



Comprehensive Annual Financial Report

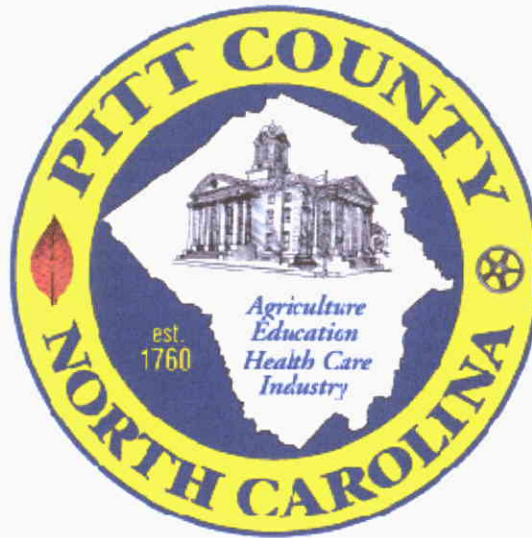
County of Pitt
North Carolina

For Fiscal Year Ended
June 30, 2006



County of Pitt

North Carolina



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2006

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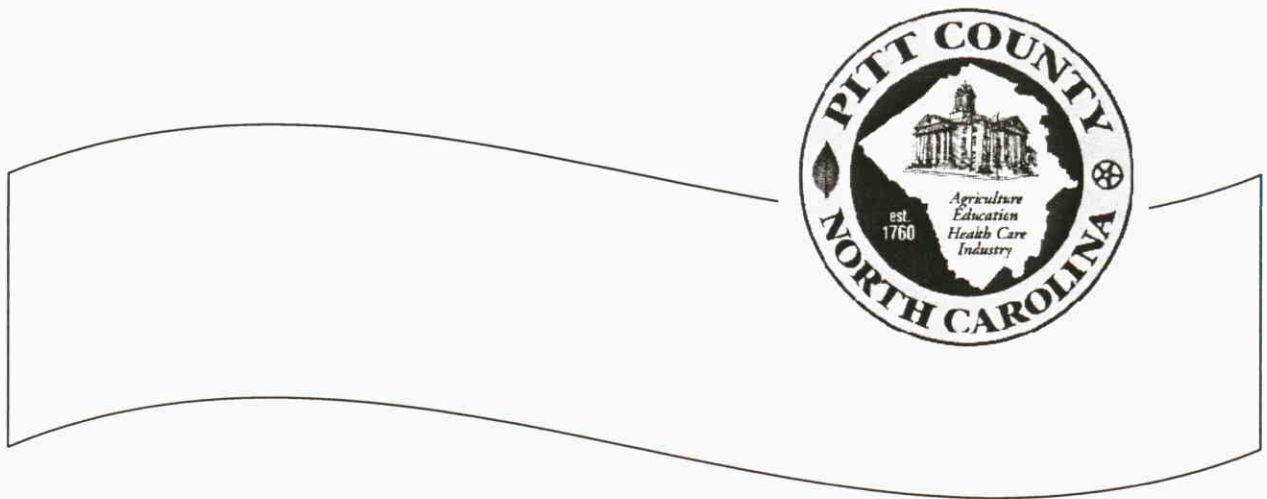
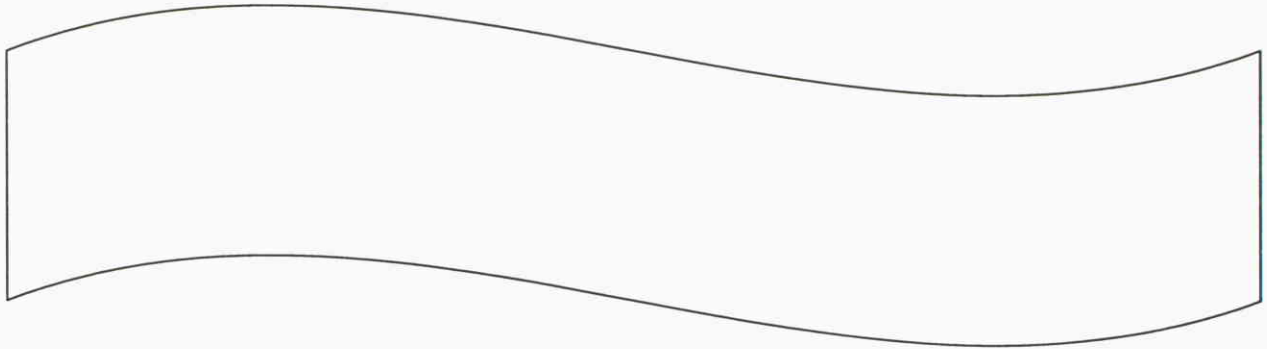
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- Pitt County Profile
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- List of Principal Officials
- Organizational Chart
- Mission, Values and Goals Statements





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MELONIE T. BRYAN
DEPUTY COUNTY MANAGER -
FINANCIAL SERVICES

November 9, 2006

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, 2006.

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 143,212 as of July 2005 (estimated). 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 7.03% between 2000 and 2005. 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 close to 800,000 people living within a 45-mile radius, and serves a large concentration of population and industry in eastern North Carolina. The County is the leader for retail sales in eastern North Carolina and consistently ranks in the top 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 \$2.0 billion annually in Fiscal Year 2003-2004. The local economy is well diversified with government accounting for 28% of total employment, health care and social services for 19%, wholesale/retail trade for 15% and manufacturing accounting for 10%. Major area employers include Pitt County Memorial Hospital - University Health Systems of Eastern Carolina, East Carolina University, Pitt County Board of Education, NACCO Materials Handling Group, ASMO Greenville and DSM Pharmaceuticals. Employment levels are at approximately 65,700 persons. Industrial investments in 2005-2006 totaled over \$109 million and included expansions at Fuji Silysia, DSM Dyneema, ASMO Greenville, Anderson Truss and FedEx.

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 several Japanese projects. To date, ASMO Greenville; NC Asahi, and Fuji Silysia have located in Pitt County's Indigreen Corporate Park and other companies made visits. While all of the industrial growth during Fiscal Year 2005-2006 came through the expansion of existing industry rather than the location of new industry, the expansions are expected to generate over 115 new jobs to help the County recover positions lost to recent plant closings.

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 was 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. This trend continued in Fiscal Year 2005-2006 when 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 2005-2006 year will not be published until later this fall due to changes in the scoring of the tests and the field testing of new questions.

As noted earlier, the Education Compact expired with Fiscal Year 2004-2005. This tool was viewed by both the School Board and the Board of County Commissioners as a vital component

in our success and has led to increased communication between the two Boards. However, at this time, a new compact, while it has been discussed, has not been developed. The arrival of a new school superintendent in January 2006 has led the Board of Education to review many of their policies and funding needs and we expect to learn more as the superintendent finishing updating the school system's long range capital plan.

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 2005-2006 year 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. Creekside Elementary opened in August 2005 and Hope Middle opened in August 2006. In the Spring of 2006, the Board of Commissioners agreed to another debt issue which will fund one new school and four or five renovation projects. These projects are to be bid in late 2006 and it is anticipated funds will be borrowed in February 2007. It is anticipated that this new debt service requirement will be covered by a combination of lottery proceeds, a new revenue source for local governments with the implementation of a state-wide lottery program in 2006 and through the payoff of an existing bond issue and the therefore "freed" capacity that will be available.

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 years 2005 and 2006 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 was passed by the House of Representatives but was not acted upon by the Senate. This item will again be on the County's 2007 legislative priority list. 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 Study. The County determined that a major work program for Fiscal Year 2005-2006 was to continue long-range planning efforts for the delivery of Emergency Medical Services. A Special EMS Study Committee has been formed by the Board of Commissioners and this committee has requested Statements of Interest from outside providers (both for profit and not-for-profit) as well as a public entity or County proposal for running the Emergency Medical Services system in Pitt County. Presentations have been made by three entities and the committee is driving towards a recommendation for consideration by the full Board of Commissioners.

To aid with funding the EMS needs which have increased as the level of volunteer participation has decreased, 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. However, concerns still exist as funding requests continue to escalate and little money exists within the current system for capital replacement.

While there have been improvements over the past year, much work is still to be done. Work in this area will continue to be a priority. Therefore, the County work plan calls for additional attention on EMS service delivery in Fiscal Year 2006-2007 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 Countywide 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 2006-2007.

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. The budget adopted for Fiscal Year 2006-2007 does not anticipate spending Fund Balance for operational needs. It is the County's stated intention to maintain a minimum undesignated Fund Balance of at least 18-20% and at June 30, 2006, the County had 16.72% undesignated fund balance.

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, 2006 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, for the most part, been successful in containing costs. This program was continued for Fiscal Year 2006-2007 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 cannot 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, 2006 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, 2006". 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, 2005. This was the sixteenth 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 2006-2007. This marks the tenth consecutive fiscal year the County has 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 2005 estimated population is 143,212 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 2005 was in excess of 8,473 curriculum students and 10,225 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 250 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 23,164 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 5,000. 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 managing 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 in an evolving state. Public agencies have become managers of service versus direct service providers. While this has been a multi-year process, Pitt County completed its transition to a Local Management Entity (LME) effective July 1, 2005. By taking a planned orderly approach, the citizens have continued to receive excellent care from private providers. In May 2006, Pitt County adopted a "Resolution of Intent" and is actively pursuing the creation of an 8-county LME to be made up of Pitt, Craven, Jones, Pamlico, Bertie, Gates, Northampton & Hertford Counties and serving an approximate population of 340,000.

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

PITT COUNTY PROFILE

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, 2005

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.



Carla E. Perry

President

Jeffrey R. Enen

Executive Director

PITT COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS For Year Ended June 30, 2006

BOARD OF COUNTY COMMISSIONERS

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

COUNTY OFFICIALS

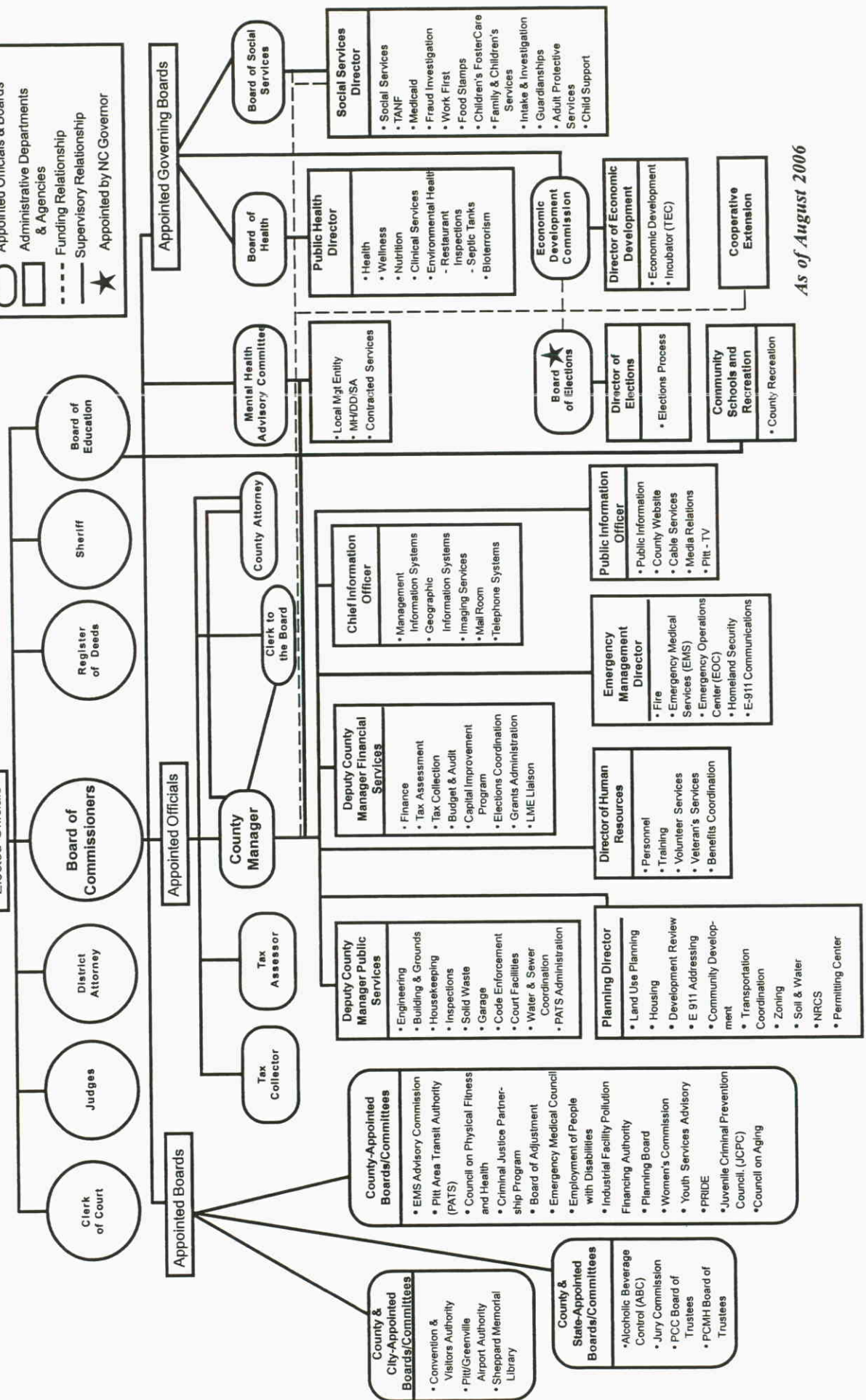
D. SCOTT ELLIOTT	County Manager
MELONIE BRYAN	Deputy County Manager - Financial Services
PHIL DICKERSON	Deputy County Manager – Public Services
JOANNE K. BURGDORFF	County Attorney
PATRICIA STATION	Clerk to the Board
JUDY TART	Register of Deeds
MAC MANNING	Sheriff
WANDA YUHAS	Economic Developer
THOMAS LYNCH	Public Information Officer
GEORGE PERRY	Social Services Director
(vacant)	Mental Health Director
DR. JOHN MORROW	Public Health Director
FLORIDA D. HARDY	Director of Human Resources
MICHAEL C. TAYLOR	Chief Information Officer

Pitt County Government Organizational Chart

Citizens of Pitt County

KEY

- Elected Officials
- Appointed Officials & Boards
- Administrative Departments & Agencies
- Funding Relationship
- Supervisory Relationship
- ★ Appointed by NC Governor



As of August 2006



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:

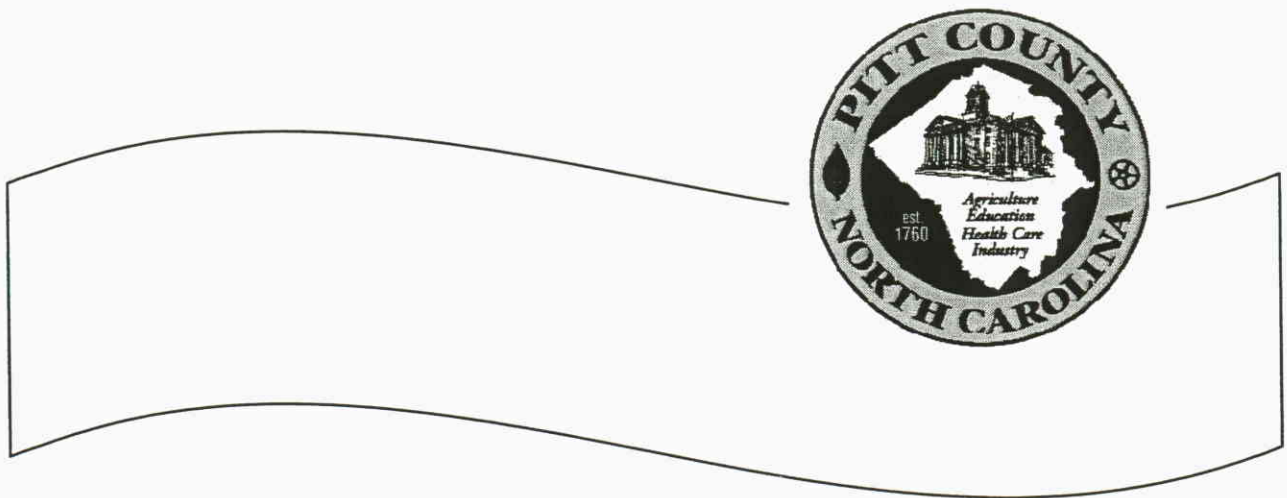
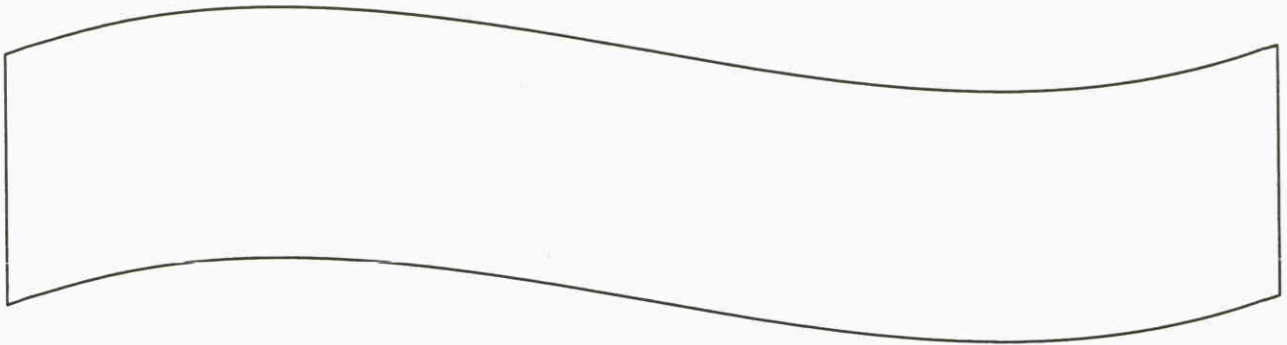
- ☒ *Encourage honesty and behavior that is consistent with our mission;*
- ☒ *Recognize and promote competence, excellence, and open communication;*
- ☒ *Support each other in working toward our goals;*
- ☒ *Maintain an open government that is a good steward of public resources;*
- ☒ *Support decision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

GOALS FOR FY 2006-07

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

II. FINANCIAL SECTION

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





Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Pitt County
Greenville, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pitt County, North Carolina, as of and for the year ended June 30, 2006, 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 which represents 63 percent, 59 percent, and 85 percent respectively, of the assets, net assets and revenues of the component unit column. 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 and the Industrial Development Commission 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, 2006, 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 25, 2006 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 basic financial statements of Pitt County, North Carolina. The introductory section, combined and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
August 25, 2006

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, 2006. 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

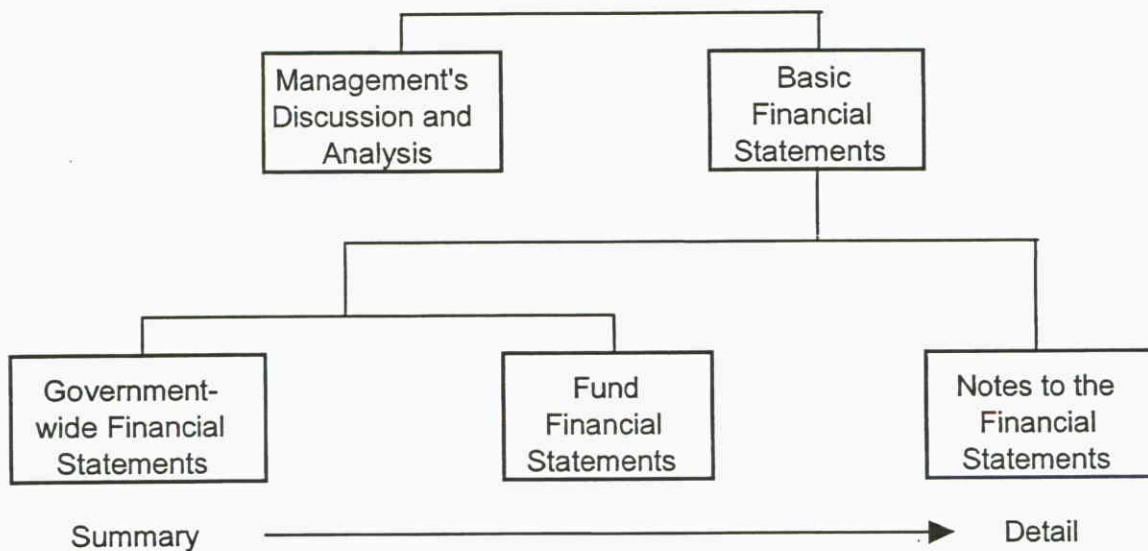
- The assets of Pitt County's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$48,306,862.
- The County's net assets of governmental activities decreased by \$10,046,548; the majority of this decrease is attributable to the subtraction of the net book value on the sale/disposal of capital assets.
- As of the close of the current fiscal year, Pitt County's general fund reported an ending fund balance of \$33,615,385, an increase of \$323,253 in comparison with the prior year. Approximately 69% of this total amount, \$23,044,112 is available for spending at the government's discretion while the difference is either reserved for a specific purpose or restricted by State statute.
- Pitt County continued to push forth an effort in the General Assembly to gain the opportunity to ask our citizens via referendum to support the implementation on a half cent sales tax increase.
- 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 48-77 of this report.

Government-wide Financial Analysis

We are in the fifth 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.

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 \$48,490,858 at the close of the most recent fiscal year.

Pitt County's Net Assets
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 51,698,432	\$ 64,186,822	\$ 301,895	\$ 228,692	\$ 52,000,327	\$ 64,415,514
Capital assets: non depreciable	27,413,313	32,824,539	664,329	664,329	28,077,642	33,488,868
Capital assets, net	80,050,130	82,040,406	2,154,655	2,259,025	82,204,785	84,299,431
Construction in progress	-	-	-	-	-	-
Total Assets	\$159,161,875	\$179,051,767	\$ 3,120,879	\$ 3,152,046	\$162,282,754	\$182,203,813
					-	-
Long-term liabilities outstanding	\$ 93,536,095	\$ 98,431,552	\$ 2,320,000	\$ 2,580,000	\$ 95,856,095	\$101,011,552
Other liabilities	17,318,918	22,266,835	616,883	747,424	17,935,801	23,014,259
Total liabilities	\$110,855,013	\$120,698,387	\$ 2,936,883	\$ 3,327,424	\$113,791,896	\$124,025,811
					-	-
Net assets:					-	-
Invested in capital assets, net of related debt	\$ 9,656,803	\$ 17,058,305	\$ 1,818,984	\$ 1,723,354	\$ 11,475,787	\$ 18,781,659
Restricted	678,647	470,026	-	-	678,647	470,026
Unrestricted	37,971,412	40,825,049	(1,634,988)	(1,898,732)	36,336,424	38,926,317
Total net assets	\$ 48,306,862	\$ 58,353,380	\$ 183,996	\$ (175,378)	\$ 48,490,858	\$ 58,178,002

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), \$36,336,424, 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 both governmental activities and business-type activities, an improvement over last year.

Pitt County's Changes in Net Assets
Figure 3

	Governmental		Business-type		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 16,860,215	\$ 17,511,524	\$ 7,472,414	\$ 6,686,238	\$ 24,332,629	\$ 24,197,762
Operating grants and contributions	44,268,572	38,672,035	(195,224)	-	44,073,348	38,672,035
Capital grants and contributions	1,331,298	395,855	-	-	1,331,298	395,855
General revenues:						
Property taxes	64,079,131	60,786,461	-	-	64,079,131	60,786,461
Other taxes	28,040,745	26,639,641	-	-	28,040,745	26,639,641
Grants and contributions not restricted to specific programs		-	-	-	-	-
Other	(10,511,199)	1,510,066	90	371	(10,511,109)	1,510,437
Total revenues	\$ 144,068,762	\$ 145,515,582	\$ 7,277,280	\$ 6,686,609	\$ 151,346,042	\$ 152,202,191
Expenses:						
General government	16,037,940	13,501,699	-	-	16,037,940	13,501,699
Public safety	25,212,358	23,580,577	-	-	25,212,358	23,580,577
Environmental protection	4,469	208,524	-	-	4,469	208,524
Economic and physical development	3,274,182	4,335,915	-	-	3,274,182	4,335,915
Human services	67,135,085	58,880,092	-	-	67,135,085	58,880,092
Cultural and recreation	457,682	505,161	-	-	457,682	505,161
Education	37,016,790	36,679,407	-	-	37,016,790	36,679,407
Interest on long-term debt	4,976,804	4,556,482	63,400	73,900	5,040,204	4,630,382
Landfill	-	-	6,854,506	6,998,221	6,854,506	6,998,221
Total expenses	\$ 154,115,310	\$ 142,247,857	\$ 6,917,906	\$ 7,072,121	\$ 161,033,216	\$ 149,319,978
Increase in net assets before transfers	(10,046,548)	3,267,725	359,374	(385,512)	(9,687,174)	2,882,213
Transfers	-	-	-	-	-	-
Increase in net assets	(10,046,548)	3,267,725	359,374	(385,512)	(9,687,174)	2,882,213
Net assets, July 1	58,353,410	55,085,655	(175,378)	210,134	58,178,032	55,295,789
Net assets, June 30	\$ 48,306,862	\$ 58,353,380	\$ 183,996	\$ (175,378)	\$ 48,490,858	\$ 58,178,002

Governmental activities. Of total net assets, governmental activities accounted for \$48,306,862 (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 increased Pitt County's net assets by \$359,374. 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 \$37,002,375, a decrease of \$7,506,163 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

	General		Other Governmental Funds		Total Governmental Funds	
	2006	2005	2006	2005	2006	2005
Fund Balance	\$ 33,615,385	\$ 33,292,105	\$ 3,386,990	\$ 5,822,913	\$ 37,002,375	\$ 39,115,018

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 2006-2007 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 \$33,615,385 with \$23,044,112 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 16.72 percent of total general fund expenditures (\$137,787,618), while total fund balance represents 24.40 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 \$13.5 million. The County increased revenues by \$9,672,507, or approximately 7.5 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 \$1,590,002 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 \$3,241,697 or 2.3 percent. This was coupled with under-spending in the General Fund of \$2.7 million or slightly over 1.9 percent. These two actions combined allowed the County to avoid needing to actually use any fund balance and actually added \$323,253 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 positive balance of \$124,513, up \$517,874 from the prior year. Total net assets at year end increased to \$1,943,497 from \$1,329,993 for the year ending June 30, 2005. The County's Solid Waste Fund saw revenues at 103% of budget while expenses were at 98% of budget resulting in a net revenue of \$359,284. Solid Waste anticipates reimbursements from two private contractors that were identified in the Federal Emergency Management Administration (FEMA) closeout audit related to costs incurred in the 1999-2001 time frame while responding to debris cleanup related to Hurricane Floyd. These funds should be collected in Fiscal Year 2007.

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, 2006 amounts to \$83,112,244 (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 \$36,692,481.

During Fiscal Year 2005-2006, the County did not issue any new debt. However, the building needs of the County have been forecast 10-years into the future through the annual review and adoption of a Capital Improvement Plan. Items such as a facility for Social Services, 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 61-62 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land and improvements	\$ 1,237,400	\$ 1,237,400	\$ 88,393	\$ 88,393	\$ 1,325,793	\$ 1,325,793
Buildings	97,955,095	96,690,487	2,647,373	2,647,373	100,602,468	99,337,860
Furniture and equipment	7,579,097	6,824,527	2,582,576	2,571,362	10,161,673	9,395,889
Vehicles	4,620,029	4,980,374	569,544	581,312	5,189,573	5,561,686
Construction in progress	36,028,152	32,824,539	664,329	664,329	36,692,481	33,488,868
Subtotal	\$ 147,419,773	\$ 142,557,327	\$ 6,552,215	\$ 6,552,769	\$ 153,971,988	\$ 149,110,096
Accumulated depreciation	30,434,032	27,692,382	3,733,231	3,629,414	34,167,263	31,321,796
Capital assets, net	\$ 116,985,741	\$ 114,864,945	\$ 2,818,984	\$ 2,923,355	\$ 119,804,725	\$ 117,788,300

Long-term debt. At the end of the current fiscal year, Pitt County had total bonded debt outstanding of \$6,655,000, 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	
	2006	2005	2006	2005	2006	2005
General Obligation Bonds	\$ 5,655,000	\$ 8,310,000	\$ 1,000,000	\$ 1,200,000	\$ 6,655,000	\$ 9,510,000

This outstanding General Obligation indebtedness of \$6,655,000 is out of a legal debt limit of approximately \$711,377,509. 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. Using this formula, Pitt County's net debt limit after reducing for bonded debt is \$704,722,509. However, a better analysis of debt is brought about by taking all outstanding debt, not just that secured by General Obligation bonds, (\$101,627,585 not including bonds in Enterprise fund of \$1,000,000) and subtracting it from the legal debt limit to arrive at the Net Legal Debt Margin of \$609,749,924.

