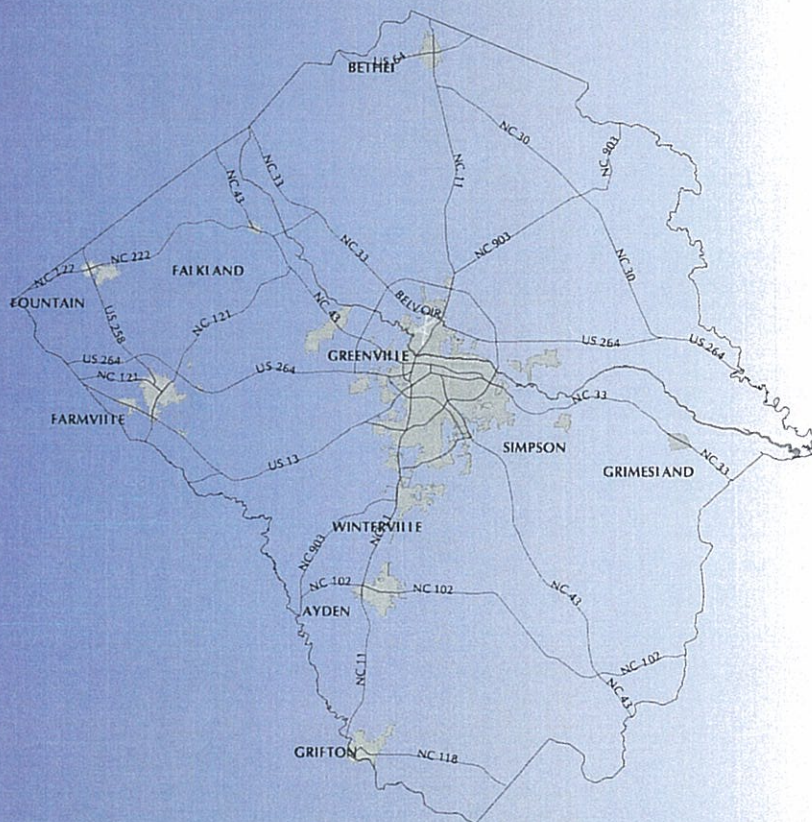


For Fiscal Year Ended June 30, 2008
Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2008

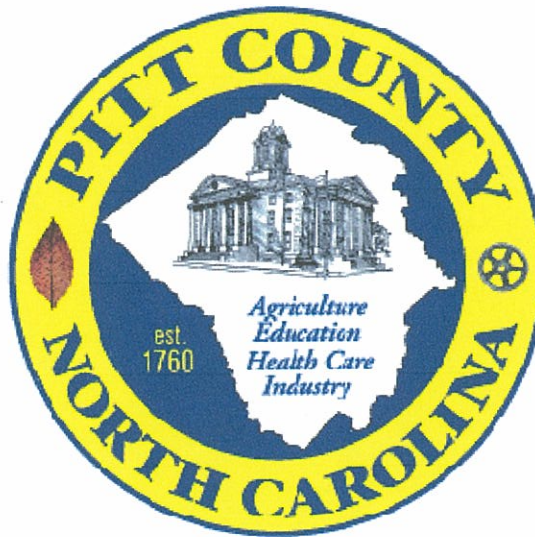
Comprehensive Annual Financial Report



Leader in the State; Best in the East

County of Pitt

North Carolina



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2008

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, 2008

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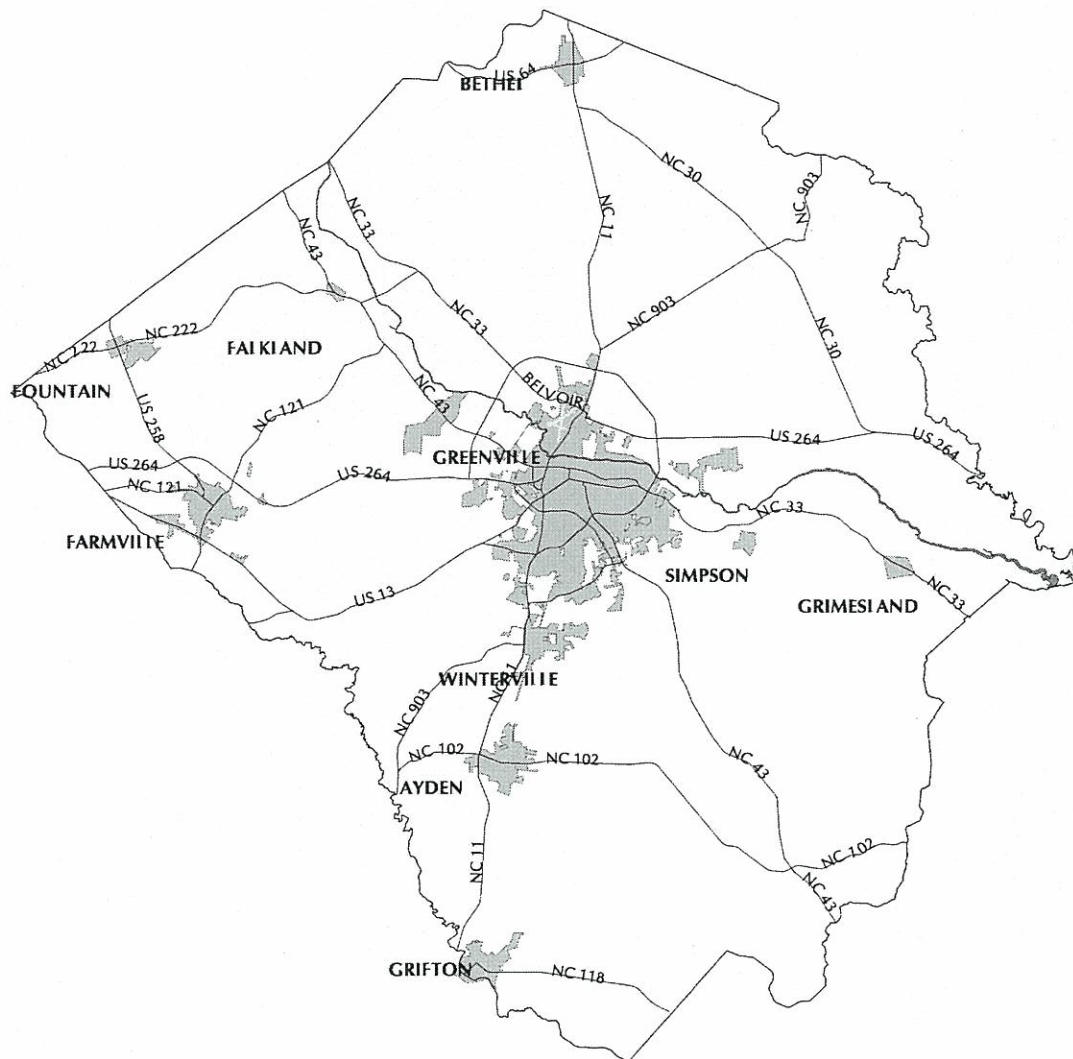
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- Pitt County Profile
- GFOA Certificate of Achievement for Excellence in Financial Reporting
- List of Principal Officials
- Organizational Chart
- Mission, Values and Goals Statements

Pitt County, North Carolina

Pitt County, North Carolina



October 23, 2008

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, 2008.

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.

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 151,996 as of July 2007 (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 over 750,000 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. The local economy is well diversified, including a major university and community technical college, a regional medical center and a growing manufacturing sector, which complements the region's traditional agricultural base. Major area employers include East Carolina University, Pitt County Memorial Hospital, DSM-Dyneema, NACCO Materials Handling Group, and Alliance One International. Employment levels are estimated at 74,202 persons. Major projects in 2007-2008 included the continuing expansion of facilities at East Carolina University, the Brody School of Medicine and Pitt County Memorial Hospital. The Hospital is currently completing construction of a 375,000 square foot, 120-bed cardiovascular inpatient, outpatient and support services tower adjacent to the existing hospital facility that is scheduled to open January 2009. Total cost is estimated at \$150 million. Private industry projects included expansions at NACCO Materials Handling Group and DSM-Dyneema.

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. In the past 12-18 months, the County has seen expansion of existing industry and the announcement by CMI Plastics to relocate its operations from New Jersey to the Minges Corporate Park, a move generated by new jobs and additional capital investment of several million. Ioto USA also located in Pitt County during this fiscal year working with reconstituted tobacco products.

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.

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 continues to increase funding for current expenses as the student enrollment grows.

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 held its Referendum on November 6, 2007 and received positive support from the voters to implement the new local option sales tax. This new tax was implemented effective April 1, 2008 with the first distribution of proceeds expected in July 2008.

With this passage, the County will work with both the public K-12 system and the community college to design long range funding plans that can be addressed with this new source of funds. While there are far greater needs than this ¼% tax will fund, it does give the County an additional tool to work with to begin attacking these 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 continue to update our multi-year plan each budget cycle and review it 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 annual 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 has helped improve communications among staff, elected officials and the general public. Quarterly reporting of results began in the 1st quarter of Fiscal Year 2004-2005 and continue to be reviewed each quarter.

EMS Study. Again in Fiscal Year 2007-2008, a major item on the County's work program 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 developed an EMS Ordinance which addressed both emergency and non-emergency response which was subsequently passed by the Board during Fiscal Year 2006-2007. 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. While improvements have been made over the past two fiscal years, there is still much work to continue. Demand for services continues to rise and the associated costs with providing the service rise also as it becomes harder to staff ambulances with volunteer labor.

To aid with funding the EMS needs, 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. The newly adopted budget for Fiscal Year 2008-2009 contained a tax increase from 4-cents to 4.4-cents for EMS along with increased collections expectations from the actual users of the system. Unfortunately, concerns still exist as funding requests continue to escalate and little money exists within the current system for capital replacement. This area will receive continued scrutiny by staff, the elected officials and the EMS Oversight Committee as we move into the new year. Public safety for our citizens is of paramount importance.

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 2008-2009 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, 2008, the County had 18.2% 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, 2008 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 2008-2009 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, 2008 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, 2008”. 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, 2007. This was the eighteenth 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 2007-2008. This marks the eleventh 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

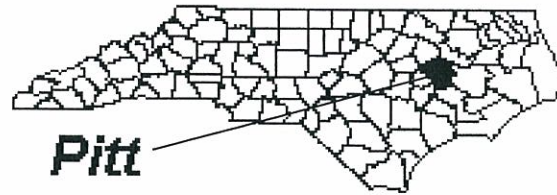


D. Scott Elliott
County Manager

PITT COUNTY PROFILE

Pitt County was formed in 1760 and has a land area of approximately 656 square miles. Pitt County's 2007 estimated population is 151,996 based on the North Carolina Office of State Budget and Management's provisional estimate. In the 2000 Census, the County's population was 133,798. Greenville, the county seat and largest city, is centrally located in the County. There are nine other incorporated

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



Pitt County is a rapidly growing, well-diversified employment and service center for eastern North Carolina. As one of the fastest growing centers in the State, the population increased by 23.34% between 1990 and 2000. Pitt County now ranks as the 13th most populous county in North Carolina. The Greenville Metropolitan Statistical Area (MSA), which encompasses all of Pitt County, was the fourth fastest growing MSA in the State during the 1990's. Greenville is the home to East Carolina University and the East Carolina University School of Medicine. Major employers in the area include East Carolina University, Pitt County Memorial Hospital, DSM Pharmaceuticals, NACCO Materials Handling Group, 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 (\$0.665 per \$100 valuation for fiscal year 2008-09) on the appraised value of all real and tangible personal property within its boundaries. This rate is a decrease from prior year as the County's recent revaluation was effective January 2008. The adopted rate is higher than the revenue neutral rate of ~.64 cents (\$.63821). The inability to reduce the rate to revenue neutral reflects the costs associated with opening a new 192-bed addition at the County's detention center, the opening of a new elementary school and uncontrollable cost increases for items such as fuel and utilities.

PITT COUNTY PROFILE

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 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 69%) 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 2008-09 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 49 associate degree programs, 68 certificate programs and 24 diploma programs. In terms of curriculum programs, PCC is the 7th largest out of 58 schools in North Carolina's community college system. School enrollment estimation for 2008 is 8,700 curriculum students and 12,000 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.

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 27,000 students. Founded in 1907 as a state-supported teacher training school, it became a liberal arts college in 1941, and a state university in 1967. It is now a Doctoral II institution offering approximately 200 undergraduate, graduate, and doctorate degree programs in its twelve professional schools, College of Arts and Sciences, and School of Medicine. ECU leads the state in Internet-based education with enrollment of approximately 5,270. 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.

PITT COUNTY PROFILE

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 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 1,600 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 (Greenville Area Transit - GREAT) and one that is operated by the County (Pitt Area Transit System – PATS). The City of Greenville operates a bus system within its corporate limits. The County has no financial responsibility for subsidizing such service. The County operates PATS as a department of County government with an appointed board to oversee its operations of offering rural human service and rural general public transportation services.

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.

PITT COUNTY PROFILE

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 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 761-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.

PITT COUNTY PROFILE

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, 2007

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.



Oliver S. Cox

President

Jeffrey R. Emen

Executive Director

PITT COUNTY, NORTH CAROLINA

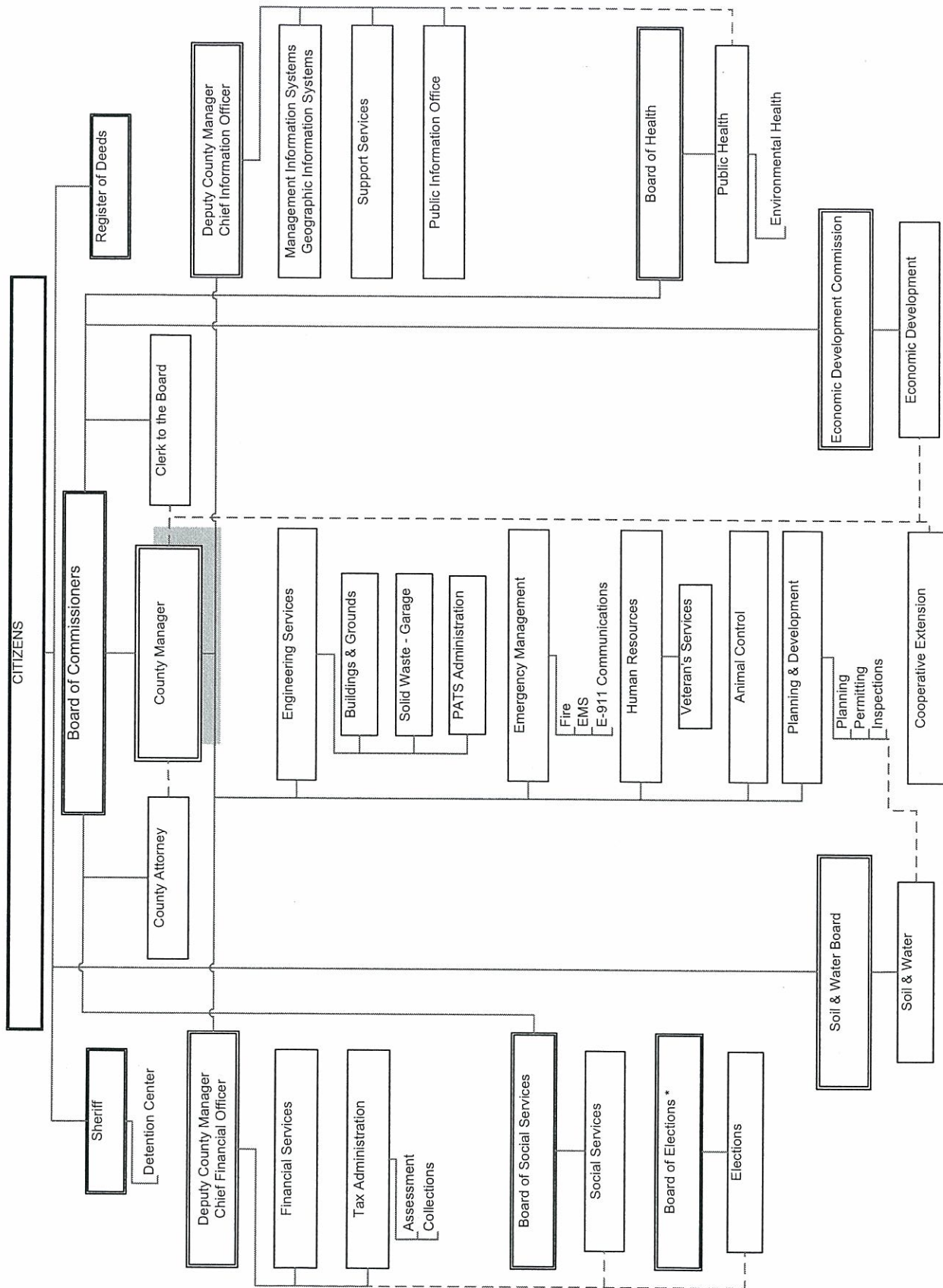
LIST OF PRINCIPAL OFFICIALS For Year Ended June 30, 2008

BOARD OF COUNTY COMMISSIONERS

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

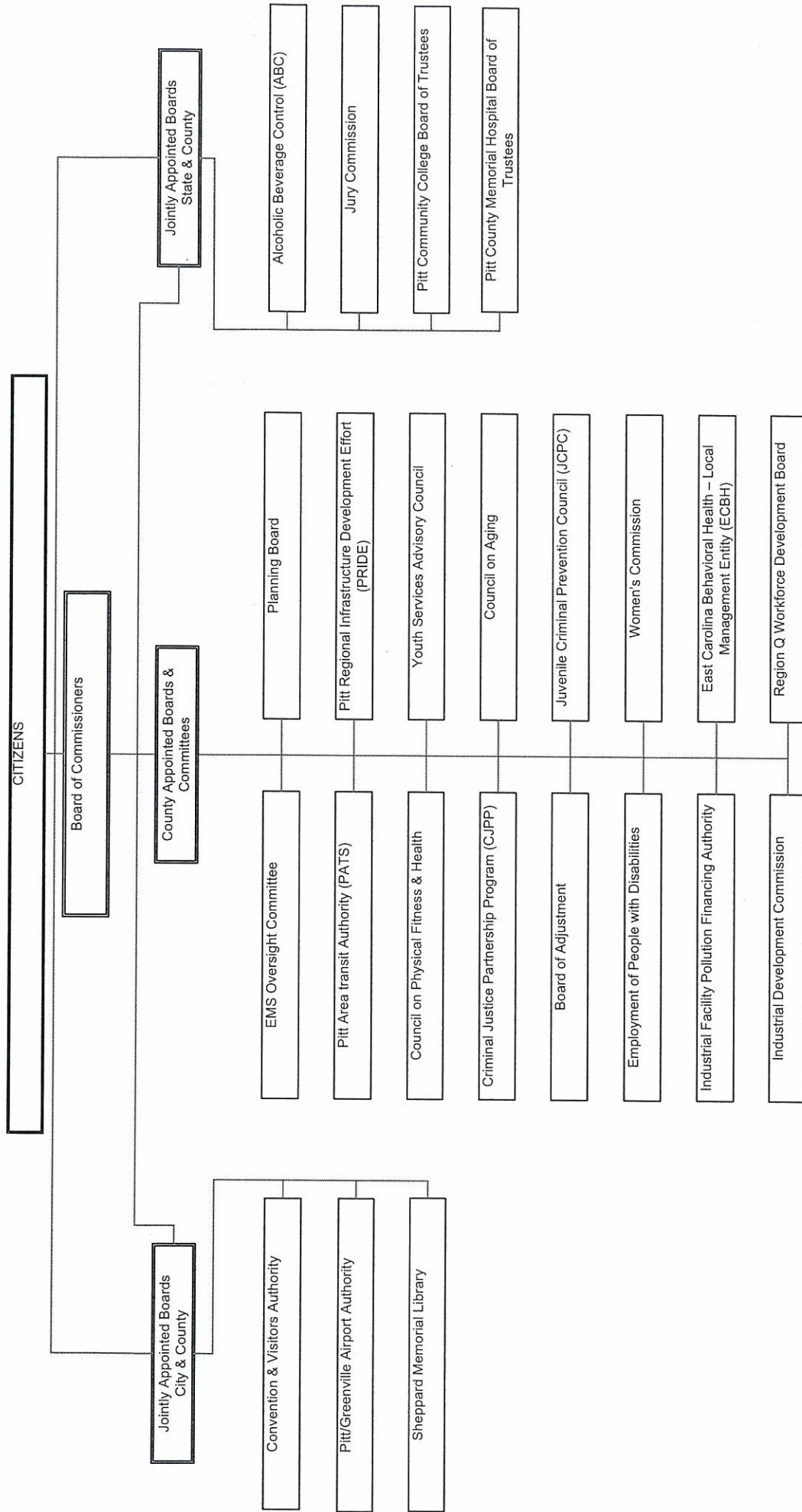
COUNTY OFFICIALS

D. SCOTT ELLIOTT	County Manager
MELONIE BRYAN	Deputy County Manager – Financial Services
PHIL DICKERSON	County Engineer
JOANNE K. BURGDORFF	County Attorney
PATRICIA STATION	Clerk to the Board
JUDY TART	Register of Deeds
MAC MANNING	Sheriff
WANDA YUHAS	Economic Developer
CHUCK SPRUILL	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 Organizational Chart

As of July 2008
Dotted line denotes liaison
* State appointed



Pitt County Appointed Boards & Committees



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, efficient 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 2008-09

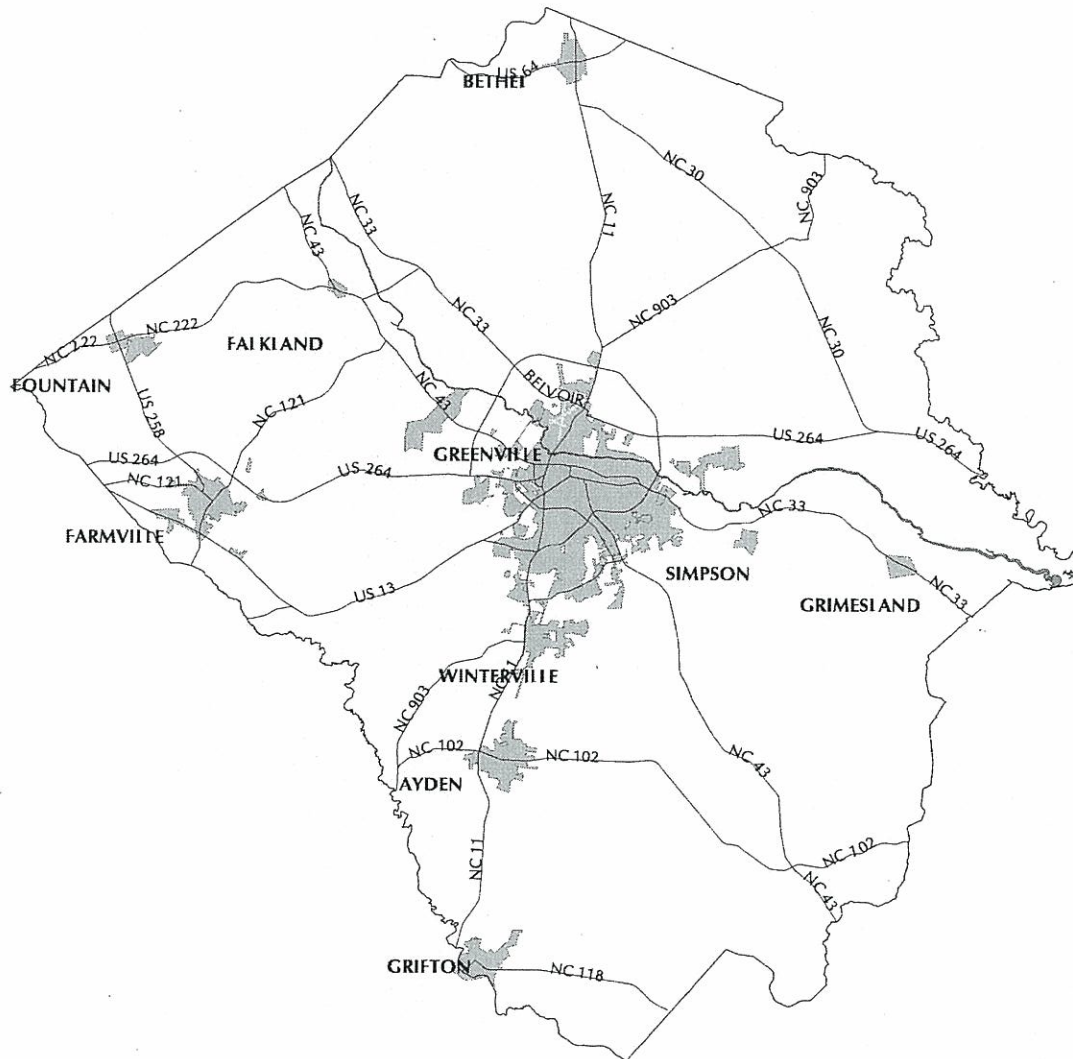
- ☒ *To promote quality education;*
- ☒ *To promote community safety through enhanced emergency service programs;*
- ☒ *To enrich the quality of life for Pitt County citizens through opportunities for improved health and welfare;*
- ☒ *To advance economic development opportunities for Pitt County;*
- ☒ *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 promote 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
- Required Supplementary Information – Law Enforcement Officer's Special Separation Allowance
- Other Supplemental Schedules

Pitt County, North Carolina

Pitt County, North Carolina





Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Pitt County
Greenville, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pitt County, North Carolina, as of and for the year ended June 30, 2008, 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 67 percent, 63 percent, and 85 percent, respectively, of the assets, net assets and revenues of the component unit column. Those financial statements were audited by another auditor whose report thereon has 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 another auditor.

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 auditor provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the report of the other auditor, 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, 2008, 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 22, 2008 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 and compliance and the results of that testing, and not to provide an opinion on the internal control over financial 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.

730 13th Avenue Drive SE • Hickory, North Carolina 28602 • Phone 828-327-2727 • Fax 828-328-2324
13 South Center Street • Taylorsville, North Carolina 28681 • Phone 828-632-9025 • Fax 828-632-9085
Toll Free Both Locations 800-948-0585 • Web Site: www.martinstarnes.com

Management's Discussion and Analysis, Law Enforcement Officer's Special Separation Allowance Schedule of Funding Progress and Schedule of Employer Contributions and related notes, Other Post Employment Benefits Schedule of Funding Progress and 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 fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, 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 non-major 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 22, 2008

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, 2008. 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 \$31,107,865.
- The County's net assets of governmental activities decreased by \$9,180,103; the majority of this decrease is attributable to the increase in net expenses of the General Government function of \$3,015,371 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 \$31,218,315 a decrease of \$4,147,730 in comparison with the prior year. Approximately 73% of this total amount, \$22,873,508 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 citizens passed via referendum the implementation of a quarter cent sales tax increase effective April 1, 2008.
- Tax rate was decreased by four and one half cents to 66.5 cent per \$100 valuation. The proceeds are split 65.16 cents General Fund and 1.34 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:

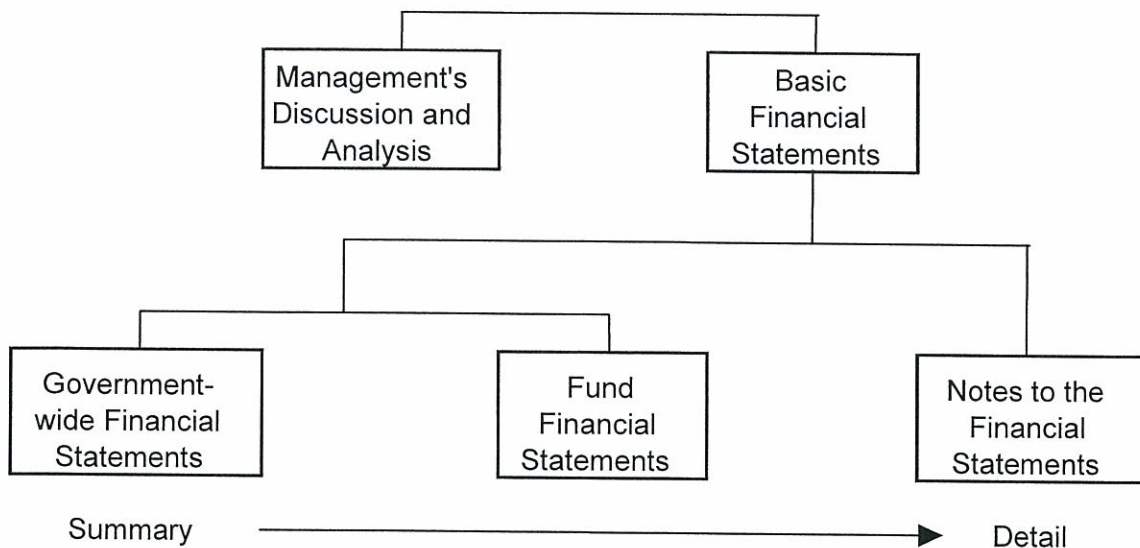
Fitch	AA-
Moody's	A1
Standard & Poor's	A+

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**. The notes to the financial statements offer a detailed examination about various information contained in the statements. After 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. Again this year, Pitt County had a significant increase in capital assets and long-term liabilities, respectively, as we built an addition to the Detention Center and one new school.

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 47-79 of this report.

Government-wide Financial Analysis

We are in the seventh 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 \$36,856,478 at the close of the most recent fiscal year.

Pitt County's Net Assets
Figure 2

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 57,522,115	\$ 72,957,407	\$ 1,308,941	\$ 1,209,740	\$ 58,831,056	\$ 74,167,147
Capital assets: nondepreciable	36,570,972	9,836,968	664,329	664,329	37,235,301	10,501,297
Capital assets, net	<u>90,690,007</u>	<u>94,143,275</u>	<u>2,106,250</u>	<u>2,206,280</u>	<u>92,796,257</u>	<u>96,349,555</u>
Total assets	184,783,094	176,937,650	4,079,520	4,080,349	188,862,614	181,017,999
Long-term liabilities outstanding	133,532,460	116,896,177	1,822,500	2,060,000	135,354,960	118,956,177
Other liabilities	<u>20,142,769</u>	<u>19,753,505</u>	<u>710,275</u>	<u>639,020</u>	<u>20,853,044</u>	<u>20,392,525</u>
Total Liabilities	153,675,229	136,649,682	2,532,775	2,699,020	156,208,004	139,348,702
Net Assets:						
Invested in capital assets, net of related debt	7,199,732	9,052,628	2,170,579	2,070,609	9,370,311	11,123,237
Restricted	200,598	717,353	-	-	200,598	717,353
Unrestricted	<u>23,707,535</u>	<u>30,517,987</u>	<u>(623,834)</u>	<u>(689,280)</u>	<u>23,083,701</u>	<u>29,828,707</u>
Total net assets	\$ 31,107,865	\$ 40,287,968	\$ 1,546,745	\$ 1,381,329	\$ 32,654,610	\$ 41,669,297

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.

