Pitt Community College

Established in 1961, Pitt Community College (PCC) is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award Associate Degrees. PCC is governed by a 12-member Board of Trustees, four of whom are appointed by the Board of Commissioners, four by the County Board of Education and four by the Governor to serve four-year, staggered terms. The State provides primary funding (77%) for the Community College. The remainder is shared by the Board of Trustees and Pitt County.

PCC is a comprehensive two-year college offering approximately 44 associate degree programs, numerous certificate programs, 22 diploma programs, and 18 college transfer programs. Fall semester enrollment is in excess of 5,800 curriculum students and 4,200 continuing education students. PCC's educational programs and services are focused to meet the needs of local communities for higher academic education, employment skills, basic education skills, job retraining, personal growth and development, community workplace literacy, and community and economic development. PCC is well-known in the North Carolina Community College System for its specialization in medical career programs. PCC's expanded instruction offerings include more than 200 Internet classes, classes via the NC Information Highway, telecourses, and community-based classes.

East Carolina University

East Carolina University (ECU) is the third largest of North Carolina's 53 private and public four-year colleges and universities with enrollment of over 21,750 students. Founded in 1907 as a state-supported teacher training school, it became a liberal arts college in 1941, and a state university in 1967. It is now a Doctoral II institution offering approximately 200 undergraduate, graduate, and doctorate degree programs in its twelve professional schools, College of Arts and Sciences, and School of Medicine. ECU leads the state in Internet-based education with enrollment of approximately 2,000. The University's Brody School of Medicine operates a family practice center, cancer center, and outpatient clinics in several medical specialties. It is well-known for its groundbreaking work in telemedicine and robot-assisted surgery.

TRANSPORTATION

Access to the area is provided by an east-west Interstate-quality freeway, a north-south four-lane highway, two railroads, and three commercial airports. An international airport is within two hours drive and Interstate-95 is 38 miles to the west. More than forty common carriers have terminals within a 40 mile radius of the County. Three major deep water ports—Wilmington, NC, Morehead City, NC, and Norfolk, VA—are within 120 miles of the area.

PITT COUNTY PROFILE

The County has approximately 1565 linear miles of public roads and highways. The County has no financial responsibility with respect to maintenance and construction of roads. Major expansion, improvement and maintenance of primary and secondary highway thoroughfares fall under the responsibilities of the State.

The Pitt-Greenville Airport (the "Airport") is an approximately 1000-acre municipal facility, owned jointly by the County and the City of Greenville and located adjacent to the Greenville Industrial Park in the northwest portion of Greenville. By joint resolution of the Greenville City Council and the Board of County Commissioners and by an act of the State General Assembly, the Pitt-Greenville Airport Authority, a body politic and corporate, was created to oversee and direct the operations, maintenance and improvements of the Airport. The Airport is a non-hub Regional (Commuter) Airport currently served by US Air Express, with round trips daily to its hub in Charlotte. In addition to airline activity, the Airport serves as the portal of entry for a myriad of corporate and business aircraft serving such clients as DSM Pharmaceuticals, Grady-White Boats, Weyerhaeuser, Collins & Aikman and NACCO Materials Handling. Other services utilizing the Airport include air ambulance and air freight companies.

Daily rail service is provided to the County by CSX Railroad and Norfolk-Southern Railway, two of the nation's largest railroad systems. Interconnecting in Greenville, these systems allow for the transport of freight shipments to and from such cities as Atlanta, New Orleans, Miami, St. Louis, Chicago, Detroit, Philadelphia and Pittsburgh.

The County is served by two public transit systems—one that is operated by the City of Greenville and the other, sponsored by the County. The City of Greenville operates a bus system within its corporate limits. The County has no financial responsibility for subsidizing such service. Pitt Area Transit System, Inc., a non-profit corporation under the sponsorship of the County, operates a rural human service transit system to transport clients to human service agencies.

HUMAN SERVICES

Social Services

The Department of Social Services administers the following Public Assistance or Income Maintenance programs: Medicaid, Work First Cash Assistance, Special Assistance to Adults, Food Stamps, and Energy Assistance. In addition to the public assistance programs, the Department of Social Services operates the child support enforcement program.

The Department of Social Services provides protective services for abused and neglected children and adults, foster care for children and adults, adoption services, day care services for children, family planning, employment counseling services, in-home services, and individual and family adjustment services. It also assists persons in securing health care consumer education and other informational services.

Mental Health Center

The Pitt County Mental Health, Developmental Disabilities and Substance Abuse Center is responsible for providing a comprehensive array of services and supports to meet the needs of the citizens of Pitt County. As of August 12, 2002, the Pitt County Mental Health Agency became a formal department of County government. The 19-member advisory committee, appointed by the county commissioners, works to carry out the agency's mission: "To empower people to overcome life's challenges by providing quality, affordable mental health, developmental disabilities and substance abuse services and supports."

PITT COUNTY PROFILE

As a result of House Bill 381, adopted in the 2002 legislative session, the mental health system in North Carolina is being revamped. Public agencies will, through reform action, become managers of service versus direct service providers. It is a multi-year process, and Pitt County will complete transition of its program over the next three years in a measured, planned approach to ensure that citizens receive excellent care.

Public Health Department

The primary purpose of the Public Health Department is to ensure the health and well being of the citizens of the County by means of various population based activities that fall into the general strategy of health promotion and disease prevention. This strategy distinguishes public health activities from other health care activities that are more curative in nature and more individualized in scope. The mandate of the Public Health Department is defined in the General Statutes of the State of North Carolina and the responsibility for administration of activities as assumed by County government are implemented through the County Board of Health.

The scope of Public Health Department activities falls into six broad categories, including: (a) control of communicable diseases, which includes environmental health activities, control of sexually transmitted diseases, control of tuberculosis and control of other childhood diseases in child care settings; (b) specific health care services to assure minimal preventive health services for the indigent, including immunization, family planning, prenatal care, well baby care and specialized services for children with special needs; (c) nutrition education and food supplementation; (d) screening and early detection activities directed at the adult population; (e) support and follow-up services especially for high risk infants and pregnant women; and (f) health education and health promotion activities, including an on-going community diagnosis to identify specific community based health problems and develop appropriate interventions.

MEDICAL FACILITIES

Pitt County Memorial Hospital

Pitt County Memorial Hospital (PCMH) is a 740-bed private, not-for-profit acute care hospital. Located on the western border of Greenville, the hospital facilities were built in 1977. PCMH was transferred by Pitt County in 1998 for operation by Pitt County Memorial Hospital, Inc., (the "Corporation") as a private non-profit corporation. Eleven of the twenty members of the Board of Trustees of the Corporation are appointed by the Pitt County Board of Commissioners.

PCMH is one of four academic medical teaching centers in the State and serves as a teaching hospital for the ECU Brody School of Medicine. PCMH is a regional health care referral center serving a 29-county area with a multitude of services that include organ transplant; a Level I Trauma Center; air ambulance service; neonatal intensive care; and centers for rehabilitation, diabetes, cancer, and cardiac care.

ECU School of Medicine

The ECU School of Medicine was established in 1975 by an act of the North Carolina General Assembly. The ECU Brody School of Medicine has a threefold mission: to produce primary care physicians—especially family doctors—to serve the State, to increase opportunities for minorities and disadvantaged students to pursue a medical education, and to enhance the system of health care in eastern North Carolina. In addition to educational programs, patient care and research are focal points of the School of Medicine. The school is the principal source of advanced referral medical care for citizens of eastern North Carolina, and is an important source of primary care for citizens of Pitt County.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Pitt,
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Edward. Haney

President

Jeffrey R. Emer

Executive Director

PITT COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

For Year Ended June 30, 2004

BOARD OF COUNTY COMMISSIONERS

EUGENE JAMES	Chair
MARK W. OWENS	Vice Chair
TOM COULSON	
DAVID HAMMOND	
JIMMY GARRIS	
D. GLENN BOWEN	
RANDY ROYAL	
JOHN MINGES	
BETH B. WARD	

COUNTY OFFICIALS

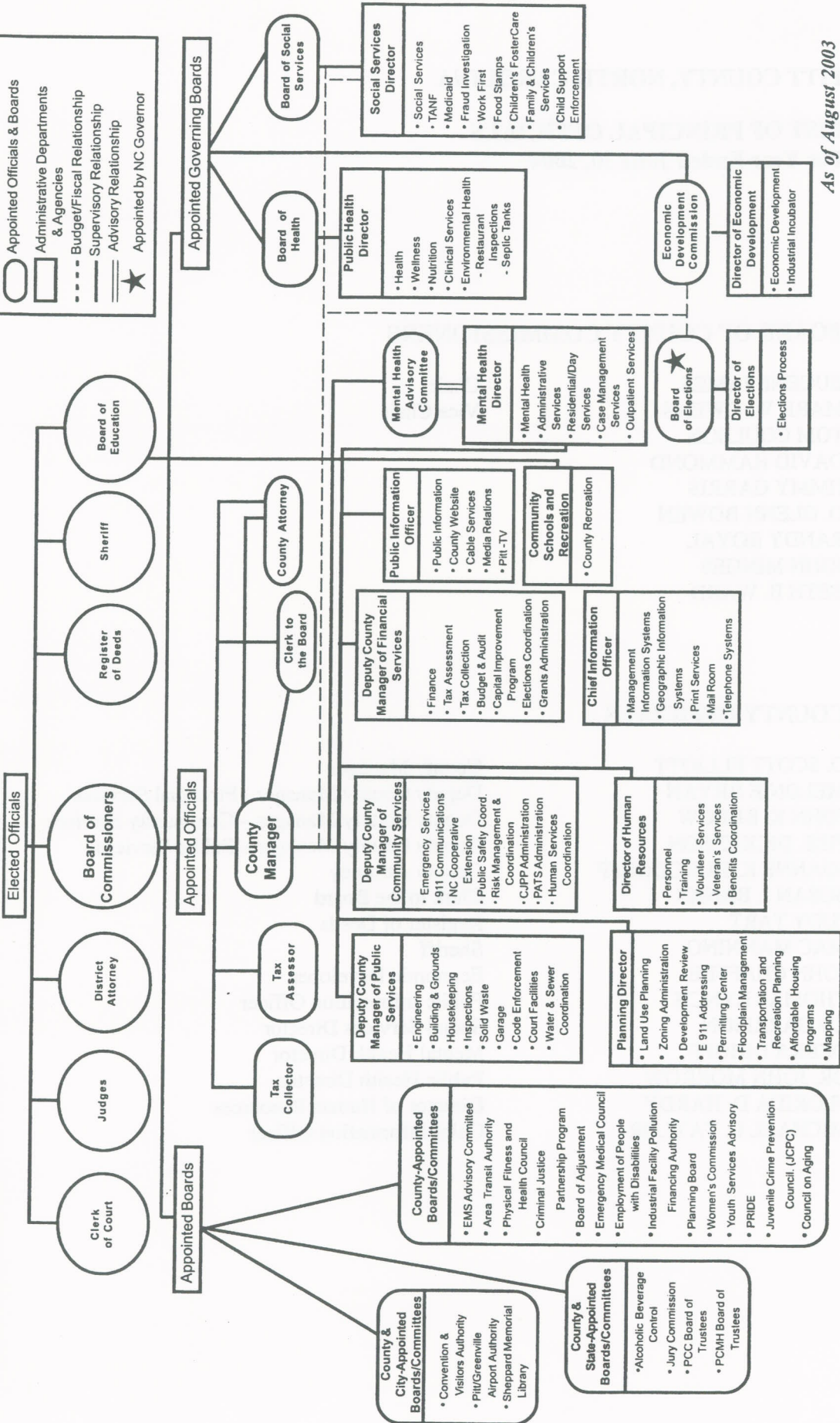
D. SCOTT ELLIOTT	County Manager
MELONIE BRYAN	Deputy County Manager - Financial Services
JOHN K. BULOW	Deputy County Manager – Community Services
PHIL DICKERSON	Deputy County Manager – Public Services
JOANNE K. BURGENDORFF	County Attorney
SUSAN J. BANKS	Clerk to the Board
JUDY TART	Register of Deeds
MAC MANNING	Sheriff
JOHN CHAFFEE	Economic Developer
THOMAS LYNCH	Public Information Officer
ED GARRISON	Social Services Director
DEBRA DIHOFF	Mental Health Director
DR. JOHN MORROW	Public Health Director
FLORIDA D. HARDY	Director of Human Resources
MICHAEL C. TAYLOR	Chief Information Officer

Pitt County Government Organizational Chart

Citizens of Pitt County

KEY

- Elected Officials
- Appointed Officials & Boards
- Administrative Departments & Agencies
- Budget/Fiscal Relationship
- Supervisory Relationship
- Advisory Relationship
- ★ Appointed by NC Governor



As of August 2003

MISSION



COUNTY OF PITT

MISSION STATEMENT

The Mission of Pitt County Government is to enhance the health, safety, and well-being of our community by advocating for and providing quality services in a friendly and cost-effective manner.

VISION

A Leader in the State; Best in the East.

VALUES

Pitt County Government believes our purpose is public service. Thus, we adhere to the following:

- ☒ *Encourage honesty and behavior that is consistent with our mission;*
- ☒ *Recognize and promote competence, excellence, and open communication;*
- ☒ *Support each other in working toward our goals;*
- ☒ *Maintain an open government that is a good steward of public resources;*
- ☒ *Support decision making that is deliberate, conscientious, and based on fact.*

GOALS FOR FY 2004-05

- ☒ *To ensure quality education;*
- ☒ *To ensure community safety through enhanced emergency service programs;*
- ☒ *To enrich the quality of life for Pitt County citizens through opportunities for improved health and welfare;*
- ☒ *To advance economic development opportunities for Pitt County;*
- ☒ *To address the facility and space needs of all county government programs—general government, public schools and community college;*
- ☒ *To champion infrastructure improvements throughout the county; and*
- ☒ *To support the provision of and access to recreational activities for county citizens.*

II. FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Financial Statements
- Supplemental Financial Data
- Other Supplemental Schedules



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Pitt County
Greenville, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pitt County, North Carolina, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Pitt County, North Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pitt County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pitt County ABC Board, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pitt County, North Carolina as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, Law Enforcement Officer's Special Separation Allowance Schedule of Funding Progress, Schedule of Employer Contributions, and related notes are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2004 on our consideration of Pitt County, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Pitt County, North Carolina basic financial statements. The introductory section, combined and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes + Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
August 19, 2004

Management's Discussion and Analysis

As management of Pitt County, we offer readers of Pitt County's financial statements this narrative overview and analysis of the financial activities of Pitt County for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets of Pitt County's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$55,085,604. Of this amount, \$34,792,725 may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's net assets of governmental activities decreased by \$3,581,410; the majority of this decrease was in "*Cash and cash equivalents*" as fund balance was purposefully spent down during the last fiscal year to fund several one time capital projects.
- As of the close of the current fiscal year, Pitt County's general fund reported an ending fund balance of \$33,123,490, a decrease of \$8,925,968 in comparison with the prior year. Approximately 74% of this total amount, \$24,674,502 is available for spending at the government's discretion while the difference is either reserved for a specific purpose or restricted by State statute.
- The conversion/sale of the County hospital in 1998 significantly increased fund balance in the 1999-2001 time period. While the County has purposefully spent down fund balance in recent years – to fund capital projects, increase funding to education and offer tax relief during weak economy – the County still maintains a level higher than our pre-sale position. The current 21.5% is also somewhat higher than our peer group (counties > 100,000) which averages approximately 16%.
- Implemented property revaluation effective January 1, 2004 which increased the value of our real property base by approximately 30%.
- Tax rate remained at 70 cent per \$100 valuation.
- The County holds the following bond ratings:

Fitch	AA
Moody's	Aa3
Standard & Poor's	AA-

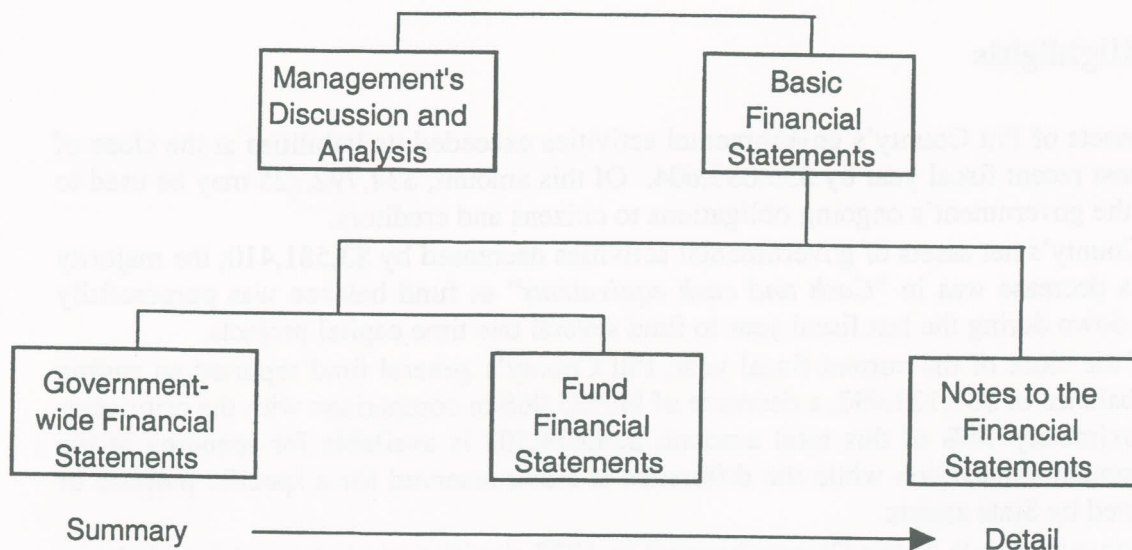
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Pitt County's basic financial statements. Pitt County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In

addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the fiscal condition of Pitt County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first four statements, Exhibits A through D, in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information concerning the County's financial status. Exhibit E is a reconciliation of the governmental fund changes for the period.

The next statements, Exhibits F through K, are the Fund Financial Statements. These statements focus on the activities of the individual parts of the County's government, providing more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary fund statements, and 4) the trust and agency fund statements.

The final section of the basic financial statements is the Notes to the Financial Statements. The notes to the financial statements offer a detailed examination about various information contained in the statements. Following the notes, supplemental information provides details of the County's non-major governmental funds and internal service funds, which are combined in one column on the basic financial statements. Budgetary information required by the North Carolina General Statutes can also be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Pitt County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Pitt County's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Pitt County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Pitt County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Pitt County include general government, public safety, public education, economic development, and general administration. The sole business-type activity of Pitt County is the solid waste (landfill) operation.

The government-wide financial statements include not only Pitt County itself (known as the primary government), but also the ABC Board and the Industrial Development Commission for which Pitt County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 30-32 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Pitt County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Pitt County can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that

helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

Proprietary funds. Pitt County maintains two types of proprietary funds, Enterprise and Internal Service. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. Pitt County uses an enterprise fund to account for its Solid Waste operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among Pitt County's various functions. Pitt County uses internal service funds to account for the financing of goods and services provided by the County Garage Fund, Employee Medical Insurance Fund, and Workers' Compensation Fund on a cost reimbursement basis. As all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Solid Waste. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Pitt County has one fiduciary fund, the Law Enforcement Officers (LEO) Pension Trust Fund. The County also maintains several trust and agency funds for the benefit of other parties – Social Services, Sheriff and Mental Health Trust Funds, Tax Collections Held for Municipalities Fund and the Flexible Benefit Plan Fund. These accounts are truly held in a trust capacity and no budget is included in the County's annual adoption for these entities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-72 of this report.

Government-wide Financial Analysis

We are in the third year of the new reporting model featuring the government-wide financial statements. These new statements mean that Pitt County no longer maintains governmental and proprietary fund groups as separate and distinct types of accounting without any type of consolidated statement that accurately reflects the operations and net assets of the County as a whole. In the past a total column appeared on the financial statements, but only as a memorandum total. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of Pitt County. These statements were basically the equivalent of the fund financial statements that appear in this report with fiduciary funds and two account groups, the long-term debt and the general fixed assets, added in.

The changes that were incorporated the last two years and that are still being adhered to are mandated by the Government Accounting Standards Board (GASB). GASB Statement 34 dictated the changes in Pitt County's financial reports. While Pitt County was required to implement these changes for the fiscal year ended June 30, 2002; other units may not be required to implement until 2004.

As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. For Pitt County, assets exceeded liabilities by \$55,295,735 at the close of the most recent fiscal year.

Pitt County's Net Assets
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 62,850,086	\$ 63,877,381	\$ 832,996	\$ 1,006,903	\$ 63,683,082	\$ 64,884,284
Capital assets	90,545,725	90,045,583	2,869,683	2,864,879	93,415,408	92,910,462
Construction in progress		914,023	-	-	-	914,023
Total Assets	\$ 153,395,811	\$ 154,836,987	\$ 3,702,679	\$ 3,871,782	\$ 157,098,490	\$ 158,708,769
Long-term liabilities outstanding	\$ 75,088,002	\$ 80,967,458	\$ 2,840,000	\$ 3,100,000	\$ 77,928,002	\$ 84,067,458
Other liabilities	23,222,205	15,202,515	652,548	650,260	23,874,753	15,852,775
Total liabilities	\$ 98,310,207	\$ 96,169,973	\$ 3,492,548	\$ 3,750,260	\$ 101,802,755	\$ 99,920,233
Net assets:						
Invested in capital assets, net of related debt	\$ 19,624,295	\$ 16,198,658	\$ 1,469,683	\$ 1,264,879	\$ 21,093,978	\$ 17,463,537
Restricted	668,584	462,677	-	-	668,584	462,677
Unrestricted	34,792,725	42,005,679	(1,259,552)	(1,143,357)	33,533,173	40,862,322
Total net assets	\$ 55,085,604	\$ 58,667,014	\$ 210,131	\$ 121,522	\$ 55,295,735	\$ 58,788,536

By far the largest portion of Pitt County's net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. Pitt County uses these capital assets to provide services to citizens;

consequently, these assets are not available for future spending. Although Pitt County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay these liabilities.

As was the case last year, a small percentage, just over one percent of Pitt County's net assets, represent resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets (governmental and business type activities), \$33,533,173, may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Pitt County is able to report positive balances in all three categories of net assets for the government as a whole. The same situation held true for the prior fiscal year as detailed in the changes in net assets.

Pitt County's Changes in Net Assets
Figure 3

	Governmental		Business-type		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	\$ 50,182,367	\$ 49,925,651	\$ 6,275,664	\$ 6,270,374	\$ 56,458,031	\$ 56,196,025
Operating grants and contributions	2,228,809	3,153,644	194,705	742,205	2,423,514	3,895,849
Capital grants and contributions	2,709,408	616,154	-	-	2,709,408	616,154
General revenues:						
Property taxes	49,795,001	46,507,395	-	-	49,795,001	46,507,395
Other taxes	23,262,295	20,288,367	-	-	23,262,295	20,288,367
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	806,846	712,378	106	309	806,952	712,687
Total revenues	\$ 128,984,726	\$ 121,203,589	\$ 6,470,475	\$ 7,012,888	\$ 135,455,201	\$ 128,216,477
Expenses:						
General government	12,562,758	13,430,499	-	-	12,562,758	13,430,499
Public safety	22,512,817	20,023,173	-	-	22,512,817	20,023,173
Environmental protection	213,262	446,545	-	-	213,262	446,545
Economic and physical development	4,174,365	4,341,765	-	-	4,174,365	4,341,765
Human services	54,915,560	51,569,224	-	-	54,915,560	51,569,224
Cultural and recreation	491,838	589,259	-	-	491,838	589,259
Education	33,489,829	30,462,631	-	-	33,489,829	30,462,631
Interest on long-term debt	4,205,707	4,628,278	84,400	94,900	4,290,107	4,723,178
Landfill	-	-	6,297,466	6,979,190	6,297,466	6,979,190
Total expenses	\$ 132,566,136	\$ 125,491,374	\$ 6,381,866	\$ 7,074,090	\$ 138,948,002	\$ 132,565,464
Increase in net assets before transfers	(3,581,410)	(4,287,785)	88,609	(61,202)	(3,492,801)	(4,348,987)
Transfers	-	-	-	-	-	-
Increase in net assets	(3,581,410)	(4,287,785)	88,609	(61,202)	(3,492,801)	(4,348,987)
Net assets, July 1	58,667,014	62,954,799	121,522	182,724	58,788,536	63,137,523
Net assets, June 30	\$ 55,085,604	\$ 58,667,014	\$ 210,131	\$ 121,522	\$ 55,295,735	\$ 58,788,536

Governmental activities. Of total net assets, governmental activities accounted for \$55,085,604 (over 99 percent). Pitt County's revenue stream remained constant from last year in the fact that "charges for services" represented the largest funding source for County operations with property taxes being the second largest source. Capital grants and contributions experienced an upswing

due to the receipt of several large Homeland Security grants. While the State and Federal Government continue to experience budget difficulties, Pitt County does not expect to see significant changes in the fees for funding our services.

Business-type activities. Business-type activities increased Pitt County's net assets by \$210,131. Charges for services for business-type activities increased at a modest rate due to the combination of a constant disposal rate combined with an increase in volume.

Financial Analysis of the County's Funds

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

Governmental funds. The focus of Pitt County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Pitt County's governmental funds reported combined ending fund balances of \$48,845,435, an increase of \$326,041 in comparison with the prior year. The increase is mainly attributable to the issuance of debt for school construction needs.

Pitt County's Fund Balance
Figure 4

	General		Other Governmental Funds		Total Governmental Funds	
	2004	2003	2004	2003	2004	2003
Fund Balance	\$ 33,123,490	\$ 42,049,458	\$ 15,721,945	\$ 6,469,936	\$ 48,845,435	\$ 48,519,394

Pitt County is not unlike other counties throughout North Carolina that are fighting budget constraints while realizing a growing demand for services. Finding the balance between these two positions will continue to be a challenge and new sources of revenue will have to be explored to create funding for expanding service levels and the need to build more schools and address other capital needs. The Fiscal Year 2004-2005 budget returns to a posture of fund balance maintenance and was adopted with a purposeful decision to maintain a balance of 20% or greater. The tax rate was held at 70 cent per \$100 valuation and a minimal amount of fund balance was appropriated to ensure this maintenance position.

The general fund is the principal operating fund of Pitt County. At the end of the current fiscal year, fund balance was \$33,123,490 with \$24,674,502 noted as unreserved and available. As a measure of the general fund's financial strength, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21.5 percent of total general fund expenditures (\$114,748,431), while total fund balance represents 28.8 percent of that same amount.

General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,317,681, approximately 2 percent of the originally budgeted amount of \$113,260,682.

Proprietary funds. Pitt County's proprietary funds (both business type activities like Solid Waste and governmental type activities in the Internal Services Funds) provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets for all proprietary funds at the end of the year totaled \$453,654, down \$435,812 from the prior year. Total net assets at year end decreased to \$1,923,337 from \$2,154,345 for the year ending June 30, 2003. The County's Solid Waste Fund continues to work with the slightest margins trying to balance ever increasing costs within its existing fee structure and while continuing to anticipate final reimbursement from the Federal Emergency Management Administration (FEMA) related to costs incurred in the 1999-2001 time frame while responding to debris cleanup related to Hurricane Floyd. The Office of the Inspector General – Homeland Security completed a five month audit of the County's Hurricane Floyd expenditures and the County expects final close-out payments during Fiscal Year 2004-2005.

Capital Asset and Debt Administration

Capital assets. Pitt County's investment in capital assets for its governmental and business type activities as of June 30, 2004 amounts to \$93,415,408 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment. The conversion from Construction in Progress to Buildings category represents the balance of the changes in this area.

Due to financial constraints of the County, there were no major capital asset events during the fiscal year. However, the building needs of the County have been forecast 10-years into the future through the annual review and adoption of a Capital Improvement Plan. Items such as a facility for Social Services, a new animal shelter, storage space, new schools and recreation facilities have been identified but placed on hold until increased revenue sources can be identified.

Additional information on Pitt County's capital assets can be found in note 6.A on pages 56-57 of this report.

**Pitt County's Capital Assets
(net of depreciation)
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land and improvements	\$ 5,627,097	\$ 5,469,238	\$ 756,422	\$ 756,422	\$ 6,383,519	\$ 6,225,660
Buildings	96,780,888	96,186,479	2,567,782	2,567,782	99,348,670	98,754,261
Furniture and equipment	6,978,670	6,664,968	2,698,659	2,734,245	9,677,329	9,399,213
Vehicles	4,971,264	4,330,060	489,623	552,512	5,460,887	4,882,572
Construction in progress	2,082,016	914,023	94,597	94,597	2,176,613	1,008,620
Subtotal	\$ 116,439,935	\$ 113,564,768	\$ 6,607,083	\$ 6,705,558	\$ 123,047,018	\$ 120,270,326
Accumulated depreciation	25,894,210	22,605,162	3,737,400	3,840,679	29,631,610	26,445,841
Capital assets, net	\$ 90,545,725	\$ 90,959,606	\$ 2,869,683	\$ 2,864,879	\$ 93,415,408	\$ 93,824,485

Long-term debt. At the end of the current fiscal year, Pitt County had total bonded debt outstanding of \$12,285,000, which is backed by the full faith and credit of the County.

