

# Comprehensive Annual Financial Report

Year Ended June 30, 2014



*Some of these wildflowers are in bloom  
through October at the  
**Pitt County Arboretum***



**Pitt County, NC**  
Leader in the State, Best in the East





**PITT COUNTY**  
**NORTH CAROLINA**

**Comprehensive Annual  
Financial Report**

**For Fiscal Year Ended June 30, 2014**

Prepared By:  
Pitt County Financial Services

Duane Holder

Deputy County Manager - Financial Services





# PITT COUNTY, NORTH CAROLINA

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## **I. INTRODUCTORY SECTION**

- Pitt County Financial Services' Transmittal Letter
- Pitt County Profile
- GFOA Certificate of Achievement for Excellence in Financial Reporting
- List of Principal Officials
- Organizational Charts
- Mission, Values and Goals Statements

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November 17, 2014

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

Dear Board Members:

State law requires that a local government have its financial records audited as soon as possible after the close of the fiscal year by an independent, certified public accountant. Law also requires that the local government publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP). Pursuant to these requirements, it is our pleasure to present the Board of Commissioners and the citizens of Pitt County with the Comprehensive Annual Financial Report (CAFR) for Pitt County for the fiscal year ended June 30, 2014. This report is published to provide citizens, the Board of Commissioners, staff, and third party readers with information concerning the financial position of the County.

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. Specific attention should be given to the enclosed "Management's Discussion and Analysis" which provides staff commentary and additional information on the financial statements and condition of the County. The "Management's Discussion and Analysis" can be found in the Financial Section of the report.

## **Independent Audit**

Martin Starnes & Associates, CPAs, P.A., a firm of independent certified public accountants, 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, 2014





have been prepared in conformity with generally accepted accounting principles and supported the issuance of an unmodified opinion. Issuance of an unmodified opinion means an auditor, upon review of a county's financial statements and accompanying notes, certifies that the financial statements are reliable and represent the true financial condition of the county.

This independent audit was part of a federally mandated "Single Audit" designed to meet the legal requirements of federal grantor agencies. The auditors not only have to report on the fair presentation of the financial statements, but also on the government's internal controls. Results of the "Single Audit" disclosed no material internal control weaknesses or material violations of laws and regulations relative to its major federal programs. 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 in the Financial Services Department.

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 (AICPA)

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

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 and are presented as such in the Government-wide financial statement of the report.

The CAFR includes all funds of the County in addition to all activities upon which the County exercises oversight responsibility. 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 both of which are supported financially but whose actions are governed by their respective boards. 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 in this report.

## **Major Initiatives**

During the year, the County was involved in a number of major projects and programs. These projects and programs directly impact the operational readiness and efficiency of the County, which may directly or indirectly affect the financial condition of the County. Highlights of these projects are discussed in the following paragraphs:

**Structurally Balanced Budget.** The current fiscal year's financial statements represent the County's second year of operating under a new "structurally balanced" budget. Under this new structure, the County continues its effort to keep fiscal year expenditures within available resources without over-reliance on appropriated fund balance. The County remains committed to only expanding services and increasing expenditures as corresponding resources (or revenues) are identified. The new commitment to the structurally balanced budget helped the County to improve its fiscal position for another consecutive year.

**Fund Balance.** The County, as per Local Government Commission (Department of State Treasurer) guidelines, is advised to maintain, at a minimum, available 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. It is the County Commissioners' desire to maintain a minimum available General Fund fund balance in the 18-20% range. At June 30, 2014, the County recorded an available General Fund fund balance of more than 19%.

The Fiscal Year 2014-2015 adopted budget continues to limit reliance on Fund Balance for operational needs. Management will continue to identify ways to not only limit the annual appropriated Fund Balance amount for budget, but to further reduce the budgeted appropriation in coming years.

**NC FAST Transition.** The County's Department of Social Services is a major department of the Government. The past fiscal year represented a period of great challenge for the statewide system, due to the implementation of the new NC FAST system. NC FAST (North Carolina Families Accessing Services through Technology) is a program designed to improve the way the NC Department of Health and Human Services and county departments of social services do business. NC FAST introduces new technological tools and business processes that will enable workers to spend less time on administrative tasks and more time assisting families.

To assist in the transition, considerable local resources were utilized during the most recent fiscal year to fund payment of overtime, part-time and temporary positions, and the recruitment of new positions. Appropriated local resources have proven to be a good investment as evidenced by the great strides the County has made in assisting recipients to receive their benefits in a timelier manner.

**One-Time Expenditures.** During the fiscal year, the State of North Carolina transitioned to a new system for the payment of Registered Motor Vehicle (RMV) taxes and registration. "Tag & Tax Together" is the name of the new system. Implementation of the new system yielded a one-time Ad Valorem revenue increase for the County of nearly \$1.8 million. This one-time revenue increase enabled the County to fund certain one-time expenditures without having to raise taxes or to appropriate fund balance.

One-time expenditures for the current year included establishing a state-mandated unemployment insurance fund, communications and recording system upgrades for the Sheriff's Office, Commissioner Auditorium audio/visual system upgrades, buildings and grounds equipment and improvements, and various other software and equipment upgrades.

**Debt.** The County's Capital Improvement Plan (CIP) and debt policies guide long-term decision-making on facility, equipment and other capital needs. The County strives to confine long-term borrowing to capital improvements to terms of 20-25 years, paying attention to the essentiality of the facility or equipment and the expected useful life of the project. Long-term debt is never used as a source of funding for current operations. The County maintains a sound and stable relationship with all bond rating agencies and lending institutions.

## **Financial Information**

**Internal Control.** The County's 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 are reviewed annually to establish amounts that support the cost of services provided.

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.



## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting (CAFR) to the County of Pitt for its CAFR for the fiscal year ended June 30, 2013. This was the twenty-fourth (24<sup>th</sup>) consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is only valid for a period of one year. The County believes that our current 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 County has received GFOA's Distinguished Budget Presentation Award for its annual budget document for the Fiscal Year beginning July 1, 2013. This marks the seventeenth (17<sup>th</sup>) consecutive fiscal year the County has received this companion award. In order to qualify for the Distinguished Budget Presentation Award, the County'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. The County has submitted the Fiscal Year 2014-2015 budget document to GFOA to determine its eligibility for another Certificate of Achievement.

## 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 CAFR 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 leadership 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 continued fiscal stability of Pitt County and we submit it to you with pride.

Respectfully submitted,



Duane T. Holder  
Deputy County Manager-Chief Financial Officer

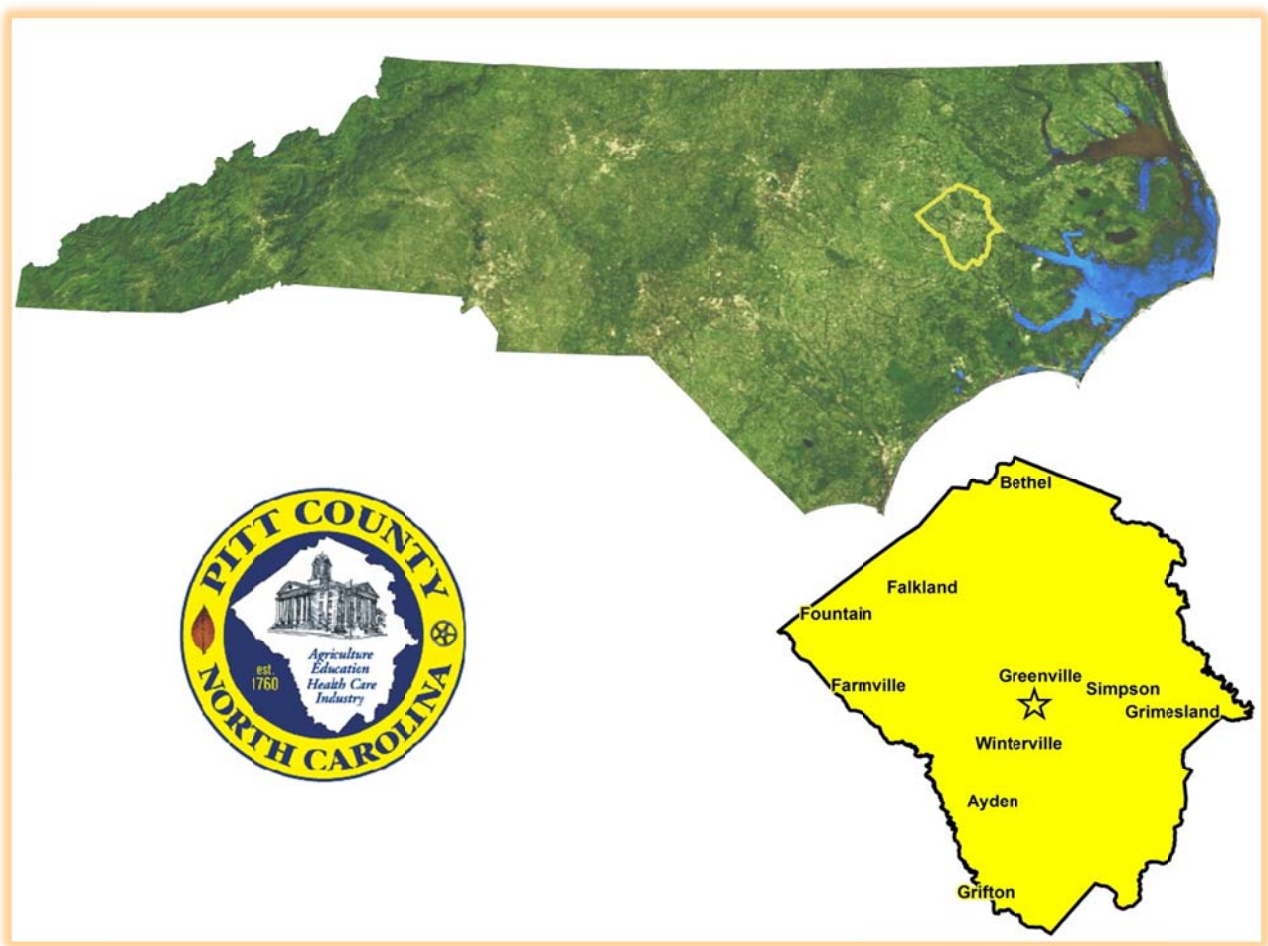


D. Scott Elliott  
County Manager

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## ***Welcome to Pitt County!***

Pitt County, formed in 1760, has a land area of approximately 656 square miles. Located in the coastal plain, the County is in the heart of eastern North Carolina, approximately 90 miles east of the capital city of Raleigh, 75 miles west of 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 temperature averages from a daily high of 73 degrees to a daily low of 50 degrees. The average annual precipitation is 47 inches of rainfall with only occasional accumulations of snowfall.



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 25.7% between the 2000 and 2010 census reports. Pitt County ranks as the 14th most populated 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. Pitt County's 2013 estimated population was 173,938 based on the North Carolina Office of State Budget and Management's provisional estimate. The County is also the cultural, retail, and entertainment

hub for all of eastern North Carolina. Greenville, the County seat and largest city, is centrally located in the County. There are nine other incorporated municipalities within Pitt County including Ayden, Bethel, Falkland, Farmville, Fountain, Grifton, Grimesland, Simpson and Winterville.

Pitt County has an interesting mix of casual small-town charm yet urban amenity options. The pace is slower than many urban cities but there is not a loss of things to do. There are many events, attractions, and entertainment venues to please all tastes. The location of East Carolina University and Pitt Community



College provides cultural and sport activities almost daily that appeal to a variety of interests.

### *Organizational Overview*

The County operates under the Commissioner-Manager form of government with a nine member Board of Commissioners elected from districts on a partisan basis for staggered, four-



year terms. The Chairman presides over all County Commissioner meetings (typically held on the first and third Mondays 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 two 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 (\$0.68 per \$100 valuation for fiscal year 2014-15) on the appraised value of all real and tangible personal property within its boundaries.



## *Local Economy*

The Pitt County/Greenville area is one of the fastest growing urban centers in the State of North Carolina. The Greenville, NC MSA has been ranked number 36 on Area Development's list of Leading Locations for 2014: U.S. Metros Ranked for Economic and Job Growth. Out of 379 U.S. metros ranked, Pitt County/Greenville is in the top 10% of all metros, large and small, nationwide. Pitt County/Greenville was the highest ranking MSA in North Carolina.



Pitt County is also the leader for retail sales in Eastern North Carolina and ranked in the top 10 of the state's 100 counties for gross collections of sales and use taxes. The local economy is well diversified with government, wholesale/retail trade and manufacturing each accounting for



approximately 25% of total employment. Agriculture is also a strong contributor to the economy; tobacco, corn, soybeans, wheat, peanuts, eggs, livestock, poultry and vegetables are the primary agricultural products. Major employers include: East Carolina University (education), Vidant Medical Center (health care), DSM

(chemical manufacturing), TRC, Inc. (metal fabrication), NACCO (lift trucks), Alliance One (tobacco processing), ASMO (electric motors), Attends Healthcare products (paper products), Metrics (pharmaceuticals), and Grady-White (boats).

## *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, Pitt Community College and East Carolina University are preparing students to compete and succeed in the global economy.

### *Pitt County Schools*



The area's educational system is the pride of eastern North Carolina! Pitt County Schools has 35 schools which serve Pitt County and its municipalities. The public school system receives extensive local support, reflected in modern classroom facilities, a wide range of extra-curricular activities, and student performance above state and national averages on standardized achievement tests. The system expects to serve in

excess of 23,000 students in the 2014-15 school year. The Pitt County School Administrative Unit is governed by a 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 which is supplemented by the County and Federal government. This minimum program provides funds for operational costs only. The financing of public school facilities has been a joint State and County effort. Local financial support from the County is provided for capital and operating costs which are not provided for by the State or Federal government.





## *Pitt Community College*

Established in 1961, Pitt Community College (PCC) is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award Associate Degrees. PCC is governed by a 12-member Board of Trustees, four of whom are appointed by the Board of Commissioners, four by the County Board of Education and four by the Governor to serve four-year, staggered terms. The State provides primary funding for the Community College. The remainder is shared by the Federal Government, Pitt County, and other funds such as grants. County funds may be used for both capital and operating costs.

PCC is a comprehensive two-year college offering approximately 48 Associate in Applied Science degree programs, 68 certificate programs, 27 diploma programs and 11 college transfer programs. More than 41 of these programs can be taken entirely over the internet. In terms of enrollment



in curriculum programs, PCC is the seventh largest Community College in North Carolina's 58 campus community college system. Enrollment for 2012-13 was over 24,000 students including over 12,000 curriculum students and over 11,000 continuing education and community development students. PCC's educational programs

and services are focused to meet the needs of local communities for higher 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 Health Sciences career and college transfer programs.

Pitt Community College is an active participant in Pitt County's continuum of education. The college works closely with Pitt County Schools and East Carolina University to improve the articulation of education in the county. PCC works with Pitt County Schools to offer one of the largest Career Tech programs in the state. Career Tech is a curriculum guide which prepares students for technical careers.

### *East Carolina University*

East Carolina University (ECU), the third largest of North Carolina's 53 private and public four-year colleges and universities, has an enrollment of nearly 28,000.

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 Research/Doctoral institution offering approximately 200 undergraduate, graduate, and doctoral degrees through its colleges and professional schools. ECU leads the state in distance education offering more than 60



degrees and certificate programs online. 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 robotic surgery. In 2011, the School of Dental Medicine was established at ECU to specifically address the shortage of dentists in rural regions of North Carolina.



## *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 a two hour drive and Interstate 95 is within 30 miles of Pitt County. Thirty motor freight carriers provide regular service to the area, with eight operating terminals within the County. Three major deep water ports—Wilmington, NC, Morehead City, NC, and Norfolk, VA—are each within 120 miles of the area.



The County has approximately 1,800 linear miles of public roads and highways currently maintained by the North Carolina Department of Transportation.

The Pitt-Greenville Airport is an 872-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. 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 Group. 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 an urban bus system within its corporate limits. The County has no financial responsibility for subsidizing this service. The County operates Pitt Area Transit as a department of County government with an appointed advisory board to oversee the operation of this agency and general public transportation 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. The Department also assists persons in securing health care consumer education and other informational services.



## *Public Health*



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 responsibility for administration of activities as assumed by County government is implemented through the County Board of Health.

The scope of Public Health Department activities falls into six broad categories: (1) control of communicable diseases, including environmental health activities, control of sexually transmitted diseases, tuberculosis and other childhood diseases in child care settings; (2) 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; (3) nutrition education and food supplementation; (4) screening and early detection activities directed at the adult population; (5) support and follow-up services especially for high risk infants and pregnant women; and (6) health education and health promotion activities, including an on-going community diagnosis to identify specific community based health problems and develop appropriate interventions.



## *Vidant Medical Center*

Vidant Medical Center is an 861-bed acute care hospital. Located on the western border of Greenville, the hospital facilities were built in 1977. Vidant Medical Center was transferred by Pitt County in 1998 for operation by Pitt County Memorial Hospital, Inc., as a private non-profit corporation and renamed Vidant Medical Center in 2011. Eleven of the twenty members of the Board of Trustees of the Corporation are appointed by the Pitt County Board of Commissioners.

Vidant Medical Center is one of four academic medical teaching centers in the State and serves as a teaching hospital for the ECU Brody School of Medicine. Vidant Medical Center is a regional health care referral center serving over 1.3 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.

The James and Connie Maynard Children's Hospital at Vidant Medical Center officially opened in June 2013 with officials predicting that it will become a special healing place for the hundreds of thousands of children whose families live east of I-95. It is the first and only facility designed and built specifically for children in the 29-county region served by Vidant. The 78,000-foot addition to the existing hospital is brightly decorated in colors soothing to children. Officials said a key focus of the design was to provide an environment conducive to patient- and family-centered care. The facility



has 130 inpatient beds, 67 outpatient beds and a special care nursery consisting of 21 beds, each in a private room. It also has the Kids Immunosuppressed Specialty Unit (KISU), a six-bed unit for children with cancer, blood disorders and other conditions that require treatments which compromise their immune systems.



## *ECU Brody School of Medicine*

The ECU Brody 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 Brody 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.



The East Carolina Heart Institute opened in January 2009 as a partnership with PCMH and ECU along with cardiovascular experts in private practice, academic medicine and research. It is the first institute in NC devoted exclusively to education, research, treatment and prevention in cardiovascular diseases. The institute has set the standard for cardiovascular care in NC.



## *Parks & Recreation*

Over the past thirty years, Pitt County Community Schools and Recreation has developed recreation programs and joint-use recreation facilities on school campuses throughout the county. In 2010, the County dedicated the district park as the Alice F. Keene Park. The 2013 Achievement Award in the category of Parks and Recreation was awarded to Pitt County



during the National Association of Counties Awards Luncheon. Motivated by the diversity and enthusiasm of citizens using the park, partners continue to seek resources for further development.

The Alice F. Keene Park includes 1.25 miles in walking trails, two lighted softball fields, 4 multipurpose fields, a playground, horseshoe and bocce courts and a concession stand with restrooms. The Physical Activity Challenge encourages people through an incentive program to use the trail and participate in other physical activity programs.

The Making Pitt Fit Community Garden began operating in 2012. Located adjacent to the Farmer's Market, two elementary schools, Alice F. Keene District Park, the Council on Aging, the Community College Greenhouse and near several underserved neighborhoods, the garden is accessible to a cross section of the population.

The goal of the garden is to increase the consumption of fruits and vegetables and increase physical activity through work in the garden and use of the District Park. The garden includes an intergenerational component with students from the elementary schools working with seniors.



Current participation reflects diversity of ages, races, cultural and socioeconomic backgrounds. Through the strong support, guidance and hard work of the Community Garden Advisory Committee, strategies have been put in place to build a strong infrastructure and foundation that will ensure the quality of the community garden for years to come.



