

Comprehensive Annual Financial Report

County of Pitt North Carolina

For Fiscal Year
Ended June 30, 2005



County of Pitt

North Carolina



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2005

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 Year Ended June 30, 2005

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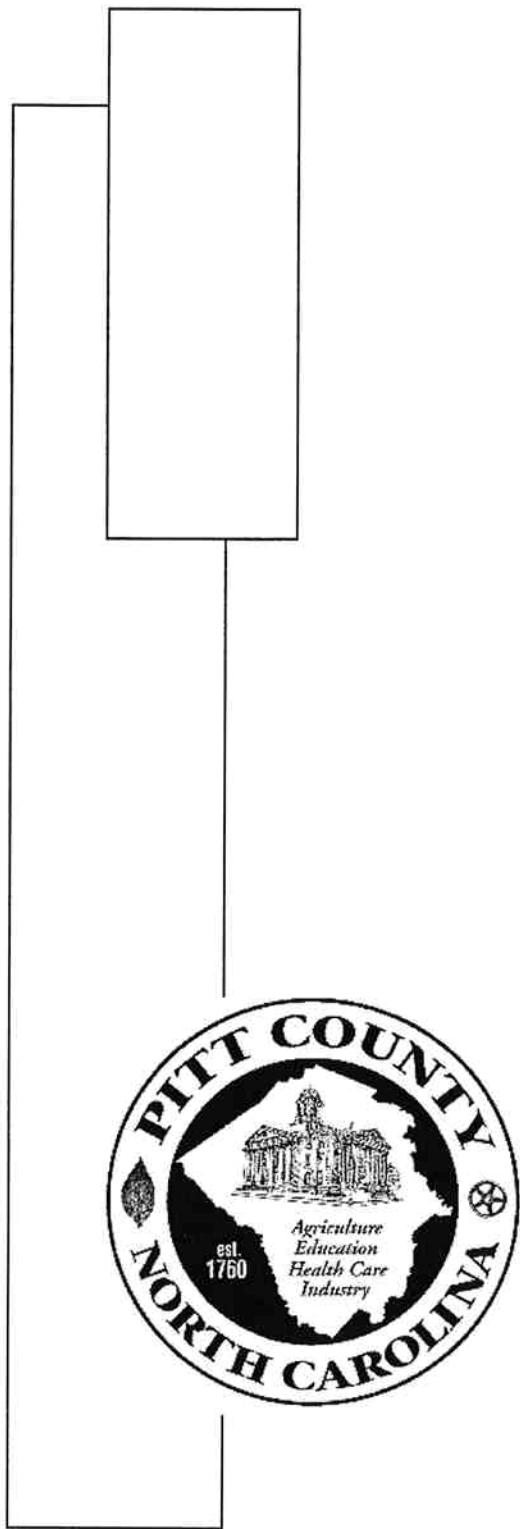
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I. INTRODUCTORY SECTION

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- Pitt County Profile
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- List of Principal Officials
- Organizational Chart
- Mission, Values and Goals Statements





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MELONIE T. BRYAN
DEPUTY COUNTY MANAGER –
FINANCIAL SERVICES

September 16, 2005

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, 2005.

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. *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 the funds 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 141,499 as of July 2004 (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), 24% between 1990 and 2000 (133,798) and an additional 5.75% between 2000 and 2004. 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 745,500 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 12 counties for retail sales in the State. Retail sales in the County have grown an average of 7% annually for the past 10 years, exceeded \$1 billion per year since Fiscal Year 1993-94 and began exceeding \$1.9 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 65,700 persons. Industrial investments in 2004-2005 totaled over \$100 million and included expansions at NC Asahi, ASMO Greenville, Metaldyne, The Hammock Source, Weyerhaeuser and DSM Dyneema as well as the location of two new companies, Harper Brush and Rural Sourcing, Inc.

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. Over the past 10 years, the Commission has been successful in landing Japanese projects. To date, ASMO Greenville; NC Asahi, Fuji Silysia have located in Pitt County's Indigreen Corporate Park and other companies have been over to visit. While the bulk of the industrial growth during Fiscal Year 2004-2005 came through the expansion of existing industry rather than the location of new industry, there were a couple of new announcements that have helped the County recover positions lost over the past 2 years. Harper Brush expected to hire 250 persons within the next year and Rural Sourcing will provide more than 50 new jobs by the end of 2005.

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 school systems in funding for education as well as in the area of student achievement and test scores. At the close of Fiscal Year 2004-2005, the fifth and final year of the Compact, the County had exceeded its stated funding goal. According to data distributed by the North Carolina Association of County Commissioners, the County held the 30th position in terms of per pupil funding. Data for test score performance for the 2004-2005 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 showed performance gains across the system.

As noted earlier, the Education Compact expired with Fiscal Year 2004-2005. This tool has been viewed by both the School Board and the Board of County Commissioners as a vital component in our continued success and the increased communication between the two Boards. However, at this time, a new compact has not been developed. With the arrival of a new school superintendent in January 2006, the issue may be examined again.

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 2004-2005 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, was allocated for construction projects ranging from two new schools (a PreK-5 elementary and a 6-8 middle) to the renovation/expansion of several existing schools and the addressing of some equity issues at high schools throughout the County. Several of these projects have been completed. Creekside Elementary opened in August 2005 and Hope Middle is scheduled to open in August 2006. Most of the balance of the projects are either completed or currently underway.

However, in spite of these construction efforts, the County recognizes that construction needs still exist for the school system. To that end, the Board of Commissioners spent much of calendar year 2005 seeking special legislation to allow the County to impose an additional sales tax to generate construction funds for school and community college construction. The legislation has been passed by the House of Representatives and is scheduled to be heard by the Senate in May 2006. Additional discussions will be held in the interim to determine if other funding alternatives can bridge the gap and allow the school system to continue to address their construction needs.

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 began in the 1st quarter of Fiscal Year 2004-2005 and continue to be reviewed

each quarter thereafter.

EMS and Communications Studies. The County determined that two major work program areas for Fiscal Year 2004-2005 were to continue long-range planning efforts for both Emergency Medical Services and E911 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 non-profit squads. As the citizenry has moved to a more urbanized lifestyle, day shift 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. As of early 2005-2006, it is anticipated that all EMS squads will be at paramedic coverage 24/7/365.

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.

While there have been improvements over the past year, much work is still to be done. Work in these three areas will continue to be a priority. Therefore, the County work plan calls for additional attention on E911 communications, fire services and EMS squads in Fiscal Year 2005-2006 to further implement study findings, resolve coverage issues and equalize and improve service levels.

Zoning & Growth Management, Coordination / Provision of Water Services. The County implemented County-wide zoning in November 2003 and staff continues to be involved in full implementation of this 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 has worked 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 reviewed long-term water supply needs and recommendations will be brought forward for consideration during Fiscal Year 2005-2006. Grant funding received from the North Carolina's Eastern Region and the North Carolina Rural Center helped 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 stated intention to maintain a minimum undesignated Fund Balance of at least 18-20% and at June 30, 2005 the County had 18% 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 2005-2006 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 and the community college pending the outcome of our legislative quest for a new revenue source. Short of that effort, discussions of holding a bond referendum in 2006 have also been considered.

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, 2005". 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, 2004. This was the fifteenth 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 2004-2005. This marked the eighth 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 2004 estimated population is 141,499 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, Alliance One, and Grady-White Boats. 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 2006) 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. In terms of curriculum programs, PCC is the 6th largest out of 59 schools in North Carolina's community college system. School enrollment for 2004 was in excess of 7,989 curriculum students and 9,328 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 22,760 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 within 30 miles of Pitt County. Thirty-two motor freight carriers provide regular service to the area, with ten operating terminals within 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 Transportation 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 has been revamped. Public agencies have become managers of service versus direct service providers. While this has been a multi-year process, Pitt County has completed approximately 95 percent of its transition to a Local Management Entity (LME). By taking a planned orderly approach, the citizens have continued to receive excellent care from private providers.

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 745-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 over 1.2 million people in 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, 2004

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.



Nancy L. Zieles

President

Jeffrey P. Emer

Executive Director

PITT COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

For Year Ended June 30, 2005

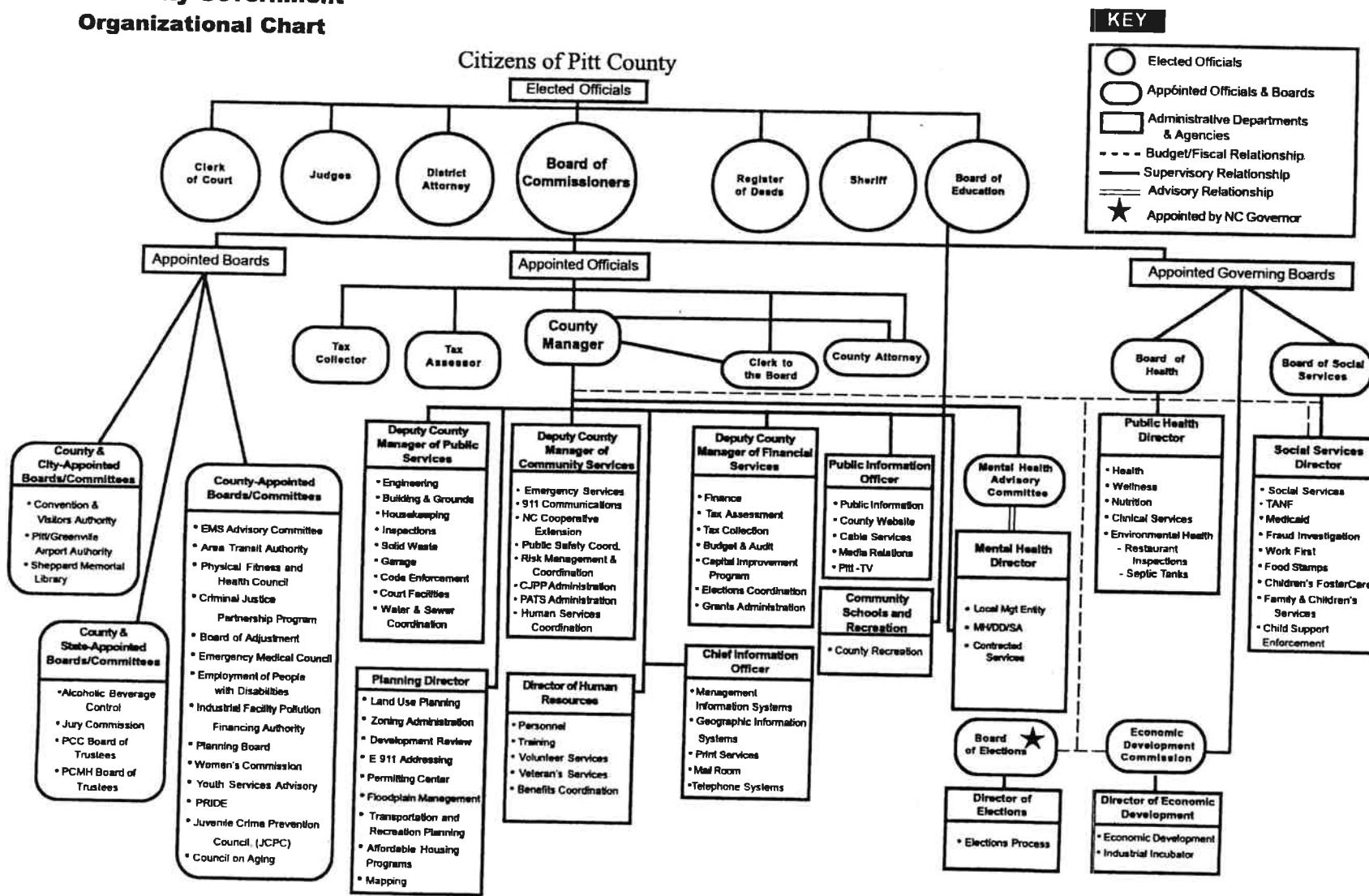
BOARD OF COUNTY COMMISSIONERS

MARK W. OWENS	Chair
JIMMY GARRIS	Vice Chair
TOM COULSON	
DAVID HAMMOND	
EUGENE JAMES	
D. GLENN BOWEN	
MELVIN McLAWHORN	
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. BURGDORFF	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





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.

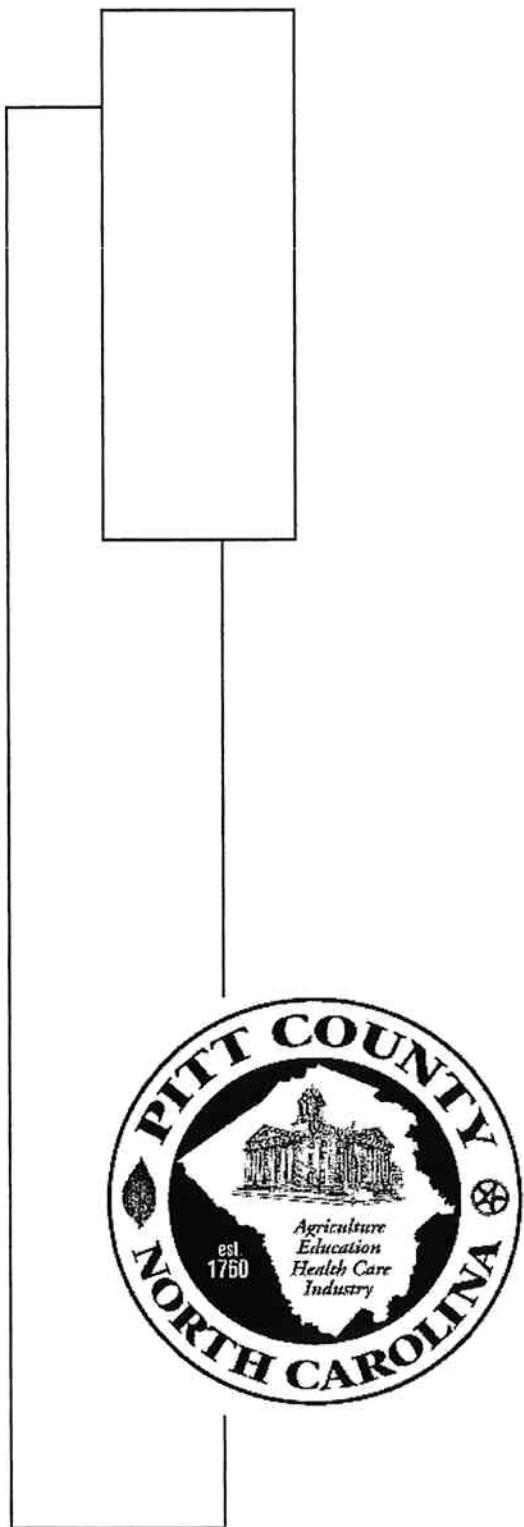
VALUES

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.*

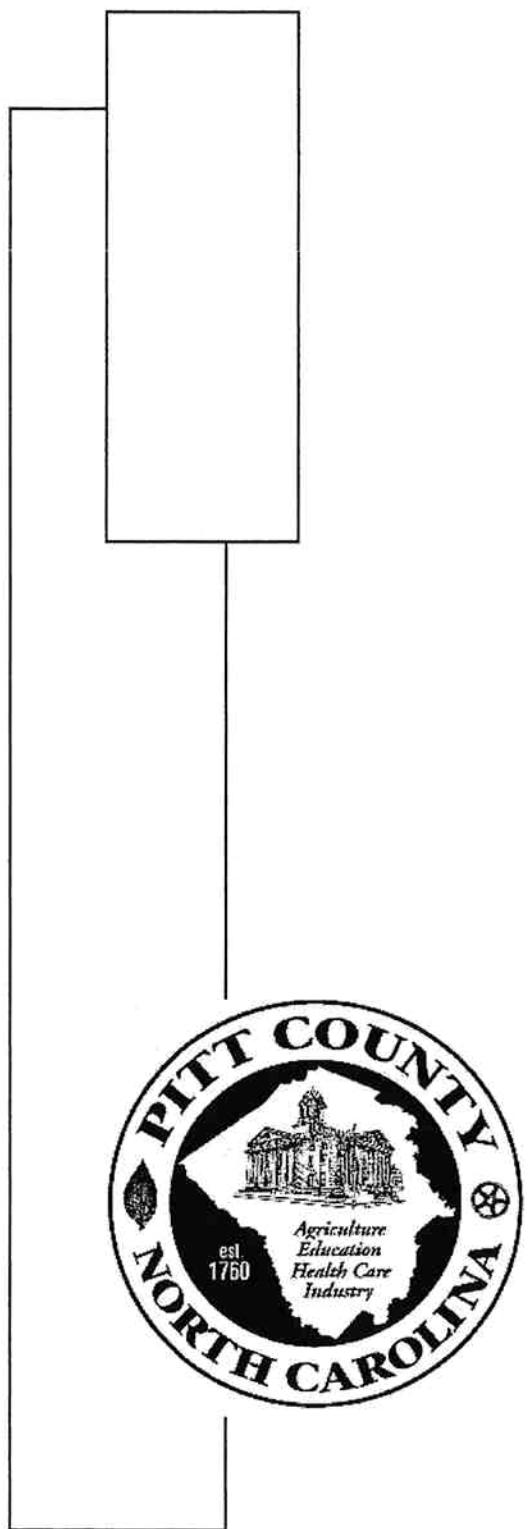
GOALS FOR FY 2005-06

- 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**



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, 2005, 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. The financial statements of Pitt County ABC Board were not audited in accordance with *Government Auditing Standards*. 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, 2005, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2005 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 and other matters. 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.

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.

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.
Hickory, NC
August 26, 2005

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, 2005. 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

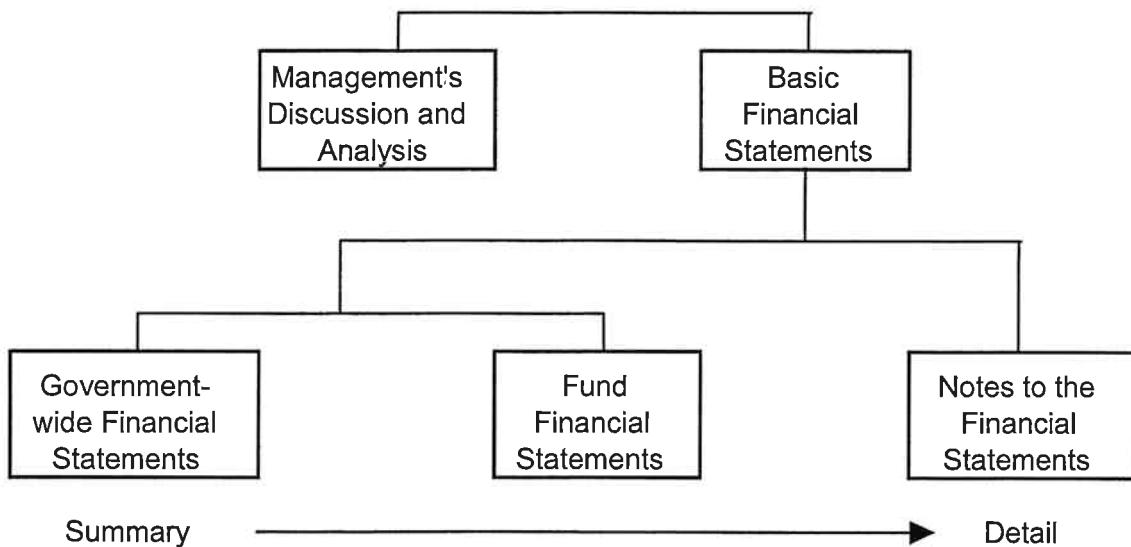
- The assets of Pitt County's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$58,353,380.
- The County's net assets of governmental activities increased by \$3,267,725; this is attributable to the increase in capital assets.
- As of the close of the current fiscal year, Pitt County's general fund reported an ending fund balance of \$33,292,105, an increase of \$168,566 in comparison with the prior year. Approximately 67% of this total amount, \$22,431,313 is available for spending at the government's discretion while the difference is either reserved for a specific purpose or restricted by State statute.
- To help with the funding of schools, Pitt County spearheaded an effort in the General Assembly to legislate a half cent sales tax increase. The referendum passed in the Senate but was not addressed in the House of Representatives. It is our hope the referendum will be voted on next year.
- Implemented property revaluation effective January 1, 2004 which increased the value of our real property 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. This year Pitt County had a significant increase in Capital Assets and Long-term Liabilities respectively as we built two new schools.

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 35-37 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 48-78 of this report.

Government-wide Financial Analysis

We are in the forth year of the new reporting model featuring the government-wide financial statements. These 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 three 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 have implemented at a later date, however all units of government are now reporting under the requirements of GASB 34.

As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. For Pitt County, total assets exceeded liabilities by \$58,178,002 at the close of the most recent fiscal year.

Pitt County's Net Assets
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets						
Capital assets: non depreciable	\$ 64,186,822	\$ 62,850,086	\$ 228,692	\$ 832,996	\$ 64,415,514	\$ 63,683,082
Capital assets, net	32,824,539		664,329	2,869,683	33,488,868	93,415,408
Construction in progress	82,040,406	90,545,725	2,259,025		84,299,431	
Total Assets	\$ 179,051,767	\$ 153,395,811	\$ 3,152,046	\$ 3,702,679	\$ 182,203,813	\$ 157,098,490
Long-term liabilities outstanding	\$ 98,431,552	\$ 75,088,002	\$ 2,580,000	\$ 2,840,000	\$ 101,011,552	\$ 77,928,002
Other liabilities	22,266,835	23,222,205	747,424	652,548	23,014,259	23,874,753
Total liabilities	\$ 120,698,387	\$ 98,310,207	\$ 3,327,424	\$ 3,492,548	\$ 124,025,811	\$ 101,802,755
Net assets:						
Invested in capital assets, net of related debt	\$ 17,058,305	\$ 19,624,295	\$ 1,723,354	\$ 1,469,683	\$ 18,781,659	\$ 21,093,978
Restricted	470,026	668,584	-	-	470,026	668,584
Unrestricted	40,825,049	34,792,725	(1,898,732)	(1,259,552)	38,926,317	33,533,173
Total net assets	\$ 58,353,380	\$ 55,085,604	\$ (175,378)	\$ 210,131	\$ 58,178,002	\$ 55,295,735

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), \$28,926,317, 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 a positive balance in governmental activities while business-type posted a loss of \$175,378. This was not the case last year as all categories posted positive balances.

Pitt County's Changes in Net Assets
Figure 3

	Governmental		Business-type		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 17,511,524	\$ 50,182,367	\$ 6,686,238	\$ 6,275,664	\$ 24,197,762	\$ 56,458,031
Operating grants and contributions	38,672,035	2,228,809	-	194,705	38,672,035	2,423,514
Capital grants and contributions	395,855	2,709,408	-	-	395,855	2,709,408
General revenues:						
Property taxes	60,786,461	49,795,001	-	-	60,786,461	49,795,001
Other taxes	26,639,641	23,262,295	-	-	26,639,641	23,262,295
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	1,510,066	806,846	371	106	1,510,437	806,952
Total revenues	\$ 145,515,582	\$ 128,984,726	\$ 6,686,609	\$ 6,470,475	\$ 152,202,191	\$ 135,455,201
Expenses:						
General government	13,501,699	12,562,758	-	-	13,501,699	12,562,758
Public safety	23,580,577	22,512,817	-	-	23,580,577	22,512,817
Environmental protection	208,524	213,262	-	-	208,524	213,262
Economic and physical development	4,335,915	4,174,365	-	-	4,335,915	4,174,365
Human services	58,880,092	54,915,560	-	-	58,880,092	54,915,560
Cultural and recreation	505,161	491,838	-	-	505,161	491,838
Education	36,679,407	33,489,829	-	-	36,679,407	33,489,829
Interest on long-term debt	4,556,482	4,205,707	73,900	84,400	4,630,382	4,290,107
Landfill	-	-	6,998,221	6,297,466	6,998,221	6,297,466
Total expenses	\$ 142,247,857	\$ 132,566,136	\$ 7,072,121	\$ 6,381,866	\$ 149,319,978	\$ 138,948,002
Increase in net assets before transfers	3,267,725	(3,581,410)	(385,512)	88,609	2,882,213	(3,492,801)
Transfers	-	-	-	-	-	-
Increase in net assets	3,267,725	(3,581,410)	(385,512)	88,609	2,882,213	(3,492,801)
Net assets, July 1	55,085,655	58,667,014	210,134	121,522	55,295,789	58,788,536
Net assets, June 30	\$ 58,353,380	\$ 55,085,604	\$ (175,378)	\$ 210,131	\$ 58,178,002	\$ 55,295,735

Governmental activities. Of total net assets, governmental activities accounted for \$58,353,380 (over 99 percent). Pitt County's revenue stream showed a marked increase due to the revaluation. The "charges for services" line item was partially reclassified to "operating grants" as the State clarified how these items were to be reported. 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 decreased Pitt County's net assets by \$175,378. Large dollar repairs at the Solid Waste operation help attribute to this loss. On the revenue side, "charges for services" 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 \$44,508,538, a decrease of \$4,336,897 in comparison with the prior year. The decrease is attributable to spending fund balance to cover various funds within the Special Revenue Fund and Capital Projects. This action is expected as funds were either borrowed or granted for a specific purpose and not for regular operations.

Pitt County's Fund Balance
Figure 4

Fund Balance	General		Other Governmental Funds		* 2004 COPS Education Capital Project		Total Governmental Funds	
	2005	2004	2005	2004	2005	2004	2005	2004
Fund Balance	\$ 33,292,105	\$ 33,123,490	\$ 5,822,913	\$ 15,721,945	\$ 5,393,520	\$ -	\$ 44,508,538	\$ 48,845,435

* Note: the 2004 COPS qualifies as a major fund and is accounted for separately

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 2005-2006 budget returns to a posture of fund balance maintenance and was adopted with a purposeful decision to maintain a balance in the 20 percent range. The tax rate was held at 70 cent per \$100 valuation maintaining a steady fund balance.