A small percentage, almost one percent of Pitt County's net assets, represents 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), \$23,083,701, 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 an improvement in the business-type activities over last year and a decline in governmental-type activities.

Pitt County's Changes in Net Assets

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 18,505,356	\$ 16,079,116	\$ 7,851,102	\$ 7,916,793	\$ 26,356,458	\$ 23,995,909
Operating grants and contributions	21,629,386	30,736,696	-	-	21,629,386	30,736,696
Capital grants and contributions	3,592,618	4,531,812	-	-	3,592,618	4,531,812
General revenues:					-	-
Property taxes	70,155,690	65,841,771	-	-	70,155,690	65,841,771
Other taxes	31,413,418	29,846,075	-	-	31,413,418	29,846,075
Other	3,164,210	2,647,891	28,499	400	3,192,709	2,648,291
Total revenues	<u>148,460,678</u>	<u>149,683,361</u>	<u>7,879,601</u>	<u>7,917,193</u>	<u>156,340,279</u>	<u>157,600,554</u>
Expenses:						
General government	18,117,235	15,101,864	-	-	18,117,235	15,101,864
Public safety	30,147,280	27,464,405	-	-	30,147,280	27,464,405
Environmental protection	248,179	245,464	-	-	248,179	245,464
Economic and physical development	4,924,122	5,156,590	-	-	4,924,122	5,156,590
Human services	48,987,705	54,707,785	-	-	48,987,705	54,707,785
Cultural and recreation	645,517	583,843	-	-	645,517	583,843
Education	47,639,044	48,738,593	-	-	47,639,044	48,738,593
Interest on long-term debt	6,931,700	5,703,750	-	52,900	6,931,700	5,756,650
Landfill	-	-	7,714,185	6,666,960	7,714,185	6,666,960
Total expenses	<u>157,640,782</u>	<u>157,702,294</u>	<u>7,714,185</u>	<u>6,719,860</u>	<u>165,354,967</u>	<u>164,422,154</u>
Increase (decrease) in net assets	(9,180,104)	(8,018,933)	165,416	1,197,333	(9,014,688)	(6,821,600)
Net assets, July 1	40,287,968	48,306,901	1,381,329	183,996	41,669,297	48,490,897
Net assets, June 30	<u>\$ 31,107,864</u>	<u>\$ 40,287,968</u>	<u>\$ 1,546,745</u>	<u>\$ 1,381,329</u>	<u>\$ 32,654,609</u>	<u>\$ 41,669,297</u>

Governmental activities. Of total net assets, governmental activities accounted for \$31,107,864 (over 95 percent). Pitt County continued to experience a reduction in operating grants and contributions due to the closure of our mental health single county program initiated in Fiscal Year 2007.

Business-type activities. Business-type activities increased Pitt County's net assets by \$165,416. Expenses grew due to an increase in contracted labor and services at Solid Waste & Recycling.

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 \$46,750,350 a decrease of \$13,494,765 in comparison with the prior year. The decrease is attributable to FY 2007 issuance of COPs to fund the 2007 Education Projects with expenditures taken place in FY 2008.

Pitt County's Fund Balance Figure 4

<u>General</u>		<u>Other Governmental Funds</u>		<u>Total Governmental Funds</u>	
<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
\$ 31,218,315	\$ 35,366,045	\$ 15,532,035	\$ 24,879,070	\$ 46,750,350	\$ 60,245,115

Pitt County continues to fight budget constraints while realizing an increasing demand for services in areas such as education, public safety and human services. New sources of revenue will have to be explored to create funding for expanding service levels and to address the need to build and operate more schools and address other capital needs. The annual natural growth in property taxes will not be able to fund expansions related to opening new schools and facilities. The Fiscal Year 2008-2009 budget continues a posture of fund balance maintenance and should allow the County to preserve its fund balance in the 18-20% range. The tax rate was decreased 4.5 cents as a result of revaluation and property value increases to 66.5 cents per \$100 valuation. This is above the revenue neutral rate of 63.8 cents.

The General Fund is the principal operating fund of Pitt County. At the end of the current fiscal year, fund balance was \$31,218,315 with \$22,873,508 noted as unreserved and available. As a measure of the General Fund's financial strength, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 18.2 percent of total General Fund expenditures (\$125,788,627), while total fund balance represents 24.8 percent of that same amount.

General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services.

Total amendments to the General Fund were just over \$5.7 million. The County increased revenues by \$1,152,673 or approximately 0.9 percent. The bulk of these revenue changes were

in the Human Services departments – Public Health and Social Services and reflected increases in State and federal funding sources. Changes in the amount of Fund Balance Appropriated of \$6,273,831 also occurred. These appropriations covered funding of expenditures, such as the match for the Community College's state bonds, funding to the new regional mental health provider and carryover match amounts for grants from the prior fiscal year.

In total, the County over-collected the General Fund's final budgeted revenues by \$1,805,265 or 1.4 percent. This was coupled with under-spending in the General Fund of \$3.4 million or slightly over 2.6 percent. However, these two actions combined did not prevent the County from using fund balance as Transfers to Debt Service, Special Revenue and Capital Projects Funds totaled \$8.1 million.

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 \$432,360, up \$308,578 from the prior year. Total net assets at year-end increased to \$2,602,939 from \$2,194,391 for the year ending June 30, 2008. The County's Solid Waste Fund saw revenues at 104% of budget, while expenses were at 103% of budget resulting in a net revenue of \$136,917. Solid Waste no longer 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 frames while responding to debris cleanup related to Hurricane Floyd. These funds were written off 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, 2008 amounts to \$92,796,257 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment. Construction in Progress (not included above) is termed Capital Assets non-depreciable and represents \$31,966,876.

During Fiscal Year 2006-2007, the County issued \$30 million in new debt for the 2007 Education Projects. An additional \$20 million was 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 another 192-bed jail facility addition 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.

Additional information on Pitt County's capital assets can be found in note 6.A on pages 60-61 of this report.

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land and improvements	\$ 5,841,496	\$ 5,582,119	752,722	\$ 752,722	\$ 6,594,218	\$ 6,334,841
Buildings	113,529,752	113,829,947	2,672,936	2,647,373	116,202,688	116,477,320
Furniture and equipment	6,846,994	7,144,331	2,670,515	2,636,389	9,517,509	9,780,720
Vehicles	5,349,382	5,381,295	615,680	589,337	5,965,062	5,970,632
Construction in progress	31,966,876	5,492,249	-	-	31,966,876	5,492,249
Subtotal	163,534,500	137,429,941	6,711,853	6,625,821	170,246,353	144,055,762
Accumulated depreciation	36,273,521	33,449,698	3,941,274	3,755,212	40,214,795	37,204,910
Capital assets, net	\$ 127,260,979	\$ 103,980,243	\$ 2,770,579	\$ 2,870,609	\$ 130,031,558	\$ 106,850,852

Long-term debt. At the end of the current fiscal year, Pitt County had total bonded debt outstanding of \$2,940,000, 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	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 2,340,000	\$ 3,295,000	\$ 600,000	\$ 800,000	\$ 2,940,000	\$ 4,095,000

This outstanding general obligation indebtedness of \$2,940,000 is out of a legal debt limit of approximately \$765,067,717. 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 \$762,127,717. However, a better analysis of debt is brought about by taking all outstanding debt, not just that secured by General Obligation bonds, (\$137,668,440 not including bonds in Enterprise fund of \$600,000) and subtracting it from the legal debt limit to arrive at the Net Legal Debt Margin of \$627,399,277.

Net debt outstanding increased \$13,762,344, from the June 30, 2007 balance of \$123,906,096. Additional information on Pitt County's long-term debt can be found in note 7 on pages 61-65 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for Pitt County in 2007 was 5.0 percent. This is slightly higher than the State's 2007 unemployment rate of 4.7 percent. The first two quarters of 2008 indicate an increase to the State's unemployment rate to 6.0% with the County seeing an upswing to 7.2%.

- Inflationary trends noted in the region are very similar to national indices.
- Population of 151,996 (2007) – The region experienced an increase of 9.5 percent from 2000 - 2006.

All of these factors were considered in preparing Pitt County's budget for Fiscal Year 2008-2009.

Budget Highlights for the Fiscal Year 2008-2009

Governmental activities. Pitt County is very fortunate to have steady and continuous growth in its property valuation. January 1, 2008 marked the effective date for overall property revaluation. A 15% increase in real and personal property values helped bolster revenues allowing the County to maintain its fund balance. The County's next general revaluation is scheduled for January 1, 2012.

Budgeted expenditures in the General Fund will increase by 3.9% during the 2008-2009 year. The County reduced ad valorem taxes by 4.5-cents while providing increased funding to Education and Public Safety by 15.8% and 13.4%, respectively. The County was able to maintain its benefits package with an adjustment to rates and benefits which had a minimal impact to the employees. The costs for personnel services (employees) are generally the largest single expenditure category and the County strives to maintain the workforce without major expenditure increases.

Fiscal Year 2008-2009 is expected to be another sound year for the County. The continued growth in property values can cover normal budgetary increases; however, it will not be able to fund capital and operational expansions related to new facilities. As a regional hub for healthcare, education, and retail 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 sales tax revenues. Additionally, Pitt County began receiving new sales tax revenues which were effective April, 2008 that will allow for addressing continued capital needs. The County received voter approval for this 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 increase slightly. Both the commercial and residential rates were increased as the State imposed a \$2/ton fee effective July 1, 2008.

Requests for Information

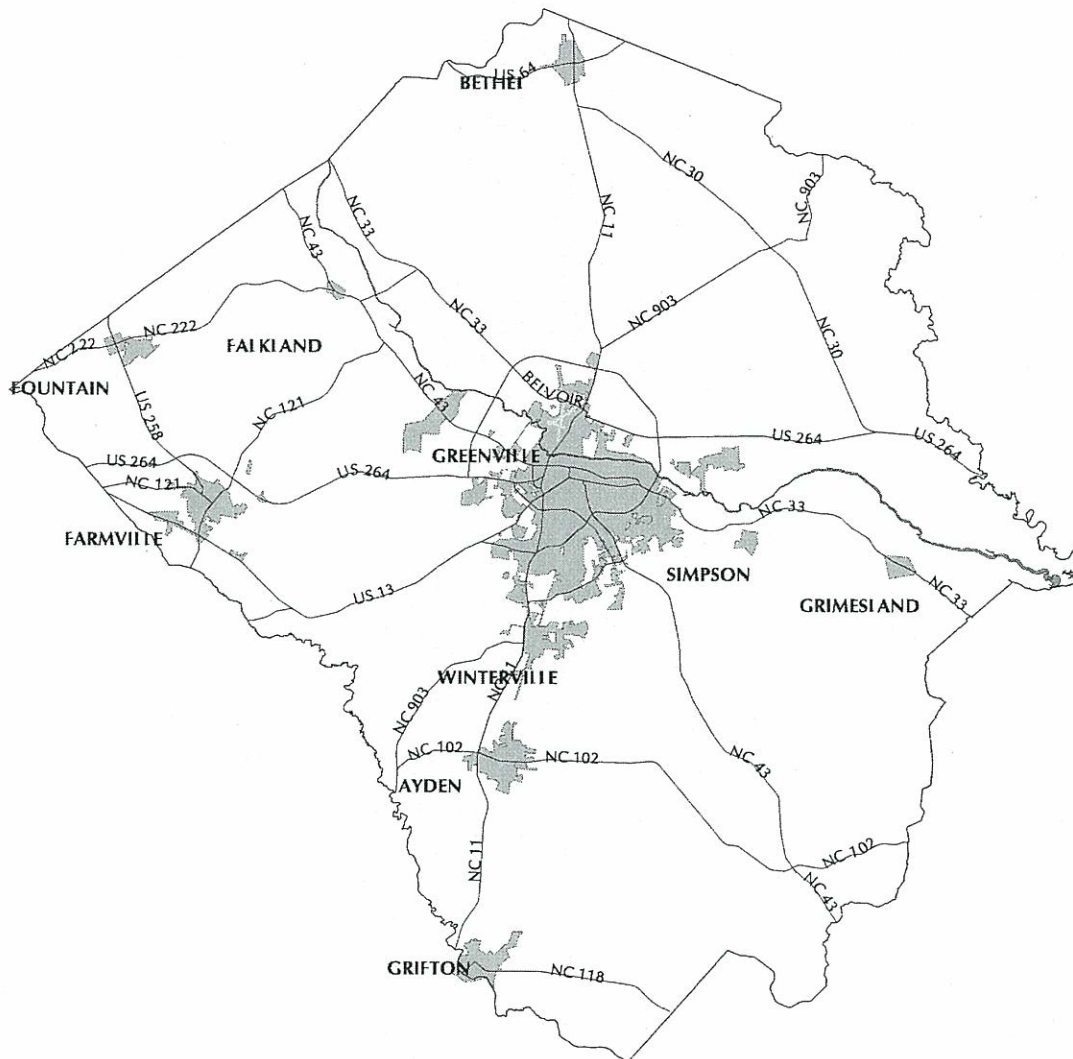
Requests for information provided in this report or requests for additional financial information should be addressed to the County of Pitt, Financial Services Department, 1717 West Fifth Street, Greenville, North Carolina 27834.

BASIC FINANCIAL STATEMENTS

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

Pitt County, North Carolina

Pitt County, North Carolina



PITT COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Industrial Development Commission	Pitt County ABC Board
Assets:					
Current assets:					
Cash and cash equivalents	\$ 31,371,842	\$ 478,364	\$ 31,850,206	\$ 2,197,405	\$ 1,617,461
Taxes receivable, net	1,281,301	-	1,281,301	61,661	-
Accounts receivable, net	990,873	848,142	1,839,015	-	1,789
Interest receivable, net	1,833,548	-	1,833,548	-	-
Due from other governments	8,691,769	-	8,691,769	-	-
Internal balances	17,565	(17,565)	-	-	-
Inventories	2,511	-	2,511	-	1,071,491
Prepaid items	232,523	-	232,523	2,600	10,102
Cash and investments, restricted	13,100,183	-	13,100,183	-	-
Total current assets	57,522,115	1,308,941	58,831,056	2,261,666	2,700,843
Capital assets:					
Capital assets, nondepreciable	36,570,972	664,329	37,235,301	-	682,256
Capital assets, net	90,690,007	2,106,250	92,796,257	-	1,213,915
Total capital assets	127,260,979	2,770,579	130,031,558	-	1,896,171
Total assets	184,783,094	4,079,520	188,862,614	2,261,666	4,597,014
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	6,145,181	420,275	6,565,456	25,479	789,444
Compensated absences, due in one year	900,000	20,000	920,000	23,309	53,934
Unearned revenues	2,226,725	10,000	2,236,725	-	-
Long term debt - due within one year	8,476,519	260,000	8,736,519	-	-
Total current liabilities	17,748,425	710,275	18,458,700	48,788	843,378
Noncurrent liabilities:					
Compensated absences, due in more than one year	2,394,344	22,500	2,416,844	-	-
Due in more than one year	133,532,460	1,800,000	135,332,460	-	18,239
Total noncurrent liabilities	135,926,804	1,822,500	137,749,304	-	18,239
Total liabilities	153,675,229	2,532,775	156,208,004	48,788	861,617
Net Assets:					
Invested in capital assets, net of related debt	7,199,732	2,170,579	9,370,311	-	-
Restricted for:					
Register of Deeds	200,598	-	200,598	-	-
Alcohol Beverage Control	-	-	-	-	829,417
Unrestricted	23,707,535	(623,834)	23,083,701	2,212,878	2,905,980
Total net assets	\$ 31,107,865	\$ 1,546,745	\$ 32,654,610	\$ 2,212,878	\$ 3,735,397

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2008

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 18,117,235	\$ 4,140,725	\$ -	\$ -
Public safety	30,147,280	8,484,120	283,037	98,719
Environmental protection	248,179	192,034	227,341	-
Economic and physical development	4,924,122	3,825	788,756	1,672,867
Human services	48,987,705	5,661,649	19,540,492	-
Education	47,639,044	-	789,760	1,821,032
Cultural and recreation	645,517	23,003	-	-
Interest on long-term debt	6,931,700	-	-	-
Total governmental activities	<u>157,640,781</u>	<u>18,505,356</u>	<u>21,629,386</u>	<u>3,592,618</u>
Business-Type Activities:				
Solid waste	7,714,185	7,851,102	-	-
Total business-type activities	<u>7,714,185</u>	<u>7,851,102</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 165,354,966</u>	<u>\$ 26,356,458</u>	<u>\$ 21,629,386</u>	<u>\$ 3,592,618</u>
Component Units:				
Industrial Development Commission	\$ 1,617,426	\$ 226,401	\$ 115,666	\$ -
ABC Board	10,069,968	10,464,573	-	-
Total component units	<u>\$ 11,687,394</u>	<u>\$ 10,690,974</u>	<u>\$ 115,666</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
\$ (13,976,510)	\$ -	\$ (13,976,510)		
(21,281,404)	-	(21,281,404)		
171,196	-	171,196		
(2,458,674)	-	(2,458,674)		
(23,785,564)	-	(23,785,564)		
(45,028,252)	-	(45,028,252)		
(622,514)	-	(622,514)		
(6,931,700)	-	(6,931,700)		
(113,913,421)	-	(113,913,421)		
-	136,917	136,917		
-	136,917	136,917		
(113,913,421)	136,917	(113,776,504)		
			\$ (1,275,359)	\$ -
			-	394,605
			(1,275,359)	394,605
70,155,690	-	70,155,690	1,498,569	-
29,660,569	-	29,660,569	-	-
1,752,849	-	1,752,849	-	-
3,164,210	28,499	3,192,709	20	47,754
104,733,318	28,499	104,761,817	1,498,589	47,754
(9,180,103)	165,416	(9,014,687)	223,230	442,359
40,287,968	1,381,329	41,669,297	1,989,648	3,293,038
\$ 31,107,865	\$ 1,546,745	\$ 32,654,610	\$ 2,212,878	\$ 3,735,397

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

PITT COUNTY, NORTH CAROLINA

Exhibit C

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2008

	General	2007 COPS Education Capital Project	Detention Center Capital Project	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 25,996,528	\$ -	\$ -	\$ 3,619,859	\$ 29,616,387
Taxes receivable, net	928,249	-	-	353,052	1,281,301
Accounts receivable, net	485,079	-	-	503,026	988,105
Interest receivable	1,833,548	-	-	-	1,833,548
Prepaid items	125,818	-	-	106,705	232,523
Cash and investments, restricted	-	4,485,698	8,334,923	279,562	13,100,183
Due from other funds	47,906	-	-	466,157	514,063
Due from other governments	6,674,325	-	-	2,017,444	8,691,769
Total assets	<u>\$ 36,091,453</u>	<u>\$ 4,485,698</u>	<u>\$ 8,334,923</u>	<u>\$ 7,345,805</u>	<u>\$ 56,257,879</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 1,832,914	\$ 493,847	\$ 827,744	\$ 482,143	\$ 3,636,648
Retainage payable	-	850,716	898,894	54,383	1,803,993
Due to other funds	-	-	-	496,498	496,498
Deferred revenue	3,040,224	-	-	530,166	3,570,390
Total liabilities	<u>4,873,138</u>	<u>1,344,563</u>	<u>1,726,638</u>	<u>1,563,190</u>	<u>9,507,529</u>
Fund Balances:					
Reserved by State statute	7,276,450	-	-	2,520,470	9,796,920
Reserved for prepaid items	125,818	-	-	106,705	232,523
Reserved for Public Safety - Wireline	291,941	-	-	-	291,941
Reserved for General Government - Register of Deeds	200,598	-	-	-	200,598
Reserved for Public Safety - Winterville Rural Fire Dept.	-	-	-	104,814	104,814
Reserved for Human Services - Mental Health	450,000	-	-	-	450,000
Unreserved, reported in:					
General Fund	22,873,508	-	-	-	22,873,508
Special revenue funds	-	-	-	1,312,430	1,312,430
Debt service funds	-	-	-	(8,068)	(8,068)
Capital project funds	-	3,141,135	6,608,285	1,746,264	11,495,684
Total fund balances	<u>31,218,315</u>	<u>3,141,135</u>	<u>6,608,285</u>	<u>5,782,615</u>	<u>46,750,350</u>
Total liabilities and fund balances	<u>\$ 36,091,453</u>	<u>\$ 4,485,698</u>	<u>\$ 8,334,923</u>	<u>\$ 7,345,805</u>	

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit A) are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	127,260,979
The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	1,056,194
Long-term liabilities, compensated absences, unfunded pension obligations, and unfunded other pos- employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(145,303,323)
Premiums related to debt issuance, net of accumulated amortization, are not a current use of resources, and, therefore, are not reported in the funds.	(1,872,643)
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.	3,216,308
Net assets of governmental activities, per Exhibit A	<u>\$ 31,107,865</u>

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

PITT COUNTY, NORTH CAROLINA

Exhibit D

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General	2007 COPS Education Capital Project	Detention Center Capital Project	Other Governmental Funds	Total Governmental Funds
Revenues:					
Ad valorem taxes	\$ 67,597,323	\$ -	\$ -	\$ 3,363,313	\$ 70,960,636
Other taxes and licenses	24,804,551	-	-	6,587,587	31,392,138
Unrestricted intergovernmental revenues	1,633,859	-	-	143,471	1,777,330
Restricted intergovernmental revenues	24,790,692	-	-	4,911,181	29,701,873
Permits and fees	2,701,522	-	-	-	2,701,522
Sales and services	5,599,793	-	-	2,655,453	8,255,246
Interest earned on investments	1,952,192	783,932	368,177	38,296	3,142,597
Miscellaneous	657,601	96,813	100,000	404,749	1,259,163
Total revenues	129,737,533	880,745	468,177	18,104,050	149,190,505
Expenditures:					
Current:					
General government	14,224,253	-	-	-	14,224,253
Public safety	23,384,276	-	-	5,412,387	28,796,663
Environmental protection	231,415	-	-	-	231,415
Economic and physical development	1,703,686	-	-	2,964,087	4,667,773
Human services	48,668,953	-	-	-	48,668,953
Education	36,785,176	21,732,177	-	-	58,517,353
Cultural and recreation	645,517	-	-	-	645,517
Capital outlay	-	-	11,046,693	2,745,996	13,792,689
Debt service:					
Principal repayments	134,249	-	-	7,336,503	7,470,752
Interest	11,102	-	-	5,895,300	5,906,402
Total expenditures	125,788,627	21,732,177	11,046,693	24,354,273	182,921,770
Revenues over (under) expenditures	3,948,906	(20,851,432)	(10,578,516)	(6,250,223)	(33,731,265)
Other Financing Sources (Uses):					
Transfers to other funds	(8,418,577)	-	(375,000)	(7,738,593)	(16,532,170)
Transfers from other funds	321,941	-	-	16,210,229	16,532,170
Debt obligation issued	-	-	19,855,000	-	19,855,000
Premium received from issuance of debt	-	-	381,491	-	381,491
Total other financing sources (uses)	(8,096,636)	-	19,861,491	8,471,636	20,236,491
Net change in fund balances	(4,147,730)	(20,851,432)	9,282,975	2,221,413	(13,494,774)
Fund Balances:					
Beginning of year - July 1	35,366,045	23,992,567	(2,674,690)	3,561,202	60,245,124
End of year - June 30	\$ 31,218,315	\$ 3,141,135	\$ 6,608,285	\$ 5,782,615	\$ 46,750,350

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 BALANCE - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit A)
are different because:

Net change in fund balances - total governmental funds (Exhibit D) \$ (13,494,774)

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	(804,946)
Permits and fees	21,280
Sales and services	(23,990)

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 funds statement. (783,614)

Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets. 27,230,610

Contributions of capital assets are not reported in the governmental funds statement. 56,216

The sale/disposal of capital assets is reported as a revenue in the governmental funds statement without subtracting the net book value of the capital assets sold. (266,702)

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement. (3,739,388)

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 funds statement. 372,798

Principal repayments are reported as expenditures in the governmental funds 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.) 6,072,656

Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities. (19,855,000)

Increases in other post-employment benefits accrued liability are reported as expenses in the in the entity-wide financial statements, however it is not an expenditure in the governmental funds statement. (3,826,889)

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 funds statement. (381,491)

The net revenue of the internal service funds are reported with governmental activities. 243,131

Change in net assets of governmental activities, per Exhibit B \$ (9,180,103)

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 BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 65,984,295	\$ 65,984,297	\$ 67,597,323	\$ 1,613,026
Other taxes and licenses	24,338,767	24,338,767	24,804,551	465,784
Unrestricted intergovernmental revenues	1,612,500	1,612,500	1,633,859	21,359
Restricted intergovernmental revenues	23,990,154	25,020,111	24,790,692	(229,419)
Permits and fees	3,006,395	3,006,395	2,701,522	(304,873)
Sales and services	5,421,974	5,474,474	5,599,793	125,319
Interest earned on investments	1,931,500	1,931,500	1,952,192	20,692
Miscellaneous	494,010	564,224	657,601	93,377
Total revenues	126,779,595	127,932,268	129,737,533	1,805,265
Expenditures:				
General government	14,298,582	14,834,640	14,224,253	610,387
Public safety	23,183,331	24,077,104	23,384,276	692,828
Environmental protection	230,863	242,565	231,415	11,150
Economic and physical development	1,673,061	1,743,381	1,703,686	39,695
Human services	46,508,298	50,674,751	48,668,953	2,005,798
Education	36,785,176	36,785,176	36,785,176	-
Cultural and recreation	593,058	645,558	645,517	41
Debt service	145,354	145,354	145,351	3
Total expenditures	123,417,723	129,148,529	125,788,627	3,359,902
Revenues over (under) expenditures	3,361,872	(1,216,261)	3,948,906	5,165,167
Other Financing Sources (Uses):				
Transfers in	(6,544,113)	(8,561,752)	(8,418,577)	143,175
Transfers out	-	321,941	321,941	-
Appropriated fund balance	3,182,241	9,456,072	-	(9,456,072)
Total other financing sources (uses)	(3,361,872)	1,216,261	(8,096,636)	(9,312,897)
Net change in fund balance	\$ -	\$ -	(4,147,730)	\$ (4,147,730)
Fund Balance:				
Beginning of year - July 1			35,366,045	
End of year - June 30			\$ 31,218,315	

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2008

	Business-Type Activities	Governmental Activities
	Solid Waste	Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	\$ 478,364	\$ 1,755,455
Receivables, net	848,142	2,768
Inventories	-	2,511
Total current assets	1,326,506	1,760,734
Noncurrent assets:		
Capital assets, nondepreciable	664,329	-
Capital assets, net	2,106,250	-
Total noncurrent assets	2,770,579	-
Total assets	4,097,085	1,760,734
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	420,275	704,540
Due to other funds	17,565	-
Compensated absences	20,000	-
Unearned revenues	10,000	-
Current portion of postclosure costs	60,000	-
Current maturities - general obligation bonds	200,000	-
Total current liabilities	727,840	704,540
Noncurrent liabilities:		
Noncurrent portion of compensated absences	22,500	-
General obligation bonds	400,000	-
Landfill closure/postclosure costs payable	1,400,000	-
Total noncurrent liabilities	1,822,500	-
Total liabilities	2,550,340	704,540
Net Assets:		
Invested in capital assets, net of related debt	2,170,579	-
Unrestricted	(623,834)	1,056,194
Total net assets	\$ 1,546,745	\$ 1,056,194

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, 2008

	Business-Type Activities	Governmental Activities
	Solid Waste	Internal Service Funds
Operating Revenues:		
Solid waste fees	\$ 7,171,515	\$ -
User charges	-	1,372,515
Interfund services	-	6,594,935
Miscellaneous revenues	679,587	-
Total operating revenues	7,851,102	7,967,450
Operating Expenses:		
Salaries and employee benefits	919,690	29,879
Supplies and materials	384,290	-
Contract labor and other services	1,498,833	-
Contracted services-waste disposal	4,541,375	-
Depreciation	168,024	-
Equipment maintenance	-	703,648
Medical claims costs	-	6,804,455
Claims reimbursement	-	207,950
Total operating expenses	7,512,212	7,745,932
Operating income (loss)	338,890	221,518
Nonoperating Revenues (Expenses):		
Interest earned on investments	28,499	21,613
Interest expense	(42,400)	-
Hurricane cleanup expenses	(159,573)	-
Total nonoperating revenues (expenses)	(173,474)	21,613
Change in net assets	165,416	243,131
Net Assets:		
Beginning of year - July 1	1,381,329	813,063
End of year - June 30	\$ 1,546,745	\$ 1,056,194

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, 2008

	Business-Type Activities	Governmental Activities
	Solid Waste	Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 8,251,203	\$ 1,376,142
Cash received from interfund services transactions	-	6,594,935
Cash paid to suppliers	(6,390,054)	(7,690,212)
Cash paid to employees	(922,731)	(133,635)
Net cash provided (used) by operating activities	938,418	147,230
Cash Flows from Noncapital Financing Activities:		
Change in due from other funds	(18,586)	-
Net cash provided (used) by noncapital financing activities	(18,586)	-
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(67,994)	-
Hurricane Floyd cleanup expenses	(159,573)	-
Principal payments on long-term debt	(200,000)	-
Interest expense	(42,400)	-
Net cash provided (used) by capital and related financing activities	(469,967)	-
Cash Flows from Investing Activities:		
Investment income received	28,499	21,613
Net increase (decrease) in cash and cash equivalents	478,364	168,843
Cash and Cash Equivalents:		
Beginning of year - July 1	-	1,586,612
End of year - June 30	\$ 478,364	\$ 1,755,455
Reconciliation of Operating Income to Cash Flows from Operating Activities:		
Operating income (loss)	\$ 338,890	\$ 221,518
Depreciation and amortization	168,024	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	397,747	3,627
(Increase) decrease in prepaid expenses	-	127
Increase (decrease) in accounts payable and accrued liabilities	91,403	(78,042)
Increase (decrease) in closure and postclosure costs payable	(60,000)	-
Increase (decrease) in deferred revenues	2,354	-
Net cash provided (used) by operating activities	\$ 938,418	\$ 147,230
Noncash Activities:		
None		

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ 243,847	\$ 400,736
Liabilities:		
Accounts payable	-	400,736
Net Assets:		
Held in trust for pension benefits and other purposes	<u>\$ 243,847</u>	<u>\$ -</u>

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

PITT COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	Pension Trust Fund
Additions:	
Employer contributions	\$ 99,400
Total additions	<u>99,400</u>
Deductions:	
Benefits	<u>103,047</u>
Change in net assets	(3,647)
Net Assets:	
Beginning of year - July 1	<u>247,494</u>
End of year - June 30	<u><u>\$ 243,847</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, 2008

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 revenues 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, 2008

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, 2007 Education Capital Project, Detention Center Capital Project and the Solid Waste Enterprise Fund are the major funds of the County for the year ended June 30, 2008.