Net debt outstanding decreased \$4,489,055, from the June 30, 2005 balance of \$106,116,640.

Additional information on Pitt County's long-term debt can be found in note 7 on pages 63-66 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for Pitt County in 2005 was 5.7 percent. This is slightly higher than the State's 2004 unemployment rate of 5.2 percent. The first two quarters of 2006 indicate a drop to the State's unemployment rate to 4.7% with the County seeing a modest upswing to 5.0%.
- Inflationary trends noted in the region are very similar to national indices.
- Population of 143,212 (2005 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 2006-2007.

Budget Highlights for the Fiscal Year 2006-2007

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 2006-2007 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 2006-2007 is expected to be a sound year for the County. The increased revenue generated from 2004's revaluation and the indication that a modest economic recovery is at hand lends credibility to these expectations. Pitt County is continuing to pursue the half cent sales tax legislation which will ease the funding constraints for new schools.

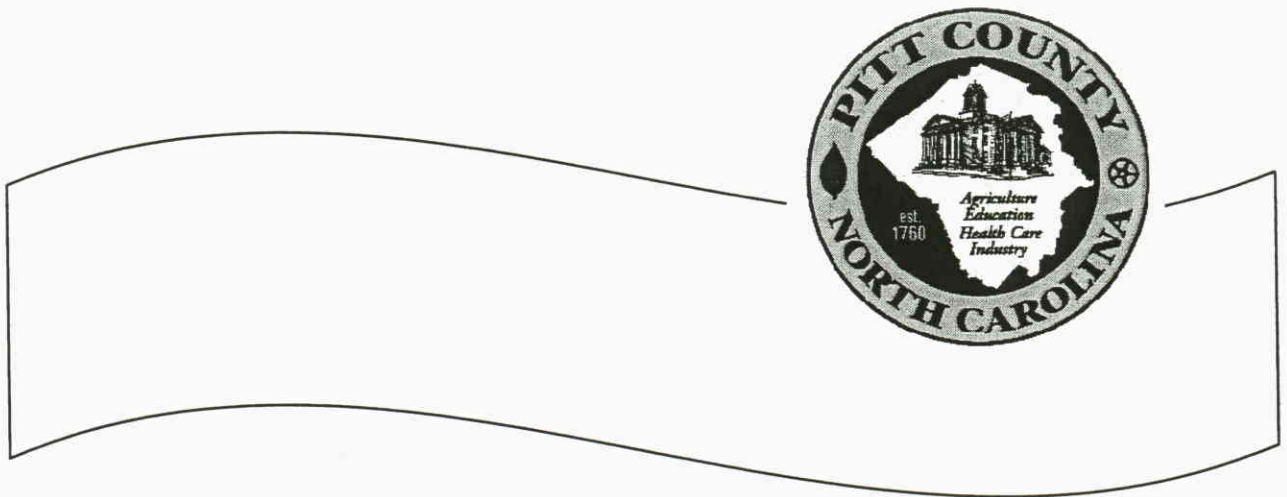
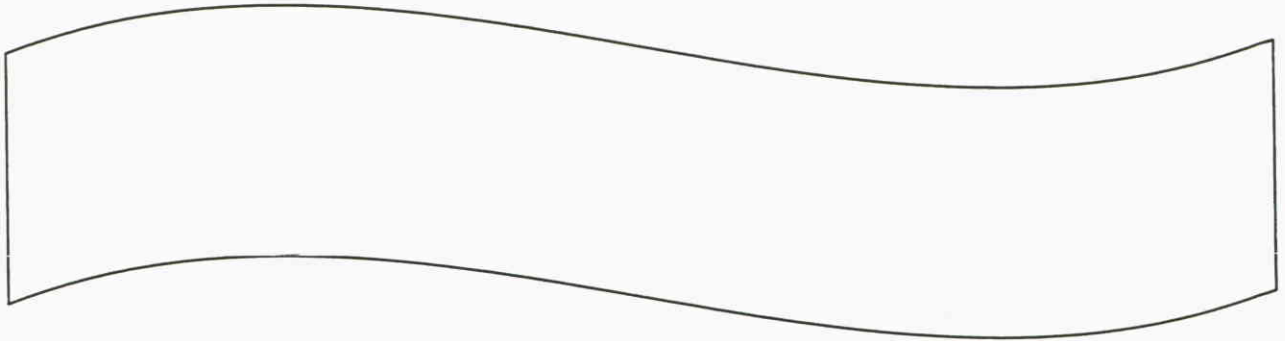
Business-type activities. General operating expenses in these areas, like the governmental activities, are expected to remain constant. Both the commercial and residential rates were increased for Fiscal Year 2006-2007 which should help better cover the costs of the overall solid waste operation and create some reserves for future capital needs.

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

STATEMENT OF NET ASSETS
JUNE 30, 2006

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Industrial Development Commission	Pitt County ABC Board
Assets:					
Current assets:					
Cash and cash equivalents	\$ 31,038,120	\$ -	\$ 31,038,120	\$ 1,934,322	\$ 1,660,466
Taxes receivable, net	2,198,794	-	2,198,794	12,960	-
Accounts receivable, net	4,215,289	1,082,291	5,297,580	1,440	1,178
Interest receivable, net	1,720,358	-	1,720,358	-	-
Due from other governments	8,717,339	-	8,717,339	-	-
Internal balances	780,396	(780,396)	-	-	-
Inventories	2,778	-	2,778	-	741,911
Prepaid items	352,354	-	352,354	2,450	24,635
Cash and investments, restricted	2,159,623	-	2,159,623	-	-
Other assets	513,381	-	513,381	-	-
Capital assets:					
Capital assets, non depreciable	26,505,854	664,329	27,170,183	-	-
Capital assets, net	80,957,589	2,154,655	83,112,244	-	902,717
Total assets	\$ 159,161,875	\$ 3,120,879	\$ 162,282,754	\$ 1,951,172	\$ 3,330,907
Liabilities:					
Accounts payable and accrued liabilities	\$ 5,405,170	\$ 307,252	\$ 5,712,422	\$ 1,686	\$ 526,663
Compensated absences, due in one year	1,100,000	10,000	1,110,000	15,223	-
Unearned revenues	1,041,336	5,531	1,046,867	8,618	-
Noncurrent liabilities:					
Compensated absences, due in more than one year	1,660,049	34,100	1,694,149	-	-
Due within one year	8,112,363	260,000	8,372,363	-	-
Due in more than one year	93,536,095	2,320,000	95,856,095	-	-
Total liabilities	110,855,013	2,936,883	113,791,896	25,527	526,663
Net Assets:					
Invested in capital assets, net of related debt	9,656,803	1,818,984	11,475,787	-	902,717
Restricted for:					
E911 wireless operations	445,061	-	445,061	-	-
Register of Deeds	233,586	-	233,586	-	-
Alcohol Beverage Control	-	-	-	-	602,426
Unrestricted	37,971,412	(1,634,988)	36,336,424	1,925,645	1,299,101
Total net assets	\$ 48,306,862	\$ 183,996	\$ 48,490,858	\$ 1,925,645	\$ 2,804,244

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2006

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Functions/Programs				
Primary Government				
Governmental Activities:				
General government	\$ 16,037,941	\$ 4,185,463	\$ -	\$ -
Public safety	25,212,358	7,291,508	25,800	57,358
Environmental protection	4,469	243,384	91,610	-
Economic and physical development	3,274,182	3,015	263,177	1,254,487
Human services	67,135,085	5,127,900	42,757,967	-
Education	37,016,790	-	1,130,018	19,453
Cultural and recreation	457,682	8,945	-	-
Interest on long-term debt	4,976,804	-	-	-
Total governmental activities	154,115,310	16,860,215	44,268,572	1,331,298
Business-Type Activities:				
Solid waste	6,917,906	7,472,414	(195,224)	-
Total business-type activities	6,917,906	7,472,414	(195,224)	-
Total primary government	\$ 161,033,216	\$ 24,332,629	\$ 44,073,348	\$ 1,331,298
Component Units:				
Industrial development	\$ 1,140,646	\$ 213,747	\$ 50,000	\$ -
ABC Board	7,529,493	8,931,877	-	-
Total component units	\$ 8,670,139	\$ 9,145,624	\$ 50,000	\$ -

General Revenues:

Ad valorem taxes
Local option sales tax
Payment in lieu of taxes and other taxes
Interest earned on investments
Loss on disposal of capital assets

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
\$ (11,852,478)	\$ -	\$ (11,852,478)		
(17,837,692)	-	(17,837,692)		
330,525	-	330,525		
(1,753,503)	-	(1,753,503)		
(19,249,218)	-	(19,249,218)		
(35,867,319)	-	(35,867,319)		
(448,737)	-	(448,737)		
(4,976,804)	-	(4,976,804)		
(91,655,225)	-	(91,655,225)		
-	359,284	359,284		
-	359,284	359,284		
(91,655,225)	359,284	(91,295,941)		
			\$ (876,899)	\$ -
			-	1,402,384
			(876,899)	1,402,384
64,079,131	-	64,079,131	1,313,301	-
26,425,763	-	26,425,763	-	-
1,614,982	-	1,614,982	-	-
2,054,907	90	2,054,997	6,102	48,100
(12,566,106)	-	(12,566,106)	-	-
81,608,677	90	81,608,767	1,319,403	48,100
(10,046,548)	359,374	(9,687,174)	442,504	1,450,484
58,353,410	(175,378)	58,178,032	1,483,141	1,353,760
\$ 48,306,862	\$ 183,996	\$ 48,490,858	\$ 1,925,645	\$ 2,804,244

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

PITT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2006

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 27,718,200	\$ 765,807	\$ 28,484,007
Taxes receivable, net	1,976,578	222,216	2,198,794
Accounts receivable, net	827,478	3,386,406	4,213,884
Interest receivable	1,720,358	-	1,720,358
Prepaid items	189,070	31,228	220,298
Cash and investments, restricted	-	2,159,623	2,159,623
Due from other funds	815,644	-	815,644
Due from other governments	8,603,523	113,816	8,717,339
Total assets	<u>\$ 41,850,851</u>	<u>\$ 6,679,096</u>	<u>\$ 48,529,947</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 3,610,412	\$ 863,907	\$ 4,474,319
Due to other funds	-	35,248	35,248
Deferred revenue	4,625,054	2,392,951	7,018,005
Total liabilities	<u>8,235,466</u>	<u>3,292,106</u>	<u>11,527,572</u>
Fund Balances:			
Reserved by State statute	10,148,617	1,211,152	11,359,769
Reserved for prepaid items	189,070	31,228	220,298
Reserved for wireless 911 operations	-	445,061	445,061
Reserved for Register of Deeds	233,586	-	233,586
Reserved for Winterville Rural Fire Dept.	-	24,204	24,204
Unreserved, reported in:			
General Fund	23,044,112	-	23,044,112
Special Revenue Funds	-	24,958	24,958
Debt Service Funds	-	83,212	83,212
Capital Project Funds	-	1,567,175	1,567,175
Total fund balances	<u>33,615,385</u>	<u>3,386,990</u>	<u>37,002,375</u>
Total liabilities and fund balances	<u>\$ 41,850,851</u>	<u>\$ 6,679,096</u>	
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.			107,463,443
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.			1,759,501
Debt issuance costs, net of accumulated amortization, are not financial resources and, therefore, are not reported in the funds.			513,381
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.			(104,408,507)
Premiums related to debt issuance, net of accumulated amortization, are not a current use of resources and, therefore, are not reported in the funds.			(196,304)
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.			<u>6,172,973</u>
Net assets of governmental activities, per Exhibit A			<u>\$ 48,306,862</u>

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 60,878,022	\$ 3,146,857	\$ 64,024,879
Other taxes and licenses	22,854,869	5,193,354	28,048,223
Unrestricted intergovernmental revenues	1,304,352	140,518	1,444,870
Restricted intergovernmental revenues	45,670,349	3,500,033	49,170,382
Permits and fees	3,001,754	-	3,001,754
Sales and services	5,159,278	1,414,563	6,573,841
Interest earned on investments	1,836,068	47,515	1,883,583
Miscellaneous	914,045	1,107,425	2,021,470
Total revenues	<u>141,618,737</u>	<u>14,550,265</u>	<u>156,169,002</u>
Expenditures:			
Current:			
General government	15,507,763	-	15,507,763
Public safety	19,736,265	5,091,741	24,828,006
Environmental protection	219,636	-	219,636
Economic and physical development	1,736,494	2,526,879	4,263,373
Human services	66,949,101	-	66,949,101
Education	32,948,342	-	32,948,342
Cultural and recreation	536,972	-	536,972
Capital outlay	-	8,911,587	8,911,587
Debt service:			
Principal repayments	144,953	7,787,145	7,932,098
Interest	8,092	4,992,230	5,000,322
Total expenditures	<u>137,787,618</u>	<u>29,309,582</u>	<u>167,097,200</u>
Revenues over (under) expenditures	<u>3,831,119</u>	<u>(14,759,317)</u>	<u>(10,928,198)</u>
Other Financing Sources (Uses):			
Transfers to other funds	(6,929,868)	(6,704,919)	(13,634,787)
Transfers from other funds	-	13,634,787	13,634,787
Premium received from issuance of debt	3,422,002	-	3,422,002
Total other financing sources (uses)	<u>(3,507,866)</u>	<u>6,929,868</u>	<u>3,422,002</u>
Net change in fund balances	323,253	(7,829,449)	(7,506,196)
Fund Balances:			
Beginning of year - July 1	33,292,132	11,216,439	44,508,571
End of year - June 30	<u>\$ 33,615,385</u>	<u>\$ 3,386,990</u>	<u>\$ 37,002,375</u>

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

PITT COUNTY, NORTH CAROLINA

**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, 2006**

Net change in fund balances - total governmental funds (Exhibit D)	\$ (7,506,196)
<p>Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected or is expected to be collected within 60 days of year end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:</p>	
Property taxes	54,252
Permits and fees	(7,478)
Sales and services	44,215
Interest income	120,744
<p>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.</p>	
	42,403
<p>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.</p>	
	8,713,413
<p>The sale/disposal of capital assets is reported as a revenue in the governmental fund statements without subtracting the net book value of the capital assets sold.</p>	
	(12,566,106)
<p>Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.</p>	
	(3,548,809)
<p>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</p>	
	(115,301)
<p>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.</p>	
	7,890,184
<p>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.</p>	
	(3,422,002)
The net revenue of the internal service funds are reported with governmental activities.	<u>254,133</u>
Change in net assets of governmental activities per Exhibit B	<u>\$ (10,046,548)</u>

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

PITT COUNTY, NORTH CAROLINA

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 58,493,633	\$ 58,493,633	\$ 60,878,022	\$ 2,384,389
Other taxes and licenses	21,724,852	21,724,852	22,854,869	1,130,017
Unrestricted intergovernmental revenues	1,445,439	1,445,439	1,304,352	(141,087)
Restricted intergovernmental revenues	37,182,662	46,516,963	45,670,349	(846,614)
Permits and fees	2,712,199	2,712,199	3,001,754	289,555
Sales and services	5,099,362	5,400,223	5,159,278	(240,945)
Interest earned on investments	1,202,100	1,202,100	1,836,068	633,968
Miscellaneous	844,286	881,631	914,045	32,414
Total revenues	128,704,533	138,377,040	141,618,737	3,241,697
Expenditures:				
General government	13,366,558	16,378,900	15,507,763	871,137
Public safety	19,921,019	20,485,807	19,736,265	749,542
Environmental protection	213,256	224,956	219,636	5,320
Economic and physical development	1,533,450	1,806,389	1,736,494	69,895
Human services	57,868,708	67,936,682	66,949,101	987,581
Education	32,948,342	32,948,342	32,948,342	-
Cultural and recreation	528,291	538,975	536,972	2,003
Debt service	153,046	153,046	153,045	1
Total expenditures	126,532,670	140,473,097	137,787,618	2,685,479
Revenues over (under) expenditures	2,171,863	(2,096,057)	3,831,119	5,927,176
Other Financing Sources (Uses):				
Transfers	(7,078,368)	(7,472,452)	(6,929,868)	542,584
Debt obligation issued	350,000	3,422,002	3,422,002	-
Appropriated fund balance	4,556,505	6,146,507	-	(6,146,507)
Total other financing sources (uses)	(2,171,863)	2,096,057	(3,507,866)	(5,603,923)
Net change in fund balances	\$ -	\$ -	323,253	\$ 323,253
Fund Balances:				
Beginning of year - July 1			33,292,132	
End of year - June 30			<u>\$ 33,615,385</u>	

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2006

	Business-Type Activities Solid Waste	Governmental Activities Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	\$ -	\$ 2,554,113
Receivables, net	1,082,291	1,405
Inventories	-	2,778
Prepaid items	-	132,056
Total current assets	<u>1,082,291</u>	<u>2,690,352</u>
Noncurrent assets:		
Capital assets, non depreciable	752,722	-
Capital assets, net	<u>2,066,262</u>	-
Total noncurrent assets	<u>2,818,984</u>	-
Total assets	<u>3,901,275</u>	<u>2,690,352</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	307,252	930,851
Due to other funds	780,396	-
Compensated absences	10,000	-
Unearned revenues	5,531	-
Current portion of postclosure costs	60,000	-
Current maturities - general obligation bonds	<u>200,000</u>	-
Total current liabilities	<u>1,363,179</u>	<u>930,851</u>
Noncurrent liabilities:		
Noncurrent portion of compensated absences	34,100	-
General obligation bonds	800,000	-
Landfill closure/postclosure costs payable	<u>1,520,000</u>	-
Total noncurrent liabilities	<u>2,354,100</u>	-
Total liabilities	<u>3,717,279</u>	<u>930,851</u>
Net Assets:		
Invested in capital assets, net of related debt	1,818,984	-
Unrestricted	<u>(1,634,988)</u>	<u>1,759,501</u>
Total net assets	<u>\$ 183,996</u>	<u>\$ 1,759,501</u>

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	Business-Type Activities Solid Waste	Governmental Activities Internal Service Funds
Operating Revenues:		
Solid waste fees	\$ 6,932,274	\$ -
User charges	-	835,533
Interfund services	-	5,437,171
Miscellaneous revenues	540,140	31,700
Total operating revenues	<u>7,472,414</u>	<u>6,304,404</u>
Operating Expenses:		
Salaries and employee benefits	857,326	54,311
Supplies and materials	287,967	-
Contract labor and other services	1,119,280	-
Contracted services-waste disposal	4,447,769	-
Depreciation	142,164	-
Equipment maintenance	-	573,466
Medical claims costs	-	5,064,307
Claims reimbursement	-	408,767
Total operating expenses	<u>6,854,506</u>	<u>6,100,851</u>
Operating income	<u>617,908</u>	<u>203,553</u>
Non-operating Revenues (Expenses):		
Interest earned on investments	90	50,580
Interest expense	(63,400)	-
Intergovernmental grants, net of (refunds)	(195,224)	-
Total non-operating revenues (expenses)	<u>(258,534)</u>	<u>50,580</u>
Change in net assets	359,374	254,133
Net Assets:		
Beginning of year - July 1	<u>(175,378)</u>	<u>1,505,368</u>
End of year - June 30	<u>\$ 183,996</u>	<u>\$ 1,759,501</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, 2006

	Business-Type Activities Solid Waste	Governmental Activities Internal Service Funds
Cash Flows From Operating Activities:		
Cash received from customers	\$ 7,643,371	\$ 887,756
Cash received from interfund services transactions	-	5,437,171
Cash paid to suppliers	(6,051,724)	(5,764,535)
Cash paid to employees	(853,201)	(90,438)
Net cash provided by operating activities	<u>738,446</u>	<u>469,954</u>
Cash Flows From Noncapital Financing Activities:		
Change in due from other funds	<u>(242,118)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(37,794)	-
Capital contributions / grants	(195,224)	-
Principal payments on long-term debt	(200,000)	-
Interest expense -capital financing activities	(63,400)	-
Net cash used by capital and related financing activities	<u>(496,418)</u>	<u>-</u>
Cash Flows From Investing Activities:		
Investment income received	<u>90</u>	<u>50,580</u>
Net increase (decrease) in cash, cash equivalents and investments	-	520,534
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>-</u>	<u>2,033,579</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 2,554,113</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, 2006

	Business-Type Activities Solid Waste	Governmental Activities Internal Service Funds
Reconciliation of operating income to cash flows from operating activities:		
Operating income	\$ 617,908	\$ 203,553
Depreciation and amortization	142,164	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivables	168,915	20,523
(Increase) decrease in inventories	-	25,637
(Increase) decrease in prepaid expenses	-	315,700
Increase (decrease) in accounts payable and accrued liabilities	(132,583)	(95,459)
Increase (decrease) in closure and postclosure costs payable	(60,000)	-
Increase (decrease) in deferred revenues	2,042	-
Net cash provided by operating activities	<u>\$ 738,446</u>	<u>\$ 469,954</u>

Noncash Activities:

None

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2006

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ 231,994	\$ 451,053
Liabilities:		
Accounts payable	-	451,053
Net Assets:		
Held in trust for pension benefits and other purposes	<u>\$ 231,994</u>	<u>\$ -</u>

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2006

	Pension Trust Fund
Additions:	
Employer contributions	\$ 85,000
Investment income	6,025
Other income and actuarial adjustments	<u>(1,983)</u>
Total additions	<u>89,042</u>
Deductions:	
Benefits	<u>57,835</u>
Net increase (decrease)	31,207
Net Assets Reserved for Employees' Pension Benefits:	
Beginning of year - July 1	<u>200,787</u>
End of year - June 30	<u><u>\$ 231,994</u></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, 2006

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 was 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, which has a June 30 year end, is presented 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, 2006

C. Basis of Presentation

Government-wide and Fund Financial Statements

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

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

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

The General Fund and the Solid Waste Enterprise Fund are the major funds of the County for the year ended June 30, 2006.

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, 2006

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, 2006. 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 2005 through February 2006 apply to the fiscal year ended June 30, 2006.

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 2006-2007 and are not shown as receivables at June 30, 2006 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, 2006 on the fund financial statements because they are intended to finance the County's operations during the 2007 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, 2006

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.

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 General Fund and the Solid Waste Enterprise Fund are the major funds of the County for the year ended June 30, 2006.

The County has the following fund categories:

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 Fund, County Capital Reserve Fund, State/Federal Forfeiture Fund, CDBG Fund, State Grants Fund, Revaluation Fund, Industrial Development Building Fund, Fire Districts Fund, Emergency Medical Services Districts Fund, and E911 Surcharge Fund are Special Revenue Funds of the County.

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, 2004 COPS Education Fund, Community Schools and Recreation Fund, ECTC Building Fund, and School Improvement Fund.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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.

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.

Fiduciary Fund Types Fiduciary funds are used for assets held in a trustee capacity. The following are the fiduciary funds of the County:

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, and Jail. The Agency Funds also include the 3% Interest Payable to State Fund, Flexible Benefit Plan Agency Fund, and the fund used to account for 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.

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 CDBG Fund which is 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

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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.

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.

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.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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.

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.

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, 2005. 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.

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.

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.

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.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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

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.

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.

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, 2006

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.

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.

Reserved for Winterville Rural Fire Department - The portion of Fire District Special Revenue fund balance restricted for the Winterville Rural Fire Department.

Designations of equity represent tentative management plans that are subject to change. The unreserved fund balance had the following designations at June 30, 2006:

General Fund

Designated for subsequent year's expenditures	\$4,966,202
Designated for NCACC Host Meeting	<u>2,000</u>
	<u>\$4,968,202</u>

Special Revenue Fund

Designated for subsequent year's expenditures	<u>\$ 329,955</u>
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PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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.

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

Deficit Fund Balance or Net Assets of Individual Funds

The following individual funds had deficit fund balances as of June 30, 2006:

Special Revenue:

State Grants Fund	\$ 103,877
EMS District Fund	\$1,046,396

Capital Projects:

ECTC Building Capital Project	\$ 104,329
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3. Deposits and Investments

A. Deposits

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

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

At June 30, 2006, the County's deposits had a carrying amount of \$10,976,050 and a bank balance of \$11,419,059. The County only has deposits in institutions that collateralize under the Pooling Method. Of the bank balance, \$505,147 was covered by Federal depository insurance and \$10,913,912 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The County had \$33,790 of cash on hand at year end.

B. Investments

At June 30, 2006, the County's investment balances were as follows:

Investment Type	Fair Value	Less Than 1	2-3	4-7	Greater
		Year	Years	Years	Than 7
					Years
Federal Home Loan Bank	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Co.	1,964,727	1,964,727	-	-	-
JMMA	2,738,463	2,738,463	-	-	-
NC Capital Management Trust -					
Cash Portfolio	11,168,362	11,168,362	-	-	-
Commercial Paper - Wachovia	4,999,827	4,999,827	-	-	-
Total	<u>\$22,871,379</u>	<u>\$ 22,871,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

During 2006, 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 increase in the fair value of investments during 2006 for the County was \$20,852. 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 \$20,852.