**Pitt County's Outstanding Debt
General Obligation Bonds
Figure 6**

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
General Obligation Bonds	\$ 10,885,000	\$ 13,385,000	\$ 1,400,000	\$ 1,600,000	\$ 12,285,000	\$ 14,985,000

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$538,450,589. This legal debt limit is determined by the Municipal Finance Law of North Carolina which limits the amount of net bonded debt a County may have outstanding to 8 percent of the appraised value subject to taxation. A better analysis of debt is brought about by totaling net debt outstanding, \$81,806,430 (not including bonds in Enterprise fund of \$1,400,000 and a note payable of \$6,950,000) and subtracting it from the legal limit to arrive at the Net Legal Debt Margin of \$456,644,159.

Net debt outstanding decreased \$5,425,495, from the June 30, 2003 balance of \$87,231,925. A lack of new capital projects and a regular cycle of paying down the existing debt resulted in the decrease to debt balance.

Additional information on Pitt County's long-term debt can be found in note 7 on pages 58-61 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for Pitt County in 2003 was 6.7 percent. This is slightly higher than the State's 2003 unemployment rate of 6.5 percent. The first two quarters of 2004 indicate a drop to the State's unemployment rate to 5.7% with the County seeing a corresponding drop to 5.8%.
- Inflationary trends noted in the region are very similar to national indices.

- Population of 138,922 (2003 provisional) – The region experienced an increase of 23.34 percent from 1990 - 2000.

All of these factors were considered in preparing Pitt County's budget for Fiscal Year 2004-2005.

Budget Highlights for the Fiscal Year 2004-2005

Governmental activities. Pitt County is very fortunate to have steady and continuous growth in its property valuation. January 1, 2004 marked the effective date for overall property revaluation. A 30% increase in real property values will bolster revenues and allows for growth concerns that had been shelved due to a stagnant economy.

Budgeted expenditures in the General Fund are expected to remain somewhat constant during the 2004-2005 year. The County was able to maintain its benefits package for employees without having to tackle any large rate increases. The costs for personnel services (employees) are generally the largest single expenditure category and the opportunity to maintain the workforce without major expenditure increases is welcomed.

Fiscal Year 2004-2005 is expected to be good year for the County. The increased revenue generated from the revaluation and the indication that a modest economic recovery is at hand lends credibility to these expectations. A new school capital project will be initiated in the upcoming year, easing some of the space constraints brought about by the continued population growth.

Business-type activities. General operating expenses in these areas, like the governmental activities, are expected to remain constant. Rates will not change and volume should remain similar to last year making Fiscal Year 2004-2005 a maintenance of effort year.

Requests for Information

Requests for information provided in this report or requests for additional financial information should be addressed to the County of Pitt, Financial Services Department, 1717 West Fifth Street, Greenville, North Carolina 27834.

BASIC FINANCIAL STATEMENTS

These basic financial statements provide a summary of the financial position of all funds and account groups as well as the operating results of all funds. They also serve as an introduction to the more detailed schedules that follow in subsequent sections.

PITT COUNTY, NORTH CAROLINA

Exhibit A

STATEMENT OF NET ASSETS JUNE 30, 2004

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Industrial Development Commission	Pitt County ABC Board
Assets					
Cash and cash equivalents	\$ 36,224,522	\$ -	\$ 36,224,522	\$ 1,237,432	\$ 541,759
Taxes receivable, net	2,189,749	-	2,189,749	19,741	-
Accounts receivable, net	10,320,216	865,900	11,186,116	4,237	714
Interest receivable, net	1,321,818	-	1,321,818	-	-
Due from other governments	424,027	473,951	897,978	-	-
Internal balance	506,855	(506,855)	-	-	-
Inventories	25,596	-	25,596	-	853,766
Prepaid items	709,181	-	709,181	1,163	6,892
Cash and investments, restricted	11,012,850	-	11,012,850	-	-
Other assets	115,272	-	115,272	-	-
Capital assets, net	90,545,725	2,869,683	93,415,408	-	1,051,655
Total assets	\$ 153,395,811	\$ 3,702,679	\$ 157,098,490	\$ 1,262,573	\$ 2,454,786
Liabilities					
Accounts payable and accrued liabilities	\$ 5,949,765	\$ 326,713	\$ 6,276,478	\$ 5,571	\$ 521,262
Retainage payable	211,235	-	211,235	-	-
Unfunded pension obligation	221,092	-	221,092	-	-
Current portion of compensated absences	1,270,000	10,000	1,280,000	28,056	30,116
Unearned revenues	828,878	26,385	855,263	3,103	-
Noncurrent liabilities:					
Noncurrent compensated absences	1,072,807	29,450	1,102,257	-	-
Due within one year	13,668,428	260,000	13,928,428	-	-
Due in more than one year	75,088,002	2,840,000	77,928,002	-	-
Total liabilities	98,310,207	3,492,548	101,802,755	36,730	551,378
Net Assets					
Invested in capital assets, net of related debt	19,624,295	1,469,683	21,093,978	-	1,051,655
Restricted for:					
E911 wireless operations	414,230	-	414,230	-	-
Register of Deeds	254,354	-	254,354	-	-
Alcohol Beverage Control	-	-	-	-	112,821
Unrestricted	34,792,725	(1,259,552)	33,533,173	1,225,843	738,932
Total net assets	\$ 55,085,604	\$ 210,131	\$ 55,295,735	\$ 1,225,843	\$ 1,903,408

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2004

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
Functions/Programs				
Primary Government				
Governmental Activities				
General government	\$ 12,562,758	\$ 6,715,636	\$ 255,485	\$ -
Public safety	22,512,817	4,552,552	37,736	-
Environmental protection	213,262	-	-	-
Economic and physical development	4,174,365	14,064	1,935,588	-
Human services	54,915,560	38,900,115	-	-
Education	33,489,829	-	-	2,709,408
Cultural and recreation	491,838	-	-	-
Interest on long-term debt	4,205,707	-	-	-
Total governmental activities	<u>132,566,136</u>	<u>50,182,367</u>	<u>2,228,809</u>	<u>2,709,408</u>
Business-Type Activities				
Solid waste	6,381,866	6,275,664	194,705	-
Total business-type activities	<u>6,381,866</u>	<u>6,275,664</u>	<u>194,705</u>	<u>-</u>
Total primary government	<u>\$ 138,948,002</u>	<u>\$ 56,458,031</u>	<u>\$ 2,423,514</u>	<u>\$ 2,709,408</u>
Component Units				
Industrial development	\$ 1,301,209	\$ 179,663	\$ 5,000	\$ -
ABC Board	7,657,643	7,798,022	-	-
Total component units	<u>\$ 8,958,852</u>	<u>\$ 7,977,685</u>	<u>\$ 5,000</u>	<u>\$ -</u>
General revenues				
Ad valorem taxes				
Other taxes and licenses				
Interest earned on investments				
Total general revenues and transfers				
Change In Net Assets				
Net Assets				
Beginning of year - July 1				
End of year - June 30				

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

Exhibit B

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Industrial Development Commission	Pitt County ABC Board
\$ (5,591,637)	\$ -	\$ (5,591,637)		
(17,922,529)	-	(17,922,529)		
(213,262)	-	(213,262)		
(2,224,713)	-	(2,224,713)		
(16,015,445)	-	(16,015,445)		
(30,780,421)	-	(30,780,421)		
(491,838)	-	(491,838)		
(4,205,707)	-	(4,205,707)		
(77,445,552)	-	(77,445,552)		
-	88,503	88,503		
-	88,503	88,503		
\$ (77,445,552)	88,503	(77,357,049)		
			\$ (1,116,546)	\$ -
			-	140,379
			(1,116,546)	140,379
49,795,001	-	49,795,001	1,002,492	-
23,262,295	-	23,262,295	-	-
806,846	106	806,952	581	3,770
73,864,142	106	73,864,248	1,003,073	3,770
(3,581,410)	88,609	(3,492,801)	(113,473)	144,149
58,667,014	121,522	58,788,536	1,339,316	1,759,259
\$ 55,085,604	\$ 210,131	\$ 55,295,735	\$ 1,225,843	\$ 1,903,408

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

PITT COUNTY, NORTH CAROLINA

Exhibit C

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2004

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 29,711,724	\$ 4,284,778	\$ 33,996,502
Taxes receivable, net	1,939,265	250,484	2,189,749
Accounts receivable, net	8,427,417	1,794,709	10,222,126
Interest receivable	1,321,818	-	1,321,818
Prepaid items	72,871	31,485	104,356
Cash and investments, restricted	-	11,012,850	11,012,850
Due from other funds	542,103	-	542,103
Due from other governments	318,382	105,645	424,027
Total assets	<u>\$ 42,333,580</u>	<u>\$ 17,479,951</u>	<u>\$ 59,813,531</u>
Liabilities and Fund Balances			
Accounts payable	\$ 3,181,212	\$ 690,620	\$ 3,871,832
Retainage payable	-	211,235	211,235
Accrued compensation	834,608	-	834,608
Due to other funds	-	35,248	35,248
Deferred revenue	5,194,270	820,903	6,015,173
Total liabilities	<u>9,210,090</u>	<u>1,758,006</u>	<u>10,968,096</u>
Fund Balances			
Reserved by State statute	8,121,763	824,916	8,946,679
Reserved for prepaid items	72,871	31,485	104,356
Reserved for wireless 911 operations	-	414,230	414,230
Reserved for Register of Deeds	254,354	-	254,354
Unreserved, reported in:			
General fund	24,674,502	-	24,674,502
Debt Service funds	-	24,227	24,227
Capital Project funds	-	14,427,087	14,427,087
Total fund balances	<u>33,123,490</u>	<u>15,721,945</u>	<u>48,845,435</u>
Total liabilities and fund balances	<u>\$ 42,333,580</u>	<u>\$ 17,479,951</u>	
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.			90,545,725
Internal service funds are used by management to charge the costs of health and dental benefits and maintenance of equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			1,713,206
Debt issuance costs, net of accumulated amortization, are not financial resources and therefore are not reported in the funds.			115,272
Long-term liabilities and compensated absences are not due and payable in the current period and therefore not reported in the funds.			(91,320,329)
Deferred revenues in the governmental funds are used to offset accounts receivable not expected to be available within 60 days of year end. These receivables are a component of net assets in the statement of net assets.			5,186,295
Net assets of governmental activities, per Exhibit A			<u>\$ 55,085,604</u>

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

PITT COUNTY, NORTH CAROLINA

Exhibit D

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2004

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Ad valorem taxes	\$ 46,748,801	\$ 3,655,684	\$ 50,404,485
Other taxes and licenses	19,191,994	5,192,774	24,384,768
Unrestricted intergovernmental revenues	1,399,583	209,912	1,609,495
Restricted intergovernmental revenues	38,676,500	4,682,732	43,359,232
Permits and fees	2,623,753	-	2,623,753
Sales and services	4,960,712	1,285,678	6,246,390
Interest earned on investments	634,428	15,254	649,682
Miscellaneous	532,177	227,609	759,786
Total revenues	<u>114,767,948</u>	<u>15,269,643</u>	<u>130,037,591</u>
Expenditures			
Current:			
General government	10,527,303	-	10,527,303
Public safety	16,920,990	5,492,213	22,413,203
Environmental protection	213,262	-	213,262
Economic and physical development	1,730,225	2,198,130	3,928,355
Human services	54,489,313	-	54,489,313
Education	30,222,455	-	30,222,455
Cultural and recreation	491,838	-	491,838
Capital Outlay	-	4,741,619	4,741,619
Debt service:			
Principal repayments	140,521	6,394,974	6,535,495
Interest	12,524	4,193,183	4,205,707
Total expenditures	<u>114,748,431</u>	<u>23,020,119</u>	<u>137,768,550</u>
Revenues over (under) expenditures	<u>19,517</u>	<u>(7,750,476)</u>	<u>(7,730,959)</u>
Other Financing Sources (Uses)			
Transfers to other funds	(9,095,485)	(7,520,921)	(16,616,406)
Transfers from other funds	-	16,613,406	16,613,406
Debt obligation issued	150,000	7,910,000	8,060,000
Total other financing sources (uses)	<u>(8,945,485)</u>	<u>17,002,485</u>	<u>8,057,000</u>
Net change in fund balances	(8,925,968)	9,252,009	326,041
Fund Balances			
Beginning of year - July 1	42,049,458	6,469,936	48,519,394
End of year - June 30	<u>\$ 33,123,490</u>	<u>\$ 15,721,945</u>	<u>\$ 48,845,435</u>

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

PITT COUNTY, NORTH CAROLINA

Exhibit E

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2004

Net change in fund balances - total governmental funds (Exhibit D)	\$ 326,041
<p>Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected or is expected to be collected within 60 days of year end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:</p>	
Property taxes	(609,484)
Other taxes and licenses	(1,122,473)
Sales and services	10,533
Interest income	145,842
Expenses related to compensated absences and law enforcement officers separation allowance that do not require current financial resources are not reported as expenditures in the governmental fund statement.	(65,597)
Capital outlays are reported as expenditures in the governmental fund statement. However, in the statement of activities, capital outlay is not an expense, rather it is an increase in capital assets.	3,277,235
The sale of capital assets is reported as a revenue in the governmental fund statements without subtracting the net book value of the capital assets sold.	(10,441)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.	(3,680,675)
Amortization of bond issuance costs allocates the costs of debt over the life of the debt instrument. It is not reported as an expenditure in the governmental fund statements.	(8,270)
Principal repayments are reported as expenditures in the governmental fund statement. However, in the statement of activities, these transactions are not an expense, rather they are a decrease in liabilities.	6,535,495
Proceeds from issuance of debt are reported as revenues in the governmental fund statement. However, in the statement of activities, it is not a revenue, rather it is an increase in liabilities.	(8,060,000)
The net revenue of the internal service funds are reported with governmental activities.	(319,616)
Change in net assets of governmental activities per Exhibit B	\$ (3,581,410)

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

PITT COUNTY, NORTH CAROLINA

Exhibit F

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Over/Under
Revenues				
Ad valorem taxes	\$ 45,509,443	\$ 45,509,443	\$ 46,748,801	\$ 1,239,358
Other taxes and licenses	19,044,591	19,044,591	19,191,994	147,403
Unrestricted intergovernmental revenues	1,328,707	1,353,256	1,399,583	46,327
Restricted intergovernmental revenues	39,091,743	41,077,224	38,676,500	(2,400,724)
Permits and fees	2,454,881	2,454,881	2,623,753	168,872
Sales and services	4,609,186	4,762,046	4,960,712	198,666
Interest earned on investments	752,000	752,000	634,428	(117,572)
Miscellaneous	470,131	624,922	532,177	(92,745)
Total revenues	<u>113,260,682</u>	<u>115,578,363</u>	<u>114,767,948</u>	<u>(810,415)</u>
Expenditures				
General government	11,314,191	11,423,009	10,527,303	895,706
Public safety	16,978,011	17,471,650	16,920,990	550,660
Environmental protection	243,735	255,484	213,262	42,222
Economic and physical development	1,675,222	2,028,159	1,730,225	297,934
Human services	57,350,998	59,613,567	54,489,313	5,124,254
Education	30,222,455	30,222,455	30,222,455	-
Cultural and recreation	489,838	491,838	491,838	-
Debt service	-	153,045	153,045	-
Total expenditures	<u>118,274,450</u>	<u>121,659,207</u>	<u>114,748,431</u>	<u>6,910,776</u>
Revenues over (under) expenditures	<u>(5,013,768)</u>	<u>(6,080,844)</u>	<u>19,517</u>	<u>6,100,361</u>
Other Financing Sources (Uses)				
Transfers	(4,704,099)	(9,131,878)	(9,095,485)	36,393
Debt obligation issued	-	150,000	150,000	-
Contingency	-	-	-	-
Appropriated fund balance	9,717,867	15,062,722	-	(15,062,722)
Total other financing sources (uses)	<u>5,013,768</u>	<u>6,080,844</u>	<u>(8,945,485)</u>	<u>(15,026,329)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(8,925,968)</u>	<u>\$ (8,925,968)</u>
Fund Balances				
Beginning of year - July 1			42,049,458	
End of year - June 30			<u>\$ 33,123,490</u>	

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

PITT COUNTY, NORTH CAROLINA

Exhibit G

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004**

	Business-Type Activities Solid Waste	Governmental Activities- Internal Service Funds
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 2,228,020
Receivable, net	865,900	98,090
Inventories	-	25,596
Prepaid items	-	604,825
Due from other governments	473,951	-
Total current assets	<u>1,339,851</u>	<u>2,956,531</u>
Noncurrent assets		
Capital assets, net	<u>2,869,683</u>	<u>-</u>
Total assets	<u>4,209,534</u>	<u>2,956,531</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	326,713	1,243,325
Due to other funds	506,855	-
Compensated absences	10,000	-
Deferred revenues	26,385	-
Current portion of postclosure costs	60,000	-
Current maturities - general obligation bonds	200,000	-
Total current liabilities	<u>1,129,953</u>	<u>1,243,325</u>
Noncurrent liabilities		
Noncurrent portion of compensated absences	29,450	-
General obligation bonds	1,200,000	-
Landfill closure/postclosure costs payable	<u>1,640,000</u>	<u>-</u>
Total noncurrent liabilities	<u>2,869,450</u>	<u>-</u>
Total liabilities	<u>3,999,403</u>	<u>1,243,325</u>
Net Assets		
Invested in capital assets, net of related debt	1,469,683	-
Unrestricted	<u>(1,259,552)</u>	<u>1,713,206</u>
Total net assets	<u>\$ 210,131</u>	<u>\$ 1,713,206</u>

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

PITT COUNTY, NORTH CAROLINA

Exhibit H

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	Business-Type Activities Solid Waste	Governmental Activities- Internal Service Funds
Operating Revenues		
Solid waste fees	\$ 5,872,206	\$ -
User charges	-	472,639
Interfund services	-	5,182,309
Miscellaneous revenues	403,458	39,757
Total operating revenues	<u>6,275,664</u>	<u>5,694,705</u>
Operating Expenses		
Salaries and employee benefits	871,027	51,322
Supplies and materials	318,059	-
Contract labor and other services	1,033,947	-
Contracted services-waste disposal	3,926,848	-
Depreciation	86,734	-
Equipment maintenance	-	317,823
Insurance and administration	-	844,714
Medical claims costs	-	4,440,966
Claims reimbursement	-	373,817
Total operating expenses	<u>6,236,615</u>	<u>6,028,642</u>
Operating income	<u>39,049</u>	<u>(333,937)</u>
Non-operating revenues (expenses)		
Transfer in	-	3,000
Interest earned on investments	106	11,322
Interest expense	(84,400)	-
Intergovernmental grants, net of (refunds)	194,705	-
Hurricane cleanup expenses	(60,851)	-
Total non-operating revenues (expenses)	<u>49,560</u>	<u>14,322</u>
Change in net assets	<u>88,609</u>	<u>(319,615)</u>
Net Assets		
Beginning of year - July 1	<u>121,522</u>	<u>2,032,821</u>
End of year - June 30	<u>\$ 210,131</u>	<u>\$ 1,713,206</u>

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2004

	Business-Type Activities Solid Waste	Governmental Activities- Internal Service Funds
Cash Flows From Operating Activities		
Cash received from customers	\$ 6,268,594	\$ 456,984
Cash received from interfund services transactions	-	5,182,309
Cash paid to suppliers	(5,400,317)	(6,138,793)
Cash paid to employees	(884,149)	(51,982)
Net cash provided (used) by operating activities	<u>(15,872)</u>	<u>(551,482)</u>
Cash Flows From Noncapital Financing Activities		
Change in due from other funds	225,083	-
Transfers	-	3,000
Net cash provided (used) by noncapital financing activities	<u>225,083</u>	<u>3,000</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(91,538)	-
Government grants for Hurricane Floyd cleanup	167,472	-
Hurricane Floyd cleanup expenses	(60,851)	-
Principal payments on long-term debt	(140,000)	-
Interest expense -capital financing activities	(84,400)	-
Net cash provided (used) by capital and related financing activities	<u>(209,317)</u>	<u>-</u>
Cash Flows From Investing Activities		
Investment income received	106	11,322
Net increase (decrease) in cash, cash equivalents and investments	-	(537,160)
Cash and cash equivalents		
Beginning of year - July 1	-	2,765,180
End of year - June 30	<u>\$ -</u>	<u>\$ 2,228,020</u>

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

PITT COUNTY, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	Business-Type Activities Solid Waste	Governmental Activities- Internal Service Funds
Reconciliation of operating income to cash flows from operating activities		
Operating income (loss)	\$ 39,049	\$ (333,937)
Depreciation and amortization	86,734	-
Change in assets and liabilities		
(Increase) decrease in accounts receivables	(23,943)	(55,412)
(Increase) decrease in inventories	-	(3,185)
(Increase) decrease in prepaid expenses	-	(105,762)
Increase (decrease) in accounts payable and accrued liabilities	(14,585)	(53,186)
Increase (decrease) in closure and postclosure costs payable	(120,000)	-
Increase (decrease) in deferred revenues	16,873	-
Net cash provided (used) by operating activities	<u>\$ (15,872)</u>	<u>\$ (551,482)</u>

Noncash Activities:
None

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

PITT COUNTY, NORTH CAROLINA

Exhibit J

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2004**

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	<u>\$ 192,049</u>	<u>\$ 360,941</u>
Liabilities		
Accounts payable	<u>-</u>	<u>360,941</u>
Net Assets		
Held in trust for pension benefits and other purposes	<u>\$ 192,049</u>	<u>\$ -</u>

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

PITT COUNTY, NORTH CAROLINA

Exhibit K

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUND

FOR THE YEAR ENDED JUNE 30, 2004

	Pension Trust Fund
Additions	
Employer contributions	\$ 77,500
Investment income	71
Other income	6,306
Total additions	83,877
Deductions	
Benefits	76,759
Net increase (decrease)	7,118
Net assets reserved for employees' pension benefits	
Beginning of year - July 1	184,931
End of year - June 30	\$ 192,049

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

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

1. Summary of Significant Accounting Policies

A. Nature of Operations

Pitt County, North Carolina (the "County"), governed by a nine-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. The County was incorporated in 1760, and the County seat is located in Greenville, North Carolina. The County operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, health and mental health programs, social service programs and community development.

The accounting policies of the County and its discretely presented component units conform to accounting principles generally accepted in the United States of America, as applicable to governments. The following is a summary of the more significant accounting policies:

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The following discretely presented component units are reported in separate columns in the County's combined financial statements in order to emphasize that they are legally separate from the County.

Pitt County Alcoholic Beverage Control Board

The Pitt County Alcoholic Beverage Control Board ("ABC Board") is governed by a five-member board appointed by the County Commissioners as ABC Board members' terms expire. The ABC Board is required by state statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year end, is presented as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained at 2305 S. Memorial Drive, Greenville, NC 27834.

Pitt County Industrial Development Commission

The Pitt County Industrial Development Commission (the "Commission") is governed by a fifteen-member board appointed by the Pitt County Commissioners. The County assesses and collects the property tax revenue of the Commission. The Commission was created to develop industry progress for Pitt County. The Commission's financial statements are presented as of and for the year ended June 30, 2004 as if it were a governmental fund. Pitt County has no financial liability for the Commission. Complete financial statements for the Commission may be obtained at 1111 S. Washington Street, Greenville, NC 27834.

Pitt County Industrial Facility and Pollution Control Financial Authority

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

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

C. Summary of Significant Accounting Policies

1. Government-wide and Fund Financial Statements

The government-wide financial statements (Exhibit A - statement of net assets and Exhibit B - statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements in all material areas. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The General Fund and the Solid Waste Enterprise Fund are the major funds of the County for the year ended June 30, 2004.

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting determines when the revenues and expenditures or expenses, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All funds of the County are accounted for during the year using the modified accrual basis of accounting in accordance with the North Carolina General Statutes. The financial statements are reported at year end as discussed below.

The government-wide financial statements, the proprietary fund, the fiduciary fund, the agency fund, and the ABC Board financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Net assets are segregated into (1) Investment in capital assets, net of related debt, (2) Restricted net assets, and (3) Unrestricted net assets. Operating statements for these funds present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

As permitted by generally accepted accounting principles, the County has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of June 30, 2004. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

For modified accrual basis of accounting purposes, ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the subsequent year. Pitt County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2003 through February 2004 apply to the fiscal year ended June 30, 2004.

Uncollected taxes which were billed during this period are shown as a receivable on the fund financial statements. Those taxes for vehicles registered from March 1 through the fiscal year-end apply to the fiscal year 2004-2005 and are not shown as receivables at June 30, 2004 on the fund financial statements. For those motor vehicles registered under the annual system, taxes are due on May 1 of each year. For those vehicles registered and billed under the annual system, uncollected taxes are reported as a receivable on the fund financial statements and are offset by deferred revenues because the due date and the date upon which the interest begins to accrue passed prior to June 30. The taxes for vehicles registered annually that have already been collected as of year end are also reflected as deferred revenues at June 30, 2004 on the fund financial statements because they are intended to finance the County's operations during the 2005 fiscal year.

Sales taxes collected and held by the State at year end on behalf of the County are recognized as revenue on both the government-wide financial statements and the fund financial statements. Intangibles taxes, intergovernmental revenue, and sales and services are not susceptible to accrual because generally they are not measurable until received in cash.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

The effect of interfund activity has been eliminated from the government-wide financial statements, with the exception of payments-in-lieu-of-taxes and other charges between the County's Solid Waste fund and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants, and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues, therefore, all taxes are reported as general revenues.

Proprietary funds distinguish between operating revenues/expenses and nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Solid Waste fund are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Basis of Presentation – Fund Accounting

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues and expenses or expenditures, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The County has the following fund categories:

- a. **Governmental Funds** Governmental funds are those used to account for the County's expendable financial resources and related liabilities (except those accounted for in proprietary or agency funds). The following are the County's governmental fund types:

General Fund The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund for fund financial statement reporting purposes.

Special Revenue Funds Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to specified purposes. The School Capital Reserve, County Capital Reserve, State/Federal Forfeiture Fund, CDBG Fund, Hurricane Floyd Grant Fund, State Grants Fund, Revaluation, Industrial Development Building, Fire Districts, Emergency Medical Services Districts, and E911 Surcharge Fund are Special Revenue Funds of the County.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

Capital Projects Funds Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The County's Capital Projects Funds are: Pitt Community College Building Fund, PCC Bowen Farm Fund, School Improvement Projects, Courthouse Renovation Capital Project, 2004 COPS Education Fund, State School Bond Capital Project, Community Schools and Recreation Capital Project, and the ECTC Building Capital Project.

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

- b. **Proprietary Fund Types** Proprietary funds are used to account for activities that are similar to those often found in the private sector. The following are the proprietary funds of the County.

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

Internal Service Funds Internal Service Funds are used to account for goods or services provided by one department to other departments of the County on a cost-reimbursement basis. The County Garage Fund, Employee Medical Insurance Fund, and Workers' Compensation Fund are the Internal Service Funds of the County.

- c. **Fiduciary Fund Types** Fiduciary funds are used for assets held in a trustee capacity.

Agency Funds Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for assets the County holds on behalf of others. The Agency funds maintained by the County account for money deposited with the County through Social Services, Mental Health, Sheriff, Jail, the Flexible Benefit Plan Agency Fund, as well as tax collections held for other local municipalities.

Trust Fund The Pension Trust Fund is used to account for the assets held by the County for the payment of Law Enforcement Officers' special separation allowance pension benefits.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

4. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general fund, the special revenue funds, with the exception of the Hurricane Floyd Fund and the CDBG fund which are project based and the State/federal asset forfeiture fund which only has a budget created at the time the funds are received, the School Capital Project Fund (all other Capital Project Funds adopt project budgets), the debt service fund, and the enterprise fund. Project ordinances are adopted for the capital projects funds. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the department level, as defined in the budget ordinance, for the general fund, special revenue funds, enterprise funds and the capital project funds. The balances in the capital reserve funds will be appropriated when transferred to their respective capital project funds in accordance with the project ordinance adopted for the reserve fund. The County Manager is authorized by the budget ordinance to transfer appropriations between departments within a fund up to \$20,000, and the County Finance Director is authorized by the budget ordinance to transfer appropriations within a department; however, any revisions that alter total expenditures of any department must be approved by the governing board. Revisions necessary across funds to move cost of living adjustments (COLA) from budgeted reserves to the actual departments are authorized for approval by the County Manager and/or the Finance Director. During the year several amendments to the original budget were necessary.

A budget calendar is included in the North Carolina General Statutes which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

- | | |
|----------|---|
| April 30 | Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year. |
| June 1 | The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time. |
| July 1 | The budget ordinance shall be adopted by the governing board. |

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

5. Deposits and Investments

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

State law [G. S. 159-30(c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund.

Through special legislation enacted in the 1999 legislative session, the County was granted expanded investment options for the funds related to the transfer of the Pitt County Memorial Hospital from the County to a private, not-for-profit entity. The legislation allows the County to invest and reinvest equity assets in one or more of the types of securities or other investments authorized by State law for the State Treasurer [G.S. 147-69.2].