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, fiduciary fund, and the ABC Board financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for the agency funds which have no measurement focus. 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, 2008

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, 2008. 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. Also, as of January 1, 1993, State law altered procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, 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 registered motor vehicles, 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 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes which were billed during this period are shown as a receivable on the fund financial statements.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, 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. Intergovernmental revenues and sales and services are not susceptible to accrual because, generally, they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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, 2008

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, 2007 COPS Education Capital Project Fund, Detention Center Capital Project Fund, and the Solid Waste Enterprise Fund are the major funds of the County for the year ended June 30, 2008.

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 project funds are: Pitt Community College Building Fund, Detention Center Fund, Pitt Community College (Bowen Farm) 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, 2008

Proprietary Funds. 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 Funds. 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 the State Fund, Flexible Benefit Plan Agency Fund, and the fund used to account for tax collections held for other local municipalities.

Pension Trust Fund. The Pension Trust Fund is used to account for the assets held by the County for the payment of the 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; 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 project 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, the Enterprise Fund 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, 2008

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, or the governing board must adopt an interim budget.

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 nonguaranteed 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 nonmoney 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 nonparticipating 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, 2008

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, 2008

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 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, 2008

Deferred / Unearned Revenues

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 revenues in the fund financial statements. In addition, property taxes collected in advance of the fiscal year to which they apply are also recorded as unearned revenue in the government-wide financial statements and deferred revenue in the fund financial statements. Certain receivables are also recorded as deferred revenue in the fund financial statements because they are not considered to be available at year-end.

Fund Equity

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

The governmental fund types classify fund balances as follows:

Reserved

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

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

Reserved for Public Safety - Wireline - The portion of fund balance restricted for future E911 wireline capital purposes.

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.

Reserved for Mental Health – The portion of fund balance reserved for 2004 cost settlement potential paybacks related to mental health cost reporting.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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, 2008.

Appropriated fund balance - General Services	\$ 4,500,000
Appropriated fund balance - Public Health	936,442
Appropriated fund balance - Mental Health	50,000
	<u>\$ 5,486,442</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.

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, 2008:

Special Revenue:	
Pitt Area Transit Fund	\$ 67,547
EMS District Fund	\$ 46,679
Capital Projects:	
ECTC Building Capital Project	\$ 76,897

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

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

3. Deposits and Investments

A. Deposits

All of the County's 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 noninterest 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 under-collateralization, 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, 2008, the County's deposits had a carrying amount of \$9,409,664 and a bank balance of \$9,917,046. The County only has deposits in institutions that collateralize under the Pooling Method. Of the bank balance, \$415,169 was covered by federal depository insurance and \$9,501,877 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The County had \$33,915 of cash on hand at year-end.

B. Investments

At June 30, 2008, the County's investment balances were as follows:

Investment Type	Fair Value	Less Than 1 Year	2-3 Years	4-7 Years	Greater Than 7 Years
NC Student Loan - Wachovia	\$ 8,550,883	\$ -	\$ -	\$ -	\$ 8,550,883
NC Capital Management Trust- Cash Portfolio	22,239,487	22,239,487	-	-	-
NC Capital Management Trust- Term Portfolio	5,361,001	5,361,001	-	-	-
	<u>\$ 36,151,371</u>	<u>\$ 27,600,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,550,883</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

During 2008, 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 2008 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. The County liquidated its position with the NC Student Loan in July 2008 at face value.

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, 2008, 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, 2008.

Concentration of Credit Risk: The County places no limit on the amount that the County may invest in any one issuer. The County does not a formal policy regarding concentration of credit risk. Investments making up more than 5 percent of the County's investments are as follows:

NC Student Loan	24%
NCCMT	76%

4. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, 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
2005	\$ 2,599,056	\$ 617,276	\$ 3,216,332
2006	2,494,451	367,932	2,862,383
2007	2,482,264	142,730	2,624,994
2008	2,805,369	-	2,805,369
Total	<u>\$ 10,381,140</u>	<u>\$ 1,127,938</u>	<u>\$ 11,509,078</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

5. Accounts Receivable

Disaggregate Information

Type of Receivable	Amount (net of allowance)		
	Governmental Activities	Business-Type Activities	Total
Accounts Receivable:			
Customer/client billings	\$ 826,609	\$ 228,522	\$ 1,055,131
Landfill fees assessed	-	619,620	619,620
Fees for services due from other agencies	161,496	-	161,496
Internal service funds- Garage	2,768	-	2,768
	<u>\$ 990,873</u>	<u>\$ 848,142</u>	<u>\$ 1,839,015</u>
Due from Other Governments:			
Sales tax	\$ 5,428,826	\$ -	\$ 5,428,826
Sales tax refund	424,963	-	424,963
Other services	2,837,980	-	2,837,980
	<u>\$ 8,691,769</u>	<u>\$ -</u>	<u>\$ 8,691,769</u>

Allowances for Doubtful Accounts

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

Fund	Allowance
General Fund:	
Property taxes	\$ 3,126,832
Other - Public Health	526,015
Interest	780,394
Total	<u>\$ 4,433,241</u>
Special Revenue Fund:	
Ambulance services	<u>\$ 3,003,170</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

6. Capital Assets

A. Governmental Capital Assets

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

	Balance July 1, 2007	Additions	Retirements	Transfers	Balance June 30, 2008
Nondepreciable Capital Assets:					
Land	\$ 4,344,719	\$ -	\$ (40,818)	\$ 300,195	\$ 4,604,096
Construction in progress	5,492,249	26,474,627	-	-	31,966,876
Total nondepreciable capital assets	9,836,968	26,474,627	(40,818)	300,195	36,570,972
Depreciable Capital Assets:					
Land improvements	1,237,400	-	-	-	1,237,400
Buildings	113,829,947	-	-	(300,195)	113,529,752
Furniture and equipment	7,144,331	506,990	(804,327)	-	6,846,994
Vehicles	5,381,295	305,209	(337,122)	-	5,349,382
Total depreciable capital assets	127,592,973	812,199	(1,141,449)	(300,195)	126,963,528
Less Accumulated Depreciation:					
Land improvements	593,414	85,813	-	-	679,227
Buildings	23,786,110	2,696,644	-	-	26,482,754
Furniture and equipment	5,139,027	762,037	(915,565)	-	4,985,499
Vehicles	3,931,147	194,894	-	-	4,126,041
Total accumulated depreciation	33,449,698	\$ 3,739,388	\$ (915,565)	\$ -	36,273,521
Depreciable capital assets, net	94,143,275				90,690,007
Governmental capital assets, net	\$ 103,980,243				\$ 127,260,979

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

Governmental Activities:

General government	\$ 630,008
Public protection	1,054,317
Human services	198,004
Environmental protection:	16,764
Education	1,583,946
Economic/physical development:	256,349
Total	\$ 3,739,388

Business-Type Activities:

Solid waste	\$ 168,025
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PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

B. Proprietary Capital Assets

The capital assets for the Enterprise Fund of the County at June 30, 2008 are as follows:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>
Nondepreciable Capital Assets:				
Land and improvements	\$ 664,329	\$ -	\$ -	\$ 664,329
Total nondepreciable capital assets	<u>664,329</u>	<u>-</u>	<u>-</u>	<u>664,329</u>
Depreciable Capital Assets:				
Buildings and improvements	2,647,373	35,022	(9,459)	2,672,936
Land improvements	88,393	-	-	88,393
Furniture and equipment	2,652,120	18,395	-	2,670,515
Computer equipment	10,850	-	(10,850)	-
Vehicles	601,105	14,575	-	615,680
Total depreciable capital assets	<u>5,999,841</u>	<u>67,992</u>	<u>(20,309)</u>	<u>6,047,524</u>
Less Accumulated Depreciation:				
Buildings and improvements	963,362	49,385	(9,459)	1,003,288
Land improvements	88,393	-	-	88,393
Furniture and equipment	2,338,807	56,980	-	2,395,787
Computer equipment	10,850	-	(10,850)	-
Vehicles	392,146	61,660	-	453,806
Total accumulated depreciation	<u>3,793,558</u>	<u>\$ 168,025</u>	<u>\$ (20,309)</u>	<u>3,941,274</u>
Depreciable capital assets, net	<u>2,206,283</u>			<u>2,106,250</u>
Proprietary capital assets, net	<u>\$ 2,870,612</u>			<u>\$ 2,770,579</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, 2008

A. Changes in Long-Term Debt

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

	Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008	Current Portion
Accrued vacation pay	\$ 2,567,009	\$ 1,556,997	\$ (829,662)	\$ 3,294,344	\$ 900,000
Unfunded LEO	437,371	175,679	(99,400)	513,650	-
Unfunded OPEB	-	3,826,889	-	3,826,889	-
General obligation bonds	3,295,000	-	(955,000)	2,340,000	1,260,000
Certificates of participation	116,115,000	19,835,000	(4,330,000)	131,620,000	6,550,000
Notes payable	4,496,096	-	(787,656)	3,708,440	666,519
Total	<u>\$ 126,910,476</u>	<u>\$ 25,394,565</u>	<u>\$ (7,001,718)</u>	<u>\$ 145,303,323</u>	<u>\$ 9,376,519</u>

By Purpose:

Schools	\$ 111,785,000
Pitt Community College	2,340,000
General government	2,474,770
Public safety	441,904
Economic and physical development	791,766
Detention Center	19,835,000
Accrued vacation	3,294,344
Unfunded LEO	513,650
Unfunded OPEB	3,826,889
Total	<u>\$ 145,303,323</u>

The General Fund is typically used to liquidate the compensated absences and pension liabilities. General obligation bonds (\$2,340,000), debt related to the engineering project (\$2,263,691) and note payable – Grifton (\$182,881) represent debt not considered in the calculation of Invested in capital assets, net of debt as these issues are not associated with capital assets owned by the County.

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

	Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008	Current Portion
Compensated absences	\$ 45,541	\$ 11,176	\$ (14,217)	\$ 42,500	\$ 20,000
Closure and postclosure	1,520,000	-	(60,000)	1,460,000	60,000
General obligation bonds	800,000	-	(200,000)	600,000	200,000
Total	<u>\$ 2,365,541</u>	<u>\$ 11,176</u>	<u>\$ (274,217)</u>	<u>\$ 2,102,500</u>	<u>\$ 280,000</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

B. Certificates of Participation

A summary of the County's certificates of participation is as follows:

<u>Amount</u>	<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Balance</u>	<u>Purpose and Collateral</u>
\$ 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	3,690,000	Construct high school; secured by real estate
28,050,000	November 2000	4.50% - 5.75%	Annual	\$ 1,395,000	7,885,000	Construct high school; secured by real estate
12,635,000	October 2001	3.00% - 4.70%	Annual	\$735,000 - \$360,000	39,255,000	Phase II of courthouse, advance refund debt; secured by real estate
59,365,000	March 2007	3.5%-5.00%	Annual	\$45,000 - \$3,430,000	59,320,000	School projects, advance refund debt; secured by real estate
19,835,000	October 2007	4.44%	Annual	\$ 1,535,000	<u>19,835,000</u>	Construct detention center addition
Total certificates of participation					<u>\$ 131,620,000</u>	

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 6,550,000	\$ 5,556,186	\$ 12,106,186
2010	6,630,000	5,360,466	11,990,466
2011	8,090,000	5,166,208	13,256,208
2012	6,335,000	4,883,433	11,218,433
2013	6,365,000	4,606,511	10,971,511
2014-2018	33,275,000	18,723,198	51,998,198
2019-2023	27,920,000	15,064,771	42,984,771
2024-2028	28,640,000	13,025,381	41,665,381
2029-2033	7,815,000	750,750	8,565,750
Total	<u>\$ 131,620,000</u>	<u>\$ 73,136,901</u>	<u>\$ 204,756,901</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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% \$ 2,235,000

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% 105,000

Total serviced by the County's Debt Service Fund 2,340,000

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% 600,000

Total general obligation bonds \$ 2,940,000

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

	Debt Service Fund			Enterprise Fund		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 1,260,000	\$ 94,728	\$ 1,354,728	\$ 200,000	\$ 31,800	\$ 231,800
2010	1,080,000	44,278	1,124,278	200,000	21,200	221,200
2011	-	-	-	200,000	10,600	210,600
	<u>\$ 2,340,000</u>	<u>\$ 139,006</u>	<u>\$ 2,479,006</u>	<u>\$ 600,000</u>	<u>\$ 63,600</u>	<u>\$ 663,600</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

D. Notes Payables

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

Original Issue		Payment Information		Outstanding	Security
Date	Rate	Period	Amount	Balance	
December 2004	2.55%	Annual	\$ 56,000 + interest	\$ 336,000	EMS facilities
May 2004	2.55%	Semi-annual	42,847	42,809	Ambulances
August 2004	3.48%	Annual	33,204	63,095	Autopulse equipment
August 1997	6.30%	Quarterly	26,921	325,964	Real estate
March 2000	4.25%	Quarterly	23,621	165,718	Real estate
August 2003	4.50%	Quarterly	62,305	117,203	Real estate
July 2005	3.50%	Quarterly	7,434	182,881	GTP - Grifton
January 2006	3.49%	Semi-annual	72,675	211,079	MIS equipment
	3.56%	Quarterly	70,470	2,263,691	Engineering project
				<u>\$ 3,708,440</u>	

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

	Principal	Interest	Total
2009	\$ 666,519	\$ 128,615	\$ 795,134
2010	568,695	113,973	682,668
2011	422,672	86,527	509,199
2012	354,235	70,823	425,058
2013	336,895	58,544	395,439
2014-2018	1,359,425	118,953	1,478,378
Total	<u>\$ 3,708,440</u>	<u>\$ 577,436</u>	<u>\$ 4,285,877</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, 2008, net debt outstanding was \$2,940,000. The statutory limit at that date was \$901,360,000, providing a debt margin of \$765,067,717.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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 27699-1410, 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 4.86%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2008, 2007 and 2006 were \$3,973,042, \$3,756,044, and \$3,576,333, respectively. The contributions made by the County equaled the required contributions for each year.

B. Law Enforcement Officers' Special Separation Allowance

Plan Description

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2008 the Separation Allowance's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	10
Active plan members	120
Total	<u>130</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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.

Method Used To Value Investments

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 current year was determined as part of the December 31, 2007 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 of 4.5%-12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

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	\$	170,846
Interest on net pension obligation		31,709
Adjustment to annual required contribution		(26,876)
Annual pension costs		175,679
Employer contributions made for fiscal year ended June 30, 2007		99,400
Increase (decrease) in net pension obligation		76,279
Net pension obligation, beginning of fiscal year		437,371
Net pension obligation, end of fiscal year	\$	<u>513,650</u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	\$ 165,719	51%	\$ 363,315
6/30/2007	159,056	53%	437,371
6/30/2008	175,679	57%	513,650

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Funded Status and Funding Progress

As of December 31 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$2,027,477. The covered payroll (annual payroll of active employees covered by the plan) was \$5,555,672, and the ratio of the UAAL to the covered payroll was 32.01 percent. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

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, 2008 were \$365,083, which consisted of \$277,105 from the County and \$87,978 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 4.98% of participants' gross pay, and employees may make voluntary contributions to the plan. The total contribution for the year ended June 30, 2008 was \$2,080,110, which consisted of \$1,473,300 from the County and \$606,810 from the employees.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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. The Registers of Deeds' Supplemental Pension Fund 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 the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (1.5%) 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, 2008, the County's required and actual contributions were \$15,388.

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

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

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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, 2008, the County made contributions to the State for death benefits of \$32,618. 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.

11. Other Post-Employment Benefits – Health Care Benefits

Plan Description

In addition to providing pension benefits, the County has elected to provide health care benefits to retirees of the County who have at least thirty years service with the North Carolina Local Governmental Employees' Retirement System (System) or the North Carolina Law Enforcement Officers' Local Governmental Employees' Retirement System (LE System); and/or employees who are credited with at least twenty years of service with the System or the LE System and have reached their sixtieth birthday in service and have their last five years of continuous service with the County, at the time of retirement. Retired employees meeting the criteria discussed herein will be provided hospitalization in the same manner as the active County employees. Once a retiree reaches their sixty-fifth birthday, the retiree will be provided coverage in the form of a Medicare supplement policy purchased by the County. The County pays the full cost of coverage for these benefits.

Retirees can purchase coverage for their dependents at the County's group rates until the retiree reaches age sixty-five. Currently, 119 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2008, the County made payments for post-retirement health benefit premiums of \$419,451. The County is self-insured for health care coverage and purchases catastrophic loss coverage through private insurers. A separate report was not issued for the plan.

Membership of the plan consisted of the following at December 31, 2007, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	119	N/A
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>694</u>	<u>115</u>
Total	<u>813</u>	<u>115</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Funding Policy

The County pays the full cost of coverage for the health care benefits paid to qualified retirees under a County resolution that can be amended by the County Board. The County's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage. The County has chosen to fund the health care benefits on a pay-as-you-go basis.

The current ARC rate is 12.65% of annual covered payroll. For the current year, the County contributed \$419,451 or 1.25% of annual covered payroll. The County is self-insured for health care coverage and purchases catastrophic loss coverage through private insurers. The County's required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 12.65% and 12.65% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$59,184. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

Summary of Significant Accounting Policies

Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net Obligation

The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 4,246,340
Interest on net OPEB obligation	-
Adjustments to annual required contribution	-
Annual OPEB cost (expense)	4,246,340
Contributions made	(419,451)
Increase (decrease) in net OPEB obligation	3,826,889
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 3,826,889</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

<u>Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	<u>\$ 4,246,340</u>	<u>9.9%</u>	<u>\$ 3,826,889</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Fund Status and Funding Progress

As of December 31, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$47,859,702. The covered payroll (annual payroll of active employees covered by the plan) was \$33,586,106, and the ratio of the UAAL to the covered payroll was 142.5 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and health care trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents, presents multi-year trend information about whether the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 11.00 to 5.00 percent annually. Both rates included a x.xx percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2007, was 30 years.

12. 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 post-closure 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 post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,460,000 reported as landfill post-closure care liability at June 30, 2008 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 post-closure care in 2008. 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 post-closure care requirements.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

13. Deferred / Unearned Revenues

The balance in deferred revenues in the governmental fund statements at year-end is composed of the following elements:

	General Fund	Special Revenue Funds	Total
Prepaid taxes not yet earned	\$ 170,330	\$ -	\$ 170,330
Taxes receivable (net)	926,176	150,827	1,077,003
Special assessments receivable (net)	66,340	-	66,340
Accounts receivable (net)	143,718	372,834	516,552
Interest receivable (net)	1,556,413	-	1,556,413
Other unearned revenues	177,247	6,505	183,752
Total	<u>\$ 3,040,224</u>	<u>\$ 530,166</u>	<u>\$ 3,570,390</u>

The balance in unearned items in the government-wide statements at year-end is composed of the following elements:

	Governmental Activities	Business-Type Activities	Total
Prepaid taxes	\$ 170,330	\$ -	\$ 170,330
Prepaid fees	183,752	10,000	193,752
Unamortized bond premium	1,872,643	-	1,872,643
Total	<u>\$ 2,226,725</u>	<u>\$ 10,000</u>	<u>\$ 2,236,725</u>

14. Accounts Payable and Interfund Balances

Disaggregate Information

Type of Payable	Governmental Activities	Business-Type Activities	Total
Trade payables	\$ 3,034,937	\$ 420,275	\$ 3,455,212
Retainage payable	1,803,993	-	1,803,993
Amounts due other agencies	286,294	-	286,294
Accrued salaries and fringe benefits	6,717	-	6,717
Internal service trade payables	89,540	-	89,540
IBNR estimate (incurred, but not reported)	615,000	-	615,000
Total	<u>\$ 5,836,481</u>	<u>\$ 420,275</u>	<u>\$ 6,256,756</u>

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

The composition of internal balances as of June 30, 2008 is as follows:

Receivable Entity	Payable Entity	Amount	Purpose
General Fund	Landfill Fund	\$ 17,565	Short-term cash flow
General Fund	EMS Special Revenue Fund	1,532	Short-term cash flow
General Fund	911 Surcharge Special Revenue Fund	28,809	Short-term cash flow
		<u>\$ 47,906</u>	

15. 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. The property and casualty commercial coverage provides for coverage with a \$25,000 deductible per event. Claims have not exceeded coverage in recent years. There have been no significant reductions in insurance coverage from the previous year-end.

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.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

For the Hospitalization Fund, a total of \$5,859,264 in claims and changes in estimates were incurred for benefits during fiscal year 2008. Changes in the fund's claims liability amounts in fiscal 1999–2008 were as follows:

Fiscal Year	Fiscal Year Beginning	Changes in Estimates	Claim Payments	Fiscal Year -End
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
2008	674,345	5,651,916	(5,711,261)	615,000

16. 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, 2008.

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

The County, in conjunction with twelve other counties, governs the North Carolina's Eastern Region Development Commission (Commission). Its purpose is to allow participating counties, including Pitt County, which have the potential to derive direct economic benefits from the Commission, to create a special economic development district, known as the Global TransPark Development Zone. The Commission's primary responsibility is to promote economic development within the territorial jurisdiction of the Zone by fostering development projects to provide land, building, facilities, programs, information and data systems, and infrastructure requirements for business and industry in the Global TransPark Development Zone. The Commission is governed by forty-two voting members, consisting of three members from Pitt County and each of the twelve other participating counties and three members appointed by the Global TransPark Authority. The voting members from each of the counties are appointed by the Board of County Commissioners of the respective counties. The Commission is responsible for a nonexpendable trust fund consisting of an initial State appropriation of \$7.5 million and 85% of the quarterly distributions of the \$5 motor vehicle license fees collected by the North Carolina Department of Transportation. The motor vehicle tax was adopted by the legislature and the participating counties and will be collected for a period of five years. The principal balance of the trust funds is nonexpendable and will revolve as loans are made and repaid to the Commission. At June 30, 2008, the portion of the trust available to be loaned exclusively to Pitt County was \$1,750,878.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

17. 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 nonvoting, 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 \$2,235,000 and \$105,000, 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 \$3,395,700 to the community college for operating purposes and \$75,000 for capital outlay during the fiscal year ended June 30, 2008. In addition, the County made debt service payments of \$955,000 for principal and \$132,930 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, 2008. 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, 2008. The County appropriated \$514,828 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the City of Greenville offices at 201 W. 5th Street, Greenville, NC 27834.

18. Major Customers

Approximately 43% of the Enterprise Fund "user charges" revenue and 39% of the Enterprise Fund trade receivables are attributable to one customer.

19. Claims and Judgments

At June 30, 2008, the County was a defendant to various lawsuits. Management believes that the ultimate outcome of these legal matters will not have a material adverse effect on the financial position of the County.

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

20. Contingencies

The County participates in a number of federal and State grant programs. For the fiscal year ended June 30, 2008, 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 post-closure costs. Remediation costs cannot be accurately estimated at this time. Potentially responsible parties will be asked to contribute to any costs incurred.

21. Summary Disclosure of Significant Commitments

The County had commitments, as shown below, for construction contracts outstanding at June 30, 2008. The projects are accounted for in the capital projects funds and are mainly funded by debt proceeds.

Project	Balance of Contract
Detention Center Capital Project	\$ 5,303,672
2007 COPS School Projects	\$ 7,010,347

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, 2008

22. Benefit Payments Issued by the State

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

Energy assistance	\$ 290,461	\$ -
Temporary assistance to needy families (TANF)	1,256,114	(34)
Aid to Families with Dependent Children	(1,022)	(280)
Special assistance to adults	-	1,177,383
Adoption subsidy Title IV-E	383,252	108,244
Adoption subsidy - State	-	243,077
Medicaid	137,119,190	70,133,745
WIC	3,420,790	-
Food stamp program	21,836,210	-
Total	<u>\$ 164,304,995</u>	<u>\$ 71,662,135</u>

23. Component Unit Transactions

In fiscal year 2008, the County and its component units reported transactions between the entities as follows:

<u>Pitt County</u>	<u>Amount</u>	<u>Purpose</u>
Unrestricted intergovernmental revenues:		
From Pitt County ABC Board	\$ 1,000,000	Profit distribution
Economic and physical development expenses:		
To Pitt County Industrial Development Commission	1,473,691	Direct expenses

PITT COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

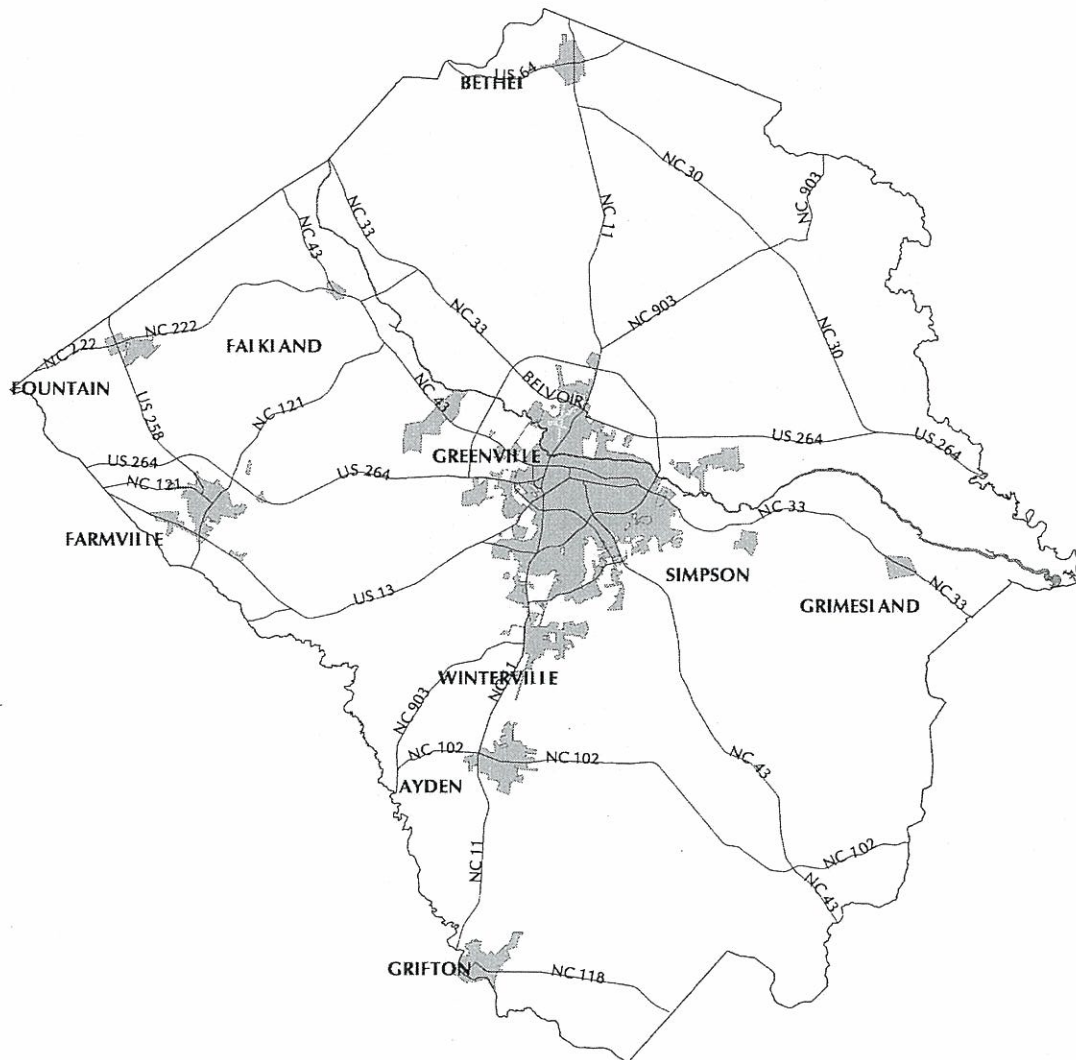
24. Transfers From / To Other Funds

In fiscal year 2008, the County made the following transfers within its fund structure. Transfers to the Debt Service Fund were made to fund required debt payments; transfers to other funds represent the local contribution by the County to fund certain activities and projects.

