



# PITT COUNTY, NORTH CAROLINA

For Fiscal Year Ended June 30, 2007

Comprehensive Annual Financial Report



Leader in the State;  
Best in the East

# **County of Pitt**

**North Carolina**



## **Comprehensive Annual Financial Report**

**For Fiscal Year Ended June 30, 2007**

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, 2007**

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## **I. INTRODUCTORY SECTION**

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

A detailed map of the Greenville, North Carolina area. The map shows the city of Greenville at the center, with surrounding communities including Bethel, Reidsville, Simpson, Winterville, Ayden, Grifton, Farmville, and Fountain. Major highways are labeled, including US 264, US 13, US 121, US 118, and various North Carolina state routes (NC 30, NC 903, NC 33, NC 43, NC 102, NC 11, NC 121, NC 222). The map also shows the surrounding counties: Falkland, Simpson, and Grimesland. The map is oriented with North at the top.





## PITT COUNTY FINANCIAL SERVICES

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**MELONIE T. BRYAN**  
DEPUTY COUNTY MANAGER –  
FINANCIAL SERVICES

November 5, 2007

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 and the Citizens of Pitt County with the Comprehensive Annual Financial Report (CAFR) of Pitt County for the fiscal year ended June 30, 2007.

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, provides the reader with a general overview of Pitt County, governmental operations and the County's financial position. The Financial Section of the report contains the independent auditors' report, *Management's Discussion and Analysis* as well as our financial statements and detailed budgetary information. 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.

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 146,398 as of July 2006 (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 (public health and social services), public safety, cultural and recreational, 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, Note 15 and Note 16 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 (108,480), 23% between 1990 and 2000 (133,798) and an additional 7% 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 13 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 \$2 billion for the first time in 2003-2004. The local economy is well diversified with government and wholesale/retail trade accounting for approximately 25% of total employment, manufacturing accounting for 16% of total employment and the service sector accounting for approximately 20% of total employment. Major area employers include East

Carolina University, Pitt County Memorial Hospital, DSM-Dyneema, NACCO Materials Handling Group, and Grady-White Boats. Employment levels are at approximately 72,628 persons. Major projects in 2006 included the continuing expansion of facilities at East Carolina University, the Brody School of Medicine and Pitt County Memorial Hospital. The Hospital is currently constructing a 375,000 square foot, 120-bed cardiovascular inpatient, outpatient and support services tower adjacent to the existing hospital facility. Total cost is estimated at \$150 million. Private industry projects included expansions at Fuji Silysia Chemical USA, PaperPac, Metrics and Winterville Machine Works.

The Industrial Development Commission, created by voter referendum in 1957, continues to recruit new business and industry, primarily from the northeastern and western states and Japan. The number of inquiries from industry has remained steady for the past several years as more companies become aware of the area through increased marketing efforts. The Commission works closely with existing industry and assisted Glaxo-Wellcome and Procter & Gamble in selling their plants. Other initiatives in the past several years have resulted in the location of three Japanese firms, ASMO Greenville, NC Asahi and Fuji Silysia Chemical USA. As a result, Greenville and the County are now recognized as the newest node for Japanese investment in North Carolina. During Fiscal Year 2006-07, Welex Corporation announced the relocation of its operations to the County, and the company officials expect to see significant growth at this location. Additionally, CMI Plastics announced the relocation of its operations from New Jersey to the Minges Corporate Park, which is expected to add approximately 169 jobs and an additional investment of \$10 million.

## **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 and in the areas 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 2006-2007 when, according to data distributed by the North Carolina Association of County Commissioners, the County held the 33<sup>rd</sup> position in terms of per pupil funding. Data for test score performance for the 2006-2007 year will be published in the Fall 2007.

While there is not a formal compact in place any longer, improving funding, student achievement and test scores – the purpose of the original compact - continue to be the leading goals of both Boards. To that end, the Board of Commissioners and the Board of Education adopted a joint resolution which pledges their continued desire to move forward addressing the needs of the school system together.

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 2006-2007 year was additional funding for school facility construction. Between 1997 – 2006, several Certificates of Participation issues were consummated for the express purpose of school facility construction – both new facilities and expansion/renovation of existing buildings. In February 2007, funds were borrowed for one new school and four renovation projects. It is anticipated that this new debt service requirement will be covered by a combination sales tax revenues restricted for school facilities and through the payoff of an existing bond issue and the associated “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. While we had limited success in gaining sales tax authority for our individual County, during the 2007 legislative session, both the House of Representatives and the Senate approved state-wide authority to impose a new, additional ¼% sales tax after the successful passage of a voter referendum. The County will hold its Referendum on November 6, 2007. As this avenue is being explored, the County continues to hold discussions with the school officials 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 1<sup>st</sup> 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 2006-2007 was to continue long-range planning efforts for the delivery of Emergency Medical Services. After the conclusion of 18 months of work, the Special EMS Study Committee had developed an EMS Ordinance which addressed both emergency and non-emergency response which was subsequently passed by the Board. Additionally, recommendations on service delivery for Fiscal Year 2007-08 were made and adopted during the County’s annual budget process. This completed the work of the Special Study Committee and, as such, the committee dissolved and

was replaced with an EMS Oversight Committee which became operational with the new fiscal year to review squad operations and enforce the EMS Ordinance adopted in 2007.

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. This area will be a focus of the EMS Oversight committee as it begins its work with the system during the new year.

**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.

## **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 2007-2008 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, 2007, the County had 19.60% 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, 2007 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 Deputy County Manager - 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, as anticipated, been successful in containing costs. This program was continued for Fiscal Year

2007-2008 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 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 the November referendum.

## **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, 2007 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, 2007". 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, 2006. This was the seventeenth 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.

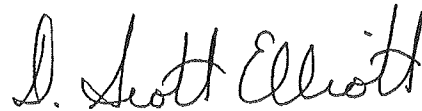
## Acknowledgements

Thanks are given 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 helping the County achieve and maintain a high degree of fiscal integrity. 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

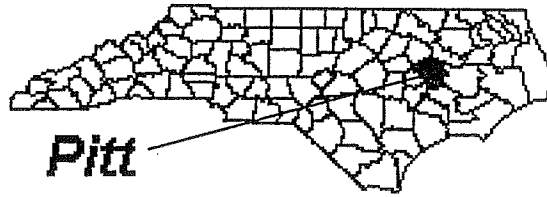


D. Scott Elliott  
County Manager

## ***PITT COUNTY PROFILE***

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Pitt County was formed in 1760 and has a land area of approximately 656 square miles. Pitt County's 2006 estimated population is 146,398 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 16<sup>th</sup> 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, Alliance One International, 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 (\$0.71 per \$100 valuation for fiscal year 2007) 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***

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### ***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.

The system expects to serve in excess of 23,000 students in the 2007-08 school year.

### ***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 52 associate degree programs, 73 certificate programs, 26 diploma programs, and 18 college transfer programs. In terms of curriculum programs, PCC is the 7<sup>th</sup> largest out of 58 schools in North Carolina's community college system. School enrollment estimation for 2007 is 8,975 curriculum students and 11,887 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 162 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 25,100 students expected for Fall 2007. 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 4,249. 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. Twenty-nine motor freight carriers provide regular service to

## ***PITT COUNTY PROFILE***

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the area, with nine 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.

The County has approximately 1600 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, 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***

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

## **PITT COUNTY PROFILE**

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continued to receive excellent care from private providers. In May 2006, Pitt County adopted a "Resolution of Intent" and actively pursued the creation of an 9-county LME to be made up of Pitt, Craven, Jones, Pamlico, Bertie, Gates, Northampton & Hertford Counties and serving an approximate population of 340,000. This new, 9-county LME, known as East Carolina Behavioral Health opened its doors for operation July 1, 2007.

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

PCMH is one of four academic medical teaching centers in the State and serves as a teaching hospital for the ECU Brody School of Medicine. PCMH is a regional health care referral center serving over 1.2 million people in a 29-county area with a multitude of services that include organ transplant; a Level I Trauma Center; air ambulance service; neonatal intensive care; and centers for rehabilitation, diabetes, cancer, and cardiac care.

### **ECU School of Medicine**

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Pitt  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

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.



President

Executive Director

## **PITT COUNTY, NORTH CAROLINA**

### **LIST OF PRINCIPAL OFFICIALS**

**For Year Ended June 30, 2007**

#### **BOARD OF COUNTY COMMISSIONERS**

BETH B. WARD	Chair
MARK W. OWENS	Vice Chair
DAVID HAMMOND	
EUGENE JAMES	
TOM JOHNSON, SR.	
JIMMY GARRIS	
KENNETH ROSS	
MELVIN C. MCLAWHORN	
TOM COULSON	

#### **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
DR. JOHN MORROW	Public Health Director
FLORIDA D. HARDY	Director of Human Resources
MICHAEL C. TAYLOR	Chief Information Officer

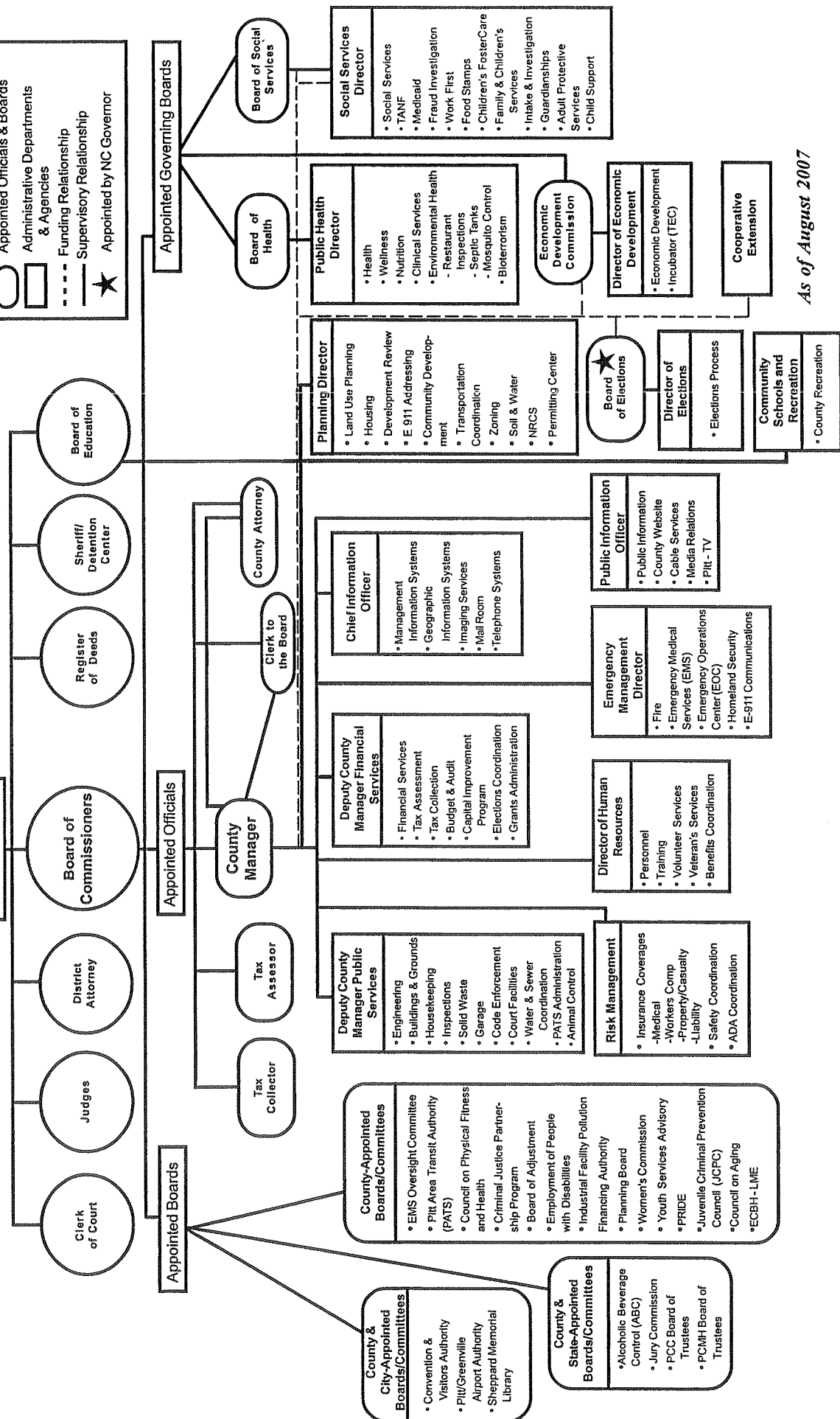


# Pitt County Government Organizational Chart

Citizens of Pitt County

## KEY

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



As of August 2007



# 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 2007-08

- ☒ *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

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## Martin Starnes & Associates, CPAs, P.A.

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*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, 2007, 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 65 percent, 62 percent, and 92 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 basic 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, 2007, 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 October 1, 2007 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting a compliance and the results of that testing, and not to provide an opinion on the internal control over final reporting or on compliance. 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 basic 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  
October 1, 2007

## 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, 2007. 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 \$40,287,968.
- The County's net assets of governmental activities decreased by \$8,018,933; the majority of this decrease is attributable to the increase in net expenses of the Education function of \$11,409,274 over the prior fiscal year.
- As of the close of the current fiscal year, Pitt County's General Fund reported an ending fund balance of \$35,366,045, an increase of \$1,750,634 in comparison with the prior year. Approximately 70% of this total amount, \$24,843,730 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's efforts were successful with the General Assembly to gain the opportunity to ask our citizens via referendum to support the implementation on a quarter cent sales tax increase.
- Tax rate remained at 70 cent per \$100 valuation. The proceeds are split 68.5 cents General Fund and 1.5 cents Industrial Development Commission.
- The County holds the following GO bond ratings:

Fitch	AA
Moody's	Aa3
Standard & Poor's	AA-
- The County holds the following COPs ratings:

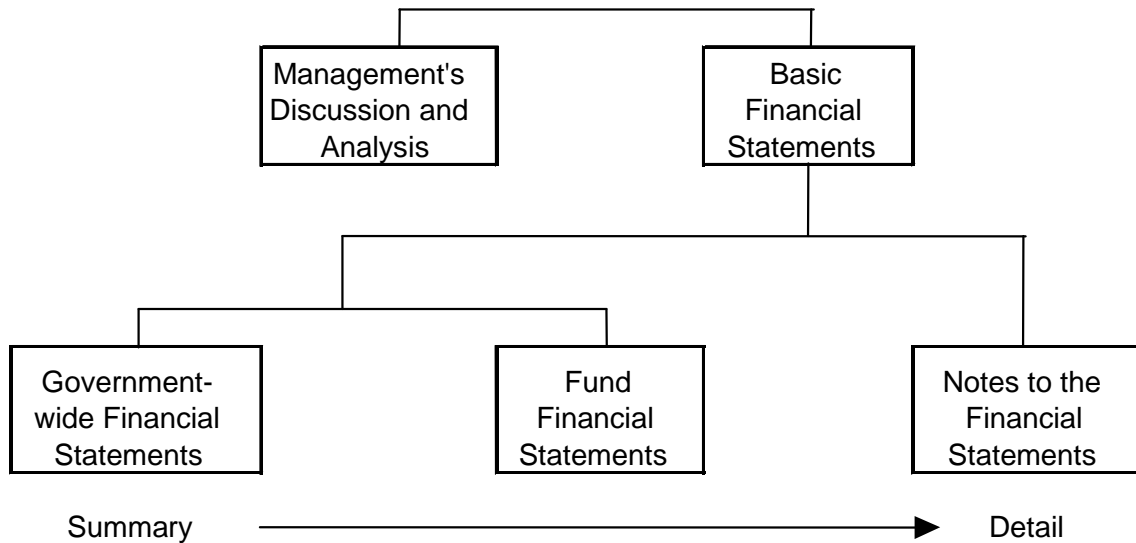
Fitch	AA-
Moody's	A1
Standard & Poor's	A+

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Pitt County's basic financial statements. Pitt County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the fiscal condition of Pitt County.



**Required Components of Annual Financial Report**  
**Figure 1**



## **Basic Financial Statements**

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

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

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

## Government-wide Financial Statements

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

The statement of net assets presents information on all of Pitt County's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Pitt County is improving or deteriorating. This year Pitt County had a significant increase in capital assets and long-term liabilities, respectively, as we built two new schools.

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

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

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

The government-wide financial statements can be found on pages 35-37 of this report.

## Fund Financial Statements

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

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

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-78 of this report.

## Government-wide Financial Analysis

We are in the sixth 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 \$41,669,297 at the close of the most recent fiscal year.

**Pitt County's Net Assets**  
**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 72,957,407	\$ 51,698,432	\$ 1,209,740	\$ 301,895	\$ 74,167,147	\$ 52,000,327
Capital assets: nondepreciable	9,836,968	27,413,313	664,329	664,329	10,501,297	28,077,642
Capital assets, net	94,143,275	80,050,130	2,206,280	2,154,655	96,349,555	82,204,785
Total assets	<u>176,937,650</u>	<u>159,161,875</u>	<u>4,080,349</u>	<u>3,120,879</u>	<u>181,017,999</u>	<u>162,282,754</u>
Long-term liabilities outstanding	116,896,177	93,536,095	2,060,000	2,320,000	118,956,177	95,856,095
Other liabilities	19,753,505	17,318,918	639,020	616,883	20,392,525	17,935,801
Total liabilities	<u>136,649,682</u>	<u>110,855,013</u>	<u>2,699,020</u>	<u>2,936,883</u>	<u>139,348,702</u>	<u>113,791,896</u>
Net assets:						
Invested in capital assets, net of related debt	9,052,628	9,656,803	2,070,609	1,818,984	11,123,237	11,475,787
Restricted	717,353	678,647	-	-	717,353	678,647
Unrestricted	30,517,987	37,971,412	(689,280)	(1,634,988)	29,828,707	36,336,424
Total net assets	<u>\$ 40,287,968</u>	<u>\$ 48,306,862</u>	<u>\$ 1,381,329</u>	<u>\$ 183,996</u>	<u>\$ 41,669,297</u>	<u>\$ 48,490,858</u>

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 with the last two fiscal years, a small percentage, almost two 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), \$29,828,707, 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, with a substantial improvement in the business-type activities over last year.

**Pitt County's Changes in Net Assets**  
**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 16,079,116	\$ 16,860,215	\$ 7,916,793	\$ 7,472,414	\$ 23,995,909	\$ 24,332,629
Operating grants and contributions	30,736,696	44,268,572	-	(195,224)	30,736,696	44,073,348
Capital grants and contributions	4,531,812	1,331,298	-	-	4,531,812	1,331,298
General revenues:						
Property taxes	65,841,771	64,079,131	-	-	65,841,771	64,079,131
Other taxes	29,846,075	28,040,745	-	-	29,846,075	28,040,745
Other	2,647,891	(10,511,199)	400	90	2,648,291	(10,511,109)
Total revenues	149,683,361	144,068,762	7,917,193	7,277,280	157,600,554	151,346,042
Expenses:						
General government	15,101,864	16,037,940	-	-	15,101,864	16,037,940
Public safety	27,464,405	25,212,358	-	-	27,464,405	25,212,358
Environmental protection	245,464	4,469	-	-	245,464	4,469
Economic and physical development	5,156,590	3,274,182	-	-	5,156,590	3,274,182
Human services	54,707,785	67,135,085	-	-	54,707,785	67,135,085
Cultural and recreation	583,843	457,682	-	-	583,843	457,682
Education	48,738,593	37,016,790	-	-	48,738,593	37,016,790
Interest on long-term debt	5,703,750	4,976,804	52,900	63,400	5,756,650	5,040,204
Landfill	-	-	6,666,960	6,854,506	6,666,960	6,854,506
Total expenses	157,702,294	154,115,310	6,719,860	6,917,906	164,422,154	161,033,216
Increase (decrease) in net assets	(8,018,933)	(10,046,548)	1,197,333	359,374	(6,821,600)	(9,687,174)
Net assets, July 1	48,306,901	58,353,410	183,996	(175,378)	48,490,897	58,178,032
Net assets, June 30	\$ 40,287,968	\$ 48,306,862	\$ 1,381,329	\$ 183,996	\$ 41,669,297	\$ 48,490,858

**Governmental activities.** Of total net assets, governmental activities accounted for \$40,287,968 (over 96 percent). The reduction in operating grants and contributions during Fiscal Year 2006-2007 reflects the down-sizing of our mental health program. Effective July 1, 2007, our programs will merge and become part of a nine-county regional authority. Therefore, we will

experience an additional reduction on next year's statements as well due to closure of our single county program.

**Business-type activities.** Business-type activities increased Pitt County's net assets by \$1,197,333. On the revenue side, "charges for services" increased due to the residential waste fee rate change of \$2 per household to \$68 per year.

## 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 \$60,245,784, an increase of \$23,242,701 in comparison with the prior year. The increase is attributable to the March 2007 issuance of COPs to fund the 2007 Education Projects.

**Pitt County's Fund Balance**  
**Figure 4**

	General		Other Governmental Funds		Total Governmental Funds	
	2007	2006	2007	2006	2007	2006
Fund Balance	<u>\$ 35,366,045</u>	<u>\$ 33,615,411</u>	<u>\$ 24,879,070</u>	<u>\$ 3,387,003</u>	<u>\$ 60,245,115</u>	<u>\$ 37,002,414</u>

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 to address the need to build more schools and address other capital needs. The Fiscal Year 2007-2008 budget continues a posture of fund balance maintenance and should allow the County to preserve its fund balance in the 19-20% range. The tax rate was increased 1.5 cents to 71.5 cents 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 \$35,366,045 with \$24,843,730 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 19.6 percent of total General Fund expenditures (\$126,738,412), while total fund balance represents 27.9 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 \$5.3 million. The County increased revenues by \$4,622,924 or approximately 3.6 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 \$597,749 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 under-collected the General Fund’s final budgeted revenues by \$(601,912) or 0.5 percent. This was coupled with under-spending in the General Fund of \$6.5 million or slightly over 4.9 percent. These two actions combined allowed the County to avoid needing to actually use any fund balance and actually added \$1,750,634 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 \$123,782, down \$731 from the prior year. Total net assets at year-end increased to \$2,194,391 from \$1,943,497 for the year ending June 30, 2007. The County’s Solid Waste Fund saw revenues at 106% of budget, while expenses were at 90% of budget resulting in a net revenue of \$1,196,933. 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 2007-2008.

## **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, 2007 amounts to \$96,349,555 (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 nondepreciable and represents \$5,492,249.

During Fiscal Year 2006-2007, the County issued \$30 million in new debt for the 2007 Education Projects. It is anticipated that an additional \$20 million will be borrowed in the Fall of 2008 to fund a 192-bed addition to the County’s existing jail facility. The building needs of the County have been forecast ten years into the future through the annual review and adoption of a



Capital Improvement Plan. Items such as a facility for Social Services and additional facilities for both the public school system and the local community college have been identified. Steps are being taken to identify revenue sources to fund these additional needs with a referendum question scheduled for November 2007 that would levy an additional ¼% sales tax earmarked for education construction.

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

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land and improvements	\$ 5,582,119	\$ 4,566,045	\$ 752,722	\$ 752,722	\$ 6,334,841	\$ 5,318,767
Buildings	113,829,947	97,955,095	2,647,373	2,647,373	116,477,320	100,602,468
Furniture and equipment	7,144,331	7,579,097	2,636,389	2,582,576	9,780,720	10,161,673
Vehicles	5,381,295	4,620,029	589,337	569,544	5,970,632	5,189,573
Construction in progress	5,492,249	23,177,209	-	-	5,492,249	23,177,209
Subtotal	137,429,941	137,897,475	6,625,821	6,552,215	144,055,762	144,449,690
Accumulated depreciation	33,449,698	30,434,032	3,755,212	3,733,231	37,204,910	34,167,263
Capital assets, net	<u>\$ 103,980,243</u>	<u>\$ 107,463,443</u>	<u>\$ 2,870,609</u>	<u>\$ 2,818,984</u>	<u>\$ 106,850,852</u>	<u>\$ 110,282,427</u>

**Long-term debt.** At the end of the current fiscal year, Pitt County had total bonded debt outstanding of \$4,095,000, which is backed by the full faith and credit of the County.

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

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	<u>\$ 3,295,000</u>	<u>\$ 5,655,000</u>	<u>\$ 800,000</u>	<u>\$ 1,000,000</u>	<u>\$ 4,095,000</u>	<u>\$ 6,655,000</u>

This outstanding general obligation indebtedness of \$4,095,000 is out of a legal debt limit of approximately \$675,988,202. 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 \$671,893,202. However, a better analysis of debt is brought about by taking all outstanding debt, not just that secured by General Obligation bonds, (\$151,826,096 not including bonds in Enterprise fund of \$800,000) and subtracting it from the legal debt limit to arrive at the Net Legal Debt Margin of \$524,162,106.

Net debt outstanding increased \$50,177,637, from the June 30, 2006 balance of \$101,648,459. Additional information on Pitt County's long-term debt can be found in note 7 on pages 63-67 of this report.