Government Finance Officers Association

**Certificate of  
Achievement  
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Presented to

**County of Pitt  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is fluid and cursive.

Executive Director/CEO

## **PITT COUNTY, NORTH CAROLINA**

### **LIST OF PRINCIPAL OFFICIALS**

**For Year Ended June 30, 2014**

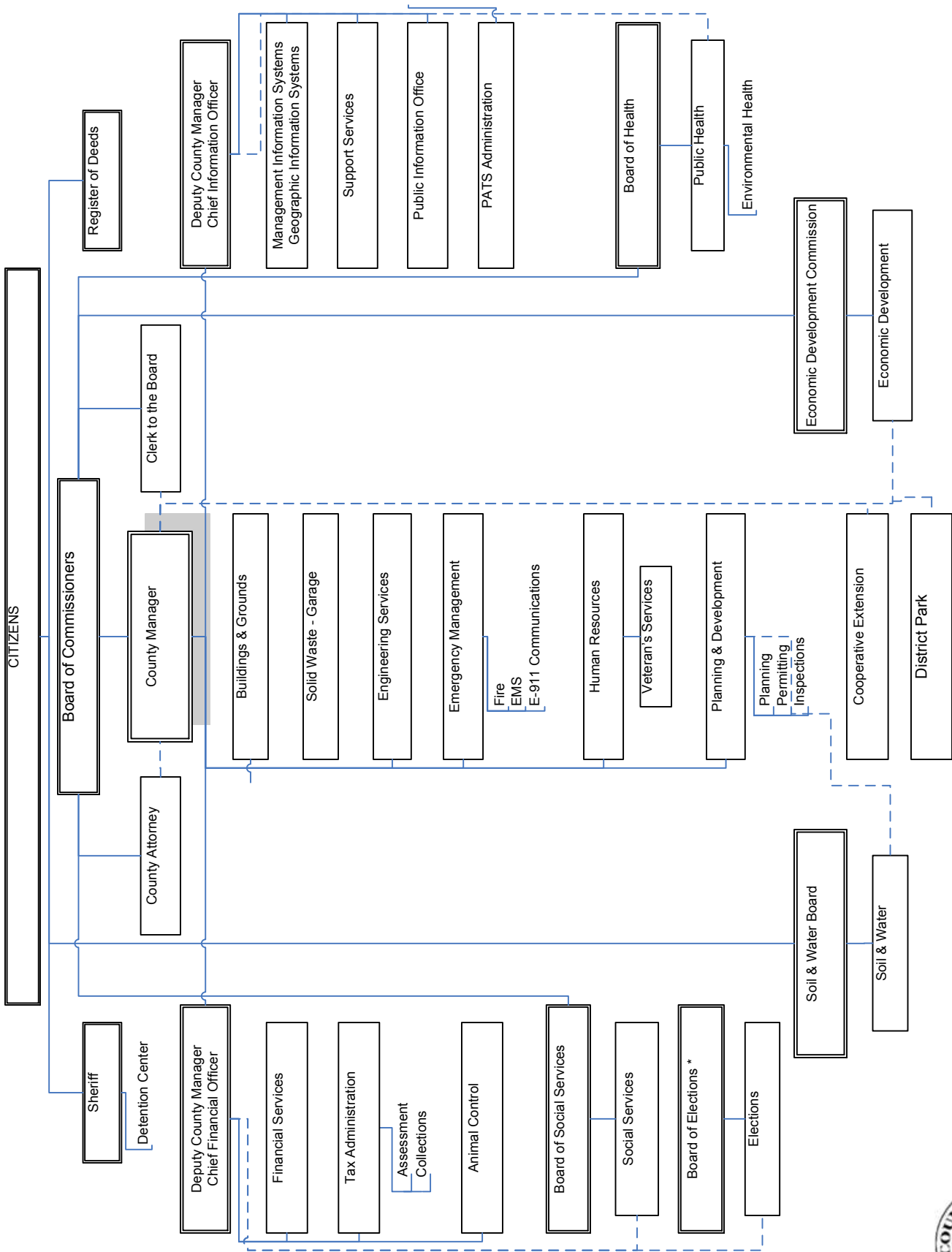
#### **BOARD OF COUNTY COMMISSIONERS**

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

#### **COUNTY OFFICIALS**

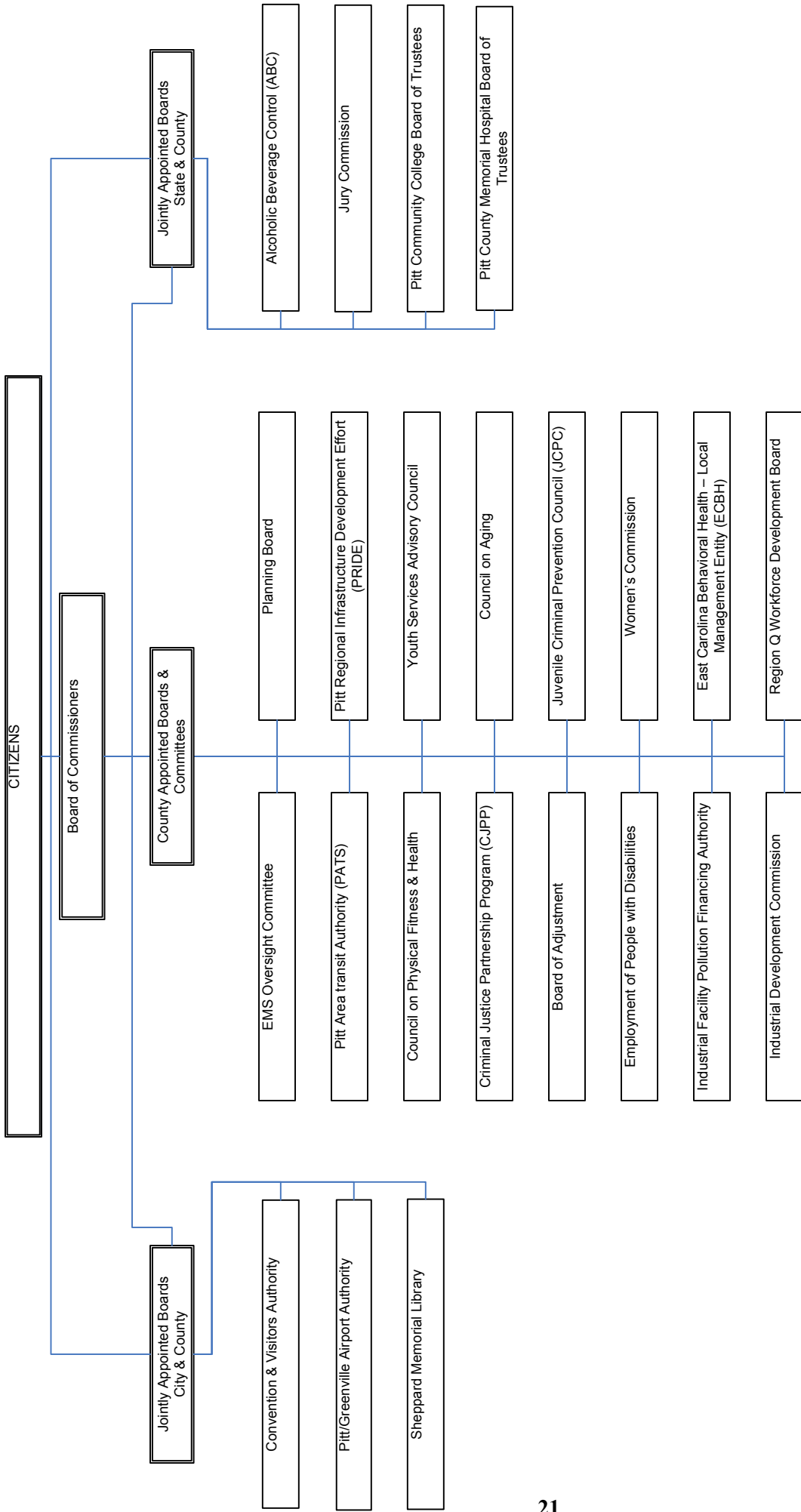
D. SCOTT ELLIOTT	County Manager
DUANE T. HOLDER	Deputy County Manager – Chief Financial Officer
MICHAEL C. TAYLOR	Deputy County Manager – Chief Information Officer
KIMBERLY W. HINES	Clerk to the Board
JANIS GALLAGHER	County Attorney
PHIL DICKERSON	County Engineer
LISA NICHOLS	Register of Deeds
R. NEIL ELKS	Sheriff
WANDA YUHAS	Economic Developer
GEORGE PERRY	Social Services Director
DR. JOHN MORROW	Public Health Director
FLORIDA D. HARDY	Director of Human Resources
KIARA D. JONES	Director of Public Information & Media Relations





# Pitt County Organizational Chart

As of July 2014  
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 2014-15

- ☒ *To promote quality education;*
- ☒ *To promote community safety through enhanced emergency service programs;*
- ☒ *To advance economic development opportunities for Pitt County;*
- ☒ *To enrich the quality of life for Pitt County citizens through opportunities for improved health and welfare;*
- ☒ *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.*

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## **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

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners  
Pitt County  
Greenville, North Carolina

### Report On the Financial Statements

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, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 from material misstatement. The financial statements of the Pitt County ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2014, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Law Enforcement Officers' Special Separation Allowance, and Other Post-Employment Benefits Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pitt County's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary schedules, other 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 fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have issued our report dated November 17, 2014, on our consideration of Pitt County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, 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* in considering Pitt County's internal control over financial reporting and compliance.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 17, 2014

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## 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 (the "County") for the fiscal year ended June 30, 2014. 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 and deferred inflows of resources at the close of the most recent fiscal year by \$32,614,075.
- As of the close of the current fiscal year, Pitt County's General Fund reported an ending total fund balance of \$35,849,770, an increase of \$8,541,287 in comparison with the prior year. The majority of the increase was attributable to the sale of escrow securities; it is also a reflection of the Board's continued commitment to monitoring expenditures and working to improve fund balance. 66.40% of this total amount, \$23,805,248 (unassigned fund balance), is available for spending at the government's discretion, while the difference is in non-spendable form, is restricted, or is assigned for a specific purpose.
- At the close of the current fiscal year, in the General Fund, the available fund balance as a percentage of expenditures and transfers out increased to 19.98%, an increase over the prior fiscal year-end fund balance percentage of 15.26%.
- The tax rate remained constant at 68.00 cents per \$100 of valuation. The proceeds are split: 67.30 cents to the General Fund and 0.70 cents to the Industrial Development Commission.
- The County maintained its GO bond ratings:

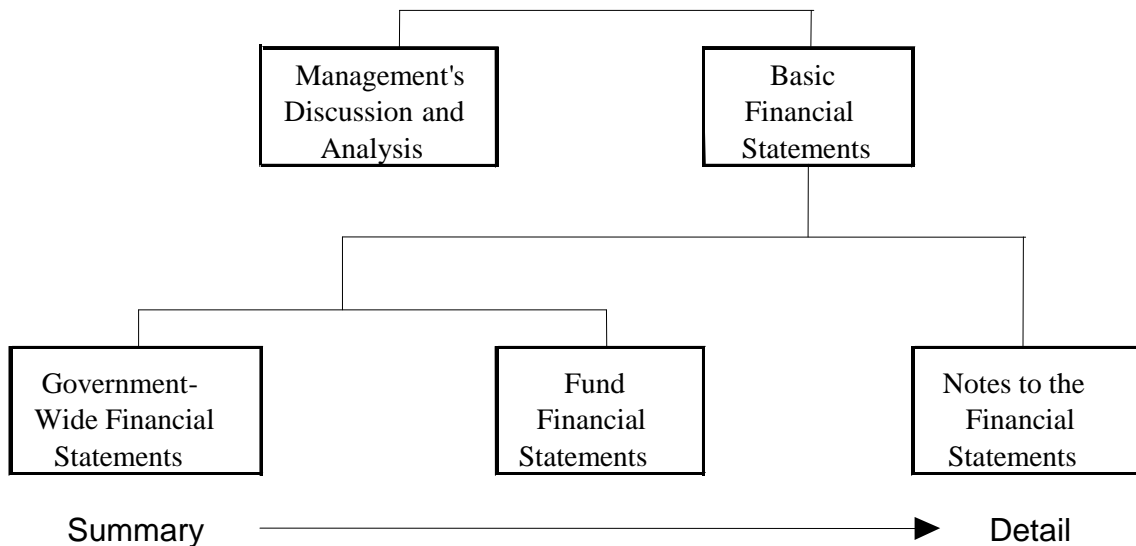
Fitch	AA+
Moody's	Aa2
Standard & Poor's	AA
- The County maintained its COPs ratings:

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

### Overview of the Financial Statements

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

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



### **Basic Financial Statements**

The first four statements, Exhibits A through B, 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 C 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 nonmajor 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 Position presents information on all of Pitt County's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of Pitt County is improving or deteriorating.

The Statement of Activities presents information showing how the County's Net Position changed during the most recent fiscal year. All changes in Net Position 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 (referred to as the primary government), but also the ABC Board and the Industrial Development Commission (referred to as component units) 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 Exhibits A and B 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 governmental activities (reported in the Statement of Net Position 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 North Carolina 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 of Commissioners 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, Retiree 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 Fund, Sheriff's Fund, Mental Health Trust Fund, 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 for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found directly after the basic financial statements of this report.

### **Government-Wide Financial Analysis**

As noted earlier, Net Position, over time, may serve as a useful indicator of a government's financial position. For Pitt County, total assets exceeded liabilities and deferred inflows of resources by \$38,884,577 at the close of the most recent fiscal year.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current and other assets	\$ 63,592,471	\$ 60,458,461	\$ 3,992,623	\$ 4,420,948	\$ 67,585,094	\$ 64,879,409
Capital assets: non-depreciable	54,225,088	53,914,450	664,329	664,329	54,889,417	54,578,779
Capital assets, net	87,000,259	89,309,574	3,105,917	2,899,195	90,106,176	92,208,769
Investment in joint venture	19,549,525	17,973,735	-	-	19,549,525	17,973,735
Total assets	<u>224,367,343</u>	<u>221,656,220</u>	<u>7,762,869</u>	<u>7,984,472</u>	<u>232,130,212</u>	<u>229,640,692</u>
Long-term liabilities outstanding	174,034,337	180,750,346	994,072	1,010,919	175,028,409	181,761,265
Other liabilities	17,541,005	15,672,974	498,295	514,225	18,039,300	16,187,199
Total liabilities	<u>191,575,342</u>	<u>196,423,320</u>	<u>1,492,367</u>	<u>1,525,144</u>	<u>193,067,709</u>	<u>197,948,464</u>
Deferred inflows of resources	<u>177,926</u>	<u>172,284</u>	<u>-</u>	<u>-</u>	<u>177,926</u>	<u>172,284</u>
Net position:						
Net investment in capital assets	8,363,163	2,947,086	3,770,246	3,563,524	12,133,409	6,510,610
Restricted	17,176,068	12,335,800	-	-	17,176,068	12,335,800
Unrestricted	7,074,844	9,777,730	2,500,256	2,895,804	9,575,100	12,673,534
Total net position	<u>\$ 32,614,075</u>	<u>\$ 25,060,616</u>	<u>\$ 6,270,502</u>	<u>\$ 6,459,328</u>	<u>\$ 38,884,577</u>	<u>\$ 31,519,944</u>

A portion of Net Position reflects Pitt County's net investment in capital assets (e.g., land, buildings, machinery, and equipment). Pitt County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Pitt County's net investment in capital assets at June 30, 2014 was \$12,133,409. Approximately 44% of Pitt County's Net Position represents resources that are subject to external restriction on how they may be used, with \$11,566,531 being Restricted for Stabilization by State Statute.

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 both the governmental and business-type activities over last year.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 16,649,965	\$ 20,998,488	\$ 8,394,313	\$ 8,266,388	\$ 25,044,278	\$ 29,264,876
Operating grants and contributions	26,457,699	24,857,963	79,728	(7,449)	26,537,427	24,850,514
Capital grants and contributions	2,046,296	1,541,761	-	707,696	2,046,296	2,249,457
General revenues:						
Property taxes	84,456,744	81,542,495	-	-	84,456,744	81,542,495
Local option sales tax	23,118,577	15,401,125	-	-	23,118,577	15,401,125
Payment in lieu of taxes and other taxes	2,118,654	11,493,571			2,118,654	
Interest revenue	2,036,371	89,550	20,980	18,889	2,057,351	108,439
Total revenues	<u>156,884,306</u>	<u>155,924,953</u>	<u>8,495,021</u>	<u>8,985,524</u>	<u>165,379,327</u>	<u>153,416,906</u>
<b>Expenses:</b>						
General government	18,833,804	16,297,756	-	-	18,833,804	16,297,756
Public safety	39,562,880	42,976,133	-	-	39,562,880	42,976,133
Environmental protection	216,114	200,253	-	-	216,114	200,253
Economic and physical development	7,068,054	10,116,946	-	-	7,068,054	10,116,946
Human services	36,848,621	38,623,179	-	-	36,848,621	38,623,179
Cultural and recreation	606,785	590,667	-	-	606,785	590,667
Education	45,338,884	33,948,819	-	-	45,338,884	33,948,819
Interest on long-term debt	8,605,897	6,952,420	-	-	8,605,897	6,952,420
Landfill	-	-	8,357,565	7,763,554	8,357,565	7,763,554
Total expenses	<u>157,081,039</u>	<u>149,706,173</u>	<u>8,357,565</u>	<u>7,763,554</u>	<u>165,438,604</u>	<u>157,469,727</u>
Increase (decrease) in net position before transfers and special items	<u>(196,733)</u>	<u>6,218,780</u>	<u>137,456</u>	<u>1,221,970</u>	<u>(59,277)</u>	<u>(4,052,821)</u>
Special items	7,423,910	-	-	-	7,423,910	-
Transfers	<u>326,282</u>	<u>108,005</u>	<u>(326,282)</u>	<u>(108,005)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>7,553,459</u>	<u>6,326,785</u>	<u>(188,826)</u>	<u>1,113,965</u>	<u>7,364,633</u>	<u>(4,052,821)</u>
Net position, beginning, previously reported	25,060,616	2,588,674	6,459,328	5,345,363	31,519,944	7,934,037
Restatement	-	16,145,157	-	-	-	16,145,157
Net position, beginning, restated	<u>25,060,616</u>	<u>18,733,831</u>	<u>6,459,328</u>	<u>5,345,363</u>	<u>31,519,944</u>	<u>50,253,775</u>
Net position, ending	<u>\$ 32,614,075</u>	<u>\$ 25,060,616</u>	<u>\$ 6,270,502</u>	<u>\$ 6,459,328</u>	<u>\$ 38,884,577</u>	<u>\$ 31,519,944</u>

**Governmental Activities.** The Net Position for Governmental Activities increased by \$7,553,459. Of total Net Position, Governmental Activities accounted for \$32,614,075 (83.88%).



**Business-Type Activities.** Business-Type Activities decreased Pitt County's Net Position by \$188,826. Of total Net Position, Business-Type Activities accounted for \$6,270,502 (16.12%). User charges continued to be collected at a high rate, and operations are stable. While expenses were slightly above budget, offsetting revenues were collected at a rate higher than anticipated.

## 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, fund balance available for appropriation can be a useful measure of a County's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Pitt County. At the end of the current fiscal year, Pitt County's fund balance available in the General Fund was \$26,777,755, while total fund balance was \$35,849,770. The County currently has an available fund balance of 19.98% of General Fund expenditures and transfers to the Debt Service Fund, while total fund balance represents 26.76% of that same amount.

As of the end of the current fiscal year, Pitt County's governmental funds reported combined ending fund balances of \$55,134,561, an increase of \$4,721,181 in comparison with the prior year. The bulk of this increase is directly related to the County's sale of escrow securities and its commitment to operating within a structurally balanced budget, thus, resulting in another increase of operating surplus.

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

	<u>General</u>		<u>Other Governmental Funds</u>		<u>Total Governmental Funds</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Fund balance	\$ 35,849,770	\$ 27,308,483	\$ 19,284,791	\$ 23,104,897	\$ 55,134,561	\$ 50,413,380

Pitt County will continue to operate within a structurally balanced budget, with increases in expenditures kept to a minimum. Increases in expenditures will only occur as increases in revenues are identified.