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, 2006, the County's investments in Wachovia Commercial Paper 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, 2006. The County's investments in US Agencies (Federal Home Loan Bank, Federal Home Loan Mortgage, and JMMA) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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 did not have any funds as of June 30, 2006 that were 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.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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	9%
Federal Home Loan Mortgage	9%
JNMA	12%
Commercial Paper	22%

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
2002	\$ 1,665,520	\$ 551,746	\$ 2,061,081
2003	1,697,142	403,071	1,947,470
2004	2,639,726	389,360	2,791,510
2005	<u>2,599,056</u>	<u>149,446</u>	<u>2,791,510</u>
Total	<u>\$ 8,601,444</u>	<u>\$ 1,493,623</u>	<u>\$ 9,591,571</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

5. Accounts Receivable

Disaggregate Information

Type of Receivable	Amount (net of allowance)		
	Governmental Activities	Business-Type Activities	Total
Customer/client billings	\$ 3,082,523	\$ 545,842	\$3,628,365
Landfill fees assessed	-	536,449	536,449
Fees for services due from other agencies	1,083,146	-	1,083,146
Miscellaneous	49,620	-	49,620
	<u>\$ 4,215,289</u>	<u>\$ 1,082,291</u>	<u>\$5,297,580</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	595,343
Interest	780,394
Total	<u>\$4,502,569</u>
Special Revenue Fund	
Property taxes	\$ 7,344
Ambulance services	3,735,360
Total	<u>\$3,742,704</u>
Enterprise Fund	
Landfill fees	<u>\$ 235,662</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

6. Capital Assets

A. Governmental Capital Assets

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

	Balance June 30, 2005	Additions	Deletions & Transfers	Balance June 30, 2006	Accumulated Depreciation June 30, 2006
Non-Depreciable Capital Assets					
Land and improvements	\$ 4,381,077	\$ -	\$ (1,052,432)	\$ 3,328,645	\$ -
Construction in progress	28,443,462	6,108,886	(11,375,139)	23,177,209	-
Total non-depreciable capital assets	32,824,539	6,108,886	(12,427,571)	26,505,854	-
Depreciable Capital Assets					
Buildings and improvements	96,690,487	1,427,429	(162,821)	97,955,095	21,516,214
Land improvements	1,237,400	-	-	1,237,400	495,522
Furniture and equipment	6,824,527	1,177,097	(422,527)	7,579,097	4,581,397
Vehicles	4,980,374	-	(360,345)	4,620,029	3,840,899
Total depreciable capital assets	109,732,788	\$ 2,604,526	\$ (945,693)	111,391,621	\$ 30,434,032
Less: accumulated depreciation	27,692,382	\$ 3,548,809	\$ (807,159)	30,434,032	
Depreciable capital assets, net	82,040,406			80,957,589	
Total capital assets	\$ 114,864,945			\$ 107,463,443	

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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

Governmental Activities

General government	\$ 596,993
Public safety	1,109,148
Economic and physical development	239,578
Human services	412,331
Environmental protection	14,530
Education	<u>1,176,229</u>
Total	<u>\$3,548,809</u>

Business-Type Activities

Solid waste	<u>\$ 142,164</u>
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B. Proprietary Capital Assets

The capital assets for the Enterprise Fund of the County at June 30, 2006 are as follows:

	Balance June 30, 2005	Additions	Deletions & Transfers	Balance June 30, 2006	Accumulated Depreciation June 30, 2006
Non-Depreciable Capital Assets					
Land and improvements	\$ 664,329	\$ -	\$ -	\$ 664,329	\$ -
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-depreciable capital assets	<u>664,329</u>	<u>-</u>	<u>-</u>	<u>664,329</u>	<u>-</u>
Depreciable Capital Assets					
Buildings and improvements	2,647,373	-	-	2,647,373	914,979
Land improvements	88,393	-	-	88,393	88,393
Furniture and equipment	2,560,512	37,795	(26,581)	2,571,726	2,290,532
Computer equipment	10,850	-	-	-	8,183
Vehicles	<u>581,312</u>	<u>-</u>	<u>(11,768)</u>	<u>569,544</u>	<u>431,144</u>
Total depreciable capital assets	<u>5,888,440</u>	<u>\$ 37,795</u>	<u>\$ (38,349)</u>	<u>5,887,886</u>	<u>\$ 3,733,231</u>
Less: accumulated depreciation	3,629,414	<u>\$ 142,164</u>	<u>\$ (38,347)</u>	3,733,231	
Depreciable capital assets, net	<u>2,259,026</u>			<u>2,154,655</u>	
Total capital assets	<u>\$ 2,923,355</u>			<u>\$ 2,818,984</u>	

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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 June 30, 2005	Additions	Retirements	Balance June 30, 2006	Current Portion
Accrued vacation pay	\$ 2,519,856	\$ 876,877	\$ (1,000,000)	\$ 2,396,733	\$ 1,100,000
Unfunded LEO	282,596	138,554	(57,835)	363,315	-
General obligation bonds	8,310,000	-	(2,655,000)	5,655,000	2,360,000
Certificates of participation	95,540,000	-	(4,740,000)	90,800,000	5,055,000
Notes payable	2,266,640	3,422,002	(495,183)	5,193,459	697,363
Total	<u>\$ 108,919,092</u>	<u>\$ 4,437,433</u>	<u>\$ (8,948,018)</u>	<u>\$ 104,408,507</u>	<u>\$ 9,212,363</u>

By Purpose	
Schools	\$ 69,705,000
Pitt Community College	4,165,000
General government	3,422,003
Public safety	776,337
Economic and physical development	995,119
Courthouse and human services refunding	22,585,000
Accrued vacation pay	2,396,733
Unfunded LEO	363,315
Total	<u>\$ 104,408,507</u>

Note: The General Fund is typically used to liquidate the compensated absences and pension liabilities.

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

	Balance June 30, 2005	Additions	Retirements	Balance June 30, 2006	Current Portion
General obligation bonds	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ (200,000)</u>	<u>\$ 1,000,000</u>	<u>\$ 200,000</u>
Closure and postclosure	<u>\$ 1,640,000</u>	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ 1,580,000</u>	<u>\$ 60,000</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

B. Certificates of Participation

A summary of the County's Certificates of Participation is as follows:

Original Issue			Payment Information		Outstanding	Purpose and Collateral
Amount	Date	Rate	Period	Amount	Balance	
27,500,000	May 1997	5.53%	Annual	\$1,570,000	\$ 3,410,000	Refund 1991 issue, courthouse addition, new school; secured by real estate
12,255,000	May 2000	5.28%	Annual	950,000 - 1,165,000	10,310,000	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	25,950,000	Construct high school; secured by real estate
12,635,000	October 2001	3.00% - 4.70%	Annual	735,000 - 360,000	9,455,000	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	<u>41,675,000</u>	School projects, advance refund debt; secured by real estate
Total certificates of participation					<u>\$ 90,800,000</u>	

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

	Principal	Interest	Total
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	5,020,000	2,782,738	7,802,738
2012-2016	24,315,000	10,826,019	35,141,019
2017-2021	18,530,000	8,521,559	27,051,559
2022-2026	18,035,000	10,226,059	28,261,059
2027-2031	<u>4,245,000</u>	<u>424,500</u>	<u>4,669,500</u>
Total	<u>\$ 90,800,000</u>	<u>\$ 45,027,883</u>	<u>\$ 135,827,883</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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% \$1,490,000

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 at 4.01% 3,960,000

Pitt Community College Bonds, Series 1999, payable annually from June 2000 through June 2010 in amounts ranging from \$40,000 to \$55,000; interest at 4.01% 205,000

Total serviced by the County's Debt Service Fund 5,655,000

Serviced by the County's Enterprise Fund

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

Total general obligation bonds \$6,655,000

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

	Debt Service Fund			Enterprise Fund		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 2,360,000	\$ 243,718	\$ 2,603,718	\$ 200,000	\$ 52,900	\$ 252,900
2008	955,000	132,730	1,087,730	200,000	42,400	242,400
2009	1,260,000	94,728	1,354,728	200,000	31,800	231,800
2010	1,080,000	44,278	1,124,278	200,000	21,200	221,200
2011	-	-	-	200,000	10,600	210,600
	<u>\$ 5,655,000</u>	<u>\$ 515,454</u>	<u>\$ 6,170,454</u>	<u>\$1,000,000</u>	<u>\$ 158,900</u>	<u>\$1,158,900</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

D. Notes Payables

A summary of the County's notes payable is as follows:

Original Issue		Payment Information		Outstanding	Security
Date	Rate	Period	Amount	Balance	
August 1997	6.30%	Quarterly	\$ 26,921	\$ 505,988	Real estate
March 2000	4.25%	Quarterly	23,621	197,674	Real estate
August 2003	4.50%	Quarterly	62,305	228,512	Real estate
September 2003	3.50%	Quarterly	8,208	62,945	Real estate
May 2004	2.55%	Semi-annual	42,847	206,320	Ambulances
December 2004	2.55%	Annual	56,000 + interest	448,000	EMS facilities
August 2004	3.48%	Annual	33,204	122,017	Autopulse equipment
January 2006	3.49%	Semi-annual	72,675	475,000	MIS equipment
July 2005	3.50%	Quarterly	7,434	250,000	GTP - Grifton
July 2005	3.56%	Quarterly	70,470	2,697,002	Engineering project
				<u>\$ 5,193,458</u>	

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

	Principal	Interest	Total
2007	\$ 697,363	\$ 181,006	\$ 878,369
2008	717,290	155,795	873,085
2009	666,031	128,815	794,846
2010	563,616	113,973	677,589
2011	428,039	86,527	514,566
2012-2016	1,644,431	234,268	1,878,699
2017-2021	476,689	17,103	493,792
Total	<u>\$ 5,193,459</u>	<u>\$ 917,487</u>	<u>\$ 6,110,946</u>

E. Statutory Debt Limitation

The County is subject to the Municipal Finance Law of North Carolina which limits the amount of net bonded debt (exclusive of revenue and special assessment bonds) the County may have outstanding to 8 percent of the appraised value of property subject to taxation. At June 30, 2006, net debt outstanding was \$101,627,585. The statutory limit at that date was \$711,377,509 providing a debt margin of \$609,749,924.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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 at 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, 2006, 2005 and 2004 were \$3,576,333, \$3,573,015, and \$3,696,923, 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, 2005 the Separation Allowance's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	8
Active plan members	122
Total	<u>130</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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 \$85,000, or 2.56% 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. The annual required contribution for the fiscal year ended June 30, 2006 was determined as part of the December 31, 2005 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Item (b) included an inflation component of 3.75%.

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	\$	161,462
Interest on net pension obligation		20,488
Adjustment to annual required contribution		<u>(16,231)</u>
Annual pension costs		165,719
Employer contributions made for fiscal year ending June 30, 2006		<u>85,000</u>
Increase (decrease) in net pension obligation		80,719
Net pension obligation, beginning of fiscal year		<u>282,596</u>
Net pension obligation, end of fiscal year	\$	<u>363,315</u>

Three Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2004	\$ 121,327	64%	\$ 221,092
6/30/2005	139,004	56%	282,596
6/30/2006	165,719	51%	363,315

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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, 2006 were \$318,705, which consisted of \$239,092 from the County and \$79,613 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, 2006 was \$1,848,856, which consisted of \$1,317,051 from the County and \$531,805 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, 2006, the County's required and actual contributions were \$51,955.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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, 2006, the County made payments for postretirement health benefit premiums of \$415,644. 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 \$50,000 and will be a minimum of \$25,000. 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, 2006, the County made contributions to the State for death benefits of \$29,264. 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, 2006

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 \$1,580,000 reported as landfill postclosure care liability at June 30, 2006 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 2006. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

12. Deferred / Unearned Revenues

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

	General Fund	Special Revenue Funds	Total
Prepaid taxes not yet earned	\$ 640,289	\$ 14,933	\$ 655,222
Taxes receivable (net)	1,976,578	222,217	2,198,795
Special assessments receivable (net)	44,145	-	44,145
Accounts receivable (net)	380,666	2,155,801	2,536,467
Interest receivable (net)	1,393,566	-	1,393,566
Other unearned revenues	189,810	-	189,810
Total	<u>\$4,625,054</u>	<u>\$2,392,951</u>	<u>\$7,018,005</u>

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

	Governmental Activities	Business-Type Activities	Total
Prepaid taxes	\$ 655,222	\$ -	\$ 655,222
Prepaid fees	189,810	5,531	195,341
Unamortized bond premium	196,304	-	196,304
Total	<u>\$ 1,041,336</u>	<u>\$ 5,531</u>	<u>\$ 1,046,867</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

13. Accounts Payable and Interfund Balances

Disaggregate Information

Type of Payable	Governmental Activities	Business-Type Activities	Total
Trade payables	\$ 3,690,833	\$ 307,252	\$ 3,998,085
Retainage payable	741,658	-	741,658
Accrued salaries and fringe benefits	36,402	-	36,402
IBNR estimate (incurred but not reported)	976,526	-	976,526
Total	<u>\$ 5,445,419</u>	<u>\$ 307,252</u>	<u>\$ 5,752,671</u>

The composition of internal balances as of June 30, 2006 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	Landfill Fund	<u>\$ 780,396</u>

14. Risk Management

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employee; 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 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 Workers' 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. The County also has \$1,000,000 of flood insurance for all buildings covered by the commercial insurance policy.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

For the Hospitalization Fund, a total of \$4,880,417 in claims and changes in estimates were incurred for benefits during fiscal year 2006. Changes in the fund's claims liability amounts in fiscal 1997 – 2006 were as follows:

<u>Fiscal Year</u>	<u>Fiscal Year Beginning</u>	<u>Changes in Estimates</u>	<u>Claim Payments</u>	<u>Fiscal Year -End</u>
1997	\$ 530,725	\$ 2,147,567	\$(2,297,035)	\$ 381,257
1998	381,257	3,410,671	(3,261,134)	530,794
1999	530,794	2,977,764	(2,561,819)	946,739
2000	946,739	3,364,243	(3,566,756)	744,226
2001	744,226	4,479,717	(4,722,943)	501,000
2002	501,000	4,989,610	(4,357,401)	1,133,209
2003	1,133,209	5,220,350	(5,082,000)	1,271,559
2004	1,271,559	5,351,642	(5,432,872)	1,190,329
2005	1,190,329	4,880,417	(5,085,003)	985,743
2006	985,743	5,064,307	(5,173,524)	876,526

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, 2006.

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 twelve 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 forty-two voting members, consisting of three members from Pitt County and each of the twelve 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 is nonexpendable and will revolve as loans are made and repaid to the Commission. At June 30, 2006, the portion of the trust available to be loaned exclusively to Pitt County was \$1,318,385.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

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 \$3,360,000 to the community college for operating purposes and \$75,000 for capital outlay during the fiscal year ended June 30, 2006. In addition, the County made debt service payments of \$835,000 for principal and \$201,130 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, 2006. 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, 2006. The County appropriated \$475,207 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, 2006, 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, 2006

20. Contingencies

The County participates in a number of federal and state grant programs. For the fiscal year ended June 30, 2006, 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 an 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, 2006. The projects are accounted for in the Capital Projects fund and are mainly funded by debt proceeds.

<u>Project</u>	<u>Balance of Contract</u>
2004 COPS School Projects	\$ 1,229,894

The County has financial commitments of \$148,352 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, 2006

22. 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, which cause benefit payments to be issued by the State. These amounts disclose the additional financial aid which does not appear in the basic financial statements because they are not revenues and expenditures of the County.

Energy assistance	\$ 225,633	\$ -
Temporary assistance to needy families (TANF)	1,663,024	(213)
Aid to Families with Dependent Children	13,516	(363)
Special assistance to adults	(1,326)	1,092,753
Adoption subsidy Title IV-E	397,451	114,099
Adoption subsidy Title IV-B	-	149,294
Medicaid	105,469,769	52,812,972
WIC	2,887,127	-
Food stamp program	18,964,310	-
Total	<u>\$ 129,619,504</u>	<u>\$ 54,168,542</u>

23. Component Unit Transactions

In fiscal year 2006, the County and its component units reported transactions between the entities as follows:

Pitt County	Purpose
Unrestricted intergovernmental revenues:	
From Pitt County ABC Board	\$ 700,000 Profit distribution
Economic and physical development expenses:	
To Pitt County Industrial Development Commission	140,518 Direct expenses

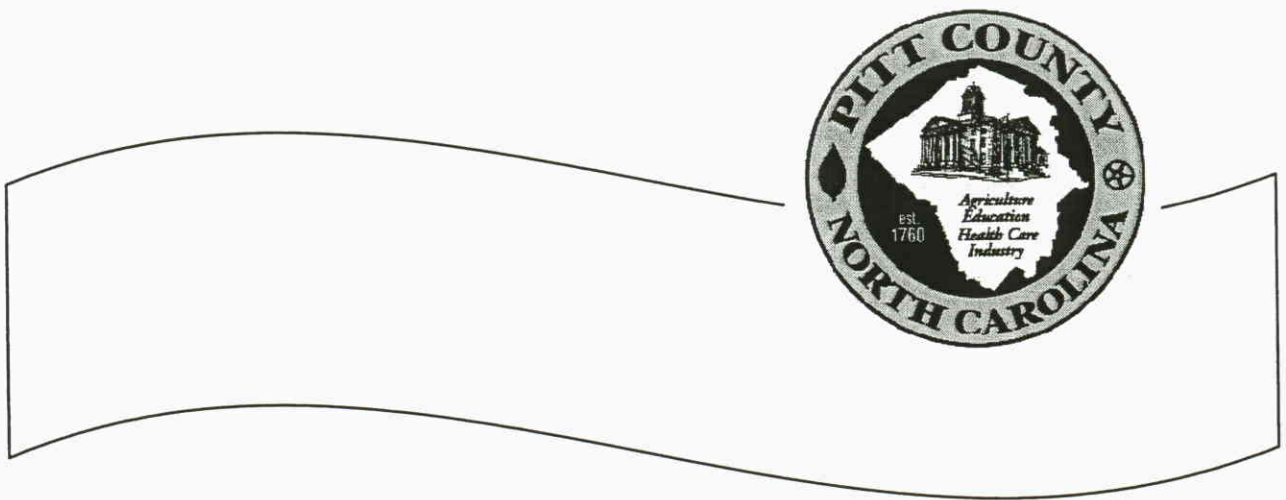
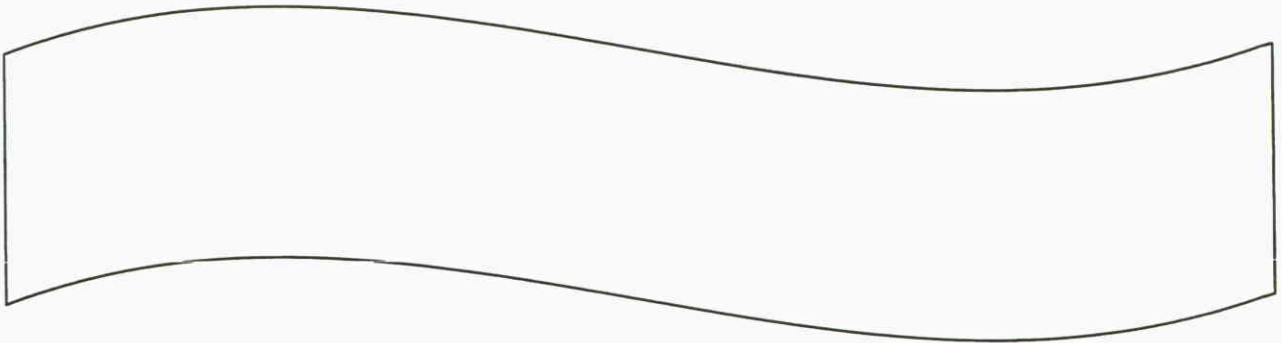
PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

24. Transfers From / To Other Funds

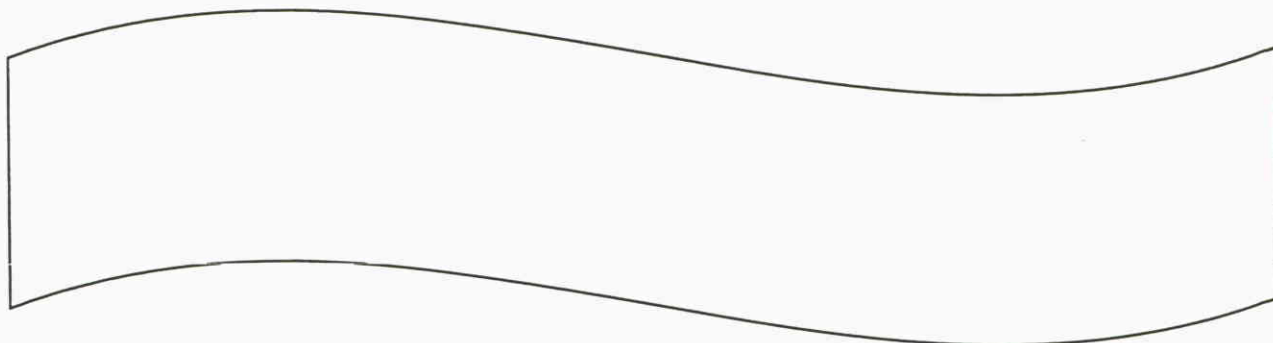
In fiscal year 2006, the County made the following transfers within its fund structure. Transfers to the debt service fund were made to fund required debt payments, transfers to other funds represent the local contribution by the County to fund certain activities and projects.

Fund Type	Fund Name	Transfers		Purpose
		From	To	
General	General Fund	\$ 6,700		
Special Revenue	Revaluation		\$ 6,700	Local contribution
General	General Fund	80,000		
Special Revenue	School Capital Reserve		80,000	Local contribution
General	General Fund	100,000		
Capital Project	School Improvement		100,000	Local contribution
General	General Fund	6,252,101		
Debt Service	Debt Service		6,252,101	Annual debt service requirement
General	General Fund	713,814		
Special Revenue	EMS District		713,814	Fund operating deficit
General	General Fund	74,789		
Special Revenue	State Grants		74,789	Local match
General	General Fund	167,000		
Capital Project	Community Schools & Recreation		167,000	Local contribution
Special Revenue	School Capital Reserve	5,917,658		
Debt Service	Debt Service	-	5,917,658	Annual debt service requirement
Total interfund transfers		<u>\$ 13,312,062</u>	<u>\$ 13,312,062</u>	



SUPPLEMENTAL FINANCIAL DATA

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



PITT COUNTY, NORTH CAROLINA

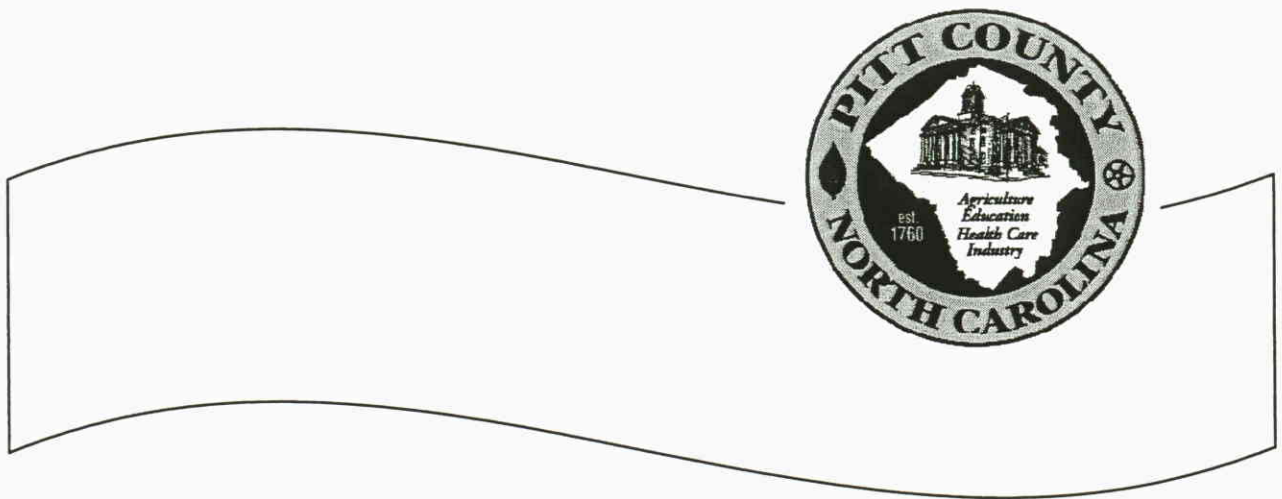
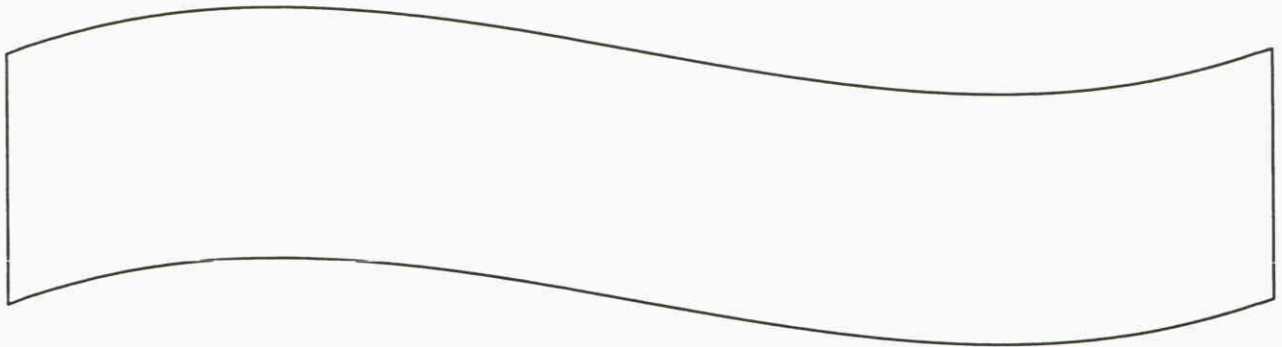
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2006**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
12/31/2005	\$ 231,994	\$ 1,422,064	1,190,070	16.31%	\$ 4,865,725	24.46%
12/31/2004	200,787	1,473,679	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%

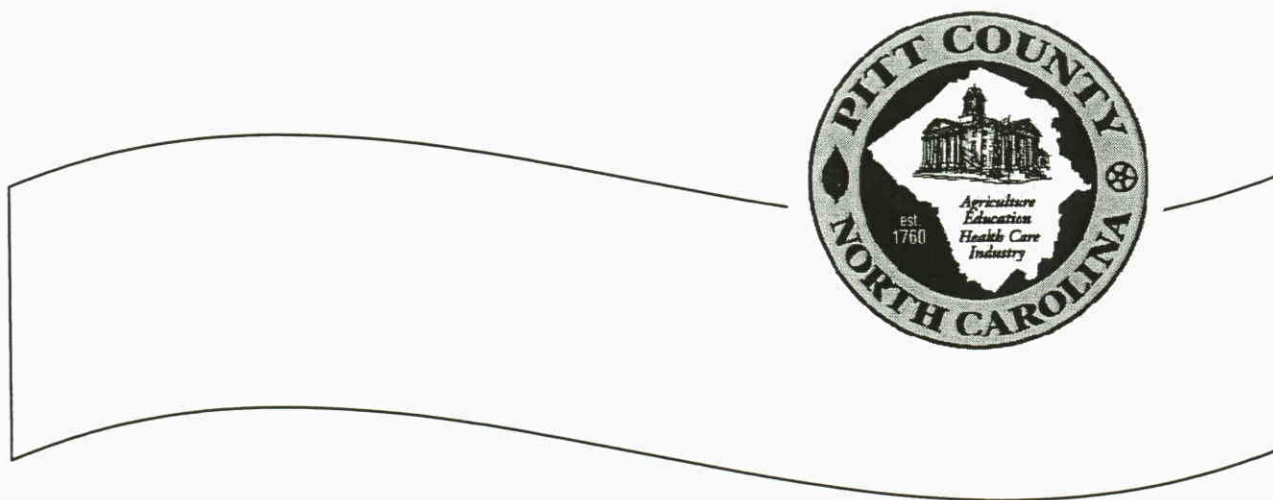
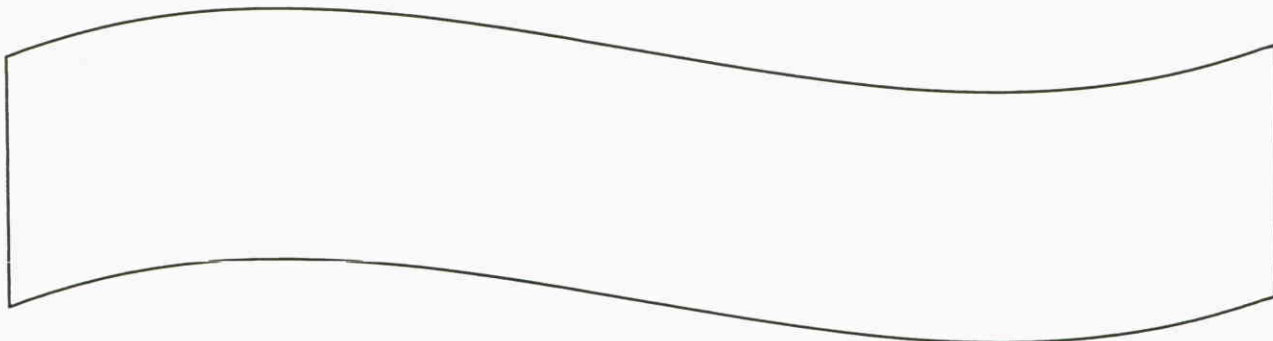
Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2005	\$ 165,719	\$ 85,000	51.29%
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%



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, 2006.