The County's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The NCCMT's Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

6. Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

For purposes of the statement of cash flows, the County considers all deposits and investments with an original maturity date of three months or less, which are not limited as to use, to be cash equivalents.

7. Restricted Assets

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The unexpended debt proceeds of the Capital Project funds are classified as restricted assets within their respective funds because their use is completely restricted to the purpose for which the debt was originally issued.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

8. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2003. As allowed by State law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

9. Allowances For Doubtful Accounts

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

10. Inventories

Inventories of the County consist primarily of gasoline and garage supplies and are valued at cost (first-in, first-out method). The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

11. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (including infrastructure assets purchased prior to implementing GASB 34), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost greater than \$5,000 and an estimated useful life greater than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The County capitalizes buildings and land, purchased or constructed, for the Pitt County Board of Education in all instances where the County retains title to the property. The County transfers title of school property to the Board of Education after all installment debt collateralized by the property has been retired. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or significantly extend the asset's life are not capitalized.

The County capitalizes interest costs which are incurred during the construction period of capital assets.

Buildings and equipment are depreciated using the straight-line method over estimated useful lives as shown below:

Buildings	40 years
Furniture and fixtures	10 years
Equipment	5-10 years
Vehicles	5 years

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

12. Compensated Absences

County employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days up to a maximum of thirty days. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. The County uses the first-in-first-out method to value accrued vacation pay and the current amount due.

The County's sick leave policy provides for unlimited accumulation of earned sick leave. Sick leave does not vest but any unused sick leave at the time of retirement may be used in the determination of length of service for retirement benefit purposes. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

13. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type fund statement of net assets. Debt issuance costs are recognized as other assets and amortized over the life of the debt using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as debt issuance costs, during the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

The bonds for the Solid Waste fund are carried in the enterprise fund rather than in the governmental activities funds. The debt service requirements for that debt are met by solid waste revenues, but the taxing power of the County is pledged to make these payments if solid waste revenues should ever be insufficient.

14. Self-Insurance

The County is self-insured for employee medical benefits and workers' compensation with third party insurance coverage at specified levels. The Self-Insurance Plan is administered by an insurance company. Amounts remitted by the County to the administrator include estimates of the eventual loss on claims arising prior to year-end including claims incurred and not yet reported. The liability for estimated claims is accrued in the Internal Service Fund. Any amounts held by the insurance company on behalf of the County for estimated claims are reported as prepaid items in the Internal Service Fund.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

15. Deferred / Unearned Revenue

In the fund financial statements, ad valorem taxes receivable are not accrued as a revenue because they are not considered to be both "measurable and available." Ad valorem taxes receivable that are measurable but not available are recorded as deferred revenue in the fund financial statements. In addition, property taxes collected in advance of the fiscal year to which they apply are also recorded as unearned revenue in the government-wide financial statements and deferred revenue in the fund financial statements. Certain receivables are also recorded as deferred revenue in the fund financial statements because they are not considered to be available at year-end.

16. Fund Equity

Reservations or restrictions of equity in the fund financial statements represent amounts that are not appropriable or are legally segregated for a specific purpose.

The governmental fund types classify fund balances as follows:

Reserved

Reserved for prepaid items - The portion of fund balance not available for appropriation because it represents the year-end fund balance of prepaid items, which are not expendable, available resources.

Reserved by State statute - The portion of fund balance, in addition to other reserves, which is not available for appropriation under State law. State law restricts the appropriation of fund balance or fund equity to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

Reserved for wireless operations - The portion of fund balance restricted for E911 wireless operating and capital expenditures.

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

Designations of equity represent tentative management plans that are subject to change. The unreserved fund balance had the following designations at June 30, 2004:

General Fund

Designated for subsequent year's expenditures	<u>\$ 4,668,853</u>
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Special Revenue Fund

Designated for subsequent year's expenditures	<u>\$ 470,102</u>
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PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

17. Interfund Transactions

Interfund services provided are accounted for as revenue or expenses in the government-wide financial statements, since they would be treated as such if they involved organizations external to the County. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

18. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are: allowance for doubtful accounts, depreciation lives, incurred but not reported claims, and postclosure landfill expenses.

2. Stewardship, Compliance and Accountability

A. Deficit Fund Balance Or Net Assets Of Individual Funds

The EMS District Special Revenue Fund had deficit fund balance of \$610,145 as of June 30, 2004. The Hurricane Floyd Special Revenue Fund had deficit fund balance of \$10,420 as of June 30, 2004.

B. Expenditures Exceeding Appropriations

The Landfill Enterprise fund total expenditures exceeded appropriations by \$261,816.

3. Deposits and Investments

A. Deposits

County deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with the securities held by the County's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

At June 30, 2004, the County's deposits had a carrying amount of \$33,438,151 and a bank balance of \$34,415,337. The County only has deposits in institutions that collateralize under the Pooling Method. Of the bank balance, \$400,000 was covered by Federal depository insurance and \$34,015,337 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

B. Investments

The County's investments are categorized below to give an indication of the level of risk assumed by the entity at year end. In the following tables, Column A includes investments that are insured or registered or for which the securities are held by the County and its agents in the entities' name. Column B includes uninsured and unregistered investments for which the securities are held by the counterpart's trust department or agent in the County's name. Column C includes uninsured and unregistered investments for which the securities are held by the counterpart, or by its trust department or agent but not in the County's name. The County's investments in the North Carolina Capital Management Trust are exempt from risk categorization because the County does not own any identifiable securities in these mutual funds.

At June 30, 2004, the County's investment balances were as follows:

	Category			Reported	Fair
	A	B	C	Value	Value
U.S./NC Government Agencies	\$ 6,485,706	\$ -	\$ -	\$ 6,485,706	\$ 6,485,706
Commercial paper	80,000	-	-	80,000	80,000
	<u>\$ 6,565,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>6,565,706</u>	<u>6,565,706</u>
North Carolina Capital Management Trust				7,444,510	7,444,510
North Carolina Capital Management Trust held by third party trustee				308,140	308,140
Total investments				<u>\$ 14,318,356</u>	<u>\$ 14,318,356</u>

During 2004, the County did not realize any gain or loss from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase/decrease in the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of the investments reported in the prior year. The net decrease in the fair value of investments during 2004 for the County was \$0. This amount takes into account all changes in fair value (including purchases, sales and maturities) that occurred during the year. The unrealized gain on investments held at year-end for the County was \$0.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

4. Property Tax Use-Value Assessment On Certain Lands

Under state law certain agricultural, horticultural, forest land and historical properties may be preferentially assessed for property taxes at present-use value rather than fair market value. The difference between taxes on such property at present-use value and taxes that would have been levied at fair market value may become collectible over the next three years. These taxes become due and payable when the property becomes ineligible for the preference. At the end of the fourth year these taxes expire by operation of law. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Levied	Tax	Interest	Total
2000	\$ 1,664,959	\$ 545,274	\$ 2,210,233
2001	1,684,722	400,121	2,084,843
2002	1,665,520	245,664	1,911,184
2003	1,697,142	97,586	1,794,728
Total	<u>\$ 6,712,343</u>	<u>\$ 1,288,645</u>	<u>\$ 8,000,988</u>

5. Receivables –Allowances For Doubtful Accounts

For the County, the amounts presented in Exhibit A, the Statement of Net Assets, are net of the following allowances for doubtful accounts:

Fund	Allowance
General Fund	
Property taxes	\$ 3,038,530
Other - Public Health	564,585
Other - Mental Health	1,317,652
Interest	780,394
Total	<u>\$ 5,701,161</u>
Special Revenue Fund	
Property taxes	\$ 7,406
Ambulance services	2,279,627
Total	<u>\$ 2,287,033</u>
Enterprise Fund	
Landfill fees	<u>\$ 235,662</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

6. Capital Assets

A. Governmental Capital Assets

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

	Balance			Balance	Accumulated
	July 1, 2003	Additions	Deletions	June 30, 2004	Depreciation
By Type					June 30, 2004
Non-Depreciable Capital Assets					
Land and improvement	\$ 5,469,238	\$ 157,859	\$ -	\$ 5,627,097	\$ -
Construction in progress	914,023	1,167,993	-	2,082,016	-
Depreciable Capital Assets					
Buildings	96,186,479	594,409	-	96,780,888	17,300,700
Furniture and equipment	6,664,968	488,247	(174,545)	6,978,670	4,945,494
Vehicles	4,330,060	868,727	(227,523)	4,971,264	3,648,016
Subtotal	<u>113,564,768</u>	<u>\$ 3,277,235</u>	<u>\$ (402,068)</u>	<u>116,439,935</u>	<u>\$ 25,894,210</u>
Accumulated depreciation	<u>22,605,162</u>	<u>\$ 3,680,675</u>	<u>\$ (391,627)</u>	<u>25,894,210</u>	
Capital assets, net	<u>\$ 90,959,606</u>			<u>\$ 90,545,725</u>	

Reconciliation of Additions to Capital Outlay

General fund capital outlay	\$ 2,196,764
Items not capitalized	(141,564)
Capital projects current year activity	4,741,619
Capital projects activity not capitalized	(3,519,584)
Total additions	<u>\$ 3,277,235</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

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

Governmental Activities

General government	\$ 894,872
Public safety	68,207
Economic and physical development	246,010
Human services	426,247
Education	2,045,339
Total	<u>\$ 3,680,675</u>

Business-type activities

Solid waste	<u>\$ 86,734</u>
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The capital assets for the Enterprise Fund of the County at June 30, 2004 are as follows:

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004	Accumulated Depreciation June 30, 2004
Non-Depreciable Capital Assets					
Land and improvements	\$ 756,422	\$ -	\$ -	\$ 756,422	-
Construction in progress	94,597	-	-	94,597	-
Depreciable Capital Assets					
Buildings and improvements	2,567,782	-	-	2,567,782	973,594
Equipment	2,716,179	3,500	(39,086)	2,680,593	2,351,731
Computer equipment	18,066	-	-	18,066	5,069
Vehicles	552,512	88,038	(150,927)	489,623	407,006
Subtotal	6,705,558	91,538	(190,013)	6,607,083	\$ 3,737,400
Less accumulated depreciation	3,840,679	86,734	(190,013)	3,737,400	
Net fixed assets	<u>\$ 2,864,879</u>			<u>\$ 2,869,683</u>	

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

7. Long-Term Obligations

The County records long-term debt of the governmental funds at face value in the government wide statement of net assets. All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due.

A. Changes in Long-Term Debt

The following is a summary of changes in the County's governmental activities long-term debt.

	<u>Balance</u> <u>June 30, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2004</u>	<u>Current</u> <u>Portion</u>
By Type					
Accrued vacation pay	\$ 2,308,617	\$ 1,033,390	\$ (999,200)	\$ 2,342,807	\$ 1,270,000
Unfunded LEO	189,685	108,907	(77,500)	221,092	-
General Obligation Bonds	13,385,000		(2,500,000)	10,885,000	2,575,000
Certificates of Participation	71,800,000		(3,445,000)	68,355,000	10,495,000
Notes Payable	2,046,925	8,060,000	(590,495)	9,516,430	598,428
Total	<u>\$ 89,730,227</u>	<u>\$ 9,202,297</u>	<u>\$ (7,612,195)</u>	<u>\$ 91,320,329</u>	<u>\$ 14,938,428</u>
By Purpose					
Schools				\$ 57,285,200	
General government				294,479	
Public safety				922,233	
Economic and physical development				1,349,718	
Mental health				4,860,000	
Courthouse Annex and Human Services refunding				18,314,800	
Pitt Community College				5,730,000	
Accrued vacation pay				2,342,807	
Unfunded LEO				221,092	
Total				<u>\$ 91,320,329</u>	

Note: The general fund is typically used to liquidate the compensated absences and pension liabilities.

The following is a summary of changes in the County's business-type activities long-term debt.

	<u>Balance</u> <u>June 30, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2004</u>	<u>Current</u> <u>Portion</u>
General Obligation Bonds	\$ 1,600,000	\$ -	\$ 200,000	\$ 1,400,000	\$ 200,000

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

B. Certificates of Participation

Serviced by the County's Debt Service Fund

\$27,500,000; 5.53% Certificates of Participation issued May 1997, payments due annually from April 1998 to April 2017 ranging from \$1,569,237 to \$1,571,873.

Proceeds were used to partially refund 1991 Certificates of Participation and finance the cost of courthouse additions and a new school.

\$ 18,975,000

\$12,255,000; 5.28% Certificates of Participation issued May 2000, payments due annually from March 2002 to March 2025 ranging from \$947,606 to \$1,165,050.

Proceeds were used to finance the construction of two schools, purchase land for a new school, and retire a note payable issued in 1999 to purchase land for a new school.

11,255,000

\$28,050,000; Certificates of Participation issued November 2000 with variable interest rates from 4.50% - 5.75%, payments due annually from April 2003 to April 2019 ranging from \$400,000 to \$1,390,000 plus interest and a single payment of \$2,780,000 plus 5.58% interest due April 2021 and a single payment of \$5,560,000 plus 5.63% interest due April 2025. Proceeds were used to finance the construction of a high school. The Certificates are secured by real estate.

27,150,000

\$12,635,000; Certificates of Participation issued October 2001 with variable interest, rates from 3.00% - 4.70%, payments due annually from October 2001 to 2017 ranging from \$735,000 to \$360,000 and a single payment of \$3,240,000 due 2026 plus interest at 5.00%. Proceeds were used to finance Phase II of the courthouse renovation and advance refund \$4,255,000 of existing debt.

10,975,000

\$ 68,355,000

Annual debt service requirements to maturity for the County's Certificates of Participation are as follows:

	Principal	Interest	Total
2005	\$ 3,545,000	\$ 2,970,458	\$ 6,515,458
2006	4,010,000	2,785,288	6,795,288
2007	4,320,000	1,863,439	6,183,439
2008	4,945,000	2,382,741	7,327,741
2009	3,695,000	2,140,324	5,835,324
Next five years	18,070,000	7,774,503	25,844,503
Next five years	14,950,000	3,088,626	18,038,626
Next five years	5,480,000	3,761,319	9,241,319
Next five years	9,340,000	7,891,815	17,231,815
Total	<u>\$ 68,355,000</u>	<u>\$ 34,658,513</u>	<u>\$ 103,013,513</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

C. General Obligation Bonds

Serviced by the County's Debt Service Fund

General Obligation Bonds, Series 1993, payable annually from February 1998 through February 2007 in amounts ranging from \$2,020,000 to \$1,490,000; interest at 4.77% \$ 5,155,000

Pitt Community College Refunding Bonds, Series 1999, payable annually from June 1999 through June 2010 in amounts ranging from \$375,000 to \$1,500,000; interest 4.01% 5,435,000

Pitt Community College Bonds, Series 1999, payable annually from June 2000 through June 2010 in amounts ranging from \$40,000 to \$55,000; interest 4.01% 295,000

Total Serviced by the County's Debt Service Fund 10,885,000

Serviced by the County's Enterprise Fund

Sanitary Landfill Bonds, Series 1995, payable annually from February 1998 through February 2001 in the amount of \$200,000; interest ranges from 5.25% to 5.30% 1,400,000

Total general obligation bonds \$ 12,285,000

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

	Debt Service Fund			Enterprise Fund		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 2,575,000	\$ 493,234	\$ 3,068,234	\$ 200,000	\$ 73,900	\$ 273,900
2006	2,655,000	369,938	3,024,938	200,000	63,400	263,400
2007	2,360,000	243,718	2,603,718	200,000	52,900	252,900
2008	955,000	132,730	1,087,730	200,000	42,400	242,400
2009	1,260,000	94,728	1,354,728	200,000	31,800	231,800
Next five years	1,080,000	44,278	1,124,278	400,000	31,800	431,800
	<u>\$ 10,885,000</u>	<u>\$ 1,378,626</u>	<u>\$ 12,263,626</u>	<u>\$ 1,400,000</u>	<u>\$ 296,200</u>	<u>\$ 1,696,200</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

D. Notes Payable

Serviced by the County's Debt Service Fund

6.30% note, payable in quarterly installments of \$26,921 beginning August 1997 through August 2011, secured by real estate	\$ 671,826
4.25% note, payable in quarterly installments of \$23,621 beginning March 2000 through December 2014, secured by real estate	227,314
4.50% note, payable in quarterly installments of \$62,305 beginning August 2000 through June 2010, secured by real estate	325,955
3.50% note, payable in quarterly installments of \$8,208 beginning September 2003 through June 2008, secured by incubator	124,623
2.55% note, payable in semi-annual installments of \$42,847 beginning May 2004 through November 2008, secured by ambulances	362,233
2.55% note, payable in annual installments of \$56,000 plus interest, beginning December 2004 through December 2014, secured by EMS facilities	560,000
3.13% note, payable in semi-annual installments of \$76,523 beginning August 2003 through February 2006, secured by computer equipment	294,479
1.55% note, payable in one installment of \$6,950,000 plus interest December 2004. Note issued as bridge-financing for school construction. Note to be repaid via issuance of COPS financing in October 2004.	<u>6,950,000</u>
	<u>\$ 9,516,430</u>

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

	Principal	Interest	Total
2005	\$ 7,403,475	\$ 96,240	\$ 7,499,715
2006	467,201	77,129	544,330
2007	326,186	61,989	388,175
2008	328,922	50,004	378,926
2009	268,905	36,720	305,625
Next five years	678,488	63,524	742,012
Next five years	43,253	567	43,820
Total	<u>\$ 9,516,430</u>	<u>\$ 386,173</u>	<u>\$ 9,902,603</u>

E. Statutory Debt Limitation

The County is subject to the Municipal Finance Law of North Carolina which limits the amount of net bonded debt (exclusive of revenue and special assessment bonds) the County may have outstanding to 8 percent of the appraised value of property subject to taxation. At June 30, 2004, net debt outstanding was \$81,806,430, excluding an unsecured 180 day note of \$6,950,000. The statutory limit at that date was \$538,450,589 providing a debt margin of \$456,644,159.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

8. Employee Retirement Systems

A. Local Governmental Employees' Retirement System

Plan Description

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

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute an actuarially determined rate. For the County the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.88% and 4.78%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2004, 2003 and 2002 were \$3,696,923, \$3,583,955, and \$3,500,630, respectively. The contributions made by the County equaled the required contributions for each year.

B. Law Enforcement Officers' Special Separation Allowance

Plan Description

Pitt County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Plan benefits are funded on a pay-as-you-go basis. The Separation Allowance is reported in the County's report as a pension trust fund. The plan issues unaudited plan financial statements. The report may be obtained by writing to Pitt County Finance Office, 1717 West 5th Street, Greenville, NC 27834-1696.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2003 the Separation Allowance's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	8
Active plan members	<u>107</u>
Total	<u>115</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

Summary of Significant Accounting Policies

Basis of Accounting

Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$77,500, or 1.96% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to the plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

Annual Pension Cost and Net Pension Obligation

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

Employer annual required contribution	\$ 118,200
Interest on net pension obligation	12,852
Adjustment to annual required contribution	(9,725)
Annual pension costs	121,327
Employer contributions made for fiscal year ending June 30, 2004	77,500
Increase (decrease) in net pension obligation	43,827
Net pension obligation, beginning of fiscal year	177,265
Net pension obligation, end of fiscal year	<u>\$ 221,092</u>

Three Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2002	\$ 96,120	53.47%	\$ 144,106
6/30/2003	107,659	57.66%	189,685
6/30/2004	121,327	63.88%	221,092

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

C. Supplemental Retirement Income Plan For Law Enforcement Officers

Plan Description

The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2004 were \$251,599, which consisted of \$202,401 from the County and \$41,198 from the law enforcement officers.

D. Local 401(k) Retirement Plans

The County has a supplemental retirement plan for all county employees other than law enforcement officers. The County has no requirement or obligation under State statutes to contribute to this plan; however, the County has adopted the Supplemental Retirement Plan of North Carolina 401(k) for its non-law enforcement employees. The County contributes 4.9% of participants' gross pay, and employees may make voluntary contributions to the plan. The total contribution for the year ended June 30, 2004 were \$1,928,486, which consisted of \$1,409,847 from the County and \$518,639 from the employees.

E. Register of Deeds' Supplemental Pension Fund

Plan Description

Pitt County also contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) of the monthly receipts collected pursuant to Article I of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2004, the County's required and actual contributions were \$50,955.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

9. Deferred Compensation Plan

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

The County has complied with changes in the laws which govern the County's Deferred Compensation Plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the County's Deferred Compensation Plan is not reported within the County's Agency Funds.

10. Other Postemployment Benefits

In addition to providing pension benefits, the County has elected to provide health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System ("System") and have at least five years of creditable service with the County. The County pays the full cost of coverage for these benefits. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently 84 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2004, the County made payments for postretirement health benefit premiums of \$331,732. The County obtains health care coverage through private insurers.

The County has elected to provide death benefits to employees through the Death Trust Plan for Members of the Local Governmental Employees' Retirement System (Death Trust Plan), a multiple-employer State-administered cost-sharing plan funded on a one-year term cost basis. Employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but the benefit may not exceed \$20,000. All death benefit payments are made from the Death Trust Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Trust Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2004, the County made contributions to the State for death benefits of \$29,688. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .08% and .14% of covered payroll, respectively. The contributions to the Death Trust Plan cannot be separated between the postemployment benefit amount and the other benefit amount.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

11. Closure and Postclosure Care Costs – Landfill

State and federal laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,700,000 reported as landfill postclosure care liability at June 30, 2004 represents a cumulative amount reported to date based on the use of 100% of the total estimated capacity of the landfill. These amounts are based on what it would cost to perform all postclosure care in 2004. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under state and federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements.

12. Deferred / Unearned Revenues

The balance in deferred revenues in the Governmental Fund Statements at year-end is composed of the following elements:

	General Fund	Special Revenue Funds	Total
Prepaid taxes not yet earned	\$ 607,405	\$ 15,026	\$ 622,431
Taxes receivable (net)	1,939,277	250,484	2,189,761
Special assessments receivable (net)	44,275	-	44,275
Accounts receivable (net)	1,305,941	508,577	1,814,518
Interest receivable (net)	1,137,741	-	1,137,741
Other unearned revenues	159,631	46,816	206,447
Total	<u>\$ 5,194,270</u>	<u>\$ 820,903</u>	<u>\$ 6,015,173</u>

The balance in unearned revenues in the Government Wide Statements at year end is composed of the following elements:

	Governmental Activities	Business-Type Activities	Total
Prepaid taxes	\$ 622,431	\$ -	\$ 622,431
Prepaid fees	206,447	26,385	232,832
Total	<u>\$ 828,878</u>	<u>\$ 26,385</u>	<u>\$ 855,263</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

13. Interfund Receivables and Payables

The composition of internal balances as of June 30, 2004 are as follows:

Receivable Entity	Payable Entity	Amount	
General Fund	Enterprise Fund	\$ 478,832	Temporary overdraft
	Enterprise Fund	27,223	Short term loan
	Special Revenue- E91 Surcharge	35,248	Short term loan
		<u>\$ 541,303</u>	

14. Risk Management

The County is exposed to various risks of loss related to torts, thefts of damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County participates in one self-funded risk financing pool administered by the North Carolina Association of County Commissioners, has developed one internal fund for Worker's Compensation, and purchases various insurance products on the open market.

Hospitalization coverage is provided through the North Carolina Association of County Commissioners' pool in conjunction with Blue Cross Blue Shield of North Carolina. This pool acts as a third party administrator for the Pitt County Hospitalization Fund and additionally provides stop-loss coverage for individual losses over \$50,000 and aggregate losses beyond 115% of expected claims. Additionally the County maintains reserves to cover any losses for any claims that would result if a different administrator were retained and a tail of claims would need to be paid. Worker's Compensation exposure is covered by a self-funded program developed within the budget of the County. A sum of \$575,000 was set up to pay all Worker's Compensation claims received. A third party administrator was retained to process employee claims. In addition, an excess insurance policy covering losses exceeding \$250,000 up to \$1,000,000 was purchased to limit the impact of an individual catastrophic claim on the fund. It is the intent that the Worker's Compensation fund will evolve into a fund that will eventually allow the County to reduce annual appropriation to this exposure. The County also purchases commercial insurance to protect against claims for property, general liability, auto liability, public officials, and employee bonds. The commercial coverage provides for replacement coverage with a \$2,500 deductible. The commercial coverage was purchased in 2001 with a rate guarantee through 2004. Claims have not exceeded coverages in any of the past three years.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

For the Hospitalization fund, a total of \$5,351,642 in claims and changes in estimates were incurred for benefits during fiscal year 2004. Changes in the fund's claims liability amounts in fiscal 1995 – 2004 were as follows:

<u>Fiscal Year</u>	<u>Liability at Fiscal Year Beginning</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability at Fiscal Year-End</u>
1997	\$ 530,725	\$ 2,147,567	\$ (2,297,035)	\$ 381,257
1998	381,257	3,410,671	(3,261,134)	530,794
1999	530,794	2,977,764	(2,561,819)	946,739
2000	946,739	3,364,243	(3,566,756)	744,226
2001	744,226	4,479,717	(4,722,943)	501,000
2002	501,000	4,989,610	(4,357,401)	1,133,209
2003	1,133,209	5,220,350	(5,082,000)	1,271,559
2004	1,271,559	5,351,642	(5,432,872)	1,190,329

15. Jointly Governed Organizations

The County, in conjunction with four other counties and thirty-three municipalities, established the Mid-East Commission (council). The participating governments established the council to coordinate funding received from various federal and state agencies. Each participating government appoints one member to the council's forty-four member governing board. The County paid membership fees of \$33,450 to the council during the fiscal year ended June 30, 2004.

The County, in conjunction with the City of Greenville, established the Pitt-Greenville Convention and Visitors Authority to promote travel, tourism and conventions in Pitt County. Both the County and the City appoint five members of the eleven member board, with one member being appointed by the Pitt-Greenville Chamber of Commerce.

The County, in conjunction with 12 other counties, governs the North Carolina's Eastern Region Development Commission (Commission). Its purpose is to allow participating counties, including Pitt County, which have the potential to derive direct economic benefits from the Commission, to create a special economic development district, known as the Global TransPark Development Zone. The Commission's primary responsibility is to promote economic development within the territorial jurisdiction of the Zone by fostering development projects to provide land, building, facilities, programs, information and data systems, and infrastructure requirements for business and industry in the Global TransPark Development Zone. The Commission is governed by 42 voting members, consisting of three members from Pitt County and each of the 12 other participating counties, and three members appointed by the Global TransPark Authority. The voting members from each of the counties are appointed by the Board of County Commissioners of the respective counties. The Commission is responsible for a nonexpendable trust fund consisting of an initial State appropriation of \$7.5 million and 85% of the quarterly distributions of the \$5 motor vehicle license fees collected by the North Carolina Department of Transportation. The motor vehicle tax was adopted by the legislature and the participating counties and will be collected for a period of five years. The principal balance of the trust funds are nonexpendable and will revolve as loans are made and repaid to the Commission. At June 30, 2004, the portion of the trust available to be loaned exclusively to Pitt County was \$1,228,062.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

16. Joint Ventures

The County, in conjunction with the State of North Carolina and the Pitt County Board of Education, participates in a joint venture to operate Pitt Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government association serves as a non-voting, ex officio member of the board of trustees. The community college is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The general obligation bonds outstanding for this purpose are the 1999 refunding and the 1999 new issue of which, \$5,435,000 and \$295,000, respectively remains outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed 3,060,206 to the community college for operating purposes and \$75,000 for capital outlay during the fiscal year ended June 30, 2004. The County funded \$1,550,000 in improvements to the Bowen Farm site. These funds assisted Pitt Community College to leverage additional State bond proceeds. In addition, the County made debt service payments of \$630,000 for principal and \$255,530 for interest during the fiscal year on general obligation bonds issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2004. Complete financial statements for the community college may be obtained from the community college's administrative offices, P.O. Drawer 7007, Greenville, North Carolina 27835.

The County also participates in a joint venture to operate the Sheppard Memorial Library with the City of Greenville. The County Board of Commissioners appoints three board members to the eleven member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2004. The County appropriated \$447,338 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the City of Greenville offices at 201 W. 5th Street, Greenville, North Carolina 27834.

17. Related Organizations

The County appoints all of the Board members of the Pitt Area Transit System. The System is a separate legal entity but is not fiscally dependent on the County for funding, although the County does pass Department of Transportation funding through to the System.

18. Major Customers

Approximately 19% of enterprise fund "user charges" revenue and 12% of enterprise fund trade receivables are attributable to one customer.

19. Claims and Judgments

At June 30, 2004, the County was a defendant to various lawsuits. Management believes that the ultimate outcome of these legal matters will not have a material adverse effect on the financial position of the County.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

20. Contingencies

The County participates in a number of federal and state of North Carolina grant programs. For the fiscal year ended June 30, 2004, these programs were subject to audit in accordance with the Single Audit Act of 1984, the State Single Audit Implementation Act and the provisions of OMB Circular A-133. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from such audit cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

A potential groundwater contamination problem was identified at the Pitt County Landfill in March 1993. Since that time, the County has executed an Administrative Agreement on Consent with the State. The Agreement calls for the County to assess the problems and remediate if necessary. The County has filed the necessary plans with the State and the State has approved an assessment plan. Groundwater monitoring was conducted in December 1995. Groundwater monitoring has been completed, however, potentially responsible parties have yet to be identified. As of the balance sheet date any costs that the County may be responsible for have been included in closure and postclosure costs. Remediation costs cannot be accurately estimated at this time. Potentially responsible parties will be asked to contribute to any costs incurred.