The School Capital Reserve Fund (one of the County's nonmajor capital project funds) is another fund of note when considering fund balance levels. The assets of this fund are reserved for the construction of facilities and/or the retirement of related debt for public school system construction. The funds accumulate from restricted sales tax proceeds earmarked for public schools, corporate income tax proceeds shared by the State, and lottery proceeds distributed by the State. This fund had an ending fund balance at June 30, 2014 of \$5,406,255, as compared to \$5,133,424 at June 30, 2013.

Similar to the School Capital Reserve Fund is the County Capital Reserve Fund (also one of the County's nonmajor capital project funds). The assets in this fund represent the proceeds generated by the ¼ percent local option sales tax implemented in April 2008 after successful passage by voter referendum in November 2007. The assets of this fund are to be used for education construction or the retirement of related debt – inclusive of both the public school system and the local community college. At June 30, 2014, this fund had an ending balance of \$6,033,426, as compared to \$7,052,379 at June 30, 2013.

**Proprietary Funds.** Pitt County's proprietary funds (both Business-Type Activities – Solid Waste and Governmental-Type Activities – Internal Service Funds) provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted Net Position for all proprietary funds at the end of the year was \$4,999,381, a decrease of \$1,008,682 from the prior year. Total Net Position at year-end decreased to \$8,769,627 from the prior year at \$9,571,587 for the year ending June 30, 2014. Revenues in the Solid Waste Fund were collected at a rate of 102.69% of budget, while expenses reflected 102.59% of budget.

Management also pays particular attention to the County's Employee Health Insurance Fund (Internal Service Fund) as the County is self-funded. The ability to offer insurance coverage to staff at a reasonable cost is directly related to the performance of this fund and the actions of employees when seeking medical care. The County continues to invest considerable effort into educating staff on this fund's operation to help them understand how they can help preserve this benefit and contain costs. The contracted employee clinic has assisted in containing costs and continues to help produce a positive fund balance. This fund had an ending balance at June 30, 2014 of \$1,449,396, as compared to \$2,212,836 at June 30, 2013. While employee premiums remained constant for another year, the fund's recent performance will require that management further analyze those premiums for future adjustment.

### **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.

The County's General Fund revenue budget remained relatively flat, only increasing by \$127,743 throughout the year. Conversely, the General Fund expenditure budget was amended by \$7,832,337. Other financing sources (uses) provided balancing entries to ensure that the County maintained a statutorily required balanced budget ordinance. In total, the County collected 99.8% of the General Fund's final budgeted revenues, which were coupled with spending in the General Fund at a rate of 93.3% of budget.

### **Capital Asset and Debt Administration**

**Capital Assets.** Pitt County's depreciable capital assets for its governmental and business-type activities as of June 30, 2014 totaled \$90,106,176 (net of accumulated depreciation). This investment in capital assets includes buildings and systems, improvements, machinery, and equipment. Land and construction in progress (not included above) is termed capital assets non-depreciable and totaled \$54,889,417.

Additional information on Pitt County's capital assets can be found in Note 6, "Capital Assets," of the notes to the financial statements of this report.

**Pitt County's Capital Assets – Governmental Activities**  
**(Net of Depreciation)**  
**Figure 5**

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>Non-Depreciable Assets:</b>				
Land	\$ 3,018,827	\$ -	\$ -	\$ 3,018,827
Construction in progress	50,895,623	2,480,751	(2,170,113)	51,206,261
Total non-depreciable capital assets	<u>53,914,450</u>	<u>2,480,751</u>	<u>(2,170,113)</u>	<u>54,225,088</u>
<b>Depreciable Assets:</b>				
Land improvements	1,237,400	-	-	1,237,400
Buildings	114,199,634	-	-	114,199,634
Furniture and equipment	11,009,471	995,826	(1,120,654)	10,884,643
Vehicles	7,802,651	1,243,139	(453,322)	8,592,468
Total depreciable capital assets	<u>134,249,156</u>	<u>2,238,965</u>	<u>(1,573,976)</u>	<u>134,914,145</u>
Subtotal	<u>188,163,606</u>	<u>4,719,716</u>	<u>(3,744,089)</u>	<u>189,139,233</u>
<b>Less Accumulated Depreciation:</b>				
Land improvements	1,108,257	79,287	-	1,187,544
Buildings	33,121,436	2,692,198	-	35,813,634
Furniture and equipment	4,796,456	672,137	(855,269)	4,613,324
Vehicles	5,913,433	839,273	(453,322)	6,299,384
Total accumulated depreciation	<u>44,939,582</u>	<u>\$ 4,282,895</u>	<u>\$ (1,308,591)</u>	<u>47,913,886</u>
Depreciable capital assets, net	<u>89,309,574</u>			<u>87,000,259</u>
Governmental capital assets, net	<u>\$ 143,224,024</u>			<u>\$ 141,225,347</u>

**Long-Term Debt.** At the end of the current fiscal year, Pitt County had no bonded debt outstanding that is backed by the full faith and credit of the County.

At June 30, 2014, the County had net debt outstanding in the amount of \$158,283,788. The County's legal debt limit totaled approximately \$956,000,000; therefore, the County had a legal debt margin of approximately \$800,000,000. The 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% of the appraised property value subject to taxation. Of the County's outstanding net debt, there is \$0 general obligation debt outstanding at June 30, 2014.

Net debt outstanding is calculated as total balance outstanding less the sum of Compensated Absences, Unfunded Law Enforcement Officers' (LEO) liability, and Unfunded Other Post-Employment Benefits' (OPEB) liability. The County's net debt outstanding decreased by \$10,060,168 from the June 30, 2013 outstanding balance. Additional information on Pitt County's long-term debt can be found in Note 7, "Long Term Obligations," of the notes to the financial statements of this report.

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

- The unemployment rate for Pitt County, according to the Employment Security Commission of NC in June 2014 was 6.9%. This is slightly higher than the State of North Carolina's June 2014 unemployment rate of 6.4%.
- Labor force expanded 20.9%, and employment grew by 13.1% between 2000 and 2010.
- County population of 172,569 (2012) – Region experienced an increase of 25.7 percent from 2000 – 2010
- The County continues to serve as the hub of eastern North Carolina in the healthcare, retail, and education sectors. Moderate growth and expansion in these areas are expected to have residual effects on service demands and revenue generation.
- Continued period of moderate economic recovery as reflected in marginal property tax base expansion and minimal sales tax increase projections

These issues impact the Fiscal Year 2014-2015 adopted budget and are anticipated to carry into the Fiscal Year 2015-2016 budget as well.

## **Budget Highlights for the Fiscal Year 2014-2015**

**Governmental Activities.** General government operations will continue to experience minimal expansion in the coming budget year. Those items targeted for considerable expansion are isolated and include the following:

- The addition of 31 full-time equivalent (FTE) positions in the Social Services Department to further accommodate the transition of the new NC FAST system for processing food assistance and Medicaid benefits
- The expansion of Animal Control Services as a result of maintaining State compliance and the implementation of a new Canine Control Ordinance

In addition, the adopted budget will increase operating appropriations for both the public school system and the community college. The budget is also expected to include a 1.5% market adjustment for County employees, effective January 2015. For the fifth consecutive year, no funding will be appropriated for the County's pay-for-performance system; however, a second consecutive year of non-monetary merit compensation will be considered (personal leave time).

Fiscal Year 2014-2015 will mark the third consecutive year of the County operating within a structurally balanced budget. This means that the County has committed to the provision of services only at a level sustainable within available resources. Expansion of the budget can only occur as resources (revenue increases) are identified. The County did experience another modest expansion to the property tax base as a result of natural growth and development.

The 2014-2015 annual budget represents a 1.91% increase over the 2013-2014 budget, with the General Fund increasing by 1.95%.

**Business-Type Activities.** General operating expenses in the Solid Waste Fund are expected to continue to increase in the Fiscal Year 2014-2015 adopted budget. These expenses include increased personnel expenses, increased disposal fees, and an increase in capital equipment expense.

**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. All publications are also available on the County website @ [www.pittcountync.gov](http://www.pittcountync.gov).

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## **BASIC FINANCIAL STATEMENTS**

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

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## PITT COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Industrial Development Commission	Pitt County ABC Board
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 45,160,733	\$ 3,077,304	\$ 48,238,037	\$ 4,278,581	\$ 1,900,042
Taxes receivable, net	1,315,708	-	1,315,708	10,876	-
Accounts receivable, net	1,518,885	915,319	2,434,204	-	-
Due from other governments	8,806,375	-	8,806,375	-	-
Inventories	-	-	-	-	1,592,239
Prepaid items	478,699	-	478,699	2,750	75,695
Notes receivable	490,050	-	490,050	-	-
Cash and investments, restricted	5,822,021	-	5,822,021	1,884,786	-
Total current assets	63,592,471	3,992,623	67,585,094	6,176,993	3,567,976
Non-current assets:					
Capital assets:					
Capital assets, non-depreciable	54,225,088	664,329	54,889,417	-	1,062,256
Capital assets, net	87,000,259	3,105,917	90,106,176	-	2,317,207
Total capital assets	141,225,347	3,770,246	144,995,593	-	3,379,463
Investment in joint venture	19,549,525	-	19,549,525	-	-
Total non-current assets	160,774,872	3,770,246	164,545,118	-	3,379,463
Total assets	224,367,343	7,762,869	232,130,212	6,176,993	6,947,439
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	4,990,018	425,295	5,415,313	28,030	976,209
Advances from grantors	274,061	-	274,061	-	-
Compensated absences, due in one year	1,850,000	33,000	1,883,000	-	84,272
Long-term debt, due within one year	10,426,926	40,000	10,466,926	-	-
Total current liabilities	17,541,005	498,295	18,039,300	28,030	1,060,481
Non-current liabilities:					
Compensated absences, due in more than one year	1,906,010	34,072	1,940,082	-	-
Due in more than one year	172,128,327	960,000	173,088,327	-	576,360
Total non-current liabilities	174,034,337	994,072	175,028,409	-	576,360
Total liabilities	191,575,342	1,492,367	193,067,709	28,030	1,636,841
<b>Deferred Inflows of Resources</b>	177,926	-	177,926	-	-
<b>Net Position:</b>					
Net investment in capital assets	8,363,163	3,770,246	12,133,409	-	3,379,463
Restricted for stabilization by State statute	11,566,531	-	11,566,531	-	-
Restricted for general government	186,041	-	186,041	-	867,753
Restricted for public safety	1,394,991	-	1,394,991	-	-
Restricted for education	4,012,225	-	4,012,225	-	-
Restricted for economic development	16,280	-	16,280	1,884,786	-
Unrestricted	7,074,844	2,500,256	9,575,100	4,264,177	1,063,382
Total net position	\$ 32,614,075	\$ 6,270,502	\$ 38,884,577	\$ 6,148,963	\$ 5,310,598

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

**PITT COUNTY, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 18,833,804	\$ 4,971,244	\$ 1,410	\$ -
Public safety	39,562,880	6,607,559	2,230,832	190,314
Environmental protection	216,114	65,453	-	-
Economic and physical development	7,068,054	59,294	3,759,697	303,311
Human services	36,848,621	4,946,415	20,465,760	19,049
Education	45,338,884	-	-	1,533,622
Cultural and recreation	606,785	-	-	-
Interest on long-term debt	8,605,897	-	-	-
Total governmental activities	<u>157,081,039</u>	<u>16,649,965</u>	<u>26,457,699</u>	<u>2,046,296</u>
<b>Business-Type Activities:</b>				
Solid Waste Fund	<u>8,357,565</u>	<u>8,394,313</u>	<u>79,728</u>	<u>-</u>
Total business-type activities	<u>8,357,565</u>	<u>8,394,313</u>	<u>79,728</u>	<u>-</u>
Total primary government	<u>\$ 165,438,604</u>	<u>\$ 25,044,278</u>	<u>\$ 26,537,427</u>	<u>\$ 2,046,296</u>
<b>Component Units:</b>				
Industrial Development Commission	\$ 1,391,044	\$ 351,600	\$ 510,885	\$ -
ABC Board	<u>12,170,333</u>	<u>12,345,829</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 13,561,377</u>	<u>\$ 12,697,429</u>	<u>\$ 510,885</u>	<u>\$ -</u>

**General Revenues:**

Taxes  
    Ad valorem taxes  
    Local option sales tax  
    Payment in lieu of taxes and other taxes  
Gain on sale of assets  
Interest earned on investments  
Total general revenues, excluding transfers and special items  
Special item-gain on bond defeasance  
Transfers  
Total general revenues, special items and transfers

Change in net position

**Net Position:**

Net position, beginning, previously reported

Net position, ending

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

Exhibit B

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Industrial Development Commission	Pitt County ABC Board
\$ (13,861,150)	\$ -	\$ (13,861,150)		
(30,534,175)	-	(30,534,175)		
(150,661)	-	(150,661)		
(2,945,752)	-	(2,945,752)		
(11,417,397)	-	(11,417,397)		
(43,805,262)	-	(43,805,262)		
(606,785)	-	(606,785)		
(8,605,897)	-	(8,605,897)		
<u>(111,927,079)</u>	<u>-</u>	<u>(111,927,079)</u>		
-	116,476	116,476		
-	116,476	116,476		
<u>(111,927,079)</u>	<u>116,476</u>	<u>(111,810,603)</u>		
			\$ (528,559)	\$ -
			<u>-</u>	<u>175,496</u>
			<u>(528,559)</u>	<u>175,496</u>
84,456,744	-	84,456,744	751,023	-
23,118,577	-	23,118,577	-	-
2,118,654	-	2,118,654	-	-
-	-	-	-	366,768
2,036,371	20,980	2,057,351	-	4,211
111,730,346	20,980	111,751,326	751,023	370,979
7,423,910	-	7,423,910	1,884,786	-
326,282	(326,282)	-	-	-
<u>119,480,538</u>	<u>(305,302)</u>	<u>119,175,236</u>	<u>2,635,809</u>	<u>370,979</u>
7,553,459	(188,826)	7,364,633	2,107,250	546,475
<u>25,060,616</u>	<u>6,459,328</u>	<u>31,519,944</u>	<u>4,041,713</u>	<u>4,764,123</u>
<u>\$ 32,614,075</u>	<u>\$ 6,270,502</u>	<u>\$ 38,884,577</u>	<u>\$ 6,148,963</u>	<u>\$ 5,310,598</u>

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

PITT COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

	General Fund	Pitt Community College 2014 GO Bond Capital Project Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Assets:</b>					
Cash and cash equivalents	\$ 28,848,065	\$ -	\$ -	\$ 12,979,042	\$ 41,827,107
Taxes receivable, net	1,055,005	-	-	260,703	1,315,708
Accounts receivable, net	406,205	-	8,220	1,102,967	1,517,392
Prepaid items	194,008	-	56,104	84,668	334,780
Due from other funds	1,882,006	-	-	-	1,882,006
Due from other governments	6,793,815	-	-	2,012,560	8,806,375
Notes receivable	490,050	-	-	-	490,050
Cash and investments, restricted	-	-	-	5,822,021	5,822,021
Total assets	<u>\$ 39,669,154</u>	<u>\$ -</u>	<u>\$ 64,324</u>	<u>\$ 22,261,961</u>	<u>\$ 61,995,439</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,618,323	\$ 16,768	\$ -	\$ 455,014	\$ 2,090,105
Advances from grantors, others	274,061	-	-	-	274,061
Due to other funds	-	1,478,125	18,084	385,797	1,882,006
Total liabilities	<u>1,892,384</u>	<u>1,494,893</u>	<u>18,084</u>	<u>840,811</u>	<u>4,246,172</u>
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	1,055,005	-	-	260,703	1,315,708
Other receivables	694,069	-	-	427,003	1,121,072
Prepaid taxes	177,926	-	-	-	177,926
Total deferred inflows of resources	<u>1,927,000</u>	<u>-</u>	<u>-</u>	<u>687,706</u>	<u>2,614,706</u>
<b>Fund Balances:</b>					
Non-spendable - prepaid items	194,008	-	-	84,668	278,676
Restricted for:					
Stabilization by State statute	8,878,007	-	-	2,688,524	11,566,531
General government	186,041	-	-	-	186,041
Public safety	-	-	-	1,613,619	1,613,619
Education	-	-	-	5,600,273	5,600,273
Economic and physical development	-	-	-	19,400	19,400
Committed	-	-	46,240	9,776,297	9,822,537
Assigned	2,786,466	-	-	1,647,750	4,434,216
Unassigned	23,805,248	(1,494,893)	-	(697,087)	21,613,268
Total fund balances	<u>35,849,770</u>	<u>(1,494,893)</u>	<u>46,240</u>	<u>20,733,444</u>	<u>55,134,561</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 39,669,154</u>	<u>\$ -</u>	<u>\$ 64,324</u>	<u>\$ 22,261,961</u>	

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

**PITT COUNTY, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<u><b>Total</b></u>
Amounts reported for governmental activities in the Statement of Net Position (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.	141,225,347
Long-term liabilities, compensated absences, unfunded pension obligations, and unfunded Other Post-Employment Benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(184,208,574)
Premiums related to debt issuance, net of accumulated amortization, are not a current use of resources and, therefore, are not reported in the funds.	(2,102,689)
Accrued interest related to debt is not due and payable from current financial resources and, therefore, is not reported in the funds.	(1,920,000)
Deferred inflows of resources are not considered available resources and are recorded as liabilities in the funds.	2,436,780
The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	2,499,125
Investment in joint venture asset reported in governmental activities is not reported in the funds.	<u>19,549,525</u>
Net position of governmental activities, per Exhibit A	<u><u>\$ 32,614,075</u></u>

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

## PITT COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Pitt Community College 2014 GO Bond Capital Project Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Revenues:</b>					
Ad valorem taxes	\$ 80,714,289	\$ -	\$ -	\$ 5,021,495	\$ 85,735,784
Other taxes and licenses	15,798,409	-	-	9,438,822	25,237,231
Unrestricted intergovernmental revenues	1,802,623	-	-	-	1,802,623
Restricted intergovernmental revenues	25,252,428	-	-	5,184,118	30,436,546
Permits and fees	2,052,755	-	-	-	2,052,755
Sales and services	6,296,238	-	-	2,483,862	8,780,100
Interest earned on investments	390,016	-	131	61,579	451,726
Miscellaneous	702,242	-	580,718	396,360	1,679,320
Total revenues	<u>133,009,000</u>	<u>-</u>	<u>580,849</u>	<u>22,586,236</u>	<u>156,176,085</u>
<b>Expenditures:</b>					
Current:					
General government	14,855,647	-	-	-	14,855,647
Public safety	30,193,698	-	-	7,745,827	37,939,525
Environmental protection	216,114	-	-	-	216,114
Economic and physical development	1,852,411	-	-	5,064,239	6,916,650
Human services	37,911,830	-	-	-	37,911,830
Education	40,996,613	1,494,893	-	504,512	42,996,018
Cultural and recreation	606,785	-	-	-	606,785
Debt service:					
Principal repayments	450,569	-	10,669,892	252,219	11,372,680
Interest and fees	8,242	-	6,948,754	10,742	6,967,738
Total expenditures	<u>127,091,909</u>	<u>1,494,893</u>	<u>17,618,646</u>	<u>13,577,539</u>	<u>159,782,987</u>
Revenues over (under) expenditures	<u>5,917,091</u>	<u>(1,494,893)</u>	<u>(17,037,797)</u>	<u>9,008,697</u>	<u>(3,606,902)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers to other funds	(6,909,714)	-	-	(12,038,438)	(18,948,152)
Transfers from other funds	670,000	-	17,060,647	506,836	18,237,483
Insurance proceeds	-	-	-	20,489	20,489
Installment debt issued	1,440,000	-	-	154,353	1,594,353
Revenue anticipation notes issued	54,295,000	-	-	-	54,295,000
Payments from escrow agent	61,796,620	-	-	-	61,796,620
Payments to retire revenue anticipation notes	(54,295,000)	-	-	-	(54,295,000)
Payments to bondholders, bond redemption	(54,372,710)	-	-	-	(54,372,710)
Total other financing sources (uses)	<u>2,624,196</u>	<u>-</u>	<u>17,060,647</u>	<u>(11,356,760)</u>	<u>8,328,083</u>
Net change in fund balances	8,541,287	(1,494,893)	22,850	(2,348,063)	4,721,181
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>27,308,483</u>	<u>-</u>	<u>23,390</u>	<u>23,081,507</u>	<u>50,413,380</u>
End of year - June 30	<u>\$ 35,849,770</u>	<u>\$ (1,494,893)</u>	<u>\$ 46,240</u>	<u>\$ 20,733,444</u>	<u>\$ 55,134,561</u>