Fund Type	Fund Name	Transfers		Purpose
		From	To	
General	General	\$ 685,160	\$ -	
Special Revenue	School Capital Reserve	-	685,160	Local match/contribution
General	General	123,770	-	
Special Revenue	State Grant Fund	-	123,770	Local match/contribution
General	General	29,174	-	
Special Revenue	Pitt Transit	-	29,174	Local match/contribution
General	General	36,350	-	
Special Revenue	Emergency Medical	-	36,350	Local match/contribution
General	General	6,544,123	-	
Debt Service	Debt Service	-	6,544,123	Annual debt service requirement
General	General	900,000	-	
Capital Project	Detention Center	-	900,000	Local contribution
General	General	100,000	-	
Capital Project	Community Schools	-	100,000	Local contribution
		<u>\$ 8,418,577</u>	<u>\$ 8,418,577</u>	
Special Revenue	E911	\$ 291,941	\$ -	
General	General	-	291,941	NC Statute transfer requirement
Debt Service	Debt Service	30,000	-	
General	General	-	30,000	Debt service in General Fund
		<u>\$ 321,941</u>	<u>\$ 321,941</u>	
Special Revenue	School Capital Reserve	\$ 5,736,035	-	
Debt Service	Debt Service	-	5,736,035	Debt Service - School Projects
Special Revenue	School Capital Reserve	1,680,000	-	
Capital Project	Community Schools	-	1,680,000	Local contribution
		<u>\$ 7,416,035</u>	<u>\$ 7,416,035</u>	
Capital Project	Detention Center	\$ 375,000	\$ -	
Debt Service	Debt Service	-	375,000	Debt Service
		<u>\$ 375,000</u>	<u>\$ 375,000</u>	

Pitt County, North Carolina

Pitt County, North Carolina

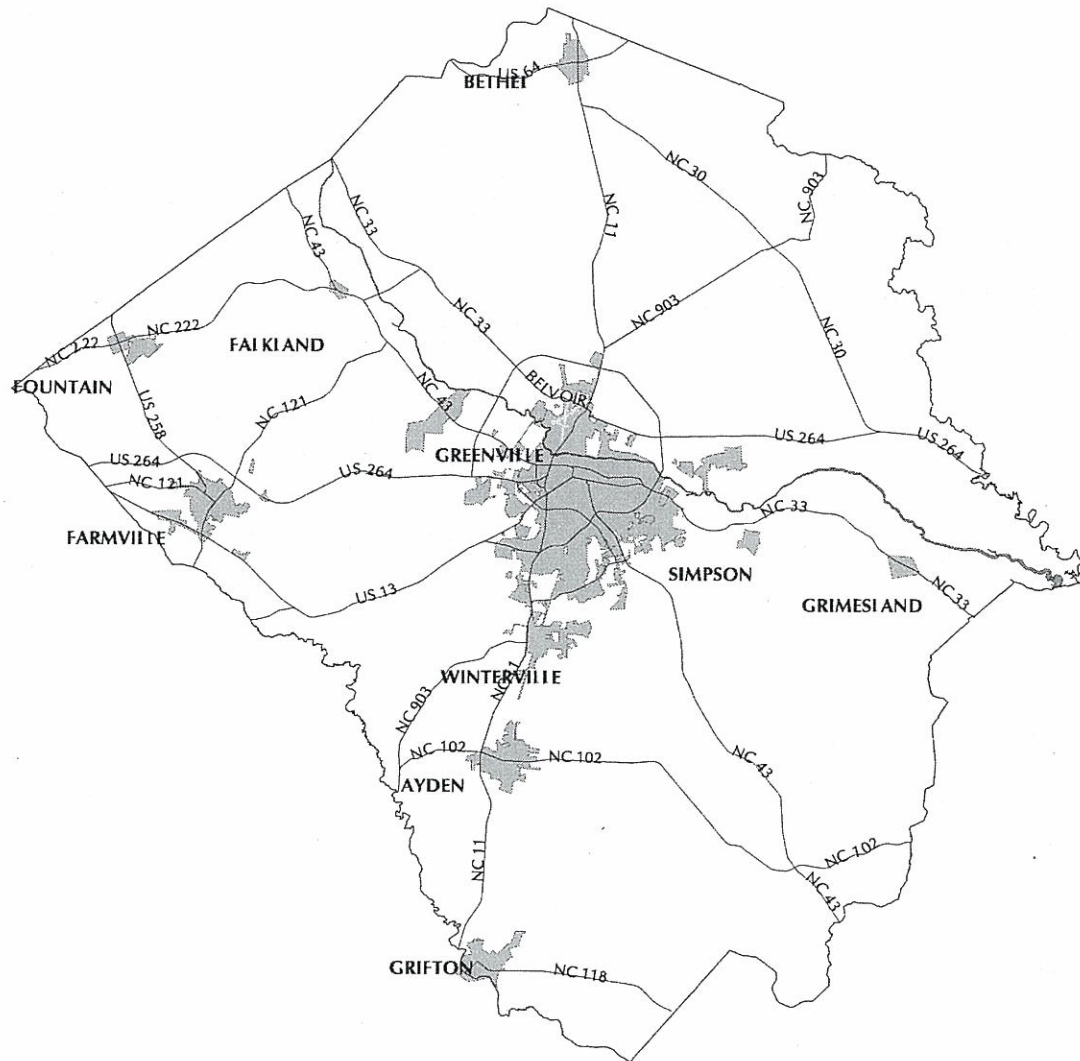


REQUIRED SUPPLEMENTARY INFORMATION

This section contains information on the Law Enforcement Officers' (LEO) Special Separation Allowance and Other Post Employment Benefits (OPEB) as required.

Pitt County, North Carolina

Pitt County, North Carolina



PITT COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2008

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
12/31/2007	\$ 249,168	\$ 2,027,477	1,778,309	12.29%	\$ 5,555,672	32.01%
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%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2008	\$ 205,688	\$ 99,400	48.33%
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%

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	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	23 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%

PITT COUNTY, NORTH CAROLINA

OTHER POST EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2008

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
12/31/2007	\$ -	\$ 47,859,702	\$ 47,859,702	0%	\$ 33,586,106	142.5%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2008	\$4,246,340	9.88%	

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:

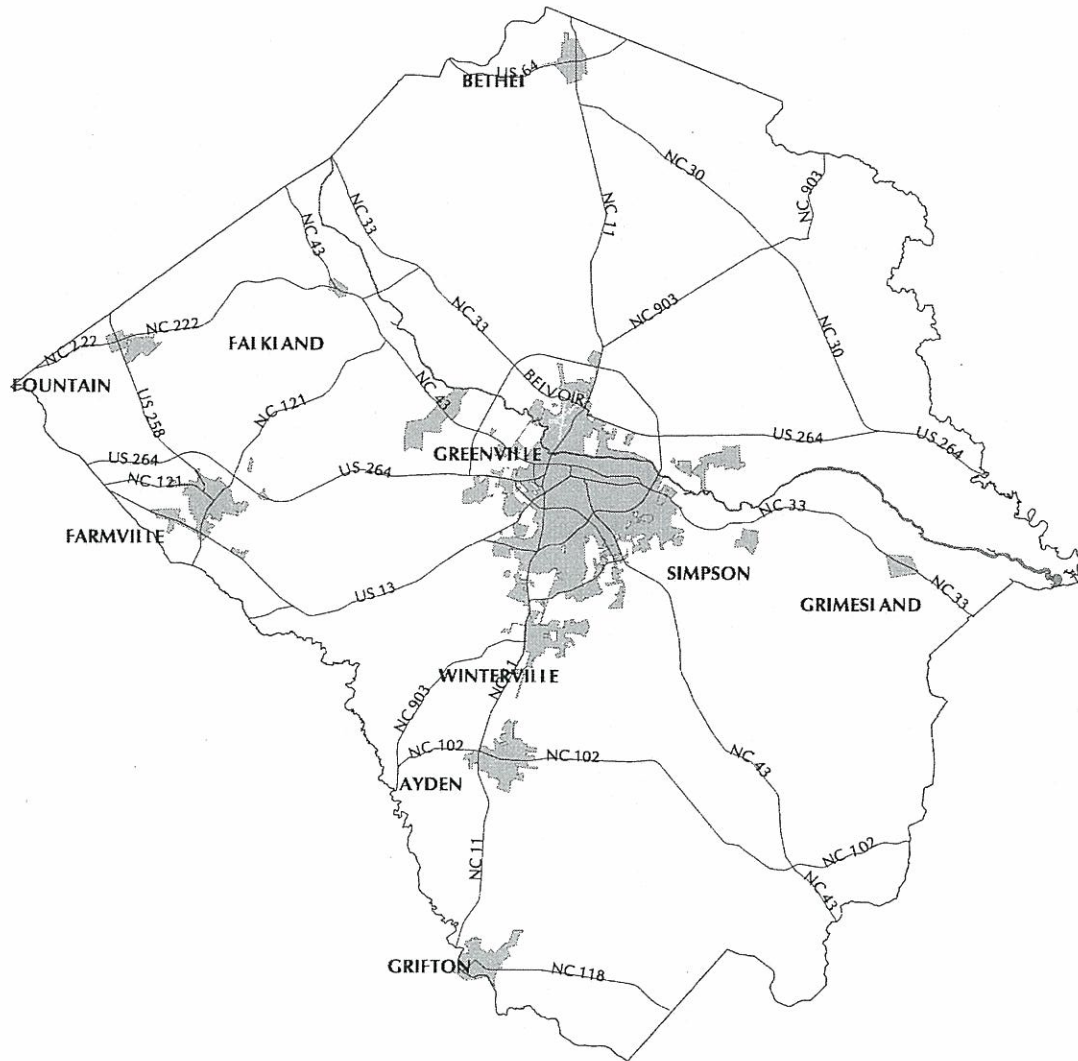
Valuation date	12/31/2007	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay open	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.75%
Medical cost trend rate	5% - 11%	
Year of Ultimate trend rate	2016	

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, 2008.

Pitt County, North Carolina

Pitt County, North Carolina



PITT COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2008

Fiscal Year	Uncollected Balance July 1, 2007	Additions	Collections and Credits	Uncollected Balance June 30, 2008
2007-2008	\$ -	\$ 69,376,536	\$ 67,321,262	\$ 2,055,274
2006-2007	1,543,980	-	985,105	558,875
2005-2006	649,054	-	336,001	313,053
2004-2005	312,990	-	86,300	226,690
2003-2004	280,209	-	53,588	226,621
2002-2003	255,117	-	34,632	220,485
2001-2002	164,518	-	19,098	145,420
1999-2000	179,218	-	18,129	161,089
1998-1999	161,186	-	13,612	147,574
1997-1998	164,698	-	164,698	-
1996-1997	127,518	-	127,518	-
	<u>\$ 3,838,488</u>	<u>\$ 69,376,536</u>	<u>\$ 69,159,943</u>	<u>4,055,081</u>
Less: allowance for uncollectible ad valorem taxes receivable				<u>(3,126,832)</u>
				<u>\$ 928,249</u>
Reconciling with revenues:				
Taxes - ad valorem				\$ 67,597,323
Reconciling items:				
Interest and Cost				531,481
Discounts allowed				64,949
Refunds				76,193
Amounts written off for tax years per statute of limitations				292,216
Miscellaneous tax adjustments				<u>597,781</u>
Total collections and credits				<u>\$ 69,159,943</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	\$ 9,875,822,190	0.71	\$ 70,118,338	\$ 62,378,230	\$ 7,740,108
Penalties	-		11,293	11,293	-
Total	9,875,822,190		70,129,631	62,389,523	7,740,108
Discoveries:					
Current year taxes	142,923,391	0.71	1,014,756	1,014,756	-
Abatements	(10,119,058)		(312,781)	(312,781)	N/A
Total property valuation	<u>\$ 10,008,626,523</u>				
Net levy			70,831,606	63,091,498	7,740,108
Less: Tax rate attributed to Industrial Development Commission		0.015	(1,455,070)	(1,455,070)	-
Net levy to County			69,376,536	61,636,428	<u>\$ 7,740,108</u>
Less: uncollected taxes at June 30, 2008			(2,055,273)	(2,055,273)	N/A
Current year's taxes collected			<u>\$ 67,321,263</u>	<u>\$ 59,581,155</u>	N/A
Percent current year collected			<u>97.04%</u>	<u>96.67%</u>	N/A
Prior year collection percentage			<u>95.96%</u>	<u>95.42%</u>	

Note: The Motor Vehicle Abatements and Accounts Receivable are not separable in the tax system utilized in fiscal year ending June 30, 2008

PITT COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
SECONDARY MARKET DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2008Secondary Market Disclosures

Assessed Valuation:

Assessment Ratio (1)	88.06%
Real Property	\$ 7,450,655,025
Personal Property	2,568,090,556
Public Service Companies (2)	108,434,679
Total Assessed Valuation	10,127,180,260
Tax Rate per \$100	0.71
Levy (includes discoveries, releases and abatements) (3)	\$ 71,902,980

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	\$ 3,373,372
----------------------------------	--------------

- (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, 2008

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
DSM Pharmaceuticals	Manufacturing	\$ 232,695,026	2.30%
DSM Dyneema LLC	Manufacturing	176,410,860	1.74%
Carolina Telephone	Communications	62,000,000	0.61%
ASMO	Manufacturing	58,271,795	0.58%
Weyerhaeuser Company	Manufacturing	45,654,885	0.45%
Marelda Greenville Mall (Colonial)	Mall	41,894,700	0.41%
NACCO	Manufacturing	31,677,036	0.31%
Attends Healthcare	Manufacturing	30,175,662	0.30%
Corridor Greenville (The Exchange)	Apartments	28,487,163	0.28%
Maxine Speight	Developer	26,428,751	0.26%

PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	<i>Schedule C-1</i> Special Revenue Funds	<i>Schedule A-7</i> Debt Service Fund	<i>Schedule D-1</i> Capital Projects Fund	Total
Assets:				
Cash, cash equivalents and investments	\$ 1,933,951	\$ 3,650	\$ 1,682,258	\$ 3,619,859
Taxes receivable, net	353,052	-	-	353,052
Accounts receivable, net	503,026	-	-	503,026
Prepaid items	36,235	70,470	-	106,705
Cash and investments, restricted	-	-	279,562	279,562
Due from other funds	389,260	-	76,897	466,157
Due from other governments	<u>1,967,444</u>	<u>-</u>	<u>50,000</u>	<u>2,017,444</u>
Total assets	<u>\$ 5,182,968</u>	<u>\$ 74,120</u>	<u>\$ 2,088,717</u>	<u>\$ 7,345,805</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 309,252	\$ 11,718	\$ 161,173	\$ 482,143
Retainage payable	-	-	54,383	54,383
Due to other funds	419,601	-	76,897	496,498
Deferred revenues	<u>530,166</u>	<u>-</u>	<u>-</u>	<u>530,166</u>
Total liabilities	<u>1,259,019</u>	<u>11,718</u>	<u>292,453</u>	<u>1,563,190</u>
Fund Balances:				
Reserved by State statute	2,470,470	-	50,000	2,520,470
Reserved for prepaid items	36,235	70,470	-	106,705
Reserved for Winterville Rural Fire Dept.	104,814	-	-	104,814
Unreserved	<u>1,312,430</u>	<u>(8,068)</u>	<u>1,746,264</u>	<u>3,050,626</u>
Total fund balances	<u>3,923,949</u>	<u>62,402</u>	<u>1,796,264</u>	<u>5,782,615</u>
Total liabilities and fund balances	<u>\$ 5,182,968</u>	<u>\$ 74,120</u>	<u>\$ 2,088,717</u>	<u>\$ 7,345,805</u>

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	<i>Schedule C-2</i> Special Revenue Funds	<i>Schedule A-7</i> Debt Service Fund	<i>Schedule D-2</i> Capital Projects Fund	Total
Revenues:				
Ad valorem taxes	\$ 3,363,313	\$ -	\$ -	\$ 3,363,313
Other taxes and licenses	6,587,587	-	-	6,587,587
Unrestricted intergovernmental revenues	-	143,471	-	143,471
Restricted intergovernmental revenues	4,265,896	-	645,285	4,911,181
Sales and services	2,655,453	-	-	2,655,453
Investment earnings	19,375	9,421	9,500	38,296
Miscellaneous	140,910	258,339	5,500	404,749
Total revenues	<u>17,032,534</u>	<u>411,231</u>	<u>660,285</u>	<u>18,104,050</u>
Expenditures:				
Current:				
Public safety	5,412,387	-	-	5,412,387
Economic and physical development	2,964,087	-	-	2,964,087
Capital outlay	-	-	2,745,996	2,745,996
Debt service:				
Principal repayments	189,612	7,146,891	-	7,336,503
Interest	-	5,895,300	-	5,895,300
Total expenditures	<u>8,566,086</u>	<u>13,042,191</u>	<u>2,745,996</u>	<u>24,354,273</u>
Revenues over (under) expenditures	<u>8,466,448</u>	<u>(12,630,960)</u>	<u>(2,085,711)</u>	<u>(6,250,223)</u>
Other Financing Sources (Uses):				
Transfers in	875,070	12,655,159	2,680,000	16,210,229
Transfers out	<u>(7,707,976)</u>	<u>(30,000)</u>	<u>(617)</u>	<u>(7,738,593)</u>
Total other financing sources (uses)	<u>(6,832,906)</u>	<u>12,625,159</u>	<u>2,679,383</u>	<u>8,471,636</u>
Net change in fund balances	1,633,542	(5,801)	593,672	2,221,413
Fund Balances:				
Beginning of year - July 1	<u>2,290,407</u>	<u>68,203</u>	<u>1,202,592</u>	<u>3,561,202</u>
End of year - June 30	<u>\$ 3,923,949</u>	<u>\$ 62,402</u>	<u>\$ 1,796,264</u>	<u>\$ 5,782,615</u>

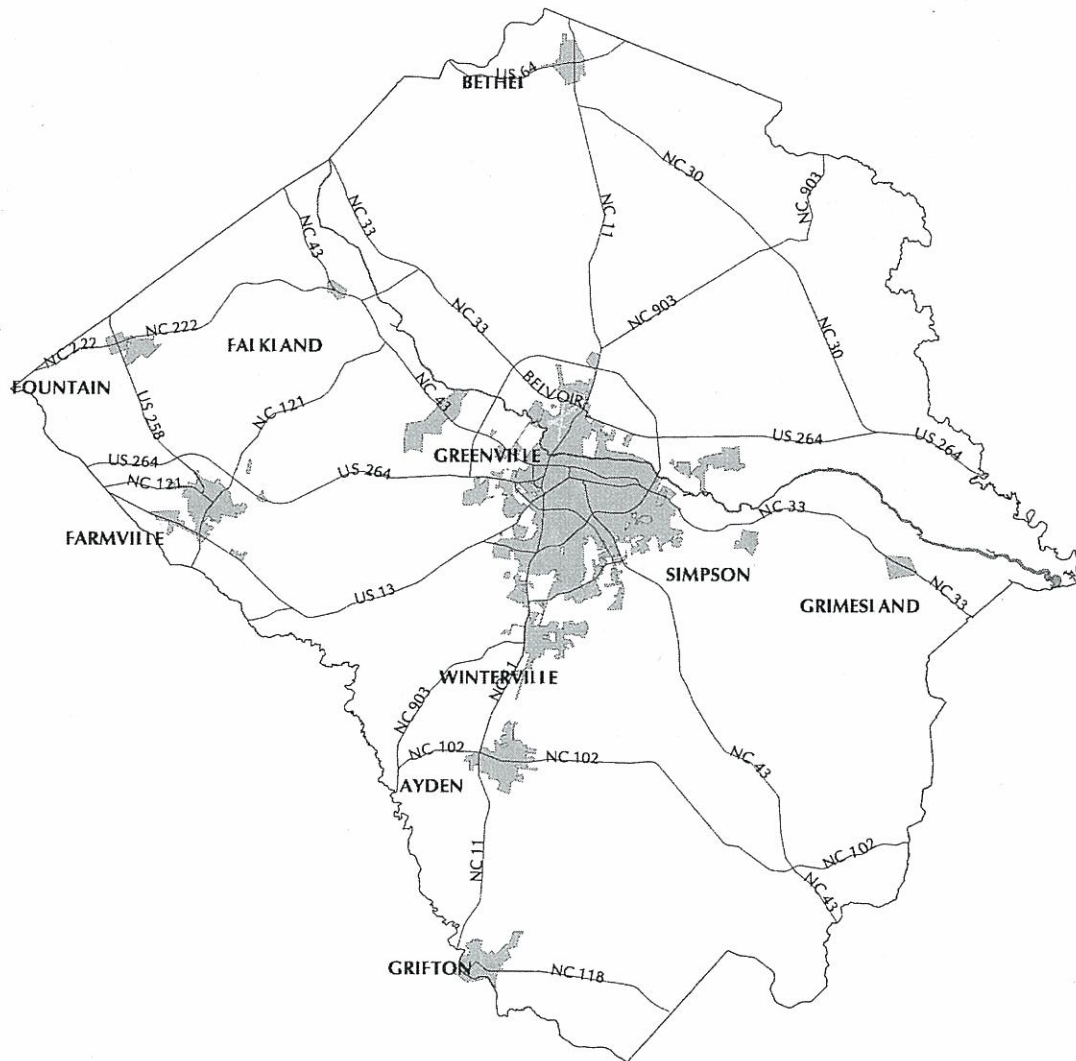
PITT COUNTY, NORTH CAROLINA

DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Unrestricted intergovernmental revenues:			
Pitt Industrial Development Commission	\$ 143,471	\$ 143,471	\$ -
Miscellaneous	246,277	258,339	12,062
Interest earned on investments	-	9,421	9,421
Total revenues	<u>389,748</u>	<u>411,231</u>	<u>21,483</u>
Expenditures:			
Debt service:			
Principal payments - loans	-	7,146,891	-
Interest - loans	-	5,895,300	-
Total expenditures	<u>13,084,907</u>	<u>13,042,191</u>	<u>42,716</u>
Revenues over (under) expenditures	<u>(12,695,159)</u>	<u>(12,630,960)</u>	<u>64,199</u>
Other Financing Sources (Uses):			
Transfer in - General Fund	6,544,124	6,544,124	-
Transfer in - Special Revenue Funds	5,736,035	5,736,035	-
Transfer in - Capital Project Funds	415,000	375,000	(40,000)
Transfer out - General	(30,000)	(30,000)	-
Appropriated fund balance	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total other financing sources (uses)	<u>12,695,159</u>	<u>12,625,159</u>	<u>(70,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>(5,801)</u>	<u>\$ (5,801)</u>
Fund Balances:			
Beginning of year - July 1		<u>68,203</u>	
End of year - June 30		<u>\$ 62,402</u>	

Pitt County, North Carolina

Pitt County, North Carolina



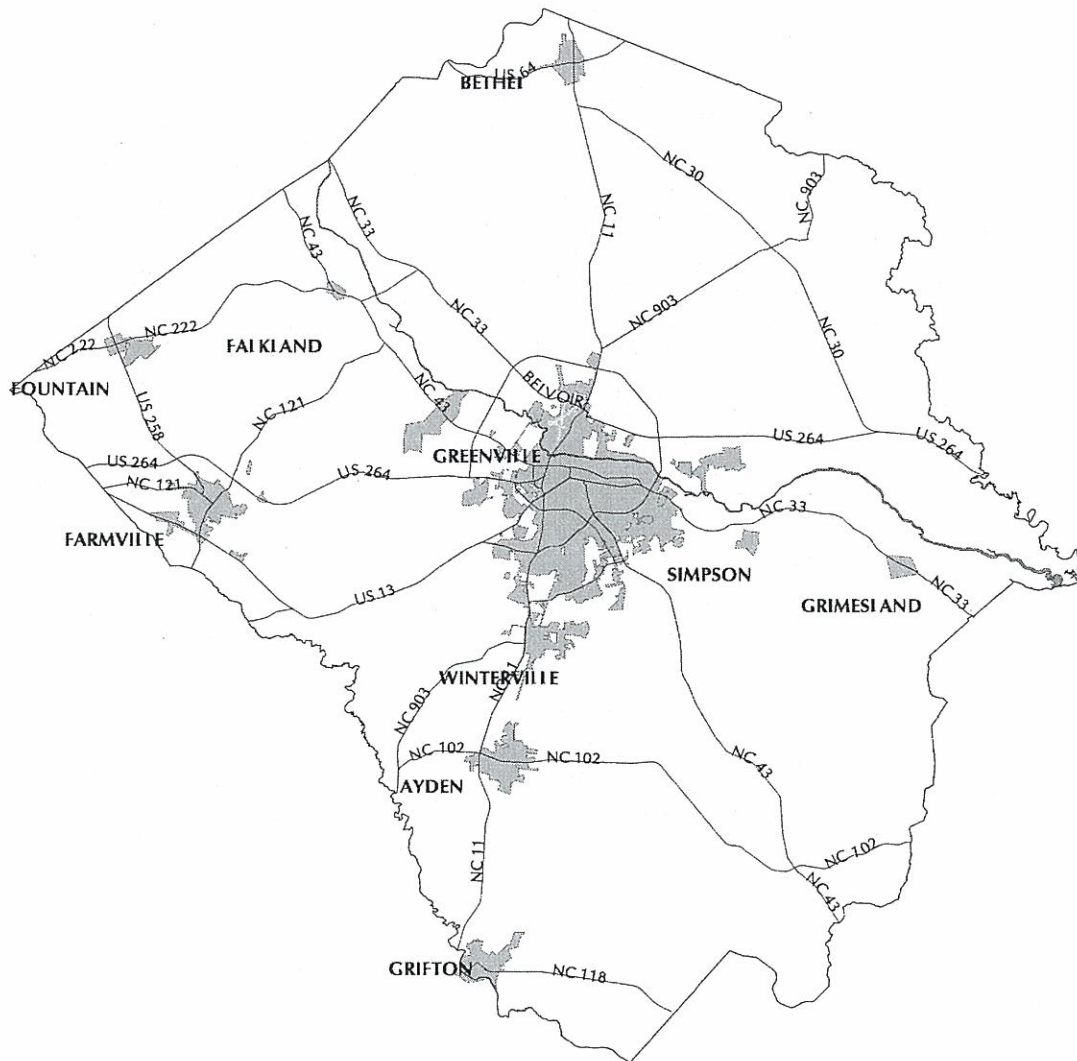
GOVERNMENTAL FUNDS

- 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



GENERAL FUND

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

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

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

PITT COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2008

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

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 65,384,297	\$ 67,065,842	\$ 1,681,545	\$ 62,324,596
Penalties and interest	600,000	531,481	(68,519)	628,125
Total ad valorem taxes	65,984,297	67,597,323	1,613,026	62,952,721
Other Taxes and Licenses:				
Occupancy tax	17,500	22,042	4,542	20,145
Local option sales taxes	22,634,305	23,072,982	438,677	22,304,132
Payment in lieu of taxes	1,555,000	1,558,951	3,951	1,514,071
Privilege licenses	2,000	10,004	8,004	9,981
Marriage licenses	26,762	25,920	(842)	25,627
Gross receipts tax	103,200	114,652	11,452	113,011
Total other taxes and licenses	24,338,767	24,804,551	465,784	23,986,967
Unrestricted Intergovernmental Revenues:				
Alcohol, beer and wine tax	230,000	234,820	4,820	233,067
Pitt County ABC Board	1,000,000	1,000,000	-	900,000
Social Services fees and grants	382,500	399,039	16,539	367,958
Total unrestricted intergovernmental revenues	1,612,500	1,633,859	21,359	1,501,025
Restricted Intergovernmental Revenues:				
Public Health fees and grants	4,979,921	5,097,168	117,247	4,642,089
Social Services fees and grants	19,426,210	18,912,496	(513,714)	18,722,737
Mental Health fees and grants	130,000	228,957	98,957	11,228,153
Jail fees	355,180	345,723	(9,457)	382,128
Automation E&P - Register of Deeds	100,000	98,165	(1,835)	107,304
Federal and State grants	28,800	108,183	79,383	77,498
Total restricted intergovernmental revenues	25,020,111	24,790,692	(229,419)	35,159,909
Permits and Fees:				
Building permits and inspection fees	571,500	543,871	(27,629)	675,959
Register of Deeds	1,046,148	872,953	(173,195)	989,544
Excise stamps	949,122	821,613	(127,509)	864,196
Rabies control fees	35,000	31,061	(3,939)	36,740
Animal fees	54,625	81,384	26,759	62,157
Court facility fees	350,000	350,640	640	337,792
Total permits and fees	3,006,395	2,701,522	(304,873)	2,966,388

PITT COUNTY, NORTH CAROLINA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Sales and Services:				
Rents, concessions and fees	4,092,864	4,450,503	357,639	3,979,217
State and federal prison inmate reimbursement	1,381,610	1,149,290	(232,320)	1,430,733
Total sales and services	5,474,474	5,599,793	125,319	5,409,950
Investment Earnings	1,931,500	1,952,192	20,692	2,152,472
Miscellaneous:				
Sale of capital assets	30,000	24,539	(5,461)	35,317
Other income	534,224	633,062	98,838	1,129,851
Total miscellaneous	564,224	657,601	93,377	1,165,168
Total revenues	127,932,268	129,737,533	1,805,265	135,294,600
Expenditures:				
General Government:				
Governing board, county manager, legal, public information officer	1,765,781	1,715,178	50,603	1,778,423
Finance, tax assessor, tax collector	3,105,901	3,040,279	65,622	2,838,236
Elections	696,061	672,161	23,900	489,718
Register of Deeds	889,350	820,306	69,044	883,318
Human resources	570,732	553,459	17,273	510,929
Print shop/mailroom, management information system, geographic information system	2,582,376	2,475,836	106,540	2,060,099
Buildings and grounds, housekeeping	2,984,954	2,816,404	168,550	2,637,303
Nondepartmental - general administration	2,239,485	2,130,630	108,855	1,985,782
Total general government	14,834,640	14,224,253	610,387	13,183,808
Public Safety:				
Sheriff's department, school security, other public safety	10,823,181	10,579,800	243,381	9,734,403
Detention center, jail inmate services, jail health services	10,071,044	9,750,612	320,432	9,003,751
Emergency services	861,858	831,104	30,754	673,595
Communications	1,033,914	967,099	66,815	853,207
Animal and mosquito control	486,148	490,914	(4,766)	453,262
Inspections	368,403	366,969	1,434	339,840
Medical examiner	95,000	77,700	17,300	89,500
Transportation	4,500	4,613	(113)	4,669
Court facility	333,056	315,465	17,591	307,017
Total public safety	24,077,104	23,384,276	692,828	21,459,244

PITT COUNTY, NORTH CAROLINA

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2008

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

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Environmental Protection:				
Other environmental protection	950	950	-	950
Soil and water conservation	241,615	230,465	11,150	245,702
Total environmental protection	242,565	231,415	11,150	246,652
Economic and Physical Development:				
Planning and zoning	735,077	692,059	43,018	691,284
Permitting center	253,478	245,954	7,524	234,154
Other economic development	148,438	148,351	87	148,351
Engineering	207,616	205,138	2,478	201,453
Cooperative extension	360,966	379,268	(18,302)	368,769
Farmers' Market	37,806	32,916	4,890	31,740
Total economic and physical development	1,743,381	1,703,686	39,695	1,675,751
Human Services:				
Other human services	229,720	225,962	3,758	222,440
Veterans affairs	107,093	108,238	(1,145)	91,660
Public Health:				
Administration	2,142,613	1,959,519	183,094	1,712,526
Services and programs	7,448,469	6,761,030	687,439	6,117,698
Social Services:				
Administration	1,401,821	1,359,915	41,906	1,214,911
Services and programs	20,707,449	20,080,996	626,453	19,323,701
Public assistance	13,994,856	13,584,703	410,153	12,292,718
Child support	2,031,261	1,987,477	43,784	1,849,118
Mental Health:				
Administration	-	-	-	771,498
Services and programs	2,611,469	2,601,113	10,356	10,768,531
Total human services	50,674,751	48,668,953	2,005,798	54,364,801
Education:				
Pitt County schools	33,005,776	33,005,776	-	31,390,965
Pitt Community College	3,779,400	3,779,400	-	3,603,000
Total education	36,785,176	36,785,176	-	34,993,965

PITT COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Cultural and Recreation	645,558	645,517	41	583,843
Debt Service	145,354	145,351	3	145,351
Total expenditures	129,148,529	125,788,627	3,359,902	126,653,415
Revenues over (under) expenditures	(1,216,261)	3,948,906	5,165,167	8,641,185
Other Financing Sources (Uses):				
Transfers in (out):				
Special Revenue Funds	(1,017,629)	(874,454)	143,175	(370,590)
Special Revenue Funds	291,941	291,941	-	-
Debt Service Fund	(6,544,123)	(6,544,123)	-	(6,436,961)
Debt Service Fund	30,000	30,000	-	-
Capital Project Funds	(1,000,000)	(1,000,000)	-	(83,000)
Appropriated fund balance	9,456,072	-	(9,456,072)	-
Total other financing sources (uses)	1,216,261	(8,096,636)	(9,312,897)	(6,890,551)
Net change in fund balance	\$ -	(4,147,730)	\$ (4,147,730)	1,750,634
Fund Balance:				
Beginning of year - July 1		35,366,045		33,615,411
End of year - June 30		\$ 31,218,315		\$ 35,366,045