The general fund is the principal operating fund of Pitt County. At the end of the current fiscal year, fund balance was \$33,292,105 with \$22,431,313 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 18.31 percent of total general fund expenditures (\$122,450,419), while total fund balance represents 27.18 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 were just over \$4.7 million. The County increased revenues by \$1,907,791, or approximately 1.5 percent. The bulk of these revenue changes were in the Human Services departments – Public Health, Mental Health and Social Services and reflected increases in state and federal funding sources. Changes in the amount of Fund Balance Appropriated of \$2,834,594 also occurred. These appropriations covered funding of one-time expenditures such as the match for the Community College's state bonds and carryover grants from the prior fiscal year.

In total, the County over-collected the General Fund's final budgeted revenues by \$643,218 or .5 percent. This was coupled with under-spending in the General Fund of \$5.8 million or slightly over 4.5 percent. These two actions combined allowed the County to avoid needing to actually use any fund balance and actually added \$168,566 to the bottom line at fiscal year end.

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 had a negative balance of \$393,361, down \$847,015 from the prior year. Total net assets at year end decreased to \$1,329,993 from \$1,923,337 for the year ending June 30, 2004. The County's Solid Waste Fund saw its modest margin disappear. Revenues were off slightly while expenses exceeded expectations in the repair and maintenance area. Solid Waste continues 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 in May 2004. The County expected final close-out payments during Fiscal Year 2004-2005; however, with the 2005 hurricane season having such a presence, reimbursement has been pushed back.

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, 2005 amounts to \$84,299,432 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and

equipment. Construction in Progress (not included above) is termed Capital Assets non depreciable and represents \$33,488,868.

The County issued new debt and financed two much needed schools as well as additions and renovations at several other facilities. A new animal shelter addition was recently completed as well as a new recreation facility. 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, an expansion for the detention center and additional schools have been identified. Steps are being taken to identify revenue sources to fund them.

Additional information on Pitt County's capital assets can be found in note 6.A on pages 62-63 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land and improvements	\$ 1,237,400	\$ 5,627,097	\$ 88,393	\$ 756,422	\$ 1,325,793	\$ 6,383,519
Buildings	96,690,487	96,780,888	2,647,373	2,567,782	99,337,860	99,348,670
Furniture and equipment	6,824,527	6,978,670	2,571,362	2,698,659	9,395,889	9,677,329
Vehicles	4,980,374	4,971,264	581,312	489,623	5,561,686	5,460,887
Construction in progress	32,824,539	2,082,016	664,329	94,597	33,488,868	2,176,613
Subtotal	\$ 142,557,327	\$ 116,439,935	\$ 6,552,769	\$ 6,607,083	\$ 149,110,096	\$ 123,047,018
Accumulated depreciation	27,692,382	25,894,210	3,629,414	3,737,400	31,321,796	29,631,610
Capital assets, net	\$ 114,864,945	\$ 90,545,725	\$ 2,923,355	\$ 2,869,683	\$ 117,788,300	\$ 93,415,408

Long-term debt. At the end of the current fiscal year, Pitt County had total bonded debt outstanding of \$9,510,000, 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	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	\$ 8,310,000	\$ 10,885,000	\$ 1,200,000	\$ 1,400,000	\$ 9,510,000	\$ 12,285,000

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$569,871,562. 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, \$106,116,640 (not including bonds in Enterprise fund of \$1,200,000) and subtracting it from the legal limit to arrive at the Net Legal Debt Margin of \$569,871,562.

Net debt outstanding increased \$24,310,210, from the June 30, 2003 balance of \$81,806,430. The aforementioned borrowing for the two new schools attributes to the increase.

Additional information on Pitt County's long-term debt can be found in note 7 on pages 64-67 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for Pitt County in 2004 was 5.7 percent. This is slightly higher than the State's 2003 unemployment rate of 5.5 percent. The first two quarters of 2005 indicate a drop to the State's unemployment rate to 5.4% with the County seeing a modest upswing to 5.8%.
- Inflationary trends noted in the region are very similar to national indices.
- Population of 141,499 (2004 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 2005-2006.

Budget Highlights for the Fiscal Year 2005-2006

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 helped bolster revenues allowing the County to maintain its fund balance. The County's next general revaluation is scheduled for January 1, 2008.

Budgeted expenditures in the General Fund are expected to remain somewhat constant during the 2005-2006 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 2005-2006 is expected to be good year for the County. The increased revenue generated from last year's revaluation and the indication that a modest economic recovery is at hand lends credibility to these expectations. Pitt County is anxiously awaiting the passing of the half cent sales tax legislation to ease the funding constraints for new schools.

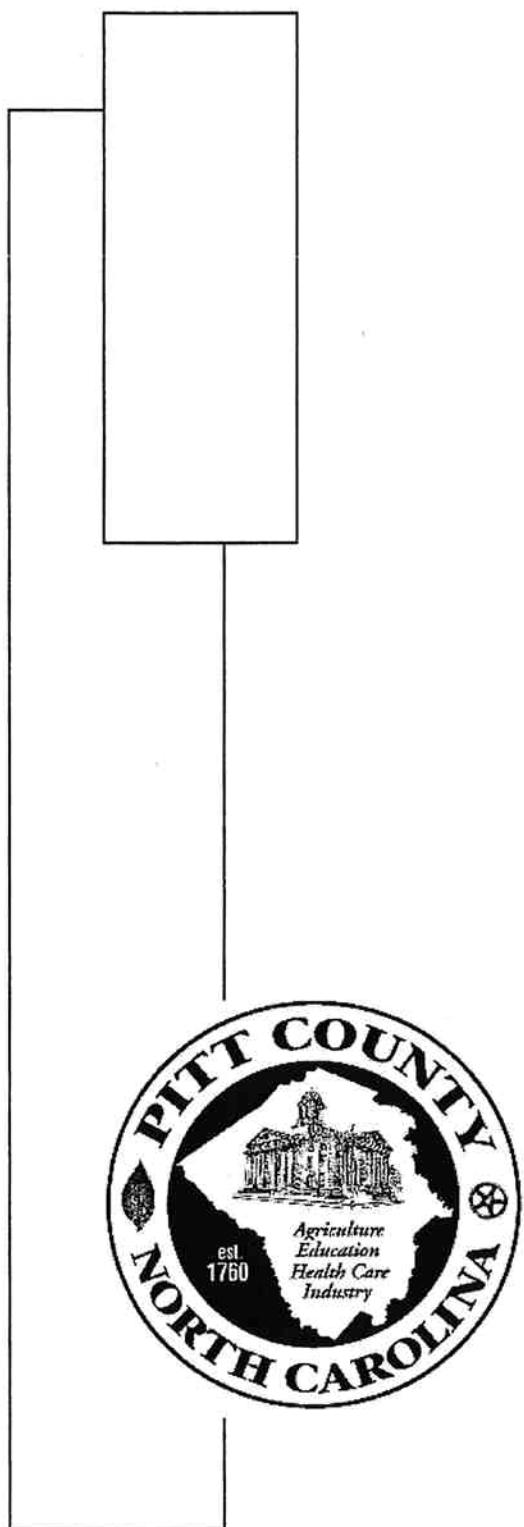
Business-type activities. General operating expenses in these areas, like the governmental activities, are expected to remain constant. Both the commercial and residential rates were increased for fiscal year 05-06 which should help better cover the costs of the overall solid waste operation.

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, 2005

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Industrial Development Commission	Pitt County ABC Board	
Assets						
Cash and cash equivalents	\$ 35,893,223	\$ -	\$ 35,893,223	\$ 1,489,397	\$ 1,048,365	
Taxes receivable, net	2,144,531	-	2,144,531	9,541	-	
Accounts receivable, net	4,006,265	571,413	4,577,678	800	502	
Interest receivable, net	1,602,630	-	1,602,630	-	-	
Due from other governments	9,934,225	707,015	10,641,240	-	-	
Internal balance	1,049,736	(1,049,736)	-	-	-	
Inventories	28,415	-	28,415	-	856,290	
Prepaid items	569,422	-	569,422	2,400	22,121	
Cash and investments, restricted	8,264,261	-	8,264,261	-	-	
Other assets	694,114	-	694,114	-	-	
Capital assets, non depreciable	32,824,539	664,329	33,488,868	-	173,416	
Capital assets, net	82,040,406	2,259,025	84,299,431	-	800,474	
Total assets	\$ 179,051,767	\$ 3,152,046	\$ 182,203,813	\$ 1,502,138	\$ 2,901,168	
Liabilities						
Accounts payable and accrued liabilities	\$ 10,549,397	\$ 443,960	\$ 10,993,357	\$ 5,110	\$ 602,948	
Current portion of compensated absences	1,300,000	10,000	1,310,000	23,682	27,460	
Deferred items	1,229,898	3,489	1,233,387	-	-	
Noncurrent liabilities:						
Noncurrent compensated absences	1,219,856	29,975	1,249,831	-	-	
Due within one year	7,967,684	260,000	8,227,684	-	-	
Due in more than one year	98,431,552	2,580,000	101,011,552	-	-	
Total liabilities	120,698,387	3,327,424	124,025,811	28,792	630,408	
Net Assets						
Invested in capital assets, net of related debt	17,058,305	1,723,354	18,781,659	-	973,890	
Restricted for:						
E911 wireless operations	314,998	-	314,998	-	-	
Register of Deeds	155,028	-	155,028	-	-	
Alcohol Beverage Control	-	-	-	-	1,296,870	
Unrestricted	40,825,049	(1,898,732)	38,926,317	1,473,346	-	
Total net assets	\$ 58,353,380	\$ (175,378)	\$ 58,178,002	\$ 1,473,346	\$ 2,270,760	

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

	Program Revenues			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs				
Primary Government				
Governmental Activities				
General government	\$ 13,501,699	\$ 4,590,236	\$ -	\$ 13,935
Public safety	23,580,577	7,603,330	32,200	64,074
Environmental protection	208,524	137,937	73,156	-
Economic and physical development	4,335,915	2,635	2,621,715	317,846
Human services	58,880,092	5,177,386	35,944,964	-
Education	36,679,407	-	-	-
Cultural and recreation	505,161	-	-	-
Interest on long-term debt	4,556,482	-	-	-
Total governmental activities	<u>142,247,857</u>	<u>17,511,524</u>	<u>38,672,035</u>	<u>395,855</u>
Business-Type Activities				
Solid waste	<u>7,072,121</u>	<u>6,686,238</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>7,072,121</u>	<u>6,686,238</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 149,319,978</u>	<u>\$ 24,197,762</u>	<u>\$ 38,672,035</u>	<u>\$ 395,855</u>
Component Units				
Industrial development	\$ 1,320,923	\$ 252,178	\$ 95,626	\$ -
ABC Board	8,024,167	8,379,999	-	-
Total component units	<u>\$ 9,345,090</u>	<u>\$ 8,632,177</u>	<u>\$ 95,626</u>	<u>\$ -</u>
General revenues				
Ad valorem taxes				
Other taxes				
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	
\$ (8,897,528)	\$ -	\$ (8,897,528)			
(15,880,973)	-	(15,880,973)			
2,569	-	2,569			
(1,393,719)	-	(1,393,719)			
(17,757,742)	-	(17,757,742)			
(36,679,407)	-	(36,679,407)			
(505,161)	-	(505,161)			
(4,556,482)	-	(4,556,482)			
<u>(85,668,443)</u>	<u>-</u>	<u>(85,668,443)</u>			
	-	(385,883)	(385,883)		
	-	(385,883)	(385,883)		
	<u>(85,668,443)</u>	<u>(385,883)</u>	<u>(86,054,326)</u>		
			\$ (973,119)	\$ -	
			<u>-</u>	<u>355,832</u>	
			<u>(973,119)</u>	<u>355,832</u>	
60,786,461	-	60,786,461	1,218,930	-	
26,639,641	-	26,639,641	-	-	
1,510,066	371	1,510,437	1,655	11,520	
<u>88,936,168</u>	<u>371</u>	<u>88,936,539</u>	<u>1,220,585</u>	<u>11,520</u>	
3,267,725	(385,512)	2,882,213	247,466	367,352	
55,085,655	210,134	55,295,789	1,225,880	1,903,408	
<u>\$ 58,353,380</u>	<u>\$ (175,378)</u>	<u>\$ 58,178,002</u>	<u>\$ 1,473,346</u>	<u>\$ 2,270,760</u>	

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

PITT COUNTY, NORTH CAROLINA

Exhibit C

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2005

	General	2004 COPS Education Capital Project	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 28,464,506	\$ 2,865,000	\$ 2,530,135	\$ 33,859,641
Taxes receivable, net	1,874,757	-	269,774	2,144,531
Accounts receivable, net	2,019,091	-	1,965,246	3,984,337
Interest receivable	1,602,630	-	-	1,602,630
Prepaid items	75,128	-	46,538	121,666
Cash and investments, restricted	-	6,494,210	1,770,051	8,264,261
Due from other funds	62,471	-	1,022,513	1,084,984
Due from other governments	9,934,225	-	-	9,934,225
Total assets	\$ 44,032,808	\$ 9,359,210	\$ 7,604,257	\$ 60,996,275
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 4,958,267	\$ 3,965,690	\$ 599,130	\$ 9,523,087
Due to other funds	-	-	35,248	35,248
Deferred revenue	5,782,436	-	1,146,966	6,929,402
Total liabilities	10,740,703	3,965,690	1,781,344	16,487,737
Fund Balances				
Reserved by State statute	10,630,636	-	582,561	11,213,197
Reserved for prepaid items	75,128	-	46,538	121,666
Reserved for wireless 911 operations	-	-	314,998	314,998
Reserved for Register of Deeds	155,028	-	-	155,028
Unreserved, reported in:				
General fund	22,431,313	-	-	22,431,313
Special Revenue funds	-	-	-	-
Debt Service funds	-	-	64,521	64,521
Capital Project funds	-	5,393,520	4,814,295	10,207,815
Total fund balances	33,292,105	5,393,520	5,822,913	44,508,538
Total liabilities and fund balances	\$ 44,032,808	\$ 9,359,210	\$ 7,604,257	
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.				114,864,945
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.				1,505,371
Debt issuance costs, net of accumulated amortization, are not financial resources and therefore are not reported in the funds.				694,114
Long-term liabilities and compensated absences are not due and payable in the current period and therefore not reported in the funds.				(108,919,092)
Premiums related to debt issuance, net of accumulated amortization, are not a current use of resources and therefore are not reported in the funds.				(261,736)
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.				5,961,240
Net assets of governmental activities, per Exhibit A				\$ 58,353,380

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, 2005

	General	2004 COPS Education Capital Project	Other Governmental Funds	Total Governmental Funds
Revenues				
Ad valorem taxes	\$ 56,248,116	\$ -	\$ 4,583,563	\$ 60,831,679
Other taxes and licenses	21,211,373	-	5,428,268	26,639,641
Unrestricted intergovernmental revenues	1,353,578	-	148,331	1,501,909
Restricted intergovernmental revenues	40,592,297	-	2,551,393	43,143,690
Permits and fees	2,755,928	-	-	2,755,928
Sales and services	5,309,808	-	1,324,530	6,634,338
Interest earned on investments	1,132,642	204,758	9,244	1,346,644
Miscellaneous	806,468	11,279	306,567	1,124,314
Total revenues	129,410,210	216,037	14,351,896	143,978,143
Expenditures				
Current:				
General government	11,779,455	-	-	11,779,455
Public safety	18,102,632	-	4,987,472	23,090,104
Environmental protection	211,435	-	-	211,435
Economic and physical development	1,460,093	-	2,640,487	4,100,580
Human services	58,852,913	-	-	58,852,913
Education	31,385,448	-	-	31,385,448
Cultural and recreation	505,161	-	-	505,161
Capital Outlay	-	28,025,979	2,669,908	30,695,887
Debt service:				
Principal repayments	144,953	-	6,686,867	6,831,820
Interest	8,329	57,470	4,399,089	4,464,888
Total expenditures	122,450,419	28,083,449	21,383,823	171,917,691
Revenues over (under) expenditures	6,959,791	(27,867,412)	(7,031,927)	(27,939,548)
Other Financing Sources (Uses)				
Transfers to other funds	(6,791,225)	(11,957,125)	(7,149,059)	(25,897,409)
Transfers from other funds	-	-	25,897,409	25,897,409
Advance payments for debt refunding	-	(6,950,000)	(11,675,000)	(18,625,000)
Debt obligation issued	-	42,510,000	150,000	42,660,000
Debt issuance fees	-	(759,574)	-	(759,574)
Premium received from issuance of debt	-	327,172	-	327,172
Total other financing sources (uses)	(6,791,225)	23,170,473	7,223,350	23,602,598
Net change in fund balances	168,566	(4,696,939)	191,423	(4,336,950)
Fund Balances				
Beginning of year - July 1	33,123,539	10,090,459	5,631,490	48,845,488
End of year - June 30	\$ 33,292,105	\$ 5,393,520	\$ 5,822,913	\$ 44,508,538

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, 2005**

Net change in fund balances - total governmental funds (Exhibit D)	\$ (4,336,950)
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:	
Property taxes	(45,218)
Permits and fees	7,348
Sales and services	677,674
Interest income	135,141
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.	(238,553)
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.	28,145,180
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.	(284,925)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.	(3,541,035)
Amortization of debt issuance costs and premium received on debt issuance allocates the cost of debt over the life of the instrument and reduces the interest cost over the same life. Amortization is not reported as an expenditure or revenue in the governmental statements	(115,296)
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.	25,299,790
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.	(42,660,000)
Debt issuance cost paid and premiums received from issuance of debt are intangible assets and deferred items, respectively on the statement of net assets, rather than other financing sources and uses as presented on the governmental statements	432,402
The net revenue of the internal service funds are reported with governmental activities.	<u>(207,833)</u>
Change in net assets of governmental activities per Exhibit B	<u>\$ 3,267,725</u>

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, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/Under
	Original	Final		
Revenues				
Ad valorem taxes	\$ 54,358,598	\$ 54,358,598	\$ 56,248,116	\$ 1,889,518
Other taxes and licenses	19,844,775	19,844,775	21,211,373	1,366,598
Unrestricted intergovernmental revenues	1,394,439	1,394,439	1,353,578	(40,861)
Restricted intergovernmental revenues	42,270,201	43,944,515	40,592,297	(3,352,218)
Permits and fees	2,743,140	2,743,140	2,755,928	12,788
Sales and services	4,793,683	4,962,907	5,309,808	346,901
Interest earned on investments	776,800	776,800	1,132,642	355,842
Miscellaneous	677,565	741,818	806,468	64,650
Total revenues	126,859,201	128,766,992	129,410,210	643,218
Expenditures				
General government	12,107,537	12,635,762	11,779,455	856,307
Public safety	18,478,785	18,931,322	18,102,632	828,690
Environmental protection	208,172	219,888	211,435	8,453
Economic and physical development	1,463,631	1,531,316	1,460,093	71,223
Human services	60,664,518	62,927,626	58,852,913	4,074,713
Education	31,385,448	31,385,448	31,385,448	-
Cultural and recreation	505,161	505,161	505,161	-
Debt service	153,046	153,046	153,282	(236)
Total expenditures	124,966,298	128,289,569	122,450,419	5,839,150
Revenues over (under) expenditures	1,892,903	477,423	6,959,791	6,482,368
Other Financing Sources (Uses)				
Transfers	(5,393,756)	(6,812,870)	(6,791,225)	21,645
Contingency	-	-	-	-
Appropriated fund balance	3,500,853	6,335,447	-	(6,335,447)
Total other financing sources (uses)	(1,892,903)	(477,423)	(6,791,225)	(6,313,802)
Net change in fund balances	\$ -	\$ -	168,566	\$ 168,566
Fund Balances				
Beginning of year - July 1			33,123,539	
End of year - June 30			\$ 33,292,105	

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, 2005**

	Business-Type Activities	Governmental Activities- Internal Service Funds
	Solid Waste	
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 2,033,582
Receivable, net	571,413	21,928
Inventories	-	28,415
Prepaid items	-	447,756
Due from other governments	707,015	-
Total current assets	<u>1,278,428</u>	<u>2,531,681</u>
Noncurrent assets		
Capital assets, non depreciable	664,329	-
Capital assets, net	<u>2,923,354</u>	<u>-</u>
Total assets	<u>4,866,111</u>	<u>2,531,681</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	443,960	1,026,310
Due to other funds	1,049,736	-
Compensated absences	10,000	-
Deferred revenues	3,489	-
Current portion of postclosure costs	60,000	-
Current maturities - general obligation bonds	200,000	-
Total current liabilities	<u>1,767,185</u>	<u>1,026,310</u>
Noncurrent liabilities		
Noncurrent portion of compensated absences	29,975	-
General obligation bonds	1,000,000	-
Landfill closure/postclosure costs payable	<u>1,580,000</u>	<u>-</u>
Total noncurrent liabilities	<u>2,609,975</u>	<u>-</u>
Total liabilities	<u>4,377,160</u>	<u>1,026,310</u>
Net Assets		
Invested in capital assets, net of related debt	1,723,354	-
Unrestricted	(1,898,732)	1,505,371
Total net assets	<u>\$ (175,378)</u>	<u>\$ 1,505,371</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, 2005**

	Business-Type Activities Solid Waste	Governmental Activities- Internal Service Funds
Operating Revenues		
Solid waste fees	\$ 6,277,583	\$ -
User charges	-	697,879
Interfund services	-	5,024,888
Miscellaneous revenues	408,655	36,334
Total operating revenues	<u>6,686,238</u>	<u>5,759,101</u>
Operating Expenses		
Salaries and employee benefits	858,327	51,762
Supplies and materials	333,562	-
Contract labor and other services	1,261,507	-
Contracted services-waste disposal	4,378,870	-
Depreciation	165,955	-
Equipment maintenance	-	406,712
Insurance and administration	-	719,152
Medical claims costs	-	4,161,265
Claims reimbursement	-	656,324
Total operating expenses	<u>6,998,221</u>	<u>5,995,215</u>
Operating income	<u>(311,983)</u>	<u>(236,114)</u>
Non-operating revenues (expenses)		
Interest earned on investments	371	28,281
Interest expense	(73,900)	-
Total non-operating revenues (expenses)	<u>(73,529)</u>	<u>28,281</u>
Change in net assets	<u>(385,512)</u>	<u>(207,833)</u>
Net Assets		
Beginning of year - July 1	<u>210,134</u>	<u>1,713,204</u>
End of year - June 30	<u>\$ (175,378)</u>	<u>\$ 1,505,371</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, 2005**

	Business-Type Activities Solid Waste	Governmental Activities- Internal Service Funds
Cash Flows From Operating Activities		
Cash received from customers	\$ 6,631,114	\$ 810,375
Cash received from interfund services transactions	-	5,024,888
Cash paid to suppliers	(5,976,692)	(5,957,662)
Cash paid to employees	(857,802)	(100,318)
Net cash provided (used) by operating activities	(203,380)	(222,717)
Cash Flows From Noncapital Financing Activities		
Change in due from other funds	609,418	-
Net cash provided (used) by noncapital financing activities	609,418	-
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(219,626)	-
Government grants for Hurricane Floyd cleanup	27,117	-
Principal payments on long-term debt	(140,000)	-
Interest expense -capital financing activities	(73,900)	-
Net cash provided (used) by capital and related financing activities	(406,409)	-
Cash Flows From Investing Activities		
Investment income received	371	28,281
Net increase (decrease) in cash, cash equivalents and investments	-	(194,436)
Cash and cash equivalents		
Beginning of year - July 1	-	2,228,018
End of year - June 30	\$ -	\$ 2,033,582

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, 2005**

	Business-Type Activities	Governmental Activities- Internal Service Funds
	Solid Waste	
Reconciliation of operating income to cash flows from operating activities		
Operating income (loss)	\$ (311,983)	\$ (236,114)
Depreciation and amortization	165,955	-
Change in assets and liabilities		
(Increase) decrease in accounts receivables	(32,228)	76,162
(Increase) decrease in inventories	-	(2,819)
(Increase) decrease in prepaid expenses	-	157,069
Increase (decrease) in accounts payable and accrued liabilities	117,772	(217,015)
Increase (decrease) in closure and postclosure costs payable	(120,000)	-
Increase (decrease) in deferred revenues	(22,896)	-
Net cash provided (used) by operating activities	\$ (203,380)	\$ (222,717)

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, 2005**

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	<u>\$ 200,787</u>	<u>\$ 346,829</u>
Liabilities		
Accounts payable	<u>-</u>	<u>346,829</u>
Net Assets		
Held in trust for pension benefits and other purposes	<u>\$ 200,787</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, 2005**

	Pension Trust Fund
Additions	
Employer contributions	\$ 77,500
Investment income	218
Other income and actuarial adjustments	<u>(8,152)</u>
Total additions	<u>69,566</u>
Deductions	
Benefits	<u>60,828</u>
Net increase (decrease)	8,738
Net assets reserved for employees' pension benefits	
Beginning of year - July 1	<u>192,049</u>
End of year - June 30	<u>\$ 200,787</u>

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, 2005

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, 2005 as if it was 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, 2005

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, 2004 COPS Education Capital Project, and the Solid Waste Enterprise Fund are the major funds of the County for the year ended June 30, 2005.

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, 2005

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, 2005. 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 2004 through February 2005 apply to the fiscal year ended June 30, 2005.

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 2005-2006 and are not shown as receivables at June 30, 2005 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, 2005 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, 2005

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 revenues 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, 2005

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, Detention Center Fund, Pitt Community College Fund, Courthouse Renovation Fund, State School Bond Fund, Community Schools and Recreation Fund, ECTC Building Fund, School Improvement Fund, and 2004 COPS Education Fund.

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, 2005

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, 2005

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, 2005

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, 2004. 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, 2005

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, 2005

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, 2005:

General Fund	
Designated for subsequent year's expenditures	\$ <u>5,800,011</u>
Special Revenue Fund	
Designated for subsequent year's expenditures	\$ <u>55,359</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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 following individual funds had deficit fund balances as of June 30, 2005:

Special Revenue

School Capital Reserve	\$251,907
CDBG Fund	\$ 37,999
EMS District Fund	\$914,326

Capital Projects

Community Schools & Recreation	\$103,225
Landfill Fund	\$175,378

B. Expenditures Exceeding Appropriations

Expenditures exceeded appropriations for the following funds:

Special Revenue – Fire Districts	\$ 19,798
Landfill Enterprise fund	\$560,772

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

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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. The County does not have a policy regarding custodial credit risk for deposits.