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

# **PITT COUNTY, NORTH CAROLINA**

## **RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2014**

Amounts reported for governmental activities in the Statement of Activities (Exhibit B)  
are different because:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 4,721,181
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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	(1,279,040)
Notes receivable	490,050
Sales and services	(28,364)

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.	(816,395)
---	-----------

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.	4,719,716
---	-----------

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.	(2,435,498)
---	-------------

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(4,282,895)
---	-------------

Amortization of certain debt issuance costs and premiums 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.	281,841
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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.)	11,372,680
--	------------

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.	(1,594,353)
--	-------------

Increases in Other Post-Employment Benefits' accrued liability are reported as expenses in the entity-wide financial statements; however, it is not an expenditure in the governmental funds statement.	(2,638,120)
---	-------------

Increases in the accrued interest payable account are reported as expenses in the entity-wide financial statements; however, it is not an expenditure in the governmental funds	(1,920,000)
---	-------------

Changes in the investment in joint venture asset is reported as investment income in the entity-wide financial statements, but not reported in the governmental funds.	1,575,790
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The net revenue of the internal service funds is reported with governmental activities.	<u>(613,134)</u>
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Change in net position of governmental activities, per Exhibit B	<u><u>\$ 7,553,459</u></u>
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*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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Over/Under
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 80,329,532	\$ 80,329,532	\$ 80,714,289	\$ 384,757
Other taxes and licenses	16,605,222	16,605,222	15,798,409	(806,813)
Unrestricted intergovernmental revenues	1,617,081	1,617,081	1,802,623	185,542
Restricted intergovernmental revenues	25,973,119	25,950,136	25,252,428	(697,708)
Permits and fees	1,902,700	1,902,700	2,052,755	150,055
Sales and services	6,002,765	6,027,013	6,296,238	269,225
Interest earned on investments	75,000	75,000	390,016	315,016
Miscellaneous	556,996	683,474	702,242	18,768
Total revenues	<u>133,062,415</u>	<u>133,190,158</u>	<u>133,009,000</u>	<u>(181,158)</u>
<b>Expenditures:</b>				
General government	13,620,073	20,095,015	14,855,647	5,239,368
Public safety	31,041,706	31,363,042	30,193,698	1,169,344
Environmental protection	259,419	269,657	216,114	53,543
Economic and physical development	1,450,062	1,970,786	1,852,411	118,375
Human services	39,963,524	40,468,621	37,911,830	2,556,791
Education	40,996,613	40,996,613	40,996,613	-
Cultural and recreation	606,050	606,050	606,785	(735)
Debt service	514,998	514,998	458,811	56,187
Total expenditures	<u>128,452,445</u>	<u>136,284,782</u>	<u>127,091,909</u>	<u>9,192,873</u>
Revenues over (under) expenditures	<u>4,609,970</u>	<u>(3,094,624)</u>	<u>5,917,091</u>	<u>9,011,715</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	450,000	670,000	670,000	-
Transfers out	(6,922,054)	(7,003,104)	(6,909,714)	93,390
Installment debt issued	615,000	1,645,000	1,440,000	(205,000)
Revenue anticipation notes issued	-	54,295,000	54,295,000	-
Payments from escrow agent	-	60,000,000	61,796,620	1,796,620
Payments to retire revenue anticipation notes	-	(54,295,000)	(54,295,000)	-
Payments to bondholders, bond redemption	-	(54,805,000)	(54,372,710)	432,290
Appropriated fund balance	<u>1,247,084</u>	<u>2,587,728</u>	<u>-</u>	<u>(2,587,728)</u>
Total other financing sources (uses)	<u>(4,609,970)</u>	<u>3,094,624</u>	<u>2,624,196</u>	<u>(470,428)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>8,541,287</u>	<u>\$ 8,541,287</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>27,308,483</u>	
End of year - June 30			<u>\$ 35,849,770</u>	

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



## PITT COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

JUNE 30, 2014

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Solid Waste Fund</b>	<b>Internal Service Funds</b>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 3,077,304	\$ 3,333,626
Receivables, net	915,319	1,493
Prepaid items	-	143,919
Total current assets	<u>3,992,623</u>	<u>3,479,038</u>
Non-current assets:		
Capital assets, non-depreciable	664,329	-
Capital assets, net	<u>3,105,917</u>	<u>-</u>
Total non-current assets	<u>3,770,246</u>	<u>-</u>
Total assets	<u>7,762,869</u>	<u>3,479,038</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable and accrued liabilities	425,295	979,913
Compensated absences	33,000	-
Current portion of post-closure costs	<u>40,000</u>	<u>-</u>
Total current liabilities	<u>498,295</u>	<u>979,913</u>
Non-current liabilities:		
Non-current portion of compensated absences	34,072	-
Landfill closure/post-closure costs payable	<u>960,000</u>	<u>-</u>
Total non-current liabilities	<u>994,072</u>	<u>-</u>
Total liabilities	<u>1,492,367</u>	<u>979,913</u>
<b>Net Position:</b>		
Investment in capital assets	3,770,246	-
Unrestricted	<u>2,500,256</u>	<u>2,499,125</u>
Total net position	<u>\$ 6,270,502</u>	<u>\$ 2,499,125</u>

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

## PITT COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities	Governmental Activities
	Solid Waste Fund	Internal Service Funds
<b>Operating Revenues:</b>		
Solid waste fees	\$ 7,681,781	\$ -
User charges	-	1,314,224
Interfund services	-	8,848,248
Miscellaneous revenues	712,532	6,000
Total operating revenues	8,394,313	10,168,472
<b>Operating Expenses:</b>		
Salaries and employee benefits	1,256,782	-
Supplies and materials	900,640	-
Contract labor and other services	1,641,586	-
Contracted services - waste disposal	4,271,169	-
Depreciation	295,278	-
Equipment maintenance	-	911,763
Medical claims costs	-	10,435,187
Claims reimbursement	-	480,462
Total operating expenses	8,365,455	11,827,412
Operating income (loss)	28,858	(1,658,940)
<b>Non-Operating Revenues (Expenses):</b>		
Interest earned on investments	20,980	8,855
Intergovernmental grants	79,728	-
Gain (loss) on sale of capital assets	7,890	-
Total non-operating revenues (expenses)	108,598	8,855
Income (loss) before contributions and transfers	137,456	(1,650,085)
Transfer in (out)	(326,282)	1,036,951
Change in net position	(188,826)	(613,134)
<b>Net Position:</b>		
Beginning of year - July 1	6,459,328	3,112,259
End of year - June 30	\$ 6,270,502	\$ 2,499,125

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, 2014

	Business-Type Activities Solid Waste Fund	Governmental Activities Internal Service Funds
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers	\$ 8,880,114	\$ 1,319,951
Cash received from interfund services transactions	-	8,848,248
Cash paid to suppliers	(6,859,325)	(11,640,313)
Cash paid to employees	(1,243,629)	-
Net cash provided (used) by operating activities	777,160	(1,472,114)
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Non-capital contributions/grants	79,728	-
Transfers	(326,282)	1,036,951
Net cash provided (used) by non-capital financing activities	(246,554)	1,036,951
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(502,000)	-
Proceeds from sale of capital assets	7,890	-
Net cash provided (used) by capital and related financing activities	(494,110)	-
<b>Cash Flows from Investing Activities:</b>		
Investment income received	20,980	8,855
Net increase (decrease) in cash and cash equivalents	57,476	(426,308)
<b>Cash and Cash Equivalents:</b>		
Beginning of year - July 1	3,019,828	3,759,934
End of year - June 30	\$ 3,077,304	\$ 3,333,626
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>		
Operating income (loss)	\$ 28,858	\$ (1,658,940)
Depreciation	295,278	-
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	485,801	(273)
(Increase) decrease in prepaid expenses	-	(1,378)
Increase (decrease) in accounts payable and accrued liabilities	7,223	188,477
Increase (decrease) in closure and post-closure costs payable	(40,000)	-
Net cash provided (used) by operating activities	\$ 777,160	\$ (1,472,114)

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

## PITT COUNTY, NORTH CAROLINA

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

JUNE 30, 2014

	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 275,036	\$ 353,827
Total assets	<u>275,036</u>	<u>353,827</u>
<b>Liabilities:</b>		
Deposits held in custody for others	-	318,151
Deferred compensation benefits payable	<u>-</u>	<u>35,676</u>
Total liabilities	<u>-</u>	<u>353,827</u>
<b>Net Position:</b>		
Held in trust for pension benefits and other purposes	<u>\$ 275,036</u>	<u>\$ -</u>

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

**PITT COUNTY, NORTH CAROLINA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Pension Trust Fund</b>
<b>Additions:</b>	
Employer contributions	<u>\$ 241,560</u>
<b>Deductions:</b>	
Benefits	<u>239,927</u>
Change in net position	1,633
<b>Net Position:</b>	
Beginning of year - July 1	<u>273,403</u>
End of year - June 30	<u><u>\$ 275,036</u></u>

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

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# **PITT COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

### **1. Summary of Significant Accounting Policies**

#### **A. Nature of Operations**

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

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

#### **B. Reporting Entity**

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

##### **Pitt County Alcoholic Beverage Control Board**

The Pitt County Alcoholic Beverage Control Board (“ABC Board”) is governed by a five-member Board appointed by the County Commissioners as ABC Board members’ terms expire. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained at 2305 South Memorial Drive, Greenville, North Carolina 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 were a governmental fund. Pitt County has no financial liability for the Commission. Complete financial statements for the Commission may be obtained at 1111 South Washington Street, Greenville, North Carolina 27834.



# **PITT COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

### **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.

### **C. Basis of Presentation, Basis of Accounting**

#### **Government-Wide Statements**

The Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B) display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties. 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 presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include: (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### **Fund Financial Statements**

The fund financial statements provide information about the County’s funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

## PITT COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items, such as investment earnings, are ancillary activities.

The County reports the following major governmental funds for the year ended June 30, 2014:

**General Fund.** This is the County's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

**Pitt Community College 2014 GO Bond Capital Project Fund.** This fund is used to account for capital activity related to Pitt Community College.

**Debt Service Fund.** The Debt Service Fund is used to account for all expenditures of 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.

The County reports the following major enterprise fund for the year ended June 30, 2014:

**Solid Waste Fund.** This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

The County reports the following fund types:

**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 State/Federal Forfeiture Fund, CDBG Special Revenue Fund, CDBG Single Family Rehab Special Revenue Fund, State Grants Fund, Pitt Area Transit System Special Revenue Fund, Fire Districts Fund, Emergency Medical Services District Fund, Emergency Telephone System Fund, and Hurricane Grant 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 (Bowen Farm) Fund, Pitt Community College 2010 Fund, Vernon White Fund, Energy Savings Fund, Chicod Fund, 2009 LOBS Education Projects Fund, Sadie Saulter Fund, Communication Expansion Fund, Community Schools and Recreation Fund, ECTC Building Fund, School Improvement Fund, Industrial Development Building Fund, School Capital Reserve Fund, and the County Capital Reserve Fund.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

**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, Active Employee Medical Insurance Fund, Retiree 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 by the County. 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 the Social Services Fund, Mental Health Fund, Sheriff Fund, and Jail Fund. The agency funds also include 3% interest payable to the State Fund, Flexible Benefit Agency Fund, and the fund used to account for taxes 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.

#### **Measurement Focus, Basis of Accounting**

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.

#### **Government-Wide, Proprietary, and Fiduciary Fund Financial Statements**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 County enterprise funds are charges to customers for landfill services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### **Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available when they are collected within 60 days of June 30, 2014, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all Counties, municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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.

# **PITT COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

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 is both restricted and unrestricted net position 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.

### **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 funds, which are project based; the School Improvement Capital Project Fund, Industrial Development Building Fund, The School Capital Reserve Fund, and the County Capital Reserve 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. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, 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.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

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

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

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

#### **Cash and Cash Equivalents**

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

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.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

The unexpended debt proceeds of the capital project funds are classified as restricted assets (cash) within their respective funds, because their use is completely restricted to the purpose for which the debt was originally issued.

#### **Governmental Activities:**

##### **Capital Project Funds**

Pitt Community College 2010	\$ 1,454,933
Energy Savings	3,120
2009 LOBS Education Projects	4,012,225
Sadie Saulter	133,115
Communication	<u>218,628</u>
<b>Total Governmental Activities</b>	<b><u>\$ 5,822,021</u></b>

<b>Total Restricted Cash</b>	<b><u>\$ 5,822,021</u></b>
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#### **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, 2013. 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.

#### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

# **PITT COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

### **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 that are incurred during the construction period of capital assets.

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

<u>Assets</u>	<u>Estimated Useful Lives</u>
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 portion of that time estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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 non-vesting accumulating rights to receive sick pay benefits.



## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category – prepaid taxes, other receivables, and taxes receivable.

#### **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 Position. 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 but have 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, 2014**

#### **Net Position**

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

#### **Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

#### **Non-Spendable Fund Balance**

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Prepaid Items* – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### Restricted Fund Balance

This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law. Restricted fund balance is summarized as follows:

	General Fund	Debt Service	Special Revenue	Capital Projects	Total
<i>Restricted for Stabilization by State Statute</i> – portion of fund balance that is restricted by State statute [G.S. 159-8(a)].	\$ 8,878,007	\$ -	\$ 675,964	\$ 2,012,560	\$ 11,566,531
<i>Restricted for General Government</i> – portion of fund balance that is restricted by revenue source for technology for the Register of Deeds' office.	186,041	-	-	-	186,041
<i>Restricted for Public Safety</i> – portion of fund balance that is restricted by revenue source for fire protection expenditures.	-	-	22,239	-	22,239
<i>Restricted for Public Safety</i> – portion of fund balance that is restricted by revenue source for EMS expenditures.	-	-	788,323	-	788,323
<i>Restricted for Public Safety</i> – portion of fund balance that is restricted by revenue source for the Emergency Telephone System Fund.	-	-	584,429	-	584,429
<i>Restricted for Education</i> – portion of fund balance that is restricted by revenue (unspent debt proceeds) source for education.	-	-	-	4,012,225	4,012,225
<i>Restricted for Economic and Physical Development</i> – portion of fund balance that is restricted by revenue source for community development projects.	-	-	16,280	-	16,280
Total restricted net position (Exhibit A)	9,064,048	-	2,087,235	6,024,785	17,176,068
<i>Restricted for Public Safety</i> – portion of fund balance that is restricted by revenue (unspent debt proceeds) source for public safety.	-	-	-	218,628	218,628
<i>Restricted for Education</i> – portion of fund balance that is restricted by revenue (unspent debt proceeds) source for education.	-	-	-	1,588,048	1,588,048
<i>Restricted for Economic and Physical Development</i> – portion of fund balance that is restricted by revenue source (unspent debt proceeds) for economic development projects.	-	-	-	3,120	3,120
Total restricted fund balances (Exhibit C)	\$ 9,064,048	\$ -	\$ 2,087,235	\$ 7,834,581	\$ 18,985,864

## PITT COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

#### Committed Fund Balance

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Committed fund balance is summarized as follows:

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<i>Committed for General Government</i> – portion of fund balance that can only be used for general government debt service or projects.	\$ 46,240	\$ 5,256,140	\$ 5,302,380
<i>Committed for Education</i> – portion of fund balance that can only be used for education-related debt service or projects.	-	4,512,041	4,512,041
			-
<i>Committed for Economic and Physical Development</i> – portion of fund balance that can only be used for economic development projects.	-	8,116	8,116
Total	<u>\$ 46,240</u>	<u>\$ 9,776,297</u>	<u>\$ 9,822,537</u>

#### Assigned Fund Balance

Assigned fund balance is the portion of fund balance that Pitt County intends to use for specific purposes. The County's governing body has the authority to assign fund balance. The Manager and Finance Officer, as granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance.

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Assigned fund balance is summarized as follows:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total</u>
<i>Subsequent Year's Expenditures</i> – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.	\$ 2,786,466	\$ -	\$ -	\$ 2,786,466
<i>Assigned for Public Safety</i> – State and federal asset forfeiture fund balance assigned by management for public safety.	-	110,103	-	110,103
<i>Assigned for Education</i> – portion of fund balance assigned by management for education purposes.	-	-	473,132	473,132
<i>Assigned for Economic Development</i> – portion of fund balance assigned by management for an industrial building.	<u>-</u>	<u>-</u>	<u>1,064,515</u>	<u>1,064,515</u>
Total	<u>\$ 2,786,466</u>	<u>\$ 110,103</u>	<u>\$ 1,537,647</u>	<u>\$ 4,434,216</u>

### Unassigned Fund Balance

Unassigned fund balance is the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

### Fund Balance Available for Appropriation

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 35,849,770
Less:	
Prepaid items	(194,008)
Stabilization by State statute	<u>(8,878,007)</u>
Fund balance available for appropriation	<u>\$ 26,777,755</u>

Pitt County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund

# **PITT COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

balance first, followed in order by committed fund balance, assigned fund balance, and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County. The County has not adopted a formal fund balance policy.

### **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; other post-employment benefit obligations; incurred, but not reported, claims; and post-closure landfill expenses.

## **2. Stewardship, Compliance, and Accountability**

### **A. Deficit Fund Balance or Net Position of Individual Funds**

The following individual funds had deficit fund balances as of June 30, 2014:

	<u>Amount</u>
<b>Special Revenue:</b>	
Pitt Area Transit Fund	<u>\$ 37,972</u>
 <b>Capital Projects:</b>	
Chicod Fund	<u>\$ 205,443</u>
Pitt Community College 2014 GO Bond Fund	<u>\$ 1,494,893</u>

The County plans to properly capitalize these funds with the receipt of pending reimbursements from the grantors and via debt issuances in the capital project funds and with local transfers to the Pitt Area Transit Fund.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

#### **B. Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2014, expenditures made in the County's General Fund exceeded the authorized appropriations made by the governing board for the Mental Health Department by \$76,663. Transfers out in the Sadie Saulter Capital Project Fund exceeded authorized appropriations by \$293,018. Management will more closely monitor budget reports to ensure any necessary amendments are prepared and approved prior to funds being expended.

### **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 non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The State Treasurer enforces standards of minimum capitalization for all Pooling Method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness on any other financial institution used by the County. The County complies with the provisions G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have a policy regarding custodial credit risk for deposits.

At June 30, 2014, the County's deposits had a carrying amount of \$23,817,953 and a bank balance of \$24,913,760. The County only has deposits in institutions that collateralize under the Pooling Method. Of the bank balance, \$803,239 was covered by federal depository insurance and \$24,110,521 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The County had \$106,688 of cash on hand at year-end.

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### B. Investments

At June 30, 2014, the County's investment balances were as follows:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than 1 Year</b>	<b>2-3 Years</b>	<b>4-7 Years</b>	<b>Greater Than 7 Years</b>
NC Capital Management Trust					
Cash Portfolio	\$ 9,900,985	\$ 9,900,985	\$ -	\$ -	\$ -
Term Portfolio	2,506,471	2,506,471	-	-	-
Commercial paper	12,605,745	12,605,745	-	-	-
US Government Agencies:					
Federal Farm Credit	2,997,495	-	2,997,495	-	-
Fannie Mae	2,501,902	-	2,501,902	-	-
Charlotte Airport Spec. Fac. Rev. Bond	251,682	-	251,682	-	-
<b>Total</b>	<b>\$ 30,764,280</b>	<b>\$ 25,013,201</b>	<b>\$ 5,751,079</b>	<b>\$ -</b>	<b>\$ -</b>

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

The County has no formal policy for interest rate risk.