## **Economic Factors and Next Year's Budget and Rates**

- The unemployment rate for Pitt County in 2006 was 5.3 percent. This is slightly higher than the State's 2006 unemployment rate of 4.8 percent. The first two quarters of 2007 indicate an increase to the State's unemployment rate to 5.1% with the County seeing an upswing to 5.9%.
- Inflationary trends noted in the region are very similar to national indices.
- Population of 143,207 (2005) – 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 2007-2008**

**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 will remain somewhat constant during the 2007-2008 year. The County increased ad valorem taxes by 1-cent with much of that needed for growth in the Department of Social Services and increased funding to Education. The County was able to maintain its benefits package for employees with only a minimal impact on the employees in terms of 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 2007-2008 is expected to be a sound year for the County. The continued growth in property values and the revenues that growth will generate coupled with continued growth in sales tax revenues will allow the County to maintain its strong financial posture. As a regional hub for education, medicine and shopping in eastern North Carolina, the County has been fortunate not to experience some of the problems other areas have had in terms of declining property values, increased foreclosures and loss of business and industry. Additionally, Pitt County, along with the 99 other counties in North Carolina, received some potential new revenue options that will allow for addressing continued capital needs. The County expects to seek voter approval for a ¼% sales tax increase on the November 2007 ballot with proceeds earmarked for education construction.

**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 held constant in Fiscal Year 2007-2008 which should enable the Solid Waste department to cover the costs of the overall solid waste operation and create some reserves for future capital needs.

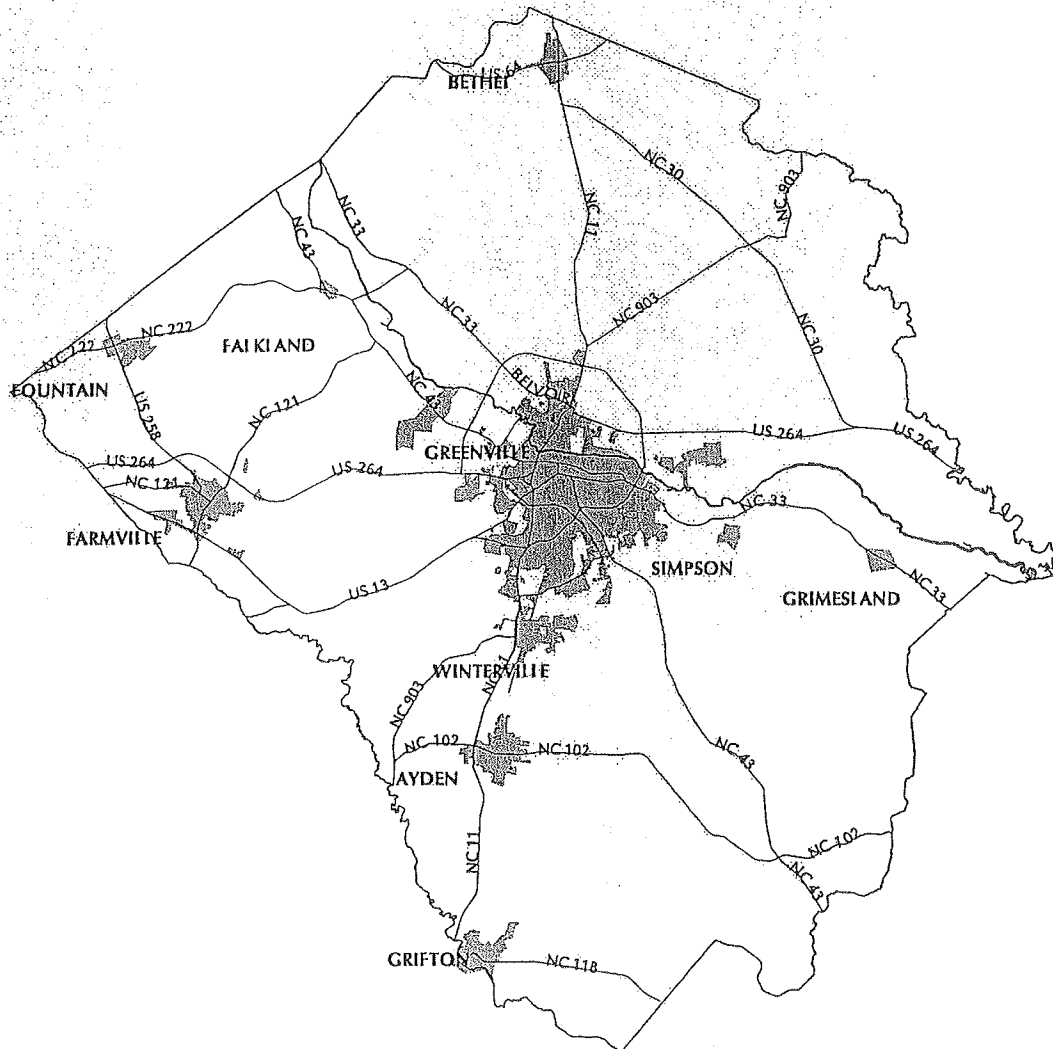
## **Requests for Information**

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.

# Pitt County, North Carolina

## Pitt County, North Carolina

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## **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.

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## PITT COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS  
JUNE 30, 2007

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Industrial Development Commission	Pitt County ABC Board
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 32,936,256	\$ -	\$ 32,936,256	\$ 2,014,695	\$ 1,655,706
Taxes receivable, net	2,084,174	-	2,084,174	4,576	-
Accounts receivable, net	1,044,190	1,245,889	2,290,079	1,890	1,414
Interest receivable, net	1,970,663	-	1,970,663	-	-
Due from other governments	8,418,305	-	8,418,305	-	-
Internal balances	36,149	(36,149)	-	-	-
Inventories	2,511	-	2,511	-	810,667
Prepaid items	193,458	-	193,458	2,500	6,582
Cash and investments, restricted	26,271,701	-	26,271,701	-	-
Total current assets	72,957,407	1,209,740	74,167,147	2,023,661	2,474,369
Capital assets:					
Capital assets, nondepreciable	9,836,968	664,329	10,501,297	-	698,516
Capital assets, net	94,143,275	2,206,280	96,349,555	-	739,183
Total capital assets	103,980,243	2,870,609	106,850,852	-	1,437,699
Total assets	\$ 176,937,650	\$ 4,080,349	\$ 181,017,999	\$ 2,023,661	\$ 3,912,068
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 7,069,181	\$ 325,833	\$ 7,395,014	\$ 1,412	\$ 579,165
Compensated absences, due in one year	1,100,000	20,000	1,120,000	22,961	39,865
Unearned revenues	2,670,025	7,646	2,677,671	9,640	-
Compensated absences, due in more than one year	1,467,009	25,541	1,492,550	-	-
Due within one year	7,447,290	260,000	7,707,290	-	-
Total current liabilities	19,753,505	639,020	20,392,525	34,013	619,030
Noncurrent liabilities:					
Due in more than one year	116,896,177	2,060,000	118,956,177	-	-
Total liabilities	136,649,682	2,699,020	139,348,702	34,013	619,030
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	9,052,628	2,070,609	11,123,237	-	1,437,699
Restricted for:					
E911 wireless operations	526,429	-	526,429	-	-
Register of Deeds	190,924	-	190,924	-	-
Alcohol Beverage Control	-	-	-	-	365,324
Unrestricted	30,602,984	(689,280)	29,913,704	1,989,648	1,490,015
Total net assets	\$ 40,372,965	\$ 1,381,329	\$ 41,754,294	\$ 1,989,648	\$ 3,293,038

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

# PITT COUNTY, NORTH CAROLINA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2007

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 15,101,864	\$ 3,889,222	\$ -	\$ -
Public safety	27,379,408	8,752,760	25,800	111,854
Environmental protection	245,464	265,127	98,086	-
Economic and physical development	5,156,590	3,245	293,962	2,920,434
Human services	54,707,785	3,134,045	30,318,848	-
Education	48,738,593	-	-	1,462,000
Cultural and recreation	583,843	34,717	-	37,524
Interest on long-term debt	5,703,750	-	-	-
Total governmental activities	<u>157,617,297</u>	<u>16,079,116</u>	<u>30,736,696</u>	<u>4,531,812</u>
<b>Business-Type Activities:</b>				
Solid waste	6,719,860	7,916,793	-	-
Total business-type activities	<u>6,719,860</u>	<u>7,916,793</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 164,337,157</u>	<u>\$ 23,995,909</u>	<u>\$ 30,736,696</u>	<u>\$ 4,531,812</u>
<b>Component Units:</b>				
Industrial development	\$ 1,609,556	\$ 203,341	\$ 110,000	\$ -
ABC Board	11,914,661	12,346,856	-	-
Total component units	<u>\$ 13,524,217</u>	<u>\$ 12,550,197</u>	<u>\$ 110,000</u>	<u>\$ -</u>

### General Revenues:

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

Total general revenues and transfers

Change in net assets

### Net Assets:

Beginning of year - July 1  
End of year - June 30

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



## Exhibit B

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Industrial Development Commission	Pitt County ABC Board
\$ (11,212,642)	\$ -	\$ (11,212,642)		
(18,488,994)	-	(18,488,994)		
117,749	-	117,749		
(1,938,949)	-	(1,938,949)		
(21,254,892)	-	(21,254,892)		
(47,276,593)	-	(47,276,593)		
(511,602)	-	(511,602)		
(5,703,750)	-	(5,703,750)		
(106,269,673)	-	(106,269,673)		
-	1,196,933	1,196,933		
-	1,196,933	1,196,933		
(106,269,673)	1,196,933	(105,072,740)		
			\$ (1,296,215)	\$ -
			-	432,195
			(1,296,215)	432,195
65,841,771	-	65,841,771	1,358,745	-
28,162,325	-	28,162,325	-	-
1,683,750	-	1,683,750	-	-
2,647,891	400	2,648,291	1,473	56,599
98,335,737	400	98,336,137	1,360,218	56,599
(7,933,936)	1,197,333	(6,736,603)	64,003	488,794
48,306,901	183,996	48,490,897	1,925,645	2,804,244
\$ 40,372,965	\$ 1,381,329	\$ 41,754,294	\$ 1,989,648	\$ 3,293,038

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

## PITT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2007

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 30,268,210	\$ 1,081,435	\$ 31,349,645
Taxes receivable, net	1,731,122	353,052	2,084,174
Accounts receivable, net	755,715	282,080	1,037,795
Interest receivable	1,970,663	-	1,970,663
Prepaid items	169,571	23,760	193,331
Cash and investments, restricted	-	26,271,701	26,271,701
Due from other funds	71,397	-	71,397
Due from other governments	7,053,287	1,365,018	8,418,305
Total assets	<u>\$ 42,019,965</u>	<u>\$ 29,377,046</u>	<u>\$ 71,397,011</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,173,563	\$ 3,675,959	\$ 5,849,522
Retainage payable	-	437,077	437,077
Due to other funds	-	35,248	35,248
Deferred revenue	4,480,357	349,692	4,830,049
Total liabilities	<u>6,653,920</u>	<u>4,497,976</u>	<u>11,151,896</u>
<b>Fund Balances:</b>			
Reserved by State statute	7,890,551	1,465,594	9,356,145
Reserved for prepaid items	169,571	23,760	193,331
Reserved for wireless 911 operations	-	526,429	526,429
Reserved for Register of Deeds	190,924	-	190,924
Reserved for Winterville Rural Fire Dept.	-	73,973	73,973
Reserved for Mental Health	2,271,269	-	2,271,269
Unreserved, reported in:			
General Fund	24,843,730	-	24,843,730
Special Revenue Funds	-	251,477	251,477
Debt Service Funds	-	42,022	42,022
Capital Project Funds	-	22,495,815	22,495,815
Total fund balances	<u>35,366,045</u>	<u>24,879,070</u>	<u>60,245,115</u>
Total liabilities and fund balances	<u>\$ 42,019,965</u>	<u>\$ 29,377,046</u>	
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.			103,980,243
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.			813,062
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.			(126,910,476)
Premiums related to debt issuance, net of accumulated amortization, are not a current use of resources and, therefore, are not reported in the funds.			(1,863,940)
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>4,023,964</u>
Net assets of governmental activities, per Exhibit A			<u>\$ 40,287,968</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, 2007

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Ad valorem taxes	\$ 62,952,721	\$ 3,205,896	\$ 66,158,617
Other taxes and licenses	23,986,967	5,858,193	29,845,160
Unrestricted intergovernmental revenues	1,501,025	140,518	1,641,543
Restricted intergovernmental revenues	35,159,909	4,257,588	39,417,497
Permits and fees	2,966,388	-	2,966,388
Sales and services	5,409,950	2,315,335	7,725,285
Interest earned on investments	2,152,472	279,904	2,432,376
Miscellaneous	1,165,168	427,668	1,592,836
Total revenues	<u>135,294,600</u>	<u>16,485,102</u>	<u>151,779,702</u>
<b>Expenditures:</b>			
Current:			
General government	13,183,808	-	13,183,808
Public safety	21,459,244	5,247,191	26,706,435
Environmental protection	246,652	-	246,652
Economic and physical development	1,675,751	3,240,872	4,916,623
Human services	54,364,801	-	54,364,801
Education	34,993,965	-	34,993,965
Cultural and recreation	583,843	-	583,843
Capital outlay	-	11,677,400	11,677,400
Debt service:			
Principal repayments	129,672	7,982,691	8,112,363
Interest	15,679	4,632,183	4,647,862
Total expenditures	<u>126,653,415</u>	<u>32,780,337</u>	<u>159,433,752</u>
Revenues over (under) expenditures	<u>8,641,185</u>	<u>(16,295,235)</u>	<u>(7,654,050)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(6,890,551)	(6,812,024)	(13,702,575)
Transfers from other funds	-	13,617,578	13,617,578
Debt obligation issued	-	59,365,000	59,365,000
Payments to escrow agent, debt refunding payment	-	(28,995,000)	(28,995,000)
Payments to escrow agent, advance interest payment	-	(1,252,192)	(1,252,192)
Premium received from issuance of debt	-	1,863,940	1,863,940
Total other financing sources (uses)	<u>(6,890,551)</u>	<u>37,787,302</u>	<u>30,896,751</u>
Net change in fund balances	1,750,634	21,492,067	23,242,701
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>33,615,411</u>	<u>3,387,003</u>	<u>37,002,414</u>
End of year - June 30	<u>\$ 35,366,045</u>	<u>\$ 24,879,070</u>	<u>\$ 60,245,115</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, 2007**

Net change in fund balances - total governmental funds (Exhibit D) \$ 23,242,701

Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected or is expected to be collected within 60 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:

Property taxes	(316,846)
Permits and fees	915
Sales and services	(1,995,925)
Interest income	162,847

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. (244,332)

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. 5,590,833

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. (5,518,024)

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements. (3,556,009)

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. (317,077)

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. (This line includes debt refunding transactions.) 37,107,363

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. (59,365,000)

Debt issuance cost paid and premiums received from issuance of debt are intangible assets and deferred items, respectively on the Statement of Net Assets, rather than other financing sources and uses as presented on the governmental statements. (1,863,940)

The net revenue of the internal service funds are reported with governmental activities. (946,439)

Change in net assets of governmental activities, per Exhibit B \$ (8,018,933)

*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, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Over/Under
<b>Revenues:</b>				
Ad valorem taxes	\$ 61,559,887	\$ 61,559,887	\$ 62,952,721	\$ 1,392,834
Other taxes and licenses	23,791,977	23,791,977	23,986,967	194,990
Unrestricted intergovernmental revenues	1,568,500	1,568,500	1,501,025	(67,475)
Restricted intergovernmental revenues	33,195,512	37,366,227	35,159,909	(2,206,318)
Permits and fees	2,867,023	2,867,023	2,966,388	99,365
Sales and services	5,194,963	5,551,913	5,409,950	(141,963)
Interest earned on investments	1,802,102	1,812,102	2,152,472	340,370
Miscellaneous	1,293,624	1,378,883	1,165,168	(213,715)
Total revenues	131,273,588	135,896,512	135,294,600	(601,912)
<b>Expenditures:</b>				
General government	13,409,823	13,746,764	13,183,808	562,956
Public safety	21,676,095	22,296,746	21,459,244	837,502
Environmental protection	224,728	244,597	246,652	(2,055)
Economic and physical development	1,649,008	1,727,601	1,675,751	51,850
Human services	55,170,478	59,441,732	54,364,801	5,076,931
Education	34,993,965	34,993,965	34,993,965	-
Cultural and recreation	578,063	588,513	583,843	4,670
Debt service	145,354	145,354	145,351	3
Total expenditures	127,847,514	133,185,272	126,653,415	6,531,857
Revenues over (under) expenditures	3,426,074	2,711,240	8,641,185	5,929,945
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	(7,086,355)	(7,108,220)	(6,890,551)	217,669
Debt obligation issued	-	138,950	-	(138,950)
Appropriated fund balance	3,660,281	4,258,030	-	(4,258,030)
Total other financing sources (uses)	(3,426,074)	(2,711,240)	(6,890,551)	(4,179,311)
Net change in fund balances	\$ -	\$ -	1,750,634	\$ 1,750,634
<b>Fund Balances:</b>				
Beginning of year - July 1			33,615,411	
End of year - June 30			<u>\$ 35,366,045</u>	

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

## PITT COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2007

	Business-Type Activities	Governmental Activities
	Solid Waste	Internal Service Funds
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ -	\$ 1,586,611
Receivables, net	1,245,889	6,395
Inventories	-	2,511
Prepaid items	-	127
Total current assets	1,245,889	1,595,644
Noncurrent assets:		
Capital assets, non depreciable	752,722	-
Capital assets, net	2,117,887	-
Total noncurrent assets	2,870,609	-
Total assets	4,116,498	1,595,644
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable and accrued liabilities	325,833	782,582
Due to other funds	36,149	-
Compensated absences	20,000	-
Unearned revenues	7,646	-
Current portion of postclosure costs	60,000	-
Current maturities - general obligation bonds	200,000	-
Total current liabilities	649,628	782,582
Noncurrent liabilities:		
Noncurrent portion of compensated absences	25,541	-
General obligation bonds	600,000	-
Landfill closure/postclosure costs payable	1,460,000	-
Total noncurrent liabilities	2,085,541	-
Total liabilities	2,735,169	782,582
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	2,070,609	-
Unrestricted	(689,280)	813,062
Total net assets	\$ 1,381,329	\$ 813,062

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, 2007

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Solid Waste</b>	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>		
Solid waste fees	\$ 7,441,760	\$ -
User charges	-	997,786
Interfund services	-	5,185,979
Miscellaneous revenues	475,033	-
Total operating revenues	<u>7,916,793</u>	<u>6,183,765</u>
<b>Operating Expenses:</b>		
Salaries and employee benefits	847,488	49,782
Supplies and materials	297,534	-
Contract labor and other services	1,083,196	-
Contracted services-waste disposal	4,276,784	-
Depreciation	156,589	-
Equipment maintenance	-	519,401
Medical claims costs	-	5,989,110
Claims reimbursement	-	624,579
Total operating expenses	<u>6,661,591</u>	<u>7,182,872</u>
Operating income	<u>1,255,202</u>	<u>(999,107)</u>
<b>Non-operating Revenues (Expenses):</b>		
Interest earned on investments	400	52,668
Interest expense	(52,900)	-
Gain/(loss) on sale of capital assets	(5,369)	-
Total non-operating revenues (expenses)	<u>(57,869)</u>	<u>52,668</u>
Change in net assets	1,197,333	(946,439)
<b>Net Assets:</b>		
Beginning of year - July 1	<u>183,996</u>	<u>1,759,501</u>
End of year - June 30	<u>\$ 1,381,329</u>	<u>\$ 813,062</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, 2007**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Solid Waste</b>	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers	\$ 7,755,310	\$ 992,796
Cash received from interfund services transactions	-	5,185,979
Cash paid to suppliers	(5,698,933)	(7,099,278)
Cash paid to employees	(846,047)	(99,667)
Net cash provided (used) by operating activities	<u>1,210,330</u>	<u>(1,020,170)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Change in due from other funds	<u>(680,086)</u>	-
Transfers	-	-
Net cash provided (used) by noncapital financing activities	<u>(680,086)</u>	-
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(277,744)	-
Principal payments on long-term debt	(200,000)	-
Interest expense	<u>(52,900)</u>	-
Net cash provided (used) by capital and related financing activities	<u>(530,644)</u>	-
<b>Cash Flows from Investing Activities:</b>		
Investment income received	<u>400</u>	<u>52,668</u>
Net increase (decrease) in cash, cash equivalents and investments	-	(967,502)
<b>Cash and Cash Equivalents:</b>		
Beginning of year - July 1	<u>-</u>	<u>2,554,113</u>
End of year - June 30	<u><u>\$ -</u></u>	<u><u>\$ 1,586,611</u></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, 2007**

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Solid Waste</u>	<u>Internal Service Funds</u>
<b>Reconciliation of operating income to cash flows from operating activities:</b>		
Operating income	\$ 1,255,202	\$ (999,107)
Depreciation and amortization	156,589	-
<b>Change in assets and liabilities:</b>		
(Increase) decrease in accounts receivables	(163,598)	(4,990)
(Increase) decrease in inventories	-	308
(Increase) decrease in prepaid expenses	-	131,929
Increase (decrease) in accounts payable and accrued liabilities	20,022	(148,310)
Increase (decrease) in closure and postclosure costs payable	(60,000)	-
Increase (decrease) in deferred revenues	2,115	-
Net cash provided (used) by operating activities	<u>\$ 1,210,330</u>	<u>\$ (1,020,170)</u>

**Noncash Activities:**

Capital assets with net book value of \$69,530 were disposed of during the year.

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

## PITT COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 247,494	\$ 494,507
<b>Liabilities:</b>		
Accounts payable	-	494,507
<b>Net Assets:</b>		
Held in trust for pension benefits and other purposes	\$ 247,494	-

*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, 2007

	<b>Pension Trust Fund</b>
<b>Additions:</b>	
Employer contributions	\$ 84,997
Investment income	<u>474</u>
Total additions	<u>85,471</u>
<b>Deductions:</b>	
Benefits	<u>83,288</u>
Net increase (decrease)	2,183
<b>Net Assets Reserved for Employees' Pension Benefits:</b>	
Beginning of year - July 1	<u>245,311</u>
End of year - June 30	<u><u>\$ 247,494</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, 2007**

### **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, 2007**

#### **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, 2007.

##### **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, 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, 2007**

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, 2007. 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 2006 through February 2007 apply to the fiscal year ended June 30, 2007. Uncollected taxes which were billed during this period are shown as a receivable on the fund financial statements.

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.

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.

## PITT COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

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, 2007.

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, Pitt Area Transit 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, 2007 COPS Education Fund, Community Schools and Recreation Fund, ECTC Building Fund, and School Improvement Fund.

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

## PITT COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

**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.

#### **D. 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 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.



## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007**

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.

#### **E. Assets, Liabilities and Fund Equity**

##### **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, 2007**

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, 2006. 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, 2007**

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. The liability for estimated claims that have been incurred, and not yet reported, is accrued in the Internal Service Fund.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007**

#### **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.

#### **Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. Significant estimates embodied in these financial statements are estimated lives of capital assets, incurred but not reported, health insurance liabilities, and allowance for uncollectible accounts.

#### **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.

## PITT COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

**Reserved for Mental Health** – The portion of fund balance reserved for East Carolina Behavioral Health and General Fund contingency expenditures is allocated as follows:

Medicaid refunds	\$ 20,000
Prior year provider settlements	50,000
2004 cost settlement potential paybacks	450,000
ECBH - restricted for local purposes	250,000
ECBH - no restriction as to purpose	<u>1,501,269</u>
Total fund balance reserved - Mental Health	<u>\$ 2,271,269</u>

#### Designations of Fund Balance

Designations of equity represent tentative management plans that are subject to change. The General Fund unreserved fund balance had the following designations at June 30, 2007.

Appropriated fund balance - general	\$ 6,055,326
Appropriated fund balance - public health	902,718
Appropriated fund balance - mental health	<u>80,000</u>
	<u>\$ 7,038,044</u>

#### 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.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007**

#### **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, 2007:

##### **Special Revenue:**

EMS District Fund	\$ 351,581
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##### **Capital Projects:**

Detention Center Capital Project	\$2,674,691
ECTC Building Capital Project	\$ 70,651

The County plans to properly capitalize these funds with approved debt issuance or local transfers.

#### **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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness on any other financial institution used by the County. The County complies with the provisions G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have a policy regarding custodial credit risk for deposits.

At June 30, 2007, the County's deposits had a carrying amount of \$13,424,699 and a bank balance of \$15,792,165. The County only has deposits in institutions that collateralize under the Pooling Method. Of the bank balance, \$321,072 was covered by Federal depository insurance and \$15,471,093 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The County had \$33,840 of cash on hand at year-end.