At June 30, 2005, the County's deposits had a carrying amount of \$24,740,891 and a bank balance of \$27,011,689. The County only has deposits in institutions that collateralize under the Pooling Method. Of the bank balance, \$500,148 was covered by Federal depository insurance and \$26,511,541 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The County had \$33,568 of cash on hand at year end.

B. Investments

At June 30, 2005, the County's investment balances were as follows:

Investment Type	Fair Value	Less Than 1 Year	2-3 Years	4-7 Years	Greater Than 7 Years
Federal Home Loan Bank	\$ 3,468,585	\$ 3,468,585	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Co.	987,280	987,280			
Fannie Mae	1,989,380	1,989,380			
NC Capital Management					
Trust - Cash Portfolio	4,928,010	4,928,010	-	-	-
NC Capital Management					
Trust - Cash Portfolio (held by third party trustee)	4,856,606	4,856,606	-	-	-
NC Education bonds	3,500,000	-	-	-	3,500,000
Total	\$ 19,729,861	\$ 16,229,861	\$ -	\$ -	\$ 3,500,000

During 2005, 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 2005 for the County was \$28,755. 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 \$28,755.

Interest Rate Risk: The County does not have a policy for interest rate risk.

Credit Risk: State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2005, the County's investments in NC Education bonds were rated AAA by Standard & Poor's and AAA by Moody's Investors Service. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2005. The County's investments in US Agencies (Federal Home Loan Bank, Federal Home Loan Mortgage, and Fannie Mae) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

Custodial Credit Risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had \$4,856,606 invested in NCCMT that was held by a counterparty, or by its trust department but not in the County's name. The County had no policy on custodial credit risk.

Concentration of Credit Risk: The County places no limit on the amount that the County may invest in any one issuer. Investments making up more than 5 percent of the County's investments are as follows:

Federal Home Loan Bank	18%
Fannie Mae	10%
Federal Home Loan Mortgage	5%
NC Education bonds	18%
NCCMT	50%

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
2001	\$ 1,684,722	\$ 551,746	\$ 2,236,468
2002	1,665,520	395,561	2,061,081
2003	1,697,142	250,328	1,947,470
2004	2,639,726	151,784	2,791,510
Total	\$ 7,687,110	\$ 1,349,420	\$ 9,036,530

PITT COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

5. Accounts Receivable

Disaggregate Information

Type of Receivable	Amount (net of allowance)		
	Governmental	Business-Type	
	Activities	Activities	Total
Customer/client billings	\$ 1,744,303	\$ 571,413	\$ 2,315,716
Fees for services due from other agencies	2,187,966	-	2,187,966
Miscellaneous	73,996	-	73,996
	<u>\$ 4,006,265</u>	<u>\$ 571,413</u>	<u>\$ 4,577,678</u>

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	\$ 3,126,832
Other - Public Health	602,435
Other - Mental Health	2,737,758
Interest	780,394
Total	\$ 7,247,419
Special Revenue Fund	
Property taxes	\$ 5,734
Ambulance services	3,050,288
Total	\$ 3,056,022
Enterprise Fund	
Landfill fees	\$ 235,662

PITT COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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 Depreciation		
	July 1, 2004	Additions					
		Deletions	June 30, 2005				
By Type							
Non-Depreciable Capital Assets							
Land and improvement	\$ 4,389,697	\$ -	\$ (8,620)	\$ 4,381,077	\$ -		
Construction in progress	2,084,516	26,243,324	115,622	28,443,462	-		
Depreciable Capital Assets							
Buildings	96,778,388	-	(87,901)	96,690,487	19,281,735		
Land improvements	1,237,400	-	-	1,237,400	397,629		
Furniture and equipment	6,978,670	1,416,691	(1,570,834)	6,824,527	4,273,182		
Vehicles	4,971,264	485,165	(476,055)	4,980,374	3,739,836		
Subtotal	116,439,935	\$ 28,145,180	\$ (2,027,788)	142,557,327	\$ 27,692,382		
Accumulated depreciation	25,894,210	\$ 3,541,035	\$ (1,742,863)	27,692,382			
Capital assets, net	\$ 90,545,725			\$ 114,864,945			
Reconciliation of Additions to Capital Outlay							
General fund capital outlay		\$ 1,754,402					
Operating expenses capitalized		156,701					
Contributed assets		21,084					
Capital outlay items not capitalized		(30,331)					
Capital projects current year activity		30,695,887					
Capital projects activity not capitalized		(4,452,563)					
Total additions		\$ 28,145,180					

PITT COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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

Governmental Activities	
General government	\$ 614,112
Public safety	1,093,918
Economic and physical development	235,335
Human services	409,569
Environment protection	11,872
Education	1,176,229
Total	\$ 3,541,035
Business-type activities	
Solid waste	\$ 165,955

The capital assets for the Enterprise Fund of the County at June 30, 2005 are as follows:

	Balance	Deletions	Balance	Accumulated	
	July 1, 2004			June 30, 2005	Depreciation
Non-Depreciable Capital Assets					
Land and improvements	\$ 756,422	\$ -	\$ (92,093)	\$ 664,329	-
Construction in progress	94,597	(94,597)	-	-	-
Subtotal	851,019	(94,597)	(92,093)	664,329	
Depreciable Capital Assets					
Buildings and improvements	2,567,782	94,597	(15,006)	2,647,373	857,134
Land improvements	-	-	88,393	88,393	88,393
Equipment	2,680,593	88,605	(208,686)	2,560,512	2,264,584
Computer equipment	18,066	-	(7,216)	10,850	5,515
Vehicles	489,623	112,773	(21,084)	581,312	413,788
Subtotal	7,458,102	295,975	(163,599)	5,888,440	\$ 3,629,414
Less accumulated depreciation	3,737,400	165,955	(273,941)	3,629,414	
Depreciable capital assets, net	3,720,702			2,259,026	
Total capital assets	\$ 4,571,721			\$ 2,923,355	

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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.

By Type	Balance	Additions	Retirements	Balance	Current
	6/30/2004			6/30/2005	Portion
Accrued vacation pay	\$ 2,342,807	\$ 1,035,000	\$ (857,951)	\$ 2,519,856	\$ 1,300,000
Unfunded LEO	221,092	139,004	(77,500)	282,596	77,500
General obligation bonds	10,885,000	-	(2,575,000)	8,310,000	2,655,000
Certificates of participation	68,355,000	42,510,000	(15,325,000)	95,540,000	4,740,000
Notes payable	9,516,430	150,000	(7,399,790)	2,266,640	495,184
Total	\$ 91,320,329	\$ 43,834,004	\$ (26,235,241)	\$ 108,919,092	\$ 9,267,684
By Purpose					
Schools				\$ 83,220,000	
Pitt Community College				5,000,000	
General government				149,526	
Public safety				1,035,043	
Economic and physical development				1,082,071	
Mental health				3,740,000	
Courthouse and Human Services refunding				11,890,000	
Accrued vacation pay				2,519,856	
Unfunded LEO				282,596	
				\$ 108,919,092	

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.

	Balance	June 30, 2004	Additions	Retirements	Balance	Current
					June 30, 2005	Portion
General Obligation Bonds	\$ 1,400,000	\$ -	\$ 200,000	\$ 1,200,000	\$ 200,000	

PITT COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

B. Certificates of Participation

Summary of the County's Certificates of Participation are as follows:

Original Issue			Payment Information		Outstanding		
Amount	Date	Rate	Period	Amount	Balance	Purpose and Collateral	
\$ 27,500,000	May 1997	5.53%	Annual	\$1,570,000	\$ 5,410,000	Refund 1991 issue; courthouse addition, new school; secured by real estate	
12,255,000	May 2000	5.28%	Annual	\$950,000- 1,165,000	10,855,000	Construct schools, purchase land for schools, refund debt; secured by real estate	
28,050,000	November 2000	4.50% - 5.75%	Annual	\$400,000 - 1,390,000	26,650,000	Construct high school; secured by real estate	
12,635,000	October 2001	3.00% - 4.70%	Annual	\$735,000 - 360,000	10,220,000	Phase II of courthouse, advance refund debt; secured by real estate	
42,510,000	October 2004	2.00% - 5.00%	Annual	\$105,000 - \$7,075,000	42,405,000	School projects, advance refund debt; secured by real estate	
Total certificates of participation					\$ 95,540,000		

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

	Principal	Interest	Total
2006	\$ 4,740,000	\$ 3,715,490	\$ 8,455,490
2007	5,055,000	2,799,966	7,854,966
2008	5,730,000	3,347,315	9,077,315
2009	4,910,000	3,137,923	8,047,923
2010	4,960,000	2,961,804	7,921,804
2011-2015	24,250,000	11,850,589	36,100,589
2016-2020	18,880,000	6,326,264	25,206,264
2021-2025	18,115,000	9,846,522	27,961,522
2026-2030	8,900,000	4,757,500	13,657,500
Total	\$ 95,540,000	\$ 48,743,373	\$ 144,283,373

PITT COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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%	\$ 3,310,000
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%	4,750,000
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%	250,000
Total Serviced by the County's Debt Service Fund	<u>8,310,000</u>
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%	1,200,000
Total general obligation bonds	<u>\$ 9,510,000</u>

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	\$ 2,655,000	\$ 369,938	\$ 3,024,938	\$ 200,000	\$ 63,400	\$ 263,400	
2006	2,360,000	243,718	2,603,718	200,000	52,900	252,900	
2007	955,000	132,730	1,087,730	200,000	42,400	242,400	
2008	1,260,000	94,728	1,354,728	200,000	31,800	231,800	
2009	1,080,000	44,278	1,124,278	200,000	31,800	231,800	
2010-2015	-	-	-	200,000	10,600	210,600	
	<u>\$ 8,310,000</u>	<u>\$ 885,392</u>	<u>\$ 9,195,392</u>	<u>\$ 1,200,000</u>	<u>\$ 232,900</u>	<u>\$ 1,432,900</u>	

PITT COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

D. Notes Payables

Summary of the County's notes payable are as follows:

<u>Original Issue</u>		<u>Payment Information</u>		<u>Outstanding</u>	
<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Balance</u>	<u>Security</u>
August 1997	6.30%	Quarterly	\$26,921	\$ 590,608	Real estate
March 2000	4.25%	Quarterly	23,621	213,432	Real estate
August 2000	4.50%	Quarterly	62,305	278,031	Real estate
September 2003	3.50%	Quarterly	8,208	95,777	Real estate
May 2004	2.55%	Semi-annual	42,847	285,266	Ambulances
December 2004	2.55%	Annual	56,000 +int.	504,000	EMS facilities
August 2003	3.13%	Semi-annual	76,523	149,526	Computer equipment
August 2004	3.48%	Annual	33,204	150,000	Autopulse equipment
				\$ 2,266,640	

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 495,184	\$ 82,349	\$ 577,533
2007	355,143	66,236	421,379
2008	362,872	53,243	416,115
2009	298,960	38,916	337,876
2010	265,693	27,622	293,315
2011-2015	488,788	37,586	526,374
Total	\$ 2,266,640	\$ 305,952	\$ 2,572,592

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, 2005, net debt outstanding was \$106,116,640. The statutory limit at that date was \$675,988,202 providing a debt margin of \$569,871,562.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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, 2005, 2004 and 2003 were \$3,573,015, \$3,696,923, and \$3,583,955, 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, 2004 the Separation Allowance's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	7
Active plan members	<u>112</u>
Total	<u>119</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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	\$ 135,378
Interest on net pension obligation	16,029
Adjustment to annual required contribution	(12,403)
Annual pension costs	139,004
Employer contributions made for fiscal year ending June 30, 2005	77,500
Increase (decrease) in net pension obligation	61,504
Net pension obligation, beginning of fiscal year	221,092
Net pension obligation, end of fiscal year	\$ 282,596

Three Year Trend Information			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of	
		APC Contributed	Net Pension Obligation
6/30/2003	\$ 107,659	57.66%	\$ 189,685
6/30/2004	121,327	63.88%	221,092
6/30/2005	139,004	55.75%	282,596

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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, 2005 were \$284,505, which consisted of \$218,003 from the County and \$66,503 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, 2005 were \$1,826,180, which consisted of \$1,551,463 from the County and \$559,223 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, 2005, the County's required and actual contributions were \$49,464.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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 Post Employment 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 90 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2005, the County made payments for postretirement health benefit premiums of \$376,283. 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. Effective July 1, 2004, the death benefit payments to beneficiaries must be between \$25,000 and \$50,000. 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, 2005, the County made contributions to the State for death benefits of \$28,977. 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 post-employment benefit amount and the other benefit amount.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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 \$1,640,000 reported as landfill postclosure care liability at June 30, 2005 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 2005. 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:

	Special		
	General	Revenue	
	Fund	Funds	Total
Prepaid taxes not yet earned	\$ 793,695	\$ 18,619	\$ 812,314
Taxes receivable (net)	1,874,768	269,775	2,144,543
Special assessments receivable (net)	51,623	-	51,623
Accounts receivable (net)	1,663,276	828,916	2,492,192
Interest receivable (net)	1,272,882	-	1,272,882
Other unearned revenues	126,192	29,656	155,848
Total	\$ 5,782,436	\$ 1,146,966	\$ 6,929,402

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

	Governmental	Business-Type	
	Activities	Activities	Total
Prepaid taxes	\$ 812,314	\$ -	\$ 812,314
Prepaid fees	155,848	3,489	159,337
Unamortized bond premium	261,736	-	261,736
Total	\$ 1,229,898	\$ 3,489	\$ 1,233,387

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

13. Accounts Payable and Interfund Balances

Accounts Payable Disaggregate Information

Type of Payable	Governmental	Business-Type	Total
	Activities	Activities	
Trade payables	\$ 5,557,397	\$ 443,960	\$ 6,001,357
Construction costs payable	2,027,619	-	2,027,619
Retainage payable	1,938,071	-	1,938,071
Accrued salaries and fringes	-	-	-
Insurance claims payable (internal service)	436,310	-	436,310
IBNR estimate (incurred but not reported)	590,000	-	590,000
Total	\$ 10,549,397	\$ 443,960	\$ 10,993,357

The composition of internal balances as of June 30, 2005 are as follows:

Receivable	Payable		
Entity	Entity	Amount	
General Fund	Enterprise Fund	\$ 27,223	Short term loan
PCC Bowen Farm Capital Project	Enterprise Fund	1,022,513	Short term loan
General Fund	Special Revenue- E911 Surcharge	35,248	Short term loan
		\$ 1,084,984	

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 \$75,000 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 \$700,000 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. 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, 2005

For the Hospitalization fund, a total of \$4,880,417 in claims and changes in estimates were incurred for benefits during fiscal year 2005. Changes in the fund's claims liability amounts in fiscal 1997 – 2005 were as follows:

Fiscal Year	Liability at Fiscal Year Beginning	Claims and Changes in Estimates	Claim Payments	Liability at Fiscal Year-End
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
2005	1,190,329	4,880,417	(5,085,003)	985,743

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, 2005.

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, 2005, the portion of the trust available to be loaned exclusively to Pitt County was \$1,364,944.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2005

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, \$4,750,000 and \$250,000, 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 \$3,200,000 to the community college for operating purposes and \$75,000 for capital outlay during the fiscal year ended June 30, 2005. The County funded \$2,612,391 in improvements, new construction, and maintenance on the Community College campus. In addition, the County made debt service payments of \$730,000 for principal and \$230,330 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, 2005. 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, 2005. The County appropriated \$456,161 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 21% of enterprise fund "user charges" revenue and 10% of enterprise fund trade receivables are attributable to one customer.

19. Claims and Judgments

At June 30, 2005, 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, 2005

20. Contingencies

The County participates in a number of federal and state of North Carolina grant programs. For the fiscal year ended June 30, 2005, 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, 2005. The projects are accounted for in the Capital Projects fund and are mainly funded by debt proceeds.

Project	Balance of Contract
2004 COPS School Projects	\$ 7,249,262

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, 2005

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	\$ 238,713	\$ -	
Temporary assistance to needy families (TANF)	1,885,187	(75)	
Temporary assistance to needy families (UP)	46,886	(112)	
Aid to Families with Dependent Children	(1,339)	(367)	
Special assistance to adults	-	1,081,896	
Adoption subsidy Title IV-E	428,707	123,591	
Adoption subsidy Title IV-B	-	120,731	
Adoption subsidy - State	-	33,810	
Medicaid	90,820,270	43,729,784	
WIC	2,926,407	-	
Food stamp program	<u>17,161,993</u>	<u>-</u>	
Total	\$ 113,506,824	\$ 45,089,258	

22. Component Unit Transactions

In fiscal year 2005, 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	\$ 140,518		
Purpose:			
Pitt County ABC Board - profit distribution to County	\$ 700,000		
Pitt County Industrial Development Commission - direct expenses	\$ 140,518		

PITT COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

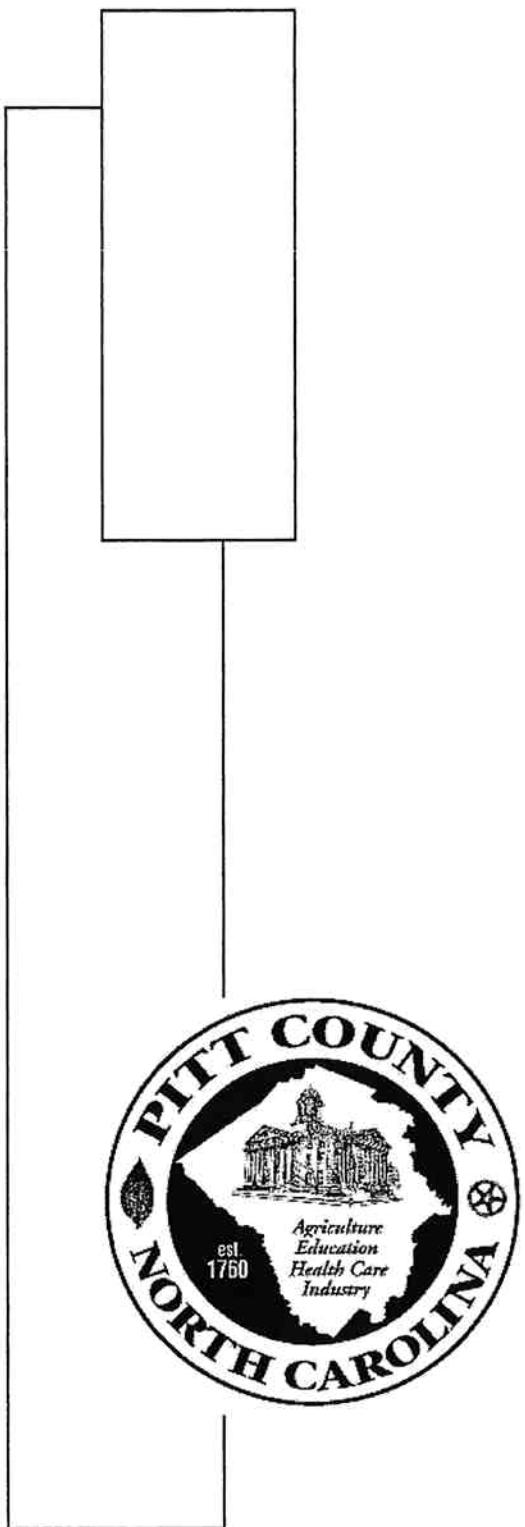
23. Transfers From / To Other Funds

In fiscal year 2005, 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>Purpose</u>
		<u>From</u>	<u>To</u>	
General Fund	General Services	\$ 3,500		Operating expenses
Special Revenue	Community Devel. Block Grant		\$ 3,500	
General Fund	General Services	119,965		Local match
Special Revenue	State Grants		119,965	
General Fund	General Services	200,000		Operating expenses
Special Revenue	Revaluation		200,000	
General Fund	General Services	4,636,948		Debt service
Debt Service	Debt Service		4,636,948	
General Fund	General Services	243,657		Operating expenses
Special Revenue	EM S Districts		243,657	
General Fund	General Services	200,000		Local portion of capital project
Capital Project	Detention Center Project		200,000	
General Fund	Court Facility	175,000		Debt service
Debt Service	Debt Service		175,000	
Special Revenue	School Capital Reserve	5,749,059		Debt service
Debt Service	Debt Service		5,749,059	
Capital Project	2004 COPS Education Project	12,752,619		Debt refunding from debt proceeds
Debt Service	Debt Service		12,752,619	
General Fund	General Services	1,212,391		Local portion of capital project
Capital Project	PCC project		1,212,391	
Special Revenue	County Capital Reserve	1,400,000		Local portion of capital project
Capital Project	PCC project	-	1,400,000	
Total interfund transfers		\$ 26,693,139	\$ 26,693,139	

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, 2005**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Accrued			Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage (B - A) / C
	Actuarial Value of Assets A	Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A				
12/31/2004	\$ 200,787	\$ 1,430,679	1,272,892	13.62%	\$ 4,342,204		29.31%
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%

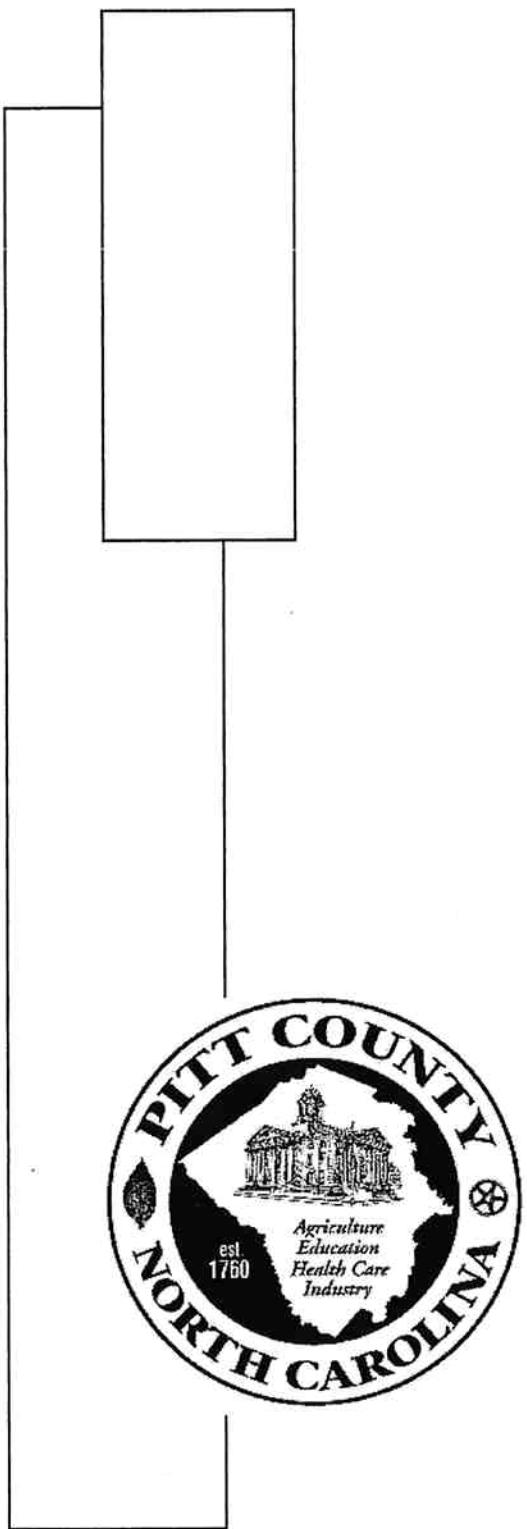
Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2005	\$ 161,462	\$ 77,500	48.00%
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:

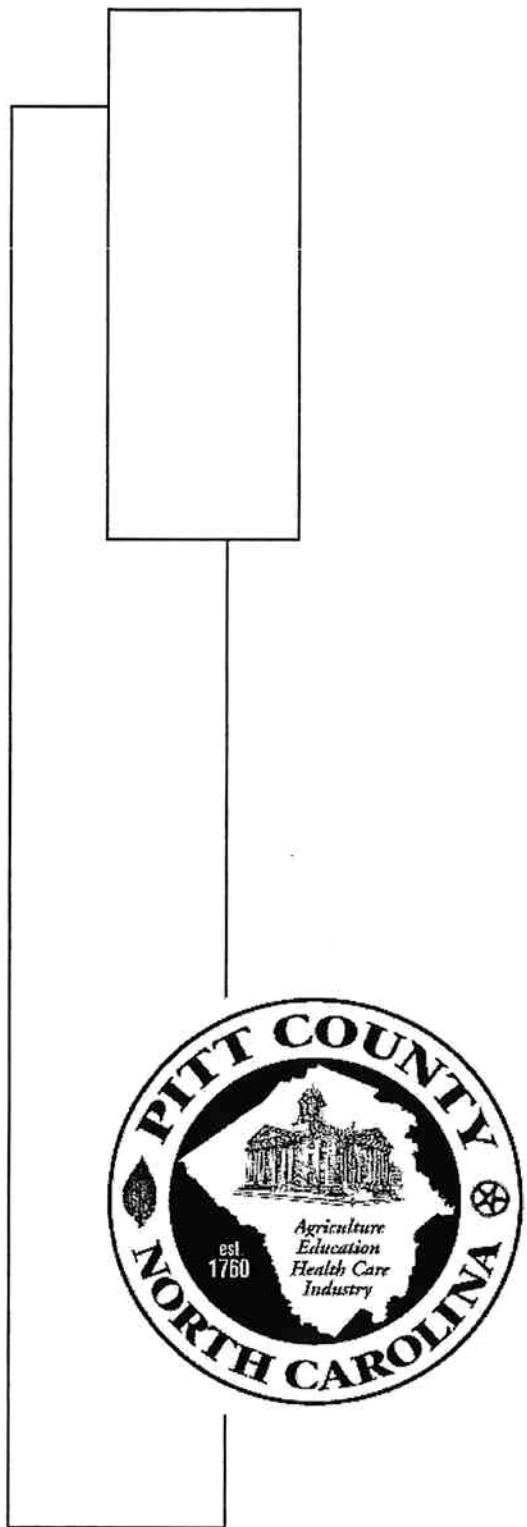
The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows:

Valuation date	12/31/2004
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	26 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, 2005.