*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, 2014, the County's investments were rated as follows:

	<b>Standard Poor's</b>	<b>Moody's Investor Services</b>
North Carolina Capital Management Trust Cash Portfolio	AAAm	N/A
North Carolina Capital Management Term Portfolio	N/A	N/A
Commercial paper	A-1	P-1
Federal Farm Credit	AA+	Aaa
Fannie Mae	AA+	Aaa
Charlotte Airport Spec. Facilities Rev. Bond	A	A3

*Concentration of Credit Risk.* The County places no limit on the amount that the County may invest in any one issuer. More than five percent of the County's investments were in the following securities: Federal Farm Credit (9.7%) and Fannie Mae (8.1%).



# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### 4. Property Tax - Use-Value Assessment On Certain Lands

In accordance with the General Statutes, certain agricultural, horticultural, forestland, 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.

<b>Year Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 2,784,361	\$ 661,286	\$ 3,445,647
2012	2,842,890	419,326	3,262,216
2013	2,870,486	165,053	3,035,539
2014	3,149,384	-	3,149,384
Total	<u>\$ 11,647,121</u>	<u>\$ 1,245,665</u>	<u>\$ 12,892,786</u>

### 5. Accounts Receivable

#### Disaggregate Information

Receivables at the government-wide level at June 30, 2014 were as follows:

<b>Type of Receivable</b>	<b>Amount (Net of Allowance)</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Accounts Receivable:</b>			
Customer/client billings	\$ 1,518,885	\$ 249,425	\$ 1,768,310
Landfill fees assessed	-	665,894	665,894
Total	<u>\$ 1,518,885</u>	<u>\$ 915,319</u>	<u>\$ 2,434,204</u>
<b>Due from Other Governments:</b>			
Sales tax	\$ 3,888,195	\$ -	\$ 3,888,195
Sales tax refund	413,664	-	413,664
Other services and grants	4,504,516	-	4,504,516
Total	<u>\$ 8,806,375</u>	<u>\$ -</u>	<u>\$ 8,806,375</u>

# **PITT COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

### **Allowances for Doubtful Accounts**

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

<b>Fund</b>	<b>Allowance</b>
<b>General Fund:</b>	
Property taxes	\$ 2,873,232
Other - Public Health	<u>257,512</u>
Total	<u>\$ 3,130,744</u>
<b>Special Revenue Fund:</b>	
Ambulance services	<u>\$ 666,215</u>
<b>Solid Waste Fund:</b>	
Landfill fees	<u>\$ 33,258</u>

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### 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, 2013	Additions	Retirements	Balance June 30, 2014
<b>Non-Depreciable Assets:</b>				
Land	\$ 3,018,827	\$ -	\$ -	\$ 3,018,827
Construction in progress	50,895,623	2,480,751	(2,170,113)	51,206,261
Total non-depreciable capital assets	<u>53,914,450</u>	<u>2,480,751</u>	<u>(2,170,113)</u>	<u>54,225,088</u>
<b>Depreciable Assets:</b>				
Land improvements	1,237,400	-	-	1,237,400
Buildings	114,199,634	-	-	114,199,634
Furniture and equipment	11,009,471	995,826	(1,120,654)	10,884,643
Vehicles	7,802,651	1,243,139	(453,322)	8,592,468
Total depreciable capital assets	<u>134,249,156</u>	<u>2,238,965</u>	<u>(1,573,976)</u>	<u>134,914,145</u>
Subtotal	<u>188,163,606</u>	<u>4,719,716</u>	<u>(3,744,089)</u>	<u>189,139,233</u>
<b>Less Accumulated Depreciation:</b>				
Land improvements	1,108,257	79,287	-	1,187,544
Buildings	33,121,436	2,692,198	-	35,813,634
Furniture and equipment	4,796,456	672,137	(855,269)	4,613,324
Vehicles	5,913,433	839,273	(453,322)	6,299,384
Total accumulated depreciation	<u>44,939,582</u>	<u>\$ 4,282,895</u>	<u>\$ (1,308,591)</u>	<u>47,913,886</u>
Depreciable capital assets, net	<u>89,309,574</u>			<u>87,000,259</u>
Governmental capital assets, net	<u>\$ 143,224,024</u>			<u>\$ 141,225,347</u>

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

#### Governmental Activities:

General government	\$ 674,415
Public protection	2,049,175
Human services	250,985
Education	666,866
Economic/physical development	641,454
Total	<u>\$ 4,282,895</u>

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### B. Proprietary Capital Assets

The capital assets for the Enterprise Fund of the County at June 30, 2014 are as follows:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
<b>Non-Depreciable Assets:</b>				
Land and improvements	\$ 664,329	\$ -	\$ -	\$ 664,329
Total non-depreciable capital assets	<u>664,329</u>	<u>-</u>	<u>-</u>	<u>664,329</u>
<b>Depreciable Assets:</b>				
Land improvements	88,393	-	-	88,393
Buildings and improvements	2,680,236	-	-	2,680,236
Furniture and equipment	3,754,100	412,000	(75,902)	4,090,198
Vehicles	889,754	90,000	-	979,754
Total depreciable capital assets	<u>7,412,483</u>	<u>502,000</u>	<u>(75,902)</u>	<u>7,838,581</u>
<b>Less Accumulated Depreciation:</b>				
Land improvements	88,393	-	-	88,393
Buildings and improvements	1,314,803	58,989	-	1,373,792
Furniture and equipment	2,384,915	169,110	(75,902)	2,478,123
Vehicles	725,177	67,179	-	792,356
Total accumulated depreciation	<u>4,513,288</u>	<u>\$ 295,278</u>	<u>\$ (75,902)</u>	<u>4,732,664</u>
Depreciable capital assets, net	<u>2,899,195</u>			<u>3,105,917</u>
Proprietary capital assets, net	<u>\$ 3,563,524</u>			<u>\$ 3,770,246</u>

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### C. Net Investment In Capital Assets

The total net investment in capital assets at June 30, 2014 is composed of the following elements:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital assets, net of depreciation	\$ 141,225,347	\$ 3,770,246
Long-term debt	186,311,263	1,067,072
Less unspent debt proceeds	(1,809,796)	-
Less debt not tied to capital assets:		
Compensated absences	(3,756,010)	(67,072)
Unfunded LEO pension obligation	(1,292,452)	-
Unfunded OPEB liability	(22,979,013)	-
2007 COPS Capital Project debt, not associated with County assets, net of unspent debt proceeds	(10,496,050)	-
2009 COPS Capital Project debt, not associated with County assets, net of unspent debt proceeds	(11,440,000)	-
Engineering project debt	(985,441)	-
Sewer improvements debt	(690,317)	-
Closure and post-closure costs	-	(1,000,000)
Long-term debt related to capital assets	132,862,184	-
Net investment in capital assets	<u>\$ 8,363,163</u>	<u>\$ 3,770,246</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 Position. 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, 2014

### A. Changes in Long-Term Debt

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

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Current Portion
<b>By Type:</b>					
Compensated absences	\$ 3,036,518	\$ 1,964,676	\$ (1,245,184)	\$ 3,756,010	\$ 1,850,000
Unfunded LEO	1,195,549	338,463	(241,560)	1,292,452	-
Unfunded OPEB	20,340,893	3,811,337	(1,173,217)	22,979,013	-
Certificates of participation	92,715,000	-	(6,490,000)	86,225,000	6,585,000
Limited obligation bonds	54,705,000	-	(2,740,000)	51,965,000	1,920,000
Qualified school construction bonds	5,252,206	-	(350,147)	4,902,059	350,147
Notes payable	13,287,220	1,594,353	(1,792,533)	13,089,040	1,571,779
Unamortized bond premium	2,384,530	-	(281,841)	2,102,689	-
Total	<u>\$ 192,916,916</u>	<u>\$ 7,708,829</u>	<u>\$ (14,314,482)</u>	<u>\$ 186,311,263</u>	<u>\$ 12,276,926</u>
<b>By Purpose:</b>					
Schools				\$ 100,092,059	
Pitt Community College				23,365,000	
General government				1,744,756	
Public safety				20,678,413	
Economic and physical development				6,155,871	
Court house				4,145,000	
Compensated absences				3,756,010	
Unfunded LEO				1,292,452	
Unfunded OPEB				22,979,013	
Unamortized bond premium				2,102,689	
Total				<u>\$ 186,311,263</u>	

The General Fund is typically used to liquidate the compensated absences, other post-employment benefits, and pension liabilities.

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Current</u> <u>Portion</u>
<b>By Type:</b>					
Compensated absences	\$ 53,919	\$ 36,478	\$ (23,325)	\$ 67,072	\$ 33,000
Closure and post-closure	1,040,000	-	(40,000)	1,000,000	40,000
Total	<u>\$ 1,093,919</u>	<u>\$ 36,478</u>	<u>\$ (63,325)</u>	<u>\$ 1,067,072</u>	<u>\$ 73,000</u>

### **B. Certificates of Participation**

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

<u>Original Issue</u>			<u>Payment Information</u>		<u>Outstanding</u>	<u>Purpose and Collateral</u>
<u>Amount</u>	<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Balance</u>	
\$ 42,510,000	October 2004	3.00% - 4.70%	Annual	\$1,100,000- 1,095,000	\$ 4,145,000	School projects, advance refund debt; secured by real estate
59,365,000	March 2007	3.50%- 5.00%	Annual	985,000	45,635,000	School projects, advance refund debt; secured by real estate
19,855,000	October 2007	4.44%	Annual	685,000	15,490,000	Construct Detention Center addition; secured by real estate
21,095,000	May 2012	3.00% - 4.70%	Annual	1,100,000 - 1,095,000	<u>20,955,000</u>	Current refunding of debt; secured by real estate
Total Certificates of Participation					<u>\$ 86,225,000</u>	

# **PITT COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 6,585,000	\$ 5,500,739	\$ 12,085,739
2016	6,710,000	5,152,727	11,862,727
2017	6,735,000	4,765,252	11,500,252
2018	5,410,000	4,380,877	9,790,877
2019	5,430,000	4,027,427	9,457,427
2020-2024	28,455,000	15,055,302	43,510,302
2025-2029	22,100,000	6,067,322	28,167,322
2030-2033	4,800,000	944,250	5,744,250
Total	<u>\$ 86,225,000</u>	<u>\$ 45,893,896</u>	<u>\$ 132,118,896</u>

### **C. Limited Obligation Bonds**

#### **Serviced by Governmental Activities:**

Series 2009, payable in annual principal payments of \$825,000 -  
\$1,430,000 with interest payable semi-annually at 3.5% - 5.00% \$ 28,600,000

Series 2010, payable in annual principal payments of \$895,000 -  
\$900,000 with interest payable semi-annually at 2.0% - 4.0% 23,365,000

Total limited obligation bonds \$ 51,965,000



# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

<b>Year Ending</b> <b>June 30</b>	<b>Debt Service Fund</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 1,920,000	\$ 1,361,069	\$ 3,281,069
2016	2,330,000	1,309,044	3,639,044
2017	2,330,000	1,257,019	3,587,019
2018	2,330,000	1,204,994	3,534,994
2019	2,330,000	1,149,394	3,479,394
2020-2024	11,630,000	4,854,607	16,484,607
2025-2029	11,625,000	3,255,875	14,880,875
2030-2034	11,625,000	1,431,250	13,056,250
2035-2039	4,475,000	226,250	4,701,250
2040-2041	1,370,000	27,850	1,397,850
Total	<u>\$ 51,965,000</u>	<u>\$ 16,077,352</u>	<u>\$ 68,042,352</u>

### D. Qualified School Construction Bonds

#### Serviced by Governmental Activities:

Sadie Saulter Qualified School Construction Bonds, Series 2010,

payable annually in the amount of \$350,147 with 0.00% interest

\$ 4,902,059

Annual debt service requirements to maturity for the County's Qualified School Construction bonds are as follows:

<b>Year Ending</b> <b>June 30</b>	<b>Debt Service Fund</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 350,147	\$ -	\$ 350,147
2016	350,147	-	350,147
2017	350,147	-	350,147
2018	350,147	-	350,147
2019	350,147	-	350,147
2020-2024	1,750,735	-	1,750,735
2025-2028	1,400,589	-	1,400,589
Total	<u>\$ 4,902,059</u>	<u>\$ -</u>	<u>\$ 4,902,059</u>

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### E. Notes Payables

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

Original Issue		Payment Information		Outstanding	
Date	Rate	Period	Amount	Balance	Security
March 2000	4.25%	Quarterly	\$ 17,651	\$ 53,932	Global TransPark
July 2005	3.50%	Quarterly	24,484	27,822	Global TransPark
January 2006	3.56%	Quarterly	209,476	985,441	Engineering project
May 2010	0.00%	Annual	45,046	690,317	Sewer improvements
					Compactor, Radios,
October 2011	2.07%	Semi-annual	550,000	4,400,000	Building
October 2011	2.07%	Quarterly	32,306	377,845	EMS Equipment
September 2012	2.26%	Semi-annual	Variable	3,668,057	Energy Savings
October 2012	2.00%	Annual	98,650	1,715,743	DENR Project
November 2013	1.27%	Semi-annual	103,408	410,568	Vehicles
January 2014	0.96%	Semi-annual	66,874	264,315	Computers
May 2014	0.00%	Annual	99,000	495,000	Economic development
Total				<u>\$ 13,089,040</u>	

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 1,571,779	\$ 281,360	\$ 1,853,139
2016	1,644,662	250,664	1,895,326
2017	1,430,852	218,995	1,649,847
2018	1,148,075	189,899	1,337,974
2019	947,193	168,482	1,115,675
2020-2024	3,323,839	577,217	3,901,056
2025-2029	2,044,253	301,995	2,346,248
2030-2033	978,387	47,575	1,025,962
Total	<u>\$ 13,089,040</u>	<u>\$ 2,036,187</u>	<u>\$ 15,125,227</u>

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

#### **F. 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, 2014, net debt outstanding was \$156,181,099 with no bonded debt. The statutory limit at that date was approximately \$956,103,000 providing a debt margin of \$799,921,901.

#### **G. Bond Redemption/Defeasance/Special Item**

During the fiscal year ended June 30, 2014, the County took action to redeem certain outstanding hospital revenue bonds initially issued by the County in 1995. These 1995 bonds were secured by and payable solely from a portfolio of U.S. government obligations. The County redeemed all of the outstanding 1995 bonds from the proceeds of a short-term taxable revenue anticipation note. Upon redemption of the outstanding 1995 Bonds, the County sold the portfolio of U.S. government obligations and used a portion of the proceeds of such sale to retire the short-term note. The residual sale proceeds were retained by the County. All activity related to this transaction (net of fees) is reflected as other financing sources and uses in the fund financial statements. The transaction resulted in no new debt outstanding at year end, thus the gross economic gain totaling \$7,423,910 was recognized as a special item, Governmental Activities, Exhibit B.

### **8. Employee Retirement Systems**

#### **A. Local Governmental Employees' Retirement System**

**Plan Description.** Pitt County contributes to the State-wide 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 LGERS is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, 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 7.07% and 7.28%, respectively, of annual covered payroll. The contribution requirements of members and of the County are established and may be amended by the North Carolina General Assembly. The County's contributions, including the members' contributions, to LGERS for the years ended June 30, 2014, 2013, and 2012 were \$5,278,442, \$5,030,672, and \$5,610,674, respectively. The contributions made by the County equaled the required contributions for each year.

## PITT COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

#### 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. The Separation Allowance is reported in the County's report as a Pension Trust Fund.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2013, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to, but not yet receiving, benefits	17
Active plan members	<u>132</u>
Total	<u><u>149</u></u>

A separate report was not issued for the plan.

#### 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.* Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

**Contributions.** The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$241,560, or 3.7%, 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, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25% - 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. 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, 2012 was 18 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	\$ 376,090
Interest on net pension obligation	59,777
Adjustment to annual required contribution	<u>(97,404)</u>
Annual pension costs	338,463
Employer contributions made for	
fiscal year ended June 30, 2014	<u>241,560</u>
Increase (decrease) in net pension obligation	96,903
Net pension obligation:	
Beginning of year - July 1	<u>1,195,549</u>
End of year - June 30	<u>\$ 1,292,452</u>

### Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 308,007	38.6%	\$ 1,092,114
2013	322,414	67.9%	1,195,549
2014	338,463	71.4%	1,292,452

**Funded Status and Funding Progress.** As of December 31, 2013, the plan was 8.46% funded. The actuarial accrued liability for benefits was \$3,394,354 and the actuarial value of assets was \$287,332, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,107,022. The covered payroll (annual payroll of active employees covered by the plan) was \$6,515,426, and the ratio of the UAAL to the covered payroll was 47.69 percent. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

#### **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, 2014 were \$408,432, which consisted of \$314,404 from the County and \$94,028 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 5.03% of participants' gross pay, and employees may make voluntary contributions to the Plan. The total contribution for the year ended June 30, 2014 was \$2,193,801, which consisted of \$1,691,429 from the County and \$502,372 from the employees.

#### **E. Supplemental Pension Fund**

**Plan Description.** Pitt County also contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a non-contributory, 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 (LERS) 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 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 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.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

**Funding Policy.** On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one 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, 2014, the County's required and actual contributions were \$12,070.

#### **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 Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one- year term cost basis. The beneficiaries of those 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 the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. 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. The County considers these contributions to be immaterial.

## PITT COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

#### 11. Other Post-Employment Benefits – Healthcare Benefits

**Plan Description.** In addition to providing pension benefits, the County has elected to provide healthcare 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. If the retiree's hire date was January 1, 2009 or later, the continuous service requirement is fifteen years. 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. The plan is a single-employer defined benefit plan.

Retirees can purchase coverage for their dependents at the County's group rates until the retiree reaches age sixty-five. Currently, 195 retirees are eligible for post-retirement health benefits. For the year ended June 30, 2014, the County made payments for post-retirement health benefit premiums of \$1,173,217. The County is self-insured for healthcare 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, 2013, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependents receiving benefits	178	17
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	806	132
Total	984	149

**Funding Policy.** The County pays the full cost of coverage for the healthcare 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 healthcare benefits on a pay-as-you-go basis.



## PITT COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

The current annual required contribution (ARC) rate is 9.27% of annual covered payroll. For the current year, the County contributed \$1,173,217 to the plan, consisting of \$1,076,922 from the County and no contribution from employees. The current year contribution is 2.88% of annual covered payroll. The County is self-insured for healthcare 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 9.3% of covered payroll, respectively. Retirees also contributed \$96,295 to the plan for dependent coverage, on a cost reimbursement basis. 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	\$ 3,774,976
<i>Valuation discount rate</i>	4.00%
Interest on net OPEB obligation	813,636
<i>Amortization factor</i>	26.1695
Adjustments to annual required contribution	<u>777,275</u>
Annual OPEB cost (expense)	3,811,337
Contributions made	<u>1,173,217</u>
Increase (decrease) in net OPEB obligation	2,638,120
Net OPEB obligation:	
Beginning of year - July 1	<u>20,340,893</u>
End of year - June 30	<u><u>\$ 22,979,013</u></u>

## PITT COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2012-2014 were as follows:

<b>Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2012	\$ 4,346,797	22.60%	\$ 17,824,625
2013	3,696,888	31.90%	20,340,893
2014	3,811,337	30.78%	22,979,013

**Fund Status and Funding Progress.** As of December 31, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$51,684,729, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$51,684,729. The covered payroll (annual payroll of active employees covered by the Plan) was \$40,713,049, and the ratio of UAAL to the covered payroll was 126.9 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 the healthcare cost trend. 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 information about the actuarial value of Plan assets and 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 to 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.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

In the December 31, 2013 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 7.75 to 5.00 percent annually. Both rates included a 3.00 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 five-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, 2013 was 30 years.

#### **12. Closure and Post-Closure Care Costs - Landfill**

Federal and State 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 \$1,000,000 reported as landfill post-closure care liability at June 30, 2014 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 2014. 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 Federal and State laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements.