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

### B. Investments

At June 30, 2007, 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	\$ -	\$ -	\$ -
Manhattan Asset Commerical Paper	7,960,560	7,960,560	-	-	-
NC Capital Management Trust - Cash Portfolio	26,462,444	26,462,444	-	-	-
NC Capital Management Trust - Term Portfolio	5,088,854	5,088,854	-	-	-
Variable Funding Commerical Paper	4,979,661	4,979,661	-	-	-
Total	<u>\$ 46,491,519</u>	<u>\$ 46,491,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

During 2007, 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 2007 for the County was \$0. This amount takes into account all changes in fair value (including purchases, sales and maturities) that occurred during the year. The unrealized gain on investments held at year-end for the County was \$0.

**Interest Rate Risk:** The County limits all securities to a final maturity of no more than three years.

**Credit Risk:** The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. 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, 2007, 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, 2007. 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, 2007 that were held by a counterparty or by its trust department but not in the County's name.

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

**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:

Manhattan Asset Commercial Paper	17%
Variable Funding Commercial Paper	11%
NCCMT	68%

### 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
2004	\$ 2,639,726	\$ 626,935	\$ 3,266,661
2005	2,599,056	383,361	2,982,417
2006	2,494,451	143,431	2,637,882
2007	2,482,264	-	2,482,264
Total	<u>\$ 10,215,497</u>	<u>\$ 1,153,727</u>	<u>\$ 11,369,224</u>

### 5. Accounts Receivable

#### Disaggregate Information

Type of Receivable	Governmental Activities	Business-Type Activities	Total
Customer/client billings	\$ 540,602	\$ 500,010	\$ 1,040,612
Landfill fees assessed	-	745,879	745,879
Fees for services due from other agencies	497,193	-	497,193
Internal service funds	6,395	-	6,395
	<u>\$ 1,044,190</u>	<u>\$ 1,245,889</u>	<u>\$ 2,290,079</u>



# **PITT COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007**

### **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:

<b>Fund</b>	<b>Allowance</b>
<b>General Fund</b>	
Property taxes	\$ 4,246,428
Other - Public Health	529,418
Interest	780,394
Total	<u>\$ 5,556,240</u>
<b>Special Revenue Fund</b>	
Ambulance services	<u>\$ 964,097</u>

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

### 6. Capital Assets

#### A. Governmental Capital Assets

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

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Non-Depreciable Capital Assets</b>					
Land and improvements	\$ 3,328,645	\$ 102,792	\$ -	\$ 913,282	\$ 4,344,719
Construction in progress	23,177,209	4,627,024	(5,523,850)	(16,788,134)	5,492,249
Total non-depreciable capital assets	<u>26,505,854</u>	<u>4,729,816</u>	<u>(5,523,850)</u>	<u>(15,874,852)</u>	<u>9,836,968</u>
<b>Depreciable Capital Assets</b>					
Buildings and improvements	97,955,095	-	-	15,874,852	113,829,947
Land improvements	1,237,400	-	-	-	1,237,400
Furniture and equipment	6,974,198	269,583	(99,450)	-	7,144,331
Vehicles	5,224,928	591,434	(435,067)	-	5,381,295
Total depreciable capital assets	<u>111,391,621</u>	<u>861,017</u>	<u>(534,517)</u>	<u>15,874,852</u>	<u>127,592,973</u>
<b>Less Accumulated Depreciation for:</b>					
Buildings and improvements	21,516,214	2,269,896	-	-	23,786,110
Land improvements	495,522	97,892	-	-	593,414
Furniture and equipment	4,581,397	662,906	(105,276)	-	5,139,027
Vehicles	3,840,899	525,315	(435,067)	-	3,931,147
Total accumulated depreciation	<u>30,434,032</u>	<u>\$ 3,556,009</u>	<u>\$ (540,343)</u>	<u>\$ -</u>	<u>33,449,698</u>
Depreciable capital assets, net	<u>80,957,589</u>				<u>94,143,275</u>
Total capital assets	<u>\$ 107,463,443</u>				<u>\$ 103,980,243</u>

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

#### Governmental Activities

General government	\$ 608,957
Public safety	1,072,182
Economic and physical development	261,952
Human services	422,607
Environmental protection	14,082
Education	1,176,229
Total	<u>\$ 3,556,009</u>

#### Business-Type Activities

Solid waste	<u>\$ 156,589</u>
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# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

### B. Proprietary Capital Assets

The capital assets for the Enterprise Fund of the County at June 30, 2007 are as follows:

	Balance June 30, 2006	Additions	Deletions & Transfers	Balance June 30, 2007
<b>Non-Depreciable Capital Assets</b>				
Land and improvements	\$ 664,329	\$ -	\$ -	\$ 664,329
Total non-depreciable capital assets	<u>664,329</u>	<u>-</u>	<u>-</u>	<u>664,329</u>
<b>Depreciable Capital Assets</b>				
Buildings and improvements	2,647,373	-	-	2,647,373
Land improvements	88,393	-	-	88,393
Furniture and equipment	2,571,726	168,999	(115,186)	2,625,539
Computer equipment	10,850	-	-	10,850
Vehicles	569,544	108,745	(88,952)	589,337
Total depreciable capital assets	<u>5,887,886</u>	<u>\$ 277,744</u>	<u>\$ (204,138)</u>	<u>5,961,492</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings and improvements	914,979	\$ 48,383	\$ -	963,362
Land improvements	88,393	-	-	88,393
Furniture and equipment	2,290,532	55,584	(45,656)	2,300,460
Computer equipment	8,183	2,667	-	10,850
Vehicles	431,144	49,955	(88,952)	392,147
Total accumulated depreciation	<u>3,733,231</u>	<u>\$ 156,589</u>	<u>\$ (134,608)</u>	<u>3,755,212</u>
Depreciable capital assets, net	<u>2,154,655</u>			<u>2,206,280</u>
Total capital assets	<u>\$ 2,818,984</u>			<u>\$ 2,870,609</u>

### 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.

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

### A. Changes in Long-Term Debt

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

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Current</u> <u>Portion</u>
Accrued vacation pay	\$ 2,396,733	\$ 1,270,276	\$ (1,100,000)	\$ 2,567,009	\$ 1,100,000
Unfunded LEO	363,315	159,056	(85,000)	437,371	-
General obligation bonds	5,655,000	-	(2,360,000)	3,295,000	955,000
Certificates of participation	90,800,000	59,365,000	(34,050,000)	116,115,000	5,775,000
Notes payable	5,193,459	-	(697,363)	4,496,096	717,290
Total	<u>\$ 104,408,507</u>	<u>\$ 60,794,332</u>	<u>\$ (38,292,363)</u>	<u>\$ 126,910,476</u>	<u>\$ 8,547,290</u>

#### By Purpose:

Schools	\$ 89,953,000
Pitt Community College	3,295,000
General government	2,851,455
Public safety	1,920,415
Economic and physical development	1,034,226
Courthouse and human services refunding	24,852,000
Accrued vacation	2,567,009
Unfunded LEO	437,371
Total	<u>\$ 126,910,476</u>

In 2007, \$28,995,000 of Certificates of Participation was advance refunded. This portion of debt retirements was reported as other financing uses.

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

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

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Current</u> <u>Portion</u>
Compensated absences	\$ 44,100	\$ 19,441	\$ (18,000)	\$ 45,541	\$ 20,000
Closure and postclosure	1,580,000	-	(60,000)	1,520,000	60,000
General obligation bonds	1,000,000	-	(200,000)	800,000	200,000
Total	<u>\$ 2,624,100</u>	<u>\$ 19,441</u>	<u>\$ (278,000)</u>	<u>\$ 2,365,541</u>	<u>\$ 280,000</u>

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

### 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	\$ 1,310,000	Refund 1991 issue, courthouse addition, new school; secured by real estate
59,365,000	March 2007	3.5%-5.00%	Annual	\$45,000 - \$3,430,000	59,365,000	School projects, advance refund debt; secured by real estate
12,255,000	May 2000	5.28%	Annual	\$545,000	1,635,000	Construct schools, purchase land for schools, refund debt; secured by real estate
28,050,000	November 2000	4.50% - 5.75%	Annual	\$1,395,000	4,185,000	Construct high school; secured by real estate
12,635,000	October 2001	3.00% - 4.70%	Annual	\$735,000 - \$360,000	8,680,000	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	40,940,000	School projects, advance refund debt; secured by real estate
Total certificates of participation					<u>\$ 116,115,000</u>	

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

	Principal	Interest	Total
2008	\$ 5,775,000	\$ 4,925,716	\$ 10,700,716
2009	5,890,000	4,677,780	10,567,780
2010	5,945,000	4,548,860	10,493,860
2011	5,935,000	4,301,202	10,236,202
2012	5,595,000	4,087,227	9,682,227
2013-2017	30,080,000	16,702,443	46,782,443
2018-2022	22,405,000	13,742,414	36,147,414
2023-2027	23,660,000	12,976,920	36,636,920
2028-2032	10,830,000	1,232,250	12,062,250
Total	<u>\$ 116,115,000</u>	<u>\$ 67,194,810</u>	<u>\$ 183,309,810</u>

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

### C. General Obligation Bonds

#### Serviced by the County's Debt Service Fund

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% \$ 3,140,000

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% 155,000

Total serviced by the County's Debt Service Fund 3,295,000

#### 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% 800,000

Total general obligation bonds \$ 4,095,000

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

	<u>Debt Service Fund</u>			<u>Enterprise Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 3,295,000</u>	<u>\$ 271,736</u>	<u>\$ 3,566,736</u>	<u>\$ 800,000</u>	<u>\$ 106,000</u>	<u>\$ 906,000</u>

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

### D. Notes Payables

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

Original Issue		Payment Information		Outstanding	
Date	Rate	Period	Amount	Balance	Security
August 1997	6.30%	Quarterly	\$ 26,921	\$ 417,823	Real estate
March 2000	4.25%	Quarterly	23,621	181,236	Real estate
August 2003	4.50%	Quarterly	62,305	176,726	Real estate
September 2003	3.50%	Quarterly	8,208	30,113	Real estate
May 2004	2.55%	Semi-annual	42,847	125,355	Ambulances
December 2004	2.55%	Annual	56,000 + interest	392,000	EMS facilities
August 2004	3.48%	Annual	33,204	93,060	Autopulse equipment
January 2006	3.49%	Semi-annual	72,675	342,816	MIS equipment
July 2005	3.50%	Quarterly	7,434	228,328	GTP - Grifton
July 2005	3.56%	Quarterly	70,470	2,508,638	Engineering project
				<u>\$ 4,496,095</u>	

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

	Principal	Interest	Total
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	353,637	70,823	424,460
2013-2017	1,558,780	176,839	1,735,619
2018-2022	208,703	3,708	212,411
Total	<u>\$ 4,496,095</u>	<u>\$ 736,482</u>	<u>\$ 5,232,577</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, 2007, net debt outstanding was \$4,095,000. The statutory limit at that date was \$675,988,202, providing a debt margin of \$671,893,202.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007**

#### **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, NC 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, 2007, 2006 and 2005 were \$3,756,044, \$3,576,333, and \$3,573,015, 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 5<sup>th</sup> Street, Greenville, NC 27834-1696.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2006, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	9
Active plan members	117
Total	<u>126</u>



## PITT COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

#### 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 1.72% 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, 2007 was determined as part of the December 31, 2006 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	\$ 154,458
Interest on net pension obligation	26,340
Adjustment to annual required contribution	<u>(21,742)</u>
Annual pension costs	159,056
Employer contributions made for fiscal year ended June 30, 2007	<u>85,000</u>
Increase (decrease) in net pension obligation	74,056
Net pension obligation, beginning of fiscal year	<u>363,315</u>
Net pension obligation, end of fiscal year	<u>\$ 437,371</u>

##### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2005	139,004	56%	282,596
6/30/2006	165,719	51%	363,315
6/30/2007	159,056	53%	437,371

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007**

#### **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, 2007 were \$334,341, which consisted of \$256,591 from the County and \$77,750 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, 2007 was \$1,948,505, which consisted of \$1,373,896 from the County and \$574,609 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, 2007, the County's required and actual contributions were \$51,793.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007**

#### **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 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 post-retirement health benefits. For the fiscal year ended June 30, 2007, the County made payments for post-retirement health benefit premiums of \$441,880. 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, 2007, the County made contributions to the State for death benefits of \$30,798. 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, 2007

### 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 \$1,520,000 reported as landfill postclosure care liability at June 30, 2007 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 2007. 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:

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Total</b>
Prepaid taxes not yet earned	\$ 766,944	\$ 17,361	\$ 784,305
Taxes receivable (net)	1,731,122	150,827	1,881,949
Special assessments receivable (net)	45,060	-	45,060
Accounts receivable (net)	359,038	181,504	540,542
Interest receivable (net)	1,556,413	-	1,556,413
Other unearned revenues	21,780	-	21,780
Total	<u>\$ 4,480,357</u>	<u>\$ 349,692</u>	<u>\$ 4,830,049</u>

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Prepaid taxes	\$ 784,305	\$ -	\$ 784,305
Prepaid fees	21,780	7,646	29,426
Unamortized bond premium	1,863,940	-	1,863,940
Total	<u>\$ 2,670,025</u>	<u>\$ 7,646</u>	<u>\$ 2,677,671</u>

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

### 13. Accounts Payable and Interfund Balances

#### Disaggregate Information

Type of Payable	Governmental Activities	Business-Type Activities	Total
Trade payables	\$ 5,926,106	\$ 325,833	\$ 6,251,939
Retainage payable	437,077	-	437,077
Amounts due other agencies	133,558	-	133,558
Accrued salaries and fringe benefits	74,440	-	74,440
IBNR estimate (incurred, but not reported)	498,000	-	498,000
Total	<u>\$ 7,069,181</u>	<u>\$ 325,833</u>	<u>\$ 7,395,014</u>

The composition of internal balances as of June 30, 2007 is as follows:

Receivable Entity	Payable Entity	Amount	Purpose
General Fund	Landfill Fund	<u>\$ 36,149</u>	Short-term cash flow
General Fund	911 Surcharge Special Revenue Fund	<u>\$ 35,248</u>	Short-term cash flow

### 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 purchases property and casualty insurance through various insurers on the open market for all risks. Property and Casualty insurance coverage limits and deductibles are evaluated annually in order to balance the risk the County is willing to take on with the risk of a large loss which could negatively impact the County's budget situation. Workers' Compensation coverage is self-funded with an excess policy in place to protect the contact from high dollar claims. Workers' Compensation limits, self-insured retention amounts, etc., are also evaluated annually and adjustments made depending on experience and the insurance market. The County's health insurance is self-insured using a third-party administrator and with catastrophic protection for the self-insured fund. The health insurance is also evaluated annually for potential changes in coverage, catastrophic protection limits, funding, etc.

The County purchases commercial insurance to protect against claims for property, general liability, auto liability, public officials/errors and omissions, and employee bonds. Because no County property is located in an established flood plain, flood insurance is not purchased by the County. The property and casualty commercial coverage provides for coverage with a \$25,000 deductible per event. Claims have not exceeded coverage in recent years.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007**

Workers' Compensation exposure is covered by a self-funded program developed within the County budget. 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 \$400,000 per event up to \$1,000,000 was purchased to limit the impact of an individual catastrophic claim event on the fund. It is the intent that the Workers' Compensation Fund will evolve into a fund that will eventually allow the County to reduce annual appropriation to this exposure.

Health insurance coverage is self-insured through the County budget. The health insurance contract is with BlueCross BlueShield of North Carolina. BlueCross BlueShield of North Carolina acts as a third-party administrator for the Pitt County Health Insurance 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.

The County does not carry flood insurance as it is not in an "A" area by the Federal Emergency Management Agency.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The coverage limits are \$500,000 per loss, subject to a \$1,000 deductible.

For the Hospitalization Fund, a total of \$5,859,264 in claims and changes in estimates were incurred for benefits during fiscal year 2007. Changes in the fund's claims liability amounts in fiscal 1998–2007 were as follows:

<b>Year</b>	<b>Beginning</b>	<b>Estimates</b>	<b>Payments</b>	<b>Year -End</b>
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
2007	876,526	5,859,264	(6,061,445)	674,345

#### **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, 2007.

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.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007**

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, 2007, the portion of the trust available to be loaned exclusively to Pitt County was \$1,529,134.

#### **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 \$3,140,000 and \$155,000, 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 \$3,528,000 to the community college for operating purposes and \$75,000 for capital outlay during the fiscal year ended June 30, 2007. In addition, the County made debt service payments of \$870,000 for principal and \$167,730 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, 2007. Complete financial statements for the community college may be obtained from the community college's administrative offices, P.O. Drawer 7007, Greenville, NC 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, 2007. The County appropriated \$496,367 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. 5<sup>th</sup> Street, Greenville, NC 27834.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007**

#### **17. Major Customers**

Approximately 17% of Enterprise Fund “user charges” revenue and 32% of Enterprise Fund trade receivables are attributable to one customer.

#### **18. Claims and Judgments**

At June 30, 2007, 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.

#### **19. Contingencies**

The County participates in a number of federal and State grant programs. For the fiscal year ended June 30, 2007, 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.

#### **20. Summary Disclosure of Significant Commitments**

The County had commitments, as shown below, for construction contracts outstanding at June 30, 2007. The projects are accounted for in the Capital Projects fund and are mainly funded by debt proceeds.

<b>Project</b>	<b>Balance of Contract</b>
2004 COPS School Projects	\$ 1,012,090
2007 COPS School Projects	\$ 25,954,189

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, 2007

### 21. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, 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	\$ 487,247	\$ -
Temporary assistance to needy families (TANF)	1,464,896	(134)
Temporary assistance to needy families (UP)	(64)	
Aid to Families with Dependent Children	(964)	(264)
Special assistance to adults	-	1,126,727
Adoption subsidy Title IV-E	375,144	104,343
Adoption subsidy Title IV-B	-	161,756
Adoption subsidy - State	-	51,900
Medicaid	126,875,192	63,102,801
WIC	3,019,637	-
Food stamp program	19,756,320	-
Total	<u>\$ 151,977,408</u>	<u>\$ 64,547,129</u>

### 22. Component Unit Transactions

In fiscal year 2007, the County and its component units reported transactions between the entities as follows:

<u>Pitt County</u>	<u>Purpose</u>
Unrestricted intergovernmental revenues:	
From Pitt County ABC Board	\$ 900,000 Profit distribution
Economic and physical development expenses:	
To Pitt County Industrial Development Commission	540,518 Direct expenses

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

### 23. Transfers From / To Other Funds

In fiscal year 2007, 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	
Special Revenue	Revaluation	\$ 197,533		
General	General Fund		\$ 197,533	Close fund
Special Revenue	County Capital Reserve	314,000		
General	General Fund	-	314,000	Close fund
		<u>511,533</u>	<u>511,533</u>	
Special Revenue	Revaluation	197,533		
General	General Fund		197,533	Close fund
Special Revenue	County Capital Reserve	314,000		
General	General Fund		314,000	Close fund
General	General Fund	6,436,961		
Debt Service	Debt Service		6,436,961	Annual debt service requirement
General	General Fund	757,298		
Special Revenue	EMS District		757,298	Fund operating deficit
General	General Fund	32,338		
Special Revenue	State Grants		32,338	Local match
General	General Fund	16,974		
Special Revenue	Pitt Transit		16,974	Local match/contribution
General	General Fund	83,000		
Capital Project	Community Schools and Recreation		83,000	Local contribution
Special Revenue	School Capital Reserve	725,000		
Capital Project	School Improvement	-	725,000	Contribution to capital project
Special Revenue	School Capital Reserve	5,566,007		
Debt Service	Debt Service	-	5,566,007	Annual debt service requirement
		<u>14,129,111</u>	<u>14,129,111</u>	
Net interfund transactions		<u>\$ 13,617,578</u>	<u>\$ 13,617,578</u>	

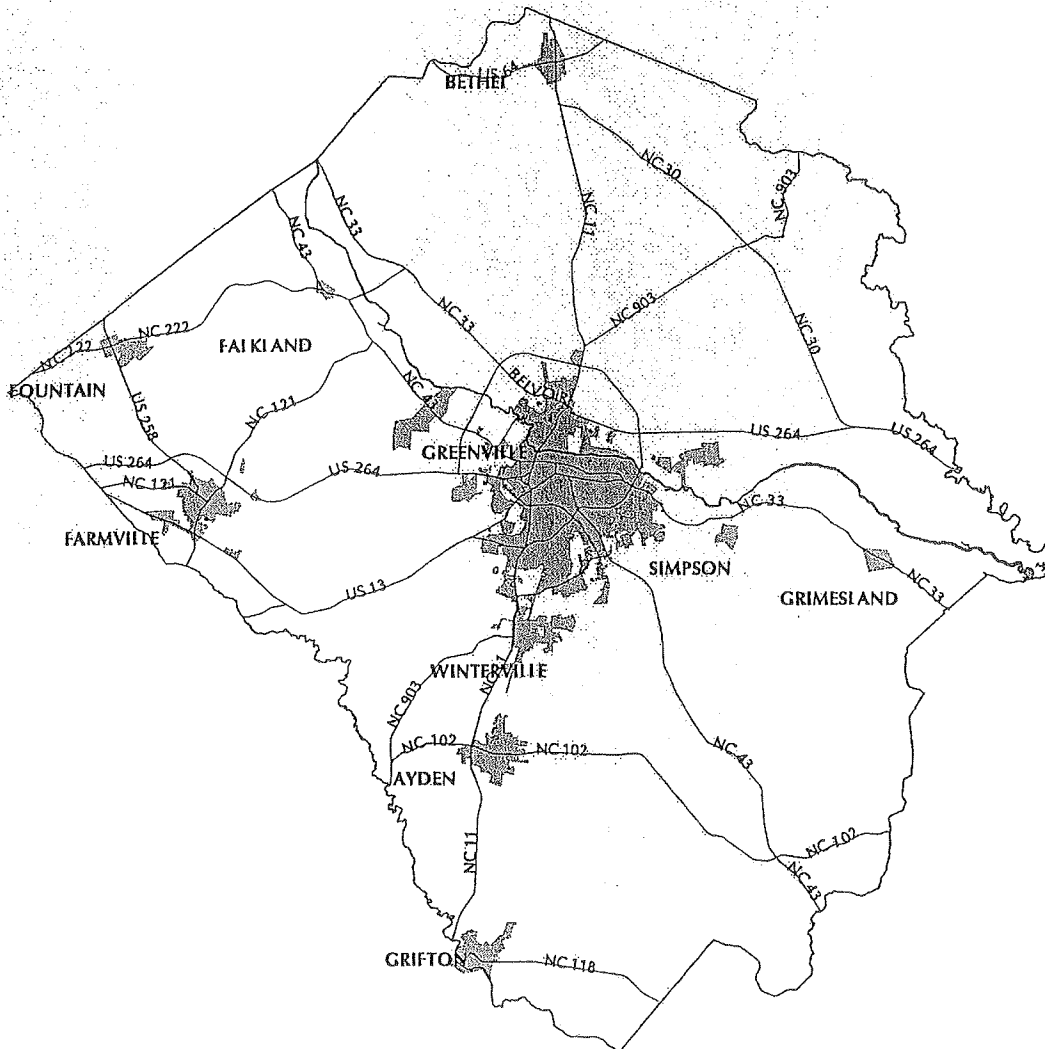
## **SUPPLEMENTAL FINANCIAL DATA**

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

# Pitt County, North Carolina

## Pitt County, North Carolina

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# PITT COUNTY, NORTH CAROLINA

## LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2007

### 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
12/31/2006	\$ 245,428	\$ 1,631,054	1,385,625	15.05%	\$ 4,944,974	28.02%
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%

### Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2007	\$ 154,458	\$ 85,000	55.03%
2006	161,462	85,000	52.64%
2005	135,378	77,500	57.25%
2004	118,200	77,500	65.57%
2003	109,250	62,080	56.82%
2002	104,952	51,400	48.97%

#### Notes to the Required Schedules:

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

Additional information as of the latest valuation follows:

Valuation date	12/31/2006
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	24 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	7.25%
Projected salary increases *	4.5 - 12.3%
Cost of living adjustments	N/A

\*Includes inflation at 3.75%

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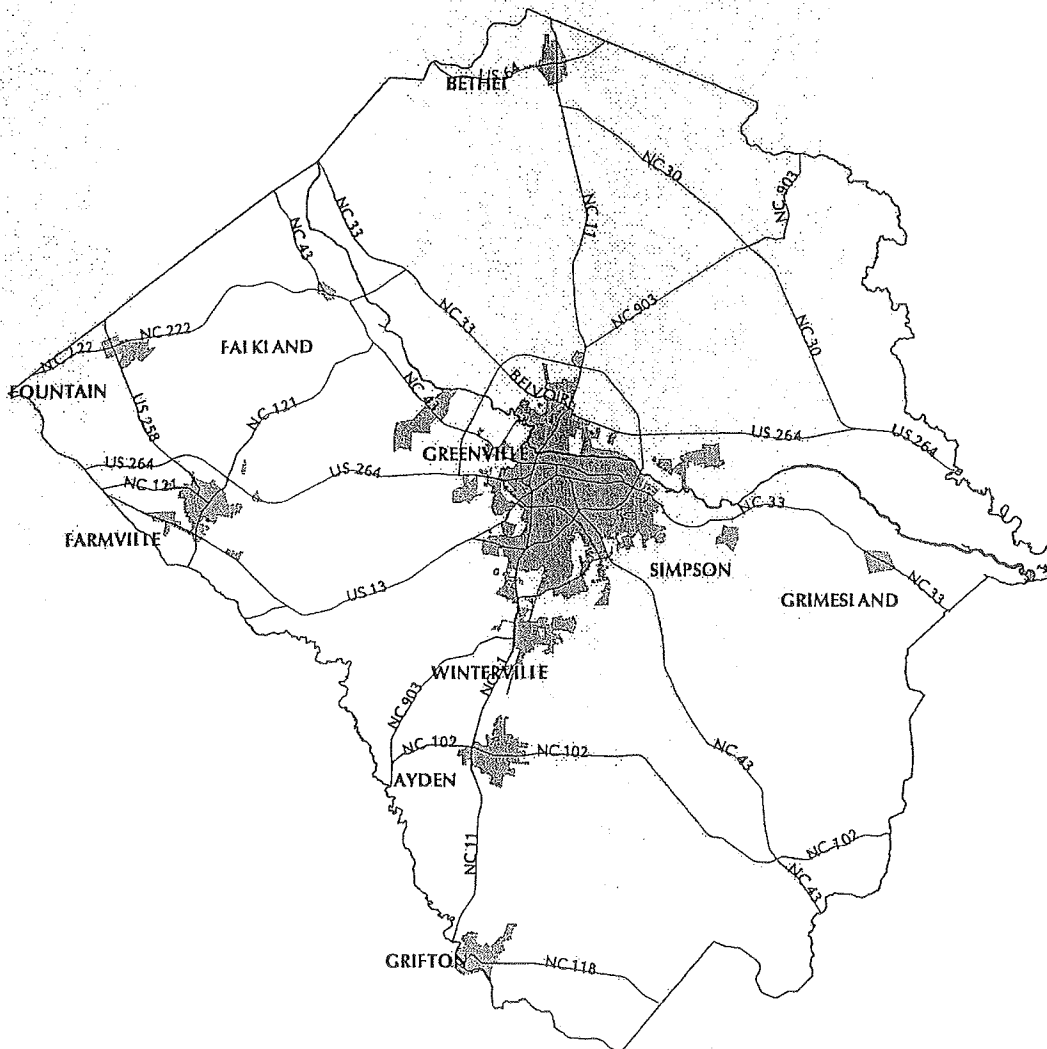
## **OTHER SUPPLEMENTAL SCHEDULES**

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, 2007.