21. Summary Disclosure of Significant Commitments

The County had commitments, as shown below, for construction contracts outstanding at June 30, 2004. The projects are accounted for in the Capital Projects fund and are mainly funded by State grants and various debt proceeds.

<u>Project</u>	<u>Balance of Contract</u>
Courthouse Phase II	\$ 414,959

The County has financial commitments of \$163,438 per year to area municipalities for sewer line improvements that will benefit the County as well as the municipalities.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

21. Benefit Payments Issued By The State

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

	<u>Federal</u>	<u>State</u>
Energy assistance	\$ 280,937	\$ -
Temporary assistance to needy families (TANF)	2,317,065	(76)
Temporary assistance to needy families (UP)	56,674	(58)
Aid to Families with Dependent Children	(1,187)	(326)
Special assistance to adults	-	1,096,694
Adoption subsidy Title IV-E	393,203	116,566
Adoption subsidy Title IV-B	20,644	101,164
Adoption subsidy - State	-	24,900
Medicaid	81,863,113	35,600,925
WIC	2,688,978	-
Food stamp program	15,010,037	-
Refugee assistance payments	1,086	-
Total	<u>\$ 102,630,550</u>	<u>\$ 36,939,789</u>

22. Component Unit Transactions

In fiscal year 2004, the County and its component units reported transactions between the entities as follows:

Pitt County

Unrestricted intergovernmental revenues:

From Pitt County ABC Board \$ 700,000

Economic and physical development expenses:

To Pitt County Industrial Development Commission \$ 208,126

Purpose:

Pitt County ABC Board - profit distribution to County \$ 700,000

Pitt County Industrial Development Commission - direct expenses \$ 208,126

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

23. Transfers From / To Other Funds

In fiscal year 2004, the County made the following transfers within its fund structure. Transfers to the debt service fund were made to fund required debt payments, transfers to other funds represent the local contribution by the County to fund certain activities and projects.

<u>Fund Type</u>	<u>Fund Name</u>	<u>Transfers</u>	
		<u>From</u>	<u>To</u>
General Fund	General Services	\$ 82,578	
Special Revenue	State Grants		\$ 82,578
General Fund	General Services	76,000	
Special Revenue	Revaluation		76,000
General Fund	General Services	3,995,995	
Debt Service	Debt Service		3,995,995
General Fund	General Services	540,311	
Special Revenue	EMS Districts		540,311
General Fund	Court Facility	175,000	
Debt Service	Debt Service		175,000
Special Revenue	School Capital Reserve	5,923,916	
Debt Service			5,923,916
Special Revenue	School Capital Reserve	296,539	
Capital Project	Community Schools & Recreation Project		296,539
General Fund	General Services	1,565,000	
Capital Project	2004 COPS Education Project		1,565,000
General Fund	General Services	51,560	
Capital Project	1998 -2000 School Project Fund		51,560
General Fund	General Services	1,550,000	
Capital Project	PCC Bowen Farm Project		1,550,000
Special Revenue	County Capital Reserve	1,300,000	
Capital Project	2004 COPS Education Project		1,300,000
General Fund	General Services	1,050,000	
Capital Project	Community Schools & Recreation Project		1,050,000
General Fund	General Services	6,041	
Special Revenue	State Forefeiture		6,041
General Fund	General Services	3,000	
Internal Service	Garage		3,000
Capital Project	Courthouse Renonvations	264	
Debt Service			264
Capital Project	Forlines High School	202	
Debt Service		-	202
Total interfund transers		\$ 16,616,406	\$ 16,616,406

SUPPLEMENTAL FINANCIAL DATA

This section contains information on the Law Enforcement Officers' Special Separation Allowance.

PITT COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2004

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
12/31/2003	\$ 192,049	\$ 1,230,828	1,038,779	15.60%	\$ 3,954,943	26.27%
12/31/2002	184,931	1,067,958	883,027	17.32%	3,695,054	23.90%
12/31/2001	181,570	904,742	723,172	20.07%	3,614,773	20.01%
12/31/2000	164,044	796,873	632,829	20.59%	3,324,305	19.04%
12/31/1999	149,349	475,139	325,790	31.43%	3,118,589	10.45%
12/31/1998	124,735	436,218	311,483	28.59%	2,958,387	10.53%
12/31/1997	137,413	400,292	262,879	34.33%	2,607,215	10.08%
12/31/1996	147,508	368,155	220,647	40.07%	2,417,932	9.13%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2004	\$ 118,200	\$ 77,500	65.57%
2003	118,200	62,080	52.52%
2002	104,952	51,400	48.97%
2001	94,198	41,900	44.48%
2000	60,277	43,100	71.50%
1999	51,164	40,000	78.18%
1998	45,746	-	0.00%
1997	41,187	37,031	89.91%

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated.
Additional information as of the latest valuation follows:

Valuation date	12/31/2003	
Actuarial cost method	Projected unit credit	
Amortization method	Level dollar closed	
Remaining amortization period	27 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	7.25%	* Includes inflation at 3.75%
Projected salary increases *	5.9 - 9.8%	
Cost of living adjustments	N/A	

OTHER SUPPLEMENTAL SCHEDULES

This section contains additional information on taxes receivable, tax levy, capital assets, the ten largest taxpayers and combining statements information for the fiscal year ended June 30, 2004.

PITT COUNTY, NORTH CAROLINA

Schedule A-1

SCHEDULE OF AD VALOREM TAXES RECEIVABLE FOR THE YEAR ENDED JUNE 30, 2004

Fiscal Year	Uncollected Balance June 30, 2003	Additions	Collections and Credits	Uncollected Balance June 30, 2004
2003-2004	\$ -	\$ 46,548,856	44,508,879	\$ 2,039,977
2002-2003	2,235,977	-	1,491,403	744,574
2001-2002	634,019	-	267,375	366,644
2000-2001	423,840	-	124,757	299,083
1999-2000	302,230	-	71,981	230,249
1998-1999	319,268	-	39,336	279,932
1997-1998	190,341	-	25,595	164,746
1996-1997	139,470	-	13,936	125,534
1995-1996	129,153	-	10,327	118,826
1994-1995	88,671	-	5,846	82,825
1993-1994	91,586	-	91,586	-
	<u>\$ 4,554,555</u>	<u>\$ 46,548,856</u>	<u>\$ 46,651,021</u>	<u>4,452,390</u>

Plus: uncollected 2002-03 ad valorem taxes receivable
on annually registered vehicles and tax discoveries

525,406

Less: allowance for uncollectible ad valorem taxes receivable

3,038,530

\$ 1,939,266

Reconciliation with revenues

Taxes-Ad Valorem

\$ 46,748,801

Reconciling Items

Penalties and interest

(684,457)

Discounts allowed

385,362

Refunds

46,798

Amounts written off for tax years per statute of limitations

89,134

Collection of taxes previously written off

4,300

Miscellaneous tax adjustments

61,083

(97,780)

Total collections and credits

\$ 46,651,021

PITT COUNTY, NORTH CAROLINA

Schedule A-2

ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2003

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy					
Property taxed at current year's rate	\$ 6,638,994,684	\$ 0.70	\$ 46,472,963	\$ 40,187,024	\$ 6,285,939
Penalties	-		9,858	9,858	-
Total	<u>6,638,994,684</u>		<u>46,482,821</u>	<u>40,196,882</u>	<u>6,285,939</u>
Discoveries					
Current year taxes	378,949,626	0.70	2,607,479	2,583,479	24,000
Penalties	-		166,654	166,654	-
Total	<u>378,949,626</u>		<u>2,774,133</u>	<u>2,750,133</u>	<u>24,000</u>
Abatements	<u>(43,184,334)</u>		<u>(258,106)</u>	<u>(258,106)</u>	<u>N/A</u>
Total property valuation	<u>\$ 6,974,759,976</u>				
Net levy			48,998,848	42,688,909	6,309,939
Less: Tax rate attributed to					
County Capital Reserve		0.020	(1,049,996)	(1,049,996)	-
Industrial Development Commission		0.015	(1,399,995)	(1,399,995)	-
Net levy to County			<u>46,548,857</u>	<u>40,238,918</u>	<u>\$ 6,309,939</u>
Less: uncollected taxes at June 30, 2003			<u>(2,039,977)</u>	<u>(2,039,977)</u>	N/A
Current year's taxes collected			<u>\$ 44,508,880</u>	<u>\$ 38,198,941</u>	N/A
Percent current year collected			<u>95.62%</u>	N/A	N/A
Prior year collection percentage			<u>94.92%</u>		

Note: The Motor Vehicle Abatements and Accounts Receivable are not separable in the tax system utilized in fiscal year ending June 30, 2004.

PITT COUNTY, NORTH CAROLINA

Schedule A-3

ANALYSIS OF CURRENT YEAR LEVY COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2004

Secondary Market Disclosures

Assessed Valuation:

Assessment Ratio (1)	98.88%
Real Property	\$ 4,966,254,102
Personal Property	1,924,461,891
Public Service Companies (2)	<u>84,043,983</u>
Total Assessed Valuation	6,974,759,976
Tax Rate per \$100	<u>0.70</u>
Levy (includes discoveries, releases and abatements) (3)	<u>\$ 48,823,320</u>

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

Fire Protection/Rescue Districts	<u>\$ 2,428,300</u>
----------------------------------	---------------------

- (1) Percentage of appraised value has been established by statute.
- (2) Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.
- (3) The levy includes penalties.

PITT COUNTY, NORTH CAROLINA

Schedule A-4

**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS - BY SOURCE
JUNE 30, 2004 AND 2003**

By Type:

	<u>2004</u>	<u>2003</u>
Land and improvements	\$ 5,627,097	\$ 5,469,238
Buildings	96,780,888	96,186,479
Furniture and equipment	6,978,670	6,664,968
Vehicles	4,971,264	4,330,060
Construction in progress	2,082,016	914,023
Total governmental funds capital assets	116,439,935	113,564,768
Less: accumulated depreciation	(25,894,210)	(22,605,162)
Net governmental funds capital assets	<u>\$ 90,545,725</u>	<u>\$ 90,959,606</u>

By Source:

General fund	\$ 12,612,160	\$ 10,959,028
Capital projects fund	103,827,775	102,605,740
Total governmental funds capital assets	<u>\$ 116,439,935</u>	<u>\$ 113,564,768</u>

PITT COUNTY, NORTH CAROLINA

Schedule A-5

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS - BY TYPE
JUNE 30, 2004

	Land & Land Improvements	Buildings	Furniture & Equipment	Vehicles	Total Capital Assets
General government					
Administration (County-Wide)	\$ 2,253,158	\$ 10,038,056	\$ -	\$ -	\$ 12,291,214
Board of Elections	-	-	959,580	-	959,580
Buildings & Grounds	61,536	112,937	113,453	280,277	568,203
Clerk of Court	-	11,715,607	168,019	-	11,883,626
County Commissioners/Manager	-	-	10,102	-	10,102
Finance/Human Resources	-	3,000	16,783	12,914	32,697
Register of Deeds	-	-	65,550	-	65,550
Tax Departments/Tax Mapping	-	-	43,862	101,446	145,308
PIO / Print Shop	-	36,118	138,243	18,970	193,331
MIS	-	-	2,592,961	26,418	2,619,379
Total general government	2,314,694	21,905,718	4,108,553	440,025	28,768,990
Public protection					
911 Communications	-	-	233,524	-	233,524
Emergency Services	157,859	463,681	416,576	385,684	1,423,800
Inspections	-	-	10,976	85,205	96,181
Sheriff's Department and Jail	8,473	13,807,688	1,319,438	2,518,967	17,654,566
Total public protection	166,332	14,271,369	1,980,514	2,989,856	19,408,071
Human Services					
Council on Aging	-	132,560	-	-	132,560
Mental Health	128,579	6,026,737	114,879	539,567	6,809,762
Public Health	32,372	2,388,446	592,949	379,668	3,393,435
Social Services	121,728	668,223	33,720	422,945	1,246,616
Total human services	282,679	9,215,966	741,548	1,342,180	11,582,373
Environmental Protection					
Animal protection	-	96,000	4,100	69,059	169,159
Other unclassified	13,000	-	-	-	13,000
Total environmental protection	13,000	96,000	4,100	69,059	182,159
Education					
Schools	1,617,129	46,935,085	-	-	48,552,214
Economic/physical development					
Airport	28,482	-	-	-	28,482
Cooperative Extension	985,372	2,025,833	29,234	48,457	3,088,896
Development Commission	219,409	2,328,417	96,692	-	2,644,518
Engineering	-	-	-	13,839	13,839
Planning	-	-	18,029	67,848	85,877
Total economic/physical development	1,233,263	4,354,250	143,955	130,144	5,861,612
Construction in progress	-	2,084,516	-	-	2,084,516
Total capital assets	\$ 5,627,097	\$ 98,862,904	\$ 6,978,670	\$ 4,971,264	\$ 116,439,935

PITT COUNTY, NORTH CAROLINA

Schedule A-6

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS - BY ACTIVITY
JUNE 30, 2004

	Capital Assets June 30, 2003	Additions	Deletions	Transfers & Adjustments	Capital Assets June 30, 2004
General government					
Administration (County-Wide)	\$ 14,193,598	\$ 8,091	\$ -	\$ (1,910,475)	\$ 12,291,214
Board of Elections	959,580	-	-	-	959,580
Buildings & Grounds	564,913	3,290	-	-	568,203
Clerk of Court	10,480,663	-	-	1,402,963	11,883,626
County Commissioners/Manager	6,047	4,055	-	-	10,102
Finance/Human Resources	34,930	-	(10,269)	8,036	32,697
Register of Deeds	53,050	-	-	12,500	65,550
Tax Departments/Tax Mapping	184,054	-	(38,746)	-	145,308
PIO/ Print Shop	-	-	-	193,331	193,331
MIS	2,510,946	124,024	(32,377)	16,786	2,619,379
Total general government	28,987,781	139,460	(81,392)	(276,859)	28,768,990
Public protection					
911 Communications	177,056	19,475	(43,060)	80,053	233,524
Emergency Services	314,040	1,094,723	-	15,037	1,423,800
Inspections	83,478	12,703	-	-	96,181
Sheriff's department and jail	17,250,782	494,144	(241,279)	150,919	17,654,566
Total public protection	17,825,356	1,621,045	(284,339)	246,009	19,408,071
Human Services					
Council on Aging	132,560	-	-	-	132,560
Mental Health	6,821,212	-	(7,717)	(3,733)	6,809,762
Public Health	3,152,860	298,106	-	(57,531)	3,393,435
Social Services	1,188,993	38,109	(28,620)	48,134	1,246,616
Total human services	11,295,625	336,215	(36,337)	(13,130)	11,582,373
Environmental Protection					
Animal protection	96,000	-	-	73,159	169,159
Other unclassified	13,000	-	-	-	13,000
Total environmental protection	109,000	-	-	73,159	182,159
Education					
Schools	48,554,714	-	-	(2,500)	48,552,214
Economic/physical development					
Airport	28,482	-	-	-	28,482
Cooperative Extension	3,071,415	-	-	17,481	3,088,896
Development Commission	2,644,518	-	-	-	2,644,518
Engineering	13,839	-	-	-	13,839
Planning	120,015	10,022	-	(44,160)	85,877
Total economic/physical development	5,878,269	10,022	-	(26,679)	5,861,612
Construction in progress	914,023	1,170,493	-	-	2,084,516
Total capital assets	\$ 113,564,768	\$ 3,277,235	\$ (402,068)	\$ -	\$ 116,439,935

PITT COUNTY, NORTH CAROLINA

Schedule A-7

**TOP TEN TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2004**

TAXPAYER	TYPE OF BUSINESS	VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
DSM Catalytica	Manufacturer	\$ 284,286,000	3.45%
Sprint	Communications	51,000,000	0.62%
DSM Dyneema	Manufacturer	42,929,000	0.52%
Estate of Joseph D. Speight	Developer	37,845,000	0.46%
Asmo	Manufacturer	34,587,000	0.42%
Colonial Realty, LLP	Shopping Mall	27,210,000	0.33%
Weyerhaeuser Company	Manufacturer	26,843,000	0.33%
Paper Pak	Manufacturer	26,617,000	0.32%
NACCO Materials Handling Group	Developer	20,993,000	0.25%
TRW	Auto Components	20,773,000	0.25%

PITT COUNTY, NORTH CAROLINA

Schedule A-8

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

	<i>Schedule C-1</i>		<i>Schedule D-1</i>	
	Special	Debt	Capital	
	Revenue	Service	Projects	
	Funds	Fund	Fund	Total
Assets				
Cash, cash equivalents and investments	\$ 153,073	\$ 28,292	\$ 4,103,413	\$ 4,284,778
Taxes receivable, net	250,484	-	-	250,484
Accounts receivable, net	1,794,709	-	-	1,794,709
Prepaid items	31,485	-	-	31,485
Cash and investments, restricted	-	-	11,012,850	11,012,850
Due from other governments	105,645	-	-	105,645
Total assets	<u>\$ 2,335,396</u>	<u>\$ 28,292</u>	<u>\$ 15,116,263</u>	<u>\$ 17,479,951</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 208,614	\$ 4,065	\$ 477,941	\$ 690,620
Retainage payable	-	-	211,235	211,235
Due to other funds	35,248	-	-	35,248
Deferred revenues	820,903	-	-	820,903
Total liabilities	<u>1,064,765</u>	<u>4,065</u>	<u>689,176</u>	<u>1,758,006</u>
Fund balances:				
Reserved by State Statute	824,916	-	-	824,916
Reserved for prepaid items	31,485	-	-	31,485
Reserved for wireless 911 operations	414,230	-	-	414,230
Unreserved	-	24,227	14,427,087	14,451,314
Total fund balances	<u>1,270,631</u>	<u>24,227</u>	<u>14,427,087</u>	<u>15,721,945</u>
Total liabilities and fund balances	<u>\$ 2,335,396</u>	<u>\$ 28,292</u>	<u>\$ 15,116,263</u>	<u>\$ 17,479,951</u>

PITT COUNTY, NORTH CAROLINA

Schedule A-9

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	<i>Schedule C-2</i> Special Revenue Funds	<i>Schedule A-10</i> Debt Service Fund	<i>Schedule D-2</i> Capital Projects Fund	Total
Revenues				
Ad valorem taxes	\$ 3,655,684	\$ -	\$ -	\$ 3,655,684
Other taxes and licenses	5,192,774	-	-	5,192,774
Unrestricted intergovernmental revenues	-	208,126	1,786	209,912
Restricted intergovernmental revenues	1,973,324	-	2,709,408	4,682,732
Sales and services	1,285,678	-	-	1,285,678
Investment earnings	723	1,228	13,303	15,254
Miscellaneous	2,600	215,310	9,699	227,609
Total revenues	<u>12,110,783</u>	<u>424,664</u>	<u>2,734,196</u>	<u>15,269,643</u>
Expenditures				
Current				
Public safety	5,492,213	-	-	5,492,213
Economic and physical development	2,198,130	-	-	2,198,130
Capital Outlay	-	-	4,741,619	4,741,619
Debt Service				
Principal repayments	37,767	6,357,207	-	6,394,974
Interest	5,080	4,188,103	-	4,193,183
Total expenditures	<u>7,733,190</u>	<u>10,545,310</u>	<u>4,741,619</u>	<u>23,020,119</u>
Revenues over (under) expenditures	<u>4,377,593</u>	<u>(10,120,646)</u>	<u>(2,007,423)</u>	<u>(7,750,476)</u>
Other Financing Sources (Uses)				
Transfers in	704,930	10,095,377	5,813,099	16,613,406
Transfers out	(7,520,455)	-	(466)	(7,520,921)
Proceeds from issuance of debt	960,000	-	6,950,000	7,910,000
Total other financing sources (uses)	<u>(5,855,525)</u>	<u>10,095,377</u>	<u>12,762,633</u>	<u>17,002,485</u>
Net change in fund balances	<u>(1,477,932)</u>	<u>(25,269)</u>	<u>10,755,210</u>	<u>9,252,009</u>
Fund balance				
Beginning of year - July 1	2,748,563	49,496	3,671,877	6,469,936
End of year - June 30	<u>\$ 1,270,631</u>	<u>\$ 24,227</u>	<u>\$ 14,427,087</u>	<u>\$ 15,721,945</u>

PITT COUNTY, NORTH CAROLINA

Schedule A-10

**DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues			
Unrestricted Intergovernmental Revenues:			
Pitt Industrial Development Commission	\$ 208,126	\$ 208,126	\$ -
Miscellaneous	215,300	215,310	10
Interest earned on investments	-	1,228	1,228
Total revenues	<u>423,426</u>	<u>424,664</u>	<u>1,238</u>
Expenditures			
Debt Service:			
Principal payments - loans	6,175,298	6,357,207	(181,909)
Interest - loans	4,367,139	4,188,103	179,036
Total expenditures	<u>10,542,437</u>	<u>10,545,310</u>	<u>(2,873)</u>
Revenues over (under) expenditures	<u>(10,119,011)</u>	<u>(10,120,646)</u>	<u>(1,635)</u>
Other Financing Sources			
Transfer in - General	4,170,995	4,170,995	-
Transfer in - Special Revenue	5,923,916	5,923,916	-
Transfer in - Capital Project	-	466	466
Appropriated fund balance	24,100	-	(24,100)
Total other financing sources	<u>10,119,011</u>	<u>10,095,377</u>	<u>(23,634)</u>
Net change in fund balance	<u>\$ -</u>	<u>(25,269)</u>	<u>\$ (1,635)</u>
Fund balance			
Beginning of year - July 1		<u>49,496</u>	
End of year - June 30		<u>\$ 24,227</u>	

GOVERNMENTAL FUNDS

- General Fund
- Special Revenue Funds
- Capital Projects Funds

The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income determination.

GENERAL FUND

The General Fund accounts for resources traditionally associated with government that are not required to be accounted for in other funds.

This fund receives the major portion of ad valorem tax revenue, local option sales taxes, federal and state shared revenues, licenses, permits and fees. The major operating activities include general government, public safety and human services.

The fund is accounted for on the modified accrual basis of accounting.

PITT COUNTY, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Revenues				
Ad valorem taxes				
Taxes	\$ 44,984,443	\$ 46,064,344	\$ 1,079,901	\$ 43,472,794
Penalties and interest	525,000	684,457	159,457	629,175
Total ad valorem taxes	45,509,443	46,748,801	1,239,358	44,101,969
Other taxes and licenses				
Occupancy tax	16,000	17,128	1,128	15,763
Local option sales taxes	17,547,768	17,689,676	141,908	14,900,854
Payment in lieu of taxes	1,370,000	1,366,283	(3,717)	14,900,854
Privilege licenses	1,350	8,717	7,367	9,018
Marriage licenses	23,273	23,485	212	23,580
Gross receipts tax	86,200	86,705	505	78,391
Total other taxes and licenses	19,044,591	19,191,994	147,403	29,928,460
Unrestricted intergovernmental revenues				
Alcohol, beer and wine tax	226,950	234,192	7,242	230,621
Pitt County ABC Board	705,312	700,000	(5,312)	700,000
Social Services fees and grants	420,994	465,391	44,397	427,304
Total unrestricted intergovernmental revenues	1,353,256	1,399,583	46,327	1,357,925
Restricted intergovernmental revenues				
Public Health fees and grants	4,763,905	4,234,834	(529,071)	3,955,147
Social Services fees and grants	14,968,706	14,622,157	(346,549)	14,428,850
Mental Health fees and grants	20,896,713	18,891,989	(2,004,724)	18,569,855
Emergency management	-	-	-	-
Jail fees	322,800	652,437	329,637	442,817
Automation E&P - Register of Deeds	2,600	105,524	102,924	107,986
Seizure proceeds	-	-	-	17,847
Federal and state grants	122,500	169,559	47,059	14,297
Total restricted intergovernmental revenues	41,077,224	38,676,500	(2,400,724)	37,536,799
Permits and fees				
Building permits and inspection fees	413,025	540,088	127,063	427,429
Register of deeds	1,056,229	977,067	(79,162)	1,000,349
Excise stamps	468,000	669,025	201,025	496,938
Rabies control fees	32,000	33,326	1,326	35,683
Animal fees	46,100	67,883	21,783	52,754
Court facility fees	439,527	336,364	(103,163)	369,783
Total permits and fees	2,454,881	2,623,753	168,872	2,382,936
Sales and services				
Rents, concessions and fees	2,809,546	2,783,848	(25,698)	2,672,592
State and federal prison inmate reimbursement	1,952,500	2,176,864	224,364	1,951,465
Total sales and services	4,762,046	4,960,712	198,666	4,624,057
Investment earnings	752,000	634,428	(117,572)	565,150
Miscellaneous				
Sale of capital assets	56,041	22,545	(33,496)	53,797
Other	568,881	509,632	(59,249)	264,896

PITT COUNTY, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Total miscellaneous	624,922	532,177	(92,745)	318,693
Total revenues	115,578,363	114,767,948	(810,415)	120,815,989
Expenditures				
General government				
Governing board, county manager, legal, public information officer	1,429,350	1,390,949	38,401	1,317,305
Finance, tax assessor, tax collector	2,547,311	2,166,764	380,547	2,520,627
Elections	536,487	376,494	159,993	447,252
Register of Deeds	700,062	689,001	11,061	655,996
Human resources	459,200	396,075	63,125	336,915
Printshop/mailroom, management information system, geographic information system	1,844,734	1,672,290	172,444	2,153,733
Buildings and grounds, housekeeping	2,471,216	2,457,607	13,609	2,327,297
Non-departmental - General Administration	1,434,649	1,378,123	56,526	1,509,830
Total general government	11,423,009	10,527,303	895,706	11,268,955
Public safety				
Sheriff's department, school security, other public safety	7,639,390	7,471,720	167,670	6,900,214
Detention center, jail inmate services, jail health services	7,248,232	7,034,870	213,362	6,673,577
Emergency services	559,023	494,588	64,435	496,870
Communications	766,749	727,968	38,781	684,818
Animal and mosquito control	388,049	384,311	3,738	353,659
Inspections	334,089	326,448	7,641	361,977
Medical examiner	75,000	67,275	7,725	72,000
Transportation	20,391	16,232	4,159	14,892
LEO pension fund	77,700	76,759	941	59,507
Court facility	363,027	320,819	42,208	194,891
Total public safety	17,471,650	16,920,990	550,660	15,812,405
Environmental protection				
Other environmental protection	9,062	9,062	-	4,950
Soil and water conservation	246,422	204,200	42,222	183,348
Total environmental protection	255,484	213,262	42,222	188,298
Economic and physical development				
Planning and zoning	616,315	574,170	42,145	510,493
Permitting center	150,849	143,746	7,103	37,941
Other economic development	433,438	391,100	42,338	154,257
Engineering	418,620	277,608	141,012	207,224
Cooperative extension	270,337	285,221	(14,884)	273,917
Farmers Market	28,600	27,108	1,492	25,186
Natural disasters	110,000	31,272	78,728	-
Total economic and physical development	2,028,159	1,730,225	297,934	1,209,018
Human services				
Other human services	185,870	185,870	-	181,970
Veterans affairs	51,493	49,809	1,684	45,138
Public Health				
Administration	1,575,377	1,530,379	44,998	1,404,553

PITT COUNTY, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Services and programs	6,220,718	5,153,413	1,067,305	4,780,369
Social Services				
Administration	1,070,297	1,047,323	22,974	932,878
Services and programs	16,615,962	15,949,896	666,066	15,581,155
Public assistance	9,315,563	8,503,086	812,477	8,616,153
Child support	1,675,250	1,602,922	72,328	1,419,456
Mental Health				
Administration	1,124,523	1,060,958	63,565	1,289,893
Services and programs	21,778,514	19,405,657	2,372,857	17,160,087
Total human services	59,613,567	54,489,313	5,124,254	51,411,652
Education				
Pitt County schools	27,087,249	27,087,249	-	25,287,249
Pitt Community College	3,135,206	3,135,206	-	3,006,000
Total education	30,222,455	30,222,455	-	28,293,249
Cultural and recreation	491,838	491,838	-	589,259
Debt service	153,045	153,045	-	-
Total expenditures	121,659,207	114,748,431	6,910,776	108,772,836
Revenues over (under) expenditures	(6,080,844)	19,517	6,100,361	12,043,153
Other Financing Sources (Uses)				
Operating transfers in (out):				
Special Revenue Funds	(795,883)	(707,930)	87,953	(709,435)
Debt Service Fund	(4,170,995)	(4,170,995)	-	(4,166,479)
Capital Projects Funds	(4,165,000)	(4,216,560)	(51,560)	2,500
Proceeds from issuance of long-term debt	150,000	150,000	-	435,000
Appropriated fund balance	15,062,722	-	(15,062,722)	-
Total other financing sources (uses)	6,080,844	(8,945,485)	(15,026,329)	(4,438,414)
Revenues and other financing sources over expenditures and other financing uses	\$ -	(8,925,968)	\$ (8,925,968)	7,604,739
Fund Balance				
Beginning of year - July 1		42,049,458		48,007,392
End of year - June 30		\$ 33,123,490		\$ 55,612,131