PITT COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2006

Fiscal Year	Uncollected Balance June 30, 2005	Additions	Collections and Credits	Uncollected Balance June 30, 2006
2005-2006	\$ -	60,994,300	\$ 58,743,657	2,250,643
2004-2005	2,031,575	-	1,445,078	586,497
2003-2004	675,599	-	271,518	404,081
2002-2003	462,728	-	137,376	325,352
2001-2002	244,007	-	58,686	185,321
2000-2001	230,656	-	35,355	195,301
1999-2000	191,985	-	21,102	170,883
1998-1999	256,785	-	16,551	240,234
1997-1998	147,052	-	10,716	136,336
1996-1997	114,952	-	9,724	105,228
1995-1996	111,592	-	111,592	-
	<u>\$ 4,466,931</u>	<u>\$ 60,994,300</u>	<u>\$ 60,861,355</u>	<u>4,599,876</u>
Plus: uncollected 2006-07 ad valorem taxes receivable on annually registered vehicles and tax discoveries				503,534
Less: allowance for uncollectable ad valorem taxes receivable				<u>3,126,832</u>
				<u>\$ 1,976,578</u>
Reconciliation with revenues:				
Taxes-Ad Valorem				<u>\$ 60,878,021</u>
Reconciling Items:				
Interest and Cost				(747,515)
Discounts allowed				555,640
Refunds				52,999
Amounts written off for tax years per statute of limitations				105,782
Collection of taxes previously written off				6,421
Miscellaneous tax adjustments				<u>10,007</u>
				<u>(16,666)</u>
Total collections and credits				<u>\$ 60,861,355</u>

PITT COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2006

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 8,613,669,206	\$ 0.70	\$ 60,295,684	\$ 52,971,592	\$ 7,324,092
Penalties	-		11,144	11,144	-
Total	<u>8,613,669,206</u>		<u>60,306,828</u>	<u>52,982,736</u>	<u>7,324,092</u>
Discoveries:					
Current year taxes	321,256,527	0.70	2,244,290	2,231,720	12,570
Penalties	-		123,479	123,479	-
Total	<u>321,256,527</u>		<u>2,367,769</u>	<u>2,355,198</u>	<u>12,570</u>
Abatements	<u>(42,706,874)</u>		<u>(310,368)</u>	<u>(310,368)</u>	<u>N/A</u>
Total property valuation	<u>\$ 8,892,218,859</u>				
Net levy			62,364,229	55,027,567	7,336,662
Less: Tax rate attributed to					
Industrial Development Commission		0.015	(1,319,653)	(1,319,653)	-
Capital Reserve			<u>(50,276)</u>	<u>(50,276)</u>	<u>-</u>
Net levy to County			60,994,300	53,657,638	7,336,662
Less: uncollected taxes at June 30, 2006			<u>(2,250,643)</u>	<u>(2,250,643)</u>	<u>N/A</u>
Current year's taxes collected			<u>\$ 58,743,657</u>	<u>\$ 51,406,995</u>	<u>N/A</u>
Percent current year collected			<u>96.31%</u>	<u>95.81%</u>	<u>N/A</u>
Prior year collection percentage			<u>96.39%</u>	<u>95.90%</u>	

Note: The Motor Vehicle Abatements and Accounts Receivable are not separable in the tax system utilized in fiscal year ending June 30, 2006

PITT COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2006Secondary Market Disclosures

Assessed Valuation:	
Assessment Ratio (1)	92.60%
Real Property	\$ 6,716,994,823
Personal Property	2,068,236,052
Public Service Companies (2)	<u>106,987,984</u>
Total Assessed Valuation	8,892,218,859
Tax Rate per \$100	<u>0.70</u>
Levy (includes discoveries, releases and abatements) (3)	<u>\$ 62,245,532</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>\$ 1,633,096</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

TOP TEN TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2006

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
DSM Catalytica	Pharmaceutical	\$ 232,011,098	2.75%
Dyneema LLC	Manufacturing	89,557,908	1.06%
Sprint	Communications	65,400,000	0.77%
Paper Pak	Manufacturing	52,412,524	0.62%
Weyerhaeuser Company	Manufacturing	40,116,474	0.47%
ASMO	Manufacturing	36,029,052	0.43%
NACCO	Manufacturing	27,746,667	0.33%
Marelda Greenville Mall (Colonial)	Shopping Mall	26,978,780	0.32%
Speight, Maxine	Developer	26,043,670	0.31%
Southeast Region, LLC (Pirates Cove)	Apartments	19,086,006	0.23%

PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2006

	<i>Schedule C-1</i>	<i>Schedule A-7</i>	<i>Schedule D-1</i>	
	Special	Debt	Capital	
	Revenue	Service	Projects	
	Funds	Fund	Fund	Total
Assets:				
Cash, cash equivalents and investments	\$ -	\$ 83,212	\$ 682,595	\$ 765,807
Taxes receivable, net	222,216	-	-	222,216
Accounts receivable, net	3,366,953	-	19,453	3,386,406
Prepaid items	31,228	-	-	31,228
Cash and investments, restricted	539,868	-	1,619,755	2,159,623
Total assets	\$ 4,274,081	\$ 83,212	\$ 2,321,803	\$ 6,679,096
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 109,279	\$ -	\$ 754,628	\$ 863,907
Due to other funds	35,248	-	-	35,248
Deferred revenues	2,392,951	-	-	2,392,951
Total liabilities	2,537,478	-	754,628	3,292,106
Fund Balances:				
Reserved by State Statute	1,211,152	-	-	1,211,152
Reserved for prepaid items	31,228	-	-	31,228
Reserved for wireless 911 operations	445,061	-	-	445,061
Reserved for Winterville Rural Fire Dept.	24,204	-	-	24,204
Unreserved	24,958	83,212	1,567,175	1,675,345
Total fund balances	1,736,603	83,212	1,567,175	3,386,990
Total liabilities and fund balances	\$ 4,274,081	\$ 83,212	\$ 2,321,803	\$ 6,679,096

PITT COUNTY, NORTH CAROLINA

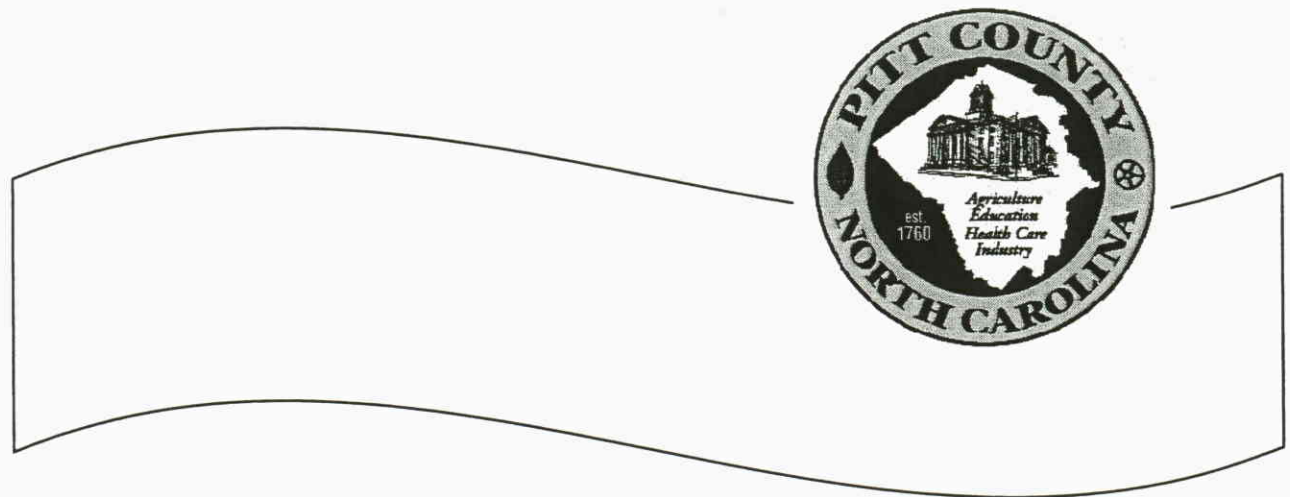
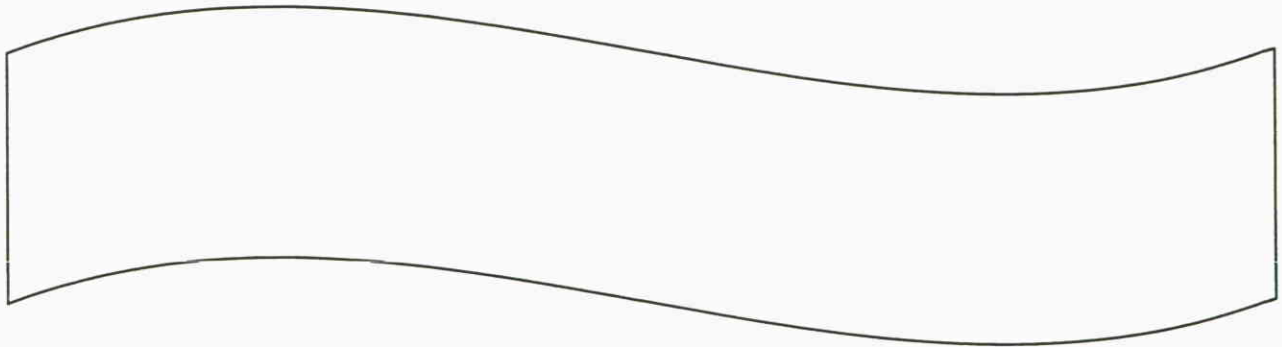
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2006

	<i>Schedule C-2</i> Special Revenue Funds	<i>Schedule A-7</i> Debt Service Fund	<i>Schedule D-2</i> Capital Projects Fund	Total
Revenues:				
Ad valorem taxes	\$ 3,146,857	\$ -	\$ -	\$ 3,146,857
Other taxes and licenses	5,193,354	-	-	5,193,354
Unrestricted intergovernmental revenues	-	140,518	-	140,518
Restricted intergovernmental revenues	3,480,580	-	19,453	3,500,033
Sales and services	1,414,563	-	-	1,414,563
Investment earnings	6,159	1,812	39,544	47,515
Miscellaneous	8,854	286,360	812,211	1,107,425
Total revenues	<u>13,250,367</u>	<u>428,690</u>	<u>871,208</u>	<u>14,550,265</u>
Expenditures:				
Current:				
Public safety	5,091,741	-	-	5,091,741
Economic and physical development	2,526,879	-	-	2,526,879
Capital outlay	-	-	8,911,587	8,911,587
Debt service:				
Principal repayments	188,704	7,598,441	-	7,787,145
Interest	5,080	4,987,150	-	4,992,230
Total expenditures	<u>7,812,404</u>	<u>12,585,591</u>	<u>8,911,587</u>	<u>29,309,582</u>
Revenues over (under) expenditures	<u>5,437,963</u>	<u>(12,156,901)</u>	<u>(8,040,379)</u>	<u>(14,759,317)</u>
Other Financing Sources (Uses):				
Transfers in	1,198,028	12,169,759	267,000	13,634,787
Transfers out	(5,837,658)	-	(867,261)	(6,704,919)
Total other financing sources (uses)	<u>(4,639,630)</u>	<u>12,169,759</u>	<u>(600,261)</u>	<u>6,929,868</u>
Net change in fund balances	798,333	12,858	(8,640,640)	(7,829,449)
Fund Balances:				
Beginning of year - July 1	938,270	70,354	10,207,815	11,216,439
End of year - June 30	<u>\$ 1,736,603</u>	<u>\$ 83,212</u>	<u>\$ 1,567,175</u>	<u>\$ 3,386,990</u>

PITT COUNTY, NORTH CAROLINA

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

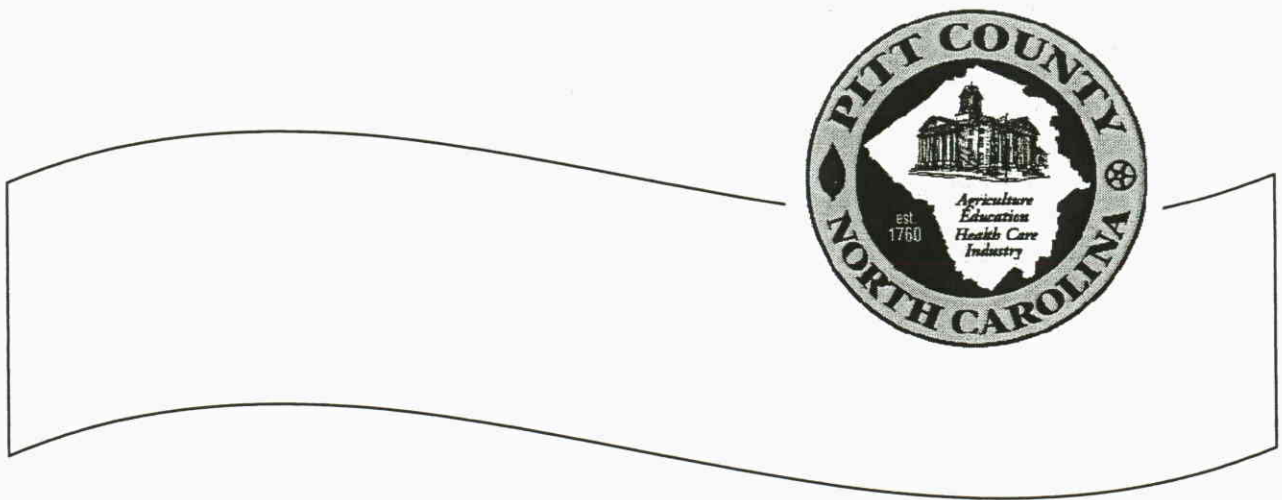
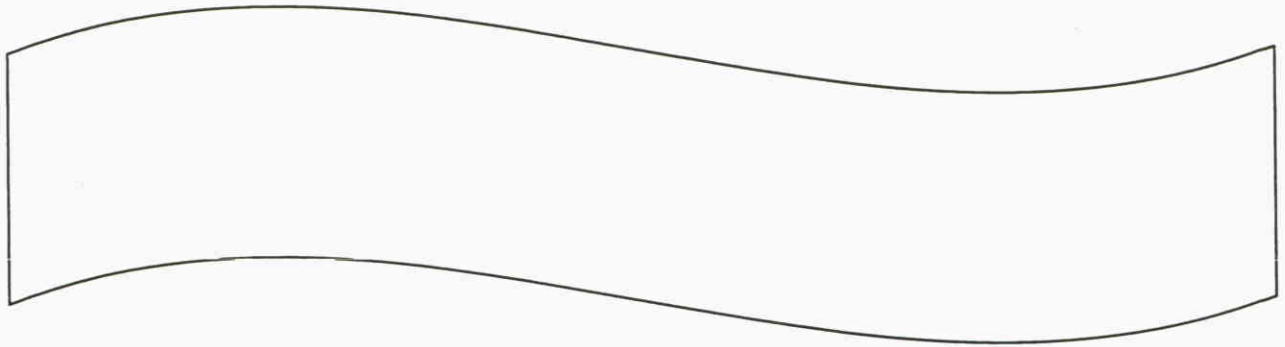
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Unrestricted intergovernmental revenues:			
Pitt Industrial Development Commission	\$ 140,518	\$ 140,518	\$ -
Miscellaneous	276,960	286,360	9,400
Interest earned on investments	-	1,812	1,812
Total revenues	<u>417,478</u>	<u>428,690</u>	<u>11,212</u>
Expenditures:			
Debt service:			
Principal payments - loans	7,597,151	7,598,441	(1,290)
Interest - loans	4,990,086	4,987,150	2,936
Total expenditures	<u>12,587,237</u>	<u>12,585,591</u>	<u>1,646</u>
Revenues over (under) expenditures	<u>(12,169,759)</u>	<u>(12,156,901)</u>	<u>12,858</u>
Other Financing Sources (Uses):			
Transfer in - General	6,252,101	6,252,101	-
Transfer in - Special Revenue	5,917,658	5,917,658	-
Total other financing sources	<u>12,169,759</u>	<u>12,169,759</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>12,858</u>	<u>\$ 12,858</u>
Fund Balances:			
Beginning of year - July 1		<u>70,354</u>	
End of year - June 30		<u>\$ 83,212</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 BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005**

	<u>2006</u>			<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes:				
Taxes	\$ 57,943,633	\$ 60,130,507	\$ 2,186,874	\$ 55,548,774
Penalties and interest	550,000	747,515	197,515	699,342
Total ad valorem taxes	<u>58,493,633</u>	<u>60,878,022</u>	<u>2,384,389</u>	<u>56,248,116</u>
Other taxes and licenses:				
Occupancy tax	16,500	18,666	2,166	17,180
Local option sales taxes	20,125,096	21,232,409	1,107,313	19,641,243
Payment in lieu of taxes	1,467,000	1,464,556	(2,444)	1,424,666
Privilege licenses	2,000	9,107	7,107	9,666
Marriage licenses	24,056	25,335	1,279	23,715
Gross receipts tax	90,200	104,796	14,596	94,903
Total other taxes and licenses	<u>21,724,852</u>	<u>22,854,869</u>	<u>1,130,017</u>	<u>21,211,373</u>
Unrestricted intergovernmental revenues:				
Alcohol, beer and wine tax	246,000	230,228	(15,772)	233,252
Pitt County ABC Board	700,000	700,000	-	700,000
Social Services fees and grants	499,439	374,124	(125,315)	420,326
Total unrestricted intergovernmental revenues	<u>1,445,439</u>	<u>1,304,352</u>	<u>(141,087)</u>	<u>1,353,578</u>
Restricted intergovernmental revenues:				
Public Health fees and grants	4,629,195	4,614,550	(14,645)	4,499,712
Social Services fees and grants	17,292,414	16,805,548	(486,866)	15,511,569
Mental Health fees and grants	24,152,343	23,554,662	(597,681)	20,013,069
Jail fees	428,011	517,123	89,112	427,528
Automation E&P - Register of deeds	-	107,444	107,444	102,339
Federal and state grants	15,000	71,022	56,022	38,080
Total restricted intergovernmental revenues	<u>46,516,963</u>	<u>45,670,349</u>	<u>(846,614)</u>	<u>40,592,297</u>
Permits and fees:				
Building permits and inspection fees	558,900	606,236	47,336	612,069
Register of deeds	984,515	993,520	9,005	946,758
Excise stamps	724,449	942,961	218,512	764,244
Rabies control fees	30,000	35,470	5,470	37,592
Animal fees	65,100	60,763	(4,337)	58,368
Court facility fees	349,235	362,804	13,569	336,897
Total permits and fees	<u>2,712,199</u>	<u>3,001,754</u>	<u>289,555</u>	<u>2,755,928</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2006

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

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Sales and services:				
Rents, concessions and fees	3,380,308	3,694,158	313,850	3,338,954
State and federal prison inmate reimbursement	2,019,915	1,465,120	(554,795)	1,970,854
Total sales and services	5,400,223	5,159,278	(240,945)	5,309,808
Investment earnings	1,202,100	1,836,068	633,968	1,132,642
Miscellaneous:				
Sale of capital assets	25,000	22,923	(2,077)	28,055
Other	856,631	891,122	34,491	778,413
Total miscellaneous	881,631	914,045	32,414	806,468
Total revenues	138,377,040	141,618,737	3,241,697	129,410,210
Expenditures:				
General government:				
Governing board, county manager, legal, public information officer	1,653,311	1,614,867	38,444	1,557,008
Finance, tax assessor, tax collector	3,165,498	2,861,092	304,406	2,242,932
Elections	600,571	495,783	104,788	557,575
Register of Deeds	762,718	734,215	28,503	915,295
Human resources	489,496	449,363	40,133	431,310
Print shop/mailroom, management information system, geographic information system	1,965,267	1,859,158	106,109	1,741,286
Buildings and grounds, housekeeping	5,395,314	5,366,588	28,726	2,735,434
Non-departmental - General Administration	2,346,725	2,126,697	220,028	1,598,615
Total general government	16,378,900	15,507,763	871,137	11,779,455
Public safety:				
Sheriff's department, school security, other public safety	9,266,526	9,004,350	262,176	8,034,912
Detention center, jail inmate services, jail health services	8,546,185	8,279,381	266,804	7,646,600
Emergency services	588,367	558,065	30,302	561,437
Communications	848,413	748,108	100,305	746,593
Animal and mosquito control	463,005	445,305	17,700	421,489
Inspections	328,734	311,558	17,176	289,555
Medical examiner	88,500	65,075	23,425	85,925
Transportation	19,742	8,987	10,755	19,650
LEO pension fund	70,000	57,835	12,165	60,828
Court facility	266,335	257,601	8,734	235,643
Total public safety	20,485,807	19,736,265	749,542	18,102,632

PITT COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005**

	<u>2006</u>			<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Environmental protection:				
Other environmental protection	950	950	-	4,950
Soil and water conservation	224,006	218,686	5,320	206,485
Total environmental protection	224,956	219,636	5,320	211,435
Economic and physical development:				
Planning and zoning	645,855	595,060	50,795	555,034
Permitting center	164,746	156,911	7,835	154,514
Other economic development	413,438	413,351	87	205,602
Engineering	244,688	224,306	20,382	227,283
Cooperative extension	303,106	316,799	(13,693)	288,931
Farmers Market	34,556	30,067	4,489	28,729
Total economic and physical development	1,806,389	1,736,494	69,895	1,460,093
Human services:				
Other human services	460,100	460,100	-	205,160
Veterans affairs	51,855	50,229	1,626	49,005
Public Health:				
Administration	2,007,670	1,681,876	325,794	1,560,168
Services and programs	6,262,529	5,733,200	529,329	5,522,578
Social Services:				
Administration	1,123,952	1,066,435	57,517	1,030,561
Services and programs	18,018,244	17,633,497	384,747	16,491,795
Public assistance	12,265,040	12,535,851	(270,811)	10,145,901
Child support	1,980,381	1,762,252	218,129	1,756,070
Mental Health:				
Administration	1,560,856	1,563,577	(2,721)	1,261,568
Services and programs	24,206,055	24,462,084	(256,029)	20,830,107
Total human services	67,936,682	66,949,101	987,581	58,852,913
Education:				
Pitt County schools	29,513,342	29,513,342	-	28,110,448
Pitt Community College	3,435,000	3,435,000	-	3,275,000
Total education	32,948,342	32,948,342	-	31,385,448

PITT COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005**

	<u>2006</u>			<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Cultural and recreation	538,975	536,972	2,003	505,161
Debt service	153,046	153,045	1	153,282
Total expenditures	140,473,097	137,787,618	2,685,479	122,450,419
Revenues over (under) expenditures	(2,096,057)	3,831,119	5,927,176	6,959,791
Other Financing Sources (Uses):				
Operating transfers in (out):				
Special Revenue Funds	(953,351)	(861,903)	91,448	(566,885)
Debt Service Fund	(6,252,101)	(6,252,101)	-	(4,811,949)
Capital Projects Funds	(267,000)	184,136	451,136	(1,412,391)
Proceeds from issuance of long-term debt	3,422,002	3,422,002	-	-
Appropriated fund balance	6,146,507	-	(6,146,507)	-
Total other financing sources (uses)	2,096,057	(3,507,866)	(5,603,923)	(6,791,225)
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	323,253	<u>\$ 323,253</u>	168,566
Fund Balances:				
Beginning of year - July 1		33,292,132		33,123,566
End of year - June 30		<u>\$ 33,615,385</u>		<u>\$ 33,292,132</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL DEPARTMENTS FOR THE YEAR ENDED JUNE 30, 2006

	<i>Schedule B-3</i>	<i>Schedule B-4</i>	<i>Schedule B-5</i>
	General	Law	Public
	Services	Enforcement	Health
	Officer's Fund	Department	
Revenues:			
Ad valorem taxes	\$ 60,878,022	\$ -	\$ -
Other taxes and licenses	22,854,869	-	-
Unrestricted intergovernmental revenues	930,228	-	-
Restricted intergovernmental revenues	588,145	-	4,614,550
Permits and fees	2,746,394	-	-
Sales and services	4,424,392	-	-
Investment earnings	1,832,942	712	-
Miscellaneous	864,083	3,762	-
Total revenues	<u>95,119,075</u>	<u>4,474</u>	<u>4,614,550</u>
Expenditures:			
General government	15,507,763	-	-
Public safety	19,420,829	57,835	-
Environmental protection	219,636	-	-
Economic and physical development	1,736,494	-	-
Human services	510,329	-	7,415,076
Education	32,948,342	-	-
Cultural and recreational	536,972	-	-
Debt service	153,045	-	-
Total expenditures	<u>71,033,410</u>	<u>57,835</u>	<u>7,415,076</u>
Revenues over (under) expenditures	<u>24,085,665</u>	<u>(53,361)</u>	<u>(2,800,526)</u>
Other Financing Sources (Uses):			
Proceeds from issuance of debt	3,422,002	-	-
Intrafund transfers in (out)	(18,702,147)	84,997	2,627,784
Operating transfers in (out):			
Special Revenue Funds	(861,903)	-	-
Debt Service Fund	(6,077,101)	-	-
Capital Projects Fund	184,136	-	-
Total other financing sources (uses)	<u>(22,035,013)</u>	<u>84,997</u>	<u>2,627,784</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>2,050,652</u>	<u>31,636</u>	<u>(172,742)</u>
Fund Balances:			
Beginning of year - July 1	<u>26,362,118</u>	<u>213,674</u>	<u>1,779,742</u>
End of year - June 30	<u>\$ 28,412,770</u>	<u>\$ 245,310</u>	<u>\$ 1,607,000</u>

Schedule B-2

<i>Schedule B-6</i> Social Services Department	<i>Schedule B-7</i> Court Facility Department	<i>Schedule B-8</i> Mental Health Department	Combined Total
\$ -	\$ -	\$ -	\$ 60,878,022
-	-	-	22,854,869
374,124	-	-	1,304,352
16,805,548	-	23,554,662	45,562,905
-	362,804	-	3,109,198
734,886	-	-	5,159,278
-	2,414	-	1,836,068
46,200	-	-	914,045
<u>17,960,758</u>	<u>365,218</u>	<u>23,554,662</u>	<u>141,618,737</u>
-	-	-	15,507,763
-	257,601	-	19,736,265
-	-	-	219,636
-	-	-	1,736,494
32,998,035	-	26,025,661	66,949,101
-	-	-	32,948,342
-	-	-	536,972
-	-	-	153,045
<u>32,998,035</u>	<u>257,601</u>	<u>26,025,661</u>	<u>137,787,618</u>
<u>(15,037,277)</u>	<u>107,617</u>	<u>(2,470,999)</u>	<u>3,831,119</u>
-	-	-	3,422,002
14,394,778	-	1,594,588	-
-	-	-	(861,903)
-	(175,000)	-	(6,252,101)
-	-	-	184,136
<u>14,394,778</u>	<u>(175,000)</u>	<u>1,594,588</u>	<u>(3,507,866)</u>
(642,499)	(67,383)	(876,411)	323,253
<u>2,381,472</u>	<u>237,795</u>	<u>2,317,331</u>	<u>33,292,132</u>
<u>\$ 1,738,973</u>	<u>\$ 170,412</u>	<u>\$ 1,440,920</u>	<u>\$ 33,615,385</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes:				
Taxes	\$ 57,943,633	\$ 60,130,507	\$ 2,186,874	\$ 55,548,774
Penalties and interest	550,000	747,515	197,515	699,342
Total ad valorem taxes	58,493,633	60,878,022	2,384,389	56,248,116
Other taxes and licenses:				
Occupancy tax	16,500	18,666	2,166	17,180
Local options sales tax	20,125,096	21,232,409	1,107,313	19,641,243
Payment in lieu of tax	1,467,000	1,464,556	(2,444)	1,424,666
Privilege licenses	2,000	9,107	7,107	9,666
Marriage licenses	24,056	25,335	1,279	23,715
Gross receipts tax	90,200	104,796	14,596	94,903
Total other taxes and licenses	21,724,852	22,854,869	1,130,017	21,211,373
Unrestricted intergovernmental revenues:				
Alcohol, beer and wine tax	246,000	230,228	(15,772)	233,252
Pitt County ABC Board	700,000	700,000	-	700,000
Total unrestricted intergovernmental revenues	946,000	930,228	(15,772)	933,252
Restricted intergovernmental revenues:				
Jail fees	428,011	517,123	89,112	427,528
Federal and state grants	15,000	71,022	56,022	38,080
Total restricted intergovernmental revenues	443,011	588,145	145,134	465,608
Permits and fees:				
Building permits and inspection fees	558,900	606,236	47,336	612,069
Register of deeds	984,515	993,520	9,005	946,758
Excise stamps	724,449	942,961	218,512	764,244
Automation E&P - Register of deeds	-	107,444	107,444	-
Rabies control fees	30,000	35,470	5,470	37,592
Animal fees	65,100	60,763	(4,337)	58,368
Total permits and fees	2,362,964	2,746,394	383,430	2,419,031
Sales and services:				
Rents, concessions and fees	2,657,500	2,959,272	301,772	2,631,518
State and federal prison inmate reimbursement	2,019,915	1,465,120	(554,795)	1,970,854
Total sales and services	4,677,415	4,424,392	(253,023)	4,602,372