# Pitt County, North Carolina

## Pitt County, North Carolina

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## PITT COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2007

<b>Fiscal Year</b>	<b>Uncollected Balance June 30, 2006</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2007</b>
2006-2007	\$ -	\$ 62,998,657	\$ 60,454,677	\$ 2,543,980
2005-2006	2,250,643	-	1,601,589	649,054
2004-2005	586,497	-	273,507	312,990
2003-2004	404,081	-	123,872	280,209
2002-2003	325,352	-	70,235	255,117
2001-2002	185,321	-	20,803	164,518
2000-2001	195,301	-	16,083	179,218
1999-2000	170,883	-	9,697	161,186
1998-1999	240,234	-	75,536	164,698
1997-1998	136,336	-	8,818	127,518
1996-1997	105,228	-	105,228	-
	<u>\$ 4,599,876</u>	<u>\$ 62,998,657</u>	<u>\$ 62,760,045</u>	4,838,488
Plus: uncollected 2007-08 ad valorem taxes receivable on annually registered vehicles and tax discoveries				1,139,062
Less: allowance for uncollectible ad valorem taxes receivable				<u>4,246,428</u>
				<u>\$ 1,731,122</u>
<b>Reconciling with revenues:</b>				
Taxes - ad valorem				\$ 62,952,721
<b>Reconciling items:</b>				
Interest and Cost				(628,125)
Discounts allowed				600,499
Refunds				47,790
Amounts written off for tax years per statute of limitations				103,285
Collection of taxes previously written off				3,534
Miscellaneous tax adjustments				<u>(319,659)</u>
Total collections and credits				<u>\$ 62,760,045</u>

## PITT COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2007

	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	\$ 8,965,225,642	\$ 0.70	\$ 62,756,579	\$ 55,285,327	\$ 7,471,252
Penalties	-		9,695	9,695	-
Total	8,965,225,642		62,766,274	55,295,022	7,471,252
Discoveries:					
Current year taxes	260,192,929	0.70	1,814,535	1,788,510	26,025
Penalties	-		69,075	69,075	-
Total	260,192,929		1,883,610	1,857,585	26,025
Abatements	(36,825,963)		(312,781)	(312,781)	N/A
Total property valuation	\$ 9,188,592,608				
Net levy			64,337,103	56,839,826	7,497,277
Less: Tax rate attributed to					
Industrial Development Commission		0.015	(1,328,747)	(1,328,747)	-
Capital Reserve			(9,699)	(9,699)	-
Net levy to County			62,998,657	55,501,380	\$ 7,497,277
Less: uncollected taxes at June 30, 2007			(2,543,980)	(2,543,980)	N/A
Current year's taxes collected			\$ 60,454,677	\$ 52,957,400	N/A
Percent current year collected			95.96%	95.42%	N/A
Prior year collection percentage			96.31%	95.81%	

Note: The Motor Vehicle Abatements and Accounts Receivable are not separable in the tax system utilized in fiscal year ending June 30, 2007

**PITT COUNTY, NORTH CAROLINA****ANALYSIS OF CURRENT TAX LEVY  
SECONDARY MARKET DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2007****Secondary Market Disclosures**

## Assessed Valuation:

Assessment Ratio (1)	88.60%
Real Property	\$ 7,084,226,847
Personal Property	1,998,812,513
Public Service Companies (2)	<u>105,553,248</u>
Total Assessed Valuation	9,188,592,608
Tax Rate per \$100	<u>0.70</u>
Levy (includes discoveries, releases and abatements) (3)	<u><u>\$ 64,337,103</u></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><u>\$ 3,215,190</u></u>
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(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****TEN LARGEST TAXPAYERS  
FOR THE YEAR ENDED JUNE 30, 2007**

<b>TAXPAYER</b>	<b>TYPE OF BUSINESS</b>	<b>VALUATION</b>	<b>PERCENTAGE OF TOTAL ASSESSED VALUATION</b>
DSM Pharmaceuticals	Manufacturing	\$ 235,375,622	2.56%
DSM Dyneema LLC	Manufacturing	138,897,233	1.51%
Carolina Telephone	Communications	62,000,000	0.67%
ASMO	Manufacturing	57,423,371	0.62%
Weyerhaeuser Company	Manufacturing	45,619,193	0.50%
PaperPak	Manufacturing	31,776,550	0.35%
NACCO	Manufacturing	27,933,501	0.30%
Marelda Greenville Mall (Colonial)	Shopping Mall	26,978,780	0.29%
Speight, Maxine	Developer	26,814,003	0.29%
North Campus Crossing	Apartments	23,436,281	0.26%

## PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2007

	<i>Schedule C-1</i> <b>Special Revenue Funds</b>	<i>Schedule A-7</i> <b>Debt Service Fund</b>	<i>Schedule D-1</i> <b>Capital Projects Fund</b>	<b>Total</b>
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ -	\$ 42,022	\$ 1,039,413	\$ 1,081,435
Taxes receivable, net	353,052	-	-	353,052
Accounts receivable, net	282,080	-	-	282,080
Prepaid items	23,760	-	-	23,760
Cash and investments, restricted	816,548	-	25,455,153	26,271,701
Due from other governments	1,314,185	26,181	24,652	1,365,018
Total assets	<u>\$ 2,789,625</u>	<u>\$ 68,203</u>	<u>\$ 26,519,218</u>	<u>\$ 29,377,046</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 114,285	\$ -	\$ 3,561,674	\$ 3,675,959
Retainage payable	-	-	437,077	437,077
Due to other funds	35,248	-	-	35,248
Deferred revenues	349,692	-	-	349,692
Total liabilities	<u>499,225</u>	<u>-</u>	<u>3,998,751</u>	<u>4,497,976</u>
<b>Fund Balances:</b>				
Reserved by State Statute	1,414,761	26,181	24,652	1,465,594
Reserved for prepaid items	23,760	-	-	23,760
Reserved for wireless 911 operations	526,429	-	-	526,429
Reserved for Winterville Rural Fire Dept.	73,973	-	-	73,973
Unreserved	251,477	42,022	22,495,815	22,789,314
Total fund balances	<u>2,290,400</u>	<u>68,203</u>	<u>22,520,467</u>	<u>24,879,070</u>
Total liabilities and fund balances	<u>\$ 2,789,625</u>	<u>\$ 68,203</u>	<u>\$ 26,519,218</u>	<u>\$ 29,377,046</u>

## PITT COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	<i>Schedule C-2</i> <b>Special Revenue Funds</b>	<i>Schedule A-7</i> <b>Debt Service Fund</b>	<i>Schedule D-2</i> <b>Capital Projects Fund</b>	<b>Total</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 3,205,896	\$ -	\$ -	\$ 3,205,896
Other taxes and licenses	5,858,193	-	-	5,858,193
Unrestricted intergovernmental revenues	-	140,518	-	140,518
Restricted intergovernmental revenues	3,820,064	-	437,524	4,257,588
Sales and services	2,315,335	-	-	2,315,335
Investment earnings	1,354	8,110	270,440	279,904
Miscellaneous	38,141	256,548	132,979	427,668
Total revenues	<u>15,238,983</u>	<u>405,176</u>	<u>840,943</u>	<u>16,485,102</u>
<b>Expenditures:</b>				
Current:				
Public safety	5,247,191	-	-	5,247,191
Economic and physical development	3,240,872	-	-	3,240,872
Capital outlay	-	-	11,677,400	11,677,400
Debt service:				
Principal repayments	191,718	7,790,973	-	7,982,691
Interest	-	4,632,183	-	4,632,183
Total expenditures	<u>8,679,781</u>	<u>12,423,156</u>	<u>11,677,400</u>	<u>32,780,337</u>
Revenues over (under) expenditures	<u>6,559,202</u>	<u>(12,017,980)</u>	<u>(10,836,457)</u>	<u>(16,295,235)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	806,610	12,002,968	808,000	13,617,578
Transfers out	(6,812,024)	-	-	(6,812,024)
Debt obligation issued	-	30,247,192	29,117,808	59,365,000
Payments to escrow agent, debt refunding payn	-	(28,995,000)	-	(28,995,000)
Payments to escrow agent, advance interest pay	-	(1,252,192)	-	(1,252,192)
Premium received from issuance of debt	-	-	1,863,940	1,863,940
Total other financing sources (uses)	<u>(6,005,414)</u>	<u>12,002,968</u>	<u>31,789,748</u>	<u>37,787,302</u>
Net change in fund balances	553,788	(15,012)	20,953,291	21,492,067
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>1,736,612</u>	<u>83,215</u>	<u>1,567,176</u>	<u>3,387,003</u>
End of year - June 30	<u>\$ 2,290,400</u>	<u>\$ 68,203</u>	<u>\$ 22,520,467</u>	<u>\$ 24,879,070</u>

## PITT COUNTY, NORTH CAROLINA

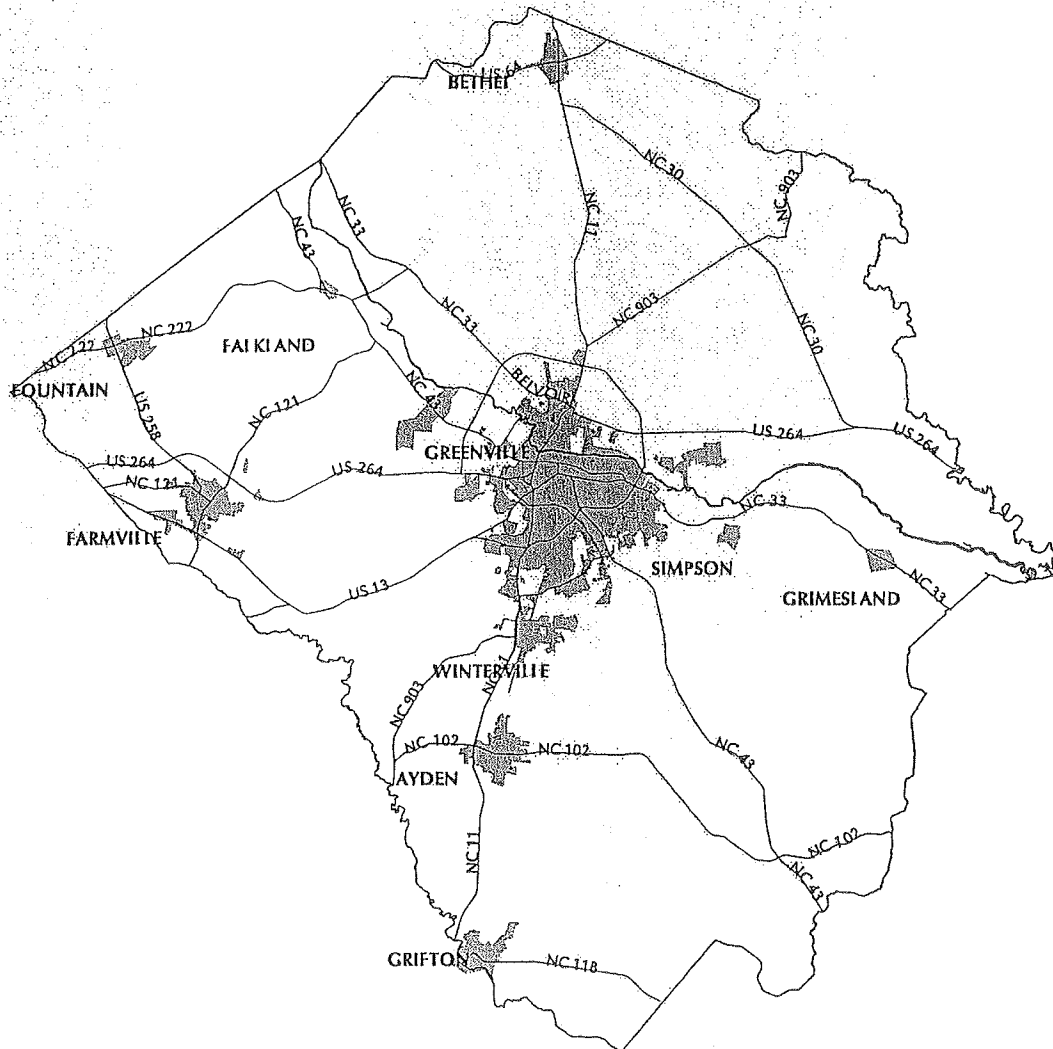
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Unrestricted intergovernmental revenues:			
Pitt Industrial Development Commission	\$ 140,518	\$ 140,518	\$ -
Miscellaneous	279,131	256,548	(22,583)
Interest earned on investments	-	8,110	8,110
Total revenues	<u>419,649</u>	<u>405,176</u>	<u>(14,473)</u>
<b>Expenditures:</b>			
Debt service:			
Principal payments - loans		7,790,973	
Interest - loans		<u>4,632,183</u>	
Total expenditures	<u>12,491,619</u>	<u>12,423,156</u>	<u>68,463</u>
Revenues over (under) expenditures	<u>(12,071,970)</u>	<u>(12,017,980)</u>	<u>53,990</u>
<b>Other Financing Sources (Uses):</b>			
Transfer in - General	6,436,961	6,436,961	-
Transfer in - Special Revenue	5,635,009	5,566,007	(69,002)
Debt obligation issued	30,247,192	30,247,192	-
Payments to escrow agent, debt refunding payment	(28,995,000)	(28,995,000)	-
Payments to escrow agent, advance interest payment	<u>(1,252,192)</u>	<u>(1,252,192)</u>	<u>-</u>
Total other financing sources (uses)	<u>12,071,970</u>	<u>12,002,968</u>	<u>(69,002)</u>
Net change in fund balances	<u>\$ -</u>	<u>(15,012)</u>	<u>\$ (15,012)</u>
<b>Fund Balances:</b>			
Beginning of year - July 1		<u>83,215</u>	
End of year - June 30		<u>\$ 68,203</u>	

# Pitt County, North Carolina

## Pitt County, North Carolina

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## **GOVERNMENTAL FUNDS**

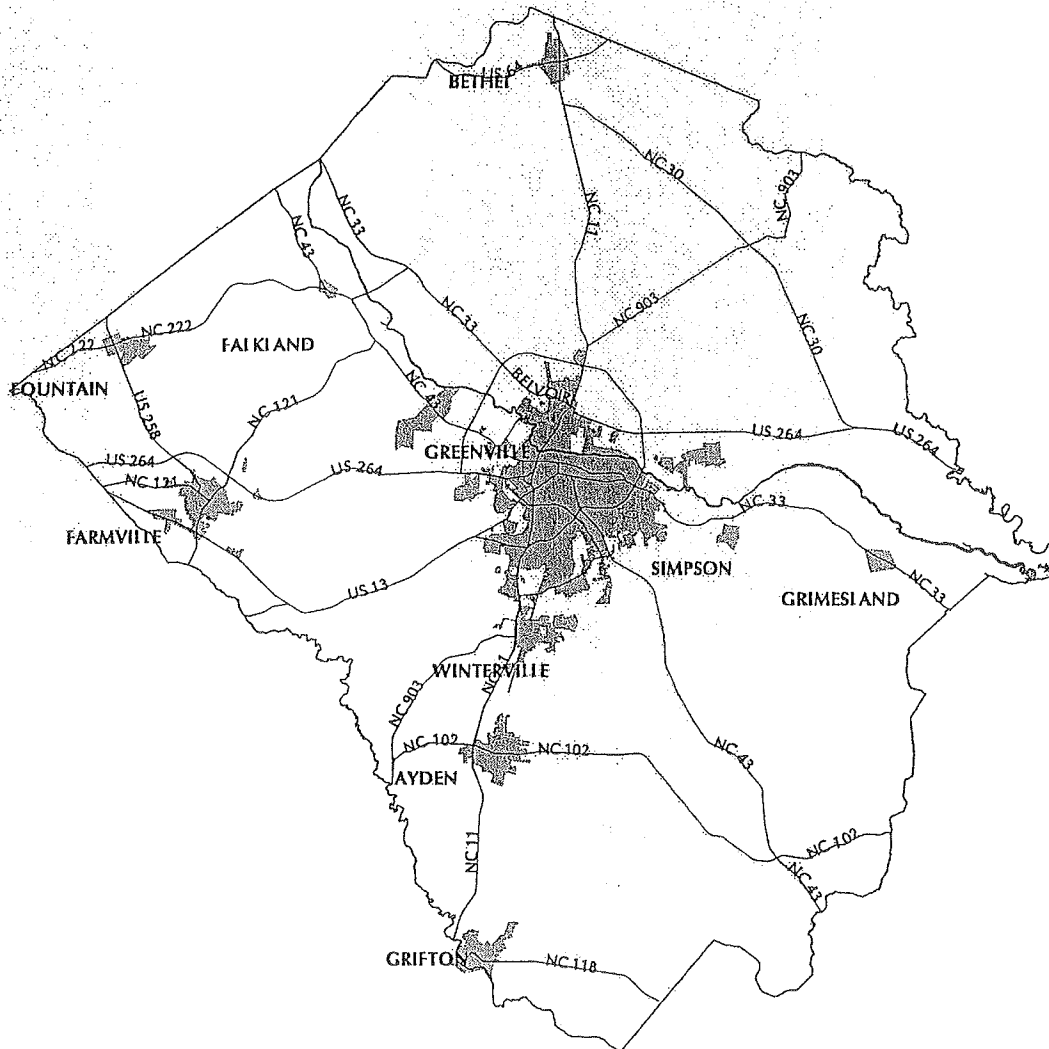
- General Fund
- Special Revenue Funds
- Capital Projects Funds

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.

# Pitt County, North Carolina

## Pitt County, North Carolina

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## **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, 2007

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
<b>Ad valorem taxes:</b>				
Taxes	\$ 60,959,887	\$ 62,324,596	\$ 1,364,709	\$ 60,130,507
Penalties and interest	600,000	628,125	28,125	747,515
Total ad valorem taxes	61,559,887	62,952,721	1,392,834	60,878,022
<b>Other taxes and licenses:</b>				
Occupancy tax	17,000	20,145	3,145	18,666
Local option sales taxes	22,131,883	22,304,132	172,249	21,232,409
Payment in lieu of taxes	1,523,138	1,514,071	(9,067)	1,464,556
Privilege licenses	2,000	9,981	7,981	9,107
Marriage licenses	26,756	25,627	(1,129)	25,335
Gross receipts tax	91,200	113,011	21,811	104,796
Total other taxes and licenses	23,791,977	23,986,967	194,990	22,854,869
<b>Unrestricted intergovernmental revenues:</b>				
Alcohol, beer and wine tax	237,000	233,067	(3,933)	230,228
Pitt County ABC Board	900,000	900,000	-	700,000
Social Services fees and grants	431,500	367,958	(63,542)	374,124
Total unrestricted intergovernmental revenues	1,568,500	1,501,025	(67,475)	1,304,352
<b>Restricted intergovernmental revenues:</b>				
Public Health fees and grants	4,654,956	4,642,089	(12,867)	4,614,550
Social Services fees and grants	18,881,310	18,722,737	(158,573)	16,805,548
Mental Health fees and grants	13,237,811	11,228,153	(2,009,658)	23,554,662
Jail fees	466,150	382,128	(84,022)	517,123
Automation E&P - Register of Deeds	100,000	107,304	7,304	107,444
Federal and State grants	26,000	77,498	51,498	71,022
Total restricted intergovernmental revenues	37,366,227	35,159,909	(2,206,318)	45,670,349
<b>Permits and fees:</b>				
Building permits and inspection fees	577,800	675,959	98,159	606,236
Register of Deeds	1,001,123	989,544	(11,579)	993,520
Excise stamps	851,900	864,196	12,296	942,961
Rabies control fees	30,000	36,740	6,740	35,470
Animal fees	57,200	62,157	4,957	60,763
Court facility fees	349,000	337,792	(11,208)	362,804
Total permits and fees	2,867,023	2,966,388	99,365	3,001,754

## PITT COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND

## CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2007

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Sales and services:</b>				
Rents, concessions and fees	3,886,151	3,979,217	93,066	3,694,158
State and federal prison inmate reimbursement	1,665,762	1,430,733	(235,029)	1,465,120
Total sales and services	5,551,913	5,409,950	(141,963)	5,159,278
<b>Investment earnings</b>	1,812,102	2,152,472	340,370	1,836,068
<b>Miscellaneous:</b>				
Sale of capital assets	22,000	35,317	13,317	22,923
Other	1,356,883	1,129,851	(227,032)	891,122
Total miscellaneous	1,378,883	1,165,168	(213,715)	914,045
Total revenues	135,896,512	135,294,600	(601,912)	141,618,737
<b>Expenditures:</b>				
<b>General government:</b>				
Governing board, county manager, legal, public information officer	1,829,266	1,778,423	50,843	1,614,867
Finance, tax assessor, tax collector	2,920,588	2,838,236	82,352	2,861,092
Elections	549,817	489,718	60,099	495,783
Register of Deeds	894,724	883,318	11,406	734,215
Human resources	522,739	510,929	11,810	449,363
Print shop/mailroom, management information system, geographic information system	2,148,491	2,060,099	88,392	1,859,158
Buildings and grounds, housekeeping	2,662,586	2,637,303	25,283	5,366,588
Non-departmental - general administration	2,218,553	1,985,782	232,771	2,126,697
Total general government	13,746,764	13,183,808	562,956	15,507,763
<b>Public safety:</b>				
Sheriff's department, school security, other public safety	10,069,439	9,734,403	335,036	9,004,350
Detention center, jail inmate services, jail health services	9,291,698	9,003,751	287,947	8,279,381
Emergency services	702,871	673,595	29,276	558,065
Communications	1,001,852	853,207	148,645	748,108
Animal and mosquito control	478,506	453,262	25,244	445,305
Inspections	346,478	339,840	6,638	311,558
Medical examiner	92,500	89,500	3,000	65,075
Transportation	5,500	4,669	831	8,987
LEO pension fund	-	-	-	57,809
Court facility	307,902	307,017	885	257,601
Total public safety	22,296,746	21,459,244	837,502	19,736,239