PITT COUNTY, NORTH CAROLINA

Schedule A-1

**SCHEDULE OF AD VALOREM TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2005**

Fiscal Year	Uncollected Balance		Collections and Credits	Uncollected Balance	
	June 30, 2004	Additions		June 30, 2005	June 30, 2005
2004-2005	\$ -	\$ 56,268,712	\$ 54,237,137	\$ 2,031,575	
2003-2004	2,039,977	-	1,364,378	675,599	
2002-2003	744,574	-	281,846	462,728	
2001-2002	366,644	-	122,637	244,007	
2000-2001	299,083	-	68,427	230,656	
1999-2000	230,249	-	38,264	191,985	
1998-1999	279,932	-	23,147	256,785	
1997-1998	164,746	-	17,694	147,052	
1996-1997	125,534	-	10,582	114,952	
1995-1996	118,826	-	7,234	111,592	
1994-1995	82,825	-	82,825	-	
	\$ 4,452,390	\$ 56,268,712	\$ 56,254,171	\$ 4,466,931	
Plus: uncollected 2004-05 ad valorem taxes receivable on annually registered vehicles and tax discoveries				535,589	
Less: allowance for uncollectible ad valorem taxes receivable				2,959,407	
				\$ 2,043,113	
Reconcilement with revenues					
Taxes-Ad Valorem				\$ 56,248,116	
Reconciling Items					
Penalties and interest				(699,342)	
Discounts allowed				513,385	
Refunds				74,787	
Amounts written off for tax years per statute of limitations				79,687	
Collection of taxes previously written off				3,667	
Miscellaneous tax adjustments				33,871	
				6,055	
Total collections and credits				\$ 56,254,171	

PITT COUNTY, NORTH CAROLINA

Schedule A-2

ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2005

	Total Levy				
	County-Wide		Property excluding Registered	Registered	
	Property Valuation	Rate	Amount of Levy	Motor Vehicles	Motor Vehicles
Original levy					
Property taxed at current year's rate	\$ 8,246,783,564	\$ 0.70	\$ 57,727,485	\$ 51,066,761	\$ 6,660,724
Penalties	<u>-</u>		12,619	12,619	<u>-</u>
Total	<u>8,246,783,564</u>		<u>57,740,104</u>	<u>51,079,380</u>	<u>6,660,724</u>
Discoveries					
Current year taxes	289,255,015	0.70	1,899,284	1,874,936	24,348
Penalties	<u>-</u>		106,258	106,258	<u>-</u>
Total	<u>289,255,015</u>		<u>2,005,542</u>	<u>1,981,194</u>	<u>24,348</u>
Abatements	<u>(86,186,056)</u>		<u>(515,360)</u>	<u>(515,360)</u>	<u>N/A</u>
Total property valuation	<u>\$ 8,449,852,523</u>				
Net levy					
Less: Tax rate attributed to			59,230,286	52,545,214	6,685,072
County Capital Reserve	0.020		(1,692,328)	(1,692,328)	<u>-</u>
Industrial Development Commission	0.015		(1,269,246)	(1,269,246)	<u>-</u>
Net levy to County			<u>56,268,712</u>	<u>49,583,640</u>	<u>\$ 6,685,072</u>
Less: uncollected taxes at June 30, 2003			<u>(2,031,575)</u>	<u>(2,031,575)</u>	<u>N/A</u>
Current year's taxes collected			<u>\$ 54,237,137</u>	<u>\$ 47,552,065</u>	<u>N/A</u>
Percent current year collected			<u>96.39%</u>	<u>95.90%</u>	<u>N/A</u>
Prior year collection percentage			<u>95.62%</u>	<u>94.92%</u>	

PITT COUNTY, NORTH CAROLINA**Schedule A-3****ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2005****Secondary Market Disclosures****Assessed Valuation:**

Assessment Ratio (1)	96.75%
Real Property	\$ 6,435,605,771
Personal Property	1,913,780,456
Public Service Companies (2)	<u>100,466,296</u>
Total Assessed Valuation	8,449,852,523
Tax Rate per \$100	0.70
Levy (includes discoveries, releases and abatements) (3)	<u>\$ 59,148,968</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>1,433,982</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****TOP TEN TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2005**

TAXPAYER	TYPE OF BUSINESS	VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
DSM Catalytica	Manufacturer	\$ 281,890,000	3.34%
Sprint	Communications	65,000,000	0.77%
DSM Dyneema	Manufacturer	39,225,000	0.46%
Weyerhaeuser Company	Manufacturer	38,960,000	0.46%
ASMO	Manufacturer	35,205,000	0.42%
Maxine Speight	Developer	31,370,000	0.37%
Paper Pak	Manufacturer	28,554,000	0.34%
Colonial Realty, LLP	Shopping Mall	27,055,000	0.32%
NACCO Materials Handling Group	Manufacturer	26,977,000	0.32%
Southeast Region LLC	Apartments	18,577,000	0.22%

PITT COUNTY, NORTH CAROLINA

Schedule A-5

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

	<i>Schedule C-1</i> Special Revenue Funds	<i>Schedule A-7</i> Debt Service Fund	<i>Schedule D-1</i> Capital Projects Fund	Total
Assets				
Cash, cash equivalents and investments	\$ -	\$ 68,896	\$ 2,461,239	\$ 2,530,135
Taxes receivable, net	269,774	-	-	269,774
Accounts receivable, net	1,959,414	5,832	-	1,965,246
Prepaid items	46,538	-	-	46,538
Cash and investments, restricted	164,961	-	1,605,090	1,770,051
Due from other funds	-	-	1,022,513	1,022,513
Total assets	\$ 2,440,687	\$ 74,728	\$ 5,088,842	\$ 7,604,257
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 320,208	\$ 4,375	\$ 274,547	\$ 599,130
Due to other funds	35,248	-	-	35,248
Deferred revenues	1,146,966	-	-	1,146,966
Total liabilities	1,502,422	4,375	274,547	1,781,344
Fund balances:				
Reserved by State Statute	576,729	5,832	-	582,561
Reserved for prepaid items	46,538	-	-	46,538
Reserved for wireless 911 operations	314,998	-	-	314,998
Unreserved	-	64,521	4,814,295	4,878,816
Total fund balances	938,265	70,353	4,814,295	5,822,913
Total liabilities and fund balances	\$ 2,440,687	\$ 74,728	\$ 5,088,842	\$ 7,604,257

PITT COUNTY, NORTH CAROLINA

Schedule A-6

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

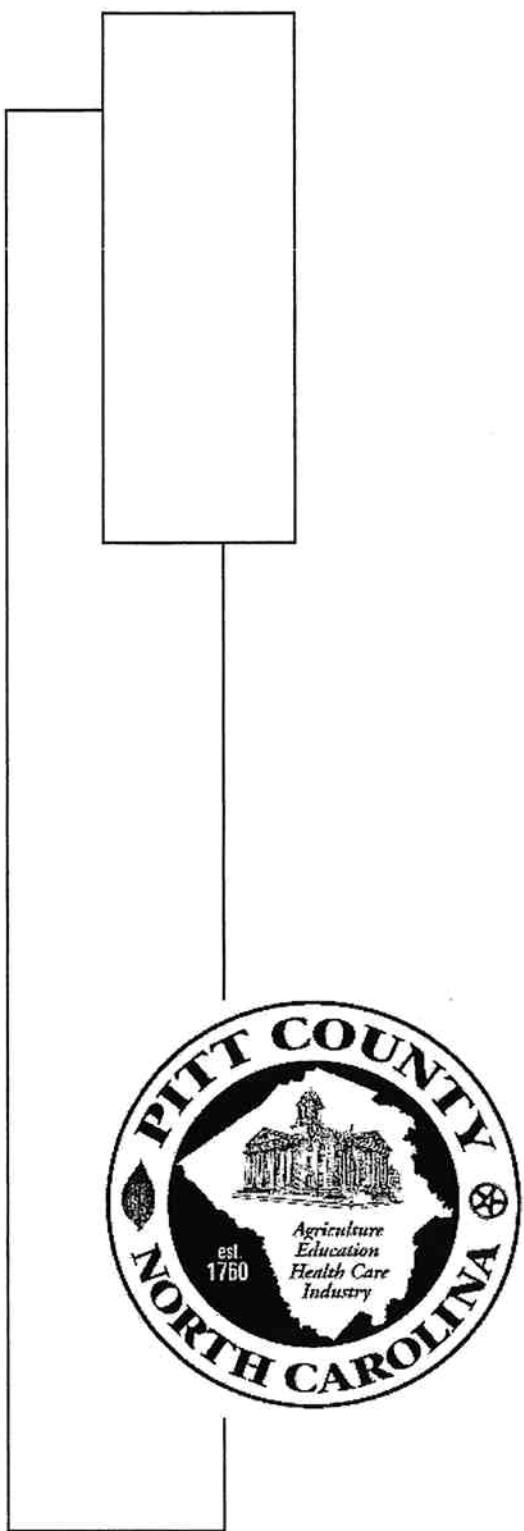
	<i>Schedule C-2</i>	<i>Schedule A-7</i>	<i>Schedule D-2</i>	
	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
Revenues				
Ad valorem taxes	\$ 4,583,563	\$ -	\$ -	\$ 4,583,563
Other taxes and licenses	5,428,268	-	-	5,428,268
Unrestricted intergovernmental revenues	-	140,518	7,813	148,331
Restricted intergovernmental revenues	2,551,393	-	-	2,551,393
Sales and services	1,324,530	-	-	1,324,530
Investment earnings	2,112	870	6,262	9,244
Miscellaneous	7	267,381	39,179	306,567
Total revenues	13,889,873	408,769	53,254	14,351,896
Expenditures				
Current				
Public safety	4,987,472	-	-	4,987,472
Economic and physical development	2,640,487	-	-	2,640,487
Capital Outlay	-	-	2,669,908	2,669,908
Debt Service				
Principal repayments	157,030	6,529,837	-	6,686,867
Interest	5,080	4,394,009	-	4,399,089
Total expenditures	7,790,069	10,923,846	2,669,908	21,383,823
Revenues over (under) expenditures	6,099,804	(10,515,077)	(2,616,654)	(7,031,927)
Other Financing Sources (Uses)				
Transfers in	566,885	22,236,203	3,094,321	25,897,409
Transfers out	(7,149,059)	-	-	(7,149,059)
Advance payments for debt refunding	-	(11,675,000)	-	(11,675,000)
Debt obligation issued	150,000	-	-	150,000
Total other financing sources (uses)	(6,432,174)	10,561,203	3,094,321	7,223,350
Net change in fund balances	(332,370)	46,126	477,667	191,423
Fund balance				
Beginning of year - July 1	1,270,635	24,227	4,336,628	5,631,490
End of year - June 30	<u>\$ 938,265</u>	<u>\$ 70,353</u>	<u>\$ 4,814,295</u>	<u>\$ 5,822,913</u>

PITT COUNTY, NORTH CAROLINA

Schedule A-7

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

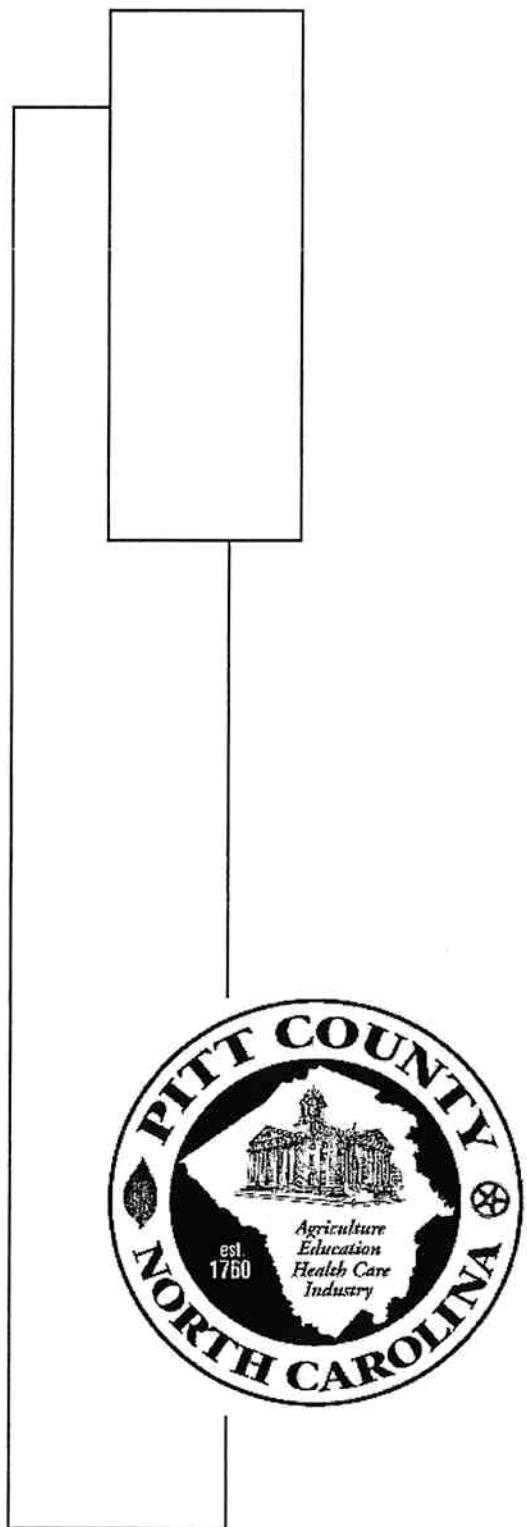
	Final Budget	Actual	Variance Over/Under
Revenues			
Unrestricted Intergovernmental Revenues:			
Pitt Industrial Development Commission	\$ 140,518	\$ 140,518	\$ -
Miscellaneous	223,311	267,381	44,070
Interest earned on investments	-	870	870
Total revenues	<u>363,829</u>	<u>408,769</u>	<u>44,940</u>
Expenditures			
Debt Service:			
Principal payments - loans	6,397,667	6,529,837	(132,170)
Interest - loans	4,527,174	4,394,009	133,165
Total expenditures	<u>10,924,841</u>	<u>10,923,846</u>	<u>995</u>
Revenues over (under) expenditures	<u>(10,561,012)</u>	<u>(10,515,077)</u>	<u>45,935</u>
Other Financing Sources			
Transfer in - General	4,811,949	4,811,949	-
Transfer in - Special Revenue	5,749,063	5,749,059	(4)
Transfer in - Capital Project	11,675,000	11,675,195	195
Payments to escrow agent, debt refunding payment	(11,675,000)	(11,675,000)	-
Total other financing sources	<u>10,561,012</u>	<u>10,561,203</u>	<u>191</u>
Net change in fund balance	\$ -	46,126	\$ 46,126
Fund balance			
Beginning of year - July 1		<u>24,227</u>	
End of year - June 30	<u>\$ 70,353</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
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	Budget	Actual	Variance Over/Under	2004 Actual
Revenues				
Ad valorem taxes				
Taxes	\$ 53,833,598	\$ 55,548,774	\$ 1,715,176	\$ 46,064,344
Penalties and interest	525,000	699,342	174,342	684,457
Total ad valorem taxes	<u>54,358,598</u>	<u>56,248,116</u>	<u>1,889,518</u>	<u>46,748,801</u>
Other taxes and licenses				
Occupancy tax	16,500	17,180	680	17,128
Local option sales taxes	18,324,820	19,641,243	1,316,423	17,689,676
Payment in lieu of taxes	1,390,000	1,424,666	34,666	1,366,283
Privilege licenses	1,500	9,666	8,166	8,717
Marriage licenses	23,455	23,715	260	23,485
Gross receipts tax	88,500	94,903	6,403	86,705
Total other taxes and licenses	<u>19,844,775</u>	<u>21,211,373</u>	<u>1,366,598</u>	<u>19,191,994</u>
Unrestricted intergovernmental revenues				
Alcohol, beer and wine tax	240,000	233,252	(6,748)	234,192
Pitt County ABC Board	700,000	700,000	-	700,000
Social Services fees and grants	454,439	420,326	(34,113)	465,391
Total unrestricted intergovernmental revenues	<u>1,394,439</u>	<u>1,353,578</u>	<u>(40,861)</u>	<u>1,399,583</u>
Restricted intergovernmental revenues				
Public Health fees and grants	4,643,449	4,499,712	(143,737)	4,234,834
Social Services fees and grants	15,753,487	15,511,569	(241,918)	14,622,157
Mental Health fees and grants	23,017,945	20,013,069	(3,004,876)	18,891,989
Jail fees	495,900	427,528	(68,372)	652,437
Automation E&P - Register of Deeds	12,234	102,339	90,105	105,524
Federal and state grants	21,500	38,080	16,580	169,559
Total restricted intergovernmental revenues	<u>43,944,515</u>	<u>40,592,297</u>	<u>(3,352,218)</u>	<u>38,676,500</u>
Permits and fees				
Building permits and inspection fees	573,840	612,069	38,229	540,088
Register of deeds	1,100,000	946,758	(153,242)	977,067
Excise stamps	600,000	764,244	164,244	669,025
Rabies control fees	30,000	37,592	7,592	33,326
Animal fees	69,300	58,368	(10,932)	67,883
Court facility fees	370,000	336,897	(33,103)	336,364
Total permits and fees	<u>2,743,140</u>	<u>2,755,928</u>	<u>12,788</u>	<u>2,623,753</u>
Sales and services				
Rents, concessions and fees	3,000,407	3,338,954	338,547	2,783,848
State and federal prison inmate reimbursement	1,962,500	1,970,854	8,354	2,176,864
Total sales and services	<u>4,962,907</u>	<u>5,309,808</u>	<u>346,901</u>	<u>4,960,712</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Investment earnings	<u>776,800</u>	<u>1,132,642</u>	<u>355,842</u>	<u>634,428</u>
Miscellaneous				
Sale of capital assets	24,000	28,055	4,055	22,545
Other	<u>717,818</u>	<u>778,413</u>	<u>60,595</u>	<u>509,632</u>
Total miscellaneous	<u>741,818</u>	<u>806,468</u>	<u>64,650</u>	<u>532,177</u>
Total revenues	<u>128,766,992</u>	<u>129,410,210</u>	<u>643,218</u>	<u>114,767,948</u>
Expenditures				
General government				
Governing board, county manager, legal, public information officer	1,599,394	1,557,008	42,386	1,390,949
Finance, tax assessor, tax collector	<u>2,534,893</u>	<u>2,242,932</u>	<u>291,961</u>	<u>2,166,764</u>
Elections	566,765	557,575	9,190	376,494
Register of Deeds	925,809	915,295	10,514	689,001
Human resources	481,921	431,310	50,611	396,075
Printshop/mailroom, management information system, geographic information system	1,873,729	1,741,286	132,443	1,672,290
Buildings and grounds, housekeeping	<u>2,780,366</u>	<u>2,735,434</u>	<u>44,932</u>	<u>2,457,607</u>
Non-departmental - General Administration	<u>1,872,885</u>	<u>1,598,615</u>	<u>274,270</u>	<u>1,378,123</u>
Total general government	<u>12,635,762</u>	<u>11,779,455</u>	<u>856,307</u>	<u>10,527,303</u>
Public safety				
Sheriff's department, school security, other public safety	8,369,848	8,034,912	334,936	7,471,720
Detention center, jail inmate services, jail health services	<u>7,999,758</u>	<u>7,646,600</u>	<u>353,158</u>	<u>7,034,870</u>
Emergency services	591,384	561,437	29,947	494,588
Communications	791,362	746,593	44,769	727,968
Animal and mosquito control	433,638	421,489	12,149	384,311
Inspections	319,302	289,555	29,747	326,448
Medical examiner	86,000	85,925	75	67,275
Transportation	20,500	19,650	850	16,232
LEO pension fund	77,500	60,828	16,672	76,759
Court facility	<u>242,030</u>	<u>235,643</u>	<u>6,387</u>	<u>320,819</u>
Total public safety	<u>18,931,322</u>	<u>18,102,632</u>	<u>828,690</u>	<u>16,920,990</u>
Environmental protection				
Other environmental protection	4,950	4,950	-	9,062
Soil and water conservation	<u>214,938</u>	<u>206,485</u>	<u>8,453</u>	<u>204,200</u>
Total environmental protection	<u>219,888</u>	<u>211,435</u>	<u>8,453</u>	<u>213,262</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Economic and physical development				
Planning and zoning	628,328	555,034	73,294	574,170
Permitting center	157,870	154,514	3,356	143,746
Other economic development	205,689	205,602	87	391,100
Engineering	236,034	227,283	8,751	277,608
Cooperative extension	269,812	288,931	(19,119)	285,221
Farmers Market	33,583	28,729	4,854	27,108
Natural disasters	-	-	-	31,272
Total economic and physical development	<u>1,531,316</u>	<u>1,460,093</u>	<u>71,223</u>	<u>1,730,225</u>
Human services				
Other human services	205,160	205,160	-	185,870
Veterans affairs	50,424	49,005	1,419	49,809
Public Health				
Administration	1,659,117	1,560,168	98,949	1,530,379
Services and programs	6,276,389	5,522,578	753,811	5,153,413
Social Services				
Administration	1,052,299	1,030,561	21,738	1,047,323
Services and programs	17,207,358	16,491,795	715,563	15,949,896
Public assistance	9,958,448	10,145,901	(187,453)	8,503,086
Child support	1,789,280	1,756,070	33,210	1,602,922
Mental Health				
Administration	1,606,430	1,261,568	344,862	1,060,958
Services and programs	<u>23,122,721</u>	<u>20,830,107</u>	<u>2,292,614</u>	<u>19,405,657</u>
Total human services	<u>62,927,626</u>	<u>58,852,913</u>	<u>4,074,713</u>	<u>54,489,313</u>
Education				
Pitt County schools	28,110,448	28,110,448	-	27,087,249
Pitt Community College	3,275,000	3,275,000	-	3,135,206
Total education	<u>31,385,448</u>	<u>31,385,448</u>	<u>-</u>	<u>30,222,455</u>
Cultural and recreation	<u>505,161</u>	<u>505,161</u>	<u>-</u>	<u>491,838</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	Budget	Actual	Variance Over/Under	2004 Actual
Debt service	<u>153,046</u>	<u>153,282</u>	<u>(236)</u>	<u>153,046</u>
Total expenditures	<u>128,289,569</u>	<u>122,450,419</u>	<u>5,839,150</u>	<u>114,748,431</u>
Revenues over (under) expenditures	<u>477,423</u>	<u>6,959,791</u>	<u>6,482,368</u>	<u>19,517</u>
Other Financing Sources (Uscs)				
Operating transfers in (out):				
Special Revenue Funds	(588,530)	(566,885)	21,645	(707,930)
Debt Service Fund	(4,811,949)	(4,811,949)	-	(4,170,995)
Capital Projects Funds	(1,412,391)	(1,412,391)	-	(4,216,560)
Proceeds from issuance of long-term debt	-	-	-	150,000
Appropriated fund balance	<u>6,335,447</u>	<u>-</u>	<u>(6,335,447)</u>	<u>-</u>
Total other financing sources (uses)	<u>(477,423)</u>	<u>(6,791,225)</u>	<u>(6,313,802)</u>	<u>(8,945,485)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>168,566</u>	<u>\$ 168,566</u>	<u>(8,925,968)</u>
Fund Balance				
Beginning of year - July 1		<u>33,123,539</u>		<u>42,049,507</u>
End of year - June 30		<u>\$ 33,292,105</u>		<u>\$ 33,123,539</u>

PITT COUNTY, NORTH CAROLINA

**GENERAL FUND - COMBINING SCHEDULE OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCE - ALL DEPARTMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

	Sch. B-3	Sch. B-4	Sch. B-5
	General Services	Law Enforcement Officer's Fund	Public Health Department
Revenues			
Ad valorem taxes	\$ 56,248,116	\$ -	\$ -
Other taxes and licenses	21,211,373	-	-
Unrestricted intergovernmental revenues	933,252	-	-
Restricted intergovernmental revenues	465,608	-	4,499,712
Permits and fees	2,521,370	-	-
Sales and services	4,602,372	-	-
Investment earnings	1,130,382	218	-
Miscellaneous	755,535	3,449	-
Total revenues	87,868,008	3,667	4,499,712
Expenditures			
General government	11,779,455	-	-
Public safety	17,806,161	60,828	-
Environmental protection	211,435	-	-
Economic and physical development	1,460,093	-	-
Human services	254,165	-	7,082,746
Education	31,385,448	-	-
Cultural and recreational	505,161	-	-
Debt service	153,282	-	-
Total expenditures	63,555,200	60,828	7,082,746
Revenues over (under) expenditures	24,312,808	(57,161)	(2,583,034)
Other Financing Sources (Uses)			
Intrafund transfers in (out)	(17,047,333)	77,500	2,366,154
Operating transfers in (out)			
Special Revenue Funds	(566,885)	-	-
Debt Service Fund	(4,636,949)	-	-
Capital Projects Fund	(1,412,391)	-	-
Total other financing sources (uses)	(23,663,558)	77,500	2,366,154
Revenues and other financing sources over (under) expenditures and other financing uses	649,250	20,339	(216,880)
Fund Balance:			
Beginning of year	25,712,868	193,335	1,996,615
End of year	\$ 26,362,118	\$ 213,674	\$ 1,779,735