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - COMBINING SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE - ALL DEPARTMENTS FOR THE YEAR ENDED JUNE 30, 2004

	Sch. B-3	Sch. B-4	Sch. B-5
	General	Law Enforce-	Public
	Services	ment Officer's	Health
		Department	Department
Revenues			
Ad valorem taxes	\$ 46,748,801	\$ -	\$ -
Other taxes and licenses	19,191,994	-	-
Unrestricted intergovernmental revenues	934,192	-	-
Restricted intergovernmental revenues	927,520	-	4,234,834
Permits and fees	2,287,389	-	-
Sales and services	4,274,968	-	-
Investment earnings	632,485	71	-
Miscellaneous	471,281	-	-
Total revenues	<u>75,468,630</u>	<u>71</u>	<u>4,234,834</u>
Expenditures			
General government	10,527,303	-	-
Public safety	16,523,412	76,759	-
Environmental protection	213,262	-	-
Economic and physical development	1,730,225	-	-
Human services	235,679	-	6,683,792
Education	30,222,455	-	-
Cultural and recreational	491,838	-	-
Debt service	153,045	-	-
Total expenditures	<u>60,097,219</u>	<u>76,759</u>	<u>6,683,792</u>
Revenues over (under) expenditures	<u>15,371,411</u>	<u>(76,688)</u>	<u>(2,448,958)</u>
Other Financing Sources (Uses)			
Proceeds from issuance of debt	150,000	-	-
Intrafund transfers in (out)	(15,144,231)	77,500	2,145,949
Operating transfers in (out)			
Special Revenue Funds	(707,930)	-	-
Debt Service Fund	(3,995,995)	-	-
Capital Projects Fund	(4,216,560)	-	-
Total other financing sources (uses)	<u>(23,914,716)</u>	<u>77,500</u>	<u>2,145,949</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(8,543,305)</u>	<u>812</u>	<u>(303,009)</u>
Fund Balance:			
Beginning of year	34,256,153	192,523	2,299,618
End of year	<u>\$ 25,712,848</u>	<u>\$ 193,335</u>	<u>\$ 1,996,609</u>

**Schedule B-2
Summary**

Sch. B-6 Social Services Department	Sch. B-7 Court Facility Department	Sch. B-8 Mental Health Department	Combined Total
\$ -	\$ -	\$ -	\$ 46,748,801
-	-	-	19,191,994
465,391	-	-	1,399,583
14,622,157	-	18,891,989	38,676,500
-	336,364	-	2,623,753
685,744	-	-	4,960,712
-	1,872	-	634,428
53,796	7,100	-	532,177
<u>15,827,088</u>	<u>345,336</u>	<u>18,891,989</u>	<u>114,767,948</u>
-	-	-	10,527,303
-	320,819	-	16,920,990
-	-	-	213,262
-	-	-	1,730,225
27,103,227	-	20,466,615	54,489,313
-	-	-	30,222,455
-	-	-	491,838
-	-	-	153,045
<u>27,103,227</u>	<u>320,819</u>	<u>20,466,615</u>	<u>114,748,431</u>
<u>(11,276,139)</u>	<u>24,517</u>	<u>(1,574,626)</u>	<u>19,517</u>
-	-	-	150,000
11,346,194	-	1,574,588	-
-	-	-	(707,930)
-	(175,000)	-	(4,170,995)
-	-	-	(4,216,560)
<u>11,346,194</u>	<u>(175,000)</u>	<u>1,574,588</u>	<u>(8,945,485)</u>
70,055	(150,483)	(38)	(8,925,968)
<u>2,039,812</u>	<u>459,979</u>	<u>2,801,373</u>	<u>42,049,458</u>
<u>\$ 2,109,867</u>	<u>\$ 309,496</u>	<u>\$ 2,801,335</u>	<u>\$ 33,123,490</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2004 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Revenues				
Ad valorem taxes				
Taxes	\$ 44,984,443	\$ 46,064,344	\$ 1,079,901	\$ 43,472,794
Penalties and interest	525,000	684,457	159,457	629,175
Total ad valorem taxes	45,509,443	46,748,801	1,239,358	44,101,969
Other taxes and licenses				
Occupancy tax	16,000	17,128	1,128	15,763
Local options sales tax	17,547,768	17,689,676	141,908	14,900,854
Payment in lieu of tax	1,370,000	1,366,283	(3,717)	1,338,181
Privilege licenses	1,350	8,717	7,367	9,018
Marriage licenses	23,273	23,485	212	23,580
Gross receipts tax	86,200	86,705	505	78,391
Total other taxes and licenses	19,044,591	19,191,994	147,403	16,365,787
Unrestricted intergovernmental revenues				
Alcohol, beer and wine tax	226,950	234,192	7,242	230,621
Pitt County ABC Board	705,312	700,000	(5,312)	700,000
	932,262	934,192	1,930	930,621
Restricted intergovernmental revenues				
Emergency management				
Jail fees	322,800	652,437	329,637	442,817
Automation E&P - Register of Deeds	2,600	105,524	102,924	107,986
Seizure proceeds	-	-	-	17,847
Federal and state grants	122,500	169,559	47,059	14,297
Total restricted intergovernmental revenues	447,900	927,520	479,620	582,947
Permits and fees				
Building permits and inspection fees	413,025	540,088	127,063	427,429
Register of deeds	1,056,229	977,067	(79,162)	1,000,349
Excise stamps	468,000	669,025	201,025	496,938
Rabies control fees	32,000	33,326	1,326	35,683
Animal fees	46,100	67,883	21,783	52,754
Total permits and fees	2,015,354	2,287,389	272,035	2,013,153
Sales and services				
Rents, concessions and fees	2,108,570	2,098,104	(10,466)	1,996,404
State and federal prison inmate reimbursement	1,952,500	2,176,864	224,364	1,951,465
Total sales and services	4,061,070	4,274,968	213,898	3,947,869
Investment earnings	750,000	632,485	(117,515)	563,684

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Miscellaneous				
Sale of fixed assets	56,041	22,545	(33,496)	53,797
Other	508,283	448,736	(59,547)	211,296
Total miscellaneous	<u>564,324</u>	<u>471,281</u>	<u>(93,043)</u>	<u>265,093</u>
 Total revenues	 <u>73,324,944</u>	 <u>75,468,630</u>	 <u>2,143,686</u>	 <u>68,771,123</u>
 Expenditures				
General government				
Governing Body				
Salaries and employee benefits	166,634	165,992	-	159,753
Operating expenses	<u>30,943</u>	<u>28,695</u>	<u>-</u>	<u>19,965</u>
	<u>197,577</u>	<u>194,687</u>	<u>2,890</u>	<u>179,718</u>
County Manager				
Salaries and employee benefits	414,713	412,692	-	394,896
Operating expenses	<u>19,697</u>	<u>18,490</u>	<u>-</u>	<u>20,592</u>
	<u>434,410</u>	<u>431,182</u>	<u>3,228</u>	<u>415,488</u>
Financial Services				
Salaries and employee benefits	722,390	676,723	-	690,072
Operating expenses	<u>38,580</u>	<u>27,435</u>	<u>-</u>	<u>28,746</u>
	<u>760,970</u>	<u>704,158</u>	<u>56,812</u>	<u>718,818</u>
Tax Assessor				
Salaries and employee benefits	927,228	844,268	-	869,860
Operating expenses	<u>438,670</u>	<u>214,439</u>	<u>-</u>	<u>542,607</u>
	<u>1,365,898</u>	<u>1,058,707</u>	<u>307,191</u>	<u>1,412,467</u>
Tax Collector				
Salaries and employee benefits	379,605	365,666	-	346,019
Operating expenses	<u>40,838</u>	<u>38,233</u>	<u>-</u>	<u>34,079</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,244</u>
	<u>420,443</u>	<u>403,899</u>	<u>16,544</u>	<u>389,342</u>
Legal				
Salaries and employee benefits	599,169	562,420	-	543,061
Operating expenses	<u>39,109</u>	<u>40,795</u>	<u>-</u>	<u>31,828</u>
	<u>638,278</u>	<u>603,215</u>	<u>35,063</u>	<u>574,889</u>
Elections				
Salaries and employee benefits	344,675	269,522	-	293,233
Operating expenses	<u>191,812</u>	<u>106,972</u>	<u>-</u>	<u>154,019</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>536,487</u>	<u>376,494</u>	<u>159,993</u>	<u>447,252</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Register of Deeds				
Salaries and employee benefits	512,762	503,187	-	476,712
Operating expenses	187,300	185,814	-	179,284
	<u>700,062</u>	<u>689,001</u>	<u>11,061</u>	<u>655,996</u>
Public Information Office				
Salaries and employee benefits	101,235	99,827	-	79,023
Operating expenses	49,750	53,947	-	65,167
Capital outlay	8,100	8,091	-	3,020
	<u>159,085</u>	<u>161,865</u>	<u>(2,780)</u>	<u>147,210</u>
Human Resources				
Salaries and employee benefits	421,680	370,933	-	306,437
Operating expenses	37,520	25,142	-	30,478
	<u>459,200</u>	<u>396,075</u>	<u>63,125</u>	<u>336,915</u>
Print Shop / Mail Room				
Salaries and employee benefits	104,396	100,285	-	96,220
Operating expenses	66,831	59,205	-	65,308
Reimbursement from other departments/funds	(62,000)	(58,567)	-	(60,443)
	<u>109,227</u>	<u>100,923</u>	<u>8,304</u>	<u>101,085</u>
Management Information Systems				
Salaries and employee benefits	1,653,873	1,577,334	-	1,441,068
Operating expenses	812,206	812,547	-	887,120
Capital Outlay	63,068	63,068	-	493,933
Reimbursement from other departments/funds	(1,012,670)	(1,099,832)	-	(1,003,161)
	<u>1,516,477</u>	<u>1,353,117</u>	<u>163,360</u>	<u>1,818,960</u>
Geographical Information Systems				
Salaries and employee benefits	148,099	145,258	-	162,599
Operating expenses	125,975	123,431	-	129,889
Capital Outlay	50,956	50,956	-	48,710
Reimbursement from other departments/funds	(106,000)	(101,395)	-	(107,510)
	<u>219,030</u>	<u>218,250</u>	<u>780</u>	<u>233,688</u>
Buildings and Grounds				
Salaries and employee benefits	1,012,320	918,196	-	936,340
Operating expenses	1,040,096	1,122,976	-	1,004,220
Capital Outlay	3,300	3,290	-	4,875
	<u>2,055,716</u>	<u>2,044,462</u>	<u>11,254</u>	<u>1,945,435</u>
Housekeeping				
Operating expenses	415,500	413,145	-	381,862
	<u>415,500</u>	<u>413,145</u>	<u>2,355</u>	<u>381,862</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
General Government Nonallocated Expenditures				
Other employee insurance and benefits	496,199	468,716	-	397,558
Professional services	135,500	137,832	-	150,032
Insurance and bonding	690,000	667,991	-	488,638
Quasi-external workers compensation	-	-	-	371,338
Miscellaneous items	112,950	103,584	-	102,264
	<u>1,434,649</u>	<u>1,378,123</u>	<u>56,526</u>	<u>1,509,830</u>
 Total general government	 <u>11,423,009</u>	 <u>10,527,303</u>	 <u>895,706</u>	 <u>11,268,955</u>
 Public safety				
Sheriff				
Salaries and employee benefits	5,659,994	5,506,361	-	5,204,666
Operating expenses	838,279	831,845	-	759,460
Capital Outlay	338,675	329,174	-	259,543
	<u>6,836,948</u>	<u>6,667,380</u>	<u>169,568</u>	<u>6,223,669</u>
 Detention Center				
Salaries and employee benefits	5,092,521	4,749,830	-	4,605,158
Operating expenses	1,367,860	1,454,184	-	1,315,148
Capital Outlay	-	-	-	-
	<u>6,460,381</u>	<u>6,204,014</u>	<u>256,367</u>	<u>5,920,306</u>
 Jail Health Services				
Salaries and benefits	851,292	784,875	-	844,018
Operating expenses	59,000	51,638	-	32,290
Direct service allocation	(159,019)	(42,265)	-	(158,411)
Capital Outlay	-	-	-	-
	<u>751,273</u>	<u>794,248</u>	<u>(42,975)</u>	<u>717,897</u>
 Jail Inmate Coordinator				
Salaries and employee benefits	36,578	36,608	(30)	35,374
 School Security				
Salaries and employee benefits	520,740	513,286	-	468,911
Operating expenses	21,660	16,588	-	18,298
	<u>542,400</u>	<u>529,874</u>	<u>12,526</u>	<u>487,209</u>
 Emergency Services				
Salaries and employee benefits	185,983	134,106	-	135,752
Operating expenses	373,040	360,482	-	361,118
Capital Outlay	-	-	-	-
	<u>559,023</u>	<u>494,588</u>	<u>64,435</u>	<u>496,870</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Communications				
Salaries and benefits	748,272	715,294	-	669,727
Operating expenses	18,477	12,674	-	15,091
	<u>766,749</u>	<u>727,968</u>	<u>38,781</u>	<u>684,818</u>
Animal and Mosquito Control				
Salaries and employee benefits	276,655	268,091	-	254,250
Operating expenses	111,394	116,220	-	99,409
	<u>388,049</u>	<u>384,311</u>	<u>3,738</u>	<u>353,659</u>
Inspections				
Salaries and employee benefits	297,139	296,501	-	339,593
Operating expenses	36,950	29,947	-	22,384
	<u>334,089</u>	<u>326,448</u>	<u>7,641</u>	<u>361,977</u>
Medical Examiner				
Professional services	75,000	67,275	7,725	72,000
Other Public Safety				
Operating expenses	260,042	274,466	-	189,336
	<u>260,042</u>	<u>274,466</u>	<u>(14,424)</u>	<u>189,336</u>
Transportation				
Operating expenses	20,391	16,232	4,159	14,892
Total public safety	<u>17,030,923</u>	<u>16,523,412</u>	<u>507,511</u>	<u>15,558,007</u>
Environmental protection				
Other Environmental Protection				
Contracts / grants	9,062	9,062	-	4,950
Pitt Soil and Water Conservation				
Salaries and benefits	226,867	189,338	-	170,862
Operating expenses	19,555	14,862	-	11,977
Capital outlay	-	-	-	509
	<u>246,422</u>	<u>204,200</u>	<u>42,222</u>	<u>183,348</u>
Total environmental protection	<u>255,484</u>	<u>213,262</u>	<u>42,222</u>	<u>188,298</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Economic and physical development				
Planning and Zoning				
Salaries and employee benefits	506,689	487,698	-	435,282
Operating expenses	109,626	86,472	-	75,211
Capital outlay	-	-	-	-
	<u>616,315</u>	<u>574,170</u>	<u>42,145</u>	<u>510,493</u>
Permitting Center				
Salaries and benefits	145,399	140,827	-	37,941
Operating expenses	5,450	2,919	-	-
	<u>150,849</u>	<u>143,746</u>	<u>-</u>	<u>37,941</u>
Other Economic Development				
Operating expenses	433,438	391,100	42,338	154,257
Engineering				
Salaries and employee benefits	210,740	208,994	-	200,619
Operating expenses	207,880	68,614	-	6,605
	<u>418,620</u>	<u>277,608</u>	<u>141,012</u>	<u>207,224</u>
Cooperative Extension				
Operating expenses	89,255	93,548	-	78,126
Professional Services	181,082	191,673	-	195,791
	<u>270,337</u>	<u>285,221</u>	<u>(14,884)</u>	<u>273,917</u>
Farmers Market				
Salaries and employee benefits	21,650	21,205	-	21,442
Professional Services	6,950	5,903	-	3,744
	<u>28,600</u>	<u>27,108</u>	<u>1,492</u>	<u>25,186</u>
Natural Disasters				
Operating expenses	110,000	31,272	78,728	-
Total economic and physical development	<u>2,028,159</u>	<u>1,730,225</u>	<u>290,831</u>	<u>1,209,018</u>
Human services				
Other human services	185,870	185,870	-	181,970
Veterans affairs	51,493	49,809	-	45,138
	<u>237,363</u>	<u>235,679</u>	<u>1,684</u>	<u>227,108</u>

PITT COUNTY, NORTH CAROLINA

**GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Education				
Pitt County Schools				
Current	26,337,249	26,337,249	-	24,537,249
Capital outlay	750,000	750,000	-	750,000
	<u>27,087,249</u>	<u>27,087,249</u>	<u>-</u>	<u>25,287,249</u>
Pitt Community College				
Current	3,060,206	3,060,206	-	2,931,000
Capital outlay	75,000	75,000	-	75,000
	<u>3,135,206</u>	<u>3,135,206</u>	<u>-</u>	<u>3,006,000</u>
Total education	<u>30,222,455</u>	<u>30,222,455</u>	<u>-</u>	<u>28,293,249</u>
Cultural and Recreational				
Cultural - Contracts/grants	25,500	25,500	-	29,750
Recreational - Contracts/grants	19,000	19,000	-	15,000
Libraries - Contracts/grants	447,338	447,338	-	544,509
Total cultural and recreational	<u>491,838</u>	<u>491,838</u>	<u>-</u>	<u>589,259</u>
Debt Service				
Principal repayments	140,522	142,754	(2,232)	-
Interest and fees	12,523	10,291	2,232	-
Total debt service	<u>153,045</u>	<u>153,045</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>61,842,276</u>	<u>60,097,219</u>	<u>1,737,954</u>	<u>57,333,894</u>
Revenues over (under) expenditures	<u>11,482,668</u>	<u>15,371,411</u>	<u>3,881,640</u>	<u>11,437,229</u>
Other Financing Sources (Uses)				
Intrafund transfers in (out)				
Law enforcement from general fund	(77,500)	(77,500)	-	(74,500)
Public Health from General	(2,464,989)	(2,145,949)	319,040	(2,296,681)
DSS from General	(12,490,351)	(11,346,194)	1,144,157	(11,383,817)
Mental Health	(1,594,588)	(1,574,588)	20,000	(1,234,327)
Total intrafund transfers	<u>(16,627,428)</u>	<u>(15,144,231)</u>	<u>1,483,197</u>	<u>(14,989,325)</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Operating transfers in (out)				
Special Revenue Funds	(795,883)	(707,930)	87,953	(709,435)
Debt Service Fund	(3,995,995)	(3,995,995)	-	(3,991,479)
Capital Projects Funds	(4,165,000)	(4,216,560)	(51,560)	2,500
	<u>(8,956,878)</u>	<u>(8,920,485)</u>	<u>36,393</u>	<u>(4,698,414)</u>
Budgetary financing sources (uses)				
Proceeds from issuance of debt	150,000	150,000	-	435,000
Appropriated fund balance - General	13,951,638	-	(13,951,638)	-
Total budgetary financing sources (uses)	<u>14,101,638</u>	<u>150,000</u>	<u>(13,951,638)</u>	<u>435,000</u>
Total other financing sources (uses)	<u>(11,482,668)</u>	<u>(23,914,716)</u>	<u>(12,432,048)</u>	<u>(19,252,739)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ (8,543,305)</u>	<u>\$ (8,543,305)</u>	<u>\$ (7,815,510)</u>

PITT COUNTY, NORTH CAROLINA

Schedule B-4

**GENERAL FUND - LAW ENFORCEMENT OFFICERS' FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Revenues				
Interest on investments	\$ -	\$ 71	\$ 71	\$ 92
Expenditures				
Public safety				
LEO Pension Services				
Salaries and employee benefits	77,700	76,759	941	59,507
Revenues over (under) expenditures	(77,700)	(76,688)	1,012	(59,415)
Other financing sources (uses)				
Intrafund Transfers in (out):				
Law enforcement from general fund	77,500	77,500	-	74,500
Appropriated fund balance	200	-	(200)	-
Total other financing sources (uses)	77,700	77,500	(200)	74,500
Revenues and other financing sources over expenditures and other financing uses	\$ -	\$ 812	\$ 812	\$ 15,085

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Revenues				
Restricted intergovernmental revenues				
Administration	\$ 276,974	\$ 131,771	\$ (145,203)	\$ 62,475
Environmental health	184,500	145,358	(39,142)	193,703
Food and lodging	14,198	14,698	500	16,319
Vector control program	-	-	-	332
Tuberculosis	46,475	39,913	(6,562)	53,980
Tuberculosis CDC	48,250	50,000	1,750	77,722
Adolescent pregnancy grants	7,100	6,271	(829)	11,412
Healthy Start	139,649	129,951	(9,698)	123,586
Carolina Access II	382	6,051	5,669	52,007
Cardiovascular health	119,500	91,849	(27,651)	118,089
Smart Start	103,910	100,857	(3,053)	42,046
Project assistance	44,245	42,053	(2,192)	73,333
PCMH Diabetes	-	-	-	37,755
Adult health	7,700	10,864	3,164	34,610
Health promotion	73,004	71,068	(1,936)	49,211
AIDS	81,789	80,095	(1,694)	86,973
Epilepsy	18,096	10,345	(7,751)	17,965
Breast/cervical cancer prevention	28,000	30,543	2,543	27,095
Communicable disease	215,554	215,935	381	179,696
Community transition coordination	44,000	40,333	(3,667)	46,695
Infant mortality	50,000	53,667	3,667	52,001
Child health	157,500	194,896	37,396	166,155
Maternal health	372,071	490,266	118,195	475,970
Family planning	409,924	407,508	(2,416)	388,378
Maternity care coordination	255,425	267,785	12,360	251,239
Child services coordination	243,400	220,913	(22,487)	218,644
WIC administration	74,192	59,316	(14,876)	62,329
WIC nutrition	198,416	179,662	(18,754)	199,131
WIC breastfeeding	19,539	17,279	(2,260)	16,904
WIC client services	286,505	296,742	10,237	260,323
Immunization action plan	48,006	53,326	5,320	67,755
Orthopedic	5,871	3,712	(2,159)	6,581
Speech and hearing	-	165	165	20
Mobile dental unit	312,269	192,874	(119,395)	195,036
Bioterrorism team	462,022	336,198	(125,824)	268,716
DHHS funds	415,439	242,570	(172,869)	20,961
Public Health fees	4,763,905	4,234,834	(529,071)	3,955,147
Expenditures				
Human Services Administration	1,575,377	1,530,379	44,998	1,404,553
Environmental Health	713,349	630,481	82,868	651,104
Food and Lodging	15,158	7,797	7,361	8,456
Tuberculosis	115,263	109,581	5,682	62,098
Tuberculosis CDC	67,706	55,738	11,968	72,609
Adolescent Pregnancy Prevention	7,100	6,272	828	11,413
Healthy Start	142,649	138,181	4,468	116,660
Carolina Access II	2,651	1,989	662	52,311
Cardiovascular Health	119,500	81,734	37,766	113,631
Smart Start	103,910	102,010	1,900	47,219
Project Assistance	44,245	40,332	3,913	55,151

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
PCMH Diabetes	-	2	(2)	43,231
Adult Health	43,116	36,927	6,189	33,485
Health Promotion	169,111	117,811	51,300	80,410
AIDS	258,422	254,515	3,907	258,561
Drugs and vaccines	18,096	10,345	7,751	17,613
Breast/Cervical Cancer Prevention	28,000	20,600	7,400	27,990
Communicable Disease	307,023	272,998	34,025	240,583
Community Transition Coordination	55,781	54,220	1,561	53,098
Infant Mortality	60,003	58,522	1,481	55,728
Child Health	305,049	259,862	45,187	238,062
Maternal Health	544,482	461,734	82,748	439,939
Family Planning	611,005	492,305	118,700	518,684
Maternity Care Coordination	265,154	197,268	67,886	197,306
Child Services Coordination	316,805	308,861	7,944	289,167
WIC Administration	81,877	79,456	2,421	79,526
WIC Nutrition	228,215	218,852	9,363	217,905
WIC Breastfeeding	19,539	6,185	13,354	3,986
WIC Client Services	333,590	299,062	34,528	273,238
Immunization Action Plan	51,318	49,365	1,953	52,911
Orthopedic	2,871	-	2,871	4,568
Mobile Dental Unit	309,244	185,387	123,857	188,779
March of Dimes outreach	3,025	2,671	354	-
Bioterrorism team	613,211	487,174	126,037	274,947
DHHS funds	264,250	105,176	159,074	-
Total Public Health expenditures	7,796,095	6,683,792	1,112,303	6,184,922
Revenues over (under) expenditures	(3,032,190)	(2,448,958)	583,232	(2,229,775)
Other Financing Sources				
Intrafund transfer from General Fund	2,464,989	2,145,949	(319,040)	2,296,681
Appropriated fund balance	567,201	-	(567,201)	-
Total other financing sources (uses)	3,032,190	2,145,949	(886,241)	2,296,681
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (303,009)	\$ (303,009)	\$ 66,906

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - SOCIAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Revenues				
Unrestricted intergovernmental revenues				
Fees and grants	\$ 420,994	\$ 465,391	\$ 44,397	\$ 427,304
Restricted intergovernmental revenues				
Fees and grants	14,968,706	14,622,157	(346,549)	14,428,850
Sales and services	700,976	685,744	(15,232)	676,188
Miscellaneous	54,098	53,796	(302)	53,600
Total revenues	<u>16,144,774</u>	<u>15,827,088</u>	<u>(317,686)</u>	<u>15,585,942</u>
Expenditures				
Human services Social Services Administration	1,070,297	1,047,323	22,974	932,878
Other Administration Expenses	940,853	922,818	18,035	852,375
Regular Services Administration	3,823,725	3,465,380	358,345	3,422,305
Purchased Services	6,356,776	6,292,384	64,392	6,126,764
Public Assistance Programs	9,315,563	8,503,086	812,477	8,616,153
Long-term Screening	89,500	69,518	19,982	62,346
General Assistance	126,650	116,475	10,175	116,032
Title IV D Child Support	1,675,250	1,602,922	72,328	1,419,456
Workfirst	1,792,341	1,740,343	51,998	1,735,980
Income Maintenance Administration	2,950,640	2,815,155	135,485	2,706,985
Energy Programs	222,814	219,422	3,392	283,116
Purchased Services HCCBG	282,164	286,749	(4,585)	275,252
Transportation (PATs)	16,500	7,653	8,847	-
Natural Disasters Relief	13,999	13,999	-	-
Total human services expenditures	<u>28,677,072</u>	<u>27,103,227</u>	<u>1,573,845</u>	<u>26,549,642</u>
Revenues over (under) expenditures	<u>(12,532,298)</u>	<u>(11,276,139)</u>	<u>1,256,159</u>	<u>(10,963,700)</u>
Other Financing Sources (Uses)				
Intrafund transfer in - General Fund	12,490,351	11,346,194	(1,144,157)	11,383,817
Appropriated fund balance	41,947	-	(41,947)	-
Total other financing sources (uses)	<u>12,532,298</u>	<u>11,346,194</u>	<u>(1,186,104)</u>	<u>11,383,817</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 70,055</u>	<u>\$ 70,055</u>	<u>\$ 420,117</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - COURT FACILITY DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Revenues				
Permits and Fees				
Court facility fees	\$ 439,527	\$ 336,364	\$ (103,163)	\$ 369,783
Miscellaneous revenues	6,500	7,100	600	-
Investment Earnings	2,000	1,872	(128)	1,374
Total revenues	<u>448,027</u>	<u>345,336</u>	<u>(102,691)</u>	<u>371,157</u>
Expenditures				
Public Safety Court Facility				
Salaries and employee benefits	43,727	43,137	-	41,568
Operating expenses	319,300	277,682	-	153,323
Total public safety expenditures	<u>363,027</u>	<u>320,819</u>	<u>42,208</u>	<u>194,891</u>
Revenues over (under) expenditures	<u>85,000</u>	<u>24,517</u>	<u>(60,483)</u>	<u>176,266</u>
Other Financing Sources (Uses)				
Operating transfer - Debt Service Fund	(175,000)	(175,000)	-	(175,000)
Appropriated fund balance	90,000	-	(90,000)	-
Total other financing sources (uses)	<u>(85,000)</u>	<u>(175,000)</u>	<u>(90,000)</u>	<u>(175,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (150,483)</u>	<u>\$ (150,483)</u>	<u>\$ 1,266</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - MENTAL HEALTH DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Revenues				
Restricted intergovernmental revenues				
Community outreach	\$ 211,367	\$ 206,379	\$ (4,988)	\$ -
General agency - administration	5,000	691,453	686,453	446,143
Community access services	107,000	97,772	(9,228)	94,345
East Area Resident Treatment Home	404,560	267,214	(137,346)	291,379
Child case management	825,686	519,087	(306,599)	-
Child and family general	522,042	529,312	7,270	1,268,404
PORT Majors Initiative	375,440	164,992	(210,448)	304,721
Providing Opportunities for Recovery Teens	1,131,461	1,090,091	(41,370)	1,783,114
PORT grants	-	-	-	60,000
At Risk Children (formerly Willie M)	322,485	225,227	(97,258)	11,689
Residential contracts	5,815,668	4,627,319	(1,188,349)	4,015,538
Adolescent outreach	145,933	115,587	(30,346)	171,595
Employee assistance program	-	250	250	-
DD wait list	150,149	44,081	(106,068)	367,651
Developmental disability	271,678	286,870	15,192	896,678
Adult DD contracts	1,023,705	1,427,466	403,761	-
Community Alternative Program	648,500	603,060	(45,440)	640,142
Early intervention	700,375	609,856	(90,519)	1,321,895
Child DD contracts	535,273	311,320	(223,953)	-
MR/MI (formerly Thomas S)	183,000	202,795	19,795	1,885,146
MRMI contracts	1,826,000	2,201,895	375,895	-
Psychological rehabilitation	266,210	197,339	(68,871)	302,394
TASC	473,681	352,170	(121,511)	172,141
Partial hospitalization	105,737	109,049	3,312	115,538
Housing opportunities for people w/AIDS	-	-	-	29,022
Adult case management	371,397	292,926	(78,471)	-
Care management	390,610	210,200	(180,410)	-
TANF Work First	-	-	-	45,855
IV Drugs	772,161	855,705	83,544	569,595
HIV Early intervention SA treatment	-	-	-	241,354
Adult MH/SA general	677,679	662,981	(14,698)	3,026,324
Detoxification services	830,368	677,949	(152,419)	508,667
Miscellaneous restricted funds	1,803,548	1,311,644	(491,904)	525
Total revenues	20,896,713	18,891,989	(2,004,724)	18,569,855

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - MENTAL HEALTH DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2003

Expenditures	Budget	Actual	Variance Over/Under	2003 Actual
Human services Mental Health Area Director	425,016	415,892	9,124	729,571
Community outreach	239,043	226,768	12,275	-
QI regulatory compliance	226,200	205,871	20,329	-
Administrative Services	699,507	645,066	54,441	560,322
Medical records	173,100	150,448	22,652	160,759
General Agency	426,518	363,327	63,191	525,665
Employee assistance program	122,209	124,152	(1,943)	131,770
Provider relations	76,326	59,691	16,635	-
LME transition	173,018	-	173,018	-
East Area Residential Treatment	314,286	304,203	10,083	330,303
Child case management	785,709	615,322	170,387	-
Child and family general	638,725	655,573	(16,848)	1,108,749
PORT Majors Initiative	300,579	137,290	163,289	184,450
Providing Opportunity For Recovering Teens	977,656	910,467	67,189	1,149,165
PORT Grants	-	(687)	687	50,777
At Risk Children (formerly Willie M)	238,279	197,999	40,280	30
Residential Contracts	5,836,192	5,052,736	783,456	3,887,226
Adolescent outreach	109,959	115,372	(5,413)	122,850
DD Wait List	142,350	101,998	40,352	432,812
Developmental disabilities general	222,896	183,821	39,075	726,293
Adult DD contracts	1,134,830	1,427,661	(292,831)	-
CAP Community Alternatives	446,460	395,525	50,935	435,694
Early intervention	633,133	569,933	63,200	1,107,975
Child DD contracts	375,000	327,635	47,365	-
MR/MI (formerly Thomas S)	270,201	222,516	47,685	1,652,706
MRMI contracts	1,726,000	1,470,003	255,997	-
Psychosocial Rehabilitation	263,060	234,832	28,228	222,880
TASC	477,781	461,294	16,487	195,676
Partial Hospital	219,983	191,809	28,174	131,605
Housing Opportunities For People With AIDS	-	-	-	30,974
Adult case management	511,048	409,428	101,620	-
Care management	648,816	558,302	90,514	-
TANF / Work First	-	-	-	40,960
IV Drugs	626,110	640,493	(14,383)	367,482
HIV Early Intervention SA Treatment	-	(2,815)	2,815	186,114
Adult MH/SA general	1,082,939	1,022,026	60,913	3,278,829
Detoxification services	810,330	781,005	29,325	698,343
Adult MH contracts	1,549,778	1,291,659	258,119	-
Total Mental Health expenditures	22,903,037	20,466,615	2,436,422	18,449,980

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - MENTAL HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Revenues over (under) expenditures	(2,006,324)	(1,574,626)	431,698	119,875
Other Financing Sources (Uses)				
Intrafund transfer in - General Fund	1,594,588	1,574,588	(20,000)	1,234,327
Appropriated fund balance	411,736	-	(411,736)	-
Total other financing sources (uses)	2,006,324	1,574,588	(431,736)	1,234,327
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (38)	\$ (38)	\$ 1,354,202

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specified revenue sources that are legally restricted to be expended for specific purposes. These funds are accounted for on the modified accrual basis of accounting.