## PITT COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND

## CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2007

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Environmental protection:</b>				
Other environmental protection	950	950	-	950
Soil and water conservation	243,647	245,702	(2,055)	218,686
Total environmental protection	244,597	246,652	(2,055)	219,636
<b>Economic and physical development:</b>				
Planning and zoning	728,828	691,284	37,544	595,060
Permitting center	246,210	234,154	12,056	156,911
Other economic development	148,352	148,351	1	413,351
Engineering	210,991	201,453	9,538	224,306
Cooperative extension	357,448	368,769	(11,321)	316,799
Farmers Market	35,772	31,740	4,032	30,067
Total economic and physical development	1,727,601	1,675,751	51,850	1,736,494
<b>Human services:</b>				
Other human services	222,720	222,440	280	460,100
Veterans affairs	92,375	91,660	715	50,229
<b>Public Health:</b>				
Administration	1,859,714	1,712,526	147,188	1,681,876
Services and programs	6,732,020	6,117,698	614,322	5,733,200
<b>Social Services:</b>				
Administration	1,216,065	1,214,911	1,154	1,066,435
Services and programs	19,559,434	19,323,701	235,733	17,633,497
Public assistance	12,922,245	12,292,718	629,527	12,535,851
Child support	1,990,366	1,849,118	141,248	1,762,252
<b>Mental Health:</b>				
Administration	998,823	771,498	227,325	1,563,577
Services and programs	13,847,970	10,768,531	3,079,439	24,462,084
Total human services	59,441,732	54,364,801	5,076,931	66,949,101
<b>Education:</b>				
Pitt County Schools	31,390,965	31,390,965	-	29,513,342
Pitt Community College	3,603,000	3,603,000	-	3,435,000
Total education	34,993,965	34,993,965	-	32,948,342
<b>Cultural and recreation</b>	588,513	583,843	4,670	536,972

## PITT COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND

## CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2007

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Debt service</b>	145,354	145,351	3	153,045
Total expenditures	133,185,272	126,653,415	6,531,857	137,787,592
Revenues over (under) expenditures	2,711,240	8,641,185	5,929,945	3,831,145
<b>Other Financing Sources (Uses):</b>				
Operating transfers in (out):				
Special Revenue Funds	(588,259)	(370,590)	217,669	(861,903)
Debt Service Fund	(6,436,961)	(6,436,961)	-	(6,252,101)
Capital Projects Funds	(83,000)	(83,000)	-	184,136
Intrafund transfers	-	-	-	-
Proceeds from issuance of long-term debt	138,950	-	(138,950)	3,422,002
Appropriated fund balance	4,258,030	-	(4,258,030)	-
Contingency	-	-	-	-
Total other financing sources (uses)	(2,711,240)	(6,890,551)	(4,179,311)	(3,507,866)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	1,750,634	\$ 1,750,634	323,279
<b>Fund Balances:</b>				
Beginning of year - July 1		33,615,411		33,292,132
End of year - June 30		\$ 35,366,045		\$ 33,615,411

# PITT COUNTY, NORTH CAROLINA

## GENERAL FUND - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL DEPARTMENTS FOR THE YEAR ENDED JUNE 30, 2007

	<i>Schedule B-3</i>	<i>Schedule B-4</i>	<i>Schedule B-5</i>
	<b>General Services</b>	<b>Public Health Department</b>	<b>Social Services Department</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 62,952,721	\$ -	\$ -
Other taxes and licenses	23,986,967	-	-
Unrestricted intergovernmental revenues	1,133,067	-	367,958
Restricted intergovernmental revenues	459,626	4,642,089	18,722,737
Permits and fees	2,735,900	-	-
Sales and services	4,658,296	-	751,654
Investment earnings	2,151,053	-	-
Miscellaneous	1,089,933	-	75,235
Total revenues	<u>99,167,563</u>	<u>4,642,089</u>	<u>19,917,584</u>
<b>Expenditures:</b>			
General government	13,183,808	-	-
Public safety	21,152,227	-	-
Environmental protection	246,652	-	-
Economic and physical development	1,675,751	-	-
Human services	314,100	7,830,224	34,680,448
Education	34,993,965	-	-
Cultural and recreational	583,843	-	-
Debt service	145,351	-	-
Total expenditures	<u>72,295,697</u>	<u>7,830,224</u>	<u>34,680,448</u>
Revenues over (under) expenditures	<u>26,871,866</u>	<u>(3,188,135)</u>	<u>(14,762,864)</u>
<b>Other Financing Sources (Uses):</b>			
Intrafund transfers in (out)	(20,067,088)	3,128,504	15,543,996
Operating transfers in (out):			
Special Revenue Funds	(370,590)	-	-
Debt Service Fund	(6,261,961)	-	-
Capital Projects Fund	(83,000)	-	-
Total other financing sources (uses)	<u>(26,782,639)</u>	<u>3,128,504</u>	<u>15,543,996</u>
Revenues and other financing sources over (under) expenditures and other financing uses	89,227	(59,631)	781,132
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>28,658,080</u>	<u>1,607,004</u>	<u>1,738,995</u>
End of year - June 30	<u>\$ 28,747,307</u>	<u>\$ 1,547,373</u>	<u>\$ 2,520,127</u>



## Schedule B-2

<i>Schedule B-6</i> <b>Court Facility Department</b>	<i>Schedule B-7</i> <b>Mental Health Department</b>	<b>Combined Total</b>
\$ -	\$ -	\$ 62,952,721
-	-	23,986,967
-	-	1,501,025
-	11,228,153	35,052,605
337,792	-	3,073,692
-	-	5,409,950
1,419	-	2,152,472
-	-	1,165,168
<u>339,211</u>	<u>11,228,153</u>	<u>135,294,600</u>
-	-	13,183,808
307,017	-	21,459,244
-	-	246,652
-	-	1,675,751
-	11,540,029	54,364,801
-	-	34,993,965
-	-	583,843
-	-	145,351
<u>307,017</u>	<u>11,540,029</u>	<u>126,653,415</u>
<u>32,194</u>	<u>(311,876)</u>	<u>8,641,185</u>
-	1,394,588	-
-	-	(370,590)
(175,000)	-	(6,436,961)
-	-	(83,000)
<u>(175,000)</u>	<u>1,394,588</u>	<u>(6,890,551)</u>
(142,806)	1,082,712	1,750,634
<u>170,412</u>	<u>1,440,920</u>	<u>33,615,411</u>
<u>\$ 27,606</u>	<u>\$ 2,523,632</u>	<u>\$ 35,366,045</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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	<b>2007</b>			<b>2006</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
<b>Ad valorem taxes:</b>				
Taxes	\$ 60,959,887	\$ 62,324,596	\$ 1,364,709	\$ 60,130,507
Penalties and interest	600,000	628,125	28,125	747,515
Total ad valorem taxes	61,559,887	62,952,721	1,392,834	60,878,022
<b>Other taxes and licenses:</b>				
Occupancy tax	17,000	20,145	3,145	18,666
Local options sales tax	22,131,883	22,304,132	172,249	21,232,409
Payment in lieu of tax	1,523,138	1,514,071	(9,067)	1,464,556
Privilege licenses	2,000	9,981	7,981	9,107
Marriage licenses	26,756	25,627	(1,129)	25,335
Gross receipts tax	91,200	113,011	21,811	104,796
Total other taxes and licenses	23,791,977	23,986,967	194,990	22,854,869
<b>Unrestricted intergovernmental revenues:</b>				
Alcohol, beer and wine tax	237,000	233,067	(3,933)	230,228
Pitt County ABC Board	900,000	900,000	-	700,000
Total unrestricted intergovernmental revenues	1,137,000	1,133,067	(3,933)	930,228
<b>Restricted intergovernmental revenues:</b>				
Emergency management				
Jail fees	466,150	382,128	(84,022)	517,123
Federal and State grants	26,000	77,498	51,498	71,022
Total restricted intergovernmental revenues	492,150	459,626	(32,524)	588,145
<b>Permits and fees:</b>				
Building permits and inspection fees	577,800	675,959	98,159	606,236
Register of Deeds	1,001,123	989,544	(11,579)	993,520
Excise stamps	851,900	864,196	12,296	942,961
Automation E&P - Register of Deeds	100,000	107,304	7,304	107,444
Rabies control fees	30,000	36,740	6,740	35,470
Animal fees	57,200	62,157	4,957	60,763
Total permits and fees	2,618,023	2,735,900	117,877	2,746,394
<b>Sales and services:</b>				
Rents, concessions and fees	3,149,932	3,227,563	77,631	2,959,272
State and federal prison inmate reimbursement	1,665,762	1,430,733	(235,029)	1,465,120
Total sales and services	4,815,694	4,658,296	(157,398)	4,424,392

## 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, 2007  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	<b>2007</b>		<b>2006</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
			<b>Actual</b>
<b>Investment earnings</b>	1,810,000	2,151,053	341,053
<b>Miscellaneous:</b>			
Sale of fixed assets	22,000	35,317	13,317
Other	1,285,698	1,054,616	(231,082)
Total miscellaneous	1,307,698	1,089,933	(217,765)
Total revenues	97,532,429	99,167,563	1,635,134
<b>Expenditures:</b>			
<b>General government:</b>			
<b>Governing body:</b>			
Salaries and employee benefits	170,385	165,938	4,447
Operating expenses	38,000	37,554	446
	208,385	203,492	4,893
<b>County manager:</b>			
Salaries and employee benefits	528,560	460,684	67,876
Operating expenses	26,025	31,886	(5,861)
	554,585	492,570	62,015
<b>Financial services:</b>			
Salaries and employee benefits	662,203	613,221	48,982
Operating expenses	46,146	51,790	(5,644)
	708,349	665,011	43,338
<b>Tax assessor:</b>			
Salaries and employee benefits	1,287,766	1,250,290	37,476
Operating expenses	396,220	422,828	(26,608)
	1,683,986	1,673,118	10,868
<b>Tax collector:</b>			
Salaries and employee benefits	469,853	461,668	8,185
Operating expenses	58,400	38,439	19,961
	528,253	500,107	28,146
<b>Legal:</b>			
Salaries and employee benefits	739,680	739,215	465
Operating expenses	89,820	94,659	(4,839)
	829,500	833,874	(4,374)
<b>Elections:</b>			
Salaries and employee benefits	357,579	324,080	33,499
Operating expenses	192,238	165,638	26,600
	549,817	489,718	60,099

## 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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Register of Deeds:</b>				
Salaries and employee benefits	588,301	584,460	3,841	553,826
Operating expenses	306,423	298,858	7,565	180,389
	<u>894,724</u>	<u>883,318</u>	<u>11,406</u>	<u>734,215</u>
<b>Public information office:</b>				
Salaries and employee benefits	121,296	111,861	9,435	102,173
Operating expenses	115,500	136,626	(21,126)	85,810
Capital outlay	-	-	-	5,184
	<u>236,796</u>	<u>248,487</u>	<u>(11,691)</u>	<u>193,167</u>
<b>Human resources:</b>				
Salaries and employee benefits	476,550	470,461	6,089	416,369
Operating expenses	46,189	40,468	5,721	32,994
	<u>522,739</u>	<u>510,929</u>	<u>11,810</u>	<u>449,363</u>
<b>Print shop / mail room:</b>				
Salaries and employee benefits	107,993	106,803	1,190	101,357
Operating expenses	71,550	64,009	7,541	48,582
Reimbursement from other departments/funds	(63,000)	(47,325)	(15,675)	(57,030)
	<u>116,543</u>	<u>123,487</u>	<u>(6,944)</u>	<u>92,909</u>
<b>Management information systems:</b>				
Salaries and employee benefits	1,884,769	1,850,962	33,807	1,770,686
Operating expenses	913,325	916,023	(2,698)	873,133
Capital outlay	55,000	55,541	(541)	46,388
Reimbursement from other departments/funds	(1,145,800)	(1,185,951)	40,151	(1,159,157)
	<u>1,707,294</u>	<u>1,636,575</u>	<u>70,719</u>	<u>1,531,050</u>
<b>Geographical information systems:</b>				
Salaries and employee benefits	220,854	220,979	(125)	154,941
Operating expenses	183,800	186,682	(2,882)	172,536
Capital outlay	40,000	44,649	(4,649)	45,440
Reimbursement from other departments/funds	(120,000)	(152,273)	32,273	(137,718)
	<u>324,654</u>	<u>300,037</u>	<u>24,617</u>	<u>235,199</u>
<b>Buildings and grounds:</b>				
Salaries and employee benefits	1,045,386	989,424	55,962	920,807
Operating expenses	1,256,200	1,294,213	(38,013)	4,056,794
Capital outlay	49,000	42,554	6,446	43,238
	<u>2,350,586</u>	<u>2,326,191</u>	<u>24,395</u>	<u>5,020,839</u>
<b>Housekeeping:</b>				
Operating expenses	312,000	311,112	888	345,749
	<u>312,000</u>	<u>311,112</u>	<u>888</u>	<u>345,749</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, 2007  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>General government nonallocated expenditures:</b>				
Other employee insurance and benefits	618,250	556,157	62,093	529,175
Professional services	184,400	123,201	61,199	125,358
Insurance and bonding	755,400	680,728	74,672	629,879
Quasi-external workers compensation	485,000	485,000	-	721,003
Miscellaneous items	175,503	140,696	34,807	121,282
	<u>2,218,553</u>	<u>1,985,782</u>	<u>232,771</u>	<u>2,126,697</u>
 Total general government	 <u>13,746,764</u>	 <u>13,183,808</u>	 <u>562,956</u>	 <u>15,507,763</u>
 <b>Public safety:</b>				
<b>Sheriff:</b>				
Salaries and employee benefits	7,258,295	7,208,955	49,340	6,757,233
Operating expenses	1,527,908	1,282,793	245,115	1,098,958
Capital outlay	424,832	407,859	16,973	397,982
	<u>9,211,035</u>	<u>8,899,607</u>	<u>311,428</u>	<u>8,254,173</u>
 <b>Detention center:</b>				
Salaries and employee benefits	5,929,022	5,932,207	(3,185)	5,276,381
Operating expenses	2,081,261	1,750,926	330,335	1,822,600
Capital outlay	28,500	16,296	12,204	21,000
	<u>8,038,783</u>	<u>7,699,429</u>	<u>339,354</u>	<u>7,119,981</u>
 <b>Jail health services:</b>				
Salaries and benefits	1,101,806	1,073,929	27,877	1,026,653
Operating expenses	109,200	188,523	(79,323)	93,245
	<u>1,211,006</u>	<u>1,262,452</u>	<u>(51,446)</u>	<u>1,119,898</u>
 <b>Jail inmate coordinator:</b>				
Salaries and benefits	41,909	41,870	39	39,502
 <b>School security:</b>				
Salaries and benefits	581,650	581,667	(17)	550,844
Operating expenses	21,660	18,996	2,664	19,896
	<u>603,310</u>	<u>600,663</u>	<u>2,647</u>	<u>570,740</u>
 <b>Emergency services:</b>				
Salaries and benefits	276,953	273,037	3,916	210,028
Operating expenses	425,918	400,558	25,360	348,037
	<u>702,871</u>	<u>673,595</u>	<u>29,276</u>	<u>558,065</u>
 <b>Communications:</b>				
Salaries and benefits	841,555	801,042	40,513	724,455
Operating expenses	160,297	52,165	108,132	23,653
	<u>1,001,852</u>	<u>853,207</u>	<u>148,645</u>	<u>748,108</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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	<b>2007</b>			<b>2006</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Animal and mosquito control:</b>				
Salaries and employee benefits	322,736	319,409	3,327	294,550
Operating expenses	136,770	118,583	18,187	135,425
Capital outlay	19,000	15,270	3,730	15,330
	<u>478,506</u>	<u>453,262</u>	<u>25,244</u>	<u>445,305</u>
<b>Inspections:</b>				
Salaries and employee benefits	303,578	302,278	1,300	276,516
Operating expenses	42,900	37,562	5,338	35,042
	<u>346,478</u>	<u>339,840</u>	<u>6,638</u>	<u>311,558</u>
<b>Medical examiner:</b>				
Professional services	92,500	89,500	3,000	65,075
<b>Other public safety:</b>				
Operating expenses	255,094	234,133	20,961	179,437
	<u>255,094</u>	<u>234,133</u>	<u>20,961</u>	<u>179,437</u>
<b>Transportation:</b>				
Salaries and benefits	-	-		4,050
Operating expenses	5,500	4,669	831	4,937
	<u>5,500</u>	<u>4,669</u>	<u>831</u>	<u>8,987</u>
Total public safety	<u>21,988,844</u>	<u>21,152,227</u>	<u>836,617</u>	<u>19,420,829</u>
<b>Environmental protection:</b>				
<b>Other environmental protection:</b>				
Contracts / grants	950	950	-	950
<b>Pitt soil and water conservation:</b>				
Salaries and benefits	222,602	226,978	(4,376)	201,589
Operating expenses	21,045	18,724	2,321	17,097
	<u>243,647</u>	<u>245,702</u>	<u>(2,055)</u>	<u>218,686</u>
Total environmental protection	<u>244,597</u>	<u>246,652</u>	<u>(2,055)</u>	<u>219,636</u>
<b>Economic and physical development:</b>				
<b>Planning and zoning:</b>				
Salaries and employee benefits	560,578	558,214	2,364	495,888
Operating expenses	168,250	133,070	35,180	97,872
Capital outlay	-	-	-	1,300
	<u>728,828</u>	<u>691,284</u>	<u>37,544</u>	<u>595,060</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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Permitting center:</b>				
Salaries and benefits	153,810	142,186	11,624	146,318
Operating expenses	92,400	91,968	432	10,593
	246,210	234,154	12,056	156,911
<b>Other economic development:</b>				
Operating expenses	148,352	148,351	1	413,351
<b>Engineering:</b>				
Salaries and employee benefits	178,850	177,369	1,481	213,500
Operating expenses	32,141	24,084	8,057	10,806
	210,991	201,453	9,538	224,306
<b>Cooperative extension:</b>				
Operating expenses	136,011	124,686	11,325	100,418
Professional Services	221,437	244,083	(22,646)	216,381
	357,448	368,769	(11,321)	316,799
<b>Farmers market:</b>				
Salaries and employee benefits	28,472	24,609	3,863	23,441
Professional Services	7,300	7,131	169	6,626
	35,772	31,740	4,032	30,067
Total economic and physical development	1,727,601	1,675,751	51,850	1,736,494
<b>Human services:</b>				
Other human services	222,720	222,440	280	460,100
Veterans affairs	92,375	91,660	715	50,229
Total human services	315,095	314,100	995	510,329
<b>Education:</b>				
<b>Pitt County Schools:</b>				
Current	30,640,965	30,640,965	-	28,763,342
Capital outlay	750,000	750,000	-	750,000
	31,390,965	31,390,965	-	29,513,342
<b>Pitt Community College:</b>				
Current	3,528,000	3,528,000	-	3,360,000
Capital outlay	75,000	75,000	-	75,000
	3,603,000	3,603,000	-	3,435,000
Total education	34,993,965	34,993,965	-	32,948,342

## 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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Cultural and recreational:</b>				
Cultural - contracts/grants	67,146	64,476	2,670	35,265
Recreational - contracts/grants	25,000	25,000	-	25,000
Libraries - contracts/grants	496,367	494,367	2,000	476,707
Total cultural and recreational	588,513	583,843	4,670	536,972
<b>Debt service:</b>				
Principal repayments	129,899	129,672	227	149,526
Interest and fees	15,455	15,679	(224)	3,519
Total debt service	145,354	145,351	3	153,045
Total expenditures	73,750,733	72,295,697	1,455,036	71,033,410
Revenues over (under) expenditures	23,781,696	26,871,866	3,090,170	24,085,665
<b>Other Financing Sources (Uses):</b>				
<b>Intrafund transfers in (out):</b>				
Public Health from General Fund	(3,128,504)	(3,128,504)	-	(2,627,784)
DSS from General Fund	(15,543,995)	(15,543,996)	(1)	(14,394,778)
Mental Health	(1,594,588)	(1,394,588)	200,000	(1,594,588)
	(20,267,087)	(20,067,088)	199,999	(18,617,150)
<b>Operating transfers in (out):</b>				
Special Revenue Funds	(588,259)	(370,590)	217,669	(946,900)
Debt Service Fund	(6,261,961)	(6,261,961)	-	(6,077,101)
Capital Projects Funds	(83,000)	(83,000)	-	184,136
	(6,933,220)	(6,715,551)	217,669	(6,839,865)
<b>Budgetary financing sources (uses):</b>				
Debt obligation issued	138,950	-	(138,950)	3,422,002
Appropriated fund balance - General Fund	3,279,661	-	(3,279,661)	-
	3,418,611	-	(3,418,611)	3,422,002
Total other financing sources (uses)	(23,781,696)	(26,782,639)	(3,000,943)	(22,035,013)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 89,227	\$ 89,227	\$ 2,050,652



## 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, 2007

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
Administration	\$ 34,280	\$ 67,831	\$ 33,551	\$ 67,337
Environmental health	211,575	236,868	25,293	235,235
Food and lodging	13,961	10,679	(3,282)	11,583
Tuberculosis	36,661	36,149	(512)	35,767
Tuberculosis CDC	57,768	39,416	(18,352)	42,485
Adolescent pregnancy grants	21,766	21,767	1	11,390
Healthy Start	152,730	144,825	(7,905)	138,963
Cardiovascular health	151,275	137,550	(13,725)	84,586
Smart Start	133,841	133,159	(682)	119,015
Adult health	15,922	9,614	(6,308)	16,095
Health promotion	40,244	38,555	(1,689)	55,497
AIDS	67,500	58,380	(9,120)	60,779
Epilepsy	22,496	20,646	(1,850)	13,880
Breast/cervical cancer prevention	22,050	21,928	(122)	24,605
Communicable disease	179,806	148,219	(31,587)	196,295
Community transition coordination	44,000	44,000	-	44,000
Infant mortality	50,000	49,294	(706)	52,500
Child health	194,027	242,864	48,837	189,254
Maternal health	569,325	728,217	158,892	611,858
Family planning	427,962	445,760	17,798	463,279
Maternity care coordination	357,900	348,519	(9,381)	378,978
Child services coordination	241,600	274,192	32,592	249,969
WIC administration	80,164	13,569	(66,595)	18,977
WIC nutrition	224,400	207,758	(16,642)	212,997
WIC breastfeeding	18,150	17,145	(1,005)	15,714
WIC client services	320,928	318,685	(2,243)	339,138
Immunization action plan	44,920	45,603	683	40,970
Speech and hearing	-	-	-	90
Mobile dental unit	141,290	101,137	(40,153)	183,596
Emergency planning - HD	135,457	109,273	(26,184)	127,266
Early childhood intervention	-	-	-	7,361
In home breastfeeding	39,562	35,631	(3,931)	30,080
Bioterrorism team	387,163	382,754	(4,409)	353,908
DHHS Funds	138,910	99,290	(39,620)	153,046
WIC Peer Counseling	13,617	12,070	(1,547)	28,057
Public Health Ready	63,706	40,742	(22,964)	-
Total revenues	4,654,956	4,642,089	(12,867)	4,614,550

## 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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	<b>2007</b>			<b>2006</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Expenditures:</b>				
Administration	1,859,714	1,712,526	147,188	1,681,876
Environmental health	1,102,446	1,062,782	39,664	770,553
Food and lodging	13,961	13,575	386	11,260
Tuberculosis	89,366	85,181	4,185	116,827
Tuberculosis CDC	58,768	57,398	1,370	60,523
Adolescent pregnancy prevention	22,595	20,762	1,833	11,389
Healthy Start	154,130	143,797	10,333	135,287
Cardiovascular health	154,660	132,955	21,705	83,574
Smart Start	137,241	134,878	2,363	119,475
Adult health	39,534	33,352	6,182	32,570
Health promotion	162,168	157,407	4,761	165,749
AIDS	271,037	257,908	13,129	259,083
Drugs and vaccines	22,496	21,753	743	13,880
Breast/cervical cancer prevention	39,740	38,333	1,407	24,303
Communicable disease	302,318	265,179	37,139	356,626
Community transition coordination	60,263	59,010	1,253	56,186
Infant mortality	63,480	56,478	7,002	64,187
Child health	284,541	271,929	12,612	265,137
Maternal health	735,366	695,534	39,832	524,933
Family planning	714,586	569,402	145,184	580,307
Maternity care coordination	321,246	311,455	9,791	286,833
Child services coordination	341,409	334,037	7,372	319,415
WIC administration	80,164	22,683	57,481	26,364
WIC nutrition	227,200	235,324	(8,124)	227,114
WIC breastfeeding	18,150	3,587	14,563	3,350
WIC client services	335,224	313,313	21,911	300,781
Immunization action plan	66,872	65,161	1,711	61,516
Mobile dental unit	185,284	114,928	70,356	176,879
Emergency planning - HD	82,457	69,862	-	103,119
In home breastfeeding	39,562	35,042	-	33,866
Bioterrorism team	389,523	385,488	4,035	354,246
DHHS funds	138,910	100,277	38,633	153,066
WIC Peer Counseling	13,617	12,161	1,456	7,005
Public Health Ready	63,706	36,767	26,939	27,797
Total expenditures	<u>8,591,734</u>	<u>7,830,224</u>	<u>744,395</u>	<u>7,415,076</u>
Revenues over (under) expenditures	<u>(3,936,778)</u>	<u>(3,188,135)</u>	<u>748,643</u>	<u>(2,800,526)</u>