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006		Variance Over/Under	2005
	Budget	Actual		Actual
Investment earnings	<u>1,200,000</u>	<u>1,832,942</u>	<u>632,942</u>	<u>1,130,382</u>
Miscellaneous:				
Sale of fixed assets	25,000	22,923	(2,077)	28,055
Other	<u>809,636</u>	<u>841,160</u>	<u>31,524</u>	<u>727,480</u>
Total miscellaneous	<u>834,636</u>	<u>864,083</u>	<u>29,447</u>	<u>755,535</u>
 Total revenues	 <u>90,682,511</u>	 <u>95,119,075</u>	 <u>4,436,564</u>	 <u>87,765,669</u>
Expenditures:				
General government:				
Governing body:				
Salaries and employee benefits	167,898	165,330	2,568	164,734
Operating expenses	<u>42,300</u>	<u>45,574</u>	<u>(3,274)</u>	<u>35,693</u>
	<u>210,198</u>	<u>210,904</u>	<u>(706)</u>	<u>200,427</u>
County manager:				
Salaries and employee benefits	477,532	453,013	24,519	470,215
Operating expenses	<u>27,500</u>	<u>28,993</u>	<u>(1,493)</u>	<u>20,163</u>
	<u>505,032</u>	<u>482,006</u>	<u>23,026</u>	<u>490,378</u>
Financial services:				
Salaries and employee benefits	665,419	618,053	47,366	687,344
Operating expenses	<u>48,775</u>	<u>52,403</u>	<u>(3,628)</u>	<u>32,413</u>
	<u>714,194</u>	<u>670,456</u>	<u>43,738</u>	<u>719,757</u>
Tax assessor:				
Salaries and employee benefits	1,170,480	1,010,587	159,893	882,884
Operating expenses	<u>799,400</u>	<u>705,681</u>	<u>93,719</u>	<u>205,368</u>
	<u>1,969,880</u>	<u>1,716,268</u>	<u>253,612</u>	<u>1,088,252</u>
Tax collector:				
Salaries and employee benefits	443,334	436,172	7,162	395,411
Operating expenses	<u>38,090</u>	<u>38,196</u>	<u>(106)</u>	<u>39,512</u>
	<u>481,424</u>	<u>474,368</u>	<u>7,056</u>	<u>434,923</u>
Legal:				
Salaries and employee benefits	680,104	661,935	18,169	626,464
Operating expenses	<u>76,600</u>	<u>66,855</u>	<u>9,745</u>	<u>71,128</u>
	<u>756,704</u>	<u>728,790</u>	<u>27,914</u>	<u>697,592</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Elections:				
Salaries and employee benefits	373,159	319,973	53,186	367,599
Operating expenses	227,412	175,810	51,602	189,976
	<u>600,571</u>	<u>495,783</u>	<u>104,788</u>	<u>557,575</u>
Register of deeds:				
Salaries and employee benefits	552,743	553,826	(1,083)	515,683
Operating expenses	209,975	180,389	29,586	399,612
	<u>762,718</u>	<u>734,215</u>	<u>28,503</u>	<u>915,295</u>
Public information office:				
Salaries and employee benefits	101,275	102,173	(898)	95,409
Operating expenses	74,652	85,810	(11,158)	67,668
Capital outlay	5,450	5,184	266	5,534
	<u>181,377</u>	<u>193,167</u>	<u>(11,790)</u>	<u>168,611</u>
Human resources:				
Salaries and employee benefits	450,807	416,369	34,438	400,599
Operating expenses	38,689	32,994	5,695	30,711
	<u>489,496</u>	<u>449,363</u>	<u>40,133</u>	<u>431,310</u>
Print shop / mail room:				
Salaries and employee benefits	99,832	101,357	(1,525)	101,842
Operating expenses	66,855	48,582	18,273	60,062
Reimbursement from other departments/funds	(63,000)	(57,030)	(5,970)	(57,976)
	<u>103,687</u>	<u>92,909</u>	<u>10,778</u>	<u>103,928</u>
Management information systems:				
Salaries and employee benefits	1,820,184	1,770,686	49,498	1,657,351
Operating expenses	862,785	873,133	(10,348)	855,699
Capital outlay	55,000	46,388	8,612	45,139
Reimbursement from other departments/funds	(1,128,250)	(1,159,157)	30,907	(1,157,419)
	<u>1,609,719</u>	<u>1,531,050</u>	<u>78,669</u>	<u>1,400,770</u>
Geographical information systems:				
Salaries and employee benefits	153,971	154,941	(970)	146,616
Operating expenses	179,890	172,536	7,354	174,876
Capital outlay	38,000	45,440	(7,440)	35,000
Reimbursement from other departments/funds	(120,000)	(137,718)	17,718	(119,904)
	<u>251,861</u>	<u>235,199</u>	<u>16,662</u>	<u>236,588</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Buildings and grounds:				
Salaries and employee benefits	988,325	920,807	67,518	913,353
Operating expenses	3,990,989	4,056,794	(65,805)	1,107,664
Capital outlay	44,000	43,238	762	322,492
	<u>5,023,314</u>	<u>5,020,839</u>	<u>2,475</u>	<u>2,343,509</u>
Housekeeping:				
Salaries and employee benefits		-	-	344
Operating expenses	372,000	345,749	26,251	391,581
	<u>372,000</u>	<u>345,749</u>	<u>26,251</u>	<u>391,925</u>
General government nonallocated expenditures:				
Other employee insurance and benefits	571,275	529,175	42,100	508,562
Professional services	164,500	125,358	39,142	126,424
Insurance and bonding	770,000	629,879	140,121	573,789
Quasi-external workers compensation	721,000	721,003	(3)	285,000
Miscellaneous items	119,950	121,282	(1,332)	104,840
	<u>2,346,725</u>	<u>2,126,697</u>	<u>220,028</u>	<u>1,598,615</u>
Total general government	<u>16,378,900</u>	<u>15,507,763</u>	<u>871,137</u>	<u>11,779,455</u>
Public safety:				
Sheriff:				
Salaries and employee benefits	6,966,021	6,757,233	208,788	5,969,081
Operating expenses	1,075,385	1,098,958	(23,573)	987,412
Capital outlay	398,003	397,982	21	341,111
	<u>8,439,409</u>	<u>8,254,173</u>	<u>185,236</u>	<u>7,297,604</u>
Detention center:				
Salaries and employee benefits	5,540,633	5,276,381	264,252	5,006,121
Operating expenses	1,830,700	1,822,600	8,100	1,581,907
Capital outlay	24,200	21,000	3,200	18,603
	<u>7,395,533</u>	<u>7,119,981</u>	<u>275,552</u>	<u>6,606,631</u>
Jail health services:				
Salaries and benefits	1,026,643	1,026,653	(10)	938,491
Operating expenses	84,500	93,245	(8,745)	64,244
	<u>1,111,143</u>	<u>1,119,898</u>	<u>(8,755)</u>	<u>1,002,735</u>
Jail inmate coordinator:				
Salaries and benefits	39,509	39,502	7	37,234

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
School security:				
Salaries and benefits	558,045	550,844	7,201	516,272
Operating expenses	21,660	19,896	1,764	20,678
	<u>579,705</u>	<u>570,740</u>	<u>8,965</u>	<u>536,950</u>
Emergency services:				
Salaries and benefits	212,967	210,028	2,939	180,798
Operating expenses	375,400	348,037	27,363	380,639
	<u>588,367</u>	<u>558,065</u>	<u>30,302</u>	<u>561,437</u>
Communications:				
Salaries and benefits	815,945	724,455	91,490	725,727
Operating expenses	32,468	23,653	8,815	20,382
Capital outlay	-	-	-	484
	<u>848,413</u>	<u>748,108</u>	<u>100,305</u>	<u>746,593</u>
Animal and mosquito control:				
Salaries and employee benefits	295,235	294,550	685	274,938
Operating expenses	149,770	135,425	14,345	130,775
Capital outlay	18,000	15,330	2,670	15,776
	<u>463,005</u>	<u>445,305</u>	<u>17,700</u>	<u>421,489</u>
Inspections:				
Salaries and employee benefits	293,634	276,516	17,118	270,821
Operating expenses	35,100	35,042	58	18,734
	<u>328,734</u>	<u>311,558</u>	<u>17,176</u>	<u>289,555</u>
Medical examiner:				
Professional services	88,500	65,075	23,425	85,925
Other public safety:				
Operating expenses	247,412	179,437	67,975	200,377
	<u>247,412</u>	<u>179,437</u>	<u>67,975</u>	<u>200,377</u>
Transportation:				
Salaries and benefits	14,014	4,050	-	-
Operating expenses	5,728	4,937	791	19,650
	<u>19,742</u>	<u>8,987</u>	<u>791</u>	<u>19,650</u>
Total public safety	<u>20,149,472</u>	<u>19,420,829</u>	<u>718,679</u>	<u>17,806,180</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Environmental protection:				
Other environmental protection:				
Contracts / grants	950	950	-	4,950
Pitt soil and water conservation:				
Salaries and benefits	202,498	201,589	909	191,712
Operating expenses	21,508	17,097	4,411	14,773
	224,006	218,686	5,320	206,485
Total environmental protection	224,956	219,636	5,320	211,435
Economic and physical development:				
Planning and zoning:				
Salaries and employee benefits	521,895	495,888	26,007	477,010
Operating expenses	122,660	97,872	24,788	78,024
Capital outlay	1,300	1,300	-	-
	645,855	595,060	50,795	555,034
Permitting center:				
Salaries and benefits	152,346	146,318	6,028	143,439
Operating expenses	12,400	10,593	1,807	11,075
	164,746	156,911	7,835	154,514
Other economic development:				
Operating expenses	413,438	413,351	87	205,602
Engineering:				
Salaries and employee benefits	225,918	213,500	12,418	212,680
Operating expenses	18,770	10,806	7,964	14,603
	244,688	224,306	20,382	227,283
Cooperative extension:				
Operating expenses	100,475	100,418	57	79,611
Professional Services	202,631	216,381	(13,750)	209,320
	303,106	316,799	(13,693)	288,931
Farmers market:				
Salaries and employee benefits	27,506	23,441	4,065	21,950
Professional Services	7,050	6,626	424	6,779
	34,556	30,067	4,489	28,729
Total economic and physical development	1,806,389	1,736,494	69,895	1,460,093

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Human services:				
Other human services	460,100	460,100	-	205,160
Veterans affairs	51,855	50,229	1,626	49,005
Total human services	511,955	510,329	1,626	254,165
Education:				
Pitt County schools:				
Current	28,763,342	28,763,342	-	27,360,448
Capital outlay	750,000	750,000	-	750,000
	29,513,342	29,513,342	-	28,110,448
Pitt Community College:				
Current	3,360,000	3,360,000	-	3,200,000
Capital outlay	75,000	75,000	-	75,000
	3,435,000	3,435,000	-	3,275,000
Total education	32,948,342	32,948,342	-	31,385,448
Cultural and recreational:				
Cultural - contracts/grants	37,268	35,265	2,003	22,500
Recreational - contracts/grants	25,000	25,000	-	25,000
Libraries - contracts/grants	476,707	476,707	-	457,661
Total cultural and recreational	538,975	536,972	2,003	505,161
Debt service:				
Principal repayments	149,526	149,526	-	142,720
Interest and fees	3,520	3,519	1	10,325
Total debt service	153,046	153,045	1	153,045
Total expenditures	72,712,035	71,033,410	1,668,661	63,554,982
Revenues over (under) expenditures	17,970,476	24,085,665	6,105,225	24,210,687

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	<u>2006</u>			<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out):				
Law enforcement from General Fund	(85,000)	(84,997)	3	(77,500)
Public Health from General Fund	(2,627,784)	(2,627,784)	-	(2,366,154)
DSS from General Fund	(14,394,778)	(14,394,778)	-	(13,009,091)
Mental Health	(1,594,588)	(1,594,588)	-	(1,594,588)
	<u>(18,702,150)</u>	<u>(18,702,147)</u>	<u>3</u>	<u>(17,047,333)</u>
Operating transfers in (out):				
Special Revenue Funds	(953,351)	(861,903)	91,448	(567,122)
Debt Service Fund	(6,077,101)	(6,077,101)	-	(4,636,949)
Capital Projects Funds	(267,000)	184,136	451,136	(1,412,391)
	<u>(7,297,452)</u>	<u>(6,754,868)</u>	<u>542,584</u>	<u>(6,616,462)</u>
Budgetary financing sources (uses):				
Proceeds from issuance of debt	3,422,002	3,422,002	-	-
Appropriated fund balance - General Fund	4,607,124	-	(4,607,124)	-
	<u>8,029,126</u>	<u>3,422,002</u>	<u>(4,607,124)</u>	<u>-</u>
Total other financing sources (uses)	<u>(17,970,476)</u>	<u>(22,035,013)</u>	<u>(4,064,537)</u>	<u>(23,663,795)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,050,652</u>	<u>\$ 2,050,652</u>	<u>\$ 546,892</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - LAW ENFORCEMENT OFFICERS' FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2006

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

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Miscellaneous revenues	\$ -	\$ 3,762	\$ 3,762	\$ 3,449
Interest on investments	-	712	712	218
Total revenues	-	4,474	4,474	3,667
Expenditures:				
Public safety:				
LEO pension services:				
Salaries and employee benefits	70,000	57,835	12,165	60,828
Revenues over (under) expenditures	(70,000)	(53,361)	(7,691)	(57,161)
Other Financing Sources (Uses):				
Intrafund transfers in (out):				
Law Enforcement from General Fund	85,000	84,997	(3)	77,500
Appropriated fund balance	(15,000)	-	15,000	-
Total other financing sources (uses)	70,000	84,997	14,997	77,500
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 31,636	\$ 31,636	\$ 20,339

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues:				
Administration	\$ 53,510	\$ 67,337	\$ 13,827	\$ 34,268
Environmental health	262,075	235,235	(26,840)	294,178
Food and lodging	10,100	11,583	1,483	13,090
Tuberculosis	36,186	35,767	(419)	38,843
Tuberculosis CDC	42,000	42,485	485	55,872
Adolescent pregnancy grants	13,006	11,390	(1,616)	12,012
Healthy Start	137,962	138,963	1,001	146,067
Carolina Access II	-	-	-	940
Cardiovascular health	102,800	84,586	(18,214)	99,008
Smart Start	119,015	119,015	-	118,070
Adult health	13,010	16,095	3,085	15,728
Health promotion	62,643	55,497	(7,146)	48,488
AIDS	67,500	60,779	(6,721)	76,976
Epilepsy	18,096	13,880	(4,216)	12,902
Breast/cervical cancer prevention	28,140	24,605	(3,535)	28,401
Communicable disease	210,466	196,295	(14,171)	199,898
Community transition coordination	44,000	44,000	-	44,000
Infant mortality	52,500	52,500	-	56,000
Child health	196,339	189,254	(7,085)	221,447
Maternal health	476,194	611,858	135,664	524,800
Family planning	396,503	463,279	66,776	442,309
Maternity care coordination	416,800	378,978	(37,822)	323,510
Child services coordination	293,400	249,969	(43,431)	181,602
WIC administration	64,141	18,977	(45,164)	66,601
WIC nutrition	209,962	212,997	3,035	215,836
WIC breastfeeding	19,041	15,714	(3,327)	17,406
WIC client services	317,083	339,138	22,055	319,729
Immunization action plan	46,344	40,970	(5,374)	41,663
Orthopedic	-	-	-	80
Speech and hearing	-	90	90	100
Mobile dental unit	140,502	183,596	43,094	180,208
Emergency planning - HD	139,436	127,266	(12,170)	79,261
Early childhood intervention	-	7,361	7,361	16,376
In home breastfeeding	39,562	30,080	(9,482)	25,595
Bioterrorism team	363,770	353,908	(9,862)	295,895
DHHS Funds	181,217	153,046	(28,171)	252,553
WIC Peer Counseling	12,142	28,057	15,915	-
Public Health Ready	43,750	-	(43,750)	-
Total revenues	4,629,195	4,614,550	(14,645)	4,499,712

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Expenditures:				
Administration	2,007,670	1,681,876	325,794	1,560,168
Environmental health	806,035	770,553	35,482	702,144
Food and lodging	10,100	11,260	(1,160)	10,992
Tuberculosis	118,778	116,827	1,951	111,564
Tuberculosis CDC	60,195	60,523	(328)	60,371
Adolescent pregnancy prevention	13,006	11,389	1,617	12,012
Healthy Start	137,962	135,287	2,675	139,425
Cardiovascular health	105,969	83,574	22,395	97,091
Smart Start	119,015	119,475	(460)	116,333
Adult health	34,397	32,570	1,827	30,134
Health promotion	168,279	165,749	2,530	138,314
AIDS	257,511	259,083	(1,572)	253,306
Drugs and vaccines	18,096	13,880	4,216	12,903
Breast/cervical cancer prevention	28,140	24,303	3,837	20,999
Communicable disease	370,343	356,626	13,717	324,428
Community transition coordination	55,469	56,186	(717)	53,510
Infant mortality	63,456	64,187	(731)	63,851
Child health	279,990	265,137	14,853	265,053
Maternal health	603,439	524,933	78,506	493,124
Family planning	693,623	580,307	113,316	584,542
Maternity care coordination	307,927	286,833	21,094	192,636
Child services coordination	317,381	319,415	(2,034)	310,066
WIC administration	82,599	26,364	56,235	78,658
WIC nutrition	209,962	227,114	(17,152)	214,656
WIC breastfeeding	19,041	3,350	15,691	3,057
WIC client services	317,083	300,781	16,302	289,982
Immunization action plan	61,409	61,516	(107)	57,803
Mobile dental unit	218,097	176,879	41,218	177,598
Emergency planning - HD	144,786	103,119		78,726
Early childhood intervention	-	-		87,449
In home breastfeeding	39,562	33,866		27,679
Bioterrorism team	363,770	354,246	9,524	276,164
DHHS funds	181,217	153,066	28,151	238,008
WIC Peer Counseling	12,142	7,005	5,137	-
Public Health Ready	43,750	27,797	15,953	-
Total expenditures	8,270,199	7,415,076	807,760	7,082,746
Revenues over (under) expenditures	(3,641,004)	(2,800,526)	840,478	(2,583,034)

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	<u>2006</u>		<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Intrafund transfer from General Fund	2,627,784	2,627,784	-
Appropriated fund balance	1,013,220	-	(1,013,220)
Total other financing sources (uses)	<u>3,641,004</u>	<u>2,627,784</u>	<u>(1,013,220)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (172,742)</u>	<u>\$ (172,742)</u>
			<u>\$ (216,880)</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - SOCIAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Unrestricted intergovernmental revenues:				
Fees and grants	\$ 499,439	\$ 374,124	\$ (125,315)	\$ 420,326
Restricted intergovernmental revenues:				
Fees and grants	17,292,414	16,805,548	(486,866)	15,511,569
Sales and services	722,808	734,886	12,078	707,436
Miscellaneous	46,995	46,200	(795)	47,484
Total revenues	18,561,656	17,960,758	(600,898)	16,686,815
Expenditures:				
Social services administration	1,123,952	1,066,435	57,517	1,030,561
Other administration expenses	1,033,150	1,009,315	23,835	893,274
Regular services administration	4,142,370	3,910,265	232,105	3,711,215
Purchased services	7,067,273	7,006,587	60,686	6,603,946
Public assistance programs	12,265,040	12,535,851	(270,811)	10,145,901
Long-term screening	99,500	98,146	1,354	93,492
General assistance	123,750	114,862	8,888	115,809
Title IV D child support	1,980,381	1,762,252	218,129	1,756,070
Workfirst	1,824,282	1,868,389	(44,107)	1,663,615
Income maintenance administration	3,196,401	3,125,382	71,019	2,905,510
Energy programs	245,054	226,498	18,556	227,912
Purchased services HCCBG	286,464	274,053	12,411	260,181
Transportation (PATs)	-	-	-	16,841
Total expenditures	33,387,617	32,998,035	389,582	29,424,327
Revenues over (under) expenditures	(14,825,961)	(15,037,277)	(211,316)	(12,737,512)
Other Financing Sources (Uses):				
Intrafund transfer in - General Fund	14,394,778	14,394,778	-	13,009,091
Appropriated fund balance	431,183	-	(431,183)	-
Total other financing sources (uses)	14,825,961	14,394,778	(431,183)	13,009,091
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (642,499)	\$ (642,499)	\$ 271,579

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - COURT FACILITY DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees:				
Court facility fees	\$ 349,235	\$ 362,804	\$ 13,569	\$ 336,897
Investment earnings	2,100	2,414	314	2,042
Total revenues	351,335	365,218	13,883	338,939
Expenditures:				
Public safety:				
Salaries and employee benefits	47,635	46,884	-	44,042
Operating expenses	218,700	210,717	-	191,601
Total expenditures	266,335	257,601	8,734	235,643
Revenues over (under) expenditures	85,000	107,617	22,617	103,296
Other Financing Sources (Uses):				
Operating transfer - Debt Service Fund	(175,000)	(175,000)	-	(175,000)
Appropriated fund balance	90,000	-	(90,000)	-
Total other financing sources (uses)	(85,000)	(175,000)	(90,000)	(175,000)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (67,383)	\$ (67,383)	\$ (71,704)

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - MENTAL HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues:				
Community outreach	\$ 270,125	\$ -	\$ (270,125)	\$ 39,597
General agency - administration	2,271,941	3,962,433	1,690,492	7,264,884
Community access services	55,812	39,588	(16,224)	78,680
East Area Resident Treatment Home	-	-	-	4
Child case management	-	-	-	249,864
Child and family general	-	-	-	92,400
PORT Majors Initiative	-	-	-	14,905
Providing Opportunities for Recovery Teens	-	-	-	118,354
At Risk Children (formerly Willie M)	-	-	-	3,647
Residential contracts	9,032,248	11,411,621	2,379,373	5,089,455
Adolescent outreach	2,154,226	10,024	(2,144,202)	538
DD wait list	1,138,363	1,109,221	(29,142)	672,559
Developmental disability	-	-	-	129,311
Adult DD contracts	963,093	2,929,858	1,966,765	1,025,168
Community Alternative Program	-	236,433	236,433	424,964
Early intervention	-	-	-	(29,165)
Child DD contracts	334,522	6,565	(327,957)	792,279
MR/MI (formerly Thomas S)	-	-	-	179,783
MRMI contracts	1,467,677	9,407	(1,458,270)	1,002,806
Psychological rehabilitation	56,072	4,018	(52,054)	221,679
TASC	-	-	-	15,366
Partial hospitalization	41,867	1,950	(39,917)	88,479
Adult case management	-	-	-	86,480
Care management	874,147	148	(873,999)	30,231
IV Drugs	-	-	-	65,433
Adult MH/SA general	-	581	581	330,543
Detoxification services	-	-	-	50,155
Child SA contracts	806,179	765,079	(41,100)	408,611
Adult SA contracts	3,732,033	2,922,323	(809,710)	1,192,307
Adult MH contracts	954,038	145,413	(808,625)	373,752
Total revenues	<u>24,152,343</u>	<u>23,554,662</u>	<u>(597,681)</u>	<u>20,013,069</u>
Expenditures:				
Mental Health area director	753,776	750,583	3,193	512,200
Community outreach	277,977	173,396	104,581	162,811
QI regulatory compliance	485,126	491,411	(6,285)	233,253
Administrative services	807,080	812,994	(5,914)	749,368

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - MENTAL HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Medical records	35,208	38,244	(3,036)	128,627
General agency	260,800	249,234	11,566	474,424
Employee assistance program	50,812	31,861	18,951	115,520
Provider relations	24,980	6,721	18,259	74,955
East Area Residential Treatment Home	-	-	-	4
Child case management	-	22	(22)	344,465
Child and family general	-	-	-	-
PORT Majors Initiative	-	-	-	16,272
Providing Opportunity For Recovering Teens	-	-	-	117,017
At Risk Children (formerly Willie M)	-	-	-	17,485
Residential Contracts	5,651,830	300,346	5,351,484	7,336,103
Adolescent outreach	2,397,056	-	2,397,056	1,618
DD wait list	5,566,682	21,316,480	(15,749,798)	1,088,932
Developmental disabilities general	-	-	-	159,841
Adult DD contracts	1,071,656	189,758	881,898	1,299,917
CAP Community Alternatives	-	-	-	380,691
Early intervention	-	-	-	(290)
Child DD contracts	372,230	72,088	300,142	1,408,948
MR/MI (formerly Thomas S)	-	-	-	185,325
MRMI contracts	1,633,118	32,356	1,600,762	1,501,096
Psychosocial rehabilitation	60,484	49,391	11,093	224,583
TASC	-	-	-	45,617
Partial hospital	56,979	77,310	(20,331)	121,565
Adult case management	-	-	-	187,452
Care management	896,722	890,757	5,965	582,660
IV Drugs	-	-	-	64,934
Adult MH/SA general	-	-	-	842,329
Detoxification services	-	-	-	69,441
Child SA contracts	647,054	7,675	639,379	1,184,323
Adult SA contracts	3,905,855	341,506	3,564,349	1,885,017
Adult MH contracts	772,862	155,327	617,535	575,172
Total expenditures	25,766,911	26,025,661	(258,750)	22,091,675
Revenues over (under) expenditures	(1,614,568)	(2,470,999)	(856,431)	(2,078,606)

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - MENTAL HEALTH DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
Intrafund transfer in - General Fund	1,594,588	1,594,588	-	1,594,588
Appropriated fund balance	19,980	-	(19,980)	-
Total other financing sources (uses)	1,614,568	1,594,588	(19,980)	1,594,588
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (876,411)	\$ (876,411)	\$ (484,018)

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.
- **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, 2006

	<i>Schedule C-3</i>	<i>Schedule C-4</i>	<i>Schedule C-5</i>	<i>Schedule C-6</i>
	School Capital Reserve	County Capital Reserve	State/Federal Forfeiture Fund	CDBG Fund
Assets:				
Cash, cash equivalents and investments	\$ -	\$ 311,536	\$ 21,107	\$ -
Taxes receivable, net	-	(19,301)	-	-
Accounts receivable, net	887,714	-	-	-
Prepaid items	-	-	-	-
Intrafund due to/from other funds	(237,782)	-	-	(97,816)
Due from other governments	-	-	-	97,816
Total assets	\$ 649,932	\$ 292,235	\$ 21,107	\$ -
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenues	-	(19,301)	-	-
Total liabilities	-	(19,301)	-	-
Fund Balances (Deficit):	649,932	311,536	21,107	-
Total liabilities and fund balances	\$ 649,932	\$ 292,235	\$ 21,107	\$ -

Schedule C-1

<i>Schedule C-7</i> State Grants Fund	<i>Schedule C-8</i> Revaluation Fund	<i>Schedule C-9</i> Industrial Development Building	<i>Schedule C-10</i> Fire Districts Fund	<i>Schedule C-11</i> EMS District Fund	<i>Schedule C-12</i> E911 Surcharge Fund	Total
\$ -	\$ -	\$ 135,907	\$ 71,318	\$ -	\$ -	\$ 539,868
-	-	-	107,432	134,085	-	222,216
224,194	-	-	-	2,180,318	74,727	3,366,953
30	-	-	-	31,198	-	31,228
(261,567)	197,401	876,422	-	(1,106,759)	630,101	-
-	-	-	-	16,000	-	113,816
<u>\$ (37,343)</u>	<u>\$ 197,401</u>	<u>\$ 1,012,329</u>	<u>\$ 178,750</u>	<u>\$ 1,254,842</u>	<u>\$ 704,828</u>	<u>\$ 4,274,081</u>
\$ 66,534	\$ -	\$ -	\$ 31,353	\$ 11,353	\$ 39	\$ 109,279
-	-	-	-	-	35,248	35,248
-	-	-	122,367	2,289,885	-	2,392,951
<u>66,534</u>	<u>-</u>	<u>-</u>	<u>153,720</u>	<u>2,301,238</u>	<u>35,287</u>	<u>2,537,478</u>
(103,877)	197,401	1,012,329	25,030	(1,046,396)	669,541	1,736,603
<u>\$ (37,343)</u>	<u>\$ 197,401</u>	<u>\$ 1,012,329</u>	<u>\$ 178,750</u>	<u>\$ 1,254,842</u>	<u>\$ 704,828</u>	<u>\$ 4,274,081</u>