The following comprise the County's Special Revenue Funds:

- **School Capital Reserve Fund** – Accounts for the accumulation of resources to be used for the construction and renovation of Pitt County Schools.
- **County Capital Reserve Fund** – Accounts for the accumulation of resources to be used for construction of educational facilities.
- **State & Federal Asset Forfeiture Fund** – Accounts for the funds appropriated from seizure/forfeiture cases and restricted for the Sheriff's use.
- **CDBG Fund** – Accounts for proceeds of a multi-year Community Development Block Grant (CDBG) to improve substandard housing.
- **Hurricane Floyd Grant Fund** – Accounts for the various grant programs created to deal with response and recovery following Hurricane Floyd in September 1999.
- **State Grants Fund** – Accounts for special purpose grant funding.
- **Revaluation Fund** – Established to provide funds for reappraisal of real property every eight years as required by North Carolina law.
- **Industrial Development Building Reserve Fund** – Accounts for the accumulation of resources to be used for future capital improvements.
- **Fire Districts Fund** – Approved by voter referendum to provide additional funds for capital improvements to ensure better fire protection.
- **EMS District Fund** – Accounts for the funds used to operate the County's Emergency Medical Services.
- **E911 Surcharge Fund** – Established to account for the accumulation of telephone surcharge fees used to maintain the County's E911 Center.

PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2004

	<u>School Capital Reserve</u>	<u>County Capital Reserve</u>	<u>State/Federal Forfeiture Fund</u>	<u>CDBG Fund</u>	<u>Hurricane Floyd Grant Fund</u>
Assets					
Cash, cash equivalents and investments	\$ -	\$ 3,772	\$ 64,623	\$ -	\$ -
Taxes receivable, net	-	27,251	-	-	-
Accounts receivable, net	787,959	-	-	-	-
Prepaid items	-	-	-	-	-
Intrafund due to/from other funds	(719,074)	-	-	(85,130)	(10,420)
Due from other governments	-	-	-	105,645	-
Total assets	<u>\$ 68,885</u>	<u>\$ 31,023</u>	<u>\$ 64,623</u>	<u>\$ 20,515</u>	<u>\$ (10,420)</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 19,418	\$ 20,515	\$ -
Due to other funds	-	-	-	-	-
Deferred revenues	-	27,251	-	-	-
Total liabilities	<u>-</u>	<u>27,251</u>	<u>19,418</u>	<u>20,515</u>	<u>-</u>
Fund balances:					
Undesignated	<u>68,885</u>	<u>3,772</u>	<u>45,205</u>	<u>-</u>	<u>(10,420)</u>
Total fund balances	<u>68,885</u>	<u>3,772</u>	<u>45,205</u>	<u>-</u>	<u>(10,420)</u>
Total liabilities and fund balances	<u>\$ 68,885</u>	<u>\$ 31,023</u>	<u>\$ 64,623</u>	<u>\$ 20,515</u>	<u>\$ (10,420)</u>

Schedule C-1

<u>State Grants Fund</u>	<u>Revaluation Fund</u>	<u>Industrial Development Building</u>	<u>Fire Districts Fund</u>	<u>EMS District Fund</u>	<u>E911 Surcharge Fund</u>	<u>Total</u>
\$ -	\$ 8,177	\$ 49,003	\$ 27,498	\$ -	\$ -	\$ 153,073
-	-	-	111,484	111,749	-	250,484
329,854	-	-	-	626,089	50,807	1,794,709
-	-	-	-	31,485	-	31,485
(72,268)	-	959,045	-	(727,781)	655,628	-
-	-	-	-	-	-	105,645
<u>\$ 257,586</u>	<u>\$ 8,177</u>	<u>\$ 1,008,048</u>	<u>\$ 138,982</u>	<u>\$ 41,542</u>	<u>\$ 706,435</u>	<u>\$ 2,335,396</u>
\$ 121,700	\$ 1,004	\$ -	\$ 12,471	\$ 31,362	\$ 2,144	\$ 208,614
-	-	-	-	-	35,248	35,248
46,816	-	-	126,511	620,325	-	820,903
<u>168,516</u>	<u>1,004</u>	<u>-</u>	<u>138,982</u>	<u>651,687</u>	<u>37,392</u>	<u>1,064,765</u>
89,070	7,173	1,008,048	-	(610,145)	669,043	1,270,631
89,070	7,173	1,008,048	-	(610,145)	669,043	1,270,631
<u>\$ 257,586</u>	<u>\$ 8,177</u>	<u>\$ 1,008,048</u>	<u>\$ 138,982</u>	<u>\$ 41,542</u>	<u>\$ 706,435</u>	<u>\$ 2,335,396</u>

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2004

	<u>School Capital Reserve</u>	<u>County Capital Reserve</u>	<u>State/Federal Forfeiture Fund</u>	<u>CDBG Fund</u>	<u>Hurricane Floyd Grant Fund</u>
Revenues					
Ad valorem taxes	\$ -	\$ 1,303,772	\$ -	\$ -	\$ -
Other taxes and licenses	5,192,774	-	-	-	-
Restricted intergovernmental revenues	-	-	37,736	140,195	28,465
Sales and services	-	-	-	-	-
Investment earnings	-	-	29	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>5,192,774</u>	<u>1,303,772</u>	<u>37,765</u>	<u>140,195</u>	<u>28,465</u>
Expenditures					
Current					
Public safety	-	-	82,633	-	-
Economic and physical development	-	-	-	140,195	40,104
Debt service	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>82,633</u>	<u>140,195</u>	<u>40,104</u>
Revenues over (under) expenditures	<u>5,192,774</u>	<u>1,303,772</u>	<u>(44,868)</u>	<u>-</u>	<u>(11,639)</u>
Other Financing Sources (Uses)					
Debt obligation issued	-	-	-	-	-
Transfers in	-	-	6,041	-	-
Transfers out	(6,220,455)	(1,300,000)	-	-	-
Total other financing sources (uses)	<u>(6,220,455)</u>	<u>(1,300,000)</u>	<u>6,041</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,027,681)</u>	<u>3,772</u>	<u>(38,827)</u>	<u>-</u>	<u>(11,639)</u>
Fund balance					
Beginning of year - July 1	<u>1,096,566</u>	<u>-</u>	<u>84,032</u>	<u>-</u>	<u>1,219</u>
End of year - June 30	<u>\$ 68,885</u>	<u>\$ 3,772</u>	<u>\$ 45,205</u>	<u>\$ -</u>	<u>\$ (10,420)</u>

Schedule C-2

State Grants Fund	Revaluation Fund	Industrial Development Building	Fire Districts Fund	EMS District Fund	E911 Surcharge Fund	Total
\$ -	\$ -	\$ -	\$ 922,202	\$ 1,429,710	\$ -	\$ 3,655,684
-	-	-	-	-	-	5,192,774
1,766,928	-	-	-	-	-	1,973,324
-	-	-	-	665,307	620,371	1,285,678
76	27	371	-	-	220	723
2,000	-	-	-	600	-	2,600
<u>1,769,004</u>	<u>27</u>	<u>371</u>	<u>922,202</u>	<u>2,095,617</u>	<u>620,591</u>	<u>12,110,783</u>
-	-	-	922,202	3,957,772	529,606	5,492,213
1,801,259	216,572	-	-	-	-	2,198,130
-	-	-	-	42,847	-	42,847
<u>1,801,259</u>	<u>216,572</u>	<u>-</u>	<u>922,202</u>	<u>4,000,619</u>	<u>529,606</u>	<u>7,733,190</u>
<u>(32,255)</u>	<u>(216,545)</u>	<u>371</u>	<u>-</u>	<u>(1,905,002)</u>	<u>90,985</u>	<u>4,377,593</u>
-	-	-	-	960,000	-	960,000
82,578	76,000	-	-	540,311	-	704,930
-	-	-	-	-	-	(7,520,455)
<u>82,578</u>	<u>76,000</u>	<u>-</u>	<u>-</u>	<u>1,500,311</u>	<u>-</u>	<u>(5,855,525)</u>
50,323	(140,545)	371	-	(404,691)	90,985	(1,477,932)
38,747	147,718	1,007,677	-	(205,454)	578,058	2,748,563
<u>\$ 89,070</u>	<u>\$ 7,173</u>	<u>\$ 1,008,048</u>	<u>\$ -</u>	<u>\$ (610,145)</u>	<u>\$ 669,043</u>	<u>\$ 1,270,631</u>

PITT COUNTY, NORTH CAROLINA

Schedule C-3

SCHOOL CAPITAL RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Revenues				
Other taxes and licenses	\$ 5,566,235	\$ 5,192,774	\$ (373,461)	\$ 4,457,919
Restricted intergovernmental revenues				
Miscellaneous	32,113	-	(32,113)	-
Total revenue	<u>5,598,348</u>	<u>5,192,774</u>	<u>(405,574)</u>	<u>4,457,919</u>
Revenues over expenditures	<u>5,598,348</u>	<u>5,192,774</u>	<u>(405,574)</u>	<u>4,457,919</u>
Other financing sources (uses)				
Transfer out - Debt Service Fund	(5,923,916)	(5,923,916)	-	(5,880,350)
Transfer out - School Capital Project Fund	(521,000)	(296,539)	224,461	(977,000)
Transfer in - Capital Project Fund	-	-	-	1,302,615
Fund balance appropriated	846,568	-	(846,568)	-
Total other financing sources (uses)	<u>(5,598,348)</u>	<u>(6,220,455)</u>	<u>(622,107)</u>	<u>(5,554,735)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,027,681)</u>	<u>\$ (1,027,681)</u>	<u>(1,096,816)</u>
Fund balance				
Beginning of year - July 1		1,096,566		2,193,382
End of year - June 30		<u>\$ 68,885</u>		<u>\$ 1,096,566</u>

PITT COUNTY, NORTH CAROLINA

Schedule C-4

COUNTY CAPITAL RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Revenues				
Ad valorem taxes	\$ 1,300,284	\$ 1,303,772	\$ 3,488	\$ -
Revenues over expenditures	<u>1,300,284</u>	<u>1,303,772</u>	<u>3,488</u>	<u>-</u>
Other financing sources (uses)				
Transfer out -	(1,300,000)	(1,300,000)	-	-
Contingency	<u>(284)</u>	<u>-</u>	<u>284</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,300,284)</u>	<u>(1,300,000)</u>	<u>284</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>3,772</u>	<u>\$ 3,772</u>	<u>-</u>
Fund balance				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ 3,772</u>		<u>\$ -</u>

PITT COUNTY, NORTH CAROLINA

Schedule C-5

STATE/FEDERAL FORFEITURE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Revenues				
Restricted intergovernmental revenues				
Federal asset seizure funds	\$ 5,521	\$ 5,521	\$ -	\$ -
State/Federal excise tax	30,989	32,215	1,226	54,186
Investment earnings	-	29	29	45
Total revenues	<u>36,510</u>	<u>37,765</u>	<u>1,255</u>	<u>54,231</u>
Expenditures				
Public safety	<u>126,580</u>	<u>82,633</u>	<u>43,947</u>	<u>58,172</u>
Revenues over (under) expenditures	<u>(90,070)</u>	<u>(44,868)</u>	<u>45,202</u>	<u>(3,941)</u>
Other financing sources (uses)				
Transfer in	6,041	6,041	-	-
Appropriated fund balance	<u>84,029</u>	<u>-</u>	<u>(84,029)</u>	<u>-</u>
Total other financing sources (uses)	<u>90,070</u>	<u>6,041</u>	<u>(84,029)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(38,827)</u>	<u>\$ (38,827)</u>	<u>(3,941)</u>
Fund balance				
Beginning of year - July 1		<u>84,032</u>		<u>87,973</u>
End of year - June 30		<u>\$ 45,205</u>		<u>\$ 84,032</u>

PITT COUNTY, NORTH CAROLINA

Schedule C-6

CDBG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004

	Project Authorization	Prior Years	Actual Current Year	Total To Date
Revenues				
Restricted intergovernmental revenues				
Federal grants	\$ 600,000	\$ -	\$ 140,195	\$ 140,195
Expenditures				
Economic development	600,000	-	140,195	140,195
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

PITT COUNTY, NORTH CAROLINA

Schedule C-7

HURRICANE FLOYD GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004

	Project Authorization	Prior Years	Actual Current Year	Total To Date
Revenues				
Restricted intergovernmental revenues				
Homeowner grant	\$ 14,192,034	\$ 15,210,811	\$ (11,840)	\$ 15,198,971
Inspector grants	141,314	76,616	-	76,616
State acquire and relocate grants	40,305	1,050,079	40,305	1,090,384
Housing replacement grants	370,000	329,247	-	329,247
Housing repair and rehabilitation grants	16,353,289	4,146,459	-	4,146,459
Total revenues	<u>31,096,942</u>	<u>20,813,212</u>	<u>28,465</u>	<u>20,841,677</u>
Expenditures				
Human services				
Homeowner payments	6,880,000	6,497,508	-	6,497,508
Hazard mitigation Phase 1	14,192,034	7,844,228	-	7,844,228
Hazard mitigation Phase 2	370,000	347,969	-	347,969
Hazard mitigation/buyout - tenants	212,960	52,351	-	52,351
Hazard mitigation/buyout - 300K	1,057,751	466,268	-	466,268
Inspector (B1)	141,314	76,616	-	76,616
State acquire and relocate (S1/S2)	1,343,175	1,050,067	40,104	1,090,171
Housing replacement (R2)	3,961,111	3,624,471	-	3,624,471
Housing repair and rehabilitation (R1)	2,893,297	851,236	-	851,236
Administration	45,300	1,279	-	1,279
Total expenditures	<u>31,096,942</u>	<u>20,811,993</u>	<u>40,104</u>	<u>20,852,097</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,219</u>	(11,639)	<u>\$ (10,420)</u>
Fund balance				
Beginning of year - July 1			1,219	
End of year - June 30			<u>\$ (10,420)</u>	

PITT COUNTY, NORTH CAROLINA

Schedule C-8

**STATE GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Revenues				
Restricted intergovernmental revenues				
State grants	\$ 3,044,192	\$ 1,766,928	\$ (1,277,264)	\$ 1,535,737
Investment earnings	-	76	76	-
Miscellaneous	18,000	2,000	(16,000)	-
Total revenues	<u>3,062,192</u>	<u>1,769,004</u>	<u>(1,293,188)</u>	<u>1,535,737</u>
Expenditures				
Economic and physical development				
Salaries and benefits	523,629	371,739	151,890	256,547
Operating expenses	2,715,603	1,429,520	1,286,083	1,297,174
Total economic and physical development	<u>3,239,232</u>	<u>1,801,259</u>	<u>1,437,973</u>	<u>1,553,721</u>
Revenues over (under) expenditures	<u>(177,040)</u>	<u>(32,255)</u>	<u>144,785</u>	<u>(17,984)</u>
Other financing sources				
Transfer in	165,143	82,578	(82,565)	57,510
Appropriated fund balance	11,896	-	(11,896)	-
Total other financing sources	<u>177,039</u>	<u>82,578</u>	<u>(94,461)</u>	<u>57,510</u>
Net change in fund balance	<u>\$ -</u>	<u>50,323</u>	<u>\$ 50,323</u>	<u>39,526</u>
Fund balance				
Beginning of year - July 1		<u>38,747</u>		<u>(779)</u>
End of year - June 30		<u>\$ 89,070</u>		<u>\$ 38,747</u>

PITT COUNTY, NORTH CAROLINA

Schedule C-9

REVALUATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Revenues				
Investment earnings	\$ -	\$ 27	\$ 27	\$ 140
Expenditures				
Economic and physical development				
Salaries and employee benefits	193,114	197,009	-	216,246
Professional services	43,400	19,563	-	13,684
Total expenditures	236,514	216,572	19,942	229,930
Revenues over (under) expenditures	(236,514)	(216,545)	19,969	(229,790)
Other financing sources (uses)				
Transfers in	76,000	76,000	-	40,000
Appropriated fund balance	160,514	-	(160,514)	-
Total other financing sources	236,514	76,000	(160,514)	40,000
Net change in fund balance	\$ -	(140,545)	\$ (140,545)	(189,790)
Fund balance				
Beginning of year - July 1		147,718		337,508
End of year - June 30		\$ 7,173		\$ 147,718

PITT COUNTY, NORTH CAROLINA

Schedule C-10

**INDUSTRIAL DEVELOPMENT BUILDING RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Revenues				
Investment earnings	\$ -	\$ 371	\$ 371	\$ 505
Revenues over (under) expenditures	-	371	371	505
Net change in fund balance	<u>\$ -</u>	<u>371</u>	<u>\$ 371</u>	505
Fund balance				
Beginning of year - July 1		<u>1,007,677</u>		<u>1,007,172</u>
End of year - June 30		<u>\$ 1,008,048</u>		<u>\$ 1,007,677</u>

PITT COUNTY, NORTH CAROLINA

Schedule C-11

**FIRE DISTRICTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Revenues				
Ad valorem taxes	\$ 946,879	\$ 922,202	\$ (24,677)	\$ 825,327
Expenditures				
Public safety	946,879	922,202	24,677	825,327
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

PITT COUNTY, NORTH CAROLINA

Schedule C-12

**EMS DISTRICT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Revenues				
Ad valorem taxes	\$ 1,433,052	\$ 1,429,710	\$ (3,342)	\$ 961,194
Investment income	-	600	600	-
Transport fees	<u>1,230,469</u>	<u>665,307</u>	<u>(565,162)</u>	<u>920,296</u>
Total revenues	<u>2,663,521</u>	<u>2,095,617</u>	<u>(567,904)</u>	<u>1,881,490</u>
Expenditures				
Public safety	4,109,837	3,957,772	152,065	2,455,695
Debt service	<u>42,850</u>	<u>42,847</u>	<u>3</u>	<u>-</u>
Total expenditures	<u>4,152,687</u>	<u>4,000,619</u>	<u>152,068</u>	<u>2,455,695</u>
Revenues over (under) expenditures	<u>(1,489,166)</u>	<u>(1,905,002)</u>	<u>(415,836)</u>	<u>(574,205)</u>
Other financing sources (uses)				
Transfers in	540,311	540,311	-	711,391
Debt obligation issued	960,000	960,000	-	-
Contingency	<u>(11,145)</u>	<u>-</u>	<u>11,145</u>	<u>-</u>
Total other financing sources (uses)	<u>1,489,166</u>	<u>1,500,311</u>	<u>11,145</u>	<u>711,391</u>
Net change in fund balance	<u>\$ -</u>	<u>(404,691)</u>	<u>\$ (404,691)</u>	<u>137,186</u>
Fund balance				
Beginning of year - July 1		<u>(205,454)</u>		<u>(342,640)</u>
End of year - June 30		<u>\$ (610,145)</u>		<u>\$ (205,454)</u>

PITT COUNTY, NORTH CAROLINA

Schedule C-13

E911 SURCHARGE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2003 Actual</u>
Revenues				
Sales and services - user fees	\$ 459,640	\$ 432,938	\$ (26,702)	\$ 445,827
Sales and services - wireless fees	132,216	187,433	55,217	174,335
Investment earnings	300	220	(80)	231
Total revenues	<u>592,156</u>	<u>620,591</u>	<u>28,435</u>	<u>620,393</u>
Expenditures				
Public safety				
E911 operations	478,310	449,395	28,915	406,114
Wireless operations	<u>127,096</u>	<u>80,211</u>	<u>46,885</u>	<u>51,088</u>
Total expenditures	<u>605,406</u>	<u>529,606</u>	<u>75,800</u>	<u>457,202</u>
Other financing sources				
Contingency	<u>13,250</u>	<u>-</u>	<u>(13,250)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>90,985</u>	<u>\$ 90,985</u>	<u>163,191</u>
Fund balance				
Beginning of year - July 1		<u>578,058</u>		<u>414,867</u>
End of year - June 30		<u>\$ 669,043</u>		<u>\$ 578,058</u>

CAPITAL PROJECT FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities. The capital projects shown in the accompanying supplementary information are adopted for the life of the project.

The following comprise the County's Capital Projects Funds:

- **Pitt Community College (PCC) Building Capital Project** – Established to account for funds used in construction of new facilities on the community college campus.
- **Pitt Community College (PCC) Bowen Farm Capital Project** - Established to account for funds used in establishing the infrastructure needs on the Bowen Farm campus.
- **School Improvement Projects** – Established to account for funds appropriated from local funds on a pay as you go basis over a period of five years to renovate and construct new school facilities.
- **Courthouse Renovation Capital Project** – Accounts for funds appropriated to construct an addition to the County Courthouse.
- **1998-2000 School Projects** – Accounts for funds appropriated to acquire site and construct new high school.
- **Forlines High School Project** – Accounts for the funds appropriated to construct a new high school.
- **2004 COPs Education Projects** – Accounts for the bond funds appropriated to renovate and construct various school improvements throughout the County.
- **State School Bond Capital Project** – Accounts for funds allocated to the County under the Public School Building Act of 1996 for use in public school outlays.
- **Community Schools and Recreation Capital Project** – Accounts for funds appropriated to construct the Community Schools and Recreation Facility on County Home Road.
- **ECTC Building Capital Project** – Accounts for funds appropriated to construct a new facility on a community college campus.

PITT COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2004**

	<u>PCC Building Capital Project</u>	<u>PCC Bowen Farm Capital Project</u>	<u>School Improvement Projects</u>	<u>Courthouse Renovation Capital Project</u>
Assets				
Cash, cash equivalents and investments	\$ 278,195	\$ 1,550,000	\$ 810,445	\$ -
Cash and investments, restricted	-	-	-	516,451
Due from other governments	-	-	-	-
Total assets	<u>\$ 278,195</u>	<u>\$ 1,550,000</u>	<u>\$ 810,445</u>	<u>\$ 516,451</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 61,569	\$ 10,432
Retainage payable	-	-	-	211,235
Total liabilities	<u>-</u>	<u>-</u>	<u>61,569</u>	<u>221,667</u>
Fund balances (deficit):				
Undesignated	<u>278,195</u>	<u>1,550,000</u>	<u>748,876</u>	<u>294,784</u>
Total fund balances	<u>278,195</u>	<u>1,550,000</u>	<u>748,876</u>	<u>294,784</u>
Total liabilities and fund balances	<u>\$ 278,195</u>	<u>\$ 1,550,000</u>	<u>\$ 810,445</u>	<u>\$ 516,451</u>

Schedule D-1

1998 - 2000 School Project	Forlines High School Project	2004 COPS Education Projects	State School Bond Capital Project	Community Schools and Recreation Capital Project	ECTC Building Capital Project	Totals
\$ -	\$ -	\$ -	\$ 408,554	\$ 1,018,140	\$ 38,079	\$ 4,103,413
-	-	10,496,399	-	-	-	11,012,850
-	-	-	-	-	-	-
\$ -	\$ -	\$ 10,496,399	\$ 408,554	\$ 1,018,140	\$ 38,079	\$ 15,116,263
\$ -	\$ -	\$ 405,940	\$ -	\$ -	\$ -	\$ 477,941
-	-	-	-	-	-	211,235
-	-	405,940	-	-	-	689,176
-	-	10,090,459	408,554	1,018,140	38,079	14,427,087
-	-	10,090,459	408,554	1,018,140	38,079	14,427,087
\$ -	\$ -	\$ 10,496,399	\$ 408,554	\$ 1,018,140	\$ 38,079	\$ 15,116,263

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS FOR THE YEAR ENDED JUNE 30, 2004

	<u>PCC Building Capital Project</u>	<u>PCC Bowen Farm Capital Project</u>	<u>School Improvement Projects</u>	<u>Courthouse Renovation Capital Project</u>
Revenues				
Investment earnings	\$ 102	\$ -	\$ -	\$ 13,186
Unrestricted intergovernmental revenue	-	-	-	-
Restricted intergovernmental revenue	-	-	-	-
Miscellaneous:				
Sales tax refund	-	-	-	9,295
Total revenues	<u>102</u>	<u>-</u>	<u>-</u>	<u>22,481</u>
Expenditures				
Capital outlay	<u>-</u>	<u>-</u>	<u>863,989</u>	<u>1,413,878</u>
Revenues over (under) expenditures	<u>102</u>	<u>-</u>	<u>(863,989)</u>	<u>(1,391,397)</u>
Other financing sources (uses)				
Transfers in	-	1,550,000	296,539	-
Transfers out	-	-	-	(264)
Intrafund transfers	-	-	51,560	-
Debt obligation issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>1,550,000</u>	<u>348,099</u>	<u>(264)</u>
Net change in fund balances	102	1,550,000	(515,890)	(1,391,661)
Fund balances				
Beginning of year - July 1	<u>278,093</u>	<u>-</u>	<u>1,264,766</u>	<u>1,686,445</u>
End of year - June 30	<u>\$ 278,195</u>	<u>\$ 1,550,000</u>	<u>\$ 748,876</u>	<u>\$ 294,784</u>

Schedule D-2

1998 - 2000 School Project	Forlines High School Project	2004 COPS Education Projects	State School Bond Capital Project	Community Schools and Recreation Capital Project	ECTC Building Capital Project	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 13,303
-	-	-	-	-	1,786	1,786
-	-	2,026,694	682,714	-	-	2,709,408
-	202	-	202	-	-	9,699
-	202	2,026,694	682,916	-	1,801	2,734,196
-	-	1,751,235	679,330	31,860	1,327	4,741,619
-	202	275,459	3,586	(31,860)	474	(2,007,423)
51,560	-	2,865,000	-	1,050,000	-	5,813,099
-	(202)	-	-	-	-	(466)
-	(51,560)	-	-	-	-	-
-	-	6,950,000	-	-	-	6,950,000
51,560	(51,762)	9,815,000	-	1,050,000	-	12,762,633
51,560	(51,560)	10,090,459	3,586	1,018,140	474	10,755,210
(51,560)	51,560	-	404,968	-	37,605	3,671,877
\$ -	\$ -	\$ 10,090,459	\$ 408,554	\$ 1,018,140	\$ 38,079	\$ 14,427,087

PITT COUNTY, NORTH CAROLINA

Schedule D-3

**PITT COMMUNITY COLLEGE (PCC) BUILDING CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
Revenues				
Investment earnings	\$ 469,617	\$ 520,230	\$ 102	\$ 520,332
Easement proceeds	31,205	31,205	-	31,205
Total revenues	<u>500,822</u>	<u>551,435</u>	<u>102</u>	<u>551,537</u>
Expenditures				
Capital outlay:				
Bond issue costs	124,833	127,049	-	127,049
Site costs	461,300	461,300	-	461,300
Health building	4,203,126	4,203,125	-	4,203,125
Maintenance building	50,210	50,210	-	50,210
Welding/masonry building	1,068,095	1,068,095	-	1,068,095
Continuing education building	2,064,797	2,064,790	-	2,064,790
Moving modular units	44,978	44,978	-	44,978
Interest expense	166,454	166,454	-	166,454
Land	2,069,645	2,069,645	-	2,069,645
Contingency	200,762	-	-	-
General construction	500,875	500,000	-	500,000
Roof replacement	<u>262,377</u>	<u>234,149</u>	<u>-</u>	<u>234,149</u>
Total expenditures	<u>11,217,452</u>	<u>10,989,795</u>	<u>-</u>	<u>10,989,795</u>
Revenues over (under) expenditures	<u>(10,716,630)</u>	<u>(10,438,360)</u>	<u>102</u>	<u>(10,438,258)</u>
Other financing sources				
Debt obligation issued	10,592,128	10,591,951	-	10,591,951
Transfers out	(25,498)	(25,498)	-	(25,498)
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total other financing sources	<u>10,716,630</u>	<u>10,716,453</u>	<u>-</u>	<u>10,716,453</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 278,093</u>	<u>\$ 102</u>	<u>\$ 278,195</u>

Note: The expenditures of this project are not accounted for in Construction in Progress. The project is not constructing an asset the County will own.