## 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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	<u>2007</u>			<u>2006</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer from General Fund	3,128,504	3,128,504	-	2,627,784
Appropriated fund balance	<u>808,274</u>	<u>-</u>	<u>(808,274)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,936,778</u>	<u>3,128,504</u>	<u>(808,274)</u>	<u>2,627,784</u>
 Revenues and other financing sources over (under) expenditures and other financing uses	 <u>\$ -</u>	 <u>\$ (59,631)</u>	 <u>\$ (59,631)</u>	 <u>\$ (172,742)</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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	<b>2007</b>			<b>2006</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Unrestricted intergovernmental revenues:				
Fees and grants	\$ 431,500	\$ 367,958	\$ (63,542)	\$ 374,124
Restricted intergovernmental revenues:				
Fees and grants	18,881,310	18,722,737	(158,573)	16,805,548
Sales and services	736,219	751,654	15,435	734,886
Miscellaneous	71,185	75,235	4,050	46,200
Total revenues	<u>20,120,214</u>	<u>19,917,584</u>	<u>(202,630)</u>	<u>17,960,758</u>
<b>Expenditures:</b>				
Social services administration	1,216,065	1,214,911	1,154	1,066,435
Other administration expenses	1,073,825	1,064,555	9,270	1,009,315
Regular services administration	4,296,578	4,171,766	124,812	3,910,265
Purchased services	8,057,851	8,275,128	(217,277)	7,006,587
Public assistance programs	12,922,245	12,292,718	629,527	12,535,851
Long-term screening	110,500	87,256	23,244	98,146
General assistance	128,750	128,343	407	114,862
Title IV D child support	1,990,366	1,849,118	141,248	1,762,252
Workfirst	1,918,198	1,776,853	141,345	1,868,389
Income maintenance administration	3,350,815	3,232,644	118,171	3,125,382
Energy programs	321,120	291,773	29,347	226,498
Purchased services HCCBG	301,797	295,383	6,414	274,053
Total expenditures	<u>35,688,110</u>	<u>34,680,448</u>	<u>1,007,662</u>	<u>32,998,035</u>
Revenues over (under) expenditures	<u>(15,567,896)</u>	<u>(14,762,864)</u>	<u>805,032</u>	<u>(15,037,277)</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer in - General Fund	15,543,995	15,543,996	1	14,394,778
Appropriated fund balance	23,901	-	(23,901)	-
Total other financing sources (uses)	<u>15,567,896</u>	<u>15,543,996</u>	<u>(23,900)</u>	<u>14,394,778</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 781,132</u>	<u>\$ 781,132</u>	<u>\$ (642,499)</u>

## 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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	<u>2007</u>			<u>2006</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Permits and fees:				
Court facility fees	\$ 349,000	\$ 337,792	\$ (11,208)	\$ 362,804
Investment earnings	2,102	1,419	(683)	2,414
	<u>351,102</u>	<u>339,211</u>	<u>(11,891)</u>	<u>365,218</u>
Total revenues				
	<u>351,102</u>	<u>339,211</u>	<u>(11,891)</u>	<u>365,218</u>
<b>Expenditures:</b>				
Public safety:				
Salaries and employee benefits	49,302	49,547	-	46,884
Operating expenses	258,600	257,470	-	210,717
	<u>307,902</u>	<u>307,017</u>	<u>885</u>	<u>257,601</u>
Total expenditures				
	<u>307,902</u>	<u>307,017</u>	<u>885</u>	<u>257,601</u>
Revenues over (under) expenditures	<u>43,200</u>	<u>32,194</u>	<u>(11,006)</u>	<u>107,617</u>
<b>Other Financing Sources (Uses):</b>				
Operating transfer - Debt Service Fund	(175,000)	(175,000)	-	(175,000)
Appropriated fund balance	131,800	-	(131,800)	-
	<u>(43,200)</u>	<u>(175,000)</u>	<u>(131,800)</u>	<u>(175,000)</u>
Total other financing sources (uses)				
	<u>(43,200)</u>	<u>(175,000)</u>	<u>(131,800)</u>	<u>(175,000)</u>
Revenues and other financing sources over				
(under) expenditures and other financing uses	\$ -	\$ (142,806)	\$ (142,806)	\$ (67,383)

## 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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
General agency - administration	\$ 3,187,897	\$ 8,644,001	\$ 5,456,104	\$ 3,962,433
Community access services	-	-	-	39,588
Residential contracts	471,279	255,610	(215,669)	11,411,621
Adolescent outreach	654,226	7,560	(646,666)	10,024
DD wait list	1,101,533	1,198,093	96,560	1,109,221
Adult DD contracts	1,238,790	208,710	(1,030,080)	2,929,858
Community Alternative Program	-	-	-	236,433
Child DD contracts	309,258	46,062	(263,196)	6,565
MRMI contracts	1,117,677	21,815	(1,095,862)	9,407
Psychological rehabilitation	74,944	30	(74,914)	4,018
Partial hospitalization	100,000	-	(100,000)	1,950
Care management	-	-	-	148
Adult MH/SA general	-	686	686	581
Child SA contracts	2,717,092	305,081	(2,412,011)	765,079
Adult SA contracts	1,412,033	280,217	(1,131,816)	2,922,323
Adult MH contracts	853,082	260,288	(592,794)	145,149
Total revenues	13,237,811	11,228,153	(2,009,658)	23,554,398
<b>Expenditures:</b>				
Mental Health area director	730,386	571,687	158,699	750,583
Community outreach	-	-	-	173,396
QI regulatory compliance	228,496	169,577	58,919	491,411
Administrative services	268,437	199,811	68,626	812,994
Medical records	-	-	-	38,244
General agency	3,155,480	2,242,224	913,256	249,234
Employee assistance program	-	-	-	31,861
Provider relations	19,394	6,649	12,745	6,721
LME transition	-	-	-	38,201
Child case management	-	-	-	22
Residential Contracts	471,279	151,696	319,583	300,346
Adolescent outreach	654,226	-	654,226	-
DD wait list	1,101,533	7,509,116	(6,407,583)	21,316,480
Adult DD contracts	1,238,790	152,248	1,086,542	189,758
Child DD contracts	309,258	-	309,258	72,088
MRMI contracts	1,117,677	-	1,117,677	32,356
Psychosocial rehabilitation	74,944	-	74,944	49,391
Partial hospital	100,000	-	100,000	77,310

## 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, 2007**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006**

	<u>2007</u>			<u>2006</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Care management	394,686	374,291	20,395	890,757
Child SA contracts	2,717,092	162,663	2,554,429	7,675
Adult SA contracts	1,412,033	-	1,412,033	341,506
Adult MH contracts	853,082	67	853,015	155,327
Total expenditures	<u>14,846,793</u>	<u>11,540,029</u>	<u>3,306,764</u>	<u>26,025,661</u>
Revenues over (under) expenditures	<u>(1,608,982)</u>	<u>(311,876)</u>	<u>1,297,106</u>	<u>(2,471,263)</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer in - General Fund	1,594,588	1,394,588	(200,000)	1,594,852
Appropriated fund balance	14,394	-	(14,394)	-
Total other financing sources (uses)	<u>1,608,982</u>	<u>1,394,588</u>	<u>(214,394)</u>	<u>1,594,852</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,082,712</u>	<u>\$ 1,082,712</u>	<u>\$ (876,411)</u>

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## **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.
- **Pitt Area Transit Fund** – Accounts used to operate the County transportation system.
- **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, 2007

	<i>Schedule C-3</i> <b>School Capital Reserve</b>	<i>Schedule C-4</i> <b>County Capital Reserve</b>	<i>Schedule C-5</i> <b>State/Federal Forfeiture Fund</b>	<i>Schedule C-6</i> <b>CDBG Fund</b>	<i>Schedule C-7</i> <b>State Grants Fund</b>
<b>Assets:</b>					
Cash, cash equivalents and investments	\$ 475,890	\$ -	\$ 62,134	\$ -	\$ -
Taxes receivable, net	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Prepaid items	-	-	-	-	-
Intrafund due to/from other funds	218,365	-	-	(92,143)	(126,222)
Due from other governments	984,863	-	-	92,888	236,434
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,679,118</u>	<u>\$ -</u>	<u>\$ 62,134</u>	<u>\$ 745</u>	<u>\$ 110,212</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 873	\$ 167	\$ 81,150
Due to other funds	-	-	-	-	-
Deferred revenues	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>-</u>	<u>-</u>	<u>873</u>	<u>167</u>	<u>81,150</u>
<b>Fund Balances (Deficit)</b>	<u>1,679,118</u>	<u>-</u>	<u>61,261</u>	<u>578</u>	<u>29,062</u>
Total fund balances	<u>1,679,118</u>	<u>-</u>	<u>61,261</u>	<u>578</u>	<u>29,062</u>
Total liabilities and fund balances	<u>\$ 1,679,118</u>	<u>\$ -</u>	<u>\$ 62,134</u>	<u>\$ 745</u>	<u>\$ 110,212</u>

**Schedule C-1**

<i>Schedule C-8</i> <b>Pitt Area Transit Fund</b>	<i>Schedule C-9</i> <b>Revaluation Fund</b>	<i>Schedule C-10</i> <b>Industrial Development Building</b>	<i>Schedule C-11</i> <b>Fire Districts Fund</b>	<i>Schedule C-12</i> <b>EMS District Fund</b>	<i>Schedule C-13</i> <b>E911 Surcharge Fund</b>	<b>Total</b>
\$ -	\$ -	\$ 430	\$ 110,088	\$ -	\$ 168,006	\$ 816,548
-	-	-	150,826	202,226	-	353,052
27,282	-	-	-	181,504	73,294	282,080
-	-	-	-	23,760	-	23,760
(12,562)	-	12,562	-	(575,060)	575,060	-
-	-	-	-	-	-	1,314,185
<u>\$ 14,720</u>	<u>\$ -</u>	<u>\$ 12,992</u>	<u>\$ 260,914</u>	<u>\$ (167,570)</u>	<u>\$ 816,360</u>	<u>\$ 2,789,625</u>
\$ 11,611	\$ -	\$ -	\$ 17,921	\$ 2,507	\$ 56	\$ 114,285
-	-	-	-	-	35,248	35,248
-	-	-	168,188	181,504	-	349,692
11,611	-	-	186,109	184,011	35,304	499,225
3,109	-	12,992	74,805	(351,581)	781,056	2,290,400
3,109	-	12,992	74,805	(351,581)	781,056	2,290,400
<u>\$ 14,720</u>	<u>\$ -</u>	<u>\$ 12,992</u>	<u>\$ 260,914</u>	<u>\$ (167,570)</u>	<u>\$ 816,360</u>	<u>\$ 2,789,625</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, 2007

	<i>Schedule C-3</i> <b>School Capital Reserve</b>	<i>Schedule C-4</i> <b>County Capital Reserve</b>	<i>Schedule C-5</i> <b>State/Federal Forfeiture Fund</b>	<i>Schedule C-6</i> <b>CDBG Fund</b>	<i>Schedule C-7</i> <b>State Grants Fund</b>
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ 11,949	\$ -	\$ -	\$ -
Other taxes and licenses	5,858,193	-	-	-	-
Restricted intergovernmental revenues	1,462,000	-	111,854	1,699	2,091,067
Sales and services	-	-	-	-	-
Investment earnings	-	-	27	-	69
Miscellaneous	-	-	-	-	3,842
Total revenues	<u>7,320,193</u>	<u>11,949</u>	<u>111,881</u>	<u>1,699</u>	<u>2,094,978</u>
<b>Expenditures:</b>					
Current:					
Public safety	-	-	71,728	-	-
Economic and physical development	-	-	-	1,121	1,994,408
Debt service	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>71,728</u>	<u>1,121</u>	<u>1,994,408</u>
Revenues over (under) expenditures	<u>7,320,193</u>	<u>11,949</u>	<u>40,153</u>	<u>578</u>	<u>100,570</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	32,368
Transfers out	<u>(6,291,007)</u>	<u>(323,484)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,291,007)</u>	<u>(323,484)</u>	<u>-</u>	<u>-</u>	<u>32,368</u>
Net change in fund balances	1,029,186	(311,535)	40,153	578	132,938
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>649,932</u>	<u>311,535</u>	<u>21,108</u>	<u>-</u>	<u>(103,876)</u>
End of year - June 30	<u>\$ 1,679,118</u>	<u>\$ -</u>	<u>\$ 61,261</u>	<u>\$ 578</u>	<u>\$ 29,062</u>

**Schedule C-2**

<i>Schedule C-8</i> <b>Pitt Area Transit Fund</b>	<i>Schedule C-9</i> <b>Revaluation Fund</b>	<i>Schedule C-10</i> <b>Industrial Development Building</b>	<i>Schedule C-11</i> <b>Fire Districts Fund</b>	<i>Schedule C-12</i> <b>EMS District Fund</b>	<i>Schedule C-13</i> <b>E911 Surcharge Fund</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ 1,243,634	\$ 1,950,313	\$ -	\$ 3,205,896
-	-	-	-	-	-	5,858,193
153,444	-	-	-	-	-	3,820,064
78,034	-	-	-	1,478,015	759,286	2,315,335
-	132	664	-	-	462	1,354
-	-	-	34,299	-	-	38,141
<u>231,478</u>	<u>132</u>	<u>664</u>	<u>1,277,933</u>	<u>3,428,328</u>	<u>759,748</u>	<u>15,238,983</u>
-	-	-	1,228,166	3,299,063	648,234	5,247,191
245,343	-	<u>1,000,000</u>	-	-	-	3,240,872
-	-	-	-	<u>191,718</u>	-	191,718
<u>245,343</u>	<u>-</u>	<u>1,000,000</u>	<u>1,228,166</u>	<u>3,490,781</u>	<u>648,234</u>	<u>8,679,781</u>
<u>(13,865)</u>	<u>132</u>	<u>(999,336)</u>	<u>49,767</u>	<u>(62,453)</u>	<u>111,514</u>	<u>6,559,202</u>
16,974	-	-	-	757,268	-	806,610
-	<u>(197,533)</u>	-	-	-	-	<u>(6,812,024)</u>
<u>16,974</u>	<u>(197,533)</u>	-	-	<u>757,268</u>	-	<u>(6,005,414)</u>
3,109	(197,401)	(999,336)	49,767	694,815	111,514	553,788
-	<u>197,401</u>	<u>1,012,328</u>	<u>25,038</u>	<u>(1,046,396)</u>	<u>669,542</u>	<u>1,736,612</u>
<u>\$ 3,109</u>	<u>\$ -</u>	<u>\$ 12,992</u>	<u>\$ 74,805</u>	<u>\$ (351,581)</u>	<u>\$ 781,056</u>	<u>\$ 2,290,400</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, 2007  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Other taxes and licenses	\$ 4,898,009	\$ 5,858,193	\$ 960,184	\$ 5,193,354
Restricted intergovernmental revenues	1,462,000	1,462,000	-	1,130,018
Total revenues	<u>6,360,009</u>	<u>7,320,193</u>	<u>960,184</u>	<u>6,323,372</u>
Revenues over expenditures	<u>6,360,009</u>	<u>7,320,193</u>	<u>960,184</u>	<u>6,323,372</u>
<b>Other Financing Sources (Uses):</b>				
Transfer out - Debt Service Fund	(5,635,009)	(5,566,007)	69,002	(5,917,658)
Transfer out - School Capital Project Fund	(725,000)	(725,000)	-	80,000
Transfer in - Capital Project Fund	-	-	-	416,125
Total other financing sources (uses)	<u>(6,360,009)</u>	<u>(6,291,007)</u>	<u>69,002</u>	<u>(5,421,533)</u>
Net change in fund balances	<u>\$ -</u>	<u>1,029,186</u>	<u>\$ 1,029,186</u>	<u>\$ 901,839</u>
<b>Fund Balances:</b>				
Beginning of year - July 1		<u>649,932</u>		
End of year - June 30		<u>\$ 1,679,118</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, 2007  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	<u>2007</u>			<u>2006</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 2,500	\$ 11,949	\$ 9,449	\$ 50,277
Revenues over expenditures	2,500	11,949	9,449	50,277
<b>Other Financing Sources (Uses):</b>				
Transfer out	(323,484)	(323,484)	-	-
Contingency	320,984	-	(320,984)	-
Total other financing sources (uses)	(2,500)	(323,484)	(320,984)	-
Net change in fund balances	<u>\$ -</u>	(311,535)	<u>\$ (311,535)</u>	<u>\$ 50,277</u>
<b>Fund Balances:</b>				
Beginning of year - July 1		<u>311,535</u>		
End of year - June 30		<u>\$ -</u>		

## 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, 2007  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
Federal asset seizure funds	\$ 13,889	\$ 26,423	\$ 12,534	\$ -
State/federal excise tax	76,885	85,431	8,546	57,358
Investment earnings	-	27	27	424
Total revenues	<u>90,774</u>	<u>111,881</u>	<u>21,107</u>	<u>57,782</u>
<b>Expenditures:</b>				
Public safety	<u>111,872</u>	<u>71,728</u>	<u>40,144</u>	<u>116,257</u>
Revenues over (under) expenditures	<u>(21,098)</u>	<u>40,153</u>	<u>61,251</u>	<u>(58,475)</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>21,098</u>	<u>-</u>	<u>(21,098)</u>	<u>-</u>
Total other financing sources (uses)	<u>21,098</u>	<u>-</u>	<u>(21,098)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>40,153</u>	<u>\$ 40,153</u>	<u>\$ (58,475)</u>
<b>Fund Balances:</b>				
Beginning of year - July 1		<u>21,108</u>		
End of year - June 30		<u>\$ 61,261</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, 2007**

	<b>Actual</b>		
	<b>Project</b>	<b>Prior</b>	<b>Current</b>
	<b>Authorization</b>	<b>Years</b>	<b>Year</b>
			<b>Total</b>
			<b>To Date</b>
<b>Revenues:</b>			
Restricted intergovernmental revenues:			
Federal grants	\$ 1,000,000	\$ 598,301	\$ 1,699
			\$ 600,000
<b>Expenditures:</b>			
Economic development	1,003,500	601,801	1,121
			602,922
Revenues over (under) expenditures	(3,500)	(3,500)	578
			(2,922)
<b>Other Financing Sources (Uses):</b>			
Transfers in	3,500	3,500	-
			3,500
Net change in fund balances	\$ -	\$ -	\$ 578
			\$ 578

## 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, 2007  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
State grants	\$ 33,404,592	\$ 2,091,067	\$ (31,313,525)	\$ 2,146,292
Investment earnings	69	69	-	168
Miscellaneous	3,842	3,842	-	2,224
Total revenues	<u>33,408,503</u>	<u>2,094,978</u>	<u>(31,313,525)</u>	<u>2,148,684</u>
<b>Expenditures:</b>				
Economic and physical development:				
Salaries and benefits	31,771,192	492,832	31,278,360	291,599
Operating expenses	<u>1,701,528</u>	<u>1,501,576</u>	<u>199,952</u>	<u>2,113,300</u>
Total expenditures	<u>33,472,720</u>	<u>1,994,408</u>	<u>31,478,312</u>	<u>2,404,899</u>
Revenues over (under) expenditures	<u>(64,217)</u>	<u>100,570</u>	<u>164,787</u>	<u>(256,215)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	41,020	32,368	(8,652)	74,789
Appropriated fund balance	<u>23,197</u>	<u>-</u>	<u>(23,197)</u>	<u>-</u>
Total other financing sources (uses)	<u>64,217</u>	<u>32,368</u>	<u>(31,849)</u>	<u>74,789</u>
Net change in fund balances	<u>\$ -</u>	<u>132,938</u>	<u>\$ 132,938</u>	<u>\$ (181,426)</u>
<b>Fund Balances:</b>				
Beginning of year - July 1		<u>(103,876)</u>		
End of year - June 30		<u>\$ 29,062</u>		

## PITT COUNTY, NORTH CAROLINA

## PITT AREA TRANSIT SYSTEM SPECIAL REVENUE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND

## CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2007

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental revenues	\$ 157,013	\$ 153,444	\$ (3,569)	\$ -
Sales and services	104,000	78,034	(25,966)	-
Total revenues	261,013	231,478	(29,535)	-
<b>Expenditures:</b>				
Economic and physical development:				
PATS board	105,839	78,034	27,805	-
RGP grant	99,991	96,285	3,706	-
DOT administrative grant	72,157	71,024	1,133	-
Total expenditures	277,987	245,343	32,644	-
Revenues over (under) expenditures	(16,974)	(13,865)	3,109	-
<b>Other Financing Sources (Uses):</b>				
Transfers in	16,974	16,974	-	-
Total other financing sources (uses)	16,974	16,974	-	-
Net change in fund balances	\$ -	3,109	\$ 3,109	\$ -
<b>Fund Balances:</b>				
Beginning of year - July 1		-		
End of year - June 30		\$ 3,109		

## PITT COUNTY, NORTH CAROLINA

## REVALUATION FUND

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

FOR THE YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 132	\$ 132	\$ 655
<b>Expenditures:</b>				
Economic and physical development:				
Professional services	-	-	-	2
Total expenditures	-	-	-	2
Revenues over (under) expenditures	-	132	132	653
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	(197,533)	(197,533)	-	(6,700)
Appropriated fund balance	197,533	-	(197,533)	-
Total other financing sources (uses)	-	(197,533)	(197,533)	(6,700)
Net change in fund balances	\$ -	(197,401)	\$ (197,401)	\$ (6,047)
<b>Fund Balances:</b>				
Beginning of year - July 1		197,401		
End of year - June 30		\$ -		

## 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, 2007

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	<u>2007</u>			<u>2006</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 664	\$ 664	\$ 3,195
<b>Expenditures:</b>				
General construction	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,000,000)</u>	<u>(999,336)</u>	<u>664</u>	<u>3,195</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(999,336)</u>	<u>\$ (999,336)</u>	<u>\$ 3,195</u>
<b>Fund Balances:</b>				
Beginning of year - July 1		<u>1,012,328</u>		
End of year - June 30		<u>\$ 12,992</u>		

## PITT COUNTY, NORTH CAROLINA

## FIRE DISTRICTS FUND

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

FOR THE YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,281,034	\$ 1,243,634	\$ (37,400)	\$ 1,193,578
Miscellaneous	-	34,299	34,299	-
Total revenues	<u>1,281,034</u>	<u>1,277,933</u>	<u>(3,101)</u>	<u>1,193,578</u>
<b>Expenditures:</b>				
Public safety	<u>1,281,034</u>	<u>1,228,166</u>	<u>52,868</u>	<u>1,176,016</u>
Net change in fund balances	<u>\$ -</u>	<u>49,767</u>	<u>\$ 49,767</u>	<u>\$ 17,562</u>
<b>Fund Balances:</b>				
Beginning of year - July 1		<u>25,038</u>		
End of year - June 30		<u>\$ 74,805</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, 2007  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,860,340	\$ 1,950,313	\$ 89,973	\$ 1,903,000
Transport fees	1,025,000	1,478,015	453,015	696,485
Total revenues	<u>2,885,340</u>	<u>3,428,328</u>	<u>542,988</u>	<u>2,599,485</u>
<b>Expenditures:</b>				
Public safety	3,350,859	3,299,063	51,796	3,241,533
Debt service	191,748	191,718	30	162,924
Total expenditures	<u>3,542,607</u>	<u>3,490,781</u>	<u>51,826</u>	<u>3,404,457</u>
Revenues over (under) expenditures	<u>(657,267)</u>	<u>(62,453)</u>	<u>594,814</u>	<u>(804,972)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	757,267	757,268	1	713,814
Contingency	(100,000)	-	100,000	-
Total other financing sources (uses)	<u>657,267</u>	<u>757,268</u>	<u>100,001</u>	<u>713,814</u>
Net change in fund balances	<u>\$ -</u>	694,815	<u>\$ 694,815</u>	<u>\$ (91,158)</u>
<b>Fund Balances:</b>				
Beginning of year - July 1		<u>(1,046,396)</u>		
End of year - June 30		<u>\$ (351,581)</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, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Sales and services - user fees	\$ 468,150	\$ 477,787	\$ 9,637	\$ 465,943
Sales and services - wireless fees	153,721	281,499	127,778	252,135
Investment earnings	-	462	462	1,716
Total revenues	<u>621,871</u>	<u>759,748</u>	<u>137,877</u>	<u>719,794</u>
<b>Expenditures:</b>				
Public safety:				
E911 operations	498,105	447,798	50,307	424,953
Wireless operations	<u>211,221</u>	<u>200,436</u>	<u>10,785</u>	<u>122,931</u>
Total expenditures	<u>709,326</u>	<u>648,234</u>	<u>61,092</u>	<u>547,884</u>
<b>Other Financing Sources (Uses):</b>				
Contingency	<u>87,455</u>	<u>-</u>	<u>(87,455)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>111,514</u>	<u>\$ 111,514</u>	<u>\$ 171,910</u>
<b>Fund Balances:</b>				
Beginning of year - July 1		<u>669,542</u>		
End of year - June 30		<u>\$ 781,056</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.
- **2004 COPS Education Capital Project** – Established to account for funds used in the construction of a new middle school.
- **2007 COPS Education Capital Project** – Established to account for funds used in the construction of a new elementary school and four school additions.
- **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, 2007