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL DEPARTMENTS FOR THE YEAR ENDED JUNE 30, 2008

	<i>Schedule B-3</i>	<i>Schedule B-4</i>	<i>Schedule B-5</i>
	General Services	Public Health Department	Social Services Department
Revenues:			
Ad valorem taxes	\$ 67,597,323	\$ -	\$ -
Other taxes and licenses	24,804,551	-	-
Unrestricted intergovernmental revenues	1,234,820	-	399,039
Restricted intergovernmental revenues	453,906	5,097,168	18,912,496
Permits and fees	2,449,047	-	-
Sales and services	4,838,963	-	760,830
Investment earnings	1,951,333	-	-
Miscellaneous	593,339	-	64,262
Total revenues	<u>103,923,282</u>	<u>5,097,168</u>	<u>20,136,627</u>
Expenditures:			
General government	14,224,253	-	-
Public safety	23,068,811	-	-
Environmental protection	231,415	-	-
Economic and physical development	1,703,686	-	-
Human services	334,200	8,720,549	37,013,091
Education	36,785,176	-	-
Cultural and recreational	645,517	-	-
Debt service	145,351	-	-
Total expenditures	<u>77,138,409</u>	<u>8,720,549</u>	<u>37,013,091</u>
Revenues over (under) expenditures	<u>26,784,873</u>	<u>(3,623,381)</u>	<u>(16,876,464)</u>
Other Financing Sources (Uses):			
Intrafund transfers in (out)	(21,364,894)	3,512,083	17,252,811
Transfers in (out):			
Special Revenue Funds	(874,454)	-	-
Special Revenue Funds	291,941	-	-
Debt Service Fund	(6,544,123)	-	-
Debt Service Fund	30,000	-	-
Capital Project Fund	(1,000,000)	-	-
Total other financing sources (uses)	<u>(29,461,530)</u>	<u>3,512,083</u>	<u>17,252,811</u>
Net change in fund balance	(2,676,657)	(111,298)	376,347
Fund Balances:			
Beginning of year - July 1	<u>28,747,307</u>	<u>1,547,373</u>	<u>2,520,127</u>
End of year - June 30	<u>\$ 26,070,650</u>	<u>\$ 1,436,075</u>	<u>\$ 2,896,474</u>

Schedule B-2

<i>Schedule B-6</i>	<i>Schedule B-7</i>	
Court Facility Department	Mental Health Department	Combined Total
\$ -	\$ -	\$ 67,597,323
-	-	24,804,551
-	-	1,633,859
-	228,957	24,692,527
350,640	-	2,799,687
-	-	5,599,793
859	-	1,952,192
-	-	657,601
<u>351,499</u>	<u>228,957</u>	<u>129,737,533</u>
-	-	14,224,253
315,465	-	23,384,276
-	-	231,415
-	-	1,703,686
-	2,601,113	48,668,953
-	-	36,785,176
-	-	645,517
-	-	145,351
<u>315,465</u>	<u>2,601,113</u>	<u>125,788,627</u>
<u>36,034</u>	<u>(2,372,156)</u>	<u>3,948,906</u>
-	600,000	-
-	-	(874,454)
-	-	291,941
-	-	(6,544,123)
-	-	30,000
-	-	(1,000,000)
-	600,000	(8,096,636)
36,034	(1,772,156)	(4,147,730)
<u>27,606</u>	<u>2,523,632</u>	<u>35,366,045</u>
<u>\$ 63,640</u>	<u>\$ 751,476</u>	<u>\$ 31,218,315</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 65,384,297	\$ 67,065,842	\$ 1,681,545	\$ 62,324,596
Penalties and interest	600,000	531,481	(68,519)	628,125
Total ad valorem taxes	65,984,297	67,597,323	1,613,026	62,952,721
Other Taxes and Licenses:				
Occupancy tax	17,500	22,042	4,542	20,145
Local options sales tax	22,634,305	23,072,982	438,677	22,304,132
Payment in lieu of tax	1,555,000	1,558,951	3,951	1,514,071
Privilege licenses	2,000	10,004	8,004	9,981
Marriage licenses	26,762	25,920	(842)	25,627
Gross receipts tax	103,200	114,652	11,452	113,011
Total other taxes and licenses	24,338,767	24,804,551	465,784	23,986,967
Unrestricted Intergovernmental Revenues:				
Alcohol, beer and wine tax	230,000	234,820	4,820	233,067
Pitt County ABC Board	1,000,000	1,000,000	-	900,000
Total unrestricted intergovernmental revenues	1,230,000	1,234,820	4,820	1,133,067
Restricted Intergovernmental Revenues:				
Jail fees	355,180	345,723	(9,457)	382,128
Federal and State grants	28,800	108,183	79,383	77,498
Total restricted intergovernmental revenues	383,980	453,906	69,926	459,626
Permits and Fees:				
Building permits and inspection fees	571,500	543,871	(27,629)	675,959
Register of Deeds	1,046,148	872,953	(173,195)	989,544
Excise stamps	949,122	821,613	(127,509)	864,196
Automation E&P - Register of Deeds	100,000	98,165	(1,835)	107,304
Rabies control fees	35,000	31,061	(3,939)	36,740
Animal fees	54,625	81,384	26,759	62,157
Total permits and fees	2,756,395	2,449,047	(307,348)	2,735,900
Sales and Services:				
Rents, concessions and fees	3,337,113	3,689,673	352,560	3,291,601
State and federal prison inmate reimbursement	1,381,610	1,149,290	(232,320)	1,430,733
Total sales and services	4,718,723	4,838,963	120,240	4,722,334
Investment Earnings	1,930,000	1,951,333	21,333	2,151,053
Miscellaneous:				

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Sale of fixed assets	30,000	24,539	(5,461)	35,317
Other income	468,454	568,800	100,346	990,578
Total miscellaneous	498,454	593,339	94,885	1,025,895
 Total revenues	 101,840,616	 103,923,282	 2,082,666	 99,167,563
 Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	183,657	178,651	5,006	165,938
Operating expenses	41,150	43,642	(2,492)	37,554
Total governing body	224,807	222,293	2,514	203,492
 County Manager:				
Salaries and employee benefits	399,734	381,768	17,966	460,684
Operating expenses	34,325	37,262	(2,937)	31,886
Total county manager	434,059	419,030	15,029	492,570
 Financial Services:				
Salaries and employee benefits	726,033	724,963	1,070	613,221
Operating expenses	42,840	44,068	(1,228)	51,790
Total financial services	768,873	769,031	(158)	665,011
 Tax Assessor:				
Salaries and employee benefits	1,392,535	1,369,656	22,879	1,250,290
Operating expenses	366,463	360,236	6,227	422,828
Total tax assessor	1,758,998	1,729,892	29,106	1,673,118
 Tax Collector:				
Salaries and employee benefits	503,930	497,771	6,159	461,668
Operating expenses	74,100	43,585	30,515	38,439
Total tax collector	578,030	541,356	36,674	500,107
 Legal:				
Salaries and employee benefits	790,414	740,586	49,828	739,215
Operating expenses	78,825	109,182	(30,357)	94,659
Total legal	869,239	849,768	19,471	833,874
 Elections:				
Salaries and employee benefits	401,518	391,574	9,944	324,080
Operating expenses	294,543	280,587	13,956	165,638

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Total elections	696,061	672,161	23,900	489,718
Register of Deeds:				
Salaries and employee benefits	627,345	579,704	47,641	584,460
Operating expenses	262,005	240,602	21,403	298,858
Total Register of Deeds	889,350	820,306	69,044	883,318
Public Information Office:				
Salaries and employee benefits	128,448	114,805	13,643	111,861
Operating expenses	109,228	109,282	(54)	136,626
Total public information office	237,676	224,087	13,589	248,487
Human Resources:				
Salaries and employee benefits	530,093	520,426	9,667	470,461
Operating expenses	40,639	33,033	7,606	40,468
Total human resources	570,732	553,459	17,273	510,929
Print Shop / Mail Room:				
Salaries and employee benefits	116,184	113,066	3,118	106,803
Operating expenses	67,850	60,892	6,958	64,009
Reimbursement from other departments/funds	(58,000)	(43,064)	(14,936)	(47,325)
Total print shop / mail room	126,034	130,894	(4,860)	123,487
Management Information Systems:				
Salaries and employee benefits	2,047,566	1,995,458	52,108	1,850,962
Operating expenses	936,325	932,023	4,302	916,023
Capital outlay	60,000	59,129	871	55,541
Reimbursement from other departments/funds	(961,130)	(962,179)	1,049	(1,185,951)
Total management information systems	2,082,761	2,024,431	58,330	1,636,575
Geographical Information Systems:				
Salaries and employee benefits	261,031	255,395	5,636	220,979
Operating expenses	187,550	173,918	13,632	186,682
Capital outlay	45,000	46,235	(1,235)	44,649
Reimbursement from other departments/funds	(120,000)	(155,037)	35,037	(152,273)
Total geographical information systems	373,581	320,511	53,070	300,037
Buildings and Grounds:				
Salaries and employee benefits	1,165,124	1,027,640	137,484	989,424
Operating expenses	1,304,330	1,261,172	43,158	1,294,213
Capital outlay	193,500	195,786	(2,286)	42,554

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Total buildings and grounds	2,662,954	2,484,598	178,356	2,326,191
Housekeeping:				
Operating expenses	322,000	331,806	(9,806)	311,112
General Government Nonallocated Expenditures:				
Other employee insurance and benefits	740,746	717,991	22,755	556,157
Professional services	132,700	132,090	610	123,201
Insurance and bonding	718,000	633,546	84,454	680,728
Quasi-external workers compensation	500,000	500,000	-	485,000
Miscellaneous items	148,039	147,003	1,036	140,696
Total general government nonallocated expenditures	2,239,485	2,130,630	108,855	1,985,782
Total general government	14,834,640	14,224,253	610,387	13,183,808
Public Safety:				
Sheriff:				
Salaries and employee benefits	8,287,918	8,138,421	149,497	7,293,952
Operating expenses	1,409,669	1,324,262	85,407	1,282,793
Capital outlay	214,000	198,966	15,034	407,859
Total sheriff	9,911,587	9,661,649	249,938	8,984,604
Detention Center:				
Salaries and employee benefits	6,763,075	6,636,112	126,963	5,932,207
Operating expenses	1,969,318	1,879,891	89,427	1,750,926
Capital outlay	-	-	-	16,296
	8,732,393	8,516,003	216,390	7,699,429
Jail Health Services:				
Salaries and benefits	1,135,897	1,114,260	21,637	1,073,929
Operating expenses	157,200	74,799	82,401	188,523
Total jail health services	1,293,097	1,189,059	104,038	1,262,452
Jail Inmate Coordinator:				
Salaries and benefits	45,554	45,550	4	41,870
School Security:				
Salaries and benefits	630,734	620,511	10,223	581,667
Operating expenses	21,860	21,450	410	18,996
Total school security	652,594	641,961	10,633	600,663
Emergency Services:				

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Salaries and benefits	414,208	418,617	(4,409)	273,037
Operating expenses	447,650	412,487	35,163	400,558
Total emergency services	861,858	831,104	30,754	673,595
Communications:				
Salaries and benefits	924,249	864,422	59,827	801,042
Operating expenses	105,555	98,567	6,988	52,165
Capital outlay	4,110	4,110	-	-
Total communications	1,033,914	967,099	66,815	853,207
Animal and Mosquito Control:				
Salaries and employee benefits	344,703	347,461	(2,758)	319,409
Operating expenses	141,445	143,453	(2,008)	118,583
Capital outlay	-	-	-	15,270
	486,148	490,914	(4,766)	453,262
Inspections:				
Salaries and employee benefits	325,903	326,478	(575)	302,278
Operating expenses	42,500	40,491	2,009	37,562
Total inspections	368,403	366,969	1,434	339,840
Medical Examiner:				
Professional services	95,000	77,700	17,300	89,500
Other Public Safety:				
Operating expenses	259,000	276,190	(17,190)	234,133
Transportation:				
Operating expenses	4,500	4,613	(113)	4,669
Total public safety	23,744,048	23,068,811	675,237	21,237,224
Environmental Protection:				
Other Environmental Protection:				
Contracts / grants	950	950	-	950
Pitt Soil and Water Conservation:				
Salaries and benefits	221,688	213,415	8,273	226,978
Operating expenses	19,927	17,050	2,877	18,724
Total public soil and water conservation	241,615	230,465	11,150	245,702

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Total environmental protection	242,565	231,415	11,150	246,652
Economic and Physical Development:				
Planning and Zoning:				
Salaries and employee benefits	575,227	579,164	(3,937)	558,214
Operating expenses	156,850	110,011	46,839	133,070
Capital outlay	3,000	2,884	116	-
Total planning and zoning	735,077	692,059	43,018	691,284
Permitting Center:				
Salaries and benefits	159,378	154,388	4,990	142,186
Operating expenses	94,100	91,566	2,534	91,968
Total permitting center	253,478	245,954	7,524	234,154
Other Economic Development:				
Operating expenses	148,438	148,351	87	148,351
Engineering:				
Salaries and employee benefits	197,670	195,910	1,760	177,369
Operating expenses	9,946	9,228	718	24,084
Total engineering	207,616	205,138	2,478	201,453
Cooperative Extension:				
Operating expenses	128,489	128,177	312	124,686
Professional services	232,477	251,091	(18,614)	244,083
Total cooperative extension	360,966	379,268	(18,302)	368,769
Farmers' Market:				
Salaries and employee benefits	30,506	26,797	3,709	24,609
Professional services	7,300	6,119	1,181	7,131
Total farmers' market	37,806	32,916	4,890	31,740
Total economic and physical development	1,743,381	1,703,686	39,695	1,675,751
Human Services:				
Other human services	229,720	225,962	3,758	222,440
Veterans affairs	107,093	108,238	(1,145)	91,660
Total human services	336,813	334,200	2,613	314,100
Education:				
Pitt County Schools:				
Current	32,255,776	32,255,776	-	30,640,965

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Capital outlay	750,000	750,000	-	750,000
Total Pitt County schools	33,005,776	33,005,776	-	31,390,965
Pitt Community College:				
Current	3,704,400	3,704,400	-	3,528,000
Capital outlay	75,000	75,000	-	75,000
Total Pitt Community College	3,779,400	3,779,400	-	3,603,000
Total education	36,785,176	36,785,176	-	34,993,965
Cultural and Recreational:				
Cultural - contracts/grants	90,500	90,189	311	64,476
Recreational - contracts/grants	25,000	25,000	-	25,000
Libraries - contracts/grants	530,058	530,328	(270)	494,367
Total cultural and recreational	645,558	645,517	41	583,843
Debt Service:				
Principal repayments	129,899	134,249	(4,350)	129,672
Interest and fees	15,455	11,102	4,353	15,679
Total debt service	145,354	145,351	3	145,351
Total expenditures	78,477,535	77,138,409	1,339,126	72,380,694
Revenues over (under) expenditures	23,363,081	26,784,873	3,421,792	26,786,869
Other Financing Sources (Uses):				
Intrafund Transfers In (Out):				
Public Health from General Fund	(3,810,806)	(3,512,083)	298,723	(3,128,504)
DSS from General Fund	(17,479,633)	(17,252,811)	226,822	(15,543,996)
Mental Health	(600,000)	(600,000)	-	(1,394,588)
Total intrafund transfers in (out)	(21,890,439)	(21,364,894)	525,545	(20,067,088)
Operating Transfers In (Out):				
Special Revenue Funds	(1,017,629)	(874,454)	143,175	(884,077)
Special Revenue Funds	291,941	291,941	-	598,484
Debt Service Fund	(6,544,123)	(6,544,123)	-	(6,261,961)
Debt Service Fund	30,000	30,000	-	-
Capital Project Funds	(1,000,000)	(1,000,000)	-	(83,000)
Total operating transfers in (out)	(8,239,811)	(8,096,636)	143,175	(6,630,554)
Budgetary Financing Sources (Uses):				

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Appropriated fund balance - General Fund	6,767,169	-	(6,767,169)	-
Total budgetary financing sources (uses)	6,767,169	-	(6,767,169)	-
Total other financing sources (uses)	(23,363,081)	(29,461,530)	(6,098,449)	(26,697,642)
Net change in fund balance	\$ -	\$ (2,676,657)	\$ (2,676,657)	\$ 89,227

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues:				
Administration	\$ 34,430	\$ 99,963	\$ 65,533	\$ 67,831
Environmental health	213,200	225,770	12,570	236,868
Food and lodging	10,000	10,419	419	10,679
Tuberculosis	34,886	32,566	(2,320)	36,149
Tuberculosis CDC	59,936	44,758	(15,178)	39,416
Adolescent pregnancy grants	6,000	5,843	(157)	21,767
Healthy Start	155,647	143,967	(11,680)	144,825
Cardiovascular health	150,000	108,755	(41,245)	137,550
Smart Start	132,087	134,970	2,883	133,159
Adult health	10,100	12,397	2,297	9,614
Health promotion	69,089	69,310	221	38,555
AIDS	75,552	72,725	(2,827)	58,380
Epilepsy	19,438	17,321	(2,117)	20,646
Breast/cervical cancer prevention	20,580	24,990	4,410	21,928
Communicable disease	222,206	168,640	(53,566)	148,219
Community transition coordination	44,000	44,000	-	44,000
Infant mortality	50,000	50,000	-	49,294
Child health	190,995	181,663	(9,332)	242,864
Maternal health	660,325	599,579	(60,746)	728,217
Family planning	388,030	445,396	57,366	445,760
Maternity care coordination	296,800	467,686	170,886	348,519
Child services coordination	278,056	376,955	98,899	274,192
WIC administration	86,605	53,405	(33,200)	13,569
WIC nutrition	240,665	236,605	(4,060)	207,758
WIC breastfeeding	20,528	22,888	2,360	17,145
WIC client services	360,531	359,130	(1,401)	318,685
Immunization action plan	40,970	39,400	(1,570)	45,603
Mobile dental unit	176,960	169,660	(7,300)	101,137
Emergency planning - HD	142,814	126,071	(16,743)	109,273
In home breastfeeding	43,459	40,103	(3,356)	35,631
Bioterrorism team	406,925	353,481	(53,444)	382,754
DHHS Funds	85,813	69,030	(16,783)	99,290
WIC Peer Counseling	14,477	10,805	(3,672)	12,070
Public Health Ready	238,817	278,917	40,100	40,742
Total revenues	4,979,921	5,097,168	117,247	4,642,089

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Expenditures:				
Administration	2,142,613	1,959,519	183,094	1,712,526
Environmental health	1,173,686	1,117,289	56,397	1,062,782
Food and lodging	14,800	16,112	(1,312)	13,575
Vector Control Program	118,210	50,129	68,081	-
Tuberculosis	86,495	80,944	5,551	85,181
Tuberculosis CDC	73,149	68,410	4,739	57,398
Adolescent pregnancy prevention	6,000	5,843	157	20,762
Healthy Start	155,647	154,380	1,267	143,797
Cardiovascular health	152,085	101,882	50,203	132,955
Smart Start	134,727	133,003	1,724	134,878
Adult health	29,486	23,308	6,178	33,352
Health promotion	199,740	187,714	12,026	157,407
AIDS	312,246	301,440	10,806	257,908
Drugs and vaccines	19,438	17,974	1,464	21,753
Breast/cervical cancer prevention	41,035	34,133	6,902	38,333
Communicable disease	440,134	329,175	110,959	265,179
Community transition coordination	62,100	63,727	(1,627)	59,010
Infant mortality	66,629	63,484	3,145	56,478
Child health	305,867	287,667	18,200	271,929
Maternal health	785,237	750,658	34,579	695,534
Family planning	679,576	569,983	109,593	569,402
Maternity care coordination	296,052	280,314	15,738	311,455
Child services coordination	408,854	406,428	2,426	334,037
WIC administration	87,577	79,873	7,704	22,683
WIC nutrition	246,605	256,208	(9,603)	235,324
WIC breastfeeding	20,078	5,828	14,250	3,587
WIC client services	364,006	330,975	33,031	313,313
Immunization action plan	69,244	61,535	7,709	65,161
Mobile dental unit	193,916	138,680	55,236	114,928
ABCD project grant	48,463	48,175	288	-
Emergency planning - HD	111,246	105,547	-	69,862
In home breastfeeding	43,459	38,835	-	35,042
Bioterrorism team	412,205	408,772	3,433	385,488
DHHS funds	85,813	68,281	17,532	100,277
WIC Peer Counseling	14,477	11,616	2,861	12,161
Public Health Ready	63,839	60,600	3,239	36,767
BT team special projects	46,358	38,677	7,681	-
Private well water program	40,000	27,721	12,279	-
BT team pandemic flu	22,357	18,917	3,440	-
HIV STD NTT	17,633	16,793	840	-
Total expenditures	9,591,082	8,720,549	860,210	7,830,224

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(4,611,161)	(3,623,381)	987,780	(3,188,135)
Other Financing Sources (Uses):				
Intrafund transfer from General Fund	3,810,806	3,512,083	(298,723)	3,128,504
Appropriated fund balance	800,355	-	(800,355)	-
Total other financing sources (uses)	4,611,161	3,512,083	(1,099,078)	3,128,504
Net change in fund balance	\$ -	\$ (111,298)	\$ (111,298)	\$ (59,631)

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - SOCIAL SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Unrestricted intergovernmental revenues:				
Fees and grants	\$ 382,500	\$ 399,039	\$ 16,539	\$ 367,958
Restricted intergovernmental revenues:				
Fees and grants	19,426,210	18,912,496	(513,714)	18,722,737
Sales and services	755,751	760,830	5,079	751,654
Miscellaneous	65,770	64,262	(1,508)	85,235
Total revenues	<u>20,630,231</u>	<u>20,136,627</u>	<u>(493,604)</u>	<u>19,927,584</u>
Expenditures:				
Social services administration	1,401,821	1,359,915	41,906	1,214,911
Other administration expenses	1,162,479	1,090,962	71,517	1,064,555
Regular services administration	4,544,424	4,491,777	52,647	4,171,766
Purchased services	8,394,859	8,279,574	115,285	8,275,128
Public assistance programs	13,994,856	13,584,703	410,153	12,292,718
Long-term screening	110,500	76,236	34,264	87,256
General assistance	117,750	108,263	9,487	128,343
Title IV D child support	2,031,261	1,987,477	43,784	1,849,118
Workfirst	2,030,888	1,904,995	125,893	1,776,853
Income maintenance administration	3,589,807	3,478,424	111,383	3,232,644
Energy programs	453,453	360,618	92,835	291,773
Purchased services HCCBG	303,289	290,147	13,142	295,383
Total expenditures	<u>38,135,387</u>	<u>37,013,091</u>	<u>1,122,296</u>	<u>34,680,448</u>
Revenues over (under) expenditures	<u>(17,505,156)</u>	<u>(16,876,464)</u>	<u>628,692</u>	<u>(14,752,864)</u>
Other Financing Sources (Uses):				
Intrafund transfer in - General Fund	17,479,633	17,252,811	(226,822)	15,543,996
Appropriated fund balance	25,523	-	(25,523)	-
Total other financing sources (uses)	<u>17,505,156</u>	<u>17,252,811</u>	<u>(252,345)</u>	<u>15,543,996</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 376,347</u>	<u>\$ 376,347</u>	<u>\$ 791,132</u>

PITT COUNTY, NORTH CAROLINA

GENERAL FUND - COURT FACILITY DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees:				
Court facility fees	\$ 350,000	\$ 350,640	\$ 640	\$ 337,792
Investment earnings	1,500	859	(641)	1,419
Total revenues	351,500	351,499	(1)	339,211
Expenditures:				
Public safety:				
Salaries and employee benefits	53,076	53,050	-	49,547
Operating expenses	279,980	262,415	-	257,470
Total expenditures	333,056	315,465	17,591	307,017
Revenues over (under) expenditures	18,444	36,034	17,590	32,194
Other Financing Sources (Uses):				
Operating transfer - Debt Service Fund	-	-	-	(175,000)
Appropriated fund balance	(18,444)	-	18,444	-
Total other financing sources (uses)	(18,444)	-	18,444	(175,000)
Net change in fund balance	\$ -	\$ 36,034	\$ 36,034	\$ (142,806)

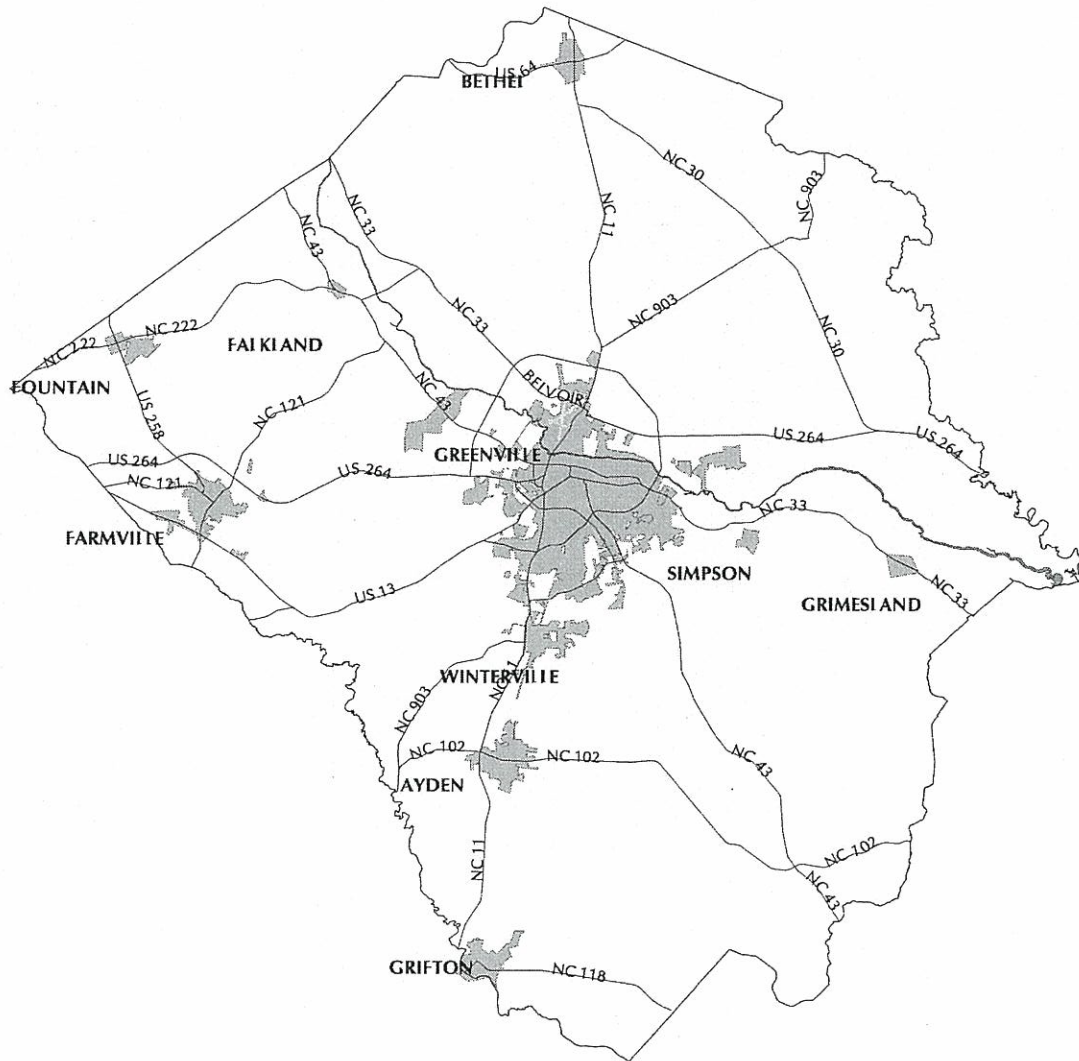
PITT COUNTY, NORTH CAROLINA

GENERAL FUND - MENTAL HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues:				
General agency - administration	\$ 130,000	\$ 228,957	\$ 98,957	\$ 8,644,001
Residential contracts	-	-	-	255,610
Adolescent outreach	-	-	-	7,560
DD wait list	-	-	-	1,198,093
Adult DD contracts	-	-	-	208,710
Child DD contracts	-	-	-	46,062
MRMI contracts	-	-	-	21,815
Psychological rehabilitation	-	-	-	30
Adult MH/SA general	-	-	-	686
Child SA contracts	-	-	-	305,081
Adult SA contracts	-	-	-	280,217
Adult MH contracts	-	-	-	260,288
Total revenues	130,000	228,957	98,957	11,228,153
Expenditures:				
Mental Health area director	-	-	-	571,687
QI regulatory compliance	-	-	-	169,577
Administrative services	-	-	-	199,811
General agency	860,200	849,844	10,356	2,242,224
Contribution to ECBH	1,751,269	1,751,269	-	-
Provider relations	-	-	-	6,649
Residential contracts	-	-	-	151,696
DD wait list	-	-	-	7,509,116
Adult DD contracts	-	-	-	152,248
Care management	-	-	-	374,291
Child SA contracts	-	-	-	162,663
Adult MH contracts	-	-	-	67
Total expenditures	2,611,469	2,601,113	10,356	11,540,029
Revenues over (under) expenditures	(2,481,469)	(2,372,156)	109,313	(311,876)
Other Financing Sources (Uses):				
Intrafund transfer in - General Fund	600,000	600,000	-	1,394,588
Appropriated fund balance	1,881,469	-	(1,881,469)	-
Total other financing sources (uses)	2,481,469	600,000	(1,881,469)	1,394,588
Net change in fund balance	\$ -	\$ (1,772,156)	\$ (1,772,156)	\$ 1,082,712

Pitt County, North Carolina

Pitt County, North Carolina



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.
- **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, 2008