PITT COUNTY, NORTH CAROLINA

Schedule D-4

**PITT COMMUNITY COLLEGE (PCC) BOWEN FARM
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
Expenditures				
Capital Outlay				
General construction	\$ 1,550,000	\$ -	\$ -	\$ -
Total expenditures	<u>1,550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources				
Transfers in	<u>1,550,000</u>	<u>-</u>	<u>1,550,000</u>	<u>1,550,000</u>
Total other financing sources	<u>1,550,000</u>	<u>-</u>	<u>1,550,000</u>	<u>1,550,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,550,000</u>	<u>\$ 1,550,000</u>

Note: The expenditures of this project are not accounted for in Construction in Progress. The project is not constructing an asset the County will own.

PITT COUNTY, NORTH CAROLINA

Schedule D-5

SCHOOL IMPROVEMENT PROJECTS - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ANNUAL BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004

	<u>Annual Budget</u>	<u>Current Actual</u>	<u>Variance Over/Under</u>
Expenditures			
Capital outlay:			
Office furniture and equipment	\$ 26,813	\$ -	\$ 26,813
General construction	65,000	12,433	52,567
Transportation upgrades	10,539	-	10,539
Mobile units	72,058	18,526	53,532
Gymnasium upgrades	8,801	-	8,801
Electrical	3,889	-	3,889
Roofing	850,598	537,729	312,869
Sewer	17,275	15,010	2,265
Canopies	137,529	81,300	56,229
Other structures and improvements	496,703	138,077	358,626
Roadway/paving	20,000	20,000	-
Forlines High School close out	51,560	40,914	10,646
Towers, tanks, wells	25,000	-	25,000
Total expenditures	<u>1,785,765</u>	<u>863,989</u>	<u>921,776</u>
Other financing sources			
Transfer in	521,000	296,539	(224,461)
Intrafund transfer in	-	51,560	51,560
Appropriated fund balance	<u>1,264,765</u>	<u>-</u>	<u>(1,264,765)</u>
Total other financing sources	<u>1,785,765</u>	<u>348,099</u>	<u>(1,437,666)</u>
Net change in fund balance	<u>\$ -</u>	<u>(515,890)</u>	<u>\$ (515,890)</u>
Fund balance			
Beginning of year - July 1		<u>1,264,766</u>	
End of year - June 30		<u>\$ 748,876</u>	

PITT COUNTY, NORTH CAROLINA

Schedule D-6

**COURTHOUSE RENOVATION CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>
Revenues				
Sales tax refund	\$ 20,723	\$ 11,429	\$ 9,295	\$ 20,724
Investment earnings	87,017	96,020	13,186	109,206
Total revenues	<u>107,740</u>	<u>107,449</u>	<u>22,481</u>	<u>129,930</u>
Expenditures				
Capital outlay:				
Other equipment	583,800	369,058	220,555	589,613
General construction	4,917,194	4,311,766	522,795	4,834,561
Mechanical	815,342	581,932	233,410	815,342
Plumbing	300,889	240,749	57,139	297,888
Electrical	1,033,112	722,073	311,826	1,033,899
Roadway/paving	20,279	20,132	147	20,279
Architect/engineer	790,892	182,719	67,390	250,109
Issuance fees	471,915	471,299	616	471,915
Total expenditures	<u>8,933,423</u>	<u>6,899,728</u>	<u>1,413,878</u>	<u>8,313,606</u>
Revenues over (under) expenditures	<u>(8,825,683)</u>	<u>(6,792,279)</u>	<u>(1,391,397)</u>	<u>(8,183,676)</u>
Other financing sources (uses)				
Transfers in (out)	(3,820,656)	(4,156,276)	(264)	(4,156,540)
Debt obligation issued	12,646,339	12,635,000	-	12,635,000
Total other financing sources	<u>8,825,683</u>	<u>8,478,724</u>	<u>(264)</u>	<u>8,478,460</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,686,445</u>	<u>\$ (1,391,661)</u>	<u>\$ 294,784</u>

Note: The expenditures of this project are not accounted for in Construction in Progress. Phase I of the project was new construction. Phase II is non-capitalized renovations.

PITT COUNTY, NORTH CAROLINA

Schedule D-7

1998 - 2000 SCHOOL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004

	Project Authorization	Prior Years	Actual Current Year	Total To Date
Revenues				
Investment earnings	\$ -	\$ 445,901	\$ -	\$ 445,901
Expenditures				
Capital outlay:				
G.R. Whitfield School	-	4,861,365	-	4,861,365
Pactolus Elementary School	-	5,004,129	-	5,004,129
Forlines High School	-	317,129	-	317,129
Forlines High School - land	-	1,300,000	-	1,300,000
Land Acquisition - Future School	-	425,412	-	425,412
Total expenditures	-	11,908,035	-	11,908,035
Revenues over (under) expenditures	-	(11,462,134)	-	(11,462,134)
Other financing sources				
Debt obligation issued - loan	-	1,300,000	-	1,300,000
Debt obligation issued - bond	-	11,943,352	-	11,943,352
Transfers in	-	(1,832,778)	51,560	(1,781,218)
Total other financing sources	-	11,410,574	51,560	11,462,134
Net change in fund balance	\$ -	\$ (51,560)	\$ 51,560	\$ -

Note: These projects were capitalized as a Capital Asset under the category of Construction in Progress. The County will retain ownership of the property until the debt is repaid. The real estate is the collateral for the debt.

PITT COUNTY, NORTH CAROLINA

Schedule D-8

**FORLINES HIGH SCHOOL CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
Revenues				
Sales tax refund	\$ -	\$ 800,564	\$ 202	\$ 800,766
Investment earnings	-	1,053,573	-	1,053,573
Total revenues	-	1,854,137	202	1,854,339
Expenditures				
Capital outlay:				
General construction	-	27,666,551	-	27,666,551
Issuance costs	-	734,685	-	734,685
Total expenditures	-	28,401,236	-	28,401,236
Revenues over (under) expenditures	-	(26,547,099)	202	(26,546,897)
Other financing sources				
Debt obligation issued	-	28,050,000	-	28,050,000
Intrafund transfer	-	-	(51,560)	(51,560)
Transfer out	-	(1,451,341)	(202)	(1,451,543)
Total other financing sources	-	26,598,659	(51,762)	26,546,897
Net change in fund balance	\$ -	\$ 51,560	\$ (51,560)	\$ -

Note: These projects were capitalized as a Capital Asset under the category of Construction in Progress. The County will retain ownership of the property until the debt is repaid. The real estate is the collateral for the debt.

PITT COUNTY, NORTH CAROLINA

Schedule D-9

**2004 COPS EDUCATION PROJECTS CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
Revenues				
Restricted intergovernmental				
Other	\$ 2,026,694	\$ -	\$ 2,026,694	\$ 2,026,694
Public School Building Bond Act of 1996	-	-	-	-
Total revenues	<u>2,026,694</u>	<u>-</u>	<u>2,026,694</u>	<u>2,026,694</u>
Expenditures				
Capital outlay:				
Computer equipment	1,000,000	-	-	-
Gymnasium upgrades	800,000	-	129,786	129,786
Auditorium renovation	1,680,994	-	306,393	306,393
Athletic upgrades	1,350,000	-	229	229
Maintenance	800,000	-	-	-
Chicod Elementary	3,000,000	-	140,588	140,588
Forlines Elementary School	8,075,500	-	601,057	601,057
Conley Area Elementary School	11,520,200	-	304,842	304,842
Wintergreen Intermediate School	2,400,000	-	-	-
DH Conley	3,000,000	-	206,443	206,443
Science labs	800,000	-	36,931	36,931
Issuance fees	465,000	-	24,966	24,966
Total expenditures	<u>34,891,694</u>	<u>-</u>	<u>1,751,235</u>	<u>1,751,235</u>
Revenues over (under) expenditures	<u>(32,865,000)</u>	<u>-</u>	<u>275,459</u>	<u>275,459</u>
Other financing sources				
Debt obligation issued	30,000,000	-	6,950,000	6,950,000
Transfer in	2,865,000	-	2,865,000	2,865,000
Total other financing sources	<u>32,865,000</u>	<u>-</u>	<u>9,815,000</u>	<u>9,815,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,090,459</u>	<u>\$ 10,090,459</u>

Note: The expenditures for Forlines Elementary and DH Conley are accounted for as Capital Assets in the category Construction in Progress. The remainder of this project is not constructing assets that will be owned by the County and therefore, are not accounted for as Capital Assets. The County will retain ownership of Forlines Elementary and DH Conley until the debt is repaid and the real estate is the collateral for the debt.

PITT COUNTY, NORTH CAROLINA

Schedule D-10

**STATE SCHOOL BOND CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
Revenues				
Restricted intergovernmental				
Public School Building				
Bond Act of 1996	\$ 28,673,967	\$ 27,988,906	\$ 682,714	\$ 28,671,620
Miscellaneous				
Sales tax refund	-	408,355	202	408,557
Total revenues	<u>28,673,967</u>	<u>28,397,261</u>	<u>682,916</u>	<u>29,080,177</u>
Expenditures				
Capital outlay:				
A.G. Cox Middle School	1,597,173	1,597,173	-	1,597,173
Bethel Elementary School	2,251,430	2,251,430	-	2,251,430
Chicod Elementary School	1,645,029	1,645,029	-	1,645,029
W.H. Robinson Elementary School	1,655,712	1,655,712	-	1,655,712
H.B. Sugg Elementary School	9,150,535	9,167,535	-	9,167,535
Ayden Elementary School	1,268,294	1,268,293	-	1,268,293
Northwest Elementary School	8,478,099	8,478,099	-	8,478,099
All schools	1,773,875	1,773,875	426,460	2,200,335
H.B. Sugg bus drive extension	17,000	-	-	-
Forlines Elementary School	150,000	-	150,000	150,000
Conley Area Elementary School	102,870	-	102,870	102,870
GR Whitfield demolition	100,150	100,150	-	100,150
Backflow prevention	483,800	54,997	-	54,997
Total expenditures	<u>28,673,967</u>	<u>27,992,293</u>	<u>679,330</u>	<u>28,671,623</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 404,968</u>	<u>\$ 3,586</u>	<u>\$ 408,554</u>

Note: The expenditures of this project are not accounted for as Capital Assets.
The project is not constructing an asset the County will own.

PITT COUNTY, NORTH CAROLINA

Schedule D-11

COMMUNITY SCHOOLS AND RECREATION CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004

	Project Authorization	Prior Years	Actual Current Year	Total To Date
Expenditures				
Capital outlay:				
General construction	\$ 1,050,000	\$ -	\$ 31,860	\$ 31,860
Total expenditures	1,050,000	-	31,860	31,860
Other financing sources				
Transfer in	1,050,000	-	1,050,000	1,050,000
Total other financing sources	1,050,000	-	1,050,000	1,050,000
Net change in fund balance	\$ -	\$ -	\$ 1,018,140	\$ 1,018,140

Note: This project was capitalized as a Capital Asset under the category of Construction in Progress.

The County will retain ownership of the property until the debt is repaid. The real estate is the collateral for the debt.

PITT COUNTY, NORTH CAROLINA

Schedule D-12

ECTC BUILDING - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004

	Project		Actual	
	Authorization	Prior	Current	Total To
		Years	Year	Date
Revenues				
Sales tax refund	\$ 2,743	\$ 8,204	\$ -	\$ 8,204
Investment earnings	20,449	20,780	15	20,795
Miscellaneous revenue	65,000	-	-	-
State share revenue	-	1,465	-	1,465
Other intergovernmental revenues	34,278	442,000	1,786	443,786
Federal grant	400,000	400,000	-	400,000
Total revenues	522,470	872,449	1,801	874,250
Expenditures				
Capital outlay:				
Other structures	2,750	2,750	-	2,750
General construction	1,084,045	1,008,225	690	1,008,915
Electrical service	12,743	12,743	-	12,743
Facade and site development	228,893	228,893	-	228,893
Architect/Engineering fees	91,045	85,052	637	85,689
Educational material	179,604	171,791	-	171,791
Total expenditures	1,599,080	1,509,454	1,327	1,510,781
Revenues over (under) expenditures	(1,076,610)	(637,005)	474	(636,531)
Other financing sources				
Debt obligation issued	400,000	375,000	-	375,000
Transfer in	676,610	299,610	-	299,610
Total other financing sources	1,076,610	674,610	-	674,610
Net change in fund balance	\$ -	\$ 37,605	\$ 474	\$ 38,079

Note: This project was capitalized as a Capital Asset under the category of Construction in Progress.

PROPRIETARY FUNDS

- **Enterprise Funds**
- **Internal Service Funds**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles used here are those applicable to similar businesses in the private sector.

ENTERPRISE FUND

The Enterprise Fund is used to account for solid waste operations in Pitt County that are financed through user charges.

PITT COUNTY, NORTH CAROLINA

Schedule E

ENTERPRISE FUND - SOLID WASTE

SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING

SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Over/Under	2003 Actual
Revenues				
User charges	\$ 5,885,848	\$ 5,872,206	\$ (13,642)	\$ 5,909,823
Investment earnings	-	106	106	309
Restricted intergovernmental revenues (repayment)	65,000	194,705	129,705	742,205
Other	354,005	403,458	49,453	360,550
Total revenues	6,304,853	6,470,475	165,622	7,012,887
Expenditures				
Salaries and employee benefits	852,499	871,027	-	824,564
Supplies and materials	323,549	378,059	-	272,134
Contract labor and other services	879,755	1,033,947	-	971,391
Contracted services - waste disposal	3,764,650	3,924,188	-	4,457,758
Hurricane clean up	65,000	60,851	-	316,993
Capital outlay	215,000	94,197	-	18,066
Principal repayment on long-term debt	200,000	200,000	-	200,000
Interest expense	84,400	84,400	-	94,900
Total expenditures	6,384,853	6,646,669	(261,816)	7,155,806
Revenues and other financing sources over (under) expenditures	(80,000)	(176,194)	(96,194)	(142,919)
Other financing uses				
Appropriated fund balance	80,000	-	(80,000)	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ (176,194)	\$ (176,194)	\$ (142,919)
Reconciliation from modified accrual basis to full accrual basis				
Revenues over (under) expenditures		\$ (176,194)		\$ (142,919)
Reconciling items:				
Capital outlay items capitalized		91,537		18,066
Depreciation		(86,734)		(196,350)
Change in closure and postclosure costs accrual		60,000		60,000
Principal payments on long-term debt		200,000		200,000
Net income - GAAP basis		\$ 88,609		\$ (61,203)

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods and services provided by the County Garage Fund, Employee Medical Insurance Fund, and Workers' Compensation Fund on a cost reimbursement basis.

PITT COUNTY, NORTH CAROLINA

Schedule F-1

COMBINING BALANCE SHEET - ALL INTERNAL SERVICE FUNDS
JUNE 30, 2004

	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 6,143	\$ 1,663,941	\$ 557,936	\$ 2,228,020
Accounts receivable	98,090	-	-	98,090
Inventories	25,596	-	-	25,596
Prepaid items	-	560,025	44,800	604,825
Total current assets	<u>129,829</u>	<u>2,223,966</u>	<u>602,736</u>	<u>2,956,531</u>
Total assets	<u>\$ 129,829</u>	<u>\$ 2,223,966</u>	<u>\$ 602,736</u>	<u>\$ 2,956,531</u>
Liabilities and fund equity				
Current liabilities:				
Accounts payable and accrued expenses	<u>\$ 52,996</u>	<u>\$ 1,190,329</u>	<u>\$ -</u>	<u>\$ 1,243,325</u>
Fund equity				
Net assets	<u>76,833</u>	<u>1,033,637</u>	<u>602,736</u>	<u>1,713,206</u>
Total fund equity	<u>76,833</u>	<u>1,033,637</u>	<u>602,736</u>	<u>1,713,206</u>
Total liabilities and fund equity	<u>\$ 129,829</u>	<u>\$ 2,223,966</u>	<u>\$ 602,736</u>	<u>\$ 2,956,531</u>

PITT COUNTY, NORTH CAROLINA

Schedule F-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
Operating Revenues				
User charges	\$ 340,561	\$ 107,556	\$ 24,522	\$ 472,639
Interfund services charges	-	5,167,309	15,000	5,182,309
Miscellaneous	39,757	-	-	39,757
Total operating revenues	<u>380,318</u>	<u>5,274,865</u>	<u>39,522</u>	<u>5,694,705</u>
Operating Expenses				
Salaries and employee benefits	51,322	-	-	51,322
Equipment maintenance	317,823	-	-	317,823
Insurance and administration charges	-	844,714	-	844,714
Medical claims costs	-	4,440,966	-	4,440,966
Claims reimbursement	-	-	373,817	373,817
Total operating expenses	<u>369,145</u>	<u>5,285,680</u>	<u>373,817</u>	<u>6,028,642</u>
Operating income (loss)	<u>11,173</u>	<u>(10,815)</u>	<u>(334,295)</u>	<u>(333,937)</u>
Non-operating revenues				
Transfer in	3,000	-	-	3,000
Investment earnings	-	11,030	292	11,322
Net income (loss)	14,173	215	(334,003)	(319,615)
Net Assets				
Beginning of year - July 1	<u>62,660</u>	<u>1,033,422</u>	<u>936,739</u>	<u>2,032,821</u>
End of year - June 30	<u>\$ 76,833</u>	<u>\$ 1,033,637</u>	<u>\$ 602,736</u>	<u>\$ 1,713,206</u>

PITT COUNTY, NORTH CAROLINA

Schedule F-3

COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
Cash Flows From Operating Activities				
Cash received from customers	\$ 324,689	\$ 107,556	\$ 24,739	\$ 456,984
Cash received from interfund services	-	5,167,309	15,000	5,182,309
Cash paid to suppliers	(292,304)	(5,432,872)	(413,617)	(6,138,793)
Cash paid to employees	(51,982)	-	-	(51,982)
Net cash provided (used) by operating activities	(19,597)	(158,007)	(373,878)	(551,482)
Cash Flows From Noncapital Financing Activities				
Transfer in	3,000	-	-	3,000
Cash Flows From Investing Activities				
Investment earnings	-	11,030	292	11,322
Net increase (decrease) in cash, cash equivalents and investments	(16,597)	(146,977)	(373,586)	(537,160)
Cash, cash equivalents and investments - July 1	22,740	1,810,918	931,522	2,765,180
Cash, cash equivalents and investments - June 30	\$ 6,143	\$ 1,663,941	\$ 557,936	\$ 2,228,020
Reconciliation of operating income to cash flows from operating activities				
Operating income (loss)	\$ 11,173	\$ (10,815)	\$ (334,295)	\$ (333,937)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities				
(Increase) decrease in accounts receivable	(55,629)	-	217	(55,412)
(Increase) decrease in prepaids	-	(65,962)	(39,800)	(105,762)
(Increase) decrease in inventories	(3,185)	-	-	(3,185)
Increase (decrease) in accounts payable and accruals	28,044	(81,230)	-	(53,186)
Net cash provided (used) by operating activities	\$ (19,597)	\$ (158,007)	\$ (373,878)	\$ (551,482)

TRUST AND AGENCY FUNDS

Trust and Agency Funds serve primarily as clearing mechanisms for cash resources which are collected by a governmental unit, held as such for a brief period, and then distributed to authorized recipients.

The following comprise the County's Agency Funds:

- **Social Services, Sheriff and Mental Health Fund** – This fund accounts for assets held by the County for private individuals that are received through these agencies to be expended for these individuals.
- **Tax Collections Held for Municipalities Fund** – This fund accounts for tax levies collected on behalf of other local governments.
- **Flexible Benefit Plan Fund** – This fund accounts for assets held for the County's flexible benefit plan provided for employees.

PITT COUNTY, NORTH CAROLINA

Schedule G-1

**COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
JUNE 30, 2004**

	Social Services, Sheriff, and Mental Health Agency Funds	Tax Collections Held for Municipalities Agency Fund	Flexible Benefit Plan Agency Fund	Total
Assets				
Cash and cash equivalents	\$ 256,580	\$ 98,069	\$ 6,292	\$ 360,941
Liabilities				
Deposits held in custody for others	\$ 256,580	\$ 98,069	\$ -	\$ 354,649
Deferred compensation benefits payable	-	-	6,292	6,292
Total liabilities	\$ 256,580	\$ 98,069	\$ 6,292	\$ 360,941

PITT COUNTY, NORTH CAROLINA

Schedule G-2

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL TRUST AND AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Social Services, Sheriff, and Mental Health Agency Funds</u>	<u>Tax Collections Held for Municipalities Agency Fund</u>	<u>Flexible Benefit Plan Agency Fund</u>	<u>Total</u>
Fund balance, beginning of year	\$ 295,097	\$ 157,272	\$ 260	\$ 452,629
Additions	2,071,610	-	6,032	2,077,642
Deductions	<u>(2,110,127)</u>	<u>(59,203)</u>	<u>-</u>	<u>(2,169,330)</u>
Fund balance, end of year	<u>\$ 256,580</u>	<u>\$ 98,069</u>	<u>\$ 6,292</u>	<u>\$ 360,941</u>

FUNCTION	YEAR	AMOUNT	PERCENT	PERCENT	PERCENT
1000	1990	1,000,000	100.00	100.00	100.00
1010	1990	1,000,000	100.00	100.00	100.00
1020	1990	1,000,000	100.00	100.00	100.00
1030	1990	1,000,000	100.00	100.00	100.00
1040	1990	1,000,000	100.00	100.00	100.00
1050	1990	1,000,000	100.00	100.00	100.00
1060	1990	1,000,000	100.00	100.00	100.00
1070	1990	1,000,000	100.00	100.00	100.00
1080	1990	1,000,000	100.00	100.00	100.00
1090	1990	1,000,000	100.00	100.00	100.00
1100	1990	1,000,000	100.00	100.00	100.00
1110	1990	1,000,000	100.00	100.00	100.00
1120	1990	1,000,000	100.00	100.00	100.00
1130	1990	1,000,000	100.00	100.00	100.00
1140	1990	1,000,000	100.00	100.00	100.00
1150	1990	1,000,000	100.00	100.00	100.00
1160	1990	1,000,000	100.00	100.00	100.00
1170	1990	1,000,000	100.00	100.00	100.00
1180	1990	1,000,000	100.00	100.00	100.00
1190	1990	1,000,000	100.00	100.00	100.00
1200	1990	1,000,000	100.00	100.00	100.00
1210	1990	1,000,000	100.00	100.00	100.00
1220	1990	1,000,000	100.00	100.00	100.00
1230	1990	1,000,000	100.00	100.00	100.00
1240	1990	1,000,000	100.00	100.00	100.00
1250	1990	1,000,000	100.00	100.00	100.00
1260	1990	1,000,000	100.00	100.00	100.00
1270	1990	1,000,000	100.00	100.00	100.00
1280	1990	1,000,000	100.00	100.00	100.00
1290	1990	1,000,000	100.00	100.00	100.00
1300	1990	1,000,000	100.00	100.00	100.00
1310	1990	1,000,000	100.00	100.00	100.00
1320	1990	1,000,000	100.00	100.00	100.00
1330	1990	1,000,000	100.00	100.00	100.00
1340	1990	1,000,000	100.00	100.00	100.00
1350	1990	1,000,000	100.00	100.00	100.00
1360	1990	1,000,000	100.00	100.00	100.00
1370	1990	1,000,000	100.00	100.00	100.00
1380	1990	1,000,000	100.00	100.00	100.00
1390	1990	1,000,000	100.00	100.00	100.00
1400	1990	1,000,000	100.00	100.00	100.00
1410	1990	1,000,000	100.00	100.00	100.00
1420	1990	1,000,000	100.00	100.00	100.00
1430	1990	1,000,000	100.00	100.00	100.00
1440	1990	1,000,000	100.00	100.00	100.00
1450	1990	1,000,000	100.00	100.00	100.00
1460	1990	1,000,000	100.00	100.00	100.00
1470	1990	1,000,000	100.00	100.00	100.00
1480	1990	1,000,000	100.00	100.00	100.00
1490	1990	1,000,000	100.00	100.00	100.00
1500	1990	1,000,000	100.00	100.00	100.00
1510	1990	1,000,000	100.00	100.00	100.00
1520	1990	1,000,000	100.00	100.00	100.00
1530	1990	1,000,000	100.00	100.00	100.00
1540	1990	1,000,000	100.00	100.00	100.00
1550	1990	1,000,000	100.00	100.00	100.00
1560	1990	1,000,000	100.00	100.00	100.00
1570	1990	1,000,000	100.00	100.00	100.00
1580	1990	1,000,000	100.00	100.00	100.00
1590	1990	1,000,000	100.00	100.00	100.00
1600	1990	1,000,000	100.00	100.00	100.00
1610	1990	1,000,000	100.00	100.00	100.00
1620	1990	1,000,000	100.00	100.00	100.00
1630	1990	1,000,000	100.00	100.00	100.00
1640	1990	1,000,000	100.00	100.00	100.00
1650	1990	1,000,000	100.00	100.00	100.00
1660	1990	1,000,000	100.00	100.00	100.00
1670	1990	1,000,000	100.00	100.00	100.00
1680	1990	1,000,000	100.00	100.00	100.00
1690	1990	1,000,000	100.00	100.00	100.00
1700	1990	1,000,000	100.00	100.00	100.00
1710	1990	1,000,000	100.00	100.00	100.00
1720	1990	1,000,000	100.00	100.00	100.00
1730	1990	1,000,000	100.00	100.00	100.00
1740	1990	1,000,000	100.00	100.00	100.00
1750	1990	1,000,000	100.00	100.00	100.00
1760	1990	1,000,000	100.00	100.00	100.00
1770	1990	1,000,000	100.00	100.00	100.00
1780	1990	1,000,000	100.00	100.00	100.00
1790	1990	1,000,000	100.00	100.00	100.00
1800	1990	1,000,000	100.00	100.00	100.00
1810	1990	1,000,000	100.00	100.00	100.00
1820	1990	1,000,000	100.00	100.00	100.00
1830	1990	1,000,000	100.00	100.00	100.00
1840	1990	1,000,000	100.00	100.00	100.00
1850	1990	1,000,000	100.00	100.00	100.00
1860	1990	1,000,000	100.00	100.00	100.00
1870	1990	1,000,000	100.00	100.00	100.00
1880	1990	1,000,000	100.00	100.00	100.00
1890	1990	1,000,000	100.00	100.00	100.00
1900	1990	1,000,000	100.00	100.00	100.00
1910	1990	1,000,000	100.00	100.00	100.00
1920	1990	1,000,000	100.00	100.00	100.00
1930	1990	1,000,000	100.00	100.00	100.00
1940	1990	1,000,000	100.00	100.00	100.00
1950	1990	1,000,000	100.00	100.00	100.00
1960	1990	1,000,000	100.00	100.00	100.00
1970	1990	1,000,000	100.00	100.00	100.00
1980	1990	1,000,000	100.00	100.00	100.00
1990	1990	1,000,000	100.00	100.00	100.00

III. STATISTICAL SECTION

The Statistical Section includes schedules showing ten-year financial trends as extracted from current and prior years' financial reports and other supplemental information relevant to the County. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of the County. The data is rounded to significant digits to more clearly illustrate existing trends.