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2006

	<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	Hurricane Floyd Grant Fund
Revenues:					
Ad valorem taxes	\$ -	\$ 50,277	\$ -	\$ -	\$ -
Other taxes and licenses	5,193,354	-	-	-	-
Restricted intergovernmental revenues	1,130,018	-	57,358	146,912	-
Sales and services	-	-	-	-	-
Investment earnings	-	-	424	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>6,323,372</u>	<u>50,277</u>	<u>57,782</u>	<u>146,912</u>	<u>-</u>
Expenditures:					
Current:					
Public safety	-	-	116,258	-	-
Economic and physical development	-	-	-	108,913	3,514
Debt service	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>116,258</u>	<u>108,913</u>	<u>3,514</u>
Revenues over (under) expenditures	<u>6,323,372</u>	<u>50,277</u>	<u>(58,476)</u>	<u>37,999</u>	<u>(3,514)</u>
Other Financing Sources (Uses):					
Transfers in	416,125	-	-	-	-
Transfers out	<u>(5,837,658)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,421,533)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	901,839	50,277	(58,476)	37,999	(3,514)
Fund Balances:					
Beginning of year - July 1	<u>(251,907)</u>	<u>261,259</u>	<u>79,583</u>	<u>(37,999)</u>	<u>3,514</u>
End of year - June 30	<u>\$ 649,932</u>	<u>\$ 311,536</u>	<u>\$ 21,107</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule C-2

<i>Schedule C-7</i> State Grants Fund	<i>Schedule C-8</i> Revaluation Fund	<i>Schedule C-9</i> Industrial Development Building	<i>Schedule C-10</i> Fire Districts Fund	<i>Schedule C-11</i> EMS District Fund	<i>Schedule C-12</i> E911 Surcharge Fund	Total
\$ -	\$ -	\$ -	\$ 1,193,580	\$ 1,903,000	\$ -	\$ 3,146,857
-	-	-	-	-	-	5,193,354
2,146,292	-	-	-	-	-	3,480,580
-	-	-	-	696,485	718,078	1,414,563
168	655	3,196	-	-	1,716	6,159
2,224	-	-	6,630	-	-	8,854
<u>2,148,684</u>	<u>655</u>	<u>3,196</u>	<u>1,200,210</u>	<u>2,599,485</u>	<u>719,794</u>	<u>13,250,367</u>
-	-	-	1,176,014	3,251,586	547,883	5,091,741
2,414,452	-	-	-	-	-	2,526,879
-	-	-	-	193,784	-	193,784
<u>2,414,452</u>	<u>-</u>	<u>-</u>	<u>1,176,014</u>	<u>3,445,370</u>	<u>547,883</u>	<u>7,812,404</u>
<u>(265,768)</u>	<u>655</u>	<u>3,196</u>	<u>24,196</u>	<u>(845,885)</u>	<u>171,911</u>	<u>5,437,963</u>
74,789	(6,700)	-	-	713,814	-	1,198,028
-	-	-	-	-	-	(5,837,658)
<u>74,789</u>	<u>(6,700)</u>	<u>-</u>	<u>-</u>	<u>713,814</u>	<u>-</u>	<u>(4,639,630)</u>
(190,979)	(6,045)	3,196	24,196	(132,071)	171,911	798,333
87,102	203,446	1,009,133	834	(914,325)	497,630	938,270
<u>\$ (103,877)</u>	<u>\$ 197,401</u>	<u>\$ 1,012,329</u>	<u>\$ 25,030</u>	<u>\$ (1,046,396)</u>	<u>\$ 669,541</u>	<u>\$ 1,736,603</u>

PITT COUNTY, NORTH CAROLINA

SCHOOL CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other taxes and licenses	\$ 4,707,640	\$ 5,193,354	\$ 485,714	\$ 4,528,493
Restricted intergovernmental revenues	1,130,018	1,130,018	-	899,775
Miscellaneous	-	-	-	-
Total revenues	<u>5,837,658</u>	<u>6,323,372</u>	<u>485,714</u>	<u>5,428,268</u>
Revenues over expenditures	<u>5,837,658</u>	<u>6,323,372</u>	<u>485,714</u>	<u>5,428,268</u>
Other Financing Sources (Uses):				
Transfer out - Debt Service Fund	(5,917,658)	(5,917,658)	-	(5,749,059)
Transfer out - School Capital Project Fund	80,000	80,000	-	-
Transfer in - Capital Project Fund	-	416,125	416,125	-
Total other financing sources (uses)	<u>(5,837,658)</u>	<u>(5,421,533)</u>	<u>416,125</u>	<u>(5,749,059)</u>
Net change in fund balances	<u>\$ -</u>	<u>901,839</u>	<u>\$ 901,839</u>	<u>\$ (320,791)</u>
Fund Balances:				
Beginning of year - July 1		(251,907)		
End of year - June 30		<u>\$ 649,932</u>		

PITT COUNTY, NORTH CAROLINA

COUNTY CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	<u>2006</u>			<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes	\$ -	\$ 50,277	\$ 50,277	\$ 1,657,487
Revenues over expenditures	-	50,277	50,277	1,657,487
Other Financing Sources (Uses):				
Transfer out	-	-	-	(1,400,000)
Net change in fund balances	\$ -	50,277	\$ 50,277	\$ 257,487
Fund Balances:				
Beginning of year - July 1		261,259		
End of year - June 30		\$ 311,536		

PITT COUNTY, NORTH CAROLINA

STATE/FEDERAL FORFEITURE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues:				
State/federal excise tax	\$ 38,001	\$ 57,358	\$ 19,357	\$ 64,074
Investment earnings	334	424	90	63
Total revenues	<u>38,335</u>	<u>57,782</u>	<u>19,447</u>	<u>64,137</u>
Expenditures:				
Public safety	<u>117,908</u>	<u>116,258</u>	<u>1,650</u>	<u>29,760</u>
Revenues over (under) expenditures	<u>(79,573)</u>	<u>(58,476)</u>	<u>21,097</u>	<u>34,377</u>
Other Financing Sources (Uses):				
Appropriated fund balance	<u>79,573</u>	<u>-</u>	<u>(79,573)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(58,476)</u>	<u>\$ (58,476)</u>	<u>\$ 34,377</u>
Fund Balances:				
Beginning of year - July 1		<u>79,583</u>		
End of year - June 30		<u>\$ 21,107</u>		

PITT COUNTY, NORTH CAROLINA

CDBG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2006

	<u>Project</u>		<u>Actual</u>	
	<u>Authorization</u>	<u>Prior</u>	<u>Current</u>	<u>Total</u>
		<u>Years</u>	<u>Year</u>	<u>To Date</u>
Revenues:				
Restricted intergovernmental revenues:				
Federal grants	\$ 600,000	\$ 451,389	\$ 146,912	\$ 598,301
Expenditures:				
Economic development	603,500	492,888	108,913	601,801
Revenues over (under) expenditures	(3,500)	(41,499)	37,999	(3,500)
Other Financing Sources (Uses):				
Transfers in	3,500	3,500	-	3,500
Net change in fund balances	\$ -	\$ (37,999)	\$ 37,999	\$ -

PITT COUNTY, NORTH CAROLINA

STATE GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2006

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

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues:				
State grants	\$ 3,038,307	\$ 2,146,292	\$ (892,015)	\$ 2,161,953
Investment earnings	168	168	-	67
Miscellaneous	2,224	2,224	-	-
Total revenues	3,040,699	2,148,684	(892,015)	2,162,020
Expenditures:				
Economic and physical development:				
Salaries and benefits	374,645	291,599	83,046	262,198
Operating expenses	3,006,530	2,122,853	883,677	2,021,744
Total expenditures	3,381,175	2,414,452	966,723	2,283,942
Revenues over (under) expenditures	(340,476)	(265,768)	74,708	(121,922)
Other Financing Sources (Uses):				
Transfer in	166,237	74,789	(91,448)	119,965
Appropriated fund balance	174,239	-	(174,239)	-
Total other financing sources (uses)	340,476	74,789	(265,687)	119,965
Net change in fund balances	\$ -	(190,979)	\$ (190,979)	\$ (1,957)
Fund Balances:				
Beginning of year - July 1		87,102		
End of year - June 30		<u>\$ (103,877)</u>		

PITT COUNTY, NORTH CAROLINA

REVALUATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2006

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

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 655	\$ 655	\$ 107
Expenditures:				
Economic and physical development:				
Salaries and employee benefits	-	-	-	2,740
Professional services	-	-	-	1,097
Total expenditures	-	-	-	3,837
Revenues over (under) expenditures	-	655	655	(3,730)
Other Financing Sources (Uses):				
Transfers in	(6,700)	(6,700)	-	200,000
Appropriated fund balance	6,700	-	(6,700)	-
Total other financing sources (uses)	-	(6,700)	(6,700)	200,000
Net change in fund balances	\$ -	(6,045)	\$ (6,045)	\$ 196,270
Fund Balances:				
Beginning of year - July 1		203,446		
End of year - June 30		\$ 197,401		

PITT COUNTY, NORTH CAROLINA

INDUSTRIAL DEVELOPMENT BUILDING RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	<u>2006</u>			<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ 3,196	\$ 3,196	\$ 1,083
Revenues over (under) expenditures	-	3,196	3,196	1,083
Net change in fund balances	<u>\$ -</u>	<u>3,196</u>	<u>\$ 3,196</u>	<u>\$ 1,083</u>
Fund Balances:				
Beginning of year - July 1		<u>1,009,133</u>		
End of year - June 30		<u>\$ 1,012,329</u>		

PITT COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2006

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

	<u>2006</u>			<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes	\$ 1,302,924	\$ 1,193,580	\$ (109,344)	\$ 1,119,601
Miscellaneous	-	6,630	6,630	-
Total revenues	<u>1,302,924</u>	<u>1,200,210</u>	<u>(102,714)</u>	<u>1,119,601</u>
Expenditures:				
Public safety	<u>1,302,924</u>	<u>1,176,014</u>	<u>126,910</u>	<u>1,118,771</u>
Net change in fund balances	<u>\$ -</u>	<u>24,196</u>	<u>\$ 24,196</u>	<u>\$ 830</u>
Fund Balances:				
Beginning of year - July 1		<u>834</u>		
End of year - June 30		<u>\$ 25,030</u>		

PITT COUNTY, NORTH CAROLINA

EMS DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2006

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

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 1,775,988	\$ 1,903,000	\$ 127,012	\$ 1,806,473
Investment income	-	-	-	7
Transport fees	1,000,000	696,485	(303,515)	716,029
Total revenues	2,775,988	2,599,485	(176,503)	2,522,509
Expenditures:				
Public safety	3,268,503	3,251,586	16,917	3,048,185
Debt service	193,799	193,784	15	132,967
Total expenditures	3,462,302	3,445,370	16,932	3,181,152
Revenues over (under) expenditures	(686,314)	(845,885)	(159,571)	(658,643)
Other Financing Sources (Uses):				
Transfers in	713,814	713,814	-	243,657
Contingency	(27,500)	-	27,500	-
Total other financing sources (uses)	686,314	713,814	27,500	243,657
Net change in fund balances	\$ -	(132,071)	\$ (132,071)	\$ (414,986)
Fund Balances:				
Beginning of year - July 1		(914,325)		
End of year - June 30		<u>\$ (1,046,396)</u>		

PITT COUNTY, NORTH CAROLINA

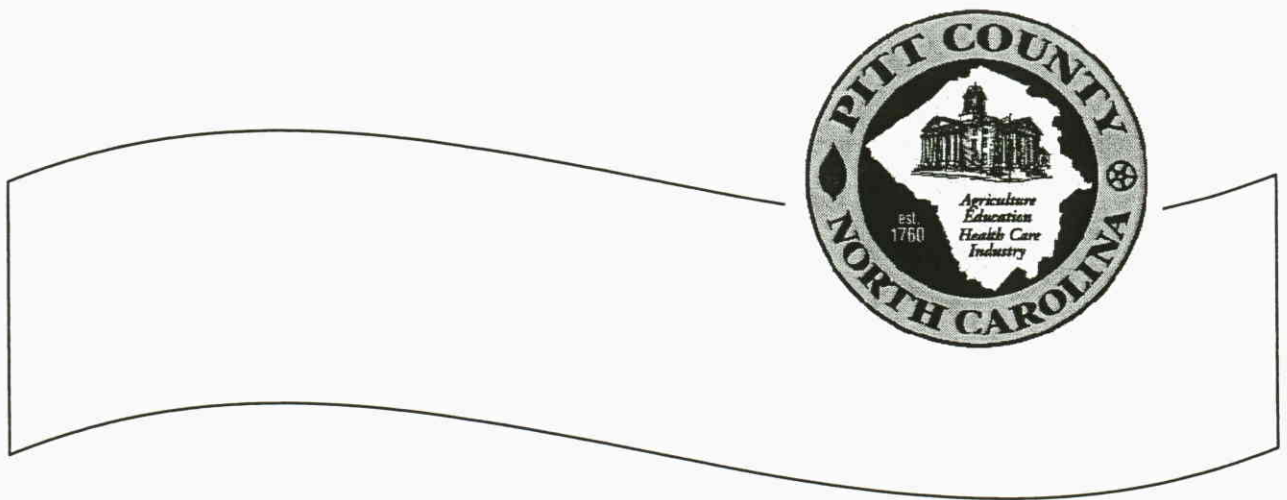
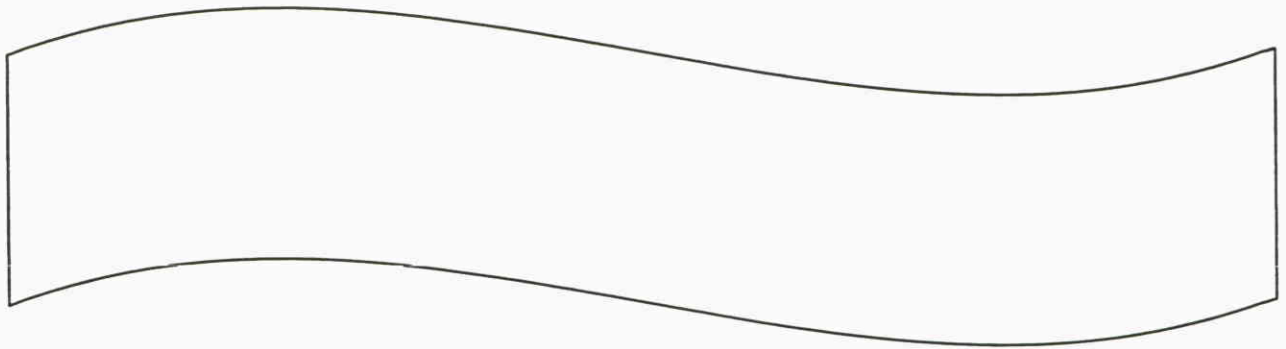
E911 SURCHARGE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2006

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

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Sales and services - user fees	\$ 493,000	\$ 465,943	\$ (27,057)	\$ 404,611
Sales and services - wireless fees	150,053	252,135	102,082	203,890
Investment earnings	-	1,716	1,716	791
Total revenues	<u>643,053</u>	<u>719,794</u>	<u>76,741</u>	<u>609,292</u>
Expenditures:				
Public safety:				
E911 operations	527,928	424,953	102,975	477,109
Wireless operations	<u>150,053</u>	<u>122,930</u>	<u>27,123</u>	<u>303,596</u>
Total expenditures	<u>677,981</u>	<u>547,883</u>	<u>130,098</u>	<u>780,705</u>
Other Financing Sources (Uses):				
Contingency	<u>34,928</u>	<u>-</u>	<u>(34,928)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>171,911</u>	<u>\$ 171,911</u>	<u>\$ (171,413)</u>
Fund Balances:				
Beginning of year - July 1		<u>497,630</u>		
End of year - June 30		<u>\$ 669,541</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.
- **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.

PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS JUNE 30, 2006

	<i>Schedule D-3</i>	<i>Schedule D-4</i>	<i>Schedule D-5</i>
	PCC Building Capital Project	Detention Center Capital Project	Pitt Community College Capital Project
Assets:			
Cash, cash equivalents and investments	\$ -	\$ 3,000	\$ 297,053
Cash and investments, restricted	279,377	-	-
Intrafund loans	-	-	-
Accounts receivable, net	-	-	-
Total assets	\$ 279,377	\$ 3,000	\$ 297,053
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Fund Balances (Deficit):			
Undesignated	279,377	3,000	297,053
Total liabilities and fund balances	\$ 279,377	\$ 3,000	\$ 297,053

Schedule D-1

<i>Schedule D-6</i>	<i>Schedule D-7</i>	<i>Schedule D-8</i>	<i>Schedule D-9</i>	
2004 COPS Education Capital Project	Community Schools and Recreation Capital Project	ECTC Building Capital Project	School Improvement Capital Project	Totals
\$ -	\$ 167,000	\$ -	\$ 215,542	\$ 682,595
1,340,378	-	-	-	1,619,755
-	-	(104,329)	104,329	-
-	19,453	-	-	19,453
<u>\$ 1,340,378</u>	<u>\$ 186,453</u>	<u>\$ (104,329)</u>	<u>\$ 319,871</u>	<u>\$ 2,321,803</u>
\$ 741,658	\$ 12,970	\$ -	\$ -	\$ 754,628
598,720	173,483	(104,329)	319,871	1,567,175
<u>\$ 1,340,378</u>	<u>\$ 186,453</u>	<u>\$ (104,329)</u>	<u>\$ 319,871</u>	<u>\$ 2,321,803</u>

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS FOR THE YEAR ENDED JUNE 30, 2006

	<i>Schedule D-3</i>	<i>Schedule D-4</i>	<i>Schedule D-5</i>	
	PCC Building Capital Project	Detention Center Capital Project	Pitt Community College Capital Project	Courthouse Renovation Capital Project
Revenues:				
Investment earnings	\$ 882	\$ -	\$ -	\$ 1,077
Restricted intergovernmental revenue	-	-	-	-
Miscellaneous	-	-	-	-
Sales tax refund	-	-	-	15,059
Total revenues	<u>882</u>	<u>-</u>	<u>-</u>	<u>16,136</u>
Expenditures:				
Capital outlay	<u>-</u>	<u>9,400</u>	<u>2,998,635</u>	<u>4,000</u>
Revenues over (under) expenditures	<u>882</u>	<u>(9,400)</u>	<u>(2,998,635)</u>	<u>12,136</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(451,136)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(451,136)</u>
Net change in fund balances	882	(9,400)	(2,998,635)	(439,000)
Fund Balances:				
Beginning of year - July 1	<u>278,495</u>	<u>12,400</u>	<u>3,295,688</u>	<u>439,000</u>
End of year - June 30	<u>\$ 279,377</u>	<u>\$ 3,000</u>	<u>\$ 297,053</u>	<u>\$ -</u>

Schedule D-2

<i>Schedule D-6</i>		<i>Schedule D-7</i>	<i>Schedule D-8</i>	<i>Schedule D-9</i>	
2004 COPS Education Capital Project	State School Bond Capital Project	Community Schools and Recreation Capital Project	ECTC Building Capital Project	School Improvement Capital Project	Totals
\$ 37,570	\$ -	\$ -	\$ 15	\$ -	\$ 39,544
-	-	19,453	-	-	19,453
-	-	169,545	-	-	169,545
625,375	2,232	-	-	-	642,666
662,945	2,232	188,998	15	-	871,208
5,457,745	2,232	79,290	114,879	245,406	8,911,587
(4,794,800)	-	109,708	(114,864)	(245,406)	(8,040,379)
-	-	167,000	-	100,000	267,000
-	(416,125)	-	-	-	(867,261)
-	(416,125)	167,000	-	100,000	(600,261)
(4,794,800)	(416,125)	276,708	(114,864)	(145,406)	(8,640,640)
5,393,520	416,125	(103,225)	10,535	465,277	10,207,815
\$ 598,720	\$ -	\$ 173,483	\$ (104,329)	\$ 319,871	\$ 1,567,175

PITT COUNTY, NORTH CAROLINA

PITT COMMUNITY COLLEGE (PCC) BUILDING CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2006

	Actual		
	Project	Prior	Total To
	Authorization	Years	Date
Revenues:			
Investment earnings	\$ 469,617	\$ 520,631	\$ 882
Easement proceeds	31,383	31,205	-
Total revenues	501,000	551,836	882
Expenditures:			
Capital outlay:			
Bond issue costs	124,833	127,049	-
Modular units	44,978	44,978	-
Interest expense	166,454	166,454	-
Land	2,069,645	2,069,645	-
General construction	8,610,780	8,581,668	-
Total expenditures	11,016,690	10,989,794	-
Revenues over (under) expenditures	(10,515,690)	(10,437,958)	882
Other Financing Sources (Uses):			
Debt obligation issued	10,591,950	10,591,951	-
Transfers in	124,502	124,502	-
Contingency	(200,762)	-	-
Total other financing sources (uses)	10,515,690	10,716,453	-
Net change in fund balances	\$ -	\$ 278,495	\$ 882

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

DETENTION CENTER CAPITAL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2006

	Actual		
	Project	Prior	Total To
	Authorization	Years	Date
Expenditures:			
Capital outlay:			
General construction	\$ 200,000	\$ 187,600	\$ 9,400
			\$ 197,000
Other Financing Sources (Uses):			
Transfers in	200,000	200,000	-
			200,000
Net change in fund balances	\$ -	\$ 200,000	\$ (9,400)
			\$ 3,000

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

PITT COUNTY, NORTH CAROLINA

**PITT COMMUNITY COLLEGE (PCC) CAPITAL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2006**

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Expenditures:				
Capital outlay:				
General construction	\$ 4,162,391	\$ 866,703	\$ 2,998,635	\$ 3,865,338
Other Financing Sources (Uses):				
Transfers in	4,162,391	4,162,391	-	4,162,391
Net change in fund balances	\$ -	\$ 3,295,688	\$ (2,998,635)	\$ 297,053

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

**2004 COPS EDUCATION PROJECTS CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2006**

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
Revenues:				
Sales tax refund	\$ -	\$ 11,279	\$ 625,375	\$ 636,654
Restricted intergovernmental	3,675,643	2,026,694	-	2,026,694
Investment income	-	204,758	37,570	242,328
Total revenues	<u>3,675,643</u>	<u>2,242,731</u>	<u>662,945</u>	<u>2,905,676</u>
Expenditures:				
Capital outlay:				
Computer equipment	771,695	-	-	-
Gymnasium upgrades	721,376	690,062	5,948	696,010
Auditorium renovation	1,680,994	1,644,526	34,518	1,679,044
Athletic upgrades	1,521,061	1,470,801	16,584	1,487,385
Maintenance	140,000	-	3,000	3,000
Chicod Elementary	2,896,741	2,570,114	416,507	2,986,621
Creekside Elementary	8,722,313	8,228,090	328,336	8,556,426
Conley Area Elementary School	13,065,120	9,107,497	4,218,448	13,325,945
Wintergreen Intermediate School	3,172,027	2,686,321	407,137	3,093,458
DH Conley	3,347,383	3,317,906	27,267	3,345,173
Science labs	36,932	36,931	-	36,931
Total expenditures	<u>36,075,642</u>	<u>29,752,248</u>	<u>5,457,745</u>	<u>35,209,993</u>
Revenues over (under) expenditures	<u>(32,399,999)</u>	<u>(27,509,517)</u>	<u>(4,794,800)</u>	<u>(32,304,317)</u>
Other Financing Sources (Uses):				
Debt obligation issued	50,042,018	49,460,000	-	49,460,000
Retirement of bridge loan - land purchase	(6,950,000)	(6,950,000)	-	(6,950,000)
Transfer out - Debt Service, early retirement	-	(11,675,000)	-	(11,675,000)
Transfer out - Courthouse project	-	(282,125)	-	(282,125)
Interest expense	(57,470)	(57,470)	-	(57,470)
Issuance fees	(465,000)	(784,540)	-	(784,540)
Premium received from issuance of debt	-	327,172	-	327,172
Transfer in	(10,169,549)	2,865,000	-	2,865,000
Total other financing sources (uses)	<u>32,399,999</u>	<u>32,903,037</u>	<u>-</u>	<u>32,903,037</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 5,393,520</u>	<u>\$ (4,794,800)</u>	<u>\$ 598,720</u>

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

PITT COUNTY, NORTH CAROLINA

**COMMUNITY SCHOOLS AND RECREATION CAPITAL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2006**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
Revenues:				
Restricted intergovernmental	\$ 750,000	\$ -	\$ 19,453	\$ 19,453
Miscellaneous revenue	200,000	-	169,545	169,545
Total revenues	<u>950,000</u>	<u>-</u>	<u>188,998</u>	<u>188,998</u>
Expenditures:				
Capital outlay:				
General construction	1,250,000	1,153,225	59,837	1,213,062
Site development	390,000	-	133	133
Athletic fields and recreation area	495,000	-	-	-
Professional fees	70,800	-	19,320	19,320
Total expenditures	<u>2,205,800</u>	<u>1,153,225</u>	<u>79,290</u>	<u>1,232,515</u>
Revenues over (under) expenditures	<u>(1,255,800)</u>	<u>(1,153,225)</u>	<u>109,708</u>	<u>(1,043,517)</u>
Other Financing Sources (Uses):				
Transfer in	1,300,000	1,050,000	167,000	1,217,000
Contingency	(44,200)	-	-	-
Total other financing sources (uses)	<u>1,255,800</u>	<u>1,050,000</u>	<u>167,000</u>	<u>1,217,000</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (103,225)</u>	<u>\$ 276,708</u>	<u>\$ 173,483</u>

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

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, 2006

	Project	Actual		
	Authorization	Prior	Current	Total To
		Years	Year	Date
Revenues				
Sales tax refund	\$ 2,743	\$ 8,211	\$ -	\$ 8,211
Investment earnings	20,449	20,839	15	20,854
Miscellaneous revenue	93,000	28,000	-	28,000
State share revenue	-	1,465	-	1,465
Other intergovernmental revenues	34,278	451,599	-	451,599
Federal and other grants	400,000	400,000	-	400,000
Total revenues	550,470	910,114	15	910,129
Expenditures				
Capital outlay:				
General construction	1,605,326	1,488,501	114,879	1,603,380
Architect/Engineering fees	85,688	85,688	-	85,688
Total expenditures	1,691,014	1,574,189	114,879	1,689,068
Revenues over (under) expenditures	(1,140,544)	(664,075)	(114,864)	(778,939)
Other financing sources				
Debt obligation issued	350,000	375,000	-	375,000
Transfer in	790,544	299,610	-	299,610
Total other financing sources	1,140,544	674,610	-	674,610
Net change in fund balance	\$ -	\$ 10,535	\$ (114,864)	\$ (104,329)

Note: Phase I of this project constructed a capital asset of \$1,020,843 that has been added to buildings.
 Phase II expenditures was capitalized as a Capital Asset under the category of Construction in Progress.