Schedule B-2
Summary

Sch. B-6 Social Services Department	Sch. B-7 Court Facility Department	Sch. B-8 Mental Health Department	Combined Total
\$ -	\$ -	\$ -	\$ 56,248,116
			21,211,373
420,326	-	-	1,353,578
15,511,569	-	20,013,069	40,489,958
-	336,897	-	2,858,267
707,436	-	-	5,309,808
-	2,042	-	1,132,642
47,484	-	-	806,468
16,686,815	338,939	20,013,069	129,410,210
-	-	-	11,779,455
-	235,643	-	18,102,632
-	-	-	211,435
-	-	-	1,460,093
29,424,327	-	22,091,675	58,852,913
-	-	-	31,385,448
-	-	-	505,161
-	-	-	153,282
29,424,327	235,643	22,091,675	122,450,419
(12,737,512)	103,296	(2,078,606)	6,959,791
13,009,091	-	1,594,588	-
-	-	-	(566,885)
-	(175,000)	-	(4,811,949)
-	-	-	(1,412,391)
13,009,091	(175,000)	1,594,588	(6,791,225)
271,579	(71,704)	(484,018)	168,566
2,109,871	309,498	2,801,352	33,123,539
\$ 2,381,450	\$ 237,794	\$ 2,317,334	\$ 33,292,105

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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	Budget	2005 Actual	Variance Over/Under	2004 Actual
Revenues				
Ad valorem taxes				
Taxes	\$ 53,833,598	\$ 55,548,774	\$ 1,715,176	\$ 46,064,344
Penalties and interest	<u>525,000</u>	<u>699,342</u>	<u>174,342</u>	<u>684,457</u>
Total ad valorem taxes	<u>54,358,598</u>	<u>56,248,116</u>	<u>1,889,518</u>	<u>46,748,801</u>
Other taxes and licenses				
Occupancy tax	16,500	17,180	680	17,128
Local options sales tax	18,324,820	19,641,243	1,316,423	17,689,676
Payment in lieu of tax	1,390,000	1,424,666	34,666	1,366,283
Privilege licenses	1,500	9,666	8,166	8,717
Marriage licenses	23,455	23,715	260	23,485
Gross receipts tax	88,500	94,903	6,403	86,705
Total other taxes and licenses	<u>19,844,775</u>	<u>21,211,373</u>	<u>1,366,598</u>	<u>19,191,994</u>
Unrestricted intergovernmental revenues				
Alcohol, beer and wine tax	240,000	233,252	(6,748)	234,192
Pitt County ABC Board	<u>700,000</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>
	<u>940,000</u>	<u>933,252</u>	<u>(6,748)</u>	<u>934,192</u>
Restricted intergovernmental revenues				
Emergency management				
Jail fees	495,900	427,528	(68,372)	652,437
Federal and state grants	<u>21,500</u>	<u>38,080</u>	<u>16,580</u>	<u>157,574</u>
Total restricted intergovernmental revenues	<u>517,400</u>	<u>465,608</u>	<u>(51,792)</u>	<u>810,011</u>
Permits and fees				
Building permits and inspection fees	573,840	612,069	38,229	552,073
Register of deeds	1,100,000	946,758	(153,242)	977,067
Excise stamps	600,000	764,244	164,244	669,025
Automation E&P - Register of Deeds	12,234	102,339	90,105	-
Rabies control fees	30,000	37,592	7,592	33,326
Animal fees	<u>69,300</u>	<u>58,368</u>	<u>(10,932)</u>	<u>67,883</u>
Total permits and fees	<u>2,385,374</u>	<u>2,521,370</u>	<u>135,996</u>	<u>2,299,374</u>
Sales and services				
Rents, concessions and fees	2,291,472	2,631,518	340,046	2,098,104
State and federal prison inmate reimbursement	<u>1,962,500</u>	<u>1,970,854</u>	<u>8,354</u>	<u>2,176,864</u>
Total sales and services	<u>4,253,972</u>	<u>4,602,372</u>	<u>348,400</u>	<u>4,274,968</u>
Investment earnings				
	<u>775,000</u>	<u>1,130,382</u>	<u>355,382</u>	<u>632,485</u>
Miscellaneous				
Sale of fixed assets	24,000	28,055	4,055	22,545
Other	<u>671,006</u>	<u>727,480</u>	<u>56,474</u>	<u>448,736</u>
Total miscellaneous	<u>695,006</u>	<u>755,535</u>	<u>60,529</u>	<u>471,281</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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Total revenues	<u>83,770,125</u>	<u>87,868,008</u>	<u>4,097,883</u>	<u>75,363,106</u>
Expenditures				
General government				
Governing Body				
Salaries and employee benefits	166,807	164,734	2,073	165,992
Operating expenses	<u>36,824</u>	<u>35,693</u>	<u>1,131</u>	<u>28,695</u>
	<u>203,631</u>	<u>200,427</u>	<u>3,204</u>	<u>194,687</u>
County Manager				
Salaries and employee benefits	484,467	470,215	14,252	412,692
Operating expenses	<u>19,917</u>	<u>20,163</u>	<u>(246)</u>	<u>18,490</u>
	<u>504,384</u>	<u>490,378</u>	<u>14,006</u>	<u>431,182</u>
Financial Services				
Salaries and employee benefits	743,583	687,344	56,239	676,723
Operating expenses	<u>31,227</u>	<u>32,413</u>	<u>(1,186)</u>	<u>27,435</u>
	<u>774,810</u>	<u>719,757</u>	<u>55,053</u>	<u>704,158</u>
Tax Assessor				
Salaries and employee benefits	982,263	882,884	99,379	844,268
Operating expenses	<u>315,300</u>	<u>205,368</u>	<u>109,932</u>	<u>214,439</u>
	<u>1,297,563</u>	<u>1,088,252</u>	<u>209,311</u>	<u>1,058,707</u>
Tax Collector				
Salaries and employee benefits	420,820	395,411	25,409	365,666
Operating expenses	<u>41,700</u>	<u>39,512</u>	<u>2,188</u>	<u>38,233</u>
	<u>462,520</u>	<u>434,923</u>	<u>27,597</u>	<u>403,899</u>
Legal				
Salaries and employee benefits	654,448	626,464	27,984	562,420
Operating expenses	<u>68,600</u>	<u>71,128</u>	<u>(2,528)</u>	<u>40,795</u>
	<u>723,048</u>	<u>697,592</u>	<u>25,456</u>	<u>603,215</u>
Elections				
Salaries and employee benefits	371,252	367,599	3,653	269,522
Operating expenses	<u>195,513</u>	<u>189,976</u>	<u>5,537</u>	<u>106,972</u>
	<u>566,765</u>	<u>557,575</u>	<u>9,190</u>	<u>376,494</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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	Budget	2005 Actual	Variance Over/Under	2004 Actual
Register of Deeds				
Salaries and employee benefits	532,052	515,683	16,369	503,187
Operating expenses	393,757	399,612	(5,855)	185,814
	<u>925,809</u>	<u>915,295</u>	<u>10,514</u>	<u>689,001</u>
Public Information Office				
Salaries and employee benefits	101,031	95,409	5,622	99,827
Operating expenses	61,750	67,668	(5,918)	53,947
Capital outlay	5,550	5,534	16	8,091
	<u>168,331</u>	<u>168,611</u>	<u>(280)</u>	<u>161,865</u>
Human Resources				
Salaries and employee benefits	442,931	400,599	42,332	370,933
Operating expenses	38,990	30,711	8,279	25,142
	<u>481,921</u>	<u>431,310</u>	<u>50,611</u>	<u>396,075</u>
Print Shop / Mail Room				
Salaries and employee benefits	105,882	101,842	4,040	100,285
Operating expenses	65,781	60,062	5,719	59,205
Reimbursement from other departments/funds	(63,000)	(57,976)	(5,024)	(58,567)
	<u>108,663</u>	<u>103,928</u>	<u>4,735</u>	<u>100,923</u>
Management Information Systems				
Salaries and employee benefits	1,739,771	1,657,351	82,420	1,577,334
Operating expenses	848,095	855,699	(7,604)	812,547
Capital Outlay	51,000	45,139	5,861	63,068
Reimbursement from other departments/funds	(1,114,670)	(1,157,419)	42,749	(1,099,832)
	<u>1,524,196</u>	<u>1,400,770</u>	<u>123,426</u>	<u>1,353,117</u>
Geographical Information Systems				
Salaries and employee benefits	150,780	146,616	4,164	145,258
Operating expenses	175,090	174,876	214	123,431
Capital Outlay	35,000	35,000	-	50,956
Reimbursement from other departments/funds	(120,000)	(119,904)	(96)	(101,395)
	<u>240,870</u>	<u>236,588</u>	<u>4,282</u>	<u>218,250</u>
Buildings and Grounds				
Salaries and employee benefits	957,041	913,353	43,688	918,196
Operating expenses	1,062,375	1,107,664	(45,289)	1,122,976
Capital Outlay	324,450	322,492	1,958	3,290
	<u>2,343,866</u>	<u>2,343,509</u>	<u>357</u>	<u>2,044,462</u>
Housekeeping				
Salaries and employee benefits		344	(344)	-
Operating expenses	436,500	391,581	44,919	413,145
	<u>436,500</u>	<u>391,925</u>	<u>44,575</u>	<u>413,145</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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	Budget	2005 Actual	Variance Over/Under	2004 Actual
General Government Nonallocated Expenditures				
Other employee insurance and benefits	600,725	508,562	92,163	468,716
Professional services	120,500	126,424	(5,924)	137,832
Insurance and bonding	755,000	573,789	181,211	667,991
Quasi-external workers compensation	285,000	285,000	-	-
Miscellaneous items	111,660	104,840	6,820	103,584
	<u>1,872,885</u>	<u>1,598,615</u>	<u>274,270</u>	<u>1,378,123</u>
Total general government	<u>12,635,762</u>	<u>11,779,455</u>	<u>856,307</u>	<u>10,527,303</u>
Public safety				
Sheriff				
Salaries and employee benefits	6,310,034	5,969,081	340,953	5,506,361
Operating expenses	916,023	987,393	(71,370)	831,845
Capital Outlay	341,112	341,111	1	329,174
	<u>7,567,169</u>	<u>7,297,585</u>	<u>269,584</u>	<u>6,667,380</u>
Detention Center				
Salaries and employee benefits	5,321,332	5,006,121	315,211	4,749,830
Operating expenses	1,636,644	1,581,907	54,737	1,454,184
Capital Outlay	36,600	18,603	17,997	-
	<u>6,994,576</u>	<u>6,606,631</u>	<u>387,945</u>	<u>6,204,014</u>
Jail Health Services				
Salaries and benefits	925,948	938,491	(12,543)	784,875
Operating expenses	41,294	64,244	(22,950)	51,638
Direct service allocation	-	-	-	(42,265)
	<u>967,242</u>	<u>1,002,735</u>	<u>(35,493)</u>	<u>794,248</u>
Jail Inmate Coordinator				
Salaries and employee benefits	37,940	37,234	706	36,608
School Security				
Salaries and employee benefits	546,477	516,272	30,205	513,286
Operating expenses	21,660	20,678	982	16,588
	<u>568,137</u>	<u>536,950</u>	<u>31,187</u>	<u>529,874</u>
Emergency Services				
Salaries and employee benefits	191,244	180,798	10,446	134,106
Operating expenses	400,140	380,639	19,501	360,482
	<u>591,384</u>	<u>561,437</u>	<u>29,947</u>	<u>494,588</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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	Budget	2005 Actual	Variance Over/Under	2004 Actual
Communications				
Salaries and benefits	765,100	725,727	39,373	715,294
Operating expenses	25,777	20,382	5,395	12,674
Capital Outlay	485	484	1	-
	<u>791,362</u>	<u>746,593</u>	<u>44,769</u>	<u>727,968</u>
Animal and Mosquito Control				
Salaries and employee benefits	289,268	274,938	14,330	268,091
Operating expenses	128,370	130,775	(2,405)	116,220
Capital Outlay	16,000	15,776	224	-
	<u>433,638</u>	<u>421,489</u>	<u>12,149</u>	<u>384,311</u>
Inspections				
Salaries and employee benefits	299,802	270,821	28,981	296,501
Operating expenses	19,500	18,734	766	29,947
	<u>319,302</u>	<u>289,555</u>	<u>29,747</u>	<u>326,448</u>
Medical Examiner				
Professional services	86,000	85,925	75	67,275
Other Public Safety				
Operating expenses	234,542	200,377	34,165	274,466
	<u>234,542</u>	<u>200,377</u>	<u>34,165</u>	<u>274,466</u>
Transportation				
Operating expenses	20,500	19,650	850	16,232
Total public safety	<u>18,611,792</u>	<u>17,806,161</u>	<u>805,631</u>	<u>16,523,412</u>
Environmental protection				
Other Environmental Protection				
Contracts / grants	4,950	4,950	-	9,062
Pitt Soil and Water Conservation				
Salaries and benefits	195,427	191,712	3,715	189,338
Operating expenses	19,511	14,773	4,738	14,862
	<u>214,938</u>	<u>206,485</u>	<u>8,453</u>	<u>204,200</u>
Total environmental protection	<u>219,888</u>	<u>211,435</u>	<u>8,453</u>	<u>213,262</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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	Budget	2005 Actual	Variance Over/Under	2004 Actual
Economic and physical development				
Planning and Zoning				
Salaries and employee benefits	526,048	477,010	49,038	487,698
Operating expenses	102,280	78,024	24,256	86,472
	<u>628,328</u>	<u>555,034</u>	<u>73,294</u>	<u>574,170</u>
Permitting Center				
Salaries and benefits	147,170	143,439	3,731	140,827
Operating expenses	10,700	11,075	(375)	2,919
	<u>157,870</u>	<u>154,514</u>	<u>3,356</u>	<u>143,746</u>
Other Economic Development				
Operating expenses	205,689	205,602	87	241,100
Engineering				
Salaries and employee benefits	217,954	212,680	5,274	208,994
Operating expenses	18,080	14,603	3,477	68,614
	<u>236,034</u>	<u>227,283</u>	<u>8,751</u>	<u>277,608</u>
Cooperative Extension				
Operating expenses	84,297	79,611	4,686	93,548
Professional Services	185,515	209,320	(23,805)	191,673
	<u>269,812</u>	<u>288,931</u>	<u>(19,119)</u>	<u>285,221</u>
Farmers Market				
Salaries and employee benefits	26,533	21,950	4,583	21,205
Professional Services	7,050	6,779	271	5,903
	<u>33,583</u>	<u>28,729</u>	<u>4,854</u>	<u>27,108</u>
Natural Disasters				
Operating expenses	-	-	-	31,272
Total economic and physical development	<u>1,531,316</u>	<u>1,460,093</u>	<u>71,223</u>	<u>1,580,225</u>
Human services				
Other human services	205,160	205,160	-	185,870
Veterans affairs	50,424	49,005	1,419	49,809
	<u>255,584</u>	<u>254,165</u>	<u>1,419</u>	<u>235,679</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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	Budget	2005 Actual	Variance Over/Under	2004 Actual
Education				
Pitt County Schools				
Current	27,360,448	27,360,448	-	26,337,249
Capital outlay	750,000	750,000	-	750,000
	<u>28,110,448</u>	<u>28,110,448</u>	<u>-</u>	<u>27,087,249</u>
Pitt Community College				
Current	3,200,000	3,200,000	-	3,060,206
Capital outlay	75,000	75,000	-	75,000
	<u>3,275,000</u>	<u>3,275,000</u>	<u>-</u>	<u>3,135,206</u>
Total education	<u>31,385,448</u>	<u>31,385,448</u>	<u>-</u>	<u>30,222,455</u>
Cultural and Recreational				
Cultural - Contracts/grants	19,000	19,000	-	25,500
Recreational - Contracts/grants	30,000	30,000	-	19,000
Libraries - Contracts/grants	456,161	456,161	-	447,338
Total cultural and recreational	<u>505,161</u>	<u>505,161</u>	<u>-</u>	<u>491,838</u>
Debt Service				
Principal repayments	144,954	142,720	2,234	142,754
Interest and fees	8,092	10,562	(2,470)	10,291
Total debt service	<u>153,046</u>	<u>153,282</u>	<u>(236)</u>	<u>153,045</u>
Total expenditures	<u>65,297,997</u>	<u>63,555,200</u>	<u>1,742,797</u>	<u>59,947,219</u>
Revenues over (under) expenditures	<u>18,472,128</u>	<u>24,312,808</u>	<u>5,840,680</u>	<u>15,415,887</u>
Other Financing Sources (Uses)				
Intrafund transfers in (out)				
Law enforcement from general fund	(77,500)	(77,500)	-	(77,500)
Public Health from General	(2,486,944)	(2,366,154)	120,790	(2,145,949)
DSS from General	(13,009,091)	(13,009,091)	-	(11,346,194)
Mental Health	(1,594,588)	(1,594,588)	-	(1,574,588)
Total intrafund transfers	<u>(17,168,123)</u>	<u>(17,047,333)</u>	<u>120,790</u>	<u>(15,144,231)</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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	Budget	2005 Actual	Variance Over/Under	2004 Actual
Operating transfers in (out)				
Special Revenue Funds	(588,530)	(566,885)	21,645	(707,930)
Debt Service Fund	(4,636,949)	(4,636,949)	-	(3,995,995)
Capital Projects Funds	(1,412,391)	(1,412,391)	-	(4,216,560)
	<u>(6,637,870)</u>	<u>(6,616,225)</u>	<u>21,645</u>	<u>(8,920,485)</u>
Budgetary financing sources (uses)				
Appropriated fund balance - General	5,333,865	-	(5,333,865)	-
Total budgetary financing sources (uses)	<u>5,333,865</u>	<u>-</u>	<u>(5,333,865)</u>	<u>-</u>
Total other financing sources (uses)	<u>(18,472,128)</u>	<u>(23,663,558)</u>	<u>(5,191,430)</u>	<u>(24,064,716)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ <u> </u> -	\$ <u> </u> 649,250	\$ <u> </u> 649,250	\$ <u> </u> (8,648,829)

GENERAL FUND - LAW ENFORCEMENT OFFICERS' FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Miscellaneous revenues	\$ -	\$ 3,449	\$ 3,449	\$ -
Interest on investments	-	218	218	71
Total revenues	-	3,667	3,667	71
Expenditures				
Public safety				
LEO Pension Services				
Salaries and employee benefits	77,500	60,828	16,672	76,759
Revenues over (under) expenditures	(77,500)	(57,161)	(13,005)	(76,688)
Other financing sources (uses)				
Intrafund Transfers in (out):				
Law enforcement from general fund	77,500	77,500	-	77,500
Total other financing sources (uses)	77,500	77,500	-	77,500
Revenues and other financing sources over expenditures and other financing uses	\$ -	\$ 20,339	\$ 20,339	\$ 812

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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Restricted intergovernmental revenues				
Administration	\$ 76,212	\$ 34,268	\$ (41,944)	\$ 131,771
Environmental health	173,800	294,178	120,378	145,358
Food and lodging	13,090	13,090	-	14,698
Tuberculosis	47,236	38,843	(8,393)	39,913
Tuberculosis CDC	55,872	55,872	-	50,000
Adolescent pregnancy grants	14,000	12,012	(1,988)	6,271
Healthy Start	142,837	146,067	3,230	129,951
Carolina Access II	-	940	940	6,051
Cardiovascular health	100,000	99,008	(992)	91,849
Smart Start	120,559	118,070	(2,489)	100,857
Project assistance	-	-	-	42,053
Adult health	9,060	15,728	6,668	10,864
Health promotion	50,348	48,488	(1,860)	71,068
AIDS	67,500	76,976	9,476	80,095
Epilepsy	18,096	12,902	(5,194)	10,345
Breast/cervical cancer prevention	28,000	28,401	401	30,543
Communicable disease	179,106	199,898	20,792	215,935
Community transition coordination	44,000	44,000	-	40,333
Infant mortality	56,000	56,000	-	53,667
Child health	183,642	221,447	37,805	194,896
Maternal health	464,675	524,800	60,125	490,266
Family planning	427,321	442,309	14,988	407,508
Maternity care coordination	212,625	323,510	110,885	267,785
Child services coordination	208,400	181,602	(26,798)	220,913
WIC administration	79,303	66,601	(12,702)	59,316
WIC nutrition	205,634	215,836	10,202	179,662
WIC breastfeeding	17,383	17,406	23	17,279
WIC client services	309,020	319,729	10,709	296,742
Immunization action plan	53,270	41,663	(11,607)	53,326
Orthopedic	-	80	80	3,712
Speech and hearing	-	100	100	165
Mobile dental unit	240,430	180,208	(60,222)	192,874
Emergency planning - HD	90,436	79,261	(11,175)	-
Early childhood intervention	200,000	16,376	(183,624)	-
Bioterrorism team	302,413	295,895	(6,518)	336,198
DHHS funds	413,619	252,553	(161,066)	242,570
Public Health fees	4,643,449	4,499,712	(143,737)	4,234,834

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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Expenditures				
Human Services Administration	1,659,117	1,560,168	98,949	1,530,379
Environmental Health	723,087	702,144	20,943	630,481
Food and Lodging	13,090	10,992	2,098	7,797
Tuberculosis	117,209	111,564	5,645	109,581
Tuberculosis CDC	77,960	60,371	17,589	55,738
Adolescent Pregnancy Prevention	14,000	12,012	1,988	6,272
Healthy Start	142,837	139,425	3,412	138,181
Carolina Access II	-	-	-	1,989
Cardiovascular Health	100,000	97,091	2,909	81,734
Smart Start	120,559	116,333	4,226	102,010
Project Assistance	-	-	-	40,332
PCMH Diabetes	-	-	-	2
Adult Health	30,338	30,134	204	36,927
Health Promotion	153,857	138,314	15,543	117,811
AIDS	255,546	253,306	2,240	254,515
Drugs and vaccines	18,096	12,903	5,193	10,345
Breast/Cervical Cancer Prevention	28,000	20,999	7,001	20,600
Communicable Disease	335,753	324,428	11,325	272,998
Community Transition Coordination	54,405	53,510	895	54,220
Infant Mortality	64,226	63,851	375	58,522
Child Health	277,596	265,053	12,543	259,862
Maternal Health	533,102	493,124	39,978	461,734
Family Planning	700,261	584,542	115,719	492,305
Maternity Care Coordination	243,352	192,636	50,716	197,268
Child Services Coordination	312,125	310,066	2,059	308,861
WIC Administration	80,623	78,658	1,965	79,456
WIC Nutrition	206,721	214,656	(7,935)	218,852
WIC Breastfeeding	17,383	3,057	14,326	6,185
WIC Client Services	309,609	289,982	19,627	299,062
Immunization Action Plan	59,794	57,803	1,991	49,365
Mobile Dental Unit	240,430	177,598	62,832	185,387
March of Dimes outreach	-	-	-	2,671
Emergency planning - HD	89,936	78,726	-	-

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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	Budget	Actual	Variance Over/Under	2004 Actual
Early childhood intervention	200,900	87,449		-
In home breastfeeding	39,562	27,679		-
Bioterrorism team	318,413	276,164	42,249	487,174
DHHS funds	397,619	238,008	159,611	105,176
 Total Public Health expenditures	 7,935,506	 7,082,746	 716,216	 6,683,792
 Revenues over (under) expenditures	 (3,292,057)	 (2,583,034)	 709,023	 (2,448,958)
 Other Financing Sources				
Intrafund transfer from General Fund	2,486,944	2,366,154	(120,790)	2,145,949
Appropriated fund balance	805,113	-	(805,113)	-
 Total other financing sources (uses)	 3,292,057	 2,366,154	 (925,903)	 2,145,949
 Revenues and other financing sources over (under) expenditures and other financing uses	 \$ -	 \$ (216,880)	 \$ (216,880)	 \$ (303,009)

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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Unrestricted intergovernmental revenues				
Fees and grants	\$ 454,439	\$ 420,326	\$ (34,113)	\$ 465,391
Restricted intergovernmental revenues				
Fees and grants	15,753,487	15,511,569	(241,918)	14,622,157
Sales and services	708,935	707,436	(1,499)	685,744
Miscellaneous	46,812	47,484	672	53,796
Total revenues	<u>16,963,673</u>	<u>16,686,815</u>	<u>(276,858)</u>	<u>15,827,088</u>
Expenditures				
Human services Social Services Administration	1,052,299	1,030,561	21,738	1,047,323
Other Administration Expenses	951,353	893,274	58,079	922,818
Regular Services Administration	3,948,492	3,711,215	237,277	3,465,380
Purchased Services	6,706,086	6,603,946	102,140	6,292,384
Public Assistance Programs	9,958,448	10,145,901	(187,453)	8,503,086
Long-term Screening	99,500	93,492	6,008	69,518
General Assistance	125,745	115,809	9,936	116,475
Title IV D Child Support	1,789,280	1,756,070	33,210	1,602,922
Workfirst	1,712,418	1,663,615	48,803	1,740,343
Income Maintenance Administration	3,064,239	2,905,510	158,729	2,815,155
Energy Programs	267,263	227,912	39,351	219,422
Purchased Services HCCBG	283,388	260,181	23,207	286,749
Transportation (PATS)	48,874	16,841	32,033	7,653
Natural Disasters Relief	-	-	-	13,999
Total human services expenditures	<u>30,007,385</u>	<u>29,424,327</u>	<u>583,058</u>	<u>27,103,227</u>
Revenues over (under) expenditures	(13,043,712)	(12,737,512)	306,200	(11,276,139)
Other Financing Sources (Uses)				
Intrafund transfer in - General Fund	13,009,091	13,009,091	-	11,346,194
Appropriated fund balance	34,621	-	(34,621)	-
Total other financing sources (uses)	<u>13,043,712</u>	<u>13,009,091</u>	<u>(34,621)</u>	<u>11,346,194</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 271,579	\$ 271,579	\$ 70,055

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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Permits and Fees				
Court facility fees	\$ 370,000	\$ 336,897	\$ (33,103)	\$ 336,364
Miscellaneous revenues	-	-	-	7,100
Investment Earnings	1,800	2,042	242	1,872
Total revenues	371,800	338,939	(32,861)	345,336
Expenditures				
Public Safety Court Facility				
Salaries and employee benefits	46,030	44,042	-	43,137
Operating expenses	196,000	191,601	-	277,682
Total public safety expenditures	242,030	235,643	6,387	320,819
Revenues over (under) expenditures	129,770	103,296	(26,474)	24,517
Other Financing Sources (Uses)				
Operating transfer - Debt Service Fund	(175,000)	(175,000)	-	(175,000)
Appropriated fund balance	45,230	-	(45,230)	-
Total other financing sources (uses)	(129,770)	(175,000)	(45,230)	(175,000)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (71,704)	\$ (71,704)	\$ (150,483)