	<i>Schedule D-3</i>	<i>Schedule D-4</i>	<i>Schedule D-5</i>
	<b>PCC Building Capital Project</b>	<b>Detention Center Capital Project</b>	<b>Pitt Community College Capital Project</b>
<b>Assets:</b>			
Cash, cash equivalents and investments	\$ 279,561	\$ -	\$ 297,054
Cash and investments, restricted	-	-	-
Intrafund loans	-	(1,218,658)	-
Due from other governments	-	-	-
Total assets	<u>\$ 279,561</u>	<u>\$ (1,218,658)</u>	<u>\$ 297,054</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 1,456,033	\$ -
Retainage payable	-	-	-
Total liabilities	<u>-</u>	<u>1,456,033</u>	<u>-</u>
<b>Fund Balances (Deficit):</b>			
Undesignated	<u>279,561</u>	<u>(2,674,691)</u>	<u>297,054</u>
Total fund balances	<u>279,561</u>	<u>(2,674,691)</u>	<u>297,054</u>
Total liabilities and fund balances	<u>\$ 279,561</u>	<u>\$ (1,218,658)</u>	<u>\$ 297,054</u>

**Schedule D-1**

<i>Schedule D-6</i>	<i>Schedule D-7</i>	<i>Schedule D-8</i>	<i>Schedule D-9</i>	<i>Schedule D-10</i>	
<b>2004 COPS Education Capital Project</b>	<b>2007 COPS Education Capital Project</b>	<b>Community Schools and Recreation Capital Project</b>	<b>ECTC Building Capital Project</b>	<b>School Improvement Capital Project</b>	<b>Totals</b>
\$ -	\$ -	\$ 233,050	\$ -	\$ 229,748	\$ 1,039,413
584,349	24,870,804	-	-	-	25,455,153
-	1,289,309	-	(70,651)	-	-
-	-	24,652	-	-	24,652
<u>\$ 584,349</u>	<u>\$ 26,160,113</u>	<u>\$ 257,702</u>	<u>\$ (70,651)</u>	<u>\$ 229,748</u>	<u>\$ 26,519,218</u>
\$ 354,665	\$ 1,730,469	\$ 7,500	\$ -	\$ 13,007	\$ 3,561,674
-	437,077	-	-	-	437,077
<u>354,665</u>	<u>2,167,546</u>	<u>7,500</u>	<u>-</u>	<u>13,007</u>	<u>3,998,751</u>
<u>229,684</u>	<u>23,992,567</u>	<u>250,202</u>	<u>(70,651)</u>	<u>216,741</u>	<u>22,520,467</u>
<u>229,684</u>	<u>23,992,567</u>	<u>250,202</u>	<u>(70,651)</u>	<u>216,741</u>	<u>22,520,467</u>
<u>\$ 584,349</u>	<u>\$ 26,160,113</u>	<u>\$ 257,702</u>	<u>\$ (70,651)</u>	<u>\$ 229,748</u>	<u>\$ 26,519,218</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, 2007

	<i>Schedule D-3</i>	<i>Schedule D-4</i>	<i>Schedule D-5</i>
	<b>PCC Building Capital Project</b>	<b>Detention Center Capital Project</b>	<b>Pitt Community College Capital Project</b>
<b>Revenues:</b>			
Investment earnings	\$ 185	\$ -	\$ -
Restricted intergovernmental revenue	-	-	-
Miscellaneous	-	-	-
Sales tax refund	-	-	-
Total revenues	<u>185</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
Capital outlay	<u>-</u>	<u>2,677,691</u>	<u>-</u>
Revenues over (under) expenditures	<u>185</u>	<u>(2,677,691)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Debt obligation issued	-	-	-
Premium received from issuance of debt	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	185	(2,677,691)	-
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>279,376</u>	<u>3,000</u>	<u>297,054</u>
End of year - June 30	<u>\$ 279,561</u>	<u>\$ (2,674,691)</u>	<u>\$ 297,054</u>

**Schedule D-2**

<i>Schedule D-6</i>	<i>Schedule D-7</i>	<i>Schedule D-8</i>	<i>Schedule D-9</i>	<i>Schedule D-10</i>	
<b>2004 COPS Education Capital Project</b>	<b>2007 COPS Education Capital Project</b>	<b>Community Schools and Recreation Capital Project</b>	<b>ECTC Building Capital Project</b>	<b>School Improvement Capital Project</b>	<b>Totals</b>
\$ -	\$ 270,255	\$ -	\$ -	\$ -	\$ 270,440
-	-	37,524	400,000	-	437,524
-	-	5,500	-	-	5,500
126,637	-	-	842	-	127,479
126,637	270,255	43,024	400,842	-	840,943
495,673	7,259,436	49,305	367,164	828,131	11,677,400
(369,036)	(6,989,181)	(6,281)	33,678	(828,131)	(10,836,457)
-	-	83,000	-	725,000	808,000
-	29,117,808	-	-	-	29,117,808
-	1,863,940	-	-	-	1,863,940
-	30,981,748	83,000	-	725,000	31,789,748
(369,036)	23,992,567	76,719	33,678	(103,131)	20,953,291
598,720	-	173,483	(104,329)	319,872	1,567,176
\$ 229,684	\$ 23,992,567	\$ 250,202	\$ (70,651)	\$ 216,741	\$ 22,520,467

## 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, 2007**

	<b>Project</b>	<b>Actual</b>		
	<b>Authorization</b>	<b>Prior</b>	<b>Current</b>	<b>Total To</b>
		<b>Years</b>	<b>Year</b>	<b>Date</b>
<b>Revenues:</b>				
Investment earnings	\$ 469,617	\$ 521,513	\$ 185	\$ 521,698
Easement proceeds	31,383	31,205	-	31,205
Miscellaneous revenue	-	-	-	-
Total revenues	501,000	552,718	185	552,903
<b>Expenditures:</b>				
Capital outlay:				
Bond issue costs	124,833	127,049	-	127,049
Modular units	44,978	44,978	-	44,978
Interest expense	166,454	166,454	-	166,454
Land	2,069,645	2,069,645	-	2,069,645
General construction	8,610,780	8,581,669	-	8,581,669
Total expenditures	11,016,690	10,989,795	-	10,989,795
Revenues over (under) expenditures	(10,515,690)	(10,437,077)	185	(10,436,892)
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	10,591,950	10,591,951	-	10,591,951
Transfers in	124,502	124,502	-	124,502
Contingency	(200,762)	-	-	-
Total other financing sources (uses)	10,515,690	10,716,453	-	10,716,453
Net change in fund balances	\$ -	\$ 279,376	\$ 185	\$ 279,561

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 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007**

	<b>Project</b>	<b>Actual</b>		
	<b>Authorization</b>	<b>Prior</b>	<b>Current</b>	<b>Total To</b>
		<b>Years</b>	<b>Year</b>	<b>Date</b>
<b>Expenditures:</b>				
Capital outlay:				
General construction	\$ 200,000	\$ 197,000	\$ 2,677,691	\$ 2,874,691
Total expenditures	<u>200,000</u>	<u>197,000</u>	<u>2,677,691</u>	<u>2,874,691</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ (2,677,691)</u>	<u>\$ (2,674,691)</u>

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 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007**

		<b>Actual</b>		
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total To Date</b>
<b>Expenditures:</b>				
Capital outlay:				
General construction	\$ 4,162,391	\$ 3,865,338	\$ -	\$ 3,865,338
Total expenditures	<u>4,162,391</u>	<u>3,865,338</u>	<u>-</u>	<u>3,865,338</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	<u>4,162,391</u>	<u>4,162,392</u>	<u>-</u>	<u>4,162,392</u>
Total other financing sources (uses)	<u>4,162,391</u>	<u>4,162,392</u>	<u>-</u>	<u>4,162,392</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 297,054</u>	<u>\$ -</u>	<u>\$ 297,054</u>

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



## PITT COUNTY, NORTH CAROLINA

**2004 COPS EDUCATION PROJECTS CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007**

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
<b>Revenues:</b>				
Sales tax refund	\$ -	\$ 636,654	\$ 126,637	\$ 763,291
Restricted intergovernmental	3,675,643	2,026,694	-	2,026,694
Investment income	-	242,328	-	242,328
Total revenues	<u>3,675,643</u>	<u>2,905,676</u>	<u>126,637</u>	<u>3,032,313</u>
<b>Expenditures:</b>				
Capital outlay:				
Computer equipment	771,695	-	-	-
Gymnasium upgrades	721,376	696,010	-	696,010
Auditorium renovation	1,680,994	1,679,044	-	1,679,044
Athletic upgrades	1,521,061	1,487,385	-	1,487,385
Maintenance	140,000	3,000	-	3,000
Chicod Elementary	2,896,741	2,986,621	52,086	3,038,707
Creekside Elementary	8,722,313	8,556,426	20,105	8,576,531
Hope Middle School	13,065,120	13,325,945	423,482	13,749,427
Wintergreen Intermediate School	3,172,027	3,093,458	-	3,093,458
DH Conley	3,347,383	3,345,173	-	3,345,173
Science labs	36,932	36,931	-	36,931
Total expenditures	<u>36,075,642</u>	<u>35,209,993</u>	<u>495,673</u>	<u>35,705,666</u>
Revenues over (under) expenditures	<u>(32,399,999)</u>	<u>(32,304,317)</u>	<u>(369,036)</u>	<u>(32,673,353)</u>
<b>Other Financing Sources (Uses):</b>				
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
Transfers in (out)	<u>(10,169,549)</u>	<u>2,865,000</u>	<u>-</u>	<u>2,865,000</u>
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>\$ 598,720</u>	<u>\$ (369,036)</u>	<u>\$ 229,684</u>

Note: Hope and Chicod projects are the only facilities owned by the County. Those projects were capitalized in 2006. Remainder of activity is not accounted for as Construction in Progress.

## PITT COUNTY, NORTH CAROLINA

**2007 COPS EDUCATION PROJECTS CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007**

			Actual	
	Project Authorization	Prior Years	Current Year	Total To Date
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 270,255	\$ 270,255
Total revenues	-	-	270,255	270,255
<b>Expenditures:</b>				
Capital outlay:				
Ayden Elementary	4,080,000	-	460,997	460,997
Ridgewood Elementary	15,425,000	-	2,994,497	2,994,497
North Pitt	4,230,000	-	521,959	521,959
Farmville Middle School	1,955,000	-	944,031	944,031
JH Rose	3,331,000	-	1,427,374	1,427,374
Issuance fees	955,000	-	910,578	910,578
Total expenditures	29,976,000	-	7,259,436	7,259,436
Revenues over (under) expenditures	(29,976,000)	-	(6,989,181)	(6,989,181)
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	31,503,241	-	29,117,808	29,117,808
Premium received from issuance of debt	-	-	1,863,940	1,863,940
Contingency	(1,527,241)	-	-	-
Total other financing sources (uses)	29,976,000	-	30,981,748	30,981,748
Net change in fund balances	\$ -	\$ -	\$ 23,992,567	\$ 23,992,567

Note: Ridgewood Elementary and JH Rose projects are the only facilities owned by the County. The activity in those were capitalized as Construction in Progress. The remainder of the projects are for properties not owned by the County and will not be reported as Construction in Progress.

## PITT COUNTY, NORTH CAROLINA

COMMUNITY SCHOOLS AND RECREATION CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
<b>Revenues:</b>				
Restricted intergovernmental	\$ 750,000	\$ 19,453	\$ 37,524	\$ 56,977
Miscellaneous revenue	200,000	169,545	5,500	175,045
Total revenues	950,000	188,998	43,024	232,022
<b>Expenditures:</b>				
Capital outlay:				
General construction	1,250,000	1,213,062	-	1,213,062
Site development	390,000	133	3,100	3,233
Athletic fields and recreation area	495,000	-	-	-
Professional fees	70,800	19,320	46,205	65,525
Total expenditures	2,205,800	1,232,515	49,305	1,281,820
Revenues over (under) expenditures	(1,255,800)	(1,043,517)	(6,281)	(1,049,798)
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,300,000	1,217,000	83,000	1,300,000
Contingency	(44,200)	-	-	-
Total other financing sources (uses)	1,255,800	1,217,000	83,000	1,300,000
Net change in fund balances	\$ -	\$ 173,483	\$ 76,719	\$ 250,202

Note: This project was capitalized as a Capital Asset in 2006. The remainder of the project is for improvements and will not be capitalized as Construction in Progress.

## PITT COUNTY, NORTH CAROLINA

**ECTC 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, 2007**

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
<b>Revenues:</b>				
Sales tax refund	\$ 2,743	\$ 8,211	\$ 842	\$ 9,053
Investment earnings	20,449	20,854	-	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	1,290,934	400,000	400,000	800,000
Total revenues	1,441,404	910,129	400,842	1,310,971
<b>Expenditures:</b>				
Capital outlay:				
General construction	2,005,326	1,603,380	367,164	1,970,544
Architect/engineering fees	85,688	85,688	-	85,688
Total expenditures	2,091,014	1,689,068	367,164	2,056,232
<b>Revenues over (under) expenditures</b>	<b>(649,610)</b>	<b>(778,939)</b>	<b>33,678</b>	<b>(745,261)</b>
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	350,000	375,000	-	375,000
Transfers in	299,610	299,610	-	299,610
Total other financing sources (out)	649,610	674,610	-	674,610
Net change in fund balance	\$ -	\$ (104,329)	\$ 33,678	\$ (70,651)

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 BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<b>Annual Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Expenditures:</b>			
Capital outlay:			
Gymnasium upgrades	\$ 47,000	\$ 46,554	\$ 446
General construction	165,000	89,226	75,774
Electrical	63,000	63,180	(180)
Roofing	564,232	437,302	126,930
Other structures	180,639	191,869	(11,230)
Towers, tanks, and wells	25,000	-	25,000
	<u>1,044,871</u>	<u>828,131</u>	<u>216,740</u>
Total expenditures			
	<u>1,044,871</u>	<u>828,131</u>	<u>216,740</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	725,000	725,000	-
Fund balance appropriated	319,871	-	(319,871)
Total other financing sources (out)	<u>1,044,871</u>	<u>725,000</u>	<u>(319,871)</u>
Net change in fund balance	<u>\$ -</u>	<u>(103,131)</u>	<u>\$ (103,131)</u>
<b>Fund Balance</b>			
Beginning of year - July 1		<u>319,872</u>	
End of Year - June 30		<u>\$ 216,741</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.

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## **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.

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## **ENTERPRISE FUND**

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

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## PITT COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - SOLID WASTE**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**

FOR THE YEAR ENDED JUNE 30, 2007

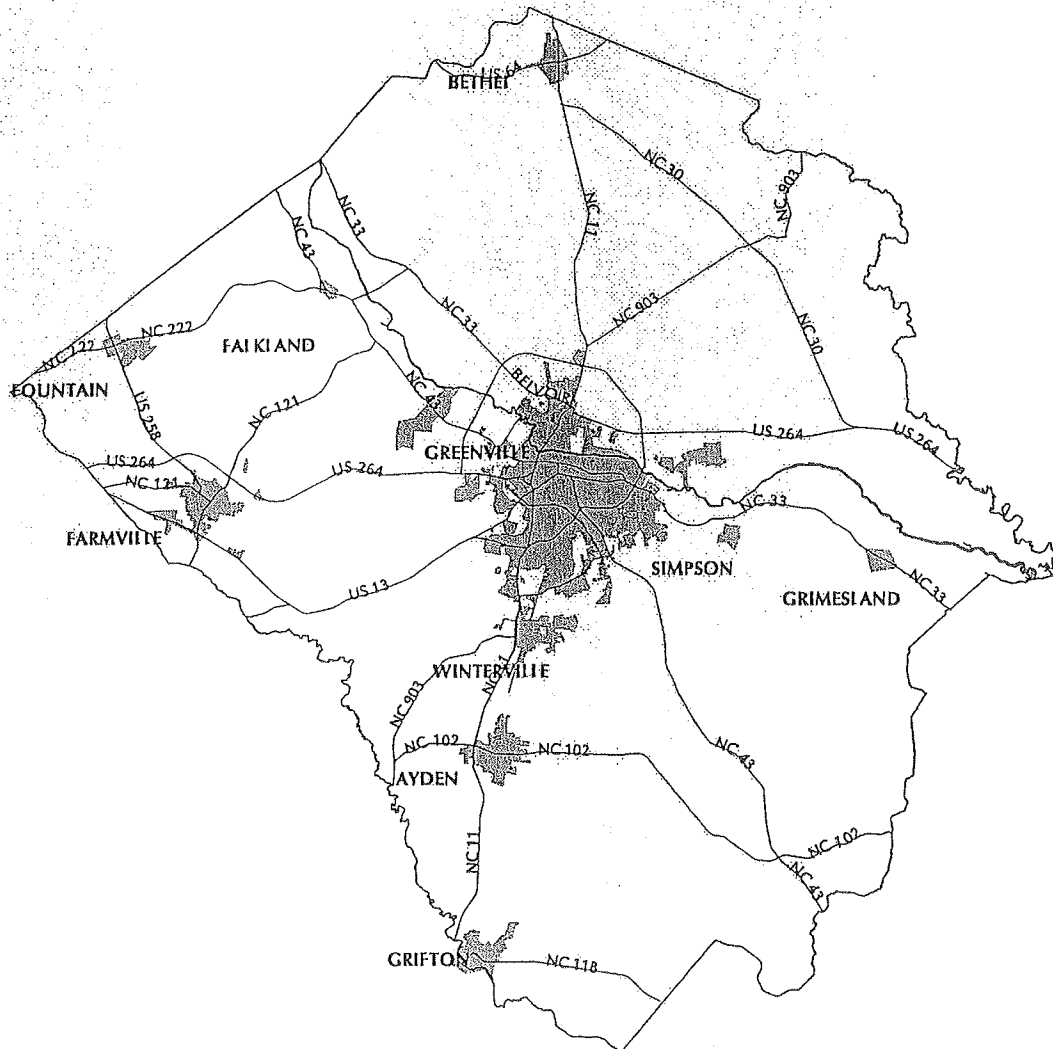
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
User charges	\$ 7,055,060	\$ 7,441,760	\$ 386,700	\$ 6,999,041
Investment earnings	-	400	400	90
Restricted intergovernmental revenues	-	-	-	(195,224)
Other	402,806	475,033	72,227	519,528
Total revenues	<u>7,457,866</u>	<u>7,917,193</u>	<u>459,327</u>	<u>7,323,435</u>
<b>Other Financing Sources:</b>				
Proceeds from sale of capital assets	-	-	-	20,612
Total revenues and other financing sources (out)	<u>7,457,866</u>	<u>7,917,193</u>	<u>459,327</u>	<u>7,344,047</u>
<b>Expenditures:</b>				
Salaries and employee benefits	887,128	847,488	-	857,326
Supplies and materials	401,696	357,534	-	414,734
Contract labor and other services	1,157,000	1,083,196	-	1,119,280
Contracted services - waste disposal	4,549,142	4,276,784	-	4,431,472
Capital outlay	210,000	277,744	-	37,795
Principal repayment on long-term debt	200,000	200,000	-	200,000
Interest expense	52,900	52,900	-	63,400
Total expenditures	<u>7,457,866</u>	<u>7,095,646</u>	<u>362,220</u>	<u>7,124,007</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 821,547</u>	<u>\$ 821,547</u>	<u>\$ 220,040</u>
<b>Reconciliation from modified accrual basis to full accrual basis:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 821,547		\$ 220,040
<b>Reconciling items:</b>				
Capital outlay items capitalized		277,744		37,795
Gain (loss) from sale of capital assets		(5,369)		(20,612)
Depreciation		(156,589)		(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>\$ 1,197,333</u>		<u>\$ 331,268</u>

# Pitt County, North Carolina

## Pitt County, North Carolina

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## **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.

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## PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS  
JUNE 30, 2007

	<b>County Garage Fund</b>	<b>Employee Medical Insurance Fund</b>	<b>Workers' Compensation Fund</b>	<b>Totals</b>
<b>Assets:</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 138,951	\$ 1,187,433	\$ 260,227	\$ 1,586,611
Accounts receivable	6,395	-	-	6,395
Inventories	2,511	-	-	2,511
Prepaid items	-	-	127	127
Total current assets	<u>147,857</u>	<u>1,187,433</u>	<u>260,354</u>	<u>1,595,644</u>
Total assets	<u>\$ 147,857</u>	<u>\$ 1,187,433</u>	<u>\$ 260,354</u>	<u>\$ 1,595,644</u>
<b>Liabilities and Fund Equity:</b>				
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 108,196	\$ 674,345	\$ 41	\$ 782,582
<b>Fund Equity:</b>				
Net assets	<u>39,661</u>	<u>513,088</u>	<u>260,313</u>	<u>813,062</u>
Total fund equity	<u>39,661</u>	<u>513,088</u>	<u>260,313</u>	<u>813,062</u>
Total liabilities and fund equity	<u>\$ 147,857</u>	<u>\$ 1,187,433</u>	<u>\$ 260,354</u>	<u>\$ 1,595,644</u>

## PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
<b>Operating Revenues:</b>				
User charges	\$ 587,421	\$ 410,365	\$ -	\$ 997,786
Interfund services charges	-	4,685,979	500,000	5,185,979
Total operating revenues	<u>587,421</u>	<u>5,096,344</u>	<u>500,000</u>	<u>6,183,765</u>
<b>Operating Expenses:</b>				
Salaries and employee benefits	49,782	-	-	49,782
Equipment maintenance	519,401	-	-	519,401
Medical claims costs	-	5,989,110	-	5,989,110
Claims reimbursement	-	-	624,579	624,579
Total operating expenses	<u>569,183</u>	<u>5,989,110</u>	<u>624,579</u>	<u>7,182,872</u>
Operating income (loss)	<u>18,238</u>	<u>(892,766)</u>	<u>(124,579)</u>	<u>(999,107)</u>
<b>Nonoperating Revenues:</b>				
Investment earnings	-	52,381	287	52,668
Net income (loss)	18,238	(840,385)	(124,292)	(946,439)
<b>Net Assets:</b>				
Beginning of year - July 1	<u>21,423</u>	<u>1,353,473</u>	<u>384,605</u>	<u>1,759,501</u>
End of year - June 30	<u>\$ 39,661</u>	<u>\$ 513,088</u>	<u>\$ 260,313</u>	<u>\$ 813,062</u>



## PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 582,431	\$ 410,365	\$ -	\$ 992,796
Cash received from interfund services	-	4,685,979	500,000	5,185,979
Cash paid to suppliers	(415,378)	(6,061,445)	(622,455)	(7,099,278)
Cash paid to employees	(99,667)	-	-	(99,667)
Net cash provided by operating activities	<u>67,386</u>	<u>(965,101)</u>	<u>(122,455)</u>	<u>(1,020,170)</u>
<b>Cash Flows from Investing Activities:</b>				
Investment earnings	<u>-</u>	<u>52,381</u>	<u>287</u>	<u>52,668</u>
Net increase (decrease) in cash, cash equivalents and investments	67,386	(912,720)	(122,168)	(967,502)
<b>Cash, Cash Equivalents and Investments:</b>				
Beginning of year - July 1	<u>71,565</u>	<u>2,100,153</u>	<u>382,395</u>	<u>2,554,113</u>
End of year - June 30	<u>\$ 138,951</u>	<u>\$ 1,187,433</u>	<u>\$ 260,227</u>	<u>\$ 1,586,611</u>
<b>Reconciliation of operating income to cash flows from operating activities:</b>				
Operating income (loss)	\$ 18,238	\$ (892,766)	\$ (124,579)	\$ (999,107)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(4,990)	-	-	(4,990)
(Increase) decrease in prepaids	-	129,846	2,083	131,929
(Increase) decrease in inventories	267	-	-	267
Increase (decrease) in accounts payable and accrued expenses	-	-	41	41
	<u>53,871</u>	<u>(202,181)</u>	<u>-</u>	<u>(148,310)</u>
Net cash provided (used) by operating activities	<u>\$ 67,386</u>	<u>\$ (965,101)</u>	<u>\$ (122,455)</u>	<u>\$ (1,020,170)</u>

## PITT COUNTY, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES**  
**PLAN AND ACTUAL (NON-GAAP)**  
**COUNTY GARAGE INTERNAL SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
User charges	\$ 509,226	\$ 587,421	\$ 78,195
Miscellaneous	300	-	(300)
Total operating revenues	<u>509,526</u>	<u>587,421</u>	<u>77,895</u>
<b>Operating Expenses:</b>			
Salaries and employee benefits	56,176	49,782	6,394
Equipment maintenance	<u>453,350</u>	<u>519,401</u>	<u>(66,051)</u>
Total operating expenses	<u>509,526</u>	<u>569,183</u>	<u>(59,657)</u>
Net income (loss)	<u>\$ -</u>	<u>\$ 18,238</u>	<u>\$ 18,238</u>

## PITT COUNTY, NORTH CAROLINA

## SCHEDULE OF REVENUES AND EXPENDITURES

## PLAN AND ACTUAL (NON-GAAP)

## EMPLOYEE MEDICAL INSURANCE INTERNAL SERVICE FUND

## FOR THE YEAR ENDED JUNE 30, 2007

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
User charges	\$ 289,344	\$ 410,365	
Interfund services charges	<u>5,347,872</u>	<u>4,685,979</u>	
Total operating revenues	<u>5,637,216</u>	<u>5,096,344</u>	<u>\$ (540,872)</u>
<b>Operating Expenses:</b>			
Medical claims costs	<u>6,152,216</u>	<u>5,989,110</u>	<u>163,106</u>
Operating income (loss)	<u>(515,000)</u>	<u>(892,766)</u>	<u>(377,766)</u>
<b>Non-operating Revenues:</b>			
Investment earnings	<u>-</u>	<u>52,381</u>	<u>52,381</u>
<b>Other Financing Sources (Uses):</b>			
Contingency	<u>515,000</u>	<u>-</u>	<u>(515,000)</u>
Net income (loss)	<u>\$ -</u>	<u>\$ (840,385)</u>	<u>\$ (840,385)</u>

## PITT COUNTY, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES  
 PLAN AND ACTUAL (NON-GAAP)  
 WORKERS' COMPENSATION INTERNAL SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
Interfund services charges	\$ 500,000	\$ 500,000	
Total operating revenues	<u>500,000</u>	<u>500,000</u>	<u>\$ -</u>
<b>Operating Expenses:</b>			
Claims reimbursement	<u>750,000</u>	<u>624,579</u>	<u>125,421</u>
Operating income (loss)	<u>(250,000)</u>	<u>(124,579)</u>	<u>125,421</u>
<b>Non-operating Revenues:</b>			
Investment earnings	<u>-</u>	<u>287</u>	<u>287</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Net income (loss)	<u>\$ -</u>	<u>\$ (124,292)</u>	<u>\$ (124,292)</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.