	<i>Schedule C-3</i> School Capital Reserve	<i>Schedule C-4</i> County Capital Reserve	<i>Schedule C-5</i> State/Federal Forfeiture Fund	<i>Schedule C-6</i> CDBG Fund	<i>Schedule C-7</i> State Grants Fund
Assets:					
Cash, cash equivalents and investments	\$ 1,444,936	\$ 70	\$ 136,773	\$ -	\$ -
Taxes receivable, net	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Prepaid items	-	-	-	-	504
Intrafund due to/from other funds	-	-	-	-	-
Due from other governments	<u>1,002,434</u>	<u>645,392</u>	<u>-</u>	<u>28,833</u>	<u>290,785</u>
Total assets	<u>\$ 2,447,370</u>	<u>\$ 645,462</u>	<u>\$ 136,773</u>	<u>\$ 28,833</u>	<u>\$ 291,289</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 164	\$ 216,284
Due to other funds	-	-	-	28,029	13,692
Deferred revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,193</u>	<u>229,976</u>
Fund Balances (Deficit)	<u>2,447,370</u>	<u>645,462</u>	<u>136,773</u>	<u>640</u>	<u>61,313</u>
Total liabilities and fund balances	<u>\$ 2,447,370</u>	<u>\$ 645,462</u>	<u>\$ 136,773</u>	<u>\$ 28,833</u>	<u>\$ 291,289</u>

Schedule C-1

<i>Schedule C-8</i> Pitt Area Transit Fund	<i>Schedule C-9</i> Industrial Development Building	<i>Schedule C-10</i> Fire Districts Fund	<i>Schedule C-11</i> EMS District Fund	<i>Schedule C-12</i> E911 Surcharge Fund	Total
\$ -	\$ 53,811	\$ 140,620	\$ -	\$ 157,741	\$ 1,933,951
-	-	150,826	202,226	-	353,052
60,076	-	-	372,834	70,116	503,026
-	-	-	35,731	-	36,235
-	-	-	-	389,260	389,260
-	-	-	-	-	1,967,444
<u>\$ 60,076</u>	<u>\$ 53,811</u>	<u>\$ 291,446</u>	<u>\$ 610,791</u>	<u>\$ 617,117</u>	<u>\$ 5,182,968</u>
\$ 28,372	\$ -	\$ 35,803	\$ 28,311	\$ 318	\$ 309,252
92,746	-	-	256,325	28,809	419,601
<u>6,505</u>	<u>-</u>	<u>150,827</u>	<u>372,834</u>	<u>-</u>	<u>530,166</u>
127,623	-	186,630	657,470	29,127	1,259,019
(67,547)	53,811	104,816	(46,679)	587,990	3,923,949
<u>\$ 60,076</u>	<u>\$ 53,811</u>	<u>\$ 291,446</u>	<u>\$ 610,791</u>	<u>\$ 617,117</u>	<u>\$ 5,182,968</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, 2008

	<i>Schedule C-3</i> School Capital Reserve	<i>Schedule C-4</i> County Capital Reserve	<i>Schedule C-5</i> State/Federal Forfeiture Fund	<i>Schedule C-6</i> CDBG Fund	<i>Schedule C-7</i> State Grants Fund
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	5,942,125	645,462	-	-	-
Restricted intergovernmental revenues	1,556,385	-	98,719	190,219	1,821,032
Sales and services	-	-	-	-	-
Investment earnings	-	-	375	-	-
Miscellaneous	-	-	-	-	70,084
Total revenues	<u>7,498,510</u>	<u>645,462</u>	<u>99,094</u>	<u>190,219</u>	<u>1,891,116</u>
Expenditures:					
Current:					
Public safety	-	-	23,583	-	-
Economic and physical development	-	-	-	190,155	1,982,638
Debt service	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>23,583</u>	<u>190,155</u>	<u>1,982,638</u>
Revenues over (under) expenditures	<u>7,498,510</u>	<u>645,462</u>	<u>75,511</u>	<u>64</u>	<u>(91,522)</u>
Other Financing Sources (Uses):					
Debt obligation issued	-	-	-	-	-
Transfers in	685,776	-	-	-	123,770
Transfers out	<u>(7,416,035)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,730,259)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,770</u>
Net change in fund balances	768,251	645,462	75,511	64	32,248
Fund Balances:					
Beginning of year - July 1	<u>1,679,119</u>	<u>-</u>	<u>61,262</u>	<u>576</u>	<u>29,065</u>
End of year - June 30	<u>\$ 2,447,370</u>	<u>\$ 645,462</u>	<u>\$ 136,773</u>	<u>\$ 640</u>	<u>\$ 61,313</u>

Schedule C-2

<i>Schedule C-8</i> Pitt Area Transit Fund	<i>Schedule C-9</i> Industrial Development Building	<i>Schedule C-10</i> Fire Districts Fund	<i>Schedule C-11</i> EMS District Fund	<i>Schedule C-12</i> E911 Surcharge Fund	Total
\$ -	\$ -	\$ 1,347,846	\$ 2,015,467	\$ -	\$ 3,363,313
-	-	-	-	-	6,587,587
599,541	-	-	-	-	4,265,896
91,924	-	-	1,865,828	697,701	2,655,453
-	-	-	-	19,000	19,375
-	40,818	30,008	-	-	140,910
<u>691,465</u>	<u>40,818</u>	<u>1,377,854</u>	<u>3,881,295</u>	<u>716,701</u>	<u>17,032,534</u>
-	-	1,347,845	3,423,132	617,827	5,412,387
791,294	-	-	-	-	2,964,087
-	-	-	189,612	-	189,612
<u>791,294</u>	<u>-</u>	<u>1,347,845</u>	<u>3,612,744</u>	<u>617,827</u>	<u>8,566,086</u>
<u>(99,829)</u>	<u>40,818</u>	<u>30,009</u>	<u>268,551</u>	<u>98,874</u>	<u>8,466,448</u>
-	-	-	-	-	-
29,174	-	-	36,350	-	875,070
-	-	-	-	(291,941)	(7,707,976)
<u>29,174</u>	<u>-</u>	<u>-</u>	<u>36,350</u>	<u>(291,941)</u>	<u>(6,832,906)</u>
(70,655)	40,818	30,009	304,901	(193,067)	1,633,542
<u>3,108</u>	<u>12,993</u>	<u>74,807</u>	<u>(351,580)</u>	<u>781,057</u>	<u>2,290,407</u>
<u>\$ (67,547)</u>	<u>\$ 53,811</u>	<u>\$ 104,816</u>	<u>\$ (46,679)</u>	<u>\$ 587,990</u>	<u>\$ 3,923,949</u>

PITT COUNTY, NORTH CAROLINA

SCHOOL CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other taxes and licenses	\$ 5,859,650	\$ 5,942,125	\$ 82,475	\$ 5,858,193
Restricted intergovernmental revenues	1,556,385	1,556,385	-	1,462,000
Total revenues	<u>7,416,035</u>	<u>7,498,510</u>	<u>82,475</u>	<u>7,320,193</u>
Revenues over expenditures	<u>7,416,035</u>	<u>7,498,510</u>	<u>82,475</u>	<u>7,320,193</u>
Other Financing Sources (Uses):				
Transfer out - Debt Service Fund	(5,736,035)	(5,736,035)	-	(5,566,007)
Transfer in - School Capital Project Fund	822,207	685,776	(136,431)	-
Transfer out - School Capital Project Fund	(2,152,344)	(1,680,000)	472,344	(725,000)
Fund balance appropriated	<u>(349,863)</u>	<u>-</u>	<u>349,863</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,416,035)</u>	<u>(6,730,259)</u>	<u>685,776</u>	<u>(6,291,007)</u>
Net change in fund balance	<u>\$ -</u>	<u>768,251</u>	<u>\$ 768,251</u>	<u>\$ 1,029,186</u>
Fund Balance:				
Beginning of year - July 1		<u>1,679,119</u>		
End of year - June 30		<u>\$ 2,447,370</u>		

PITT COUNTY, NORTH CAROLINA

COUNTY CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 11,949
Local option sales tax - Article 46	-	645,462	645,462	-
Total revenues	-	645,462	645,462	11,949
Revenues over expenditures	-	645,462	645,462	11,949
Net change in fund balances	\$ -	645,462	\$ 645,462	\$ 11,949
Fund Balance:				
Beginning of year - July 1		-		
End of year - June 30		\$ 645,462		

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, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues:				
Federal asset seizure funds	\$ 36,572	\$ 36,571	\$ (1)	\$ -
State/federal excise tax	55,629	62,148	6,519	85,431
Investment earnings	-	375	375	27
Total revenues	92,201	99,094	6,893	85,458
Expenditures:				
Public safety	153,454	23,583	129,871	71,727
Revenues over (under) expenditures	(61,253)	75,511	136,764	13,731
Other Financing Sources (Uses):				
Appropriated fund balance	61,253	-	(61,253)	-
Total other financing sources (uses)	61,253	-	(61,253)	-
Net change in fund balance	\$ -	75,511	\$ 75,511	\$ 13,731
Fund Balance:				
Beginning of year - July 1		61,262		
End of year - June 30		\$ 136,773		

PITT COUNTY, NORTH CAROLINA

CDBG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>
Revenues:				
Restricted intergovernmental revenues:				
Federal grants	\$ 1,000,000	\$ 600,000	\$ 190,219	\$ 790,219
Expenditures:				
CDBG other	3,500	-	-	-
CDBG 2005-2006	600,000	501,207	-	501,207
CDBG 2007 - 2008	400,000	101,717	190,155	291,872
Economic development	1,003,500	602,924	190,155	793,079
Revenues over (under) expenditures	(3,500)	(2,924)	64	(2,860)
Other Financing Sources (Uses):				
Transfers in	3,500	3,500	-	3,500
Net change in fund balance	\$ -	\$ 576	\$ 64	\$ 640

PITT COUNTY, NORTH CAROLINA

STATE GRANTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues:				
State grants	\$ 33,930,809	\$ 1,821,032	\$ (32,109,777)	\$ 1,821,085
Investment earnings	-	-	-	69
Miscellaneous	110,977	70,084	(40,893)	3,842
Total revenues	<u>34,041,786</u>	<u>1,891,116</u>	<u>(32,150,670)</u>	<u>1,824,996</u>
Expenditures:				
Economic and physical development:				
Salaries and benefits	600,382	410,589	189,793	376,269
Operating expenses	<u>33,618,826</u>	<u>1,572,049</u>	<u>32,046,777</u>	<u>1,227,419</u>
Total expenditures	<u>34,219,208</u>	<u>1,982,638</u>	<u>32,236,570</u>	<u>1,603,688</u>
Revenues over (under) expenditures	<u>(177,422)</u>	<u>(91,522)</u>	<u>85,900</u>	<u>221,308</u>
Other Financing Sources (Uses):				
Transfers in	129,898	123,770	(6,128)	24,496
Appropriated fund balance	<u>47,524</u>	<u>-</u>	<u>(47,524)</u>	<u>-</u>
Total other financing sources (uses)	<u>177,422</u>	<u>123,770</u>	<u>(53,652)</u>	<u>24,496</u>
Net change in fund balance	<u>\$ -</u>	<u>32,248</u>	<u>\$ 32,248</u>	<u>\$ 245,804</u>
Fund Balance:				
Beginning of year - July 1		<u>29,065</u>		
End of year - June 30		<u>\$ 61,313</u>		

PITT COUNTY, NORTH CAROLINA

PITT AREA TRANSIT SYSTEM SPECIAL REVENUE FUND

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

FOR THE YEAR ENDED JUNE 30, 2008

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

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues	\$ 840,515	\$ 599,541	\$ (240,974)	\$ 153,444
Sales and services	64,211	91,924	27,713	78,034
Total revenues	904,726	691,465	(213,261)	231,478
Expenditures:				
Economic and physical development:				
PATS Board	-	-	-	78,034
RGP Grant	-	-	-	96,285
DOT Administrative Grant	933,900	791,294	142,606	71,024
Total expenditures	933,900	791,294	142,606	245,343
Revenues over (under) expenditures	(29,174)	(99,829)	(70,655)	(13,865)
Other Financing Sources (Uses):				
Transfers in	29,174	29,174	-	16,974
Total other financing sources (uses)	29,174	29,174	-	16,974
Net change in fund balance	\$ -	(70,655)	\$ (70,655)	\$ 3,109
Fund Balance:				
Beginning of year - July 1		3,108		
End of year - June 30		\$ (67,547)		

PITT COUNTY, NORTH CAROLINA

INDUSTRIAL DEVELOPMENT BUILDING RESERVE FUND

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

FOR THE YEAR ENDED JUNE 30, 2008

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

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ -	\$ 663
Expenditures:				
General construction	-	-	-	1,000,000
Revenues over (under) expenditures	-	-	-	(999,337)
Other Financing Sources (Uses):				
Sale of capital assets	-	40,818	40,818	-
Total other financing sources (uses)	-	40,818	40,818	-
Net change in fund balance	<u>\$ -</u>	<u>40,818</u>	<u>\$ 40,818</u>	<u>\$ (999,337)</u>
Fund Balance:				
Beginning of year - July 1		<u>12,993</u>		
End of year - June 30		<u>\$ 53,811</u>		

PITT COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	<u>2008</u>			<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes	\$ 1,334,322	\$ 1,347,846	\$ 13,524	\$ 1,243,632
Miscellaneous	-	30,008	30,008	-
Total revenues	<u>1,334,322</u>	<u>1,377,854</u>	<u>43,532</u>	<u>1,243,632</u>
Expenditures:				
Public safety	<u>1,334,322</u>	<u>1,347,845</u>	<u>(13,523)</u>	<u>1,228,168</u>
Net change in fund balance	<u>\$ -</u>	<u>30,009</u>	<u>\$ 30,009</u>	<u>\$ 15,464</u>
Fund Balance:				
Beginning of year - July 1		<u>74,807</u>		
End of year - June 30		<u>\$ 104,816</u>		

PITT COUNTY, NORTH CAROLINA

EMS DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

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

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 1,962,700	\$ 2,015,467	\$ 52,767	\$ 1,967,412
Transport fees	1,639,140	1,865,828	226,688	1,478,015
Total revenues	<u>3,601,840</u>	<u>3,881,295</u>	<u>279,455</u>	<u>3,445,427</u>
Expenditures:				
Public safety	3,448,592	3,423,132	25,460	3,304,942
Debt service	189,598	189,612	(14)	165,909
Total expenditures	<u>3,638,190</u>	<u>3,612,744</u>	<u>25,446</u>	<u>3,470,851</u>
Revenues over (under) expenditures	<u>(36,350)</u>	<u>268,551</u>	<u>304,901</u>	<u>(25,424)</u>
Other Financing Sources (Uses):				
Transfers in	36,350	36,350	-	757,268
Total other financing sources (uses)	<u>36,350</u>	<u>36,350</u>	<u>-</u>	<u>757,268</u>
Net change in fund balance	<u>\$ -</u>	<u>304,901</u>	<u>\$ 304,901</u>	<u>\$ 731,844</u>
Fund Balance:				
Beginning of year - July 1		<u>(351,580)</u>		
End of year - June 30		<u>\$ (46,679)</u>		

PITT COUNTY, NORTH CAROLINA

E911 SURCHARGE FUND

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

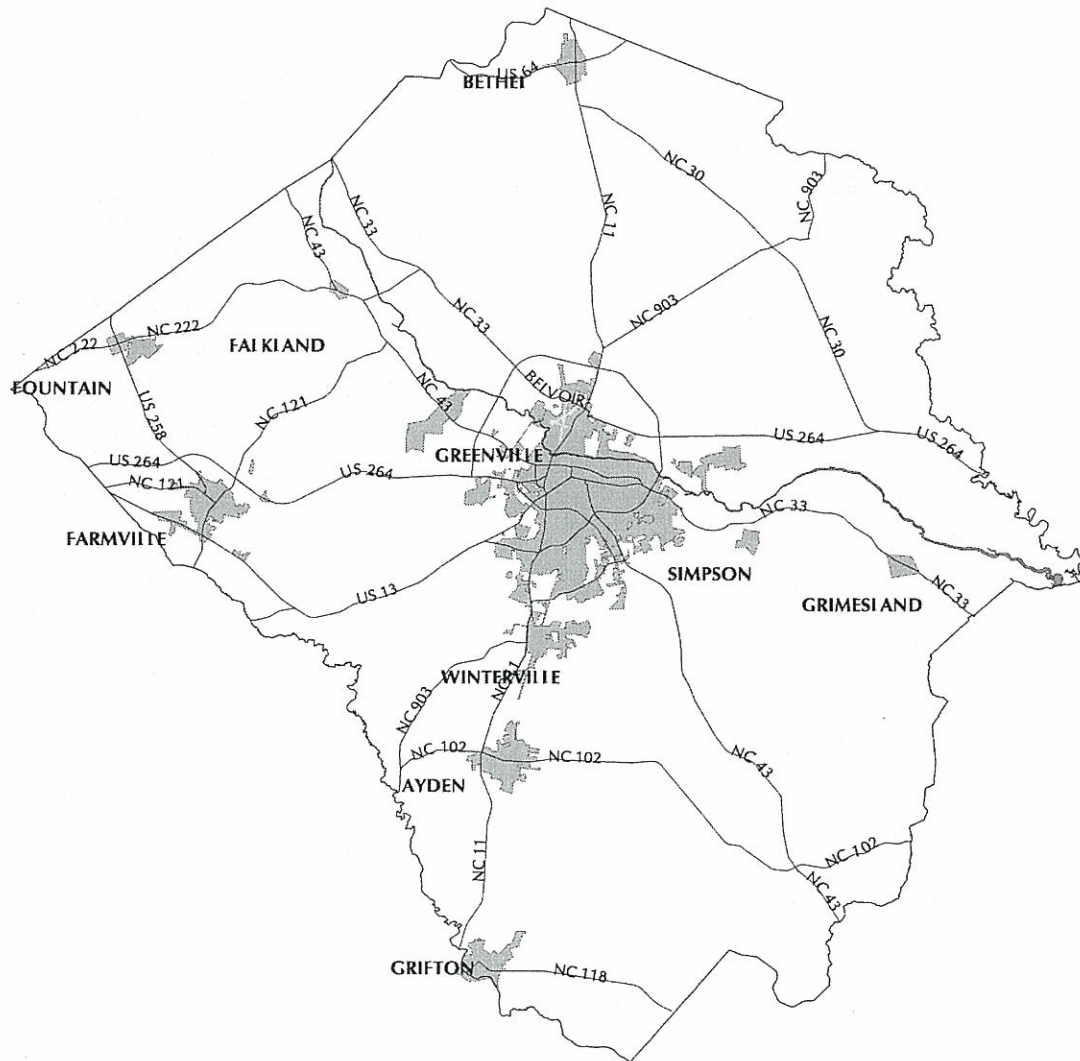
FOR THE YEAR ENDED JUNE 30, 2008

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

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Sales and services - user fees	\$ 490,000	\$ 255,051	\$ (234,949)	\$ 477,787
Sales and services - wireless fees	181,335	442,650	261,315	281,499
Investment earnings	-	19,000	19,000	462
Total revenues	<u>671,335</u>	<u>716,701</u>	<u>45,366</u>	<u>759,748</u>
Expenditures:				
Public safety:				
E911 operations	514,831	454,696	60,135	447,798
Wireless operations	<u>181,335</u>	<u>163,131</u>	<u>18,204</u>	<u>200,437</u>
Total expenditures	<u>696,166</u>	<u>617,827</u>	<u>78,339</u>	<u>648,235</u>
Revenues over (under) expenditures	<u>(24,831)</u>	<u>98,874</u>	<u>123,705</u>	<u>111,513</u>
Other Financing Sources (Uses):				
Transfers out	(291,941)	(291,941)	-	-
Contingency	<u>316,772</u>	<u>-</u>	<u>(316,772)</u>	<u>-</u>
Total other financing sources (uses)	<u>24,831</u>	<u>(291,941)</u>	<u>(316,772)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(193,067)</u>	<u>\$ (193,067)</u>	<u>\$ 111,513</u>
Fund Balance:				
Beginning of year - July 1		<u>781,057</u>		
End of year - June 30		<u>\$ 587,990</u>		

Pitt County, North Carolina

Pitt County, North Carolina



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, 2008

	<i>Schedule D-3</i>	<i>Schedule D-5</i>	<i>Schedule D-6</i>
	PCC Building Capital Project	Pitt Community College (Bowen Farm) Capital Project	2004 COPS Education Capital Project
Assets:			
Cash, cash equivalents and investments	\$ -	\$ 1,120,157	\$ -
Cash and investments, restricted	279,562	-	-
Due from other funds	-	76,897	-
	<u>-</u>	<u>76,897</u>	<u>-</u>
Total assets	<u>\$ 279,562</u>	<u>\$ 1,197,054</u>	<u>\$ -</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Retainage payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):			
Undesignated	<u>279,562</u>	<u>1,197,054</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 279,562</u>	<u>\$ 1,197,054</u>	<u>\$ -</u>

Schedule D-1

<i>Schedule D-8</i> Community Schools and Recreation Capital Project	<i>Schedule D-9</i> ECTC Building Capital Project	<i>Schedule D-10</i> School Improvement Capital Project	Totals
\$ 77,269	\$ -	\$ 484,832	\$ 1,682,258
-	-	-	279,562
-	-	-	76,897
<u>\$ 127,269</u>	<u>\$ -</u>	<u>\$ 484,832</u>	<u>\$ 2,088,717</u>
\$ 3,050	\$ -	\$ 158,123	\$ 161,173
-	76,897	-	76,897
41,376	-	13,007	54,383
<u>44,426</u>	<u>76,897</u>	<u>171,130</u>	<u>292,453</u>
<u>82,843</u>	<u>(76,897)</u>	<u>313,702</u>	<u>1,796,264</u>
<u>\$ 127,269</u>	<u>\$ -</u>	<u>\$ 484,832</u>	<u>\$ 2,088,717</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, 2008

	<i>Schedule D-3</i>	<i>Schedule D-5</i>	<i>Schedule D-6</i>
	PCC Building Capital Project	Pitt Community College (Bowen Farm) Capital Project	2004 COPS Education Capital Project
Revenues:			
Investment earnings	\$ -	\$ -	\$ -
Restricted intergovernmental revenue	-	-	-
Miscellaneous	-	-	-
Total revenues	-	-	-
Expenditures:			
Capital outlay	-	-	229,067
Revenues over (under) expenditures	-	-	(229,067)
Other Financing Sources (Uses):			
Transfers in	-	900,000	-
Transfers out	-	-	(617)
Total other financing sources (uses)	-	900,000	(617)
Net change in fund balances	-	900,000	(229,684)
Fund Balances:			
Beginning of year - July 1	279,562	297,054	229,684
End of year - June 30	<u>\$ 279,562</u>	<u>\$ 1,197,054</u>	<u>\$ -</u>

Schedule D-2

<i>Schedule D-8</i> Community Schools and Recreation Capital Project	<i>Schedule D-9</i> ECTC Building Capital Project	<i>Schedule D-10</i> School Improvement Capital Project	Totals
\$ 9,500	\$ -	\$ -	\$ 9,500
645,285	-	-	645,285
5,500	-	-	5,500
<u>660,285</u>	<u>-</u>	<u>-</u>	<u>660,285</u>
927,644	6,246	1,583,039	2,745,996
(267,359)	(6,246)	(1,583,039)	(2,085,711)
100,000	-	1,680,000	2,680,000
-	-	-	(617)
<u>100,000</u>	<u>-</u>	<u>1,680,000</u>	<u>2,679,383</u>
(167,359)	(6,246)	96,961	593,672
250,202	(70,651)	216,741	1,202,592
<u>\$ 82,843</u>	<u>\$ (76,897)</u>	<u>\$ 313,702</u>	<u>\$ 1,796,264</u>

PITT COUNTY, NORTH CAROLINA

PITT COMMUNITY COLLEGE (PCC) BUILDING CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Revenues:				
Investment earnings	\$ 469,617	\$ 521,699	\$ -	\$ 521,699
Easement proceeds	31,383	31,205	-	31,205
Total revenues	501,000	552,904	-	552,904
Expenditures:				
Capital outlay:				
Bond issue costs	124,833	127,049	-	127,049
Modular units	44,978	44,978	-	44,978
Interest expense	166,454	166,454	-	166,454
Land	2,069,645	2,069,645	-	2,069,645
General construction	8,610,780	8,581,669	-	8,581,669
Total expenditures	11,016,690	10,989,795	-	10,989,795
Revenues over (under) expenditures	(10,515,690)	(10,436,891)	-	(10,436,891)
Other Financing Sources (Uses):				
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 balance	\$ -	\$ 279,562	\$ -	\$ 279,562

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 - MAJOR FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project	Actual		
	Authorization	Prior Years	Current Year	Total To Date
Revenues:				
Investment earnings	\$ -	\$ -	\$ 368,177	\$ 368,177
Local contribution	465,000	-	100,000	100,000
Sales tax refund	450,000	-	-	-
Total revenues	915,000	-	468,177	468,177
Expenditures:				
Capital outlay:				
General construction	19,085,000	1,350,835	10,394,571	11,745,406
Professional fees	2,000,000	1,326,856	233,757	1,560,613
Debt issuance costs	500,000	-	418,365	418,365
Total expenditures	21,585,000	2,677,691	11,046,693	13,724,384
Revenues over (under) expenditures	(20,670,000)	(2,677,691)	(10,578,516)	(13,256,207)
Other Financing Sources (Uses):				
Debt obligation issued	20,885,000	-	19,855,000	19,855,000
Premium received from issuance of debt	-	-	381,491	381,491
Transfers out	(415,000)	-	(375,000)	(375,000)
Transfers in	200,000	200,000	-	200,000
Total other financing sources (uses)	20,670,000	200,000	19,861,491	20,061,491
Net change in fund balance	\$ -	\$ (2,477,691)	\$ 9,282,975	\$ 6,805,284

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 - BOWEN FARM
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
Expenditures:				
Capital outlay:				
General construction	\$ 5,062,391	\$ 3,865,338	\$ -	\$ 3,865,338
Total expenditures	<u>5,062,391</u>	<u>3,865,338</u>	<u>-</u>	<u>3,865,338</u>
Other Financing Sources (Uses):				
Transfers in	5,062,391	4,162,392	900,000	5,062,392
Total other financing sources (uses)	<u>5,062,391</u>	<u>4,162,392</u>	<u>900,000</u>	<u>5,062,392</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 297,054</u>	<u>\$ 900,000</u>	<u>\$ 1,197,054</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 BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Revenues:				
Sales tax refund	\$ -	\$ 763,291	\$ -	\$ 763,291
Restricted intergovernmental	3,675,643	2,026,694	-	2,026,694
Investment income	-	242,328	-	242,328
Total revenues	3,675,643	3,032,313	-	3,032,313
Expenditures:				
Capital outlay:				
Computer equipment	771,696	-	229,067	229,067
Gymnasium upgrades	-	696,010	-	696,010
Auditorium renovation	-	1,679,044	-	1,679,044
Athletic upgrades	-	1,487,385	-	1,487,385
Maintenance	-	3,000	-	3,000
Chicod Elementary	43,041,072	3,038,707	-	3,038,707
Creekside Elementary	-	8,576,531	-	8,576,531
Hope Middle School	-	13,749,427	-	13,749,427
Wintergreen Intermediate School	-	3,093,458	-	3,093,458
DH Conley	-	3,345,173	-	3,345,173
Science labs	-	36,931	-	36,931
Total expenditures	43,812,768	35,705,666	229,067	35,934,733
Revenues over (under) expenditures	(40,137,125)	(32,673,353)	(229,067)	(32,902,420)
Other Financing Sources (Uses):				
Debt obligation issued	49,460,000	49,460,000	-	49,460,000
Retirement of bridge loan - land purchase	-	(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)
Issuance fees	(1,030,265)	(784,540)	-	(784,540)
Premium received from issuance of debt	1,404,595	327,172	-	327,172
Transfers in (out)	3,337,344	2,865,000	(617)	2,864,383
Total other financing sources (uses)	53,171,674	32,903,037	(617)	32,902,420
Net change in fund balance	\$ 13,034,549	\$ 229,684	\$ (229,684)	\$ -

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. Project was closed in 2008.