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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	Budget	Actual	Variance Over/Under	2004 Actual
Revenues				
Restricted intergovernmental revenues				
Community outreach	\$ 109,889	\$ 39,597	\$ (70,292)	\$ 206,379
General agency - administration	3,909,740	7,264,884	3,355,144	691,453
Community access services	110,000	78,680	(31,320)	97,772
East Area Resident Treatment Home	-	4	4	267,214
Child case management	584,500	249,864	(334,636)	519,087
Child and family general	-	92,400	92,400	529,312
PORT Majors Initiative	7,986	14,905	6,919	164,992
Providing Opportunities for Recovery Teens	103,554	118,354	14,800	1,090,091
At Risk Children (formerly Willie M)	3,614	3,647	33	225,227
Residential contracts	6,486,211	5,089,455	(1,396,756)	4,627,319
Adolescent outreach	-	538	538	115,587
Employee assistance program	-	-	-	250
DD wait list	770,004	672,559	(97,445)	44,081
Developmental disability	251,774	129,311	(122,463)	286,870
Adult DD contracts	1,179,298	1,025,168	(154,130)	1,427,466
Community Alternative Program	1,048,920	424,964	(623,956)	603,060
Early intervention	-	(29,165)	(29,165)	609,856
Child DD contracts	961,717	792,279	(169,438)	311,320
MR/MI (formerly Thomas S)	247,406	179,783	(67,623)	202,795
MRMI contracts	1,390,933	1,002,806	(388,127)	2,201,895
Psychological rehabilitation	213,903	221,679	7,776	197,339
TASC	6,479	15,366	8,887	352,170
Partial hospitalization	100,551	88,479	(12,072)	109,049
Adult case management	400,387	86,480	(313,907)	292,926
Care management	216,954	30,231	(186,723)	210,200
IV Drugs	20,913	65,433	44,520	855,705
Adult MH/SA general	644,807	330,543	(314,264)	662,981
Detoxification services	17,348	50,155	32,807	677,949
Child SA contracts	1,480,794	408,611	(1,072,183)	-
Adult SA contracts	2,187,464	1,192,307	(995,157)	-
Miscellaneous restricted funds	562,799	373,752	(189,047)	1,311,644
Total revenues	23,017,945	20,013,069	(3,004,876)	18,891,989

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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	Budget	Actual	Variance Over/Under	2004 Actual
Expenditures				
Human services Mental Health Area Director	823,795	512,200	311,595	415,892
Community outreach	144,619	162,811	(18,192)	226,768
QI regulatory compliance	296,518	233,253	63,265	205,871
Administrative Services	782,635	749,368	33,267	645,066
Medical records	233,014	128,627	104,387	150,448
General Agency	1,085,996	474,424	611,572	363,327
Employee assistance program	133,239	115,520	17,719	124,152
Provider relations	231,419	74,955	156,464	59,691
East Area Residential Treatment	-	4	(4)	304,203
Child case management	678,800	344,465	334,335	615,322
Child and family general	-	-	-	655,573
PORT Majors Initiative	18,226	16,272	1,954	137,290
Providing Opportunity For Recovering Teens	132,306	117,017	15,289	910,467
PORT Grants	-	-	-	(687)
At Risk Children (formerly Willie M)	19,415	17,485	1,930	197,999
Residential Contracts	6,866,256	7,336,103	(469,847)	5,052,736
Adolescent outreach	1,618	1,618	-	115,372
DD Wait List	983,555	1,088,932	(105,377)	101,998
Developmental disabilities general	284,480	159,841	124,639	183,821
Adult DD contracts	1,157,500	1,299,917	(142,417)	1,427,661
CAP Community Alternatives	496,594	380,691	115,903	395,525
Early intervention	-	(290)	290	569,933
Child DD contracts	1,439,919	1,408,948	30,971	327,635
MR/MI (formerly Thomas S)	272,406	185,325	87,081	222,516
MRMI contracts	1,390,933	1,501,096	(110,163)	1,470,003
Psychosocial Rehabilitation	275,857	224,583	51,274	234,832
TASC	50,529	45,617	4,912	461,294
Partial Hospital	177,624	121,565	56,059	191,809
Adult case management	535,377	187,452	347,925	409,428
Care management	930,217	582,660	347,557	558,302
IV Drugs	75,027	64,934	10,093	640,493
HIV Early Intervention SA Treatment	-	-	-	(2,815)
Adult MH/SA general	1,007,808	842,329	165,479	1,022,026
Detoxification services	69,449	69,441	8	781,005
Child SA contracts	1,183,722	1,184,323	(601)	-
Adult SA contracts	2,387,499	1,885,017	502,482	-
Adult MH contracts	562,799	575,172	(12,373)	1,291,659
Total Mental Health expenditures	24,729,151	22,091,675	2,637,476	20,466,615

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, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues over (under) expenditures	(1,711,206)	(2,078,606)	(367,400)	(1,574,626)
Other Financing Sources (Uses)				
Intrafund transfer in - General Fund	1,594,588	1,594,588	-	1,574,588
Appropriated fund balance	116,618	-	(116,618)	-
Total other financing sources (uses)	1,711,206	1,594,588	(116,618)	1,574,588
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (484,018)	\$ (484,018)	\$ (38)

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, 2005

	<i>Schedule C-3</i> School Capital Reserve	<i>Schedule C-4</i> County Capital Reserve	<i>Schedule C-5</i> State/Federal Forfeiture Fund	<i>Schedule C-6</i> CDBG Fund	<i>Schedule C-7</i> Hurricane Floyd Grant Fund
Assets					
Cash, cash equivalents and investments	\$ -	\$ -	\$ 89,110	\$ -	\$ 3,514
Taxes receivable, net	-	32,278	-	-	-
Accounts receivable, net	767,984	-	-	-	-
Prepaid items	-	-	-	-	-
Intrafund due to/from other funds	(1,019,891)	261,259	-	(24,844)	-
Total assets	\$ (251,907)	\$ 293,537	\$ 89,110	\$ (24,844)	\$ 3,514
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 13,155	\$ -	\$ -
Due to other funds	-	-	-	-	-
Deferred revenues	-	32,278	9,528	-	-
Total liabilities	-	32,278	9,528	13,155	-
Fund balances:					
Undesignated	(251,907)	261,259	79,582	(37,999)	3,514
Total fund balances	(251,907)	261,259	79,582	(37,999)	3,514
Total liabilities and fund balances	\$ (251,907)	\$ 293,537	\$ 89,110	\$ (24,844)	\$ 3,514

Schedule C-1

<i>Schedule C-8</i>	<i>Schedule C-9</i>	<i>Schedule C-10</i>	<i>Schedule C-11</i>	<i>Schedule C-12</i>	<i>Schedule C-13</i>	
State Grants Fund	Revaluation Fund	Industrial Development Building	Fire Districts Fund	EMS District Fund	E911 Surcharge Fund	Total
\$ -	\$ 43,171	\$ -	\$ 29,166	\$ -	\$ -	\$ 164,961
-	-	-	110,989	126,507	-	269,774
259,709	-	-	-	881,799	49,922	1,959,414
-	-	-	-	46,538	-	46,538
(34,662)	160,428	1,009,133	-	(994,477)	643,054	-
<u>\$ 225,047</u>	<u>\$ 203,599</u>	<u>\$ 1,009,133</u>	<u>\$ 140,155</u>	<u>\$ 60,367</u>	<u>\$ 692,976</u>	<u>\$ 2,440,687</u>
\$ 117,820	\$ 152	\$ -	\$ 9,712	\$ 19,270	\$ 160,099	\$ 320,208
-	-	-	-	-	35,248	35,248
20,128	-	-	129,609	955,423	-	1,146,966
<u>137,948</u>	<u>152</u>	<u>-</u>	<u>139,321</u>	<u>974,693</u>	<u>195,347</u>	<u>1,502,422</u>
87,099	203,447	1,009,133	834	(914,326)	497,629	938,265
87,099	203,447	1,009,133	834	(914,326)	497,629	938,265
<u>\$ 225,047</u>	<u>\$ 203,599</u>	<u>\$ 1,009,133</u>	<u>\$ 140,155</u>	<u>\$ 60,367</u>	<u>\$ 692,976</u>	<u>\$ 2,440,687</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, 2005**

	<i>Schedule C-3</i> School Capital Reserve	<i>Schedule C-4</i> County Capital Reserve	<i>Schedule C-5</i> State/Federal Forfeiture Fund	<i>Schedule C-6</i> CDBG Fund	<i>Schedule C-7</i> Hurricane Floyd Grant Fund
Revenues					
Ad valorem taxes	\$ -	\$ 1,657,487	\$ -	\$ -	\$ -
Other taxes and licenses	5,428,268	-	-	-	-
Restricted intergovernmental revenues	-	-	64,074	311,194	13,935
Sales and services	-	-	-	-	-
Investment earnings	-	-	63	-	-
Miscellaneous	-	-	-	-	-
Total revenues	5,428,268	1,657,487	64,137	311,194	13,935
Expenditures					
Current					
Public safety	-	-	29,761	-	-
Economic and physical development	-	-	-	352,693	-
Debt service	-	-	-	-	-
Total expenditures	-	-	29,761	352,693	-
Revenues over (under) expenditures	5,428,268	1,657,487	34,376	(41,499)	13,935
Other Financing Sources (Uses)					
Debt obligation issued	-	-	-	-	-
Transfers in	-	-	-	3,500	-
Transfers out	(5,749,059)	(1,400,000)	-	-	-
Total other financing sources (uses)	(5,749,059)	(1,400,000)	-	3,500	-
Net change in fund balances	(320,791)	257,487	34,376	(37,999)	13,935
Fund balance					
Beginning of year - July 1	68,884	3,772	45,206	-	(10,421)
End of year - June 30	\$ (251,907)	\$ 261,259	\$ 79,582	\$ (37,999)	\$ 3,514

Schedule C-2

Schedule C-8	Schedule C-9	Schedule C-10	Schedule C-11	Schedule C-12	Schedule C-13	
State Grants Fund	Revaluation Fund	Industrial Development Building	Fire Districts Fund	EMS District Fund	E911 Surcharge Fund	Total
\$ -	\$ -	\$ -	\$ 1,119,603	\$ 1,806,473	\$ -	\$ 4,583,563
2,162,190	-	-	-	-	-	5,428,268
-	-	-	-	-	-	2,551,393
67	107	1,084	-	716,029	608,501	1,324,530
-	-	-	-	-	791	2,112
<u>2,162,257</u>	<u>107</u>	<u>1,084</u>	<u>1,119,603</u>	<u>2,522,509</u>	<u>609,292</u>	<u>13,889,873</u>
-	-	-	1,118,769	3,058,238	780,704	4,987,472
2,283,959	3,835	-	-	-	-	2,640,487
-	-	-	-	162,110	-	162,110
<u>2,283,959</u>	<u>3,835</u>	<u>-</u>	<u>1,118,769</u>	<u>3,220,348</u>	<u>780,704</u>	<u>7,790,069</u>
<u>(121,702)</u>	<u>(3,728)</u>	<u>1,084</u>	<u>834</u>	<u>(697,839)</u>	<u>(171,412)</u>	<u>6,099,804</u>
-	-	-	-	150,000	-	150,000
119,728	200,000	-	-	243,657	-	566,885
-	-	-	-	-	-	(7,149,059)
<u>119,728</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>393,657</u>	<u>-</u>	<u>(6,432,174)</u>
<u>(1,974)</u>	<u>196,272</u>	<u>1,084</u>	<u>834</u>	<u>(304,182)</u>	<u>(171,412)</u>	<u>(332,370)</u>
<u>89,073</u>	<u>7,175</u>	<u>1,008,049</u>	<u>-</u>	<u>(610,144)</u>	<u>669,041</u>	<u>1,270,635</u>
<u>\$ 87,099</u>	<u>\$ 203,447</u>	<u>\$ 1,009,133</u>	<u>\$ 834</u>	<u>\$ (914,326)</u>	<u>\$ 497,629</u>	<u>\$ 938,265</u>

PITT COUNTY, NORTH CAROLINA

Schedule C-3

SCHOOL CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Other taxes and licenses	\$ 5,391,200	\$ 5,428,268	\$ 37,068	\$ 5,192,774
Restricted intergovernmental revenues				
Miscellaneous	-	-	-	-
Total revenue	<u>5,391,200</u>	<u>5,428,268</u>	<u>37,068</u>	<u>5,192,774</u>
Revenues over expenditures	5,391,200	5,428,268	37,068	5,192,774
Other financing sources (uses)				
Transfer out - Debt Service Fund	(5,749,063)	(5,749,059)	4	(5,923,916)
Transfer out - School Capital Project Fund	-	-	-	(296,539)
Transfer in - Capital Project Fund	-	-	-	-
Fund balance appropriated	<u>357,863</u>	<u>-</u>	<u>(357,863)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,391,200)</u>	<u>(5,749,059)</u>	<u>(357,859)</u>	<u>(6,220,455)</u>
Net change in fund balance	\$ -	(320,791)	\$ (320,791)	\$ (1,027,681)
Fund balance				
Beginning of year - July 1		<u>68,884</u>		
End of year - June 30	<u>\$ -</u>	<u>(251,907)</u>		

PITT COUNTY, NORTH CAROLINA

Schedule C-4

COUNTY CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2005
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE YEAR ENDED JUNE 30, 2004

	Budget	Actual	Variance Over/Under	2004 Actual
Revenues				
Ad valorem taxes	\$ 1,566,424	\$ 1,657,487	\$ 91,063	\$ 1,303,772
Revenues over expenditures	1,566,424	1,657,487	91,063	1,303,772
Other financing sources (uses)				
Transfer out -	(1,400,000)	(1,400,000)	-	(1,300,000)
Contingency	(166,424)	-	166,424	-
Total other financing sources (uses)	(1,566,424)	(1,400,000)	166,424	(1,300,000)
Net change in fund balance	\$ -	257,487	\$ 257,487	\$ 3,772
Fund balance				
Beginning of year - July 1		3,772		
End of year - June 30	\$ 261,259			

PITT COUNTY, NORTH CAROLINA

Schedule C-5

STATE/FEDERAL FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Restricted intergovernmental revenues				
State/Federal excise tax	\$ 64,075	\$ 64,074	\$ (1)	\$ 32,215
Investment earnings	<u>-</u>	<u>63</u>	<u>63</u>	<u>29</u>
Total revenues	<u>64,075</u>	<u>64,137</u>	<u>62</u>	<u>32,244</u>
Expenditures				
Public safety	<u>109,277</u>	<u>29,761</u>	<u>79,516</u>	<u>82,632</u>
Revenues over (under) expenditures	<u>(45,202)</u>	<u>34,376</u>	<u>79,578</u>	<u>(50,388)</u>
Other financing sources (uses)				
Appropriated fund balance	<u>45,202</u>	<u>-</u>	<u>(45,202)</u>	<u>-</u>
Total other financing sources (uses)	<u>45,202</u>	<u>-</u>	<u>(45,202)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>34,376</u>	<u>\$ 34,376</u>	<u>\$ (50,388)</u>
Fund balance				
Beginning of year - July 1			<u>45,206</u>	
End of year - June 30			<u>\$ 79,582</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, 2005**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Actual Total To Date</u>
Revenues				
Restricted intergovernmental revenues				
Federal grants	\$ 600,000	\$ -	\$ 311,194	\$ 311,194
Expenditures				
Economic development	603,500	-	352,693	352,693
Révenues over (under) expenditures				
	(3,500)	-	(41,499)	(41,499)
Other financing sources (uses)				
Transfers in	3,500	-	3,500	3,500
Net change in fund balance	\$ -	\$ -	\$ (37,999)	\$ (37,999)

PITT COUNTY, NORTH CAROLINA

Schedule C-7

HURRICANE FLOYD GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
Revenues				
Restricted intergovernmental revenues				
Homeowner grant	\$ 14,192,034	\$ 15,210,811	\$ 13,935	\$ 15,224,746
Inspector grants	141,314	76,616	-	76,616
State acquire and relocate grants	40,305	1,050,079	-	1,050,079
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	31,096,942	20,813,212	13,935	20,827,147
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	-	1,050,067
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	31,096,942	20,811,993	-	20,811,993
Net change in fund balance	\$ -	\$ 1,219	13,935	\$ 15,154
Fund balance				
Beginning of year - July 1				(10,421)
End of year - June 30				\$ 3,514

PITT COUNTY, NORTH CAROLINA

Schedule C-8

STATE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Restricted intergovernmental revenues				
State grants	\$ 4,382,910	\$ 2,162,190	\$ (2,220,720)	\$ 1,766,928
Investment earnings	-	67	67	76
Miscellaneous	1,000	-	(1,000)	2,000
Total revenues	<u>4,383,910</u>	<u>2,162,257</u>	<u>(2,221,653)</u>	<u>1,769,004</u>
Expenditures				
Economic and physical development				
Salaries and benefits	365,652	262,198	103,454	371,739
Operating expenses	<u>4,308,335</u>	<u>2,021,761</u>	<u>2,286,574</u>	<u>1,429,522</u>
Total econocmic and physical development	<u>4,673,987</u>	<u>2,283,959</u>	<u>2,390,028</u>	<u>1,801,261</u>
Revenues over (under) expenditures	<u>(290,077)</u>	<u>(121,702)</u>	<u>168,375</u>	<u>(32,257)</u>
Other financing sources				
Transfer in	132,653	119,728	(12,925)	82,578
Appropriated fund balance	<u>157,424</u>	<u>-</u>	<u>(157,424)</u>	<u>-</u>
Total other financing sources	<u>290,077</u>	<u>119,728</u>	<u>(170,349)</u>	<u>82,578</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,974)</u>	<u>\$ (1,974)</u>	<u>\$ 50,321</u>
Fund balance				
Beginning of year - July 1			<u>89,073</u>	
End of year - June 30			<u>\$ 87,099</u>	

PITT COUNTY, NORTH CAROLINA

Schedule C-9

REVALUATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Investment earnings	\$ -	\$ 107	\$ 107	\$ 27
Expenditures				
Economic and physical development				
Salaries and employee benefits	-	2,740	-	197,009
Professional services	-	1,095	-	19,565
Total expenditures	-	3,835	(3,835)	216,574
Revenues over (under) expenditures				
	-	(3,728)	(3,728)	(216,547)
Other financing sources (uses)				
Transfers in	200,000	200,000	-	76,000
Appropriated fund balance	(200,000)	-	200,000	-
Total other financing sources	-	200,000	200,000	76,000
Net change in fund balance	\$ -	\$ 196,272	\$ 196,272	\$ (140,547)
Fund balance				
Beginning of year - July 1		7,175		
End of year - June 30		\$ 203,447		

PITT COUNTY, NORTH CAROLINA**Schedule C-10**

**INDUSTRIAL DEVELOPMENT BUILDING RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Investment earnings	\$ -	\$ 1,084	\$ 1,084	\$ 370
Revenues over (under) expenditures	<u>-</u>	<u>1,084</u>	<u>1,084</u>	<u>370</u>
Net change in fund balance	<u>\$ -</u>	<u>1,084</u>	<u>\$ 1,084</u>	<u>\$ 370</u>
Fund balance				
Beginning of year - July 1		<u>1,008,049</u>		
End of year - June 30		<u>\$ 1,009,133</u>		

PITT COUNTY, NORTH CAROLINA**Schedule C-11**

FIRE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Ad valorem taxes	\$ 1,098,971	\$ 1,119,603	\$ 20,632	\$ 922,200
Expenditures				
Public safety	1,098,971	1,118,769	(19,798)	922,204
Net change in fund balance	<u>\$ -</u>	<u>834</u>	<u>\$ 834</u>	<u>\$ (4)</u>
Fund balance				
Beginning of year - July 1				
End of year - June 30		\$ 834		

PITT COUNTY, NORTH CAROLINA

Schedule C-12

EMS DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Ad valorem taxes	\$ 1,731,497	\$ 1,806,473	\$ 74,976	\$ 1,429,710
Investment income	-	7	7	600
Transport fees	<u>1,200,000</u>	<u>716,029</u>	<u>(483,971)</u>	<u>665,307</u>
Total revenues	<u>2,931,497</u>	<u>2,522,509</u>	<u>(408,988)</u>	<u>2,095,617</u>
Expenditures				
Public safety	3,163,043	3,058,238	104,805	3,950,463
Debt service	<u>162,111</u>	<u>162,110</u>	<u>1</u>	<u>42,847</u>
Total expenditures	<u>3,325,154</u>	<u>3,220,348</u>	<u>104,806</u>	<u>3,993,310</u>
Revenues over (under) expenditures	<u>(393,657)</u>	<u>(697,839)</u>	<u>(304,182)</u>	<u>(1,897,693)</u>
Other financing sources (uses)				
Transfers in	243,657	243,657	-	540,311
Debt obligation issued	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>393,657</u>	<u>393,657</u>	<u>-</u>	<u>540,311</u>
Net change in fund balance	<u>\$ -</u>	<u>(304,182)</u>	<u>\$ (304,182)</u>	<u>\$ (1,357,382)</u>
Fund balance				
Beginning of year - July 1			<u>(610,144)</u>	
End of year - June 30			<u>\$ (914,326)</u>	

PITT COUNTY, NORTH CAROLINA

Schedule C-13

E911 SURCHARGE FUND

**SCHEDEULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR

THE YEAR ENDED JUNE 30, 2004

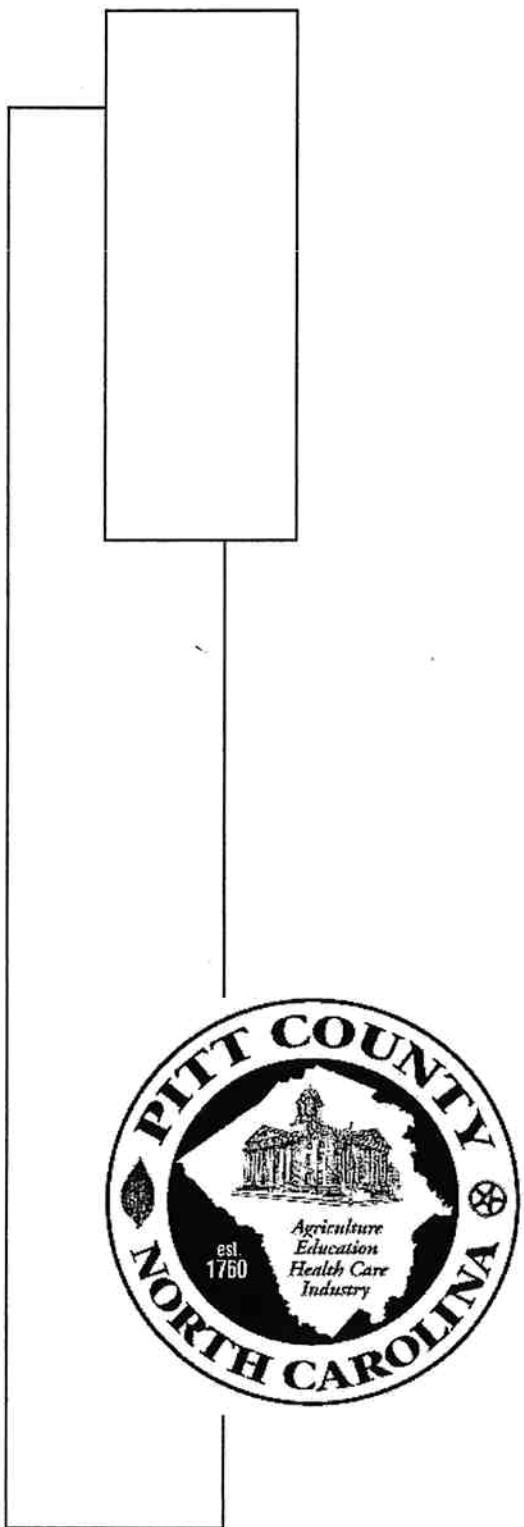
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
Sales and services - user fees	\$ 436,600	\$ 404,611	\$ (31,989)	\$ 432,938
Sales and services - wireless fees	189,143	203,890	14,747	187,433
Investment earnings	-	791	791	220
Total revenues	<u>625,743</u>	<u>609,292</u>	<u>(16,451)</u>	<u>620,591</u>
Expenditures				
Public safety				
E911 operations	539,347	477,109	62,238	445,091
Wireless operations	354,870	303,595	51,275	84,516
Total expenditures	<u>894,217</u>	<u>780,704</u>	<u>113,513</u>	<u>529,607</u>
Other financing sources				
Contingency	268,474	-	(268,474)	-
Net change in fund balances	<u>\$ -</u>	<u>(171,412)</u>	<u>\$ (171,412)</u>	<u>\$ 90,984</u>
Fund balance				
Beginning of year - July 1			<u>669,041</u>	
End of year - June 30			<u>\$ 497,629</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.
- **Detention Center Capital Project** – Established to account for funds used in the design and construction of either a jail expansion or new facility.
- **Pitt Community College (PCC) Capital Project** - Established to account for funds used in establishing the infrastructure needs on the Bowen Farm campus, renovate the Humber Building and establish local match for state bond funds.
- **Courthouse Renovation Capital Project** – Accounts for funds appropriated to construct an addition to the County Courthouse.
- **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.
- **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.
- **2004 COPs Education Projects** – Accounts for the bond funds appropriated to renovate and construct various school improvements throughout the County.