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## PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
TRUST AND AGENCY FUNDS  
JUNE 30, 2007

	<b>Social Services, Sheriff, and Mental Health Agency Funds</b>	<b>Tax Collections Held for Municipalities Agency Fund</b>	<b>3% Interest Payable to State</b>	<b>Flexible Benefit Plan Agency Fund</b>	<b>Total</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 298,521	\$ 170,811	\$ 8,713	\$ 16,462	\$ 494,507
<b>Liabilities:</b>					
Deposits held in custody for others	\$ 298,521	\$ 170,811	\$ 8,713	\$ -	\$ 478,045
Deferred compensation benefits payable	-	-	-	16,462	16,462
Total liabilities	\$ 298,521	\$ 170,811	\$ 8,713	\$ 16,462	\$ 494,507

## PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 TRUST AND AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	<b>Social Services, Sheriff, and Mental Health Agency Funds</b>	<b>Tax Collections Held for Municipalities Agency Fund</b>	<b>3% Interest Payable to State</b>	<b>Flexible Benefit Plan Agency Fund</b>	<b>Total</b>
Assets, beginning of year	\$ 297,916	\$ 121,905	\$ 3,497	\$ 27,735	\$ 451,053
Additions	1,212,703	25,459,652	103,220	183,743	26,959,318
Deductions	<u>(1,212,098)</u>	<u>(25,410,746)</u>	<u>(98,004)</u>	<u>(195,016)</u>	<u>(26,915,864)</u>
Assets, end of year	<u>\$ 298,521</u>	<u>\$ 170,811</u>	<u>\$ 8,713</u>	<u>\$ 16,462</u>	<u>\$ 494,507</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.

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

**Table 1**

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 19,624,295	\$ 17,058,305	\$ 9,656,803	\$ 9,052,628
Restricted	668,584	470,026	678,647	717,353
Unrestricted	<u>34,792,725</u>	<u>40,825,049</u>	<u>37,971,412</u>	<u>30,517,987</u>
Total governmental activities net assets	<u>\$ 55,085,604</u>	<u>\$ 58,353,380</u>	<u>\$ 48,306,862</u>	<u>\$ 40,287,968</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 1,469,683	\$ 1,723,354	\$ 1,818,984	\$ 2,070,609
Unrestricted	<u>(1,259,552)</u>	<u>(1,898,732)</u>	<u>(1,634,988)</u>	<u>(689,280)</u>
Total business-type activities	<u>\$ 210,131</u>	<u>\$ (175,378)</u>	<u>\$ 183,996</u>	<u>\$ 1,381,329</u>
Primary government				
Invested in capital assets, net of related debt	\$ 21,093,978	\$ 18,781,659	\$ 11,475,787	\$ 11,123,237
Restricted	668,584	470,026	678,647	717,353
Unrestricted	<u>33,533,173</u>	<u>38,926,317</u>	<u>36,336,424</u>	<u>29,828,707</u>
Total primary government net assets	<u>\$ 55,295,735</u>	<u>\$ 58,178,002</u>	<u>\$ 48,490,858</u>	<u>\$ 41,669,297</u>

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

**Table 2**

	Fiscal Year			
	2004	2005	2006	2007
<b>Expenses</b>				
Governmental activities:				
General government	\$ 12,562,758	\$ 13,501,699	\$ 16,037,941	\$ 15,101,864
Public safety	22,512,817	23,580,577	25,212,358	27,464,405
Social services	-	-	-	-
Economic and physical development	4,174,365	4,335,915	3,274,182	5,156,590
Environmental protection	213,262	208,524	4,469	245,464
Human Services	54,915,560	58,880,092	67,135,085	54,707,785
Cultural and recreation	491,838	505,161	457,682	583,843
Education	33,489,829	36,679,407	37,016,790	48,738,593
Debt Service	4,205,707	4,556,482	4,976,804	-
Capital Outlay	-	-	-	-
Interest on long term debt	-	-	-	5,703,750
Total governmental activities	<u>132,566,136</u>	<u>142,247,857</u>	<u>154,115,311</u>	<u>157,702,294</u>
Business-type activities:				
Solid Waste	<u>6,381,866</u>	<u>7,072,121</u>	<u>6,917,906</u>	<u>6,719,860</u>
Total primary government expenses	\$ <u>138,948,002</u>	\$ <u>149,319,978</u>	\$ <u>161,033,217</u>	\$ <u>164,422,154</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services:				
General government	\$ 6,715,636	\$ 4,590,236	\$ 4,185,463	\$ 3,889,222
Public safety	4,552,552	7,603,330	7,291,508	8,752,760
Social services	-	-	-	-
Economic and physical development	14,064	2,635	3,015	3,245
Environmental protection	-	137,937	243,384	265,127
Human Services	38,900,115	5,177,386	5,127,900	3,134,045
Cultural and recreation	-	-	8,945	34,717
Education	-	-	-	-
Operating grants and contributions:				
General government	255,485	-	-	-
Public safety	37,736	32,200	25,800	25,800
Social services	-	-	-	-
Economic and physical development	1,935,588	2,621,715	263,177	293,962
Environmental protection	-	73,156	91,610	98,086
Human Services	-	35,944,964	42,757,967	30,318,848
Cultural and recreation	-	-	-	-
Education	-	-	1,130,018	-

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Capital grants and contributions:				
Public safety	-	64,074	57,358	111,854
Economic and physical development	-	-	-	2,920,434
Education	-	-	-	1,462,000
Cultural and recreation	-	-	-	37,524
Social services	2,709,408	331,781	1,273,940	-
Total governmental activities program revenues	<u>55,120,584</u>	<u>56,579,414</u>	<u>62,460,085</u>	<u>51,347,624</u>
Business-type activities:				
Charge for services - Solid Waste	6,275,664	6,686,238	7,277,190	7,916,793
Capital grants and contributions - Solid Waste	194,705	-	-	-
Total business-type activities program revenues	<u>6,470,369</u>	<u>6,686,238</u>	<u>7,277,190</u>	<u>7,916,793</u>
Total primary government program revenues \$	<u>61,590,953</u>	<u>63,265,652</u>	<u>69,737,275</u>	<u>59,264,417</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities \$	(77,445,552)	(85,668,443)	(91,655,226)	(106,354,670)
Business-type activities	<u>88,503</u>	<u>(385,883)</u>	<u>359,284</u>	<u>1,196,933</u>
Total primary government net (expense)/revenue \$	<u>(77,357,049)</u>	<u>(86,054,326)</u>	<u>(91,295,942)</u>	<u>(105,157,737)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Property taxes	\$ 49,795,001	\$ 60,786,461	\$ 64,079,131	\$ 65,841,771
Local option sales tax	23,262,295	26,639,641	26,425,763	28,162,325
Payment in lieu of taxes and other taxes	-	-	1,614,982	1,683,750
Interest earned on investments	806,846	1,510,066	2,054,907	2,647,891
Loss on disposal of capital assets	-	-	(12,566,106)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities:	<u>73,864,142</u>	<u>88,936,168</u>	<u>81,608,677</u>	<u>98,335,737</u>
Business-type activities:				
Investment earnings	-	-	-	-
Miscellaneous	106	371	90	-
Transfers	-	-	-	400
Total business-type activities	<u>106</u>	<u>371</u>	<u>90</u>	<u>400</u>
Total primary government	<u>\$ 73,864,248</u>	<u>\$ 88,936,539</u>	<u>\$ 81,608,767</u>	<u>\$ 98,336,137</u>
<b>Change in Net Assets</b>				
Governmental activities \$	(3,581,410)	3,267,725	(10,046,549)	(8,018,933)
Business-type activities	<u>88,609</u>	<u>(385,512)</u>	<u>359,374</u>	<u>1,197,333</u>
Total primary government	<u>\$ (3,492,801)</u>	<u>\$ 2,882,213</u>	<u>\$ (9,687,175)</u>	<u>\$ (6,821,600)</u>

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

Table 3

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Fund</b>										
Reserved for:										
State statute	\$ 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	\$ 7,890,551
Prepaid Items	239,531	280,282	288,883	265,083	180,478	68,904	72,871	75,128	189,070	169,571
Future wireless E-911 expenditures	-	-	-	-	-	-	-	-	-	-
Future wired E-911 expenditures	-	-	-	-	-	-	-	-	-	-
For Register of Deeds	-	-	-	-	46,295	151,431	254,354	155,028	233,586	190,924
For Mental Health	-	-	-	-	-	-	-	-	-	2,271,269
Future law enforcement expenditures	-	-	-	-	-	-	-	-	-	-
Total reserved	7,372,448	7,265,472	7,926,523	7,683,002	7,153,165	7,418,384	8,448,988	10,860,792	10,571,273	10,522,315
Unreserved										
Designated for subsequent year's expenditures	3,091,964	2,731,878	4,047,261	6,686,285	9,078,614	10,793,300	4,668,853	5,900,011	4,968,202	7,038,044
Designated for Potential TSR Refund (MH)	-	-	-	870,000	615,000	850,000	-	-	-	-
Undesignated	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	17,805,686
<b>Total General Fund</b>	<b>\$ 19,395,401</b>	<b>\$ 37,476,176</b>	<b>\$ 44,625,858</b>	<b>\$ 51,474,044</b>	<b>\$ 48,007,392</b>	<b>\$ 42,049,458</b>	<b>\$ 33,123,490</b>	<b>\$ 33,292,105</b>	<b>\$ 33,615,385</b>	<b>\$ 35,366,045</b>
<b>All Other Governmental Funds</b>										
Reserved for:										
State statute	\$ -	\$ -	\$ -	\$ -	\$ 25,720	\$ 1,636,585	\$ 824,916	\$ 582,561	\$ 1,211,152	\$ 1,465,594
Prepaid Items	-	-	-	-	-	31,955	31,485	46,538	31,228	23,760
Wireless 911 Operations	-	-	-	-	187,929	311,246	414,230	314,998	445,061	526,429
Winterville Rural Fire Dept	-	-	-	-	-	-	-	-	24,204	73,973
Debt service	-	-	-	-	-	-	-	-	-	-
Total reserved	-	-	-	-	213,649	1,979,786	1,270,631	944,097	1,711,645	2,089,756
Unreserved										
Undesignated/(deficit)										
Special revenue Funds	-	-	-	-	3,585,806	821,069	-	-	24,958	251,477
Debt Service Fund	-	-	-	-	12,100	27,658	24,227	64,521	83,212	42,022
Capital Project Funds	-	-	-	-	6,915,540	3,641,422	14,427,087	4,814,295	1,587,175	-
Room occupancy tax trust fund	-	-	-	-	-	-	-	-	-	-
All other special revenue funds	-	-	-	-	-	-	-	-	-	-
Designated for capital projects	-	-	-	-	-	-	-	-	-	22,495,815
<b>Total all other governmental funds</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,727,095</b>	<b>\$ 6,469,935</b>	<b>\$ 15,721,945</b>	<b>\$ 5,822,913</b>	<b>\$ 3,386,990</b>	<b>\$ 24,879,070</b>

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

Table 4

	FISCAL YEARS									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes:										
Property	\$ 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	\$ 66,158,617
Sales	8,733,785	3,083,910	3,895,184	4,629,751	5,638,779	6,164,763	6,246,390	6,634,338	6,573,841	7,725,285
Other	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	29,845,160
Total taxes	63,887,990	63,636,737	64,183,675	66,832,231	68,268,925	71,538,799	81,035,643	94,105,658	98,646,943	103,729,062
Intergovernmental	23,934,464	27,771,084	41,430,597	42,791,857	45,751,672	42,666,245	44,968,727	44,645,599	50,615,252	41,059,040
Charges for Services	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	2,988,388
Interest	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	2,432,376
Miscellaneous	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	1,592,836
Total Revenues	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	151,779,702
<b>Expenditures</b>										
General Government	10,648,615	9,066,611	9,906,139	9,931,234	10,140,976	11,268,950	10,527,303	11,779,455	15,507,763	13,183,808
Public Safety	12,621,558	13,589,288	15,411,325	16,760,458	17,019,635	19,609,050	22,413,203	23,090,104	24,828,006	26,791,432
Environmental Protection	147,998	486,424	209,768	216,951	225,021	418,229	213,262	211,435	219,638	246,652
Economic Development	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	4,916,623
Human Services	37,507,947	41,367,578	53,801,833	54,844,789	56,812,353	54,516,121	54,489,313	58,852,913	66,948,101	54,364,801
Social Services (2)	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	406,651	-	546,864	580,000	583,205	589,259	491,838	505,161	538,972	583,843
Education	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	34,993,965
Capital Outlay	-	-	100,000	81,785	21,377,256	3,992,017	4,741,819	2,669,908	8,911,587	11,677,400
Debt Service:	7,430,158	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	5,010,115	5,768,119	6,535,495	6,831,820	7,932,098	8,112,363
Interest	0	0	0	0	4,741,122	4,628,278	4,205,707	4,407,418	5,000,322	4,647,862
Total Expenditures	89,149,632	85,082,217	104,009,385	108,159,058	143,018,757	130,292,288	137,768,550	143,834,242	167,097,200	159,518,749
Excess of revenues over (under) expenditures	2,347,019 #	11,460,194 #	8,903,430 #	8,144,349 #	(22,583,108) #	(10,825,094) #	(7,730,959) #	(72,136) #	(10,928,198) #	(7,739,047)
<b>Other Financing Sources (Uses)</b>										
Transfers in	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)	(13,617,578)
Transfers out	(4,111,931)	6,103,679	(8,788,999)	(8,562,888)	15,174,352	13,285,380	16,613,406	25,897,409	13,634,787	13,617,578
Bonds issued	-	-	-	-	8,425,000	-	8,060,000	150,000	-	-
Refunding bonds issued	-	-	-	-	4,210,000	-	-	-	-	-
Payment to refunding escrow agent	-	-	-	-	(4,362,844)	610,000	-	(11,675,000)	3,422,002	1,863,940
Payment to escrow agent, debt refunding pmt	-	-	-	-	-	-	-	-	-	(28,995,000)
Payment to escrow agent, advance interest pmt	-	-	-	-	-	-	-	-	-	(1,262,192)
Proceeds from capital lease	500,000	-	-	-	-	-	-	-	-	-
Advance payments from debt refunding	-	-	-	-	-	-	-	-	-	-
Debt Obligation issued	-	-	-	-	-	-	-	-	-	59,365,000
Appropriated Fund Balances	(193,163)	-	-	-	-	-	-	-	-	-
Proceeds from installment note	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,120,761	6,681,630	215,250	(280,714)	8,272,156	610,000	8,057,000	432,125	3,422,002	30,981,748
Net change in fund balances	\$ 3,467,780	\$ 18,141,824	\$ 9,118,680	\$ 7,863,635	\$ (14,310,952)	\$ (10,215,094)	\$ 326,041	\$ 359,989	\$ (7,506,196)	\$ 23,242,701
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	8.02%	8.23%	8.07%	7.96%	8.18%	8.63%

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

**Table 5**

Fiscal Year	Real Property				Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
	Residential Property	Commercial Property	Industrial Property	Present-use Value					
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
2007	7,112,201,710	-	-	-	2,221,500,482	105,553,248	9,439,255,440	100.000	9,439,255,440

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



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

**Table 6**

	Year Taxes Are Payable									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Pitt County	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7100
<u>Municipality Rates:</u>										
Town of Ayden	0.4700	0.5000	0.5000	0.5000	0.5000	0.5500	0.5500	0.5200	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
Town of Falkland	0.3500	0.3500	0.3500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Town of Farmville	0.4100	0.4482	0.4482	0.4900	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
Town of Greenville	0.5200	0.5500	0.5500	0.5500	0.6150	0.6150	0.6150	0.5600	0.5600	0.5600
Town of Grifton	0.5700	0.5700	0.5500	0.5700	0.5700	0.5700	0.5700	0.5500	0.5500	0.5500
Town of Grimesland	0.3900	0.3900	0.3900	0.3900	0.3900	0.4500	0.4500	0.4500	0.4500	0.4500
Town of Simpson	0.4000	0.4000	0.4500	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	0.4500	0.4500	0.4500	0.4500	0.4500
<u>Fire Districts:</u>										
Ayden Fire District	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0375	0.0375	0.0375	0.0375
Ayden Rescue District	0.0400	0.0500	0.0400	0.0450	-	-	-	-	-	-
Bell Arthur Fire District	0.0357	0.0375	0.0375	0.0375	0.0375	0.0500	0.0500	0.0500	0.0500	0.0500
Black Jack Fire District	0.0300	0.0275	0.0275	0.0250	0.0250	0.0300	0.0300	0.0300	0.0300	0.0450
Clarks Neck Fire District	0.0429	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Eastern Pines Fire District	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0350	0.0350
Eastern Pines Rescue District	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	0.0600
Farmville Fire District	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0360	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
Garndersville Fire District	-	0.0500	0.0500	0.0500	0.0500	0.0750	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	0.0499
Grimesland Fire District	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0450	0.0550
Pactolus Fire District	0.0465	0.0650	0.0465	0.0465	0.0465	0.0465	0.0465	0.0425	0.0425	0.0425
Red Oak Fire District	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0700	0.0700	0.0700	0.0700
Sharp Point Fire District	-	-	-	-	-	-	0.0600	0.0600	0.0600	0.0600
Simpson Fire District	0.0500	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	0.0175	0.0175	0.0175	0.0175	0.0190
Stokes Fire District	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Winterville Fire District	0.0286	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250
EMS District	-	-	-	-	-	0.0300	0.0400	0.0400	0.0400	0.0400

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

Source: Pitt County Tax Assessor

**Pitt County  
Principal Property Tax Payers,  
Current Year**

**Table 7**

Taxpayer	Type of Business	Fiscal Year 2007		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
DSM Catalytica	Manufacturer	\$ 235,375,622	1	34.81%
DSM Dyneema, LLC	Manufacturer	138,897,233	2	20.54%
Carolina Telephone	Communications	62,000,000	3	9.17%
Asmo	Manufacturer	57,423,371	4	8.49%
Weyerhaeuser Company	Manufacturer	45,619,193	5	6.75%
Paper Pak	Manufacturer	31,776,550	6	4.70%
NACCO	Manufacturer	27,933,501	7	4.13%
Marelda Greenville Mall (Colonial)	Mall	26,978,780	8	3.99%
Speight, Maxine	Developer	26,814,003	9	3.97%
North Campus Crossing	Apartments	23,436,281	10	3.47%
Totals		<u>\$ 676,254,534</u>		100.00%

Source: Pitt County Tax Assessor

Pitt County  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Table 8

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Total Amount	Percentage of Original Levy		Total Amount	Percentage of Adjusted Levy
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%
2007	62,756,579	1,580,524	64,337,103	60,454,677	96.33%	N/A	60,454,677	93.97%

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.

**Pitt County**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

**Table 9**

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Per Capita	Percentage of Personal Income
	General Obligation Bonds	Revenue Bonds	Installment Loans	Capital Leases	General Obligation Bonds	Revenue Bonds	Installment Loans			
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	2.69%
2006	6,655,000	0	95,993,458	0	1,000,000	0	0	103,648,458	724	N/A
2007	3,295,000	0	148,531,096	0	800,000	0	0	152,626,096	1,043	N/A

Source: Audited financial reports of this entity.

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

**Table 10**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
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	0.21%	0.0997%	59
2006	6,655,000	-	6,655,000	N/A	0.0740%	46
2007	4,095,000	-	4,095,000	N/A	0.0434%	28

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.

(2) See schedule 5 for property value data.

Source: Audited financial reports of this entity.

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

Table 11

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Assessed Value of Property	\$ 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	\$ 9,439,255
Debt Limit, 8% of Assessed Value (Statutory Limitation)	500,534	534,761	532,553	542,442	576,157	600,921	613,333	666,825	719,098	755,140
Amount of Debt Applicable to Limit										
Gross debt	60,815	76,815	67,437	90,843	94,191	88,832	90,156	107,317	103,648	152,626
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)	2,600	2,400	2,200	2,000	1,800	1,600	1,400	1,200	1,000	800
Revenue bonds	0	0	0	0	0	0	0	0	0	0
Total net debt applicable to limit	58,215	74,415	65,237	88,843	92,391	87,232	88,756	106,117	102,648	151,826
Legal Debt Margin	\$ 442,319	\$ 460,346	\$ 467,316	\$ 453,600	\$ 483,767	\$ 513,689	\$ 524,576	\$ 560,709	\$ 616,449	\$ 603,314
Total net debt applicable to the limit as a percentage of debt limit	11.63%	13.92%	12.25%	16.38%	16.04%	14.52%	14.47%	15.91%	14.27%	20.11%

Source: Annual audited financial reports of this entity.

Pitt County  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2007

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	\$ 22,655,000	100.00%	\$ 22,655,000
TOWN OF AYDEN	\$ 0	100.00%	\$ 0
TOWN OF BETHEL	\$ 1,306,000	100.00%	\$ 1,306,000
TOWN OF FARMVILLE	\$ 0	100.00%	\$ 0
TOWN OF FOUNTAIN	\$ 181,000	100.00%	\$ 181,000
TOWN OF GRIMESLAND	\$ 273,000	100.00%	\$ 273,000
TOWN OF WINTERVILLE	\$ 1,086,000	100.00%	\$ 1,086,000
CONTENTNEA METROPOLITAN SEWAGE DISTRICT (1)	\$ 344,000	0.00%	\$ 0
Total direct debt			<u>102,648,458</u>
Total direct and overlapping debt			<u>\$ 128,149,458</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**

<u>Year</u>	<u>Population(1)</u>	<u>Personal Income (2) (thousands of dollars)</u>	<u>Per Capita Personal Income (2)</u>	<u>Public School Enrollment(3)</u>	<u>Unemployment Rate(4)</u>
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	3,990,272	28,200	21,125	6.4%
2006	143,212	*	*	21,898	5.3%
2007	146,398	*	*	*	*

\* 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 at the end of each school year.

(4) N. C. Employment Security Commission. Annual Average for prior calendar year.



**Pitt County  
Principal Employers  
Current Year and Nine Years Ago**

**Table 14**

<u>Employer</u>	<u>2007 (1)</u>			<u>1998 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Pitt County Memorial Hospital	6,297	1	4.40%	4,150	1	2.90%
East Carolina University	4,936	2	3.45%	3,700	2	2.58%
Pitt County Public Schools	2,940	3	2.05%	2,500	3	1.75%
NACCO Material Handling Group	1,200	4	0.84%	700	7	0.49%
DSM Pharmaceuticals	1,200	5	0.84%	1,150	4	0.80%
County of Pitt	865	6	0.60%	963	6	0.67%
Alliance One International	850	7	0.59%	600	5	0.42%
Pitt Community College	850	8	0.59%	270	8	0.19%
City of Greenville	704	9	0.49%	550	9	0.38%
Asmo of Greenville	535	10	0.37%	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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government	109.00	119.40	126.60	130.00	131.75	138.75	140.50	139.50	141.50	142.00
Public safety	254.00	254.75	260.75	268.25	268.25	285.85	295.35	302.35	312.25	326.56
Social services	198.75	202.00	210.50	217.00	217.00	217.00	221.00	220.00	223.00	227.00
Econ and physical dev	11.40	12.65	14.90	15.60	16.60	19.10	18.60	18.60	19.60	18.60
Environmental protection	19.00	20.00	20.25	21.25	22.25	22.25	22.25	21.25	21.25	21.50
Health	395.41	391.41	318.75	326.10	331.10	317.25	318.70	313.10	175.25	131.10
Total	987.56	1,000.21	951.75	978.20	986.95	1,000.20	1016.40	1014.80	892.85	866.76

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).