#### **13. Deferred Inflows of Resources**

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

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Total</b>
Prepaid taxes not yet earned	\$ 177,926	\$ -	\$ 177,926
Taxes receivable, net	1,055,005	260,703	1,315,708
Accounts receivable, net	204,019	427,003	631,022
Notes receivable	490,050	-	490,050
Total	<u>\$ 1,927,000</u>	<u>\$ 687,706</u>	<u>\$ 2,614,706</u>

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

The balance in deferred inflows of resources in the government-wide statements at year-end is composed of the following elements:

	<b>Governmental Activities</b>
Prepaid taxes	\$ 177,926
Total	<u>\$ 177,926</u>

### 14. Accounts Payable

#### Disaggregate Information

<b>Type of Payable</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Trade payables	\$ 2,090,105	\$ 425,295	\$ 2,515,400
Accrued interest	1,920,000	-	1,920,000
Internal service trade payables	89,509	-	89,509
IBNR estimate (incurred, but not reported)	890,404	-	890,404
Total	<u>\$ 4,990,018</u>	<u>\$ 425,295</u>	<u>\$ 5,415,313</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.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

Workers' compensation exposure is covered by a self-funded program developed within the County budget. 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. The County carries a performance bond on the Finance Officer with a \$500,000 per loss coverage limit.

For the Medical Insurance Internal Service Funds, a total of \$10,435,187 in claims and changes in estimates were incurred for benefits during fiscal year 2014. Changes in the Fund's claims liability for the last three fiscal years were as follows:

<b>Year Ended</b>	<b>Balance July 1</b>	<b>Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance June 30</b>
2012	\$ 647,109	\$ 8,816,130	\$ (8,814,331)	\$ 648,908
2013	648,908	9,290,399	(9,152,537)	786,770
2014	786,770	10,435,187	(10,326,277)	895,680

#### **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 \$48,343 to the Council during the year ended June 30, 2014.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

The County, in conjunction with the County of Greenville, established the Pitt-Greenville Convention and Visitors Authority to promote travel, tourism, and conventions in Pitt County. Both the County and the County 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 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. The Commission markets the region to generate company interest with the goal of generating leads that can result in a company locating in the region. The size of the Region was dramatically cut some years ago. Each county has one representative. The House of Representatives, the Senate, and the Governor each appoint two representatives. The voting members from each of the counties are appointed by the Board of County Commissioners of the respective counties. The Commission has been responsible for a non-expendable 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 was collected for a period of five years. In anticipation of a July 1, 2014 dissolution of the Commission and subsequent formation of a non-profit organization to assume its role, the Commission returned \$1.8 million to the County to be used for economic development purposes.

#### **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 (Community College). Each of the three participants appoints four members of the thirteen-member Board of Trustees of the Community College. The President of the Community College's Student Government Association serves as a non-voting, ex-officio member of the Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for facilities, the County periodically issues long-term debt to provide financing for new and restructured facilities. The County contributed \$5,095,326 to the Community College for operating purposes and \$75,000 for capital outlay during the fiscal year ended June 30, 2014. In addition, the County made debt service payments of \$900,000 for principal and \$769,594 for interest during the fiscal year on limited 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, 2014. Complete financial statements for the community college may be obtained from the Community College's administrative offices, P.O. Drawer 7007, Greenville, North Carolina 27835.

## **PITT COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014**

The County also participates in a joint venture to operate the Sheppard Memorial Library (Library) with the County 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, 2014. The County appropriated \$543,343 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the County of Greenville offices at 201 W. 5<sup>th</sup> Street, Greenville, North Carolina 27834.

The County is a participant with the City of Greenville and other participants in a joint venture to operate Pitt-Greenville Airport Authority (the "Authority") for the joint benefit of all participants. Upon dissolution of the Authority, the assets would be shared in proportion to each sponsor's original contribution. The County's initial contribution totaled \$3,250 which represents one-half of the total contribution. The Authority is governed by an eight-member Board; four from the County and four from the City. All participants are obligated to contribute funds on an annual basis, as needed, to enable the Authority to operate the airport. The County contributed \$36,331 to the Authority during the fiscal year ended June 30, 2014. The County has a fifty percent equity interest in the joint venture; therefore an equity interest of \$19,549,525 has been reflected in the government wide financial statements at June 30, 2014. Complete financial statements for the Authority can be obtained from the Authority's Administrative Office at Airport Road, P.O. Box 671, Greenville, North Carolina, 27835.

#### **18. Major Customers**

The Solid Waste Fund has two major customers. The concentration of sales and accounts receivable to those two customers as of June 30, 2014 was:

	<b>Percentage of Sales</b>	<b>Percentage of Receivables</b>
Major customer 1	22.83%	66.11%
Major customer 2	2.38%	5.93%

#### **19. Claims and Judgments**

At June 30, 2014, 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, 2014**

### **20. Contingencies**

The County participates in a number of Federal and State grant programs. For the year ended June 30, 2014, 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 has financial commitments of \$35,913 per year to area municipalities for sewer line improvements that will benefit the County as well as the municipalities.

### **22. Benefit Payments Issued by the State**

Certain amounts 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. This additional financial aid to County recipients does not appear in the basic financial statements, because it does not represent revenues and expenditures of the County.

### **23. Component Unit Transactions**

In fiscal year 2014, the County and its component units reported transactions between the entities as follows:

<u>Pitt County</u>	<u>Amount</u>	<u>Purpose</u>
<b>Unrestricted Intergovernmental Revenues:</b>		
From Pitt County ABC Board	\$ <u>1,200,000</u>	Profit distribution



# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### 24. Interfund Balances and Transfers

In fiscal year 2014, 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	\$ 6,909,714	\$ -	
Special Revenue	Pitt Area Transit System	-	26,310	Local contribution/match
Special Revenue	State Grants	-	79,503	Local contribution/match
Debt Service	Debt Service	-	5,793,650	Annual debt service requirement
Internal Service	Retiree Health Insurance	-	1,010,251	Funding of Retiree Health Insurance
Total		<u>\$ 6,909,714</u>	<u>\$ 6,909,714</u>	
Capital Project	Sadie Sauer Project	\$ 293,018	\$ -	
Debt Service	Debt Service	-	293,018	Debt service local projects
Capital Project	School Capital Reserve	6,360,204	-	
Debt Service	Debt Service	-	5,959,181	Debt service school projects
Capital Project	School Improvement Project	-	401,023	Funding of school capital
Capital Project	County Capital Reserve	5,371,016	-	
Debt Service	Debt Service	-	4,921,016	Debt service local projects
General	General	-	450,000	Funding for vehicles, equipment, other capital items
Total		<u>\$ 12,024,238</u>	<u>\$ 12,024,238</u>	
Special Revenue	Pitt Transit	\$ 14,200	\$ -	
Internal Service	Workers' Compensation	-	14,200	Funding of worker's comp.
Total		<u>\$ 14,200</u>	<u>\$ 14,200</u>	
Enterprise	Solid Waste	\$ 326,282	\$ -	
Debt Service	Debt Service	-	93,782	Debt service - projects
Internal Service	Workers' Compensation	-	12,500	Funding of worker's comp.
General fund	General Fund	-	220,000	Allocation of indirect costs
Total		<u>\$ 326,282</u>	<u>\$ 326,282</u>	
Internal Service	Active Employee Medical Insurance	\$ 50,000	\$ -	
Internal Service	Retiree Medical Insurance	-	50,000	Transfer of excess assets
Total		<u>\$ 50,000</u>	<u>\$ 50,000</u>	

# PITT COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Interfund loans are summarized as follows:

<u>Fund Name</u>	<u>Due To</u>	<u>Due From</u>	<u>Purpose</u>
<b>General Fund:</b>			
General Fund	\$ 1,882,006	\$ -	
<b>Capital Project Funds:</b>			
Pitt Community College 2014 GO Bond	-	1,478,125	Short-term loan in anticipation of debt issuance
Chicod Sewer	-	122,289	Short-term loan in anticipation of debt issuance
<b>Special Revenue Funds:</b>			
Grants Fund	-	161,995	Short-term loan in anticipation of grant reimbursement
Pitt Area Transit System	-	101,018	Short-term loan to fund program
Hurricane Grant Program Fund	-	495	Short-term loan in anticipation of grant reimbursement
<b>Debt Service Fund</b>	<u>-</u>	<u>18,084</u>	Short term loan for cash overdraft
Total	<u>\$ 1,882,006</u>	<u>\$ 1,882,006</u>	

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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**PITT COUNTY, NORTH CAROLINA**

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets A</b>	<b>Actuarial Accrued Liability (AAL) Projected Unit Credit B</b>	<b>Unfunded AAL (UAAL) B - A</b>	<b>Funded Ratio A / B</b>	<b>Covered Payroll C</b>	<b>UAAL as a Percentage Covered Payroll (B - A) / C</b>
12/31/2013	\$ 287,332	\$ 3,394,354	\$ 3,107,022	8.46%	\$ 6,515,426	47.69%
12/31/2012	254,485	3,219,603	2,965,118	7.90%	6,373,017	46.53%
12/31/2011	231,240	3,291,551	3,060,311	7.03%	6,796,055	45.03%
12/31/2010	266,527	3,055,533	2,789,006	8.72%	7,121,139	39.17%
12/31/2009	256,317	3,136,604	2,895,337	8.17%	6,635,702	43.63%
12/31/2008	242,933	2,353,496	2,110,563	10.32%	5,996,468	35.20%
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%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Annual Required Contribution (ARC)</b>	<b>Amount Contributed By Employer</b>	<b>Percentage of ARC Contributed</b>
2014	\$ 376,090	\$ 241,560	64.23%
2013	335,772	218,979	65.22%
2012	316,726	118,842	37.52%
2011	316,726	162,764	51.39%
2010	317,843	180,203	56.70%
2009	237,336	126,511	53.30%
2008	205,688	99,400	48.33%
2007	154,458	85,000	55.03%
2006	161,462	85,000	52.64%

**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	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	17 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	5.00%
Projected salary increases *	4.25 - 7.85%
Cost of living adjustments	N/A

\* Includes inflation at 3.00%

# PITT COUNTY, NORTH CAROLINA

## OTHER POST-EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2014

### 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	0.00%	\$33,586,106	142.50%
12/31/2009	-	51,309,989	51,309,989	0.00%	41,736,298	122.94%
12/31/2011	-	45,382,920	45,382,920	0.00%	41,042,634	110.58%
12/31/2013	-	51,684,729	51,684,729	0.00%	40,712,049	126.95%

### Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed by Employer	Percentage of ARC Contributed
2008	\$ 4,246,340	\$ 419,538	9.88%
2009	4,246,340	479,836	11.30%
2010	4,113,151	792,481	19.27%
2011	4,405,578	1,015,569	23.05%
2012	4,267,394	984,452	23.07%
2013	3,665,025	1,180,620	32.21%
2014	3,774,976	1,173,217	31.08%

### 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	December 31, 2013
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return *	4.00%
Pre-medicare trend rates	7.75% - 5.00%
Post-medicare trend rates	5.75% - 5.00%
Year of ultimate trend rate	2019

\* Includes inflation at 3.00%

## **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, 2014.



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**PITT COUNTY, NORTH CAROLINA****SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2014**

<b>Fiscal Year</b>	<b>Uncollected Balance July 1, 2013</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2014</b>
2013-2014	\$ -	\$ 80,003,328	\$ 78,657,337	\$ 1,345,991
2012-2013	2,068,090	-	1,371,853	696,237
2011-2012	713,398	-	271,047	442,351
2010-2011	452,192	-	112,928	339,264
2009-2010	295,732	-	55,916	239,816
2008-2009	260,540	-	27,942	232,598
2007-2008	163,040	-	15,604	147,436
2006-2007	181,492	-	21,160	160,332
2005-2006	153,698	-	7,412	146,286
2004-2005	134,890	-	134,890	-
Total	<u>\$ 4,423,072</u>	<u>\$ 80,003,328</u>	<u>\$ 80,676,089</u>	<u>3,750,311</u>
Taxes receivable - 2014 collected in advance				177,926
Less: Allowance for uncollectible ad valorem taxes receivable				<u>(2,873,232)</u>
Total				<u>\$ 1,055,005</u>
<b>Reconciling with Revenues:</b>				
Taxes - ad valorem				\$ 80,714,289
Reconciling items:				
Interest and cost				(765,299)
Amounts written off for tax years per statute of limitations				134,890
Miscellaneous tax adjustments				<u>592,209</u>
Total collections and credits				<u>\$ 80,676,089</u>

## PITT COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2014

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 11,951,931,912	\$ 0.6800	\$ 81,273,137	\$ 71,287,635	\$ 9,985,502
<b>Discoveries:</b>					
Current year taxes	2,148,091	0.6800	1,460,702	1,450,778	9,924
<b>Abatements</b>	<u>(2,791,737)</u>		<u>(1,898,381)</u>	<u>(1,810,619)</u>	<u>(87,762)</u>
Total property valuation	<u>\$ 11,951,288,266</u>				
<b>Net Levy</b>			80,835,458	70,927,794	9,907,664
Less: Tax rate attributed to Industrial Development Commission		0.0070	<u>(832,130)</u>	<u>(832,130)</u>	<u>-</u>
Net levy to County			80,003,328	70,095,664	9,907,664
Less: Uncollected taxes at June 30, 2014			<u>(1,345,991)</u>	<u>(1,031,760)</u>	<u>(314,231)</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 78,657,337</u>	<u>\$ 69,063,904</u>	<u>\$ 9,593,433</u>
<b>Percent Current Year Collected</b>			<u>98.32%</u>	<u>98.53%</u>	<u>96.83%</u>
<b>Prior Year Collection Percentage</b>			<u>97.26%</u>	<u>98.46%</u>	<u>86.15%</u>

**PITT COUNTY, NORTH CAROLINA****ANALYSIS OF CURRENT TAX LEVY  
SECONDARY MARKET DISCLOSURES  
FOR THE YEAR ENDED JUNE 30, 2014****Secondary Market Disclosures:**

Assessed valuation:

Assessment ratio (1) 101.03%

Real property \$ 9,206,945,276

Personal property 2,643,301,152

Public service companies (2) 101,041,838Total assessed valuation \$ 11,951,288,266

Tax rate per \$100 0.6800

Levy (includes discoveries, releases, and abatements) (3) \$ 80,835,458

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, 2014:

Fire protection/rescue districts \$ 4,411,334

(1) Percentage of appraised value has been established by State 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, 2014**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
DSM Pharmaceuticals Inc.	Manufacturer	\$ 216,120,211	1.81%
DSM Dyneema LLC	Manufacturer	195,205,363	1.63%
Weyerhaeuser NR Company	Manufacturer	75,769,394	0.63%
Asmo Greenville of NC	Manufacturer	73,499,068	0.61%
Attends Healthcare Products Inc.	Manufacturer	72,835,039	0.61%
Carolina Telephone	Communications	46,460,620	0.39%
RPI Greenville Mall LP	Mall	40,428,933	0.34%
Copper Beech Townhomes	Apartments	34,605,790	0.29%
PL Greenville LP	Apartments	29,073,633	0.24%
DSM Biomedical Inc.	Manufacturer	28,213,772	0.24%

## PITT COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

	<i>Schedule C-1</i> <b>Special Revenue Funds</b>	<i>Schedule D-2</i> <b>Capital Projects Fund</b>	<b>Total</b>
<b>Assets:</b>			
Cash, cash equivalents, and investments	\$ 1,657,426	\$ 11,321,616	\$ 12,979,042
Taxes receivable, net	260,703	-	260,703
Accounts receivable, net	1,102,967	-	1,102,967
Prepaid items	84,668	-	84,668
Cash and investments, restricted	-	5,822,021	5,822,021
Due from other governments	-	2,012,560	2,012,560
Total assets	<u>\$ 3,105,764</u>	<u>\$ 19,156,197</u>	<u>\$ 22,261,961</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 364,188	\$ 90,826	\$ 455,014
Due to other funds	263,508	122,289	385,797
Total liabilities	<u>627,696</u>	<u>213,115</u>	<u>840,811</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	260,703	-	260,703
Other receivables	427,003	-	427,003
Total deferred inflows of resources	<u>687,706</u>	<u>-</u>	<u>687,706</u>
<b>Fund Balances:</b>			
Non-spendable - prepaid items	84,668	-	84,668
Restricted for stabilization of State statute	675,964	2,012,560	2,688,524
Restricted	1,411,271	5,822,021	7,233,292
Committed	-	9,776,297	9,776,297
Assigned	110,103	1,537,647	1,647,750
Unassigned	(491,644)	(205,443)	(697,087)
Total fund balances	<u>1,790,362</u>	<u>18,943,082</u>	<u>20,733,444</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,105,764</u>	<u>\$ 19,156,197</u>	<u>\$ 22,261,961</u>

**PITT COUNTY, NORTH CAROLINA**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014**

	<i>Schedule C-2</i> <b>Special Revenue Funds</b>	<i>Schedule D-3</i> <b>Capital Projects Fund</b>	<b>Total</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 5,021,495	\$ -	\$ 5,021,495
Other taxes and licenses	-	9,438,822	9,438,822
Restricted intergovernmental revenues	3,663,250	1,520,868	5,184,118
Sales and services	2,483,862	-	2,483,862
Investment earnings	31,667	29,912	61,579
Miscellaneous	174,243	222,117	396,360
Total revenues	<u>11,374,517</u>	<u>11,211,719</u>	<u>22,586,236</u>
<b>Expenditures:</b>			
Current:			
Public safety	7,720,080	25,747	7,745,827
Economic and physical development	3,875,554	1,188,685	5,064,239
Education	-	504,512	504,512
Debt service:			
Principal repayments	252,219	-	252,219
Interest	10,742	-	10,742
Total expenditures	<u>11,858,595</u>	<u>1,718,944</u>	<u>13,577,539</u>
Revenues over (under) expenditures	<u>(484,078)</u>	<u>9,492,775</u>	<u>9,008,697</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	105,813	401,023	506,836
Transfers out	(14,200)	(12,024,238)	(12,038,438)
Insurance settlement	-	20,489	20,489
Debt obligation issued	-	154,353	154,353
Total other financing sources (uses)	<u>91,613</u>	<u>(11,448,373)</u>	<u>(11,356,760)</u>
Net change in fund balances	(392,465)	(1,955,598)	(2,348,063)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>2,182,827</u>	<u>20,898,680</u>	<u>23,081,507</u>
End of year - June 30	<u>\$ 1,790,362</u>	<u>\$ 18,943,082</u>	<u>\$ 20,733,444</u>

## **GOVERNMENTAL FUNDS**

- General Fund
- Special Revenue Funds
- Capital Projects Funds

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



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## **GENERAL FUND**

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

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

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

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PITT COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes:				
Taxes	\$ 79,889,532	\$ 79,948,990	\$ 59,458	\$ 76,249,385
Penalties and interest	440,000	765,299	325,299	469,568
Total	80,329,532	80,714,289	384,757	76,718,953
<b>Other Taxes and Licenses:</b>				
Occupancy tax	24,000	25,343	1,343	24,205
Local option sales taxes	14,492,555	13,679,755	(812,800)	15,401,125
Payment in lieu of taxes	1,828,767	1,836,254	7,487	1,798,198
Privilege licenses	9,000	8,734	(266)	9,438
Marriage licenses	34,100	26,797	(7,303)	25,740
Gross receipts tax	216,800	221,526	4,726	214,311
Total	16,605,222	15,798,409	(806,813)	17,473,017
<b>Unrestricted Intergovernmental Revenues:</b>				
Alcohol, beer, and wine tax	230,000	270,795	40,795	245,353
Pitt County ABC Board	1,200,000	1,200,000	-	1,100,000
Social Services fees and grants	187,081	331,828	144,747	174,708
Total	1,617,081	1,802,623	185,542	1,520,061
<b>Restricted Intergovernmental Revenues:</b>				
Public health fees and grants	4,973,821	4,932,503	(41,318)	4,926,589
Social services fees and grants	20,420,265	19,531,801	(888,464)	19,706,617
Mental health fees and grants	100,000	175,952	75,952	110,894
Jail fees	313,050	437,746	124,696	348,617
Automation E&P - Register of Deeds	50,000	80,466	30,466	88,971
Federal and State grants	93,000	93,960	960	99,279
Total	25,950,136	25,252,428	(697,708)	25,280,967
<b>Permits and Fees:</b>				
Building permits and inspection fees	394,000	448,312	54,312	457,260
Register of Deeds	595,000	655,715	60,715	734,957
Excise stamps	529,200	604,506	75,306	620,083
Rabies control fees	12,500	12,506	6	12,401
Animal fees	92,000	95,357	3,357	84,021
Court facility fees	280,000	236,359	(43,641)	249,762
Total	1,902,700	2,052,755	150,055	2,158,484