2004 COPS EDUCATION PROJECTS CAPITAL PROJECTS - MAJOR FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Revenues				
Sales tax refund	\$ -	\$ -	\$ 11,279	\$ 11,279
Restricted intergovernmental	2,026,694	2,026,694	-	2,026,694
Investment income	-	-	204,758	204,758
Total revenues	<u>2,026,694</u>	<u>2,026,694</u>	<u>216,037</u>	<u>2,242,731</u>
Expenditures				
Capital outlay:				
Computer equipment	1,000,000	-	-	-
Gymnasium upgrades	800,000	129,786	560,276	690,062
Auditorium renovation	1,680,994	306,393	1,338,133	1,644,526
Athletic upgrades	1,350,000	229	1,470,572	1,470,801
Maintenance	800,000	-	-	-
Chicod Elementary	3,000,000	140,588	2,429,526	2,570,114
Creekside Elementary	8,075,500	601,057	7,627,033	8,228,090
Conley Area Elementary School	11,520,200	304,842	8,802,655	9,107,497
Wintergreen Intermediate School	2,400,000	-	2,686,321	2,686,321
DH Conley	3,000,000	206,443	3,111,463	3,317,906
Science labs	800,000	36,931	-	36,931
Total expenditures	<u>34,426,694</u>	<u>1,726,269</u>	<u>28,025,979</u>	<u>29,752,248</u>
Revenues over (under) expenditures	<u>(32,400,000)</u>	<u>300,425</u>	<u>(27,809,942)</u>	<u>(27,509,517)</u>
Other financing sources (uses)				
Debt obligation issued	50,042,018	6,950,000	42,510,000	49,460,000
Retirement of bridge loan - land purchase	(6,950,000)	-	(6,950,000)	(6,950,000)
Transfer out - Debt Service, early retirement	(12,752,423)	-	(11,675,000)	(11,675,000)
Transfer out - Courthouse project	(282,125)	-	(282,125)	(282,125)
Interest expense	(57,470)	-	(57,470)	(57,470)
Issuance fees	(465,000)	(24,966)	(759,574)	(784,540)
Premium received from issuance of debt	-	-	327,172	327,172
Transfer in	2,865,000	2,865,000	-	2,865,000
Total other financing sources	<u>32,400,000</u>	<u>9,790,034</u>	<u>23,113,003</u>	<u>32,903,037</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,090,459</u>	<u>\$ (4,696,939)</u>	<u>\$ 5,393,520</u>

PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2005

	<i>Schedule D-4</i>	<i>Schedule D-5</i>	<i>Schedule D-6</i>
	<u>PCC Building Capital Project</u>	<u>Detention Center Capital Project</u>	<u>Pitt Community College Capital Project</u>
Assets			
Cash, cash equivalents and investments	\$ 124,502	\$ 12,400	\$ 2,273,176
Cash and investments, restricted	153,992	-	-
Due from other funds	-	-	1,022,513
Total assets	\$ 278,494	\$ 12,400	\$ 3,295,689
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	-	-	-
Fund balances (deficit):			
Undesignated	278,494	12,400	3,295,689
Total fund balances	278,494	12,400	3,295,689
Total liabilities and fund balances	\$ 278,494	\$ 12,400	\$ 3,295,689

Schedule D-2

PITT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

	<i>Schedule D-4</i>	<i>Schedule D-5</i>	<i>Schedule D-6</i>	<i>Schedule D-7</i>
	PCC Building Capital Project	Detention Center Capital Project	Pitt Community College Capital Project	Courthouse Renovation Capital Project
Revenues				
Investment earnings	\$ 299	\$ -	\$ -	\$ 5,919
Unrestricted intergovernmental revenue	-	-	-	-
Miscellaneous	-	-	-	-
Sales tax refund	-	-	-	3,601
Total revenues	299	-	-	9,520
Expenditures				
Capital outlay	-	187,600	866,702	147,233
Revenues over (under) expenditures	299	(187,600)	(866,702)	(137,713)
Other financing sources (uses)				
Transfers in	-	200,000	2,612,391	281,930
Total other financing sources (uses)	-	200,000	2,612,391	281,930
Net change in fund balances	299	12,400	1,745,689	144,217
Fund balances				
Beginning of year - July 1	278,195	-	1,550,000	294,784
End of year - June 30	\$ 278,494	\$ 12,400	\$ 3,295,689	\$ 439,001

Schedule D-3

Schedule D-8	Schedule D-9	Schedule D-10	Schedule D-11	
State School Bond Capital Project	Community Schools and Recreation Capital Project	ECTC Building Capital Project	School Improvement Capital Project	Totals
\$ -	\$ -	44	\$ -	\$ 6,262
-	-	7,813	-	7,813
-	-	28,000	-	28,000
<u>7,571</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>11,179</u>
<u>7,571</u>	<u>-</u>	<u>35,864</u>	<u>-</u>	<u>53,254</u>
<u>-</u>	<u>1,121,365</u>	<u>63,409</u>	<u>283,599</u>	<u>2,669,908</u>
<u>7,571</u>	<u>(1,121,365)</u>	<u>(27,545)</u>	<u>(283,599)</u>	<u>(2,616,654)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,094,321</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,094,321</u>
7,571	(1,121,365)	(27,545)	(283,599)	477,667
<u>408,554</u>	<u>1,018,140</u>	<u>38,079</u>	<u>748,876</u>	<u>4,336,628</u>
<u>\$ 416,125</u>	<u>\$ (103,225)</u>	<u>\$ 10,534</u>	<u>\$ 465,277</u>	<u>\$ 4,814,295</u>

PITT COUNTY, NORTH CAROLINA

Schedule D-4

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, 2005

	Actual			
	Project Authorization	Prior Years	Current Year	Total To Date
Revenues				
Investment earnings	\$ 469,617	\$ 520,332	\$ 299	\$ 520,631
Easement proceeds	31,383	31,205	-	31,205
Miscellaneous revenue	-	-	-	-
Total revenues	501,000	551,537	299	551,836
Expenditures				
Capital outlay:				
Bond issue costs	124,833	127,049	-	127,049
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
General construction	8,610,780	8,581,669	-	8,581,669
Total expenditures	11,016,690	10,989,795	-	10,989,795
Revenues over (under) expenditures	(10,515,690)	(10,438,258)	299	(10,437,959)
Other financing sources				
Debt obligation issued	10,591,950	10,591,951	-	10,591,951
Transfers in	124,502	124,502	-	124,502
Contingency	(200,762)	-	-	-
Total other financing sources	10,515,690	10,716,453	-	10,716,453
Net change in fund balance	\$ -	\$ 278,195	\$ 299	\$ 278,494

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****DETENTION CENTER CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>
Expenditures				
Capital Outlay				
General construction	\$ 200,000	\$ -	\$ 187,600	\$ 187,600
Total expenditures	<u>200,000</u>	<u>-</u>	<u>187,600</u>	<u>187,600</u>
Other financing sources				
Transfers in	200,000	-	200,000	200,000
Total other financing sources	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Net change in fund balance	\$ -	\$ -	\$ 12,400	\$ 12,400

PITT COUNTY, NORTH CAROLINA**Schedule D-6**

**PITT COMMUNITY COLLEGE (PCC) CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>
Expenditures				
Capital Outlay				
General construction	\$ 4,162,391	\$ -	\$ 866,702	\$ 866,702
Total expenditures	<u>4,162,391</u>	<u>-</u>	<u>866,702</u>	<u>866,702</u>
Other financing sources				
Transfers in	<u>4,162,391</u>	<u>1,550,000</u>	<u>2,612,391</u>	<u>4,162,391</u>
Total other financing sources	<u>4,162,391</u>	<u>1,550,000</u>	<u>2,612,391</u>	<u>4,162,391</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,550,000</u>	<u>\$ 1,745,689</u>	<u>\$ 3,295,689</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-7

**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, 2005**

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>
Revenues				
Sales tax refund	\$ 20,723	\$ 20,724	\$ 3,601	\$ 24,325
Investment earnings	<u>87,017</u>	<u>109,206</u>	<u>5,919</u>	<u>115,125</u>
Total revenues	<u>107,740</u>	<u>129,930</u>	<u>9,520</u>	<u>139,450</u>
Expenditures				
Capital outlay:				
Other equipment	583,800	589,613	(1,401)	588,212
General construction	4,917,194	4,834,561	142,934	4,977,495
Mechanical	815,342	815,342	4,730	820,072
Plumbing	300,889	297,888	-	297,888
Electrical	1,033,112	1,033,899	970	1,034,869
Roadway/paving	20,279	20,279	-	20,279
Architect/engineer	790,892	250,109	-	250,109
Issuance fees	<u>471,915</u>	<u>471,915</u>	<u>-</u>	<u>471,915</u>
Total expenditures	<u>8,933,423</u>	<u>8,313,606</u>	<u>147,233</u>	<u>8,460,839</u>
Revenues over (under) expenditures	<u>(8,825,683)</u>	<u>(8,183,676)</u>	<u>(137,713)</u>	<u>(8,321,389)</u>
Other financing sources (uses)				
Transfers in (out)	(3,820,656)	(4,156,540)	281,930	(3,874,610)
Debt obligation issued	<u>12,646,339</u>	<u>12,635,000</u>	<u>-</u>	<u>12,635,000</u>
Total other financing sources	<u>8,825,683</u>	<u>8,478,460</u>	<u>281,930</u>	<u>8,760,390</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 294,784</u>	<u>\$ 144,217</u>	<u>\$ 439,001</u>

Note: The expenditures of this phase of the 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-8

**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, 2005**

	Actual		
	Project Authorization	Prior Years	Current Year
			Total To Date
Revenues			
Restricted intergovernmental			
Public School Building Bond Act - 1996	\$ 28,673,968	\$ 28,671,620	\$ 28,671,620
Sales tax refund	-	408,557	7,571
Total revenues	<u>28,673,968</u>	<u>29,080,177</u>	<u>29,087,748</u>
Expenditures			
Capital outlay:			
AG Cox Middle	1,597,173	1,597,173	- 1,597,173
Bethel Elementary	2,251,430	2,251,430	- 2,251,430
Chicod Elementary	1,645,029	1,645,029	- 1,645,029
WH Robinson Elementary	1,655,712	1,655,712	- 1,655,712
HB Sugg Elementary	9,150,535	9,167,535	- 9,167,535
Ayden Elementary	1,268,294	1,268,293	- 1,268,293
New K-5 Elementary	8,478,099	8,478,099	- 8,478,099
All schools	1,773,875	2,200,335	- 2,200,335
HB Sugg bus drive extension	17,000	-	-
GR Whitfield	100,150	100,150	- 100,150
Backflow prevention	483,800	54,997	- 54,997
Creekside Elementary	150,000	150,000	- 150,000
Hope School	102,871	102,870	- 102,870
Total expenditure	<u>28,673,968</u>	<u>28,671,623</u>	<u>28,671,623</u>
Net change in fund balance	\$ -	\$ 408,554	\$ 7,571
			\$ 416,125

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

PITT COUNTY, NORTH CAROLINA**Schedule D-9****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, 2005**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Actual Total To Date</u>
Expenditures				
Capital outlay:				
General construction	\$ 1,050,000	\$ 31,860	\$ 1,121,365	\$ 1,153,225
Total expenditures	<u>1,050,000</u>	<u>31,860</u>	<u>1,121,365</u>	<u>1,153,225</u>
Other financing sources				
Transfer in	<u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>	<u>1,050,000</u>
Total other financing sources	<u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>	<u>1,050,000</u>
Net change in fund balance	\$ -	\$ 1,018,140	\$ (1,121,365)	\$ (103,225)

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-10

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, 2005

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>
Revenues				
Sales tax refund	\$ 2,743	\$ 8,204	\$ 7	\$ 8,211
Investment earnings	20,449	20,795	44	20,839
Miscellaneous revenue	93,000	-	28,000	28,000
State share revenue	-	1,465	-	1,465
Other intergovernmental revenues	34,278	443,786	7,813	451,599
Federal and other grants	711,000	400,000	-	400,000
 Total revenues	 861,470	 874,250	 35,864	 910,114
Expenditures				
Capital outlay:				
General construction	1,797,035	1,425,092	63,409	1,488,501
Architect/Engineering fees	91,045	85,689	-	85,689
 Total expenditures	 1,888,080	 1,510,781	 63,409	 1,574,190
Revenues over (under) expenditures	(1,026,610)	(636,531)	(27,545)	(664,076)
Other financing sources				
Debt obligation issued	350,000	375,000	-	375,000
Transfer in	676,610	299,610	-	299,610
 Total other financing sources	 1,026,610	 674,610	 -	 674,610
Net change in fund balance	\$ -	\$ 38,079	\$ (27,545)	\$ 10,534

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

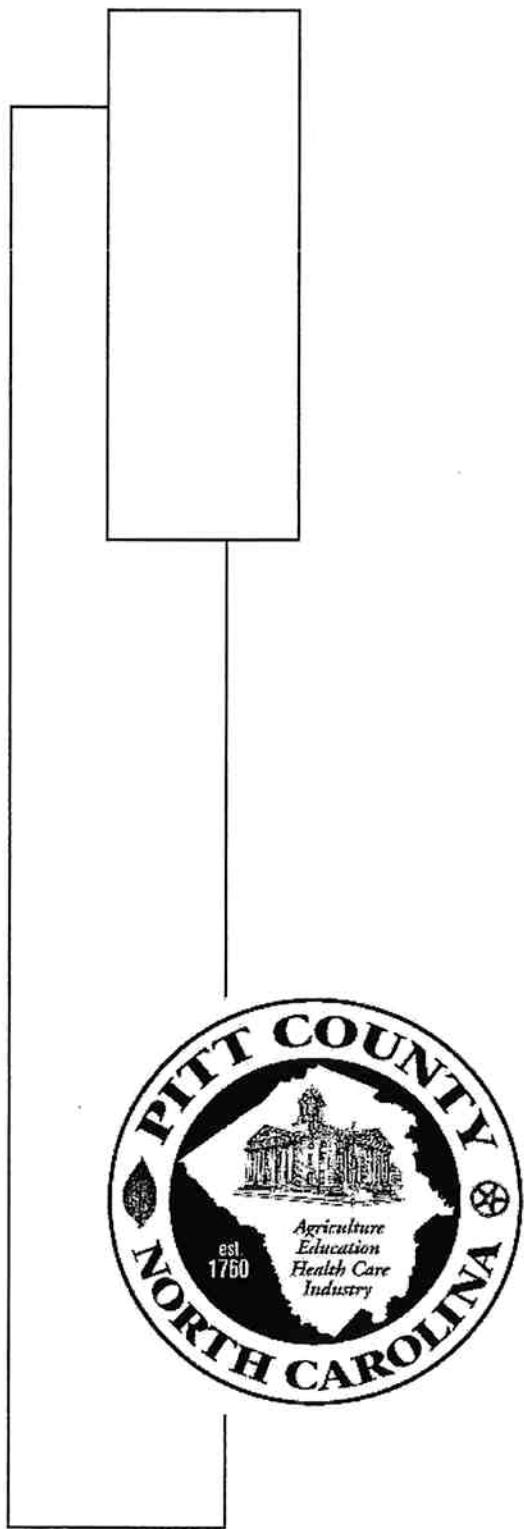
PITT COUNTY, NORTH CAROLINA

Schedule D-11

**SCHOOL IMPROVEMENT CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005**

	Annual Budget	Actual	Variance Over/Under
Expenditures			
Capital outlay:			
Office furniture and equipment	\$ 26,813	\$ -	\$ 26,813
Transportation upgrades	10,539	-	10,539
Mobile units	53,532	36,522	17,010
Gymnasium upgrades	8,801	-	8,801
General construction	52,567	57,100	(4,533)
Electrical	3,889	-	3,889
Roofing	312,869	62,538	250,331
Sewer	2,265	-	2,265
Canopies	56,229	-	56,229
Forlines High closeout	10,646	-	10,646
Other structures	410,187	127,439	282,748
Towers, tanks, and wells	25,000	-	25,000
 Total expenditures	 973,337	 283,599	 689,738
 Other financing sources			
Fund balance appropriated	973,337	-	(973,337)
Total other financing sources	973,337	-	(973,337)
 Net change in fund balance	 \$ -	 (283,599)	 \$ (283,599)
 Fund Balance			
Beginning of year - July 1		748,876	
End of Year - June 30		\$ 465,277	

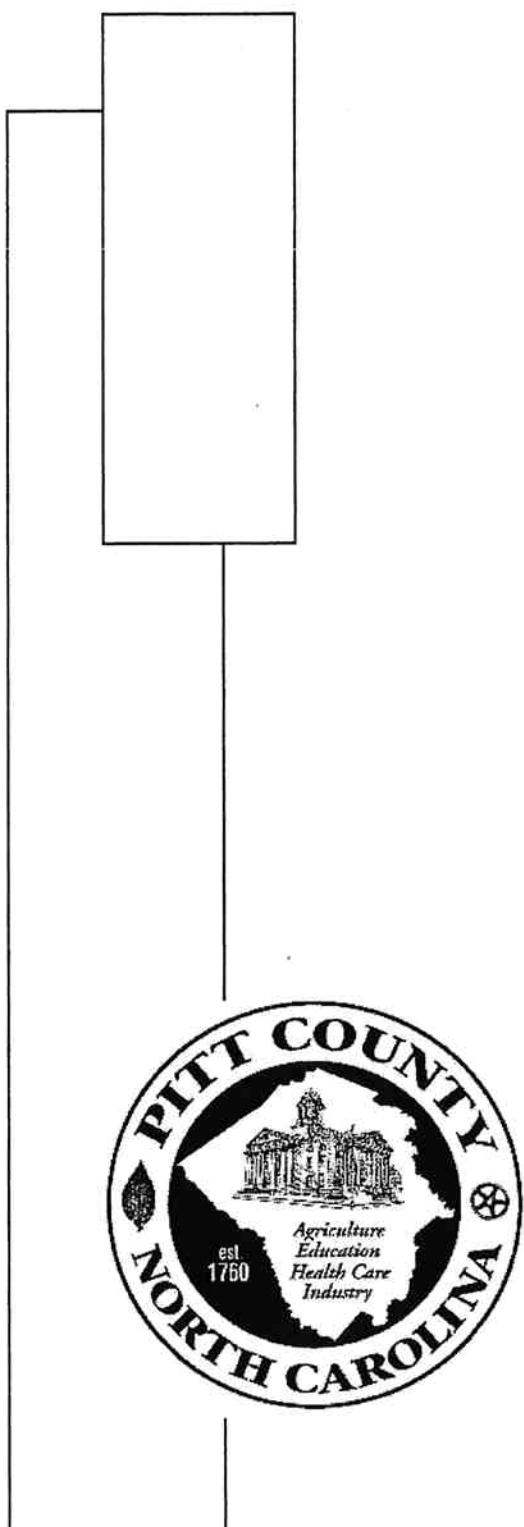
Note: The expenditures of this project are not accounted for in Construction in Progress.
The project is not constructing any assets the County will own.



PROPRIETARY FUNDS

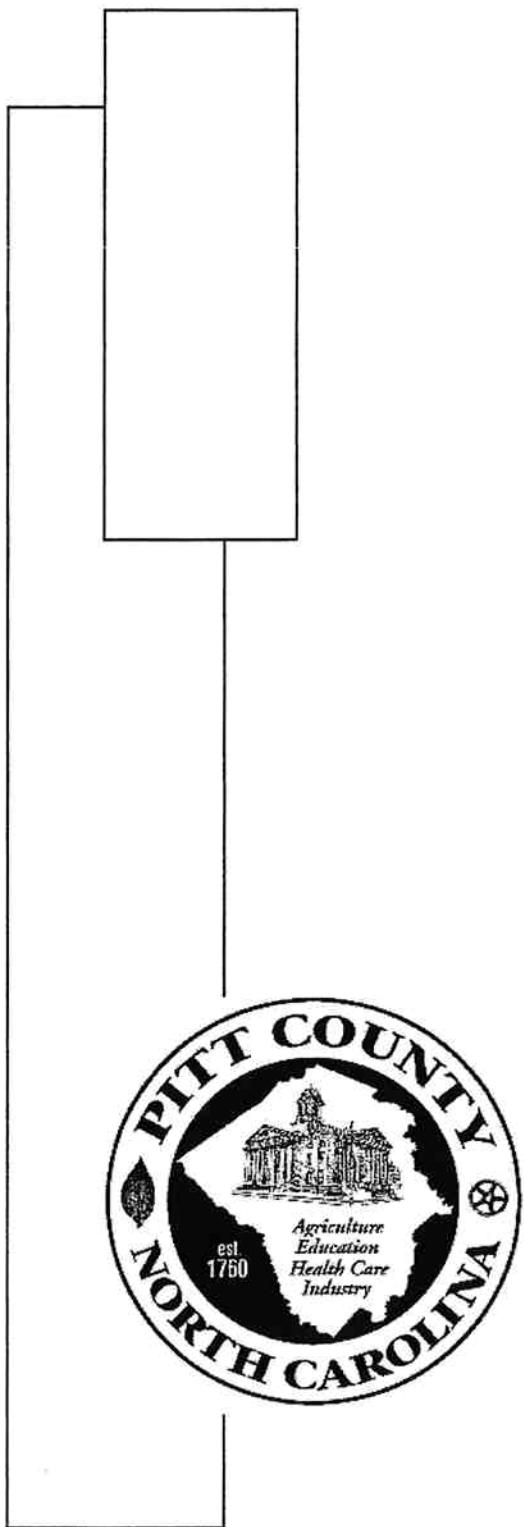
- **Enterprise Funds**
- **Internal Service Funds**

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.

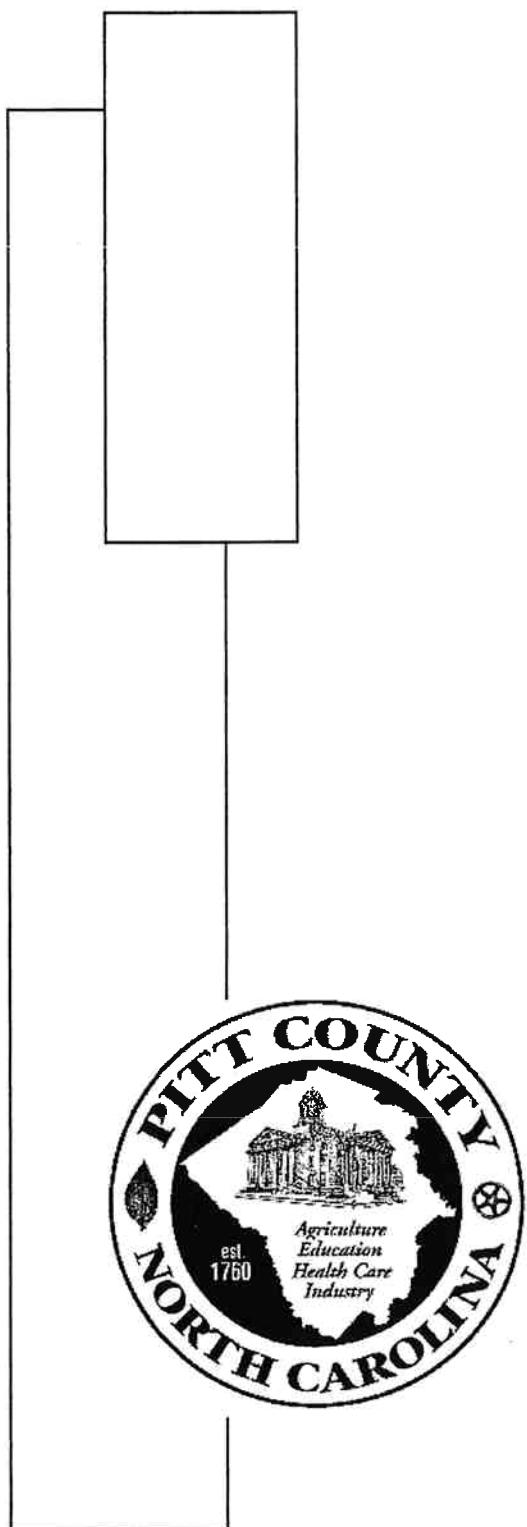


PITT COUNTY, NORTH CAROLINA

Schedule E

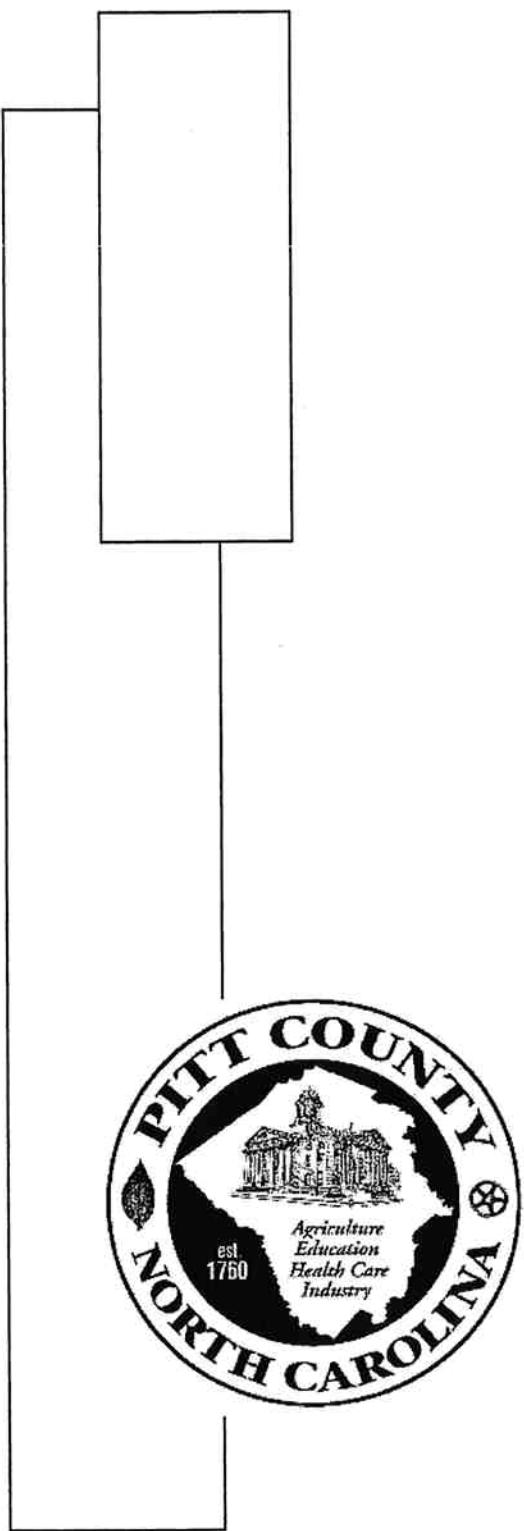
ENTERPRISE FUND - SOLID WASTE
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>2004 Actual</u>
Revenues				
User charges	\$ 6,273,000	\$ 6,277,583	\$ 4,583	\$ 5,872,206
Investment earnings	-	371	371	106
Restricted intergovernmental revenues	-	-	-	194,705
Other	373,773	408,655	34,882	403,458
Total revenues	<u>6,646,773</u>	<u>6,686,609</u>	<u>39,836</u>	<u>6,470,475</u>
Expenditures				
Salaries and employee benefits	878,674	858,327	-	871,027
Supplies and materials	374,299	393,562	-	318,059
Contract labor and other services	972,000	1,261,507	-	1,097,871
Contracted services - waste disposal	4,076,000	4,378,870	-	3,924,188
Hurricane clean up	-	-	-	60,851
Capital outlay	231,900	201,379	-	108,339
Principal repayment on long-term debt	200,000	200,000	-	200,000
Interest expense	73,900	73,900	-	84,400
Total expenditures	<u>6,806,773</u>	<u>7,367,545</u>	<u>(560,772)</u>	<u>6,664,735</u>
Revenues and other financing sources over (under) expenditures				
	(160,000)	(680,936)	(520,936)	(194,260)
Other financing uses				
Appropriated fund balance	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures				
	<u>\$ -</u>	<u>\$ (680,936)</u>	<u>\$ (680,936)</u>	<u>\$ (194,260)</u>
Reconciliation from modified accrual basis to full accrual basis				
Revenues over (under) expenditures		\$ (680,936)		\$ (194,260)
Reconciling items:				
Capital outlay items capitalized		201,379		108,339
Depreciation		(165,955)		(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		<u>\$ (385,512)</u>		<u>\$ (22,271)</u>