PITT COUNTY, NORTH CAROLINA

SCHOOL IMPROVEMENT CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006

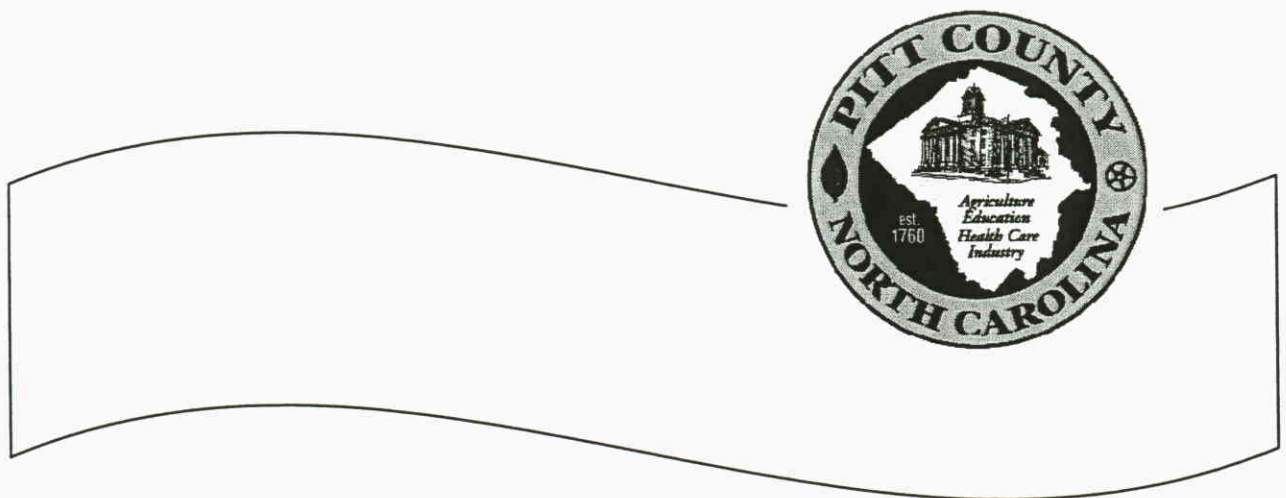
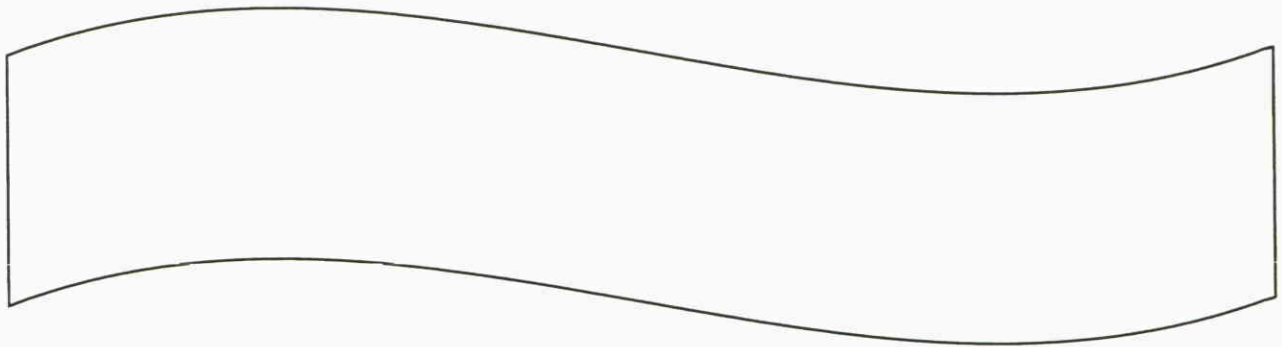
	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures			
Capital outlay:			
Roofing	\$ 250,332	\$ 136,100	\$ 114,232
Other structures	289,945	109,306	180,639
Towers, tanks, and wells	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures	<u>565,277</u>	<u>245,406</u>	<u>319,871</u>
Other financing sources			
Transfers in	100,000	100,000	-
Fund balance appropriated	<u>465,277</u>	<u>-</u>	<u>(465,277)</u>
Total other financing sources	<u>565,277</u>	<u>100,000</u>	<u>(465,277)</u>
Net change in fund balance	<u>\$ -</u>	<u>(145,406)</u>	<u>\$ (145,406)</u>
Fund Balance			
Beginnning of year - July 1		<u>465,277</u>	
End of Year - June 30		<u>\$ 319,871</u>	

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

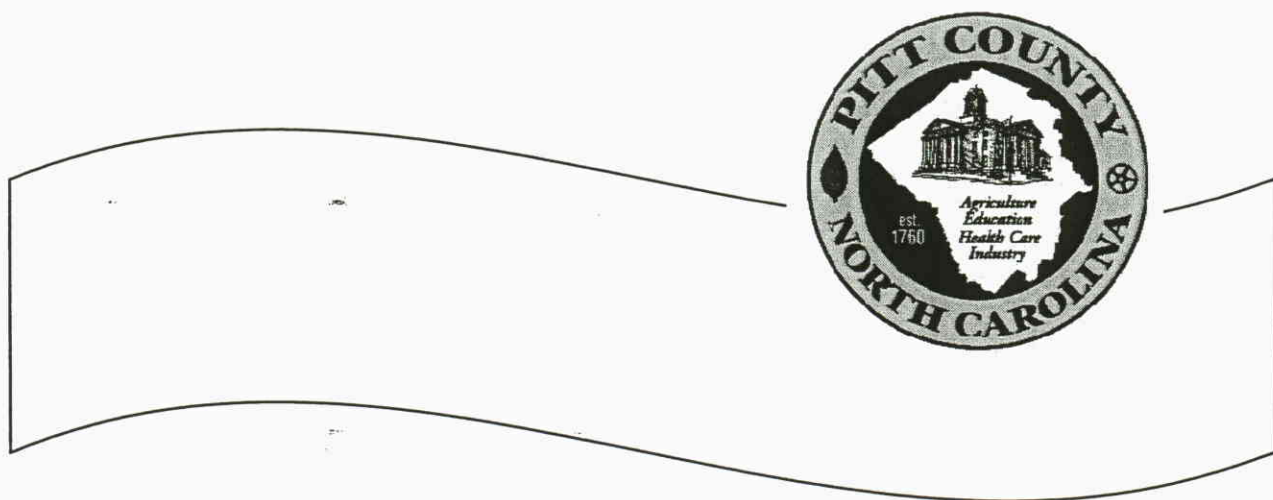
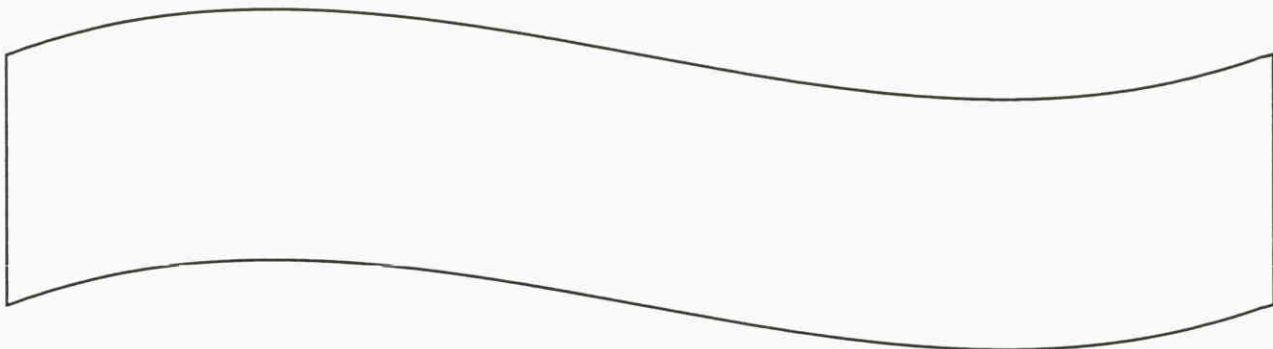
- **Enterprise Funds**
- **Internal Service Funds**

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

ENTERPRISE FUND - SOLID WASTE

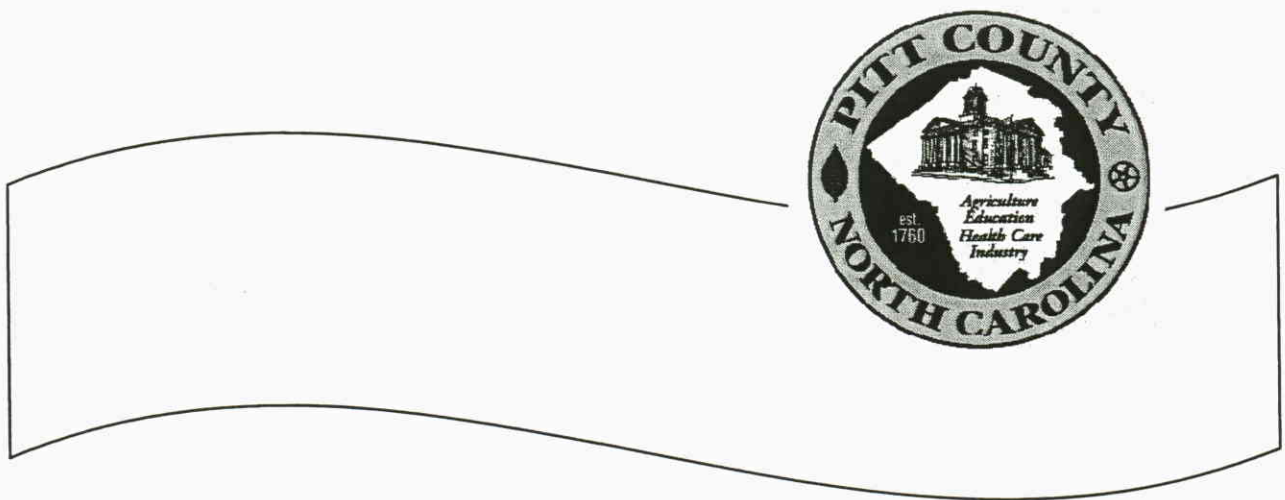
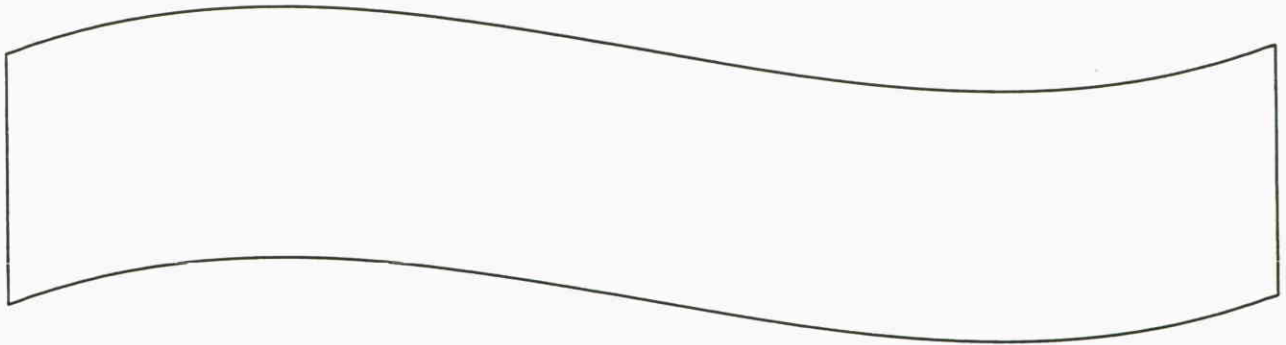
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING

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

FOR THE YEAR ENDED JUNE 30, 2006

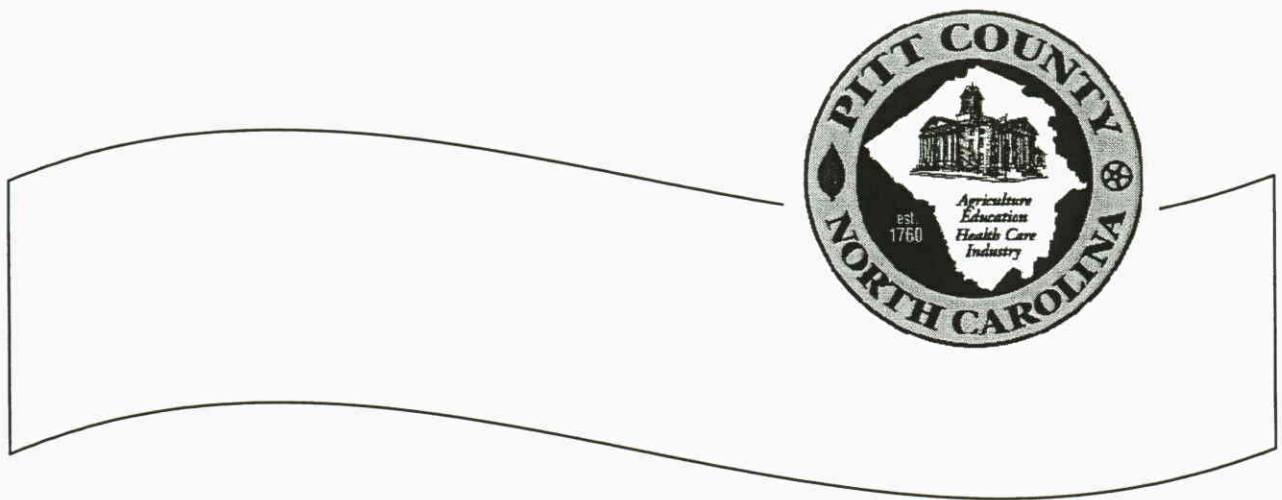
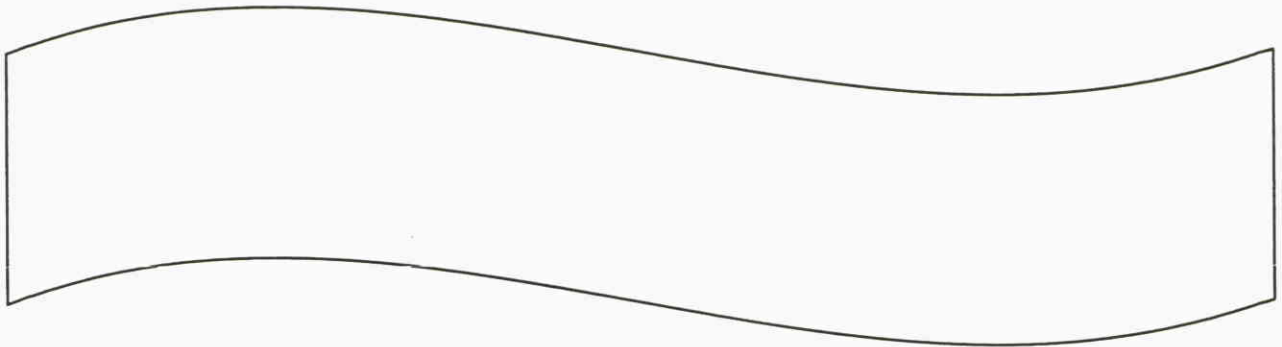
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005

	2006			2005
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
User charges	\$ 6,648,875	\$ 6,932,274	\$ 283,399	\$ 6,277,583
Investment earnings	-	90	90	371
Restricted intergovernmental revenues	68,125	(195,224)	(263,349)	-
Other	373,506	540,140	166,634	408,655
Total revenues	<u>7,090,506</u>	<u>7,277,280</u>	<u>186,774</u>	<u>6,686,609</u>
Expenditures:				
Salaries and employee benefits	892,325	857,326	-	858,327
Supplies and materials	366,781	347,967	-	393,562
Contract labor and other services	1,109,000	1,119,280	-	1,261,507
Contracted services - waste disposal	4,209,560	4,431,472	-	4,378,870
Capital outlay	278,000	37,795	-	201,379
Principal repayment on long-term debt	200,000	200,000	-	200,000
Interest expense	63,400	63,400	-	73,900
Total expenditures	<u>7,119,066</u>	<u>7,057,240</u>	<u>61,826</u>	<u>7,367,545</u>
Revenues over (under) expenditures	(28,560)	220,040	248,600	(680,936)
Other Financing Sources (Uses):				
Appropriated fund balance	<u>28,560</u>	<u>-</u>	<u>(28,560)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 220,040</u>	<u>\$ 220,040</u>	<u>\$ (680,936)</u>
Reconciliation from modified accrual basis to full accrual basis:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 220,040		\$ (680,936)
Reconciling items:				
Capital outlay items capitalized		21,498		201,379
Depreciation		(142,164)		(165,955)
Change in closure and postclosure costs accrual		60,000		60,000
Principal payments on long-term debt		<u>200,000</u>		<u>200,000</u>
Net income - GAAP basis		<u>\$ 359,374</u>		<u>\$ (385,512)</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

COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS

JUNE 30, 2006

	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
Assets:				
Current assets:				
Cash, cash equivalents and investments	\$ 71,566	\$ 2,100,152	\$ 382,395	\$ 2,554,113
Accounts receivable	1,405	-	-	1,405
Inventories	2,778	-	-	2,778
Prepaid items	-	129,846	2,210	132,056
Total current assets	<u>75,749</u>	<u>2,229,998</u>	<u>384,605</u>	<u>2,690,352</u>
Total assets	<u>\$ 75,749</u>	<u>\$ 2,229,998</u>	<u>\$ 384,605</u>	<u>\$ 2,690,352</u>
Liabilities and Fund Equity:				
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	\$ 54,325	\$ 876,526	\$ -	\$ 930,851
Fund Equity:				
Net assets	<u>21,424</u>	<u>1,353,472</u>	<u>384,605</u>	<u>1,759,501</u>
Total liabilities and fund equity	<u>\$ 75,749</u>	<u>\$ 2,229,998</u>	<u>\$ 384,605</u>	<u>\$ 2,690,352</u>

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
Operating Revenues:				
User charges	\$ 552,204	\$ 263,048	\$ 20,281	\$ 835,533
Interfund services charges	-	4,937,168	500,003	5,437,171
Miscellaneous	21,700	10,000	-	31,700
Total operating revenues	573,904	5,210,216	520,284	6,304,404
Operating Expenses:				
Salaries and employee benefits	54,311	-	-	54,311
Equipment maintenance	573,466	-	-	573,466
Medical claims costs	-	5,064,307	-	5,064,307
Claims reimbursement	-	-	408,767	408,767
Total operating expenses	627,777	5,064,307	408,767	6,100,851
Operating income (loss)	(53,873)	145,909	111,517	203,553
Non-operating Revenues:				
Investment earnings	-	49,107	1,473	50,580
Net income (loss)	(53,873)	195,016	112,990	254,133
Net Assets:				
Beginning of year - July 1	75,297	1,158,456	271,615	1,505,368
End of year - June 30	\$ 21,424	\$ 1,353,472	\$ 384,605	\$ 1,759,501

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
Cash Flows From Operating Activities:				
Cash received from customers	\$ 593,022	\$ 273,048	\$ 21,686	\$ 887,756
Cash received from interfund services	-	4,937,168	500,003	5,437,171
Cash paid to suppliers	(497,944)	(4,908,646)	(357,945)	(5,764,535)
Cash paid to employees	(90,438)	-	-	(90,438)
Net cash provided by operating activities	<u>4,640</u>	<u>301,570</u>	<u>163,744</u>	<u>469,954</u>
Cash Flows From Investing Activities:				
Investment earnings	-	49,107	1,473	50,580
Net increase (decrease) in cash, cash equivalents and investments	4,640	350,677	165,217	520,534
Cash, Cash Equivalents and Investments:				
Beginning of year - July 1	<u>66,926</u>	<u>1,749,475</u>	<u>217,178</u>	<u>2,033,579</u>
End of year - June 30	<u>\$ 71,566</u>	<u>\$ 2,100,152</u>	<u>\$ 382,395</u>	<u>\$ 2,554,113</u>
Reconciliation of operating income to cash flows from operating activities:				
Operating income (loss)	\$ (53,873)	\$ 145,909	\$ 111,517	\$ 203,553
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	19,118	-	1,405	20,523
(Increase) decrease in prepaids	-	264,878	50,822	315,700
(Increase) decrease in inventories	25,637	-	-	25,637
Increase (decrease) in accounts payable and accrued expenses	<u>13,758</u>	<u>(109,217)</u>	<u>-</u>	<u>(95,459)</u>
Net cash provided (used) by operating activities	<u>\$ 4,640</u>	<u>\$ 301,570</u>	<u>\$ 163,744</u>	<u>\$ 469,954</u>

PITT COUNTY, NORTH CAROLINA

**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, 2006**

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
User charges	\$ 550,000	\$ 552,204	\$ 2,204
Miscellaneous	32,111	21,700	(10,411)
Total operating revenues	<u>582,111</u>	<u>573,904</u>	<u>(8,207)</u>
Operating Expenses:			
Salaries and employee benefits	53,561	54,311	(750)
Equipment maintenance	<u>546,550</u>	<u>573,466</u>	<u>(26,916)</u>
Total operating expenses	<u>600,111</u>	<u>627,777</u>	<u>(27,666)</u>
Operating income (loss)	(18,000)	(53,873)	(35,873)
Other Financing Source (Uses):			
Appropriated fund balance	<u>18,000</u>	<u>-</u>	<u>(18,000)</u>
Net income (loss)	<u>\$ -</u>	<u>\$ (53,873)</u>	<u>\$ (53,873)</u>

PITT COUNTY, NORTH CAROLINA

**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, 2006**

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
User charges	\$ 248,400	\$ 263,048	
Miscellaneous revenues	-	10,000	
Interfund services charges	<u>5,520,640</u>	<u>4,937,168</u>	
Total operating revenues	<u>5,769,040</u>	<u>5,210,216</u>	<u>\$ (558,824)</u>
 Operating Expenses:			
Medical claims costs	<u>5,569,040</u>	<u>5,064,307</u>	<u>504,733</u>
 Operating income (loss)	<u>200,000</u>	<u>145,909</u>	<u>(54,091)</u>
 Non-operating Revenues:			
Investment earnings	<u>-</u>	<u>49,107</u>	<u>49,107</u>
 Other Financing Sources (Uses):			
Contingency	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
 Net income (loss)	<u>\$ -</u>	<u>\$ 195,016</u>	<u>\$ 195,016</u>

PITT COUNTY, NORTH CAROLINA

**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, 2006**

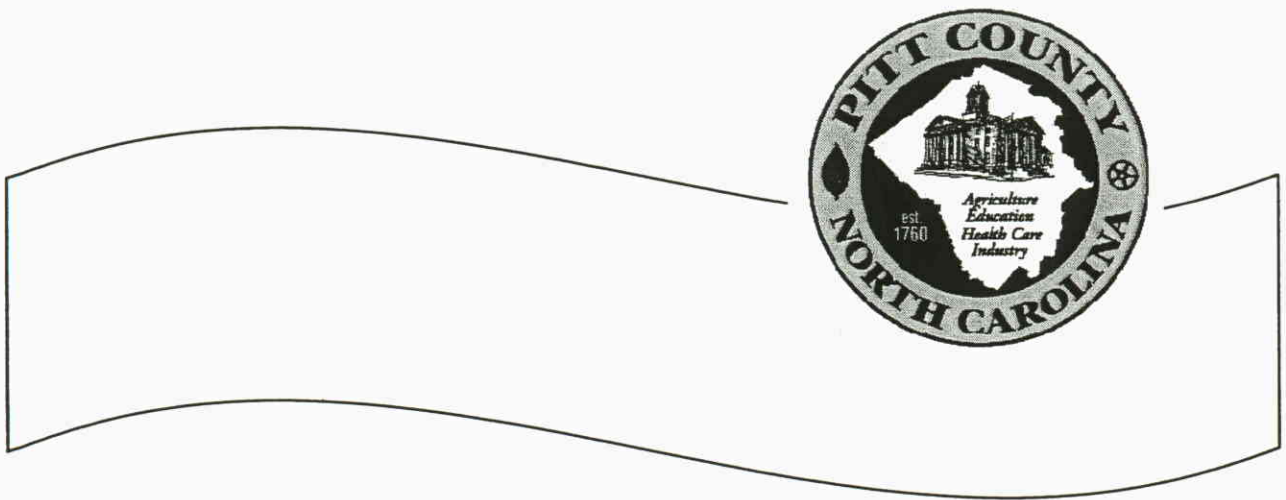
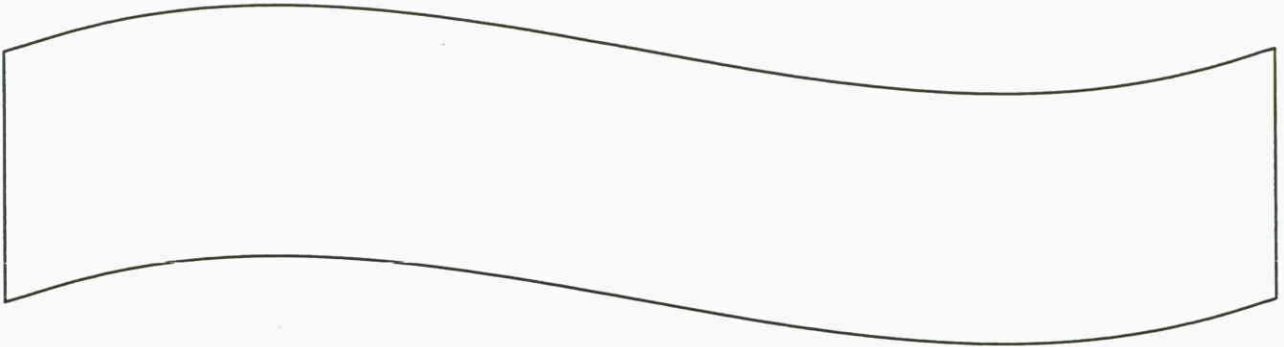
	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
User charges	\$ -	\$ 20,281	
Interfund services charges	<u>500,000</u>	<u>500,003</u>	
Total operating revenues	<u>500,000</u>	<u>520,284</u>	<u>\$ 20,284</u>
 Operating Expenses:			
Claims reimbursement	<u>500,000</u>	<u>408,767</u>	<u>91,233</u>
 Operating income (loss)	<u>-</u>	<u>111,517</u>	<u>111,517</u>
 Non-operating Revenues:			
Investment earnings	<u>-</u>	<u>1,473</u>	<u>1,473</u>
 Net income (loss)	<u>\$ -</u>	<u>\$ 112,990</u>	<u>\$ 112,990</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

COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS
JUNE 30, 2006

	<u>Social Services, Sheriff, and Mental Health Agency Funds</u>	<u>Tax Collections Held for Municipalities Agency Fund</u>	<u>3% Interest Payable to State</u>	<u>Flexible Benefit Plan Agency Fund</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 297,916	\$ 121,905	\$ 3,497	\$ 27,735	\$ 451,053
Liabilities:					
Deposits held in custody for others	\$ 297,916	\$ 121,905	\$ 3,497	\$ -	\$ 423,318
Deferred compensation benefits payable	-	-	-	27,735	27,735
Total liabilities	\$ 297,916	\$ 121,905	\$ 3,497	\$ 27,735	\$ 451,053

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 TRUST AND AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Social Services, Sheriff, and Mental Health Agency Funds</u>	<u>Tax Collections Held for Municipalities Agency Fund</u>	<u>3% Interest Payable to State</u>	<u>Flexible Benefit Plan Agency Fund</u>	<u>Total</u>
Assets, beginning of year	\$ 209,836	\$ 124,941	\$ -	\$ 12,052	\$ 346,829
Additions	2,022,991	26,438,890	25,300	203,403	28,690,584
Deductions	<u>(1,934,911)</u>	<u>(26,441,926)</u>	<u>(21,803)</u>	<u>(187,720)</u>	<u>(28,586,360)</u>
Assets, end of year	<u>\$ 297,916</u>	<u>\$ 121,905</u>	<u>\$ 3,497</u>	<u>\$ 27,735</u>	<u>\$ 451,053</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.