PITT COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
<b>Sales and Services:</b>				
Rents, concessions, and fees	4,034,113	4,390,542	356,429	4,540,030
Federal and State prison inmate reimbursement	1,992,900	1,905,696	(87,204)	2,110,914
Total	6,027,013	6,296,238	269,225	6,650,944
<b>Investment Earnings</b>	75,000	390,016	315,016	20,424
<b>Miscellaneous:</b>				
Sale of capital assets	10,000	8,174	(1,826)	8,780
Other income	673,474	694,068	20,594	657,439
Total	683,474	702,242	18,768	666,219
Total revenues	133,190,158	133,009,000	(181,158)	130,489,069
<b>Expenditures:</b>				
<b>General Government:</b>				
Governing board, County Manager, legal, Public Information Officer	1,362,358	1,330,096	32,262	1,214,929
Finance, Tax Assessor, Tax Collector	3,024,365	2,936,245	88,120	2,717,416
Elections	687,931	677,021	10,910	679,377
Register of Deeds	623,346	588,566	34,780	641,240
Human resources	566,326	566,688	(362)	540,182
Print shop/mailroom, management information system, geographic information system	2,712,440	2,601,592	110,848	2,082,508
Buildings and grounds and housekeeping	2,953,549	2,882,668	70,881	2,665,293
Non-departmental - general administration	8,164,700	3,272,771	4,891,929	1,637,432
Total	20,095,015	14,855,647	5,239,368	12,178,377
<b>Public Safety:</b>				
Sheriff's Department, school security, other public safety	13,344,964	12,897,470	447,494	12,123,610
Detention Center, jail inmate services, jail health services	14,772,422	14,169,405	603,017	14,166,994
Emergency services	813,794	781,968	31,826	778,914
Communications	1,242,986	1,166,103	76,883	1,100,234
Planning E911	79,924	90,351	(10,427)	126,012
Animal and mosquito control	447,549	423,668	23,881	417,317
Inspections	285,903	280,701	5,202	247,541
Medical examiner	91,000	96,110	(5,110)	97,970
Transportation	4,500	4,191	309	4,669
Court facility	280,000	283,731	(3,731)	296,112
Total	31,363,042	30,193,698	1,169,344	29,359,373

PITT COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
<b>Environmental Protection:</b>				
Soil and water conservation	269,657	216,114	53,543	200,253
Total	269,657	216,114	53,543	200,253
<b>Economic and Physical Development:</b>				
Planning and zoning	657,984	642,396	15,588	601,624
Permitting center	136,417	129,990	6,427	112,482
Other economic development	669,000	668,913	87	173,913
Engineering	108,119	64,513	43,606	63,470
Cooperative extension	339,973	300,361	39,612	301,259
Farmers' Market	59,293	46,238	13,055	39,312
Total	1,970,786	1,852,411	118,375	1,292,060
<b>Human Services:</b>				
Other human services	213,300	213,300	-	209,033
Veterans affairs	123,255	121,147	2,108	120,560
Total	336,555	334,447	2,108	329,593
<b>Public Health:</b>				
Administration	2,377,996	2,308,717	69,279	2,287,042
Services and programs	7,103,046	6,688,643	414,403	6,617,366
Total	9,481,042	8,997,360	483,682	8,904,408
<b>Social Services:</b>				
Administration	12,328,050	11,603,437	724,613	10,982,627
Services and programs	7,358,159	7,158,239	199,920	7,600,429
Public assistance	7,938,856	7,013,821	925,035	6,904,366
Child support	2,438,459	2,140,363	298,096	2,165,873
Total	30,063,524	27,915,860	2,147,664	27,653,295
<b>Mental Health:</b>				
Services and programs	587,500	664,163	(76,663)	599,182
Total	587,500	664,163	(76,663)	599,182
Total human services	40,468,621	37,911,830	2,556,791	37,486,478
<b>Education:</b>				
Pitt County Schools	35,826,287	35,826,287	-	34,344,726
Pitt Community College	5,170,326	5,170,326	-	4,723,997
Total	40,996,613	40,996,613	-	39,068,723

PITT COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Cultural and Recreation	606,050	606,785	(735)	590,667
Debt Service	514,998	458,811	56,187	314,991
Total expenditures	136,284,782	127,091,909	9,192,873	120,490,922
Revenues over (under) expenditures	(3,094,624)	5,917,091	9,011,715	9,998,147
<b>Other Financing Sources (Uses):</b>				
Transfers in (out):				
Special revenue funds	(106,360)	(105,813)	547	(135,202)
Special revenue funds	670,000	670,000	-	-
Debt Service Fund	(5,793,650)	(5,793,650)	-	(5,743,098)
Internal service funds	(1,102,094)	(1,010,251)	91,843	(1,031,700)
Intrafund transfers	(1,000)	-	1,000	-
Installment debt issued	1,645,000	1,440,000	(205,000)	-
Revenue anticipation notes issued	54,295,000	54,295,000	-	-
Payments from escrow agent	60,000,000	61,796,620	1,796,620	-
Payments to retire revenue anticipation notes	(54,295,000)	(54,295,000)	-	-
Payments to bondholders, bond redemption	(54,805,000)	(54,372,710)	432,290	-
Appropriated fund balance	2,587,728	-	(2,587,728)	-
Total other financing sources (uses)	3,094,624	2,624,196	(470,428)	(6,910,000)
Net change in fund balance	\$ -	8,541,287	\$ 8,541,287	3,088,147
<b>Fund Balance:</b>				
Beginning of year - July 1		27,308,483		24,220,336
End of year - June 30		\$ 35,849,770		\$ 27,308,483

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**PITT COUNTY, NORTH CAROLINA**

**GENERAL FUND - COMBINING SCHEDULE OF  
REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL DEPARTMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<i><b>Schedule B-3 General Services Department</b></i>	<i><b>Schedule B-4 Public Health Department</b></i>	<i><b>Schedule B-5 Social Services Department</b></i>
<b>Revenues:</b>			
Ad valorem taxes	\$ 80,714,289	\$ -	\$ -
Other taxes and licenses	15,798,409	-	-
Unrestricted intergovernmental revenues	1,470,795	-	331,828
Restricted intergovernmental revenues	612,172	4,932,503	19,531,801
Permits and fees	1,816,396	-	-
Sales and services	5,954,089	-	342,149
Investment earnings	387,477	-	-
Miscellaneous	618,212	-	84,030
Total revenues	<u>107,371,839</u>	<u>4,932,503</u>	<u>20,289,808</u>
<b>Expenditures:</b>			
General government	14,855,647	-	-
Public safety	29,909,967	-	-
Environmental protection	216,114	-	-
Economic and physical development	1,852,411	-	-
Human services	334,447	8,997,360	27,915,860
Education	40,996,613	-	-
Cultural and recreational	606,785	-	-
Debt service	458,811	-	-
Total expenditures	<u>89,230,795</u>	<u>8,997,360</u>	<u>27,915,860</u>
Revenues over (under) expenditures	<u>18,141,044</u>	<u>(4,064,857)</u>	<u>(7,626,052)</u>
<b>Other Financing Sources (Uses):</b>			
Installment debt issued	1,440,000	-	-
Revenue anticipation notes issued	54,295,000	-	-
Payments from escrow agent	61,796,620	-	-
Payments to retire revenue anticipation notes	(54,295,000)	-	-
Payments to bondholders, bond redemption	(54,372,710)	-	-
Intrafund transfers in (out)	(11,458,371)	4,203,844	6,767,027
Transfers in (out):			
Out to special revenue funds	(105,813)	-	-
In from special revenue funds	670,000	-	-
Out to Debt Service Fund	(5,793,650)	-	-
Out to Internal Service Fund	(1,010,251)	-	-
Total other financing sources (uses)	<u>(8,834,175)</u>	<u>4,203,844</u>	<u>6,767,027</u>
Net change in fund balances	9,306,869	138,987	(859,025)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>19,510,775</u>	<u>1,103,431</u>	<u>6,726,242</u>
End of year - June 30	<u>\$ 28,817,644</u>	<u>\$ 1,242,418</u>	<u>\$ 5,867,217</u>

**Schedule B-2**

<i>Schedule B-6</i> <b>Court Facility Department</b>	<i>Schedule B-7</i> <b>Mental Health Department</b>	<b>Combined Total</b>
\$ -	\$ -	\$ 80,714,289
-	-	15,798,409
-	-	1,802,623
-	175,952	25,252,428
236,359	-	2,052,755
-	-	6,296,238
2,539	-	390,016
-	-	702,242
<u>238,898</u>	<u>175,952</u>	<u>133,009,000</u>
-	-	14,855,647
283,731	-	30,193,698
-	-	216,114
-	-	1,852,411
-	664,163	37,911,830
-	-	40,996,613
-	-	606,785
-	-	458,811
<u>283,731</u>	<u>664,163</u>	<u>127,091,909</u>
<u>(44,833)</u>	<u>(488,211)</u>	<u>5,917,091</u>
-	-	1,440,000
-	-	54,295,000
-	-	61,796,620
-	-	(54,295,000)
-	-	(54,372,710)
-	487,500	-
-	-	(105,813)
-	-	670,000
-	-	(5,793,650)
-	-	(1,010,251)
<u>-</u>	<u>487,500</u>	<u>2,624,196</u>
(44,833)	(711)	8,541,287
<u>(38,147)</u>	<u>6,182</u>	<u>27,308,483</u>
<u>\$ (82,980)</u>	<u>\$ 5,471</u>	<u>\$ 35,849,770</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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Taxes	\$ 79,889,532	\$ 79,948,990	\$ 59,458	\$ 76,249,385
Penalties and interest	440,000	765,299	325,299	469,568
Total	<u>80,329,532</u>	<u>80,714,289</u>	<u>384,757</u>	<u>76,718,953</u>
<b>Other Taxes and Licenses:</b>				
Occupancy tax	24,000	25,343	1,343	24,205
Local options sales tax	14,492,555	13,679,755	(812,800)	15,401,125
Payment in lieu of tax	1,828,767	1,836,254	7,487	1,798,198
Privilege licenses	9,000	8,734	(266)	9,438
Marriage licenses	34,100	26,797	(7,303)	25,740
Gross receipts tax	216,800	221,526	4,726	214,311
Total	<u>16,605,222</u>	<u>15,798,409</u>	<u>(806,813)</u>	<u>17,473,017</u>
<b>Unrestricted Intergovernmental Revenues:</b>				
Alcohol, beer, and wine tax	230,000	270,795	40,795	245,353
Pitt County ABC Board	1,200,000	1,200,000	-	1,100,000
Total	<u>1,430,000</u>	<u>1,470,795</u>	<u>40,795</u>	<u>1,345,353</u>
<b>Restricted Intergovernmental Revenues:</b>				
Emergency management				
Jail fees	313,050	437,746	124,696	348,617
Automation E&P - Register of Deeds	50,000	80,466	30,466	88,971
Federal and State grants	93,000	93,960	960	99,279
Total	<u>456,050</u>	<u>612,172</u>	<u>156,122</u>	<u>536,867</u>
<b>Permits and Fees:</b>				
Building permits and inspection fees	394,000	448,312	54,312	457,260
Register of Deeds	595,000	655,715	60,715	734,957
Excise stamps	529,200	604,506	75,306	620,083
Rabies control fees	12,500	12,506	6	12,401
Animal fees	92,000	95,357	3,357	84,021
Total	<u>1,622,700</u>	<u>1,816,396</u>	<u>193,696</u>	<u>1,908,722</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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Sales and Services:</b>				
Rents, concessions, and fees	3,711,064	4,048,393	337,329	4,225,595
Federal and State prison inmate reimbursement	1,992,900	1,905,696	(87,204)	2,110,914
Total	5,703,964	5,954,089	250,125	6,336,509
<b>Investment Earnings</b>	75,000	387,477	312,477	18,350
<b>Miscellaneous:</b>				
Sale of fixed assets	10,000	8,174	(1,826)	8,780
Other income	615,764	610,038	(5,726)	589,319
Total	625,764	618,212	(7,552)	598,099
Total revenues	106,848,232	107,371,839	523,607	104,935,870
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Body:</b>				
Salaries and employee benefits	191,421	189,588	1,833	181,057
Operating expenses	25,579	21,004	4,575	22,393
Total	217,000	210,592	6,408	203,450
<b>County Manager:</b>				
Salaries and employee benefits	429,155	429,879	(724)	409,795
Operating expenses	21,350	21,910	(560)	18,669
Total	450,505	451,789	(1,284)	428,464
<b>Financial Services:</b>				
Salaries and employee benefits	695,918	674,706	21,212	679,598
Operating expenses	36,029	34,913	1,116	21,909
Total	731,947	709,619	22,328	701,507
<b>Tax Assessor:</b>				
Salaries and employee benefits	1,926,996	1,872,671	54,325	1,734,652
Operating expenses	365,422	353,955	11,467	281,257
Total	2,292,418	2,226,626	65,792	2,015,909

**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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Legal:</b>				
Salaries and employee benefits	423,487	419,178	4,309	412,026
Operating expenses	15,450	12,171	3,279	10,417
Total	438,937	431,349	7,588	422,443
<b>Elections:</b>				
Salaries and employee benefits	435,031	421,783	13,248	427,264
Operating expenses	252,900	255,238	(2,338)	252,113
Total	687,931	677,021	10,910	679,377
<b>Register of Deeds:</b>				
Salaries and employee benefits	486,156	455,540	30,616	491,369
Operating expenses	137,190	133,026	4,164	149,871
Total	623,346	588,566	34,780	641,240
<b>Public Information Office:</b>				
Salaries and employee benefits	127,496	125,968	1,528	122,827
Operating expenses	56,827	42,498	14,329	37,745
Capital outlay	71,593	67,900	3,693	-
Total	255,916	236,366	19,550	160,572
<b>Human Resources:</b>				
Salaries and employee benefits	554,837	555,646	(809)	531,433
Operating expenses	11,489	11,042	447	8,749
Total	566,326	566,688	(362)	540,182
<b>Print Shop/Mail Room:</b>				
Salaries and employee benefits	125,455	125,371	84	120,956
Operating expenses	46,400	34,436	11,964	35,684
Reimbursement from other departments/funds	(45,000)	(29,260)	(15,740)	(29,411)
Total	126,855	130,547	(3,692)	127,229

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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
<b>Management Information Systems:</b>				
Salaries and employee benefits	2,268,101	2,136,372	131,729	2,068,077
Operating expenses	854,955	874,102	(19,147)	784,818
Capital outlay	330,000	318,417	11,583	-
Reimbursement from other departments/funds	(1,138,996)	(1,130,496)	(8,500)	(1,122,188)
Total	2,314,060	2,198,395	115,665	1,730,707
<b>Geographical Information Systems:</b>				
Salaries and employee benefits	206,975	207,297	(322)	169,622
Operating expenses	177,550	203,541	(25,991)	165,153
Capital outlay	20,000	20,000	-	26,334
Reimbursement from other departments/funds	(133,000)	(158,188)	25,188	(136,537)
Total	271,525	272,650	(1,125)	224,572
<b>Buildings and Grounds:</b>				
Salaries and employee benefits	973,080	887,510	85,570	908,171
Operating expenses	1,554,525	1,566,059	(11,534)	1,412,807
Capital outlay	71,082	68,579	2,503	-
Total	2,598,687	2,522,148	76,539	2,320,978
<b>Housekeeping:</b>				
Operating expenses	354,862	360,520	(5,658)	344,315
Total	354,862	360,520	(5,658)	344,315
<b>General Government Non-Allocated Expenditures:</b>				
Other employee insurance and benefits	338,650	324,740	13,910	159,184
Professional services	901,000	982,370	(81,370)	124,318
Insurance and bonding	550,000	556,061	(6,061)	547,042
Quasi-external workers' compensation	650,000	595,826	54,174	650,000
Capital outlay	647,750	647,442	308	-
Miscellaneous items	5,077,300	166,332	4,910,968	156,888
Total	8,164,700	3,272,771	4,891,929	1,637,432
Total general government	20,095,015	14,855,647	5,239,368	12,178,377

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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
<b>Public Safety:</b>				
<b>Sheriff:</b>				
Salaries and employee benefits	9,913,177	9,543,479	369,698	9,448,005
Operating expenses	1,816,739	1,764,638	52,101	1,527,855
Capital outlay	612,250	621,777	(9,527)	71,294
Total	12,342,166	11,929,894	412,272	11,047,154
<b>Detention Center:</b>				
Salaries and employee benefits	10,343,031	9,966,568	376,463	9,731,497
Operating expenses	2,464,580	2,187,059	277,521	2,440,760
Total	12,807,611	12,153,627	653,984	12,172,257
<b>Jail Health Services:</b>				
Salaries and benefits	1,806,566	1,808,855	(2,289)	1,764,928
Operating expenses	105,000	153,687	(48,687)	177,676
Total	1,911,566	1,962,542	(50,976)	1,942,604
<b>Jail Inmate Coordinator:</b>				
Salaries and benefits	53,245	53,236	9	52,133
Total	53,245	53,236	9	52,133
<b>School Security:</b>				
Salaries and benefits	518,878	495,800	23,078	547,774
Operating expenses	69,715	52,824	16,891	71,718
Total	588,593	548,624	39,969	619,492
<b>Emergency Services:</b>				
Salaries and benefits	461,021	444,178	16,843	437,616
Operating expenses	352,773	337,790	14,983	341,298
Total	813,794	781,968	31,826	778,914

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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
<b>Communications:</b>				
Salaries and benefits	1,168,475	1,112,233	56,242	1,052,120
Operating expenses	64,531	45,640	18,891	48,114
Capital outlay	9,980	8,230	1,750	-
Total	1,242,986	1,166,103	76,883	1,100,234
<b>Planning E911:</b>				
Salaries and benefits	60,924	61,167	(243)	110,676
Operating expenses	19,000	29,184	(10,184)	15,336
Total	79,924	90,351	(10,427)	126,012
<b>Animal and Mosquito Control:</b>				
Salaries and employee benefits	324,739	304,367	20,372	298,680
Operating expenses	122,810	119,301	3,509	118,637
Total	447,549	423,668	23,881	417,317
<b>Inspections:</b>				
Salaries and employee benefits	260,553	259,805	748	228,954
Operating expenses	25,350	20,896	4,454	18,587
Total	285,903	280,701	5,202	247,541
<b>Medical Examiner:</b>				
Professional services	91,000	96,110	(5,110)	97,970
Total	91,000	96,110	(5,110)	97,970
<b>Other Public Safety:</b>				
Operating expenses	414,205	418,952	(4,747)	456,964
Total	414,205	418,952	(4,747)	456,964
<b>Transportation:</b>				
Operating expenses	4,500	4,191	309	4,669
Total	4,500	4,191	309	4,669
Total public safety	31,083,042	29,909,967	1,173,075	29,063,261



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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
<b>Environmental Protection:</b>				
<b>Pitt Soil and Water Conservation:</b>				
Salaries and benefits	240,314	197,820	42,494	182,512
Operating expenses	29,343	18,294	11,049	17,741
Total	269,657	216,114	53,543	200,253
Total environmental protection	269,657	216,114	53,543	200,253
<b>Economic and Physical Development:</b>				
<b>Planning and Zoning:</b>				
Salaries and employee benefits	598,634	589,947	8,687	559,416
Operating expenses	59,350	52,449	6,901	42,208
Total	657,984	642,396	15,588	601,624
<b>Permitting Center:</b>				
Salaries and benefits	127,667	122,688	4,979	105,328
Operating expenses	8,750	7,302	1,448	7,154
Total	136,417	129,990	6,427	112,482
<b>Other Economic Development:</b>				
Operating expenses	669,000	668,913	87	173,913
Total	669,000	668,913	87	173,913
<b>Engineering:</b>				
Salaries and employee benefits	102,166	58,110	44,056	59,391
Operating expenses	5,953	6,403	(450)	4,079
Total	108,119	64,513	43,606	63,470
<b>Cooperative Extension:</b>				
Operating expenses	111,615	88,039	23,576	83,817
Professional services	228,358	212,322	16,036	217,442
Total	339,973	300,361	39,612	301,259