PITT COUNTY, NORTH CAROLINA

2007 COPS EDUCATION PROJECTS CAPITAL PROJECT - MAJOR FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Revenues:				
Sales tax refund	\$ -	\$ -	\$ 96,813	\$ 96,813
Investment income	-	270,255	783,932	1,054,187
Total revenues	-	270,255	880,745	1,151,000
Expenditures:				
Capital outlay:				
Ayden Elementary	4,080,000	460,997	3,527,511	3,988,508
Ridgewood Elementary	15,425,000	2,994,497	11,963,157	14,957,654
North Pitt	4,230,000	521,959	3,470,878	3,992,837
Farmville Middle School	1,955,000	944,031	822,113	1,766,144
JH Rose	3,331,000	1,427,374	1,601,358	3,028,732
Computer equipment	350,000	-	347,160	347,160
Issuance fees	955,000	910,578	-	910,578
Total expenditures	30,326,000	7,259,436	21,732,177	28,991,613
Revenues over (under) expenditures	(30,326,000)	(6,989,181)	(20,851,432)	(27,840,613)
Other Financing Sources (Uses):				
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	(1,177,241)	-	-	-
Total other financing sources (uses)	30,326,000	30,981,748	-	30,981,748
Net change in fund balance	\$ -	\$ 23,992,567	\$ (20,851,432)	\$ 3,141,135

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 BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
Revenues:				
Restricted intergovernmental	\$ 850,000	\$ 56,977	\$ 645,285	\$ 702,262
Investment earnings	-	-	9,500	9,500
Miscellaneous revenue	211,000	175,045	5,500	180,545
Total revenues	<u>1,061,000</u>	<u>232,022</u>	<u>660,285</u>	<u>892,307</u>
Expenditures:				
Capital outlay:				
General construction	1,250,000	1,213,062	-	1,213,062
Site development	610,324	3,233	407,090	410,323
Athletic fields and recreation area	480,000	-	489,605	489,605
Professional fees	91,032	65,525	30,949	96,474
Total expenditures	<u>2,431,356</u>	<u>1,281,820</u>	<u>927,644</u>	<u>2,209,464</u>
Revenues over (under) expenditures	<u>(1,370,356)</u>	<u>(1,049,798)</u>	<u>(267,359)</u>	<u>(1,317,157)</u>
Other Financing Sources (Uses):				
Transfers in	1,400,000	1,300,000	100,000	1,400,000
Contingency	(29,644)	-	-	-
Total other financing sources (uses)	<u>1,370,356</u>	<u>1,300,000</u>	<u>100,000</u>	<u>1,400,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 250,202</u>	<u>\$ (167,359)</u>	<u>\$ 82,843</u>

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 BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Revenues:				
Sales tax refund	\$ -	\$ 9,053	\$ -	\$ 9,053
Investment earnings	20,449	20,854	-	20,854
Miscellaneous revenue	95,743	28,000	-	28,000
State share revenue	-	1,465	-	1,465
Other intergovernmental revenues	-	451,599	-	451,599
Federal and other grants	400,000	800,000	-	800,000
Total revenues	516,192	1,310,971	-	1,310,971
Expenditures:				
Capital outlay:				
General construction	2,091,014	2,056,232	6,246	2,062,478
Revenues over (under) expenditures	(1,574,822)	(745,261)	(6,246)	(751,507)
Other Financing Sources (Uses):				
Debt obligation issued	384,278	375,000	-	375,000
Transfers in	1,190,544	299,610	-	299,610
Total other financing sources (out)	1,574,822	674,610	-	674,610
Net change in fund balance	\$ -	\$ (70,651)	\$ (6,246)	\$ (76,897)

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

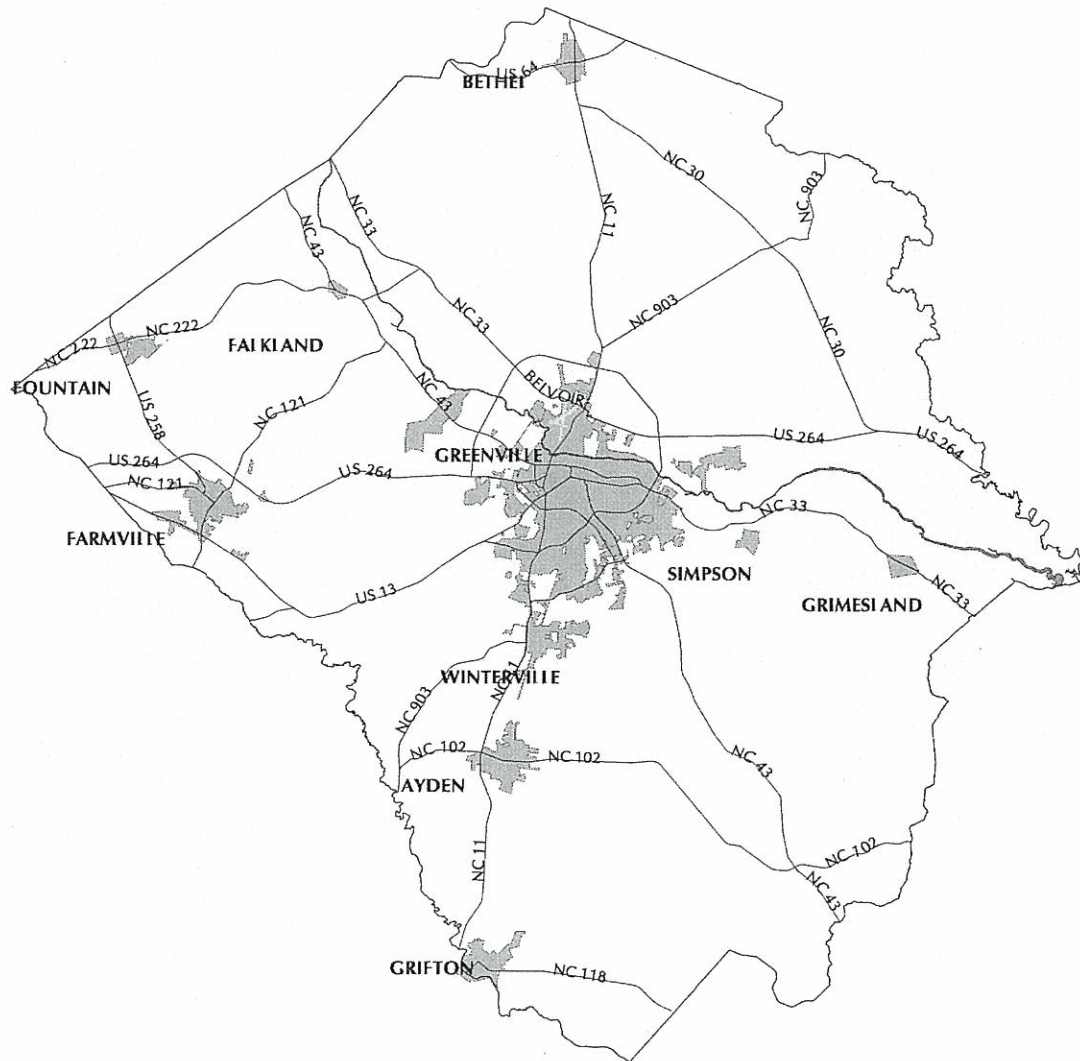
SCHOOL IMPROVEMENT CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Capital outlay:			
Transportation upgrades	\$ 385,000	\$ 381,166	\$ 3,834
Gymnasium upgrades	53,000	28,336	24,664
General construction	400,774	228,681	172,093
Plumbing	250,000	244,630	5,370
Electrical	167,000	158,445	8,555
Roofing	615,966	541,781	74,185
Towers, tanks, and wells	25,000	-	25,000
	<u>1,896,740</u>	<u>1,583,039</u>	<u>313,701</u>
Total expenditures			
	<u>1,896,740</u>	<u>1,583,039</u>	<u>313,701</u>
Other Financing Sources (Uses):			
Transfers in	1,680,000	1,680,000	-
Fund balance appropriated	216,740	-	(216,740)
Total other financing sources (out)	<u>1,896,740</u>	<u>1,680,000</u>	<u>(216,740)</u>
Net change in fund balance	<u>\$ -</u>	96,961	<u>\$ 96,961</u>
Fund Balance:			
Beginning of year - July 1		<u>216,741</u>	
End of year - June 30		<u>\$ 313,702</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.

Pitt County, North Carolina

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PROPRIETARY FUNDS

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

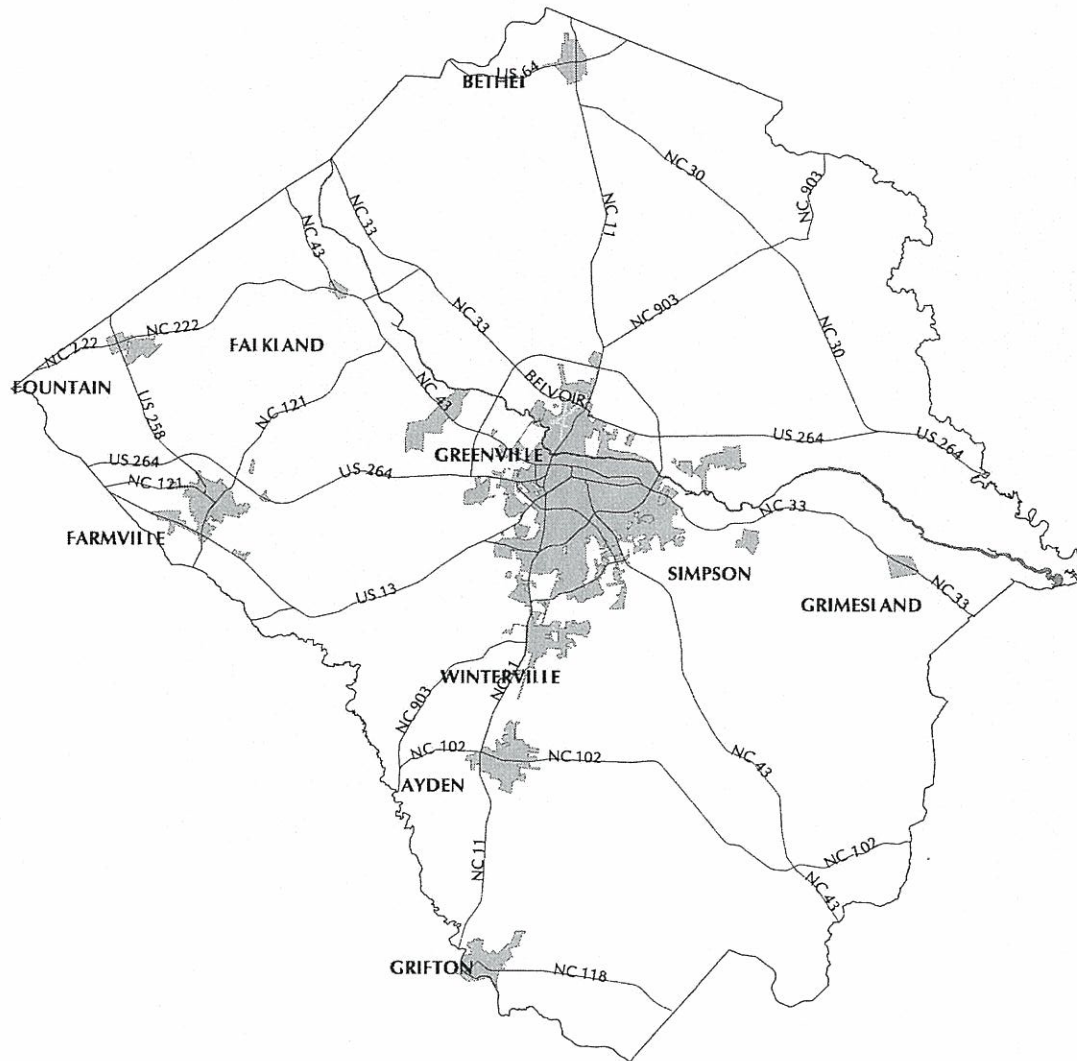
The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles used here are those applicable to similar businesses in the private sector.

ENTERPRISE FUND

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

Pitt County, North Carolina

Pitt County, North Carolina



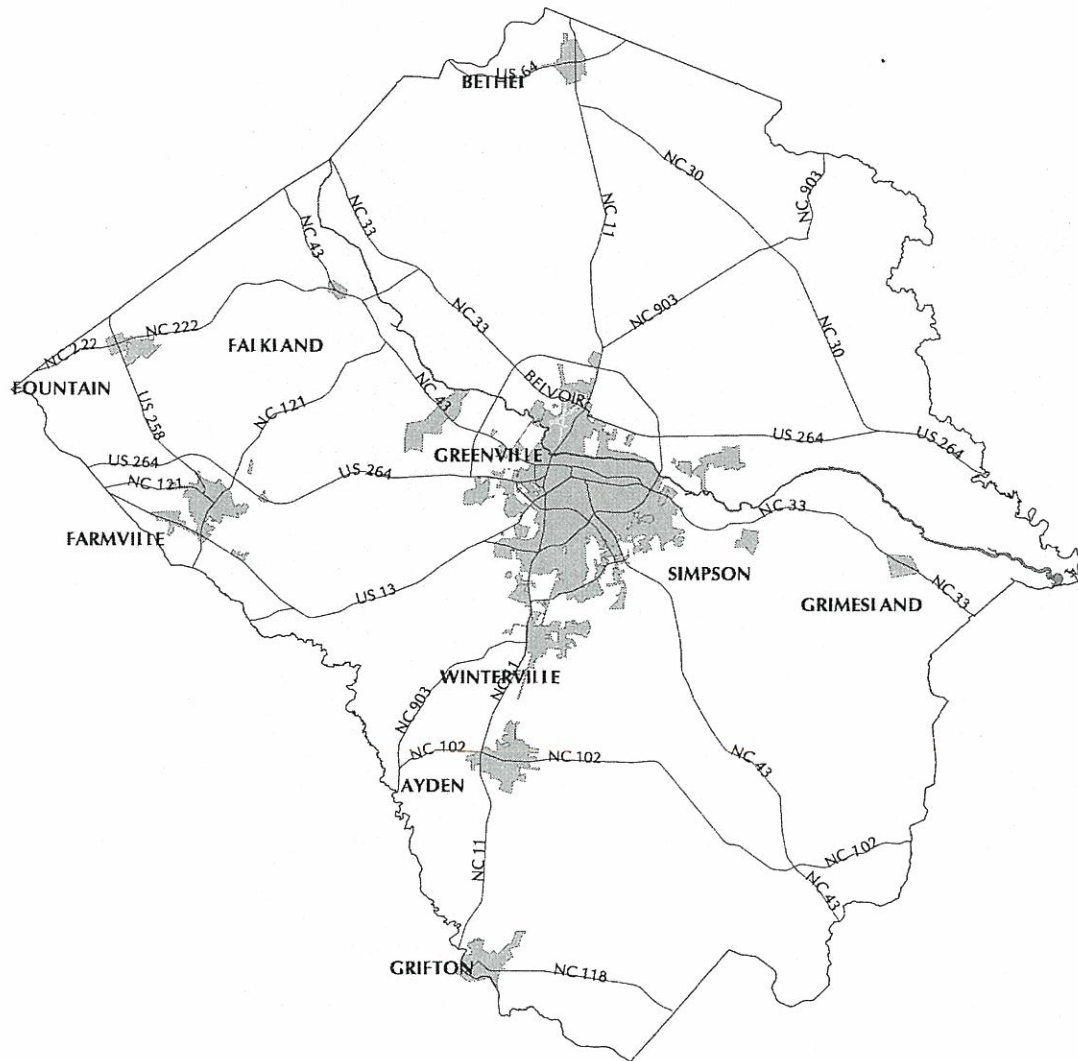
PITT COUNTY, NORTH CAROLINA

ENTERPRISE FUND - SOLID WASTE
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
User charges	\$ 7,122,153	\$ 7,171,515	\$ 49,362	\$ 7,441,760
Investment earnings	50,000	28,499	(21,501)	400
Other	435,945	679,587	243,642	475,033
Total revenues	<u>7,608,098</u>	<u>7,879,601</u>	<u>271,503</u>	<u>7,917,193</u>
Expenditures:				
Salaries and employee benefits	989,348	919,690	-	847,488
Supplies and materials	414,350	444,290	-	357,534
Contract labor and other services	1,172,000	1,498,833	-	1,083,196
Contracted services - waste disposal	4,540,000	4,541,375	-	4,276,784
Hurricane clean up	-	159,573	-	-
Capital outlay	250,000	67,992	-	277,744
Principal repayment on long-term debt	200,000	200,000	-	200,000
Interest expense	42,400	42,400	-	52,900
Total expenditures	<u>7,608,098</u>	<u>7,874,153</u>	<u>(266,055)</u>	<u>7,095,646</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 5,448</u>	<u>\$ 5,448</u>	<u>\$ 821,547</u>
Reconciliation from Modified Accrual Basis to Full Accrual Basis:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 5,448		\$ 821,547
Reconciling items:				
Capital outlay items capitalized		67,992		277,744
Gain (loss) from sale of capital assets		-		(5,369)
Depreciation		(168,024)		(156,589)
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>
Change in net assets		<u>\$ 165,416</u>		<u>\$ 1,197,333</u>

Pitt County, North Carolina

Pitt County, North Carolina

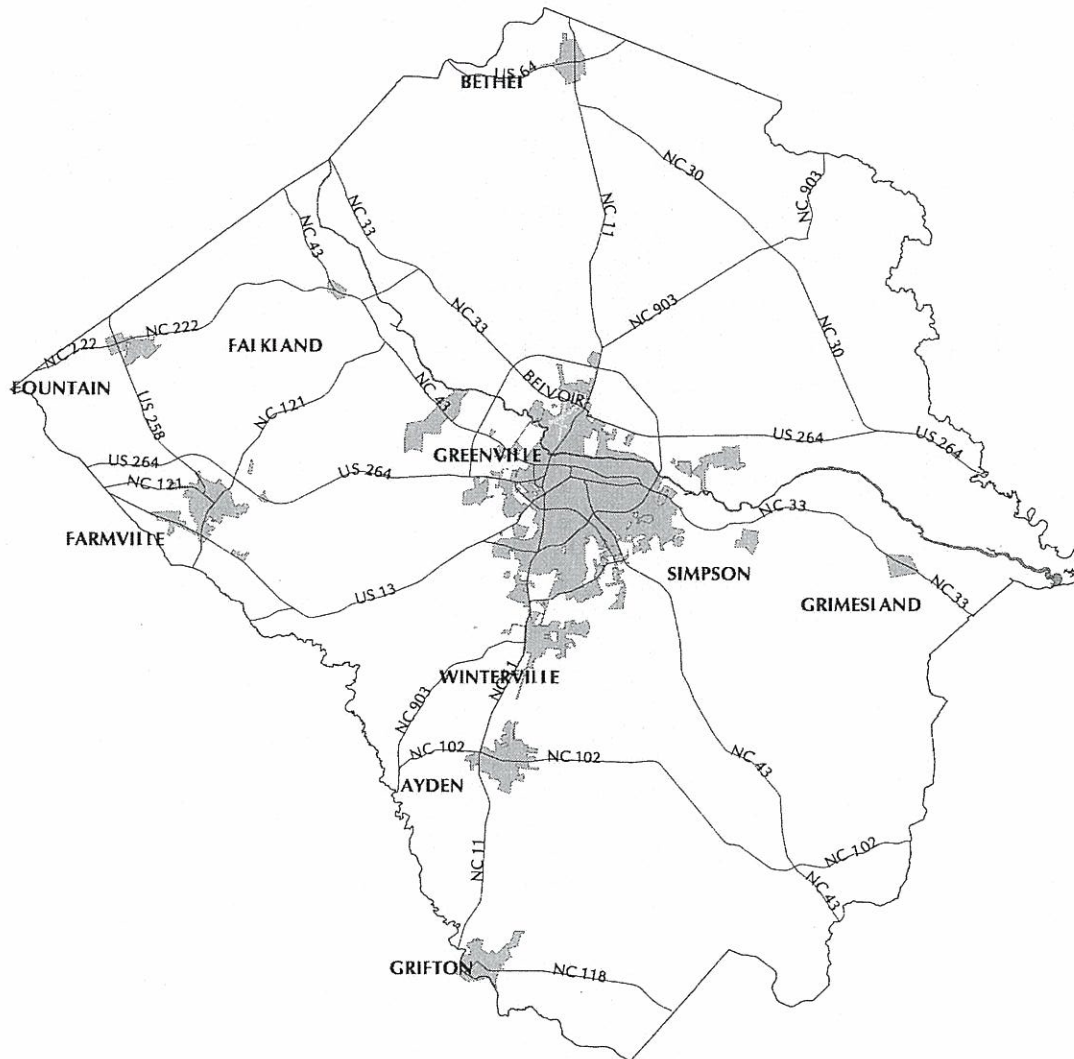


INTERNAL SERVICE FUNDS

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

Pitt County, North Carolina

Pitt County, North Carolina



PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS
JUNE 30, 2008

	<u>County Garage Fund</u>	<u>Employee Medical Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Totals</u>
Assets:				
Current assets:				
Cash, cash equivalents and investments	\$ 134,639	\$ 1,126,071	\$ 494,745	\$ 1,755,455
Accounts receivable	2,768	-	-	2,768
Inventories	<u>2,511</u>	<u>-</u>	<u>-</u>	<u>2,511</u>
Total current assets	<u>139,918</u>	<u>1,126,071</u>	<u>494,745</u>	<u>1,760,734</u>
 Total assets	 <u>\$ 139,918</u>	 <u>\$ 1,126,071</u>	 <u>\$ 494,745</u>	 <u>\$ 1,760,734</u>
 Liabilities and Fund Equity:				
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	<u>\$ 84,290</u>	<u>\$ 615,000</u>	<u>\$ 5,250</u>	<u>\$ 704,540</u>
 Fund Equity:				
Net assets	<u>55,628</u>	<u>511,071</u>	<u>489,495</u>	<u>1,056,194</u>
Total fund equity	<u>\$ 55,628</u>	<u>\$ 511,071</u>	<u>\$ 489,495</u>	<u>\$ 1,056,194</u>

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
Operating Revenues:				
User charges	\$ 749,494	\$ 710,392	\$ (87,371)	\$ 1,372,515
Interfund services charges	-	6,079,935	515,000	6,594,935
Total operating revenues	<u>749,494</u>	<u>6,790,327</u>	<u>427,629</u>	<u>7,967,450</u>
Operating Expenses:				
Salaries and employee benefits	29,879	-	-	29,879
Equipment maintenance	703,648	-	-	703,648
Medical claims costs	-	6,804,455	-	6,804,455
Claims reimbursement	-	-	207,950	207,950
Total operating expenses	<u>733,527</u>	<u>6,804,455</u>	<u>207,950</u>	<u>7,745,932</u>
Operating income (loss)	<u>15,967</u>	<u>(14,128)</u>	<u>219,679</u>	<u>221,518</u>
Nonoperating Revenues:				
Investment earnings	-	12,111	9,502	21,613
Change in net assets	15,967	(2,017)	229,181	243,131
Net Assets:				
Beginning of year - July 1	<u>39,661</u>	<u>513,088</u>	<u>260,314</u>	<u>813,063</u>
End of year - June 30	<u>\$ 55,628</u>	<u>\$ 511,071</u>	<u>\$ 489,495</u>	<u>\$ 1,056,194</u>

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	County Garage Fund	Employee Medical Insurance Fund	Workers' Compensation Fund	Totals
Cash Flows from Operating Activities:				
Cash received from customers	\$ 753,121	\$ 710,392	\$ (87,371)	\$ 1,376,142
Cash received from interfund services	-	6,079,935	515,000	6,594,935
Cash paid to suppliers	(623,798)	(6,863,800)	(202,614)	(7,690,212)
Cash paid to employees	(133,635)	-	-	(133,635)
Net cash provided (used) by operating activities	(4,312)	(73,473)	225,015	147,230
Cash Flows from Investing Activities:				
Investment earnings	-	12,111	9,502	21,613
Net increase (decrease) in cash and cash equivalents	(4,312)	(61,362)	234,517	168,843
Cash and Cash Equivalents:				
Beginning of year - July 1	138,951	1,187,433	260,228	1,586,612
End of year - June 30	<u>\$ 134,639</u>	<u>\$ 1,126,071</u>	<u>\$ 494,745</u>	<u>\$ 1,755,455</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income (loss)	\$ 15,967	\$ (14,128)	\$ 219,679	\$ 221,518
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	3,627	-	-	3,627
(Increase) decrease in prepaids	-	-	127	127
Increase (decrease) in accounts payable and accrued expenses	(23,906)	(59,345)	5,209	(78,042)
Net cash provided (used) by operating activities	<u>\$ (4,312)</u>	<u>\$ (73,473)</u>	<u>\$ 225,015</u>	<u>\$ 147,230</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, 2008

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
User charges	\$ 667,792	\$ 749,494	\$ 81,702
Total operating revenues	<u>667,792</u>	<u>749,494</u>	<u>81,702</u>
Operating Expenses:			
Salaries and employee benefits	29,692	29,879	(187)
Equipment maintenance	<u>638,100</u>	<u>703,648</u>	<u>(65,548)</u>
Total operating expenses	<u>667,792</u>	<u>733,527</u>	<u>(65,735)</u>
Change in net assets	<u>\$ -</u>	<u>\$ 15,967</u>	<u>\$ 15,967</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, 2008

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
User charges	\$ 476,000	\$ 710,392	\$ -
Interfund services charges	6,391,045	6,079,935	-
Total operating revenues	<u>6,867,045</u>	<u>6,790,327</u>	<u>(76,718)</u>
Operating Expenses:			
Medical claims costs	<u>6,607,045</u>	<u>6,804,455</u>	<u>(197,410)</u>
Operating income (loss)	<u>260,000</u>	<u>(14,128)</u>	<u>(274,128)</u>
Nonoperating Revenues:			
Investment earnings	<u>-</u>	<u>12,111</u>	<u>12,111</u>
Other Financing Sources (Uses):			
Contingency	<u>(260,000)</u>	<u>-</u>	<u>260,000</u>
Change in net assets	<u>\$ -</u>	<u>\$ (2,017)</u>	<u>\$ (2,017)</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, 2008

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
User charges	\$ -	\$ (87,371)	\$ -
Interfund services charges	<u>515,000</u>	<u>515,000</u>	<u>-</u>
Total operating revenues	<u>515,000</u>	<u>427,629</u>	<u>(87,371)</u>
Operating Expenses:			
Claims reimbursement	<u>515,000</u>	<u>207,950</u>	<u>307,050</u>
Operating income (loss)	<u>-</u>	<u>219,679</u>	<u>219,679</u>
Nonoperating Revenues:			
Investment earnings	<u>-</u>	<u>9,502</u>	<u>9,502</u>
Change in net assets	<u>\$ -</u>	<u>\$ 229,181</u>	<u>\$ 229,181</u>

TRUST AND AGENCY FUNDS

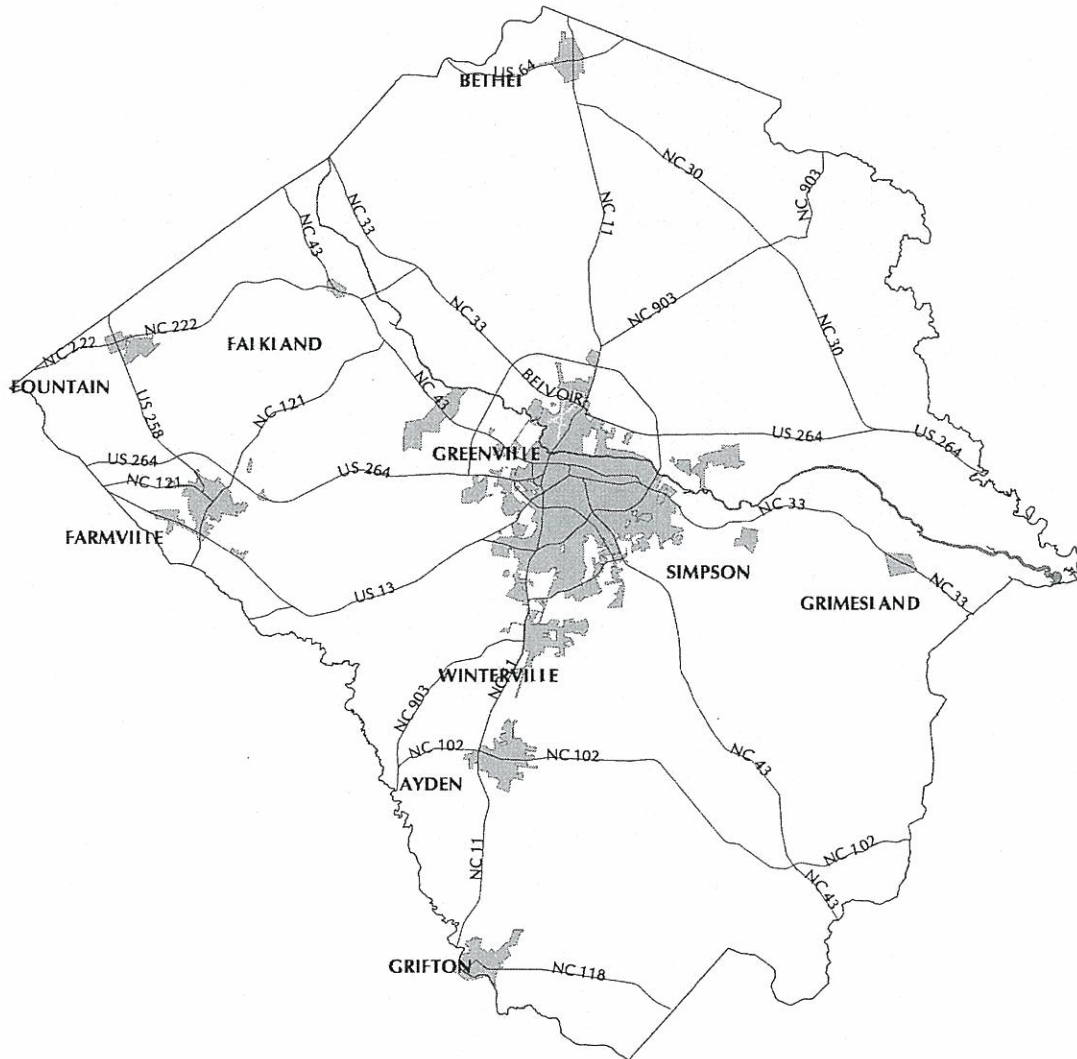
Trust and Agency Funds serve primarily as clearing mechanisms for cash resources which are collected by a governmental unit, held as such for a brief period, and then distributed to authorized recipients.

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.
- **3%Interest Payable to the State** – This fund accounts for collections that are remitted to the State to fund the new state-wide vehicle tax collection system.
- **Flexible Benefit Plan Fund** – This fund accounts for assets held for the County's flexible benefit plan provided for employees.