The information presented in this section does not provide full and adequate disclosure of financial information for prior years required by generally accepted accounting principles. Such information is provided for supplementary analysis purposes and should be relied on only for the purpose specified.

COUNTY OF PITT, NORTH CAROLINA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

FISCAL YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	CULTURAL AND RECREATIONAL	DEBT SERVICE	ENVIRONMENTAL PROTECTION
1995	7,519,842	9,339,704	587,678	6,499,668	176,943
1996	8,357,546	10,118,564	312,005	6,258,371	197,025
1997	7,793,066	11,790,413	327,368	6,836,733	146,121
1998	10,648,615	12,320,594	406,651	7,430,158	147,998
1999	9,066,611	12,317,338	512,205	7,556,462	191,954
2000	9,906,139	14,049,862	546,864	8,732,898	209,768
2001	9,931,234	16,760,458	580,000	8,510,711	216,951
2002	10,140,976	17,019,635	583,205	9,751,237	225,021
2003	11,268,950	19,609,050	589,259	10,396,397	418,229
2004	10,527,303	22,413,203	491,838	10,741,202	213,262

Note: (1) Includes general, special revenue, capital projects and debt service funds.

Source: Audited annual financial reports of this entity

TABLE 1

HUMAN SERVICES	EDUCATION	ECONOMIC & PHYSICAL DEVELOPMENT	CAPITAL OUTLAY	TOTAL
32,661,629	15,353,000	1,938,548	2,461,239	76,538,251
35,894,641	16,922,490	2,057,639	3,908,736	84,027,017
37,386,104	17,713,752	1,723,381	6,886,688	90,603,626
37,507,947	19,025,890	1,360,815	16,666,694	105,515,362
39,613,163	20,199,187	942,552	16,022,702	106,422,174
46,517,083	21,955,801	2,077,215	10,784,545	114,780,175
54,896,386	24,530,732	1,213,109	31,439,197	148,078,778
56,812,353	25,981,099	1,127,975	21,377,256	143,018,757
54,516,121	28,293,249	1,209,016	3,992,017	130,292,288
54,489,313	30,222,455	3,928,355	4,741,619	137,768,550

COUNTY OF PITT, NORTH CAROLINA

GENERAL GOVERNMENTAL REVENUES & OTHER FINANCING SOURCES (1)

<u>FISCAL YEAR</u>	<u>PROPERTY TAXES</u>	<u>PERMITS & FEES</u>	<u>INTER- GOVERNMENTAL</u>	<u>SALES & SERVICES</u>
1995	29,928,434	925,177	22,070,937	5,481,517
1996	31,910,878	949,440	22,648,965	6,370,778
1997	33,612,728	968,109	25,253,805	6,873,956
1998	37,359,472	1,229,736	29,914,057	8,733,785
1999	40,084,742	1,270,597	26,644,632	3,083,910
2000	39,861,339	1,696,677	46,264,801	3,895,184
2001	41,642,098	1,829,819	50,512,687	4,629,751
2002	42,801,929	1,992,472	45,751,672	5,638,779
2003	45,888,511	2,382,936	42,666,245	6,164,763
2004	50,404,485	2,623,753	44,968,727	6,246,390

Note: (1) Includes general, special revenue, capital projects and debt service funds.

Source: Audited annual financial reports of this entity

TABLE 2

INVESTMENT EARNINGS	MISC.	OTHER TAXES & LICENSES	BONDS/ CERTIFICATES OF PARTICIPATION	TOTAL REVENUES
1,356,576	708,590	15,826,512	-	76,297,743
1,215,931	1,167,160	16,025,355	-	80,288,507
1,152,113	1,417,482	16,577,227	28,700,000	114,555,420
2,156,340	1,269,645	17,794,733	500,000	98,957,768
1,712,674	1,658,506	15,389,657	500,000	90,344,718
3,025,858	3,169,969	20,427,152	12,255,000	130,595,980
4,371,348	1,974,777	20,560,382	28,050,000	153,570,862
2,087,938	2,334,642	19,828,217	-	120,435,649
628,145	2,251,069	19,485,525	-	119,467,194
649,682	759,786	24,384,768	8,060,000	138,097,591

COUNTY OF PITT, NORTH CAROLINA

TABLE 3

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

FISCAL YEAR	PROPERTY TAX	SALES TAX	INTANGIBLE PROPERTY TAX (1)	MARRIAGE & PRIVILEGE LICENSES	CABLE TV FRANCHISE TAX	TOTAL
1995	29,928,434	13,007,577	1,179,224	31,041	107,913	44,254,189
1996	31,910,878	13,184,265	1,197,062	33,600	178,350	46,504,155
1997	33,612,728	13,747,226	1,181,139	38,593	139,114	48,718,800
1998	37,359,472	14,961,513	1,187,266	38,242	115,288	53,661,781
1999	40,084,742	16,612,238	1,184,000	35,678	130,705	58,047,363
2000	39,861,339	17,559,099	1,194,257	35,084	200,621	58,850,400
2001	41,642,098	17,639,924	1,183,695	27,850	208,013	60,701,580
2002	42,801,929	17,668,602	N/A	26,495	300,058	60,797,084
2003	45,888,511	19,358,773	N/A	32,598	234,346	65,514,228
2004	50,404,485	21,982,451	N/A	32,202	250,702	72,669,840

Note: (1) The State of North Carolina discontinued this source of funds.

Source: Audited annual financial reports of this entity

COUNTY OF PITT, NORTH CAROLINA

ANALYSIS OF GENERAL FUND EQUITY

	<u>1995</u>	<u>1996</u>	<u>1997</u>
GENERAL FUND EQUITY:			
FUND BALANCE RESERVED			
FOR INVENTORIES	\$ -	\$ -	\$ -
FOR ENCUMBRANCES	-	-	-
BY STATE STATUTE	5,769,771	7,345,495	7,667,508
FOR PREPAID ITEMS	55,000	177,878	62,300
FOR REGISTER OF DEEDS	-	-	-
AVAILABLE FOR APPROPRIATION:			
DESIGNATED FOR DEBT SERVICE	-	-	-
DESIGNATED FOR SUBSEQUENT YEARS EXPENDITURES	2,741,477	3,040,244	2,307,804
DESIGNATED FOR POTENTIAL TSR REFUND (MH)	-	-	-
UNDESIGNATED	8,244,884	5,700,708	6,371,526
DESIGNATED FOR FUTURE CAPITAL OUTLAY	-	-	-
TOTAL GENERAL FUND EQUITY	\$ 16,811,132	\$ 16,264,325	\$ 16,409,138

Source: Annual audited financial statements of this entity

TABLE 4

1998	1999	2000	2001	2002	2003	2004
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,132,917	6,985,190	7,637,640	7,417,919	6,926,392	7,198,049	8,121,763
239,531	280,282	288,883	265,083	180,478	68,904	72,871
-	-	-	-	46,295	151,431	254,354
-	-	-	-	-	-	-
3,091,964	2,731,878	4,047,261	6,686,285	9,078,614	10,793,300	4,668,853
-	-	-	870,000	615,000	850,000	-
8,930,989	27,478,826	32,652,074	36,234,757	31,160,613	22,987,774	20,005,649
-	-	-	-	-	-	-
\$ 19,395,401	\$ 37,476,176	\$ 44,625,858	\$ 51,474,044	\$ 48,007,392	\$ 42,049,458	\$ 33,123,490

COUNTY OF PITT, NORTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS

<u>FISCAL YEAR</u>	<u>TOTAL ADJUSTED TAX LEVY</u>	<u>CURRENT TAX COLLECTION</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTION</u>
1995	29,376,238	27,948,991	95.14%	1,174,158
1996	31,014,619	29,539,960	95.25%	1,479,587
1997	33,473,767	31,838,466	95.11%	1,463,392
1998	36,858,073	35,058,057	95.12%	1,763,867
1999	39,243,446	37,361,831	95.21%	1,750,391
2000	39,166,137	37,173,744	94.91%	1,800,537
2001	40,653,611	38,635,849	95.04%	2,017,762
2002	41,921,779	39,827,571	95.00%	2,026,488
2003	44,057,353	41,821,376	94.92%	2,201,880
2004	46,548,856	44,508,879	95.62%	2,142,142

Note: The presentation of this schedule has been modified beginning with Year-ended June 30, 1999 to include data from the county-wide property tax levy only. Data pertaining to the Industrial Development Commission (component unit) is reported separately in the General Purpose Financial Statements.

Source: Annual audited financial reports of this entity and the entity's Tax Assessor and Tax Collector

TABLE 5

TOTAL TAX COLLECTION	TOTAL TAX COLLECTIONS TO ADJUSTED TAX LEVY	OUTSTANDING DELINQUENT TAXES	DELINQUENT TAXES TO ADJUSTED TAX LEVY
29,123,149	99.14%	4,301,309	14.64%
31,019,547	100.02%	3,959,123	12.77%
33,301,858	99.49%	4,061,262	12.13%
36,821,924	99.90%	4,097,422	11.12%
39,112,222	99.67%	4,678,592	11.92%
38,974,281	99.51%	4,878,960	12.46%
40,621,374	99.92%	4,931,777	12.13%
41,854,059	99.84%	5,195,034	12.39%
44,023,256	99.92%	5,723,421	12.99%
46,651,021	100.22%	4,977,796	10.69%

COUNTY OF PITT, NORTH CAROLINA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC SERVICE COMPANIES' PROPERTY (1)	
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE
1995	3,590,488,157	4,482,507,062	1,072,870,440	1,072,870,440	77,820,737	85,008,670
1996	3,756,546,264	4,689,820,554	1,165,037,498	1,165,037,498	78,873,648	91,173,783
1997	4,438,381,820	4,530,347,882	1,273,835,367	1,273,835,367	101,167,258	101,167,258
1998	4,644,367,065	5,097,576,638	1,510,801,855	1,510,801,855	101,506,231	101,506,231
1999	4,825,334,263	5,150,079,259	1,754,610,946	1,754,610,946	104,564,230	104,564,230
2000	4,983,488,104	5,561,572,724	1,571,446,374	1,571,446,374	101,978,676	101,978,676
2001	5,130,923,765	5,861,567,309	1,558,098,551	1,558,098,551	91,507,266	91,507,266
2002	5,306,230,416	6,459,983,462	1,800,472,859	1,800,472,859	95,260,352	95,260,352
2003	5,636,839,363	6,862,477,919	1,785,969,330	1,785,969,330	88,706,936	88,706,936
2004	5,849,384,127	7,067,225,902	1,733,230,772	1,733,230,772	84,043,983	84,043,983

Note: (1) Public service companies' property includes real and personal property of utilities, railroads and airlines, etc.
The assessments are made by the North Carolina Department of Revenue with no distinction between real and personal property.

Source: Annual audited financial reports of this entity and the entity's Tax Assessor and Tax Collector

TABLE 6

EXEMPTIONS REAL PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
(683,612,110)	(853,448,327)	4,057,567,224	4,786,937,845	84.76%
(718,963,765)	(897,582,728)	4,281,493,645	5,048,449,107	84.81%
(763,116,245)	(778,928,493)	5,050,268,200	5,126,422,014	98.51%
(825,991,299)	(885,591,614)	5,430,683,852	5,824,293,110	93.24%
(831,492,401)	(887,451,840)	5,853,017,038	6,121,802,595	95.61%
(833,686,860)	(930,394,535)	5,823,226,294	6,307,188,798	92.33%
(838,534,370)	(957,941,664)	5,941,995,212	6,553,231,462	90.67%
(857,283,030)	(1,043,685,208)	6,344,680,597	7,312,031,465	86.77%
(901,234,810)	(1,130,500,263)	6,610,280,819	7,606,653,922	86.90%
(936,018,420)	(1,130,897,455)	6,730,640,462	7,753,603,202	

COUNTY OF PITT, NORTH CAROLINA

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS

<u>JUNE 30</u>	<u>PITT COUNTY</u>	<u>TOWN OF AYDEN</u>	<u>TOWN OF BETHEL</u>	<u>TOWN OF FALKLAND</u>	<u>TOWN OF FARMVILLE</u>	<u>TOWN OF FOUNTAIN</u>	<u>TOWN OF GREENVILLE</u>
1995	0.7239	0.4900	0.5900	0.3500	0.4000	0.6000	0.5936
1996	0.7239	0.4900	0.5900	0.3500	0.4000	0.6000	0.5936
1997	0.6600	0.4700	0.5900	0.3500	0.4100	0.6000	0.5200
1998	0.6800	0.5000	0.5900	0.3500	0.4482	0.6000	0.5500
1999	0.6800	0.5000	0.5900	0.3500	0.4482	0.6000	0.5500
2000	0.6800	0.5000	0.5900	0.4500	0.4900	0.6000	0.5500
2001	0.6800	0.5000	0.5900	0.4500	0.4900	0.6000	0.6150
2002	0.6800	0.5500	0.5900	0.4500	0.4900	0.6000	0.6150
2003	0.6800	0.5500	0.5900	0.4500	0.4900	0.6000	0.6150
2004	0.7000	0.5500	0.5900	0.4500	0.4900	0.6000	0.6150

Note: Tax rates are based on \$100 per assessed valuation for Pitt County and all overlapping governments.

Source: Pitt County Tax Assessor

TABLE 7
CONTINUED

TOWN OF GRIFTON	TOWN OF GRIMESLAND	TOWN OF SIMPSON	TOWN OF WINTERVILLE	EMS DISTRICT	AYDEN FIRE DISTRICT	AYDEN RESCUE DISTRICT	BELL ARTHUR FIRE DISTRICT	BLACK JACK FIRE DISTRICT
0.5900	0.3900	0.5000	0.4000	-	0.0300	-	0.0375	0.0300
0.5900	0.3900	0.5000	0.4000	-	0.0400	-	0.0375	0.0300
0.5700	0.3900	0.4500	0.4000	-	0.0385	0.0400	0.0363	0.0286
0.5700	0.3900	0.4000	0.4000	-	0.0400	0.0400	0.0357	0.0300
0.5500	0.3900	0.4500	0.4000	-	0.0400	0.0400	0.0375	0.0275
0.5700	0.3900	0.4500	0.4000	-	0.0400	0.0450	0.0375	0.0250
0.5700	0.3900	0.4500	0.4000	-	0.0400	-	0.0375	0.0250
0.5700	0.4500	0.4500	0.4500	-	0.0400	-	0.0500	0.0300
0.5700	0.4500	0.4500	0.4500	0.0300	0.0400	-	0.0500	0.0300
0.5700	0.4500	0.4500	0.4500	0.0400	0.0375	-	0.0500	0.0300

CONTINUED ON NEXT PAGE

COUNTY OF PITT, NORTH CAROLINA

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS

FISCAL YEAR	CLARKS NECK FIRE DISTRICT	EASTERN PINES FIRE DISTRICT	EASTERN PINES RESCUE DISTRICT	FALKLAND FIRE DISTRICT	FARMVILLE FIRE DISTRICT	FOUNTAIN FIRE DISTRICT	GARDNERVILLE FIRE DISTRICT	GRIFTON FIRE DISTRICT
1995	0.0500	0.0250	0.0300	-	0.0400	0.0400	-	-
1996	0.0500	0.0250	0.0300	-	0.0400	0.0500	-	-
1997	0.0429	0.0226	0.0273	-	0.0396	0.0500	-	-
1998	0.0429	0.0250	0.0273	-	0.0400	0.0500	0.0500	0.0450
1999	0.0500	0.0250	0.0273	0.0500	0.0400	0.0500	0.0500	0.0450
2000	0.0500	0.0250	0.0273	0.0600	0.0400	0.0500	0.0500	0.0450
2001	0.0500	0.0250	-	0.0600	0.0400	0.0500	0.0500	0.0450
2002	0.0500	0.0250	-	0.0600	0.0400	0.0500	0.0750	0.0450
2003	0.0500	0.0250	-	0.0600	0.0400	0.0500	0.0750	0.0450
2004	0.0500	0.0250	-	0.0600	0.0400	0.0500	0.0750	0.0475

TABLE 7

GRIMESLAND FIRE DISTRICT	PACTOLUS FIRE DISTRICT	RED OAK FIRE DISTRICT	SHARP POINT FIRE DISTRICT	SIMPSON FIRE DISTRICT	STATON HOUSE FIRE DISTRICT	STOKES FIRE DISTRICT	WINTERVILLE FIRE DISTRICT
0.0400	0.0500	0.0400	-	0.0300	0.0150	0.0500	0.0320
0.0400	0.0500	0.0400	-	0.0300	0.0150	0.0500	0.0320
0.0385	0.0462	0.0363	-	0.0275	0.0150	0.0500	0.0286
0.0400	0.0465	0.0400	-	0.0500	0.0150	0.0500	0.0286
0.0400	0.0465	0.0400	-	0.0500	0.0150	0.0500	0.0250
0.0400	0.0465	0.0400	-	0.0500	0.0150	0.0500	0.0250
0.0400	0.0465	0.0400	-	0.0500	0.0150	0.0500	0.0250
0.0400	0.0465	0.0400	-	0.0500	0.0175	0.0500	0.0250
0.0400	0.0465	0.0400	-	0.0500	0.0175	0.0500	0.0250
0.0400	0.0465	0.0700	0.0600	0.0500	0.0175	0.0500	0.0250

COUNTY OF PITT, NORTH CAROLINA

TABLE 8

PRINCIPAL TAXPAYERS

<u>NAME OF TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>JANUARY 2004 ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
DSM CATALYTICA	PHARMACEUTICAL	\$ 284,286,000	3.45%
SPRINT	COMMUNICATIONS	51,000,000	0.62%
DSM DYNEEMA	MANUFACTURING	42,929,000	0.52%
ESTATE OF JOSEPH SPEIGHT	DEVELOPER	37,845,000	0.46%
ASMO	MANUFACTURING	34,587,000	0.42%
COLONIAL REALTY, LLP	SHOPPING MALL	27,210,000	0.33%
WEYERHAEUSER	LUMBER MANUFACTURING	26,843,000	0.33%
PAPER PAK	MANUFACTURING	26,617,000	0.32%
NACCO	MANUFACTURING	20,993,000	0.25%
TRW, INC.	AUTO COMPONENTS	20,773,000	0.25%
TOTALS		\$ 573,083,000	6.95%

Source: Pitt County Tax Assessor

COUNTY OF PITT, NORTH CAROLINA

TABLE 9

SPECIAL ASSESSMENT BILLINGS & COLLECTIONS (1)

Note:

(1) The County does not have any Special Assessments as listed in GS 160A-216.

COUNTY OF PITT, NORTH CAROLINA

TABLE 10

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2004

ASSESSED VALUATIONS:

ASSESSED VALUE	6,730,640,462
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LEGAL DEBT MARGIN

DEBT LIMITATION - 8% OF APPRAISED VALUATION	538,451,237
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GROSS DEBT:

OUTSTANDING BONDED DEBT	12,285,000
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OTHER:

CERTIFICATES OF PARTICIPATION	68,355,000
OTHER LOANS	<u>2,567,078</u>

GROSS DEBT	<u>\$ 83,207,078</u>
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LESS:

BONDS COVERED BY ENTERPRISE FUND (LANDFILL)	<u>(1,400,000)</u>
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NET DEBT	<u>\$ 81,807,078</u>
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LEGAL DEBT MARGIN	<u>\$ 456,644,159</u>
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Source: Annual audited financial statements of the entity

COUNTY OF PITT, NORTH CAROLINA

TABLE 11

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

JUNE 30	POPULATION (1)	ASSESSED VALUE	GROSS BONDED DEBT (2)	DEBT PAYABLE FROM ENTERPRISE REVENUES (3)	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1995	117,330	4,057,567,224	31,775,000	N/A	31,775,000	0.78%	270.82
1996	119,236	4,281,493,645	32,335,000	N/A	32,335,000	0.76%	271.18
1997	124,411	5,050,268,200	29,720,000	\$ 2,800,000	26,920,000	0.53%	238.89
1998	126,643	5,430,683,852	27,125,000	2,600,000	24,525,000	0.45%	199.14
1999	127,879	5,853,017,038	25,640,000	2,400,000	23,240,000	0.40%	186.82
2000	131,166	5,823,226,294	22,990,000	2,200,000	20,790,000	0.36%	158.50
2001	133,798	5,941,995,212	20,325,000	2,000,000	18,325,000	0.31%	136.96
2002	134,936	6,344,680,597	17,650,000	1,800,000	15,850,000	0.25%	117.46
2003	137,901	6,610,280,819	14,985,000	1,600,000	13,385,000	0.20%	97.06
2004	138,922	6,731,640,462	13,685,000	1,400,000	12,285,000	0.18%	88.43

Notes: (1) Provided by the North Carolina Office of State Budget and Management.
(2) The County has no special assessment bonds or revenue bonds outstanding.
(3) Amount available for repayment of general obligation bonds.
N/A = Not Applicable.

Source: Annual audited financial statements of the entity

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

<u>JUNE 30</u>	<u>PRINCIPAL</u>	<u>INTEREST (1)</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL GOVERNMENTAL EXPENDITURES (2)</u>	<u>RATIO DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES</u>
1995	2,450,000	1,770,128	4,220,128	76,538,251	5.51%
1996	2,440,000	1,731,953	4,171,953	84,027,015	4.97%
1997	2,415,000	1,533,353	3,948,353	90,603,626	4.36%
1998	2,395,000	1,414,890	3,809,890	105,515,362	3.61%
1999	2,695,000	1,318,734	4,013,734	108,661,381	3.69%
2000	2,610,000	1,198,280	3,808,280	123,530,024	3.08%
2001	2,665,000	1,074,020	3,739,020	148,078,778	2.53%
2002	2,675,000	949,360	3,624,360	143,018,757	2.53%
2003	2,465,000	822,535	3,287,535	130,292,288	2.52%
2004	2,700,000	696,335	3,396,335	137,768,550	2.47%

Notes: (1) Excludes bond issuance and other costs.
(2) Includes general, special revenue, capital projects.

Source: Audited annual financial statements of this entity

COUNTY OF PITT, NORTH CAROLINA

TABLE 13

COMPUTATION OF DIRECT AND OVERLAPPING
BONDED DEBT GENERAL OBLIGATION BONDS

JUNE 30, 2004

<u>JURISDICTION</u>	<u>NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO PITT COUNTY</u>	<u>AMOUNT APPLICABLE TO PITT COUNTY</u>
COUNTY OF PITT	\$12,285,000	100.00%	\$12,285,000
CITY OF GREENVILLE	15,545,000	100.00%	15,545,000
TOWN OF AYDEN	40,000	100.00%	40,000
TOWN OF BETHEL	50,000	100.00%	50,000
TOWN OF FARMVILLE	490,000	100.00%	490,000
TOWN OF FOUNTAIN	223,000	100.00%	223,000
TOWN OF GRIMESLAND	283,500	100.00%	283,500
TOWN ON WINTERVILLE	1,157,500	100.00%	1,157,500
CONTENTNEA METROPOLITAN SEWAGE DISTRICT	461,000	0%	0 (2)
	<hr/>		<hr/>
TOTAL	<u><u>\$30,535,000</u></u>		<u><u>\$30,074,000</u></u>

Note: (1) Debt Obligations of the Contentnea Metropolitan Sewage District are paid from revenues of the system, therefore, no taxes are being levied for the payment thereof.

Source: Local Government Commission

COUNTY OF PITT, NORTH CAROLINA

TABLE 14

DEMOGRAPHIC STATISTICS

<u>JUNE 30</u>	<u>POPULATION (1)</u>	<u>PER CAPITA INCOME (1)</u>	<u>MEDIAN AGE (1)</u>	<u>SCHOOL ENROLLMENT ADM. (2)</u>	<u>UNEMPLOYMENT RATE (3)</u>
1995	117,330	19,813	30.4	18,863	4.6%
1996	119,236	21,314	30.6	19,025	4.8%
1997	124,411	22,772	30.7	19,322	5.1%
1998	126,643	21,813	31.0	19,695	4.8%
1999	127,879	21,462	31.2	19,997	4.4%
2000	131,166	23,944	31.4	20,030	4.4%
2001	133,798	23,976	30.4	19,736	4.5%
2002	134,936	24,212	31.4	20,205	6.0%
2003	137,901	N/A	31.4	20,220	6.6%
2004	138,922	N/A	31.3	20,665	6.7%

Notes: (1) Provided by the North Carolina Office of State Budget and Management.
 (2) Nine (9) month ADM figure provided by Pitt County Board of Education.
 (3) Provided by the Pitt County Industrial Development Commission.
 Population Figures Revised for 1990-1995.
 N/A = Not Available.

PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS

JUNE 30	REAL PROPERTY VALUE		COMMERCIAL CONSTRUCTION (1)		RESIDENTIAL CONSTRUCTION		BANK DEPOSITS (2)
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	UNITS	VALUE	UNITS	VALUE	
1995	3,590,488,157	4,482,507,062	670	52,139,581	2,406	102,828,335	944,906,000
1996	3,756,546,264	4,689,820,554	718	56,287,481	2,088	79,740,735	959,706,000
1997	4,438,381,820	4,530,347,892	652	35,170,617	2,563	91,014,743	N/A
1998	4,777,671,080	5,122,409,220	741	79,863,666	2,154	96,271,253	N/A
1999	4,825,334,263	5,150,079,259	915	70,408,767	2,425	114,088,091	N/A
2000	4,983,488,104	5,561,572,724	642	48,694,346	2,933	84,583,698	N/A
2001	5,130,923,765	5,861,567,309	66	29,499,340	483	59,407,925	N/A
2002	5,306,230,416	6,459,983,462	157	51,361,925	1,893	137,630,546	N/A
2003	5,636,839,363	6,862,477,919	155	60,627,486	1,699	163,764,178	N/A
2004	5,849,384,127	7,067,225,902	145	45,544,936	2,639	254,785,885	N/A

Notes: (1) Provided by City of Greenville Inspections Dept.
 (2) Provided by the North Carolina Banking Commission.
 N/A = Not Available

Source: Audited annual financial reports of this entity

MISCELLANEOUS STATISTICS

DATE OF INCORPORATION	1760
FORM OF GOVERNMENT	Commission-Manager
NUMBER OF EMPLOYEES (1)	1,016.40
AREA IN SQUARE MILES (1)	657

GOVERNMENT FACILITIES AND SERVICES: (1)

MILES OF STREETS - PUBLIC & PRIVATE	1,700
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CULTURE AND RECREATION: (2)

LIBRARIES	9
BOOKMOBILES	1
BOOK CIRCULATION	389,620
NUMBER OF BOOKS	216,574
PARKS (3)	28
PARK ACREAGE	1,300
GOLF COURSES - PUBLIC & PRIVATE (1)	7
SWIMMING POOLS (3)	2
TENNIS COURTS (3)	24

FIRE PROTECTION (COUNTY): (1)

NUMBER OF STATIONS	30
FIRE AND RESCUE PERSONNEL (OFFICERS, VOLUNTEER, AND PAID)	1,101
NUMBER OF CALLS ANSWERED	11,313
NUMBER OF INSPECTIONS CONDUCTED	350

LAW ENFORCEMENT (SHERIFF/DETENTION): (1)

NUMBER OF STATIONS	1
NUMBER OF DETENTION CENTERS	1
NUMBER OF PERSONNEL AND OFFICERS - SHERIFF	121
NUMBER OF PERSONNEL AND OFFICERS - DETENTION	121
NUMBER OF PATROL UNITS (Deputies)	58
NUMBER OF LAW VIOLATIONS	19,577

FACILITIES AND SERVICES NOT INCLUDED IN THE REPORTING ENTITY:

EDUCATION: (4)

NUMBER OF PUBLIC SCHOOL SYSTEMS	1
NUMBER OF SCHOOL INSTRUCTORS	1,534
NUMBER OF ELEMENTARY SCHOOLS	26
NUMBER OF SECONDARY SCHOOLS	6
NUMBER OF COMMUNITY COLLEGES	1
NUMBER OF UNIVERSITIES	1

HOSPITALS: (5)

NUMBER OF HOSPITALS	1
NUMBER OF PATIENT BEDS	745
NUMBER OF NEWBORN BASSINETS	40

- Source: (1) Departments of the Entity
 (2) Sheppard Memorial Library (Reports only main and satellite branches)
 (3) City of Greenville - Parks & Recreation (Reports only public facilities maintained by City of Greenville)
 (4) Pitt County Board of Education
 (5) Pitt County Memorial Hospital