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, 2005

	<i>Schedule F-4</i>	<i>Schedule F-5</i>	<i>Schedule F-6</i>	
	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 66,929	\$ 1,749,475	\$ 217,178	\$ 2,033,582
Accounts receivable	20,523	-	1,405	21,928
Inventories	28,415	-	-	28,415
Prepaid items	-	394,724	53,032	447,756
Total current assets	<u>115,867</u>	<u>2,144,199</u>	<u>271,615</u>	<u>2,531,681</u>
Total assets	\$ 115,867	\$ 2,144,199	\$ 271,615	\$ 2,531,681
Liabilities and fund equity				
Current liabilities:				
Accounts payable and accrued expenses	\$ 40,567	\$ 985,743	\$ -	\$ 1,026,310
Fund equity:				
Net assets	75,300	1,158,456	271,615	1,505,371
Total fund equity	<u>75,300</u>	<u>1,158,456</u>	<u>271,615</u>	<u>1,505,371</u>
Total liabilities and fund equity	\$ 115,867	\$ 2,144,199	\$ 271,615	\$ 2,531,681

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, 2005

	<i>Schedule F-4</i>	<i>Schedule F-5</i>	<i>Schedule F-6</i>	
	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
Operating Revenues				
User charges	\$ 420,609	\$ 252,448	\$ 24,822	\$ 697,879
Interfund services charges	-	4,724,888	300,000	5,024,888
Miscellaneous	36,334	-	-	36,334
Total operating revenues	<u>456,943</u>	<u>4,977,336</u>	<u>324,822</u>	<u>5,759,101</u>
Operating Expenses				
Salaries and employee benefits	51,762	-	-	51,762
Equipment maintenance	406,712	-	-	406,712
Insurance and administration charges	-	719,152	-	719,152
Medical claims costs	-	4,161,265	-	4,161,265
Claims reimbursement	-	-	656,324	656,324
Total operating expenses	<u>458,474</u>	<u>4,880,417</u>	<u>656,324</u>	<u>5,995,215</u>
Operating income (loss)				
	<u>(1,531)</u>	<u>96,919</u>	<u>(331,502)</u>	<u>(236,114)</u>
Non-operating revenues				
Investment earnings	-	27,900	381	28,281
Net income (loss)				
	<u>(1,531)</u>	<u>124,819</u>	<u>(331,121)</u>	<u>(207,833)</u>
Net Assets				
Beginning of year - July 1	<u>76,831</u>	<u>1,033,637</u>	<u>602,736</u>	<u>1,713,204</u>
End of year - June 30	<u>\$ 75,300</u>	<u>\$ 1,158,456</u>	<u>\$ 271,615</u>	<u>\$ 1,505,371</u>

PITT COUNTY, NORTH CAROLINA

Schedule F-3

COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	<i>Schedule F-4</i>	<i>Schedule F-5</i>	<i>Schedule F-6</i>	
	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	<i>Totals</i>
Cash Flows From Operating Activities				
Cash received from customers	\$ 534,510	\$ 252,448	\$ 23,417	\$ 810,375
Cash received from interfund services	-	4,724,888	300,000	5,024,888
Cash paid to suppliers	(373,404)	(4,919,702)	(664,556)	(5,957,662)
Cash paid to employees	(100,318)	-	-	(100,318)
Net cash provided (used) by operating activities	<u>60,788</u>	<u>57,634</u>	<u>(341,139)</u>	<u>(222,717)</u>
Cash Flows From Investing Activities				
Investment earnings	-	27,900	381	<u>28,281</u>
Net increase (decrease) in cash, cash equivalents and investments	<u>60,788</u>	<u>85,534</u>	<u>(340,758)</u>	<u>(194,436)</u>
Cash, cash equivalents and investments - July 1	<u>6,141</u>	<u>1,663,941</u>	<u>557,936</u>	<u>2,228,018</u>
Cash, cash equivalents and investments - June 30	<u><u>\$ 66,929</u></u>	<u><u>\$ 1,749,475</u></u>	<u><u>\$ 217,178</u></u>	<u><u>\$ 2,033,582</u></u>
Reconciliation of operating income to cash flows from operating activities				
Operating income (loss)	\$ (1,531)	\$ 96,919	\$ (331,502)	\$ (236,114)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities				
(Increase) decrease in accounts receivable	77,567	-	(1,405)	76,162
(Increase) decrease in prepaids	-	165,301	(8,232)	157,069
(Increase) decrease in inventories	(2,819)	-	-	(2,819)
Increase (decrease) in accounts payable and accrues	(12,429)	(204,586)	-	(217,015)
Net cash provided (used) by operating activities	<u>\$ 60,788</u>	<u>\$ 57,634</u>	<u>\$ (341,139)</u>	<u>\$ (222,717)</u>

PITT COUNTY, NORTH CAROLINA**Schedule F-4****SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - PLAN AND ACTUAL (NON-GAAP)
COUNTY GARAGE INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues			
User charges	\$ 430,000	\$ 420,609	\$ (9,391)
Interfund services charges	-	-	-
Miscellaneous	46,000	36,334	(9,666)
Total operating revenues	<u>476,000</u>	<u>456,943</u>	<u>(19,057)</u>
Operating Expenses			
Salaries and employee benefits	52,127	51,762	365
Equipment maintenance	423,873	406,712	17,161
Total operating expenses	<u>476,000</u>	<u>458,474</u>	<u>17,526</u>
Net income (loss)	<u>\$ -</u>	<u>(1,531)</u>	<u>\$ (1,531)</u>

PITT COUNTY, NORTH CAROLINA**Schedule F-5****SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - PLAN AND ACTUAL (NON-GAAP)
EMPLOYEE MEDICAL INSURANCE INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues			
User charges	\$ 72,192	\$ 252,448	
Interfund services charges	<u>5,835,000</u>	<u>4,724,888</u>	
Total operating revenues	<u>5,907,192</u>	<u>4,977,336</u>	\$ (929,856)
Operating Expenses			
Insurance and administration charges	719,152	719,152	
Medical claims costs	4,988,040	4,161,265	
Claims reimbursement	<u>-</u>	<u>-</u>	
Total operating expenses	<u>5,707,192</u>	<u>4,880,417</u>	826,775
Operating income (loss)	<u>200,000</u>	<u>96,919</u>	<u>(103,081)</u>
Non-operating revenues			
Investment earnings	<u>-</u>	27,900	27,900
Other Financing Use			
Contingency	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
Net income (loss)	<u>\$ -</u>	<u>\$ 124,819</u>	<u>\$ 124,819</u>

PITT COUNTY, NORTH CAROLINA**Schedule F-6****SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - PLAN AND ACTUAL (NON-GAAP)
WORKERS' COMPENSATION INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

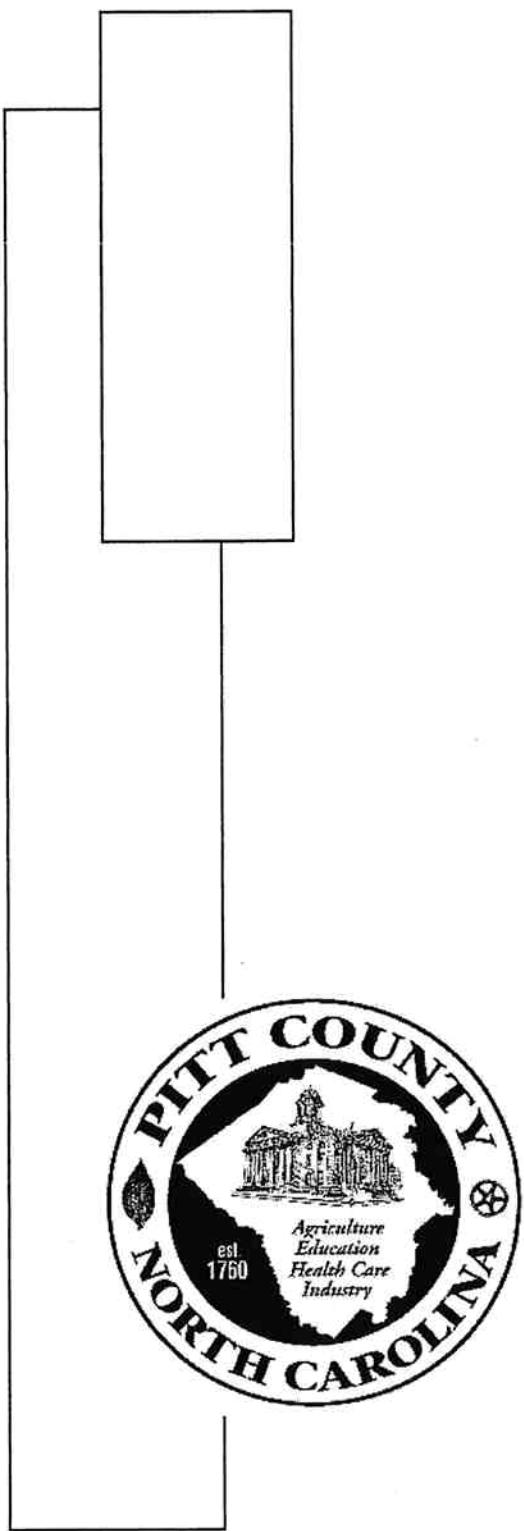
	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues			
User charges	\$ -	\$ 24,822	
Interfund services charges	<u>300,000</u>	<u>300,000</u>	
Total operating revenues	<u>300,000</u>	<u>324,822</u>	\$ 24,822
Operating Expenses			
Claims reimbursement	<u>700,000</u>	<u>656,324</u>	<u>43,676</u>
Operating income (loss)	<u>(400,000)</u>	<u>(331,502)</u>	<u>68,498</u>
Non-operating revenues			
Investment earnings	-	381	381
Other Financing Source			
Appropriated fund balance	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>
Net income (loss)	<u>\$ -</u>	<u>\$ (331,121)</u>	<u>\$ (331,121)</u>

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, 2005**

	Social Services, Sheriff, and Mental Health Agency Funds	Collections Held for Municipalities Agency Fund	Tax Flexible Benefit Plan Agency Fund	Total
Assets				
Cash and cash equivalents	\$ 209,836	\$ 124,941	\$ 12,052	\$ 346,829
Liabilities				
Deposits held in custody for others	\$ 209,836	\$ 124,941	\$ -	\$ 334,777
Deferred compensation benefits payable	-	-	12,052	12,052
Total liabilities	\$ 209,836	\$ 124,941	\$ 12,052	\$ 346,829

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, 2005**

	Social Services, Sheriff, and Mental Health Agency Funds	Tax Collections Held for Municipalities Agency Fund	Flexible Benefit Plan Agency Fund	Total
Assets, beginning of year	\$ 256,580	\$ 98,069	\$ 6,292	\$ 360,941
Additions	1,589,256	25,515,872	194,351	27,299,479
Deductions	(1,636,000)	(25,489,000)	(188,591)	(27,313,591)
Assets, end of year	<u>\$ 209,836</u>	<u>\$ 124,941</u>	<u>\$ 12,052</u>	<u>\$ 346,829</u>

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 PITTS, NORTH CAROLINA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

FISCAL YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	CULTURAL AND RECREATIONAL	DEBT SERVICE	ENVIRONMENTAL PROTECTION
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
2005	11,779,455	23,090,104	505,161	11,296,708	211,435

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
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
58,852,913	31,385,448	4,100,580	30,695,887	171,917,691

COUNTY OF PITT, NORTH CAROLINA

**GENERAL GOVERNMENTAL REVENUES
& OTHER FINANCING SOURCES (1)**

FISCAL YEAR	PROPERTY TAXES	PERMITS & FEES	INTER- GOVERNMENTAL	SALES & SERVICES
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
2005	60,831,679	2,755,928	44,645,599	6,634,338

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

Source: Audited annual financial reports of this entity

TABLE 2

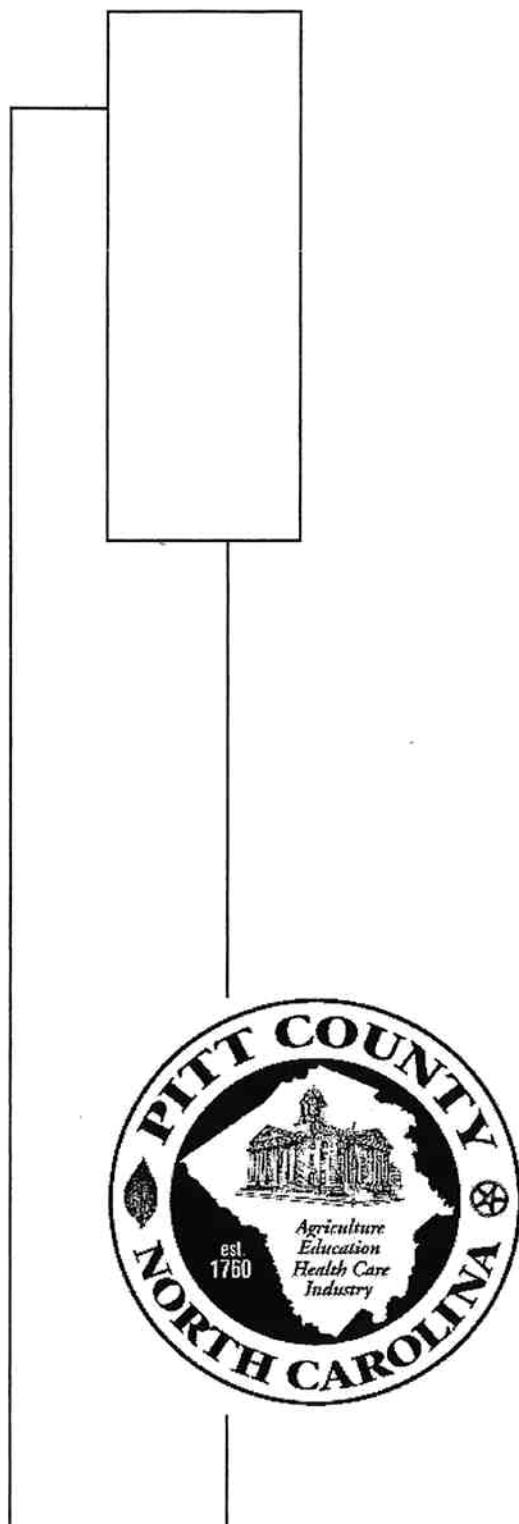
INVESTMENT EARNINGS	MISC.	OTHER TAXES & LICENSES	BONDS/ CERTIFICATES OF PARTICIPATION	TOTAL REVENUES
1,215,931	1,167,160	16,025,355	-	80,288,507
1,152,113	1,417,482	16,577,227	28,700,000	114,555,420
2,156,340	1,269,645	17,794,733	500,000	98,957,768
1,712,674	1,658,506	15,389,657	500,000	90,344,718
3,025,858	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
1,346,644	1,124,314	26,639,641	42,660,000	186,638,143

COUNTY OF PITTS, 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
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
2005	60,831,679	24,085,949	N/A	33,381	276,010	85,227,019

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

	1996	1997	1998
GENERAL FUND EQUITY:			
FUND BALANCE RESERVED	\$ -	\$ -	\$ -
FOR INVENTORIES	-	-	-
FOR ENCUMBRANCES	-	-	-
BY STATE STATUTE	7,345,495	7,667,508	7,132,917
FOR PREPAID ITEMS	177,878	62,300	239,531
FOR REGISTER OF DEEDS	-	-	-
AVAILABLE FOR APPROPRIATION:			
DESIGNATED FOR DEBT SERVICE	-	-	-
DESIGNATED FOR SUBSEQUENT YEARS EXPENDITURES	3,040,244	2,307,804	3,091,964
DESIGNATED FOR POTENTIAL TSR REFUND (MH)	-	-	-
UNDESIGNATED	5,700,708	6,371,526	8,930,989
DESIGNATED FOR FUTURE CAPITAL OUTLAY	-	-	-
TOTAL GENERAL FUND EQUITY	\$ 16,264,325	\$ 16,409,138	\$ 19,395,401

Source: Annual audited financial statements of this entity

TABLE 4

1999	2000	2001	2002	2003	2004	2005
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,985,190	7,637,640	7,417,919	6,926,392	7,198,049	8,121,763	10,630,636
280,282	288,883	265,083	180,478	68,904	72,871	75,128
-	-	-	46,295	151,431	254,354	155,028
2,731,878	4,047,261	6,686,285	9,078,614	10,793,300	4,668,853	5,800,011
-	-	870,000	615,000	850,000	-	-
27,478,826	32,652,074	36,234,757	31,160,613	22,987,774	20,005,649	22,431,313
<hr/> \$ 37,476,176	<hr/> \$ 44,625,858	<hr/> \$ 51,474,044	<hr/> \$ 48,007,392	<hr/> \$ 42,049,458	<hr/> \$ 33,123,490	<hr/> \$ 39,092,116

COUNTY OF PITT, NORTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS

FISCAL YEAR	TOTAL ADJUSTED TAX LEVY	CURRENT TAX COLLECTION	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTION
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
2005	56,268,712	54,237,137	96.39%	2,017,033

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
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%
56,254,170	99.97%	5,002,520	8.89%

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
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
2005	7,693,361,915	7,943,396,128	1,807,432,684	1,807,432,684	100,466,296	100,043,983

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	
(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	86.81%
(1,265,942,160)	(1,307,085,280)	8,335,318,735	8,543,787,515	97.56%

COUNTY OF PITT, NORTH CAROLINA**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS**

JUNE 30	PITT COUNTY	TOWN OF AYDEN	TOWN OF BETHEL	TOWN OF FALKLAND	TOWN OF FARMVILLE	TOWN OF FOUNTAIN	TOWN OF GREENVILLE
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	0.4700	0.5900	0.3500	0.4100	0.6000	0.5200
1999	0.6800	0.5000	0.5900	0.3500	0.4482	0.6000	0.5500
2000	0.6800	0.5000	0.5900	0.3500	0.4482	0.6000	0.5500
2001	0.6800	0.5000	0.5900	0.4500	0.4900	0.6000	0.5500
2002	0.6800	0.5000	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
2005	0.7000	0.5200	0.5900	0.4500	0.4900	0.6000	0.5600

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	-	0.0400	-	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
0.5700	0.3900	0.4000	0.4000	-	0.0400	0.0500	0.0375	0.0275
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	0.0300	0.0400	-	0.0500	0.0300
0.5700	0.4500	0.4500	0.4500	0.0400	0.0375	-	0.0500	0.0300
0.5500	0.4500	0.4500	0.4500	0.0400	0.0375	-	0.0500	0.0300

CONTINUED ON NEXT PAGE

COUNTY OF PITTS, 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
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	-	0.0450
1999	0.0500	0.0250	0.0275	-	0.0400	0.0500	0.0500	0.0450
2000	0.0500	0.0250	0.0273	0.0500	0.0400	0.0500	0.0500	0.0450
2001	0.0500	0.0250	0.0273	0.0600	0.0400	0.0500	0.0500	0.0450
2002	0.0500	0.0250	-	0.0600	0.0400	0.0500	0.0500	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
2005	0.0500	0.0250	-	0.0600	0.0360	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
0.0385	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	0.0150	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
0.0400	0.0425	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 2005 ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
DSM CATALYTICA	PHARMACEUTICAL	\$ 281,890,000	3.34%
SPRINT	COMMUNICATIONS	65,000,000	0.77%
DYNEEMA LLC	MANUFACTURING	39,225,000	0.46%
WEYERHAEUSER	LUMBER MANUFACTURING	38,960,000	0.46%
ASMO	MANUFACTURING	35,205,000	0.42%
MAXINE SPEIGHT	DEVELOPER	31,370,000	0.37%
PAPER PAK	MANUFACTURING	28,554,000	0.34%
COLONIAL REALTY, LLP	SHOPPING MALL	27,055,000	0.32%
NACCO	MANUFACTURING	26,977,000	0.32%
SOUTHEAST REGION, LLC	APARTMENTS	18,577,000	0.22%
<hr/>		<hr/>	<hr/>
TOTALS		\$ 592,813,000	7.02%

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, 2005****ASSESSED VALUATIONS:**

ASSESSED VALUE	8,449,852,523
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LEGAL DEBT MARGIN

DEBT LIMITATION - 8% OF APPRAISED VALUATION	675,988,202
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GROSS DEBT:

OUTSTANDING BONDED DEBT	9,510,000
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OTHER:

CERTIFICATES OF PARTICIPATION	95,540,000
OTHER LOANS	<u>2,266,640</u>

GROSS DEBT	\$ <u>107,316,640</u>
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LESS:

BONDS COVERED BY ENTERPRISE FUND (LANDFILL)	<u>(1,200,000)</u>
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NET DEBT	\$ <u>106,116,640</u>
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LEGAL DEBT MARGIN	\$ <u>569,871,562</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
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	12,285,000	1,400,000	10,885,000	0.16%	78.35
2005	141,499	8,449,852,523	9,510,000	1,200,000	8,310,000	0.10%	58.73

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

COUNTY OF PITT, NORTH CAROLINA

TABLE 12

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

JUNE 30	PRINCIPAL	INTEREST (1)	TOTAL DEBT SERVICE	TOTAL GENERAL GOVERNMENTAL EXPENDITURES (2)	RATIO DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
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%
2005	2,655,000	369,938	3,024,938	171,917,691	1.76%

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, 2005

<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	\$9,510,000	100.00%	\$9,510,000
CITY OF GREENVILLE	13,690,000	100.00%	13,690,000
TOWN OF AYDEN	25,000	100.00%	25,000
TOWN OF BETHEL	1,340,000	100.00%	1,340,000
TOWN OF FARMVILLE	455,000	100.00%	455,000
TOWN OF FOUNTAIN	209,000	100.00%	209,000
TOWN OF GRIMESLAND	280,000	100.00%	280,000
TOWN ON WINTERVILLE	1,134,500	100.00%	1,134,500
CONTENTNEA METROPOLITAN SEWAGE DISTRICT	424,000	0%	0 (2)
TOTAL	\$27,067,500		\$26,643,500

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

JUNE 30	POPULATION (1)	PER CAPITA INCOME (1)	MEDIAN AGE (1)	SCHOOL ENROLLMENT ADM. (2)	UNEMPLOYMENT RATE (3)
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	25,746	31.4	20,220	6.6%
2004	138,922	N/A	31.5	20,665	6.7%
2005	141,499	N/A	N/A	21,125	6.4%

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.

COUNTY OF PITT, NORTH CAROLINA

TABLE 15

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	
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
2005	7,693,361,915	7,943,396,128	134	46,644,691	1,656	229,413,054	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)	892.85
AREA IN SQUARE MILES (1)	657
GOVERNMENT FACILITIES AND SERVICES: (1)	
MILES OF STREETS - PUBLIC & PRIVATE	1,700
CULTURE AND RECREATION: (2)	
LIBRARIES	9
BOOKMOBILES	1
BOOK CIRCULATION	409,184
NUMBER OF BOOKS	249,878
PARKS (3)	28
PARK ACREAGE	1,300
GOLF COURSES - PUBLIC & PRIVATE (1)	7
SWIMMING POOLS (3)	2
TENNIS COURTS (3)	24
FIRE / EMS PROTECTION (COUNTY): (1)	
NUMBER OF STATIONS	30
FIRE AND RESCUE PERSONNEL (OFFICERS, VOLUNTEER, AND PAID)	1,105
NUMBER OF CALLS ANSWERED	11,400
NUMBER OF INSPECTIONS CONDUCTED	540
LAW ENFORCEMENT (SHERIFF/DETENTION): (1)	
NUMBER OF STATIONS	1
NUMBER OF DETENTION CENTERS	1
NUMBER OF PERSONNEL AND OFFICERS - SHERIFF	127
NUMBER OF PERSONNEL AND OFFICERS - DETENTION	121
NUMBER OF PATROL UNITS (Deputies)	64
NUMBER OF LAW VIOLATIONS	19,388
FACILITIES AND SERVICES NOT INCLUDED IN THE REPORTING ENTITY:	
EDUCATION: (4)	
NUMBER OF PUBLIC SCHOOL SYSTEMS	1
NUMBER OF SCHOOL INSTRUCTORS	1,700
NUMBER OF ELEMENTARY SCHOOLS	27
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