Pitt County, North Carolina

Pitt County, North Carolina



PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS
JUNE 30, 2008

	<u>Social Services, Sheriff, and Mental Health Agency Funds</u>	<u>Tax Collections Held for Municipalities Agency Fund</u>	<u>3% Interest Payable to State</u>	<u>Flexible Benefit Plan Agency Fund</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 242,576	\$ 134,287	\$ 8,820	\$ 15,053	\$ 400,736
Liabilities:					
Deposits held in custody for others	\$ 242,576	\$ 134,287	\$ 8,820	\$ -	\$ 385,683
Deferred compensation benefits payable	-	-	-	15,053	15,053
Total liabilities	\$ 242,576	\$ 134,287	\$ 8,820	\$ 15,053	\$ 400,736

PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 TRUST AND AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Social Services, Sheriff, and Mental Health Agency Funds</u>	<u>Tax Collections Held for Municipalities Agency Fund</u>	<u>3% Interest Payable to State</u>	<u>Flexible Benefit Plan Agency Fund</u>	<u>Total</u>
Assets, beginning of year	\$ 298,521	\$ 170,811	\$ 8,713	\$ 16,462	\$ 494,507
Additions	1,612,478	27,075,101	118,338	170,698	28,976,615
Deductions	<u>(1,668,423)</u>	<u>(27,111,625)</u>	<u>(118,231)</u>	<u>(172,107)</u>	<u>(29,070,386)</u>
Assets, end of year	<u>\$ 242,576</u>	<u>\$ 134,287</u>	<u>\$ 8,820</u>	<u>\$ 15,053</u>	<u>\$ 400,736</u>

III. STATISTICAL SECTION

The Statistical Section includes unaudited schedules showing relevant information on Pitt County presented in the following five categories:

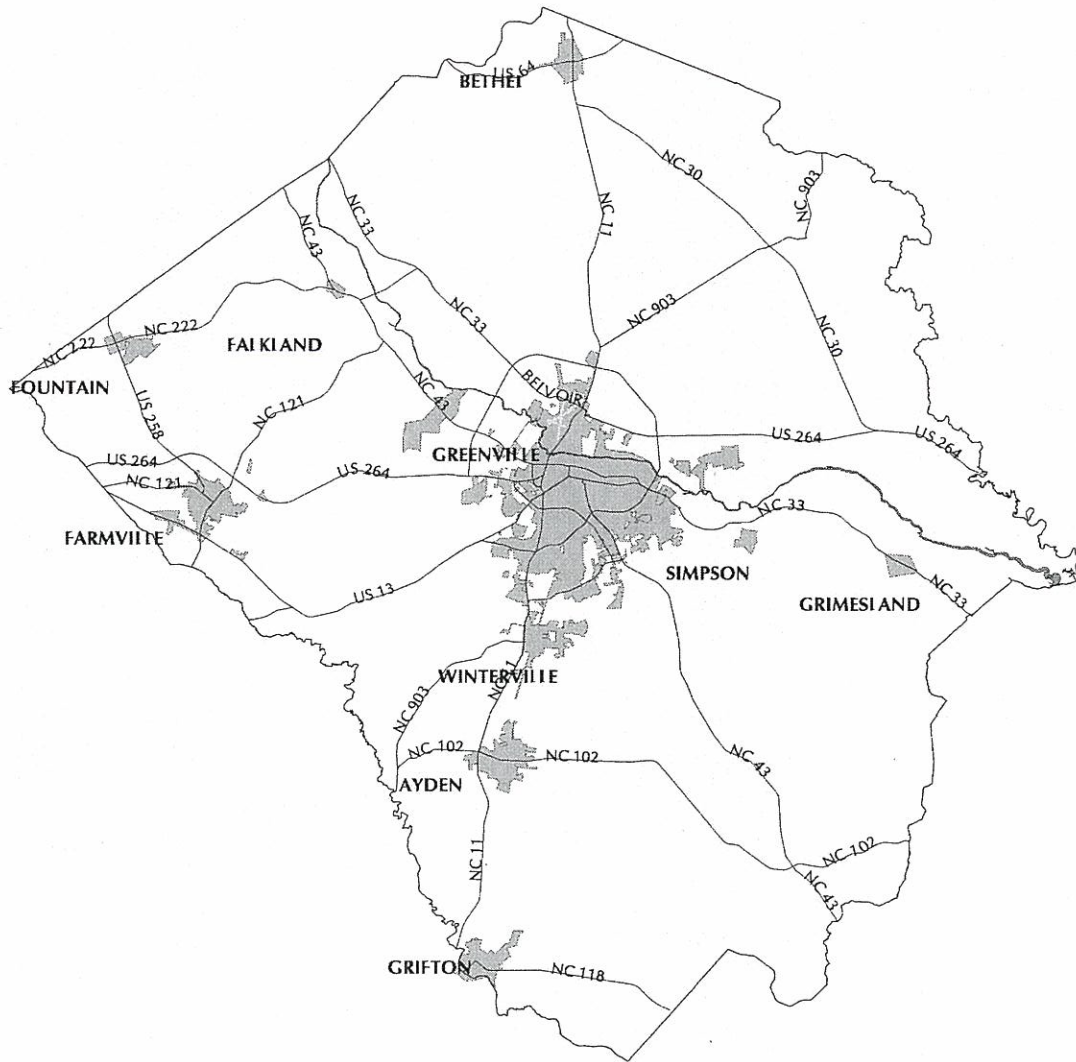
- Financial Trend Data – Tables 1-4
These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.
- Revenue Capacity Data – Tables 5-8
These tables contain information to help the reader assess the government's most significant local revenue source – the property tax.
- Debt Capacity Data – Tables 9-12
These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.
- Demographic and Economic Information – Tables 13-14
These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.
- Operating Information – Tables 15-17
These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Where possible and relevant, ten years of data is included as extracted from current and prior years' financial reports and other supplemental information relevant to 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.

Pitt County, North Carolina

Pitt County, North Carolina



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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	\$ 16,198,658	\$ 19,624,295	\$ 17,058,305	\$ 9,656,803	\$ 9,052,628	\$ 7,199,732
Restricted	462,677	668,584	470,026	678,647	717,353	305,412
Unrestricted	42,005,679	34,792,725	40,825,049	37,971,412	30,517,987	27,804,589
Total governmental activities net assets	\$ 58,667,014	\$ 55,085,604	\$ 58,353,380	\$ 48,306,862	\$ 40,287,968	\$ 35,309,733
Business-type activities						
Invested in capital assets, net of related debt	\$ 1,264,879	\$ 1,469,683	\$ 1,723,354	\$ 1,818,984	\$ 2,070,609	\$ 2,170,579
Unrestricted	(1,143,357)	(1,259,552)	(1,898,732)	(1,634,988)	(689,280)	(623,834)
Total business-type activities	\$ 121,522	\$ 210,131	\$ (175,378)	\$ 183,996	\$ 1,381,329	\$ 1,546,745
Primary government						
Invested in capital assets, net of related debt	\$ 17,463,537	\$ 21,093,978	\$ 18,781,659	\$ 11,475,787	\$ 11,123,237	\$ 9,370,311
Restricted	462,677	668,584	470,026	678,647	717,353	305,412
Unrestricted	40,862,322	33,533,173	38,926,317	36,336,424	29,828,707	27,180,755
Total primary government net assets	\$ 58,788,536	\$ 55,295,735	\$ 58,178,002	\$ 48,490,858	\$ 41,669,297	\$ 36,856,478

Table 2

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Expenses										
Governmental activities:										
General government	\$ 9,066,611	\$ 9,906,139	\$ 9,931,234	\$ 10,140,976	\$ 13,430,499	\$ 12,562,758	\$ 13,501,699	\$ 16,037,941	\$ 15,101,864	\$ 18,117,235
Public safety	12,317,338	14,049,862	16,760,458	17,019,635	20,023,173	22,512,817	23,580,577	25,212,358	27,464,405	30,147,280
Social services										
Economic & physical development	942,552	2,077,215	1,213,109	1,127,975	4,341,765	4,174,365	4,335,915	3,274,182	5,156,590	4,924,122
Environmental protection	191,954	209,768	216,951	225,021	446,545	213,262	208,524	4,469	245,464	248,179
Human Services	39,613,163	46,517,083	54,896,386	56,812,353	51,569,224	54,915,560	58,880,092	67,135,085	54,707,785	48,987,705
Cultural and recreation	512,205	546,864	580,000	583,205	589,259	491,838	505,161	457,682	583,843	645,517
Education	20,199,187	21,955,801	24,530,732	25,981,099	30,462,631	33,489,829	36,679,407	37,016,790	48,738,593	47,639,044
Debt Service	7,556,462	8,732,898	8,510,711	9,751,237	4,628,278	4,205,707	4,556,482	4,976,804	-	-
Capital Outlay	16,022,702	10,784,545	31,439,197	21,377,256	-	-	-	-	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	5,703,750	6,931,700
Total governmental activities	<u>\$ 106,422,174</u>	<u>\$ 114,780,175</u>	<u>\$ 148,078,778</u>	<u>\$ 143,018,757</u>	<u>\$ 125,491,374</u>	<u>\$ 132,566,136</u>	<u>\$ 142,247,857</u>	<u>\$ 154,115,311</u>	<u>\$ 157,702,294</u>	<u>\$ 157,640,782</u>
Business-type activities:										
Solid Waste	-	-	-	-	6,979,190	6,381,866	7,072,121	6,917,906	6,719,860	7,714,185
Total primary government expenses	<u>\$ 106,422,174</u>	<u>\$ 114,780,175</u>	<u>\$ 148,078,778</u>	<u>\$ 143,018,757</u>	<u>\$ 132,470,564</u>	<u>\$ 138,948,002</u>	<u>\$ 149,319,978</u>	<u>\$ 161,033,217</u>	<u>\$ 164,422,154</u>	<u>\$ 165,354,967</u>
Program Revenues										
Governmental activities										
Charges for services:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General government	-	-	-	-	7,919,703	6,715,636	4,590,236	4,185,463	3,889,222	4,140,725
Public safety	-	-	-	-	3,802,017	4,552,552	7,603,330	7,291,508	8,752,760	8,484,120
Social services	-	-	-	-	-	-	-	-	-	-
Economic & physical development	-	-	265,000	-	-	14,064	2,635	3,015	3,245	3,825
Environmental protection	-	-	-	-	-	-	137,937	243,384	265,127	192,034
Human Services	-	-	37,938,931	-	-	38,900,115	5,177,386	5,127,900	3,134,045	5,661,649
Cultural and recreation	-	-	-	-	-	-	-	8,945	34,717	23,003
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	-	-	14,297	-	-	255,485	-	-	-	-
Public safety	-	-	-	-	-	37,736	32,200	25,800	25,800	283,037
Social services	-	-	-	-	-	-	-	-	-	-
Economic & physical development	-	-	3,139,347	-	-	1,935,588	2,621,715	263,177	293,962	788,756
Environmental protection	-	-	-	-	-	-	73,156	91,610	98,086	227,341
Human Services	-	-	-	-	-	-	35,944,964	42,757,967	30,318,848	19,540,492
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	1,130,018	-	789,760
Capital grants and contributions:										
Public safety	-	-	9,391	-	-	-	64,074	57,358	111,854	98,719
Economic & physical development	-	-	-	-	-	-	-	-	2,920,434	1,672,867

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Education										
Cultural and recreation										
Social services					606,763	2,709,408	331,781	1,273,940	1,462,000	1,821,032
Total governmental activities program re	0	0	0	-	53,695,449	55,120,584	56,579,414	62,460,085	51,347,624	43,727,360
Business-type activities:										
Charge for services - Solid Waste					6,270,374	6,275,664	6,686,238	7,277,190	7,916,793	7,851,102
Capital grants and contributions - Solid Waste					742,205	194,705	-	-	-	-
Total business-type activities program re	0	0	0	-	7,012,579	6,470,369	6,686,238	7,277,190	7,916,793	7,851,102
Total primary government program re \$	0	0	0	-	60,708,028	61,590,953	63,265,652	69,737,275	59,264,417	51,578,462
Net (Expense)/Revenue										
Governmental activities	\$ (106,422,174)	\$ (114,780,175)	\$ (148,078,778)	\$ (143,018,757)	\$ (71,795,925)	\$ (77,445,552)	\$ (85,668,443)	\$ (91,655,226)	\$ (106,354,670)	\$ (113,913,422)
Business-type activities	0	0	0	-	(61,511)	88,503	(385,883)	359,284	1,196,933	136,917
Total primary government net (expense)	\$ (106,422,174)	\$ (114,780,175)	\$ (148,078,778)	\$ (143,018,757)	\$ (71,857,436)	\$ (77,357,049)	\$ (86,054,326)	\$ (91,295,942)	\$ (105,157,737)	\$ (113,776,505)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	\$ 40,084,742	\$ 39,861,339	\$ 41,642,098	\$ 42,801,929	\$ 46,507,395	\$ 49,795,001	\$ 60,786,461	\$ 64,079,131	\$ 65,841,771	\$ 70,155,690
Local option sales tax	1,270,597	1,696,677	1,829,819	1,992,472	20,288,367	23,262,295	26,639,641	26,425,763	28,162,325	29,660,569
Payment in lieu of taxes and other tax	26,644,632	46,264,801	50,512,687	45,751,672	-	-	-	1,614,982	1,683,750	1,752,849
Interest earned on investments	3,083,910	3,895,184	4,629,751	5,638,779	763,470	806,846	1,510,066	2,054,907	2,647,891	3,164,210
Loss on disposal of capital assets					(51,092)	-	-	(12,566,106)	-	-
Total governmental activities:	71,083,881	91,718,001	98,614,355	96,184,852	67,508,140	73,864,142	88,936,168	81,608,677	98,335,737	104,733,318
Business-type activities:										
Investment earnings					-	-	-	-	-	28,499
Miscellaneous					309	106	371	90	-	-
Transfers									400	
Total business-type activities	0	0	0	-	309	106	371	90	400	28,499
Total primary government	\$ 71,083,881	\$ 91,718,001	\$ 98,614,355	\$ 96,184,852	\$ 67,817,249	\$ 73,970,248	\$ 89,302,339	\$ 81,698,767	\$ 98,735,737	\$ 104,761,817
Change in Net Assets										
Governmental activities	\$ (35,338,293)	\$ (23,062,174)	\$ (49,464,423)	\$ (46,833,905)	\$ (4,287,785)	\$ (3,581,410)	\$ 3,267,725	\$ (10,046,549)	\$ (8,018,933)	\$ (9,180,104)
Business-type activities	0	0	0	-	(61,202)	88,609	(385,512)	359,374	1,197,333	165,416
Total primary government	\$ (35,338,293)	\$ (23,062,174)	\$ (49,464,423)	\$ (46,833,905)	\$ (4,348,987)	\$ (3,492,801)	\$ 2,882,213	\$ (9,687,175)	\$ (6,821,600)	\$ (9,014,688)

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved for:										
State statute	\$ 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	\$ 7,276,450
Prepaid items	280,282	288,883	265,083	180,478	68,904	72,871	75,128	189,070	169,571	125,818
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	200,598
For Mental Health	-	-	-	-	-	-	-	-	2,271,269	450,000
Future law enforcement expenditures	-	-	-	-	-	-	-	-	-	291,941
Total reserved	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	8,344,807
Unreserved										
Designated for subsequent year's expenditures	2,731,878	4,047,261	6,686,285	9,078,614	10,793,300	4,668,853	5,800,011	4,968,202	7,038,044	5,486,442
Designated for Potential TSR Refund (MH)	-	-	870,000	615,000	850,000	-	-	-	-	-
Undesignated	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	17,387,066
Total General Fund	\$ 37,476,176	\$ 44,625,858	\$ 51,474,044	\$ 48,007,392	\$ 42,049,458	\$ 33,123,490	\$ 33,292,105	\$ 33,615,385	\$ 35,366,045	\$ 31,218,315
All Other Governmental Funds										
Reserved for:										
State statute	\$ -	\$ -	\$ -	\$ 25,720	\$ 1,636,585	\$ 824,916	\$ 582,561	\$ 1,211,152	\$ 1,465,594	\$ 2,520,470
Prepaid items	-	-	-	-	31,955	31,485	46,538	31,228	23,760	106,705
Wireless 911 Operations	-	-	-	187,929	311,246	414,230	314,988	445,061	526,429	-
Winterville Rural Fire Dept	-	-	-	-	-	-	-	24,204	73,973	104,814
Debt service	-	-	-	-	-	-	-	-	-	-
Total reserved	-	-	-	213,649	1,979,786	1,270,631	944,097	1,711,645	2,089,756	2,731,989
Unreserved										
Undesignated/(deficit)										
Special revenue Funds	-	-	-	3,585,806	821,069	-	-	24,958	251,477	1,312,430
Debt Service Fund	-	-	-	12,100	27,658	24,227	64,521	83,212	42,022	(8,068)
Capital Project Funds	-	-	-	6,915,540	3,641,422	14,427,087	4,814,295	1,567,175	-	1,746,264
Room occupancy tax trust fund	-	-	-	-	-	-	-	-	-	-
All other special revenue funds	-	-	-	-	-	-	-	-	-	-
Designated for capital projects	-	-	-	-	-	-	-	-	22,495,815	9,749,419
Total all other governmental funds	\$ 0	\$ 0	\$ 0	\$ 10,727,095	\$ 6,469,935	\$ 15,721,945	\$ 5,822,913	\$ 3,386,990	\$ 24,879,070	\$ 15,532,034

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

Table 4

	FISCAL YEARS									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes:										
Property	\$ 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	\$ 67,597,323
Sales	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	5,599,793
Other	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	24,804,551
Total taxes	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	98,001,667
Intergovernmental	27,771,084	41,430,597	42,791,857	45,751,672	42,666,245	44,968,727	44,845,599	50,615,252	41,059,040	26,424,551
Charges for Services	1,270,597	1,696,677	1,829,819	1,992,472	2,382,936	2,623,753	2,755,928	3,001,754	2,966,388	2,701,522
Interest	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	1,952,192
Miscellaneous	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	657,601
Total Revenues	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	129,737,533
Expenditures										
General Government	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	14,224,253
Public Safety	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	23,384,276
Environmental Protection	486,424	209,768	216,951	225,021	418,229	213,262	211,435	219,636	246,652	231,415
Economic Development	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	1,703,686
Human Services	41,367,578	53,801,833	54,844,789	56,812,353	54,516,121	54,489,313	58,852,913	66,949,101	54,364,801	48,668,953
Social Services (2)	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	546,864	580,000	583,205	589,259	491,838	505,161	536,972	583,843	645,517
Education	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	36,785,176
Capital Outlay	-	100,000	81,785	21,377,256	3,992,017	4,741,619	2,669,908	8,911,587	11,677,400	-
Debt Service:	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	5,010,115	5,768,119	6,535,495	6,831,820	7,932,098	8,112,363	134,249
Total Expenditures	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	125,788,627
Excess of revenues over (under) expenditures	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)	3,948,906
Other Financing Sources (Uses)										
Transfers in	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)	(8,418,577)
Transfers out	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	321,941
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	-	-	-	-	-	-	-	-	(1,252,192)	-
Proceeds from capital lease	-	-	-	-	-	-	-	-	-	-
Advance payments from debt refunding	-	-	-	-	-	-	-	-	-	-
Debt Obligation issued	-	-	-	-	-	-	-	-	59,365,000	-
Appropriated Fund Balances	-	-	-	-	-	-	-	-	-	-
Proceeds from installment note	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	6,681,630	215,250	(280,714)	8,272,156	610,000	8,057,000	432,125	3,422,002	30,981,748	(8,096,636)
Net change in fund balances	\$ 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	\$ (4,147,730)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	8.02%	8.23%	8.07%	7.96%	8.18%	8.63%	0.12%

Table 5

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

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					
1999	3,993,841,862	-	-	-	1,754,610,946	104,564,230	5,853,017,038	100.000	6,121,802,595
2000	4,180,109,124	-	-	-	1,643,192,104	101,978,676	5,925,279,904	100.000	6,307,188,798
2001	4,235,799,233	-	-	-	1,792,535,186	91,555,227	6,119,889,646	100.000	6,553,231,462
2002	4,448,947,386	-	-	-	1,800,472,859	95,260,352	6,344,680,597	100.000	7,312,031,465
2003	4,735,604,553	-	-	-	1,785,969,330	88,706,936	6,610,280,819	100.000	7,606,653,922
2004	4,966,254,102	-	-	-	1,924,461,891	84,043,983	6,974,759,976	100.000	7,753,603,202
2005	6,435,605,771	-	-	-	1,913,780,456	100,466,296	8,449,852,523	100.000	8,543,787,515
2006	6,716,994,823	-	-	-	2,068,236,052	106,987,984	8,892,218,859	100.000	9,412,272,973
2007	7,084,226,847	-	-	-	1,998,812,513	105,553,248	9,188,592,608	100.000	9,439,255,440
2008	7,450,655,025	-	-	-	2,568,090,556	108,434,679	10,127,180,260	100.000	10,427,180,260

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

NOTE - Tie to Schedule A-3 in the Financial Statements

Table 6

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

	Year Taxes Are Payable									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Pitt County	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7100	\$ 0.6650
<u>Municipality Rates:</u>										
Town of Ayden	0.5000	0.5000	0.5000	0.5000	0.5500	0.5500	0.5200	0.5200	0.5200	0.5000
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	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Town of Farmville	0.5448	0.4482	0.4900	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	0.5500	0.5500	0.5500	0.6150	0.6150	0.6150	0.5600	0.5600	0.5600	0.5200
Town of Grifton	0.5700	0.5500	0.5700	0.5700	0.5700	0.5700	0.5500	0.5500	0.5500	0.5500
Town of Grimesland	0.3900	0.3900	0.3900	0.3900	0.4500	0.4500	0.4500	0.4500	0.4500	0.4800
Town of Simpson	0.4000	0.4500	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	0.4500	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	0.0375	0.0375	0.0375	0.0375	0.0375
Ayden Rescue District	0.0500	0.0400	0.0450	-	-	-	-	-	-	-
Bell Arthur Fire District	0.0375	0.0375	0.0375	0.0375	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Black Jack Fire District	0.0275	0.0275	0.0250	0.0250	0.0300	0.0300	0.0300	0.0300	0.0450	0.0540
Clarks Neck Fire District	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.4500
Eastern Pines Fire District	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0350	0.0350	0.0500
Eastern Pines Rescue District	0.0275	0.0275	0.0273	-	-	-	-	-	-	-
Falkland Fire District	-	0.0500	0.0600	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	0.0360	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	0.0750
Grifton Fire District	0.0450	0.0450	0.0450	0.0450	0.0450	0.0475	0.0475	0.0499	0.0499	0.0499
Grimesland Fire District	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0450	0.0550	0.0650
Pactolus Fire District	0.0650	0.0465	0.0465	0.0465	0.0465	0.0465	0.0425	0.0425	0.0425	0.0425
Red Oak Fire District	0.0400	0.0400	0.0400	0.0400	0.0400	0.0700	0.0700	0.0700	0.0700	0.0700
Sharp Point Fire District	-	-	-	-	-	0.0600	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	0.0175	0.0175	0.0175	0.0175	0.0190	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	0.0250	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	0.0440

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

Source: Pitt County Tax Assessor

Table 7

**Pitt County
Principal Property Tax Payers,
Current and 2 Prior Years**

Taxpayer	Type of Business	Fiscal Year 2008			% of Total Assessed Valuation	Fiscal Year 2007			Fiscal Year 2006		
		Assessed Valuation	Rank	Assessed Valuation		Assessed Valuation	Rank	Assessed Valuation	Rank		
DSM Catalytica	Manufacturer	\$ 232,695,026	1	2.30%	\$ 235,375,622	1	\$ 232,011,098	1			
DSM Dyneema, LLC	Manufacturer	176,410,860	2	1.75%	138,897,233	2	89,557,908	2			
Carolina Telephone	Communications	62,000,000	3	0.61%	62,000,000	3	65,400,000	3			
Asmo	Manufacturer	58,271,795	4	0.58%	57,423,371	4	36,029,052	4			
Weyerhaeuser Company	Manufacturer	45,654,885	5	0.45%	45,619,193	5	40,116,474	5			
Marelda Greenville Mall (Colonial)	Mall	41,894,700	6	0.41%	26,978,780	7	26,978,780	7			
NACCO	Manufacturer	31,677,036	7	0.31%	27,933,501	8	27,746,667	8			
Attends Healthcare	Manufacturer	30,175,662	8	0.30%	31,776,550	6	52,412,524	6			
Corridor Greenville (The Exchange)	Apartments	28,487,163	9	0.28%	23,436,281	10	19,086,006	10			
Speight, Maxine	Developer	26,428,751	10	0.26%	26,814,003	9	26,043,670	9			
Totals		\$ 733,695,878		7.26%	\$ 676,254,534		\$ 615,382,179				

Source: Pitt County Tax Assessor

Table 8

Pitt County
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy				Collections in Subsequent Years	Total Collections to Date	
		Adjustments	Total Adjusted Levy	Percentage of Original Levy			Total Amount	Percentage of Adjusted Levy
				Total Amount	Percentage of Original Levy			
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%	2,661,557	63,116,234	98.10%
2008	70,118,338	713,268	70,831,606	67,321,263	96.01%	N/A	67,321,263	95.04%

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.

Levy pertaining to the Industrial Development Commission (component unit) is reported in the original levy but 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				
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	698	2.40%	
2007	3,295,000	0	120,611,096	0	800,000	0	0	124,706,096	852	N/A	
2008	2,340,000	0	135,328,440	0	600,000	0	0	138,268,440	910	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			
1999	23,240,000	-	23,240,000	0.85%	0.3971%	182
2000	20,790,000	-	20,790,000	0.66%	0.3509%	159
2001	18,325,000	-	18,325,000	0.57%	0.2994%	137
2002	15,850,000	-	15,850,000	0.49%	0.2498%	117
2003	13,385,000	-	13,385,000	0.38%	0.2025%	97
2004	10,885,000	-	10,885,000	0.29%	0.1561%	78
2005	8,310,000	-	8,310,000	0.21%	0.0983%	59
2006	6,655,000	-	6,655,000	N/A	0.0748%	45
2007	4,095,000	-	4,095,000	N/A	0.0446%	28
2008	2,940,000	-	2,940,000	N/A	0.0290%	19

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)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2007
Assessed Value of Property	\$ 5,853,017	\$ 5,925,280	\$ 6,119,890	\$ 6,344,881	\$ 6,610,281	\$ 6,974,760	\$ 8,449,853	\$ 8,892,219	\$ 9,188,593	\$ 10,127,180
Debt Limit, 8% of Assessed Value (Statutory Limitation)	468,241	474,022	489,591	507,574	528,822	557,981	675,988	711,378	735,087	810,174
Amount of Debt Applicable to Limit										
Gross debt	76,815	67,437	90,843	94,191	88,832	90,156	107,317	103,648	124,706	138,268
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)	2,400	2,200	2,000	1,800	1,600	1,400	1,200	1,000	800	600
Revenue bonds	0	0	0	0	0	0	0	0	0	0
Total net debt applicable to limit	74,415	65,237	88,843	92,391	87,232	88,756	106,117	102,648	123,906	137,668
Legal Debt Margin	\$ 393,827	\$ 408,785	\$ 400,748	\$ 415,184	\$ 441,591	\$ 469,224	\$ 569,872	\$ 608,729	\$ 611,181	\$ 672,506
Total net debt applicable to the limit as a percentage of debt limit	15.89%	13.76%	18.15%	18.20%	16.50%	15.91%	15.70%	14.43%	16.86%	16.99%

Source: Annual audited financial reports of this entity.

Pitt County

Direct and Overlapping Governmental Activities Debt
As of June 30, 2008

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	\$ 20,610,000	100.00%	\$ 20,610,000
TOWN OF AYDEN	\$ 0	100.00%	\$ 0
TOWN OF BETHEL	\$ 1,291,000	100.00%	\$ 1,291,000
TOWN OF FARMVILLE	\$ 0	100.00%	\$ 0
TOWN OF FOUNTAIN	\$ 165,500	100.00%	\$ 165,500
TOWN OF GRIMESLAND	\$ 269,500	100.00%	\$ 269,500
TOWN OF WINTERVILLE	\$ 1,060,000	100.00%	\$ 1,060,000
CONTENTNEA METROPOLITAN SEWAGE DISTRICT (1)	\$ 301,000	0.00%	\$ 0
Total direct debt			<u>102,648,458</u>
Total direct and overlapping debt			<u>\$ 126,044,458</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

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public School Enrollment(3)	Unemployment Rate(4)
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	148,493	4,310,900	29,031	21,898	5.3%
2007	146,398	*	*	22,952	5.0%
2008	151,996	*	*	*	*

* 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

Employer	2008 (1)			1999 (2)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
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%	1,000	5	0.70%
DSM Pharmaceuticals	1,200	5	0.84%	1,400	4	0.98%
County of Pitt	922	6	0.64%	963	6	0.67%
Alliance One International	850	7	0.59%	555	7	0.39%
Pitt Community College	783	8	0.55%	270	10	0.19%
City of Greenville	704	9	0.49%	550	8	0.38%
Physician East	500	10	0.35%	300	9	0.21%

Source: (1) Pitt County Industrial Development Commission

(2) 1999 Historical documents Pitt County Financial Services Department

Table 15

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

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	119.40	126.60	130.00	131.75	138.75	140.50	139.50	141.50	142.00	144.00
Public safety	254.75	260.75	268.25	268.25	285.85	295.35	302.35	312.25	326.56	372.00
Social services	202.00	210.50	217.00	217.00	217.00	221.00	220.00	223.00	227.00	232.00
Econ and physical dev	12.65	14.90	15.60	16.60	19.10	18.60	18.60	19.60	18.60	19.10
Environmental protection	20.00	20.25	21.25	22.25	22.25	22.25	21.25	21.25	21.50	21.50
Health	391.41	318.75	326.10	331.10	317.25	318.70	313.10	175.25	131.10	133.90
Total	1,000.21	951.75	978.20	986.95	1,000.20	1016.40	1014.80	892.85	866.76	922.50

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).

Pitt County
Operating Indicators by Function
Last Ten Fiscal Years

Table 16

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:										
General Government										
Number of registered voters	753,544	82,975	81,059	82,243	83,544	94,613	92,753	96,244	90,676	96,416
Number of marriage licenses issued	1,041	1,037	1,009	1,037	1,064	1,006	1,163	1,146	1,039	1,222
Public Safety										
Number of 911 dispatch/calls	3,334	2,588	23,445	26,481	19,526	11,313	11,400	12,230	32,000	35,843
Number of law violations	13,427	13,500	13,473	12,669	18,500	19,577	19,388	19,388	26,427	26,505
Environmental Protection										
Number of Soil & Water customers served	925	400	385	568	1,332	692	1,587	2,109	N/A	N/A
Economic and Physical Development										
Number of commercial permits issued	915	642	66	157	155	145	134	145	107	61
Number of residential permits issued	2,425	2,933	483	1,893	1,699	2,639	1,656	2,122	1,671	1,299
Human Services										
Households that received assistance with energy bills	N/A	N/A	N/A	N/A	2,528	2,320	2,519	2,380	2,721	2,880
Medicaid clients receiving transportation assistance	N/A	N/A	N/A	N/A	986	1,254	2,199	2,320	2,386	2,242
Number of child support collection cases	N/A	N/A	N/A	N/A	8,550	8,290	8,198	7,692	7,660	9,679
Average number of Public Health WIC cases	N/A	N/A	N/A	N/A	4,362	4,432	4,257	4,505	4,525	4,598
Restaurant & Lodging inspections, consultations and permitting activities	N/A	N/A	N/A	N/A	4,402	3,747	5,156	5,891	7,500	8,929
Culture and Recreation										
Total circulation for library system	192,000	400,000	428,000	409,942	394,125	389,620	409,184	409,184	452,011	460,478
Education										
Public school student enrollment K-12	19,748	19,919	19,868	20,331	20,412	20,665	21,812	22,116	22,609	23,000
Business-type Activities:										
Solid Waste & Recycling										
Tons of garbage processed	N/A	N/A	N/A	N/A	130,000	131,000	138,000	133,100	134,500	135,530
Tons of recycled material	N/A	N/A	N/A	N/A	35,000	35,000	35,506	35,150	35,700	36,000

Pitt County
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:										
General Government										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	N/A	N/A	N/A	N/A	31	31	31	35	35	30
Public Safety										
Buildings	3	3	3	3	3	3	3	3	3	3
Vehicles	N/A	N/A	N/A	N/A	177	177	178	181	181	175
Environmental Protection										
Buildings	0	0	0	0	0	0	0	0	0	0
Vehicles	N/A	N/A	N/A	N/A	3	3	3	3	3	7
Economic and Physical Development										
Buildings	0	0	0	0	0	0	0	0	0	0
Vehicles	N/A	N/A	N/A	N/A	7	7	7	7	7	11
Human Services										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	N/A	N/A	N/A	N/A	72	72	72	71	73	67
Culture and Recreation										
Buildings	0	0	0	0	0	0	0	1	1	1
Vehicles	0	0	0	0	0	0	0	0	0	0
Education										
Buildings	3	3	3	3	5	5	6	7	7	8
Vehicles	0	0	0	0	0	0	0	0	0	0
Business-type Activities:										
Solid Waste & Recycling										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	N/A	N/A	N/A	N/A	14	14	14	14	14	16