Table 1

Pitt County
Net Assets by Component,
Last Four Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 16,198,658	\$ 19,624,295	\$ 17,058,305	\$ 9,656,803
Restricted	462,677	668,584	470,026	678,647
Unrestricted	42,005,679	34,792,725	40,825,049	37,971,412
Total governmental activities net assets	<u>\$ 58,667,014</u>	<u>\$ 55,085,604</u>	<u>\$ 58,353,380</u>	<u>\$ 48,306,862</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 1,264,879	\$ 1,469,683	\$ 1,723,354	\$ 1,818,984
Unrestricted	(1,143,357)	(1,259,552)	(1,898,732)	(1,634,988)
Total business-type activities	<u>\$ 121,522</u>	<u>\$ 210,131</u>	<u>\$ (175,378)</u>	<u>\$ 183,996</u>
Primary government				
Invested in capital assets, net of related debt	\$ 17,463,537	\$ 21,093,978	\$ 18,781,659	\$ 11,475,787
Restricted	462,677	668,584	470,026	678,647
Unrestricted	40,862,322	33,533,173	38,926,317	36,336,424
Total primary government net assets	<u>\$ 58,788,536</u>	<u>\$ 55,295,735</u>	<u>\$ 58,178,002</u>	<u>\$ 48,490,858</u>

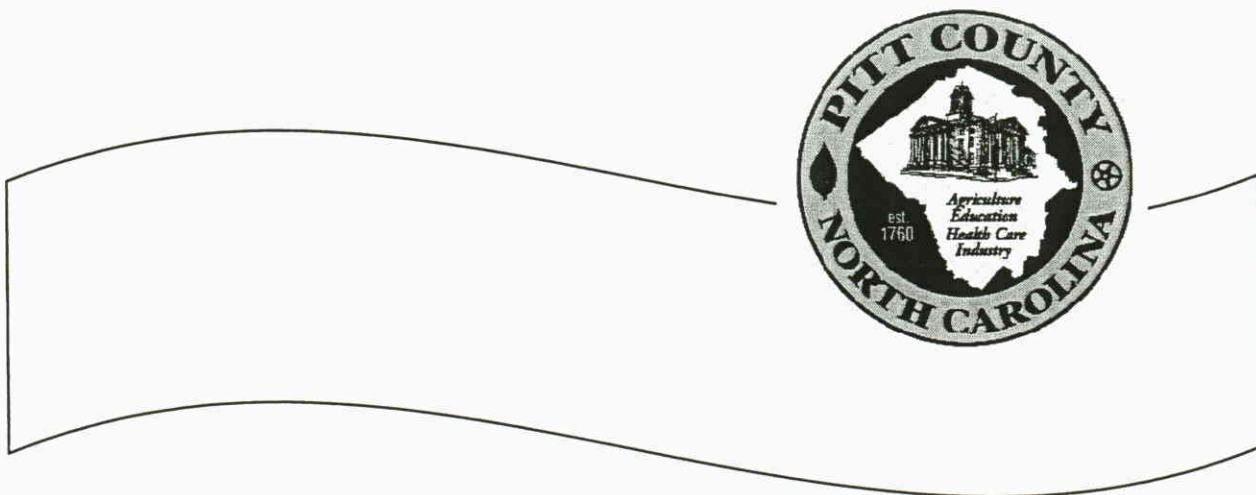
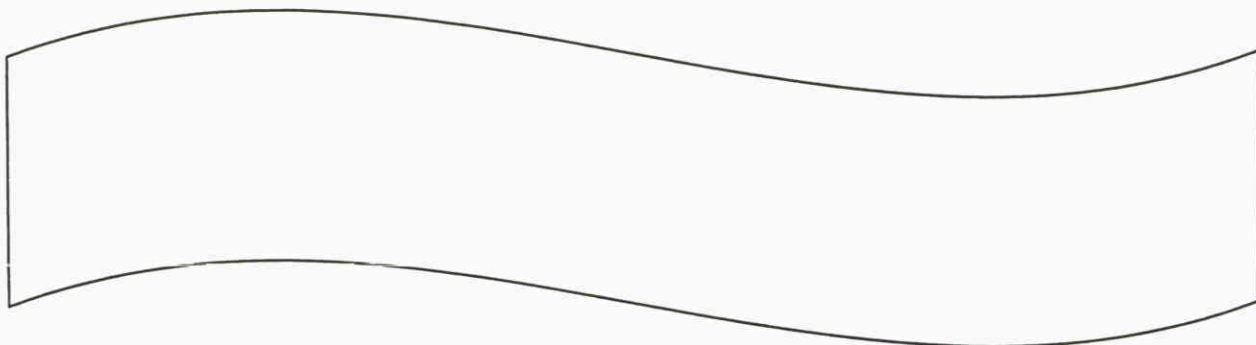


Table 2

Pitt County
Changes in Net Assets,
Last Four Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses				
Governmental activities:				
General government	\$ 13,430,499	\$ 12,562,758	\$ 13,501,699	\$ 16,037,941
Public safety	20,023,173	22,512,817	23,580,577	25,212,358
Social services	-	-	-	-
Economic and physical development	4,341,765	4,174,365	4,335,915	3,274,182
Environmental protection	446,545	213,262	208,524	4,469
Human Services	51,569,224	54,915,560	58,880,092	67,135,085
Cultural and recreation	589,259	491,838	505,161	457,682
Education	30,462,631	33,489,829	36,679,407	37,016,790
Debt Service	4,628,278	4,205,707	4,556,482	4,976,804
Capital Outlay	-	-	-	-
Interest on long term debt	-	-	-	-
Total governmental activities	<u>125,491,374</u>	<u>132,566,136</u>	<u>142,247,857</u>	<u>154,115,311</u>
Business-type activities:				
Solid Waste	6,979,190	6,381,866	7,072,121	6,917,906
Total primary government expenses	<u>\$ 132,470,564</u>	<u>\$ 138,948,002</u>	<u>\$ 149,319,978</u>	<u>\$ 161,033,217</u>
Program Revenues				
Governmental activities				
Charges for services:				
General government	\$ 7,919,703	\$ 6,715,636	\$ 4,590,236	\$ 4,185,463
Public safety	3,802,017	4,552,552	7,603,330	7,291,508
Social services	-	-	-	-
Economic and physical development	265,000	14,064	2,635	3,015
Environmental protection	-	-	137,937	243,384
Health	37,938,931	38,900,115	5,177,386	5,127,900
Cultural and recreation	-	-	-	8,945
Education	-	-	-	-
Operating grants and contributions:				
General government	14,297	255,485	-	-
Public safety	-	37,736	32,200	25,800
Social services	-	-	-	-
Economic and physical development	3,139,347	1,935,588	2,621,715	263,177
Environmental protection	-	-	73,156	91,610
Health	-	-	35,944,964	42,757,967
Cultural and recreation	-	-	-	-
Education	-	-	-	1,130,018

	Fiscal Year		
	2003	2004	2005
Capital grants and contributions:			
Public safety	9,391	-	64,074
Social services	606,763	2,709,408	331,781
Total governmental activities program revenues	53,695,449	55,120,584	56,579,414
Business-type activities:			
Charge for services - Solid Waste	6,270,374	6,275,664	6,686,238
Capital grants and contributions - Solid Waste	742,205	194,705	-
Total business-type activities program revenues	7,012,579	6,470,369	6,686,238
Total primary government program revenues \$	60,708,028	61,590,953	63,265,652
Net (Expense)/Revenue			
Governmental activities	\$ (71,795,925)	\$ (77,445,552)	\$ (85,668,443)
Business-type activities	(61,511)	88,503	(385,883)
Total primary government net (expense)/reve \$	(71,857,436)	(77,357,049)	(86,054,326)
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Property taxes	\$ 46,507,395	\$ 49,795,001	\$ 60,786,461
Local option sales tax	20,288,367	23,262,295	26,639,641
Payment in lieu of taxes and other taxes	-	-	-
Interest earned on investments	763,470	806,846	1,510,066
Loss on disposal of capital assets	(51,092)	-	-
Total governmental activities:	67,508,140	73,864,142	88,936,168
Business-type activities:			
Investment earnings	-	106	-
Miscellaneous	309	-	371
Transfers	-	-	-
Total business-type activities	309	106	371
Total primary government	\$ 67,508,449	\$ 73,864,248	\$ 88,936,539
Change in Net Assets			
Governmental activities	\$ (4,287,785)	\$ (3,581,410)	\$ 3,267,725
Business-type activities	(61,202)	88,609	(385,512)
Total primary government	\$ (4,348,987)	\$ (3,492,801)	\$ 2,882,213

Pitt County
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved for:										
State statute	\$ 7,667,508	\$ 7,132,917	\$ 6,985,190	\$ 7,637,640	\$ 7,417,919	\$ 6,926,392	\$ 7,198,049	\$ 8,121,763	\$ 10,630,636	\$ 10,148,617
Prepaid items	62,300	239,531	280,282	288,883	265,083	180,478	68,904	72,871	75,128	189,070
Future wireless E-911 expenditures	-	-	-	-	-	187,929	311,246	414,230	314,998	445,061
Future wired E-911 expenditures	-	-	-	-	-	228,751	266,812	291,205	182,631	224,480
For Register of Deeds	-	-	-	-	-	46,295	151,431	254,354	155,028	233,586
Future law enforcement expenditures	-	-	-	-	-	-	-	-	-	-
Total reserved	7,729,808	7,372,448	7,265,472	7,926,523	7,683,002	7,569,845	7,996,442	9,154,423	11,358,421	11,240,814
Unreserved										
Designated for subsequent year's expenditures	2,307,804	3,091,964	2,731,878	4,047,261	6,686,285	9,078,614	10,793,300	4,668,853	5,800,011	4,968,202
Designated for Potential TSR Refund (MH)	-	-	-	-	870,000	615,000	850,000	-	-	-
Undesignated	6,371,526	8,930,989	27,478,826	32,652,074	36,234,757	31,160,613	22,987,774	20,005,649	16,631,302	18,075,910
Total General Fund	\$ 16,409,138	\$ 19,395,401	\$ 37,476,176	\$ 44,625,858	\$ 51,474,044	\$ 48,424,072	\$ 42,827,516	\$ 33,828,925	\$ 33,789,734	\$ 34,284,926

All Other Governmental Funds

Reserved for:										
State statute	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,720	\$ 1,636,585	\$ 824,916	\$ 582,561	\$ 1,211,152
Debt service	-	-	-	-	-	-	-	-	-	-
Total reserved	-	-	-	-	-	25,720	1,636,585	824,916	582,561	1,211,152
Unreserved										
Undesignated/(deficit)	-	-	-	-	-	-	-	-	-	-
Special revenue funds:										
Room occupancy tax trust fund	-	-	-	-	-	-	-	-	-	-
All other special revenue funds	-	-	-	-	-	-	-	-	-	-
Designated for capital projects	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,720	\$ 1,636,585	\$ 824,916	\$ 582,561	\$ 1,211,152

Pitt County
Changes in fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

FISCAL YEARS

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Taxes:										
Property	\$ 33,612,728	\$ 37,359,472	\$ 40,084,742	\$ 39,861,339	\$ 41,642,098	\$ 42,801,929	\$ 45,888,511	\$ 50,404,485	\$ 60,831,679	\$ 64,024,879
Sales	6,873,956	8,733,765	3,083,910	3,895,184	4,629,751	5,638,779	6,164,763	6,246,390	6,634,338	6,573,841
Other	16,577,227	17,794,733	20,468,085	20,427,152	20,560,382	19,828,217	19,485,525	24,384,768	26,639,641	28,048,223
Total taxes	57,063,911	63,887,990	63,636,737	64,183,675	66,832,231	68,268,925	71,538,789	81,035,643	94,105,658	98,646,943
Intergovernmental	23,292,744	23,934,464	27,771,084	41,430,597	42,791,857	45,751,872	42,666,245	44,968,727	44,645,599	50,615,252
Charges for Services	968,109	1,229,736	1,270,597	1,696,677	1,829,819	1,992,472	2,382,936	2,623,753	2,755,928	3,001,754
Interest	946,579	1,203,851	1,793,691	2,747,635	3,166,566	2,087,938	628,145	649,682	1,141,886	1,883,583
Miscellaneous	1,327,916	1,240,610	2,070,302	2,854,231	1,682,934	2,334,642	2,251,069	759,786	1,113,035	2,021,470
Total Revenues	83,599,259	91,496,651	96,542,411	112,912,815	116,303,407	120,435,649	119,467,194	130,037,591	143,762,106	156,169,002
Expenditures										
General Government	7,793,066	10,648,615	9,066,611	9,906,139	9,931,234	10,140,976	11,268,550	10,527,303	11,779,455	15,507,763
Public Safety	11,790,413	12,821,558	13,589,288	15,411,325	16,760,458	17,019,635	19,609,050	22,413,203	23,090,104	24,828,006
Environmental Protection	146,121	147,998	486,424	209,768	216,951	225,021	418,229	213,262	211,435	219,636
Economic Development	1,537,747	1,360,815	373,129	2,077,655	1,213,109	1,127,975	1,209,016	3,928,355	4,100,580	4,263,373
Human Services	37,386,104	37,507,947	41,367,578	53,801,833	54,844,789	56,812,353	54,516,121	54,489,313	58,852,913	66,949,101
Social Services (2)	0	0	0	0	0	0	0	0	0	0
Culture and Recreation	327,368	406,651	0	546,864	580,000	583,205	589,259	491,838	505,161	536,972
Education	17,713,752	19,025,890	20,199,187	21,955,801	24,530,732	25,981,099	28,293,249	30,222,455	31,385,448	32,948,342
Capital Outlay	0	0	0	100,000	81,785	21,377,256	3,992,017	4,741,619	2,669,908	8,911,587
Debt Service:	6,836,733	7,430,158	0	0	0	0	0	0	0	0
Principal	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	5,010,115	5,768,119	6,535,495	6,831,820	7,932,098
Total Expenditures	83,531,304	89,149,632	85,082,217	104,009,385	108,159,058	143,018,757	130,292,788	137,768,550	143,634,242	167,097,200
Excess of revenues over (under) expenditures	67,955	2,347,019	11,460,194	8,903,430	8,144,349	(22,583,108)	(10,825,594)	(7,730,959)	(72,136)	(10,928,198)
Other Financing Sources (Uses)										
Transfers in	6,181,161	4,925,855	577,951	9,004,249	8,282,174	(15,174,352)	(13,285,380)	(16,616,406)	(13,940,284)	(13,634,787)
Transfers out	(4,548,750)	(4,111,931)	6,103,679	(8,786,999)	(8,582,888)	15,174,352	13,285,380	16,813,406	25,897,409	13,634,787
Bonds issued	0	0	0	0	0	8,425,000	-	8,060,000	150,000	-
Refunding bonds issued	0	0	0	0	0	4,210,000	-	-	-	-
Payment to refunding escrow agent	8,835,000	500,000	0	0	0	(4,362,844)	610,000	-	(11,675,000)	3,422,002
Proceeds from capital lease	(9,840,937)	(193,163)	0	0	0	0	-	-	-	-
Appropriated Fund Balances	0	0	0	0	0	0	0	0	0	0
Proceeds from installment note	0	0	0	0	0	0	0	0	0	0
Total other financing sources (uses)	626,474	1,120,761	6,681,630	215,250	(280,714)	8,272,156	610,000	8,057,000	432,125	3,422,002
Net change in fund balances	\$ 694,429	\$ 3,467,780	\$ 18,141,824	\$ 9,118,680	\$ 7,863,635	\$ (14,310,952)	\$ (10,215,094)	\$ 326,041	\$ 359,989	\$ (7,506,198)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	8.02%	8.23%	8.07%	7.96%	8.18%

Table 5

Pitt County
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property				Present-use Value	Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
	Residential Property	Commercial Property	Industrial Property	- \$						
1996	\$ 3,756,546,264	\$ -	\$ -	- \$	-	1,165,037,498	\$ 78,873,648	\$ 5,000,457,410	% 100.000	\$ 5,048,449,107
1997	4,438,381,820	-	-	-	-	1,273,835,367	101,167,258	5,813,384,445	100.000	5,126,422,014
1998	4,644,367,065	-	-	-	-	1,510,801,855	101,506,231	6,256,675,151	100.000	5,824,293,110
1999	4,825,334,263	-	-	-	-	1,754,610,946	104,564,230	6,684,509,439	100.000	6,121,802,595
2000	4,983,488,104	-	-	-	-	1,571,446,374	101,978,676	6,656,913,154	100.000	6,307,188,798
2001	5,130,923,765	-	-	-	-	1,558,098,551	91,507,266	6,780,529,582	100.000	6,553,231,462
2002	5,306,230,416	-	-	-	-	1,800,472,859	95,260,352	7,201,963,627	100.000	7,312,031,465
2003	5,636,839,363	-	-	-	-	1,785,969,330	88,706,936	7,511,515,629	100.000	7,606,653,922
2004	5,849,384,127	-	-	-	-	1,733,230,772	84,043,983	7,666,658,882	100.000	7,753,603,202
2005	6,427,419,755	-	-	-	-	1,807,432,684	100,466,296	8,335,318,735	100.000	8,543,787,515
2006	6,711,197,450	-	-	-	-	2,170,535,256	106,987,984	8,988,720,690	100.000	9,412,272,973

Note: Pitt County is currently undergoing a new software implementation process. Upon completion, information will be documented using the above format.

Source: Annual County Report of Valuation and Property Tax Levies

Table 6

Pitt County
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years

	Year Taxes Are Payable										
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Pitt County	\$ 0.7239	\$ 0.6600	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.7000	\$ 0.7000	\$ 0.7000
<u>Municipality Rates:</u>											
Town of Ayden	0.4900	0.4700	0.4700	0.5000	0.5000	0.5000	0.5000	0.5500	0.5500	0.5200	0.5200
Town of Bethel	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900
Town of Falkland	0.3500	0.3500	0.3500	0.3500	0.3500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Town of Farmville	0.4000	0.4100	0.4100	0.4482	0.4482	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900
Town of Fountain	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
Town of Greenville	0.5936	0.5200	0.5200	0.5500	0.5500	0.5500	0.6150	0.6150	0.6150	0.5600	0.5600
Town of Grifton	0.5900	0.5700	0.5700	0.5700	0.5500	0.5700	0.5700	0.5700	0.5700	0.5500	0.5500
Town of Grimesland	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.4500	0.4500	0.4500	0.4500
Town of Simpson	0.5000	0.4500	0.4000	0.4000	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Town of Winterville	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4500	0.4500	0.4500	0.4500
<u>Fire Districts:</u>											
Ayden Fire District	0.0400	0.0385	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0375	0.0375	0.0375
Ayden Rescue District	-	0.0400	0.0400	0.0500	0.0400	0.0450	-	-	-	-	-
Bell Arthur Fire District	0.0375	0.0363	0.0357	0.0375	0.0375	0.0375	0.0375	0.0500	0.0500	0.0500	0.0500
Black Jack Fire District	0.0300	0.0286	0.0300	0.0275	0.0275	0.0250	0.0250	0.0300	0.0300	0.0300	0.0300
Clarks Neck Fire District	0.0500	0.0429	0.0429	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Eastern Pines Fire District	0.0250	0.0226	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0350
Eastern Pines Rescue District	0.0300	0.0273	0.0273	0.0275	0.0273	0.0273	-	-	-	-	-
Falkland Fire District	-	-	-	-	0.0500	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Farmville Fire District	0.0400	0.0396	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0360	0.0360
Fountain Fire District	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Garndersville Fire District	-	-	-	0.0500	0.0500	0.0500	0.0500	0.0750	0.0750	0.0750	0.0750
Grifton Fire District	-	-	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0475	0.0475	0.0499
Grimesland Fire District	0.0400	0.0385	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0450
Pactolus Fire District	0.0500	0.0462	0.0465	0.0650	0.0465	0.0465	0.0465	0.0465	0.0465	0.0425	0.0425
Red Oak Fire District	0.0400	0.0363	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0700	0.0700	0.0700
Sharp Point Fire District	-	-	-	-	-	0.0400	-	-	0.0600	0.0600	0.0600
Simpson Fire District	0.0300	0.0275	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Staton House Fire District	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0175	0.0175	0.0175	0.0175
Stokes Fire District	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Winterville Fire District	0.0320	0.0286	0.0286	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250

Pitt County
Principal Property Tax Payers,
Current Year

Table 7

Fiscal Year 2006			Percentage of Total Assessed Valuation
Taxpayer	Type of Business	Assessed Valuation	Rank
DSM CATALYTICA	PHARMACEUTICAL	\$ 232,011,098	1
DYNEEMA LLC	MANUFACTURING	89,557,908	2
SPRINT	COMMUNICATIONS	65,400,000	3
PAPERPAK	MANUFACTURING	52,412,524	4
WEYERHAEUSER COMPANY	MANUFACTURING	40,116,474	5
ASMO	MANUFACTURING	36,029,052	6
NACCO	MANUFACTURING	27,746,667	7
MARELDA GREENVILLE MALL (COLONIAL)	SHOPPING MALL	26,978,780	8
SPEIGHT, MAXINE	DEVELOPER	26,043,670	9
SOUTHEAST REGION, LLC (PIRATES COVE)	APARTMENTS	19,086,006	10
Totals		\$ 615,382,179	6.92%

Source: Pitt County Tax Assessor

Table 8

Pitt County
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date		
		Adjustments	Total	Percentage of Original Levy		Total Amount	Percentage of Adjusted Levy	
1997	32,892,001	581,766	33,473,767	31,838,466	96.80%	1,463,392	33,301,858	99.49%
1998	35,758,185	1,099,888	36,858,073	35,058,057	98.04%	1,763,867	36,821,924	99.90%
1999	37,549,823	1,693,623	39,243,446	37,361,831	99.50%	1,750,391	39,112,222	99.67%
2000	39,161,161	4,976	39,166,137	37,173,744	94.93%	1,800,537	38,974,281	99.51%
2001	40,063,103	590,508	40,653,611	38,635,849	96.44%	2,017,762	40,653,611	100.00%
2002	42,027,498	(105,719)	41,921,779	39,827,571	94.77%	2,026,488	41,854,059	99.84%
2003	43,757,070	300,283	44,057,353	41,821,376	95.58%	2,201,880	44,023,256	99.92%
2004	46,472,963	75,893	46,548,856	44,508,879	95.77%	2,142,142	46,651,021	100.22%
2005	57,727,485	(1,458,773)	56,268,712	54,237,137	93.95%	2,017,033	56,254,170	99.97%
2006	60,295,684	698,616	60,994,300	58,743,657	97.43%	2,516,958	61,260,615	100.44%

Note: The presentation of this schedule has been modified beginning with Year-end 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.

Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Per Capita	Percentage of Personal Income
	General		Capital		General		Installment				
	Obligation Bonds	Revenue Bonds	Installment Loans	Leases	Obligation Bonds	Revenue Bonds	Installment Loans				
1997	\$ 26,920,000	\$ 0	\$ 35,335,000	\$ 0	\$ 2,800,000	\$ 0	0	\$ 65,055,000	\$ 523	2.30%	
1998	24,525,000	0	33,690,000	0	2,600,000	0	0	60,815,000	480	2.20%	
1999	23,240,000	0	51,174,740	0	2,400,000	0	0	76,814,740	601	2.80%	
2000	20,790,000	0	44,447,270	0	2,200,000	0	0	67,437,270	514	2.15%	
2001	18,325,000	0	70,517,862	0	2,000,000	0	0	90,842,862	679	2.83%	
2002	15,850,000	0	76,540,545	0	1,800,000	0	0	94,190,545	698	2.88%	
2003	13,385,000	0	73,846,925	0	1,600,000	0	0	88,831,925	644	2.50%	
2004	10,885,000	0	77,871,430	0	1,400,000	0	0	90,156,430	649	2.42%	
2005	8,310,000	0	97,806,640	0	1,200,000	0	0	107,316,640	758	N/A	
2006	6,655,000	0	95,993,458	0	1,000,000	0	0	103,648,458	724	N/A	

Source: Audited financial reports of this entity.

Table 10

Pitt County
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	Less: Amounts		Total			
	General Obligation Bonds	Restricted to Repaying Principal				
1997	\$ 26,920,000	\$ -	\$ 26,920,000	0.95%	0.4631%	\$ 216
1998	24,525,000	-	24,525,000	0.89%	0.3920%	194
1999	23,240,000	-	23,240,000	0.85%	0.3477%	182
2000	20,790,000	-	20,790,000	0.66%	0.3123%	159
2001	18,325,000	-	18,325,000	0.57%	0.2703%	137
2002	15,850,000	-	15,850,000	0.49%	0.2201%	117
2003	13,385,000	-	13,385,000	0.38%	0.1782%	97
2004	10,885,000	-	10,885,000	0.29%	0.1420%	78
2005	8,310,000	-	8,310,000	N/A	N/A	59
2006	6,655,000	-	6,655,000	N/A	N/A	46

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year. Calendar 2005 personal income not available to calculate fiscal year 2006.

(2) See schedule 5 for property value data.

Source: Audited financial reports of this entity.

Table 11

Pitt County
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Assessed Value of Property	\$ 5,813,384	\$ 6,256,675	\$ 6,684,509	\$ 6,656,913	\$ 6,780,530	\$ 7,201,964	\$ 7,511,516	\$ 7,666,659	\$ 8,335,319	\$ 8,988,721
Debt Limit, 8% of Assessed Value (Statutory Limitation)	465,071	500,534	534,761	532,553	542,442	576,157	600,921	613,333	668,825	719,098
Amount of Debt Applicable to Limit										
Gross debt	65,055	60,815	76,815	67,437	90,843	94,191	88,832	90,156	107,317	103,648
Less: Amount available for repayment of general obligation bonds	0	0	0	0	0	0	0	0	0	0
Debt outstanding serviced by Enterprise Fund (solid waste)	2,800	2,600	2,400	2,200	2,000	1,800	1,800	1,400	1,200	1,000
Revenue bonds	0	0	0	0	0	0	0	0	0	0
Total net debt applicable to limit	62,255	58,215	74,415	65,237	88,843	92,391	87,232	88,756	106,117	102,648
Legal Debt Margin	\$ 402,816	\$ 442,319	\$ 460,346	\$ 467,316	\$ 453,600	\$ 483,767	\$ 513,689	\$ 524,576	\$ 560,709	\$ 616,449
Total net debt applicable to the limit as a percentage of debt limit	13.39%	11.63%	13.92%	12.25%	16.38%	16.04%	14.52%	14.47%	15.91%	14.27%

Source: Annual audited financial reports of this entity.

Pitt County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2006

Table 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
CITY OF GREENVILLE	\$ 11,795,000	100.00%	\$ 11,795,000
TOWN OF AYDEN	\$ 10,000	100.00%	\$ 10,000
TOWN OF BETHEL	\$ 1,320,000	100.00%	\$ 1,320,000
TOWN OF FARMVILLE	\$ 418,500	100.00%	\$ 418,500
TOWN OF FOUNTAIN	\$ 195,500	100.00%	\$ 195,500
TOWN OF GRIMESLAND	\$ 276,500	100.00%	\$ 276,500
TOWN OF WINTERVILLE	\$ 1,111,000	100.00%	\$ 1,111,000
CONTENTNEA METROPOLITAN SEWAGE DISTRICT (1)	\$ 385,000	0.00%	\$ 0
Total direct debt			<u>102,648,458</u>
Total direct and overlapping debt			<u>\$ 117,774,958</u>

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

Source: Local Government Commission

Pitt County
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 13

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public School Enrollment(3)	Unemployment Rate(4)
1997	124,411	2,833,087	22,772	19,322	5.1%
1998	126,643	2,762,464	21,813	19,695	4.8%
1999	127,879	2,744,539	21,462	19,997	4.4%
2000	131,166	3,140,639	23,944	20,030	4.4%
2001	133,798	3,207,941	23,976	19,736	4.5%
2002	134,936	3,267,070	24,212	20,205	6.0%
2003	137,901	3,550,399	25,746	20,220	6.6%
2004	138,922	3,719,914	26,777	20,665	6.7%
2005	141,499	*	*	21,125	6.4%
2006	143,212	*	*	*	*

* Information not yet available.

Notes:

- (1) Provided by the North Carolina Office of State Budget and Management.
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year
- (3) Nine (9) month ADM figure provided by Pitt County Board of Education
- (4) N. C. Employment Security Commission, Annual Average for prior calendar year.

Table 14

Employer	2006 (1)			1997 (2)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Pitt County Memorial Hospital	6,134	1	4.28%	4,000	1	2.79%
East Carolina University	4,184	2	2.92%	3,745	2	2.62%
Pitt County Public Schools	2,963	3	2.07%	2,500	3	1.75%
NACCO Material Handling Group	1,200	4	0.84%	700	4	0.49%
DSM Pharmaceuticals	1,000	5	0.70%	1,300	5	0.91%
County of Pitt	975	6	0.68%	800	6	0.56%
Pitt Community College	815	7	0.57%	670	7	0.47%
City of Greenville	652	8	0.46%	600	8	0.42%
Alliance One International	500	9	0.35%	900	9	0.63%
Grady-White Boats, Inc.	450	10	0.31%	300	10	0.21%

Source: (1) Pitt County Industrial Development Commission
(2) 1997 Historical documents Pitt County Financial Services Department

Pitt County
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years

Table 15

Function/Program	Full-time Equivalent Employees as of June 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government	105.50	109.00	119.40	126.60	130.00	131.75	138.75	140.50	139.50	141.50
Public safety	228.50	254.00	254.75	260.75	268.25	268.25	285.85	295.35	302.35	312.25
Social services	179.75	198.75	202.00	210.50	217.00	217.00	217.00	221.00	220.00	223.00
Economic and physical development	11.40	11.40	12.65	14.90	15.60	16.60	19.10	18.60	18.60	19.60
Environmental protection	20.00	19.00	20.00	20.25	21.25	22.25	22.25	22.25	21.25	21.25
Health	412.50	395.41	391.41	318.75	326.10	331.10	317.25	318.70	313.10	175.25
Total	957.65	987.56	1,000.21	951.75	978.20	986.95	1,000.20	1016.40	1014.80	892.85

Source: County Financial Services Department

Note: This schedule represents number of persons employed as of June 30 of each year.
Full time personnel work 2,080 hours per year (less vacation and sick leave).