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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
<b>Farmers' Market:</b>				
Salaries and employee benefits	32,992	31,950	1,042	29,101
Professional services	26,301	14,288	12,013	10,211
Total	59,293	46,238	13,055	39,312
Total economic and physical development	1,970,786	1,852,411	118,375	1,292,060
<b>Human Services:</b>				
Other human services	213,300	213,300	-	209,033
Veterans affairs	123,255	121,147	2,108	120,560
Total human services	336,555	334,447	2,108	329,593
<b>Education:</b>				
<b>Pitt County Schools:</b>				
Current	35,076,287	35,076,287	-	34,344,726
Capital outlay	750,000	750,000	-	-
Total	35,826,287	35,826,287	-	34,344,726
<b>Pitt Community College:</b>				
Current	5,095,326	5,095,326	-	4,650,872
Capital outlay	75,000	75,000	-	73,125
Total	5,170,326	5,170,326	-	4,723,997
Total education	40,996,613	40,996,613	-	39,068,723
<b>Cultural and Recreational:</b>				
Cultural - contracts/grants	45,207	45,942	(735)	38,350
Libraries - contracts/grants	560,843	560,843	-	552,317
Total cultural and recreational	606,050	606,785	(735)	590,667

**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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Debt Service:</b>				
Principal repayments	480,762	450,569	30,193	304,786
Interest and fees	34,236	8,242	25,994	10,205
Total debt service	514,998	458,811	56,187	314,991
Total expenditures	95,872,716	89,230,795	6,641,921	83,037,925
Revenues over (under) expenditures	10,975,516	18,141,044	7,165,528	21,897,945
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers in (out):				
Public health from General Fund	(4,199,398)	(4,199,398)	-	(4,028,671)
DSS from General Fund	(8,964,519)	(6,771,473)	2,193,046	(8,751,247)
Mental health	(487,500)	(487,500)	-	(487,500)
Total	(13,651,417)	(11,458,371)	2,193,046	(13,267,418)
Operating transfers in (out):				
Special revenue funds	(106,360)	(105,813)	547	(135,202)
From solid waste	670,000	670,000	-	-
Debt Service Fund	(5,793,650)	(5,793,650)	-	(5,743,098)
Internal service funds	(1,102,094)	(1,010,251)	91,843	(1,031,700)
Total	(6,332,104)	(6,239,714)	92,390	(6,910,000)
Other:				
Installment debt issued	1,645,000	1,440,000	(205,000)	-
Revenue anticipation notes issued	54,295,000	54,295,000	-	-
Payments from escrow agent	60,000,000	61,796,620	1,796,620	-
Payments (to) retire revenue anticipation notes	(54,295,000)	(54,295,000)	-	-
Payments (to) bondholders, bond redemption	(54,805,000)	(54,372,710)	432,290	-
Appropriated fund balance - General Fund	2,168,005	-	(2,168,005)	-
Total	9,008,005	8,863,910	(144,095)	-
Total other financing sources (uses)	(10,975,516)	(8,834,175)	2,141,341	(20,177,418)
Net change in fund balance	\$ -	\$ 9,306,869	\$ 9,306,869	\$ 1,720,527

**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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
Administration	\$ 354,230	\$ 334,832	\$ (19,398)	\$ 387,738
Environmental health	96,800	117,995	21,195	90,974
Food and lodging	15,200	24,853	9,653	14,898
Vector control program	10,166	10,166	-	11,180
Tuberculosis	87,019	131,536	44,517	66,923
Tuberculosis CDC	-	-	-	39,133
Adolescent pregnancy grants	4,000	3,000	(1,000)	4,550
Healthy Start	168,269	129,679	(38,590)	148,158
Carolina Access II	-	-	-	102,639
Cardiovascular health	158,093	108,052	(50,041)	153,571
Project assistance	-	-	-	81,352
Adult health	3,550	42,068	38,518	30,954
Health promotion	16,230	22,524	6,294	23,240
AIDS	-	-	-	4,689
Breast/cervical cancer prevention	41,018	33,441	(7,577)	58,266
Communicable disease	151,691	282,403	130,712	262,659
Infant mortality	74,844	59,331	(15,513)	66,639
Child health	269,221	254,350	(14,871)	226,348
Maternal health	596,955	484,704	(112,251)	399,611
Family planning	422,167	523,054	100,887	421,500
Maternity care coordination	324,900	305,732	(19,168)	325,175
Child services coordination	326,500	275,625	(50,875)	322,627
WIC administration	106,163	42,146	(64,017)	43,513
WIC nutrition	369,708	323,793	(45,915)	298,906
WIC breastfeeding	12,588	62,186	49,598	54,686
WIC client services	361,633	434,585	72,952	447,622
Immunization action plan	39,202	26,574	(12,628)	45,940
Mobile dental unit	81,600	69,322	(12,278)	61,534
In-home breastfeeding	61,009	46,497	(14,512)	48,158
Nurse family partnership	509,761	502,461	(7,300)	458,971
Emergency planning - HD	81,117	83,161	2,044	101,943

**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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
Public health special projects	79,014	58,102	(20,912)	-
DHHS funds	67,200	58,630	(8,570)	60,069
WIC peer counseling	35,465	31,950	(3,515)	30,607
Diabetes Recognition Program	48,508	49,751	1,243	31,816
Total revenues	4,973,821	4,932,503	(41,318)	4,926,589
<b>Expenditures:</b>				
Administration	2,377,996	2,308,717	69,279	2,287,042
Environmental health	1,177,307	1,154,645	22,662	1,116,649
Food and lodging	16,627	13,434	3,193	19,993
Vector Control Program	77,490	77,491	(1)	75,234
Tuberculosis	102,066	95,530	6,536	92,114
Tuberculosis CDC	-	-	-	19,573
Adolescent pregnancy prevention	4,000	2,810	1,190	3,459
Healthy Start	170,686	142,195	28,491	147,924
Cardiovascular health	-	(403)	403	102,640
Smart Start	158,093	108,190	49,903	153,711
Project assistance	-	-	-	81,352
Adult health	61,969	49,869	12,100	24,929
Health promotion	208,546	170,787	37,759	101,766
AIDS	-	-	-	5,045
Breast/cervical cancer prevention	44,716	41,967	2,749	47,409
Communicable disease	819,207	758,322	60,885	767,510
Infant mortality	87,124	71,602	15,522	83,529
Child health	312,442	297,749	14,693	228,976
Maternal health	623,023	592,660	30,363	644,986
Family planning	644,395	632,899	11,496	524,390
Maternity care coordination	360,295	357,908	2,387	340,474
Child services coordination	353,798	352,013	1,785	334,938
WIC administration	113,430	111,681	1,749	109,458
WIC nutrition	378,113	377,650	463	361,582
WIC breastfeeding	12,588	8,700	3,888	7,371

**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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
WIC client services	369,231	364,206	5,025	357,415
Immunization action plan	39,829	-	39,829	36,974
Mobile dental unit	86,056	77,507	8,549	93,083
Nurse family partnership	509,761	502,497	7,264	458,363
Emergency planning - HD	79,802	76,794	3,008	96,225
In-home breastfeeding	61,009	46,495	14,514	49,821
Public health special projects	79,014	64,876	14,138	(155)
DHHS funds	67,200	59,397	7,803	59,931
WIC peer counseling	36,011	32,134	3,877	29,288
Hispanic peer	-	-	-	9,476
Diabetes Recognition Program	49,218	47,038	2,180	31,933
Total expenditures	<u>9,481,042</u>	<u>8,997,360</u>	<u>483,682</u>	<u>8,904,408</u>
Revenues over (under) expenditures	<u>(4,507,221)</u>	<u>(4,064,857)</u>	<u>442,364</u>	<u>(3,977,819)</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer from General Fund	4,198,398	4,203,844	5,446	4,028,671
Appropriated fund balance	<u>308,823</u>	<u>-</u>	<u>(308,823)</u>	<u>-</u>
Total other financing sources (uses)	<u>4,507,221</u>	<u>4,203,844</u>	<u>(303,377)</u>	<u>4,028,671</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 138,987</u>	<u>\$ 138,987</u>	<u>\$ 50,852</u>

## 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, 2014**  
**WITH COMPARATIVE ACTUAL AMOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Unrestricted intergovernmental revenues:				
Fees and grants	\$ 187,081	\$ 331,828	\$ 144,747	\$ 174,708
Restricted intergovernmental revenues	20,420,265	19,531,801	(888,464)	19,706,617
Sales and services	323,049	342,149	19,100	314,435
Miscellaneous	57,710	84,030	26,320	68,120
Total revenues	<u>20,988,105</u>	<u>20,289,808</u>	<u>(698,297)</u>	<u>20,263,880</u>
<b>Expenditures:</b>				
Social services administration	1,430,088	1,386,533	43,555	1,298,025
Other administration expenses	1,164,475	1,112,626	51,849	1,048,147
Regular services administration	5,328,222	5,117,209	211,013	4,997,608
Purchased services	7,244,159	7,088,014	156,145	7,524,322
Public assistance programs	4,039,512	3,483,876	555,636	3,462,007
Long-term screening	114,000	70,225	43,775	76,107
General assistance	51,339	46,346	4,993	32,721
Title IV D child support	2,438,459	2,140,363	298,096	2,165,873
WorkFirst	1,204,420	1,102,837	101,583	1,077,313
Daycare	315,786	315,209	577	314,248
Income maintenance administration	4,405,265	3,987,069	418,196	3,638,847
Energy programs	2,026,001	1,796,937	229,064	1,711,988
Purchased services HCCBG	301,798	268,616	33,182	306,089
Total expenditures	<u>30,063,524</u>	<u>27,915,860</u>	<u>2,147,664</u>	<u>27,653,295</u>
Revenues over (under) expenditures	<u>(9,075,419)</u>	<u>(7,626,052)</u>	<u>1,449,367</u>	<u>(7,389,415)</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer in - General Fund	8,964,519	6,767,027	(2,197,492)	8,751,247
Appropriated fund balance	110,900	-	(110,900)	-
Total other financing sources (uses)	<u>9,075,419</u>	<u>6,767,027</u>	<u>(2,308,392)</u>	<u>8,751,247</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (859,025)</u>	<u>\$ (859,025)</u>	<u>\$ 1,361,832</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, 2014  
 WITH COMPARATIVE ACTUAL AMOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Permits and fees:				
Court facility fees	\$ 280,000	\$ 236,359	\$ (43,641)	\$ 249,762
Investment earnings	-	2,539	2,539	2,074
Total revenues	<u>280,000</u>	<u>238,898</u>	<u>(41,102)</u>	<u>251,836</u>
<b>Expenditures:</b>				
Public safety:				
Salaries and employee benefits	60,525	60,815	(290)	59,932
Operating expenses	<u>219,475</u>	<u>222,916</u>	<u>(3,441)</u>	<u>236,180</u>
Total expenditures	<u>280,000</u>	<u>283,731</u>	<u>(3,731)</u>	<u>296,112</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (44,833)</u>	<u>\$ (44,833)</u>	<u>\$ (44,276)</u>



## PITT COUNTY, NORTH CAROLINA

**GENERAL FUND - MENTAL HEALTH DEPARTMENT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**WITH COMPARATIVE ACTUAL AMOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
General agency - administration	\$ 100,000	\$ 175,952	\$ 75,952	\$ 110,894
Total revenues	<u>100,000</u>	<u>175,952</u>	<u>75,952</u>	<u>110,894</u>
<b>Expenditures:</b>				
General agency	<u>587,500</u>	<u>664,163</u>	<u>(76,663)</u>	<u>599,182</u>
Total expenditures	<u>587,500</u>	<u>664,163</u>	<u>(76,663)</u>	<u>599,182</u>
Revenues over (under) expenditures	<u>(487,500)</u>	<u>(488,211)</u>	<u>(711)</u>	<u>(488,288)</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer in - General Fund	<u>487,500</u>	<u>487,500</u>	<u>-</u>	<u>487,500</u>
Total other financing sources (uses)	<u>487,500</u>	<u>487,500</u>	<u>-</u>	<u>487,500</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (711)</u>	<u>\$ (711)</u>	<u>\$ (788)</u>

## **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:

- **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.
- **CDBG Single Family Rehab Fund** – Accounts for proceeds of a multi-year Community Development Block Grant (CDBG) to improve single family houses.
- **State Grants Fund** – Accounts for special purpose grant funding.
- **Pitt Area Transit System (PATs) Fund** – Accounts used to operate the County transportation system.
- **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.
- **Emergency Telephone System Fund** – Established to account for the accumulation of telephone surcharge fees used to maintain the County's E911 Center.
- **Hurricane Grant Program Fund** – Accounts established to track funds used for hurricane related spending.

# PITT COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2014

	<i>Schedule C-3</i>	<i>Schedule C-4</i>	<i>Schedule C-5</i>	<i>Schedule C-6</i>
	<b>State/Federal Forfeiture Fund</b>	<b>CDBG Special Revenue Fund</b>	<b>CDBG Single Family Rehab Special Revenue Fund</b>	<b>State Grants Fund</b>
<b>Assets:</b>				
Cash, cash equivalents, and investments	\$ 113,368	\$ 428	\$ 15,852	\$ -
Taxes receivable, net	-	-	-	-
Accounts receivable, net	-	-	-	536,621
Prepaid items	-	-	-	-
Total assets	<u>\$ 113,368</u>	<u>\$ 428</u>	<u>\$ 15,852</u>	<u>\$ 536,621</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,265	\$ -	\$ -	\$ 222,006
Due to other funds	-	-	-	161,995
Total liabilities	<u>3,265</u>	<u>-</u>	<u>-</u>	<u>384,001</u>
<b>Deferred Inflows of Resources:</b>				
Taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Non-spendable - prepaid items	-	-	-	-
Restricted for stabilization of State statute	-	-	-	536,621
Restricted	-	428	15,852	-
Assigned	110,103	-	-	-
Unassigned	-	-	-	(384,001)
Total fund balances	<u>110,103</u>	<u>428</u>	<u>15,852</u>	<u>152,620</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 113,368</u>	<u>\$ 428</u>	<u>\$ 15,852</u>	<u>\$ 536,621</u>

## Schedule C-1

<i>Schedule C-7</i> <b>Pitt Area Transit System Special Revenue Fund</b>	<i>Schedule C-8</i> <b>Fire Districts Fund</b>	<i>Schedule C-9</i> <b>EMS District Fund</b>	<i>Schedule C-10</i> <b>Emergency Telephone System Fund</b>	<i>Schedule C-11</i> <b>Hurricane Grant Program Fund</b>	<b>Total</b>
\$ -	\$ 74,273	\$ 861,524	\$ 591,981	\$ -	\$ 1,657,426
-	110,081	150,622	-	-	260,703
69,176	20,702	426,947	49,521	-	1,102,967
-	-	84,668	-	-	84,668
<u>\$ 69,176</u>	<u>\$ 205,056</u>	<u>\$ 1,523,761</u>	<u>\$ 641,502</u>	<u>\$ -</u>	<u>\$ 3,105,764</u>
\$ 6,130	\$ 52,034	\$ 73,201	\$ 7,552	\$ -	\$ 364,188
101,018	-	-	-	495	263,508
<u>107,148</u>	<u>52,034</u>	<u>73,201</u>	<u>7,552</u>	<u>495</u>	<u>627,696</u>
-	110,081	150,622	-	-	260,703
-	-	426,947	56	-	427,003
-	110,081	577,569	56	-	687,706
-	-	84,668	-	-	84,668
69,176	20,702	-	49,465	-	675,964
-	22,239	788,323	584,429	-	1,411,271
-	-	-	-	-	110,103
(107,148)	-	-	-	(495)	(491,644)
<u>(37,972)</u>	<u>42,941</u>	<u>872,991</u>	<u>633,894</u>	<u>(495)</u>	<u>1,790,362</u>
<u>\$ 69,176</u>	<u>\$ 205,056</u>	<u>\$ 1,523,761</u>	<u>\$ 641,502</u>	<u>\$ -</u>	<u>\$ 3,105,764</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, 2014

	<i>Schedule C-3</i>	<i>Schedule C-4</i>	<i>Schedule C-5</i>	<i>Schedule C-6</i>
	<b>State/Federal Forfeiture Fund</b>	<b>CDBG Special Revenue Fund</b>	<b>CDBG Single Family Rehab Special Revenue Fund</b>	<b>Grants Fund</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	77,154	-	160,483	2,464,667
Sales and services	-	-	-	-
Investment earnings	502	-	-	-
Miscellaneous	-	-	-	163,706
Total revenues	<u>77,656</u>	<u>-</u>	<u>160,483</u>	<u>2,628,373</u>
<b>Expenditures:</b>				
Current:				
Public safety	4,351	-	-	-
Economic and physical development	-	-	146,601	2,675,673
Debt service	-	-	-	-
Total expenditures	<u>4,351</u>	<u>-</u>	<u>146,601</u>	<u>2,675,673</u>
Revenues over (under) expenditures	<u>73,305</u>	<u>-</u>	<u>13,882</u>	<u>(47,300)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	79,503
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,503</u>
Net change in fund balances	73,305	-	13,882	32,203
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>36,798</u>	<u>428</u>	<u>1,970</u>	<u>120,417</u>
End of year - June 30	<u>\$ 110,103</u>	<u>\$ 428</u>	<u>\$ 15,852</u>	<u>\$ 152,620</u>

**Schedule C-2**

<i>Schedule C-7</i> <b>Pitt Area Transit System Special Revenue Fund</b>	<i>Schedule C-8</i> <b>Fire Districts Fund</b>	<i>Schedule C-9</i> <b>EMS District Fund</b>	<i>Schedule C-10</i> <b>Emergency Telephone System Fund</b>	<i>Schedule C-11</i> <b>Hurricane Grant Program Fund</b>	<b>Total</b>
\$ -	\$ 2,252,157	\$ 2,769,338	\$ -	\$ -	\$ 5,021,495
818,118	-	-	-	142,828	3,663,250
51,619	-	1,837,995	594,248	-	2,483,862
-	-	28,301	2,864	-	31,667
-	-	10,502	35	-	174,243
<u>869,737</u>	<u>2,252,157</u>	<u>4,646,136</u>	<u>597,147</u>	<u>142,828</u>	<u>11,374,517</u>
-	2,245,862	5,022,663	447,204	-	7,720,080
909,957	-	-	-	143,323	3,875,554
-	-	262,961	-	-	262,961
<u>909,957</u>	<u>2,245,862</u>	<u>5,285,624</u>	<u>447,204</u>	<u>143,323</u>	<u>11,858,595</u>
<u>(40,220)</u>	<u>6,295</u>	<u>(639,488)</u>	<u>149,943</u>	<u>(495)</u>	<u>(484,078)</u>
26,310	-	-	-	-	105,813
<u>(14,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,200)</u>
<u>12,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,613</u>
(28,110)	6,295	(639,488)	149,943	(495)	(392,465)
(9,862)	36,646	1,512,479	483,951	-	2,182,827
<u>\$ (37,972)</u>	<u>\$ 42,941</u>	<u>\$ 872,991</u>	<u>\$ 633,894</u>	<u>\$ (495)</u>	<u>\$ 1,790,362</u>

**PITT COUNTY, NORTH CAROLINA**

**STATE/FEDERAL FORFEITURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**WITH COMPARATIVE ACTUAL AMOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
Federal asset seizure funds	\$ 34,929	\$ 32,429	\$ (2,500)	\$ 36,285
Federal/State excise tax	46,029	44,725	(1,304)	85,776
Investment earnings	-	502	502	821
Total revenues	<u>80,958</u>	<u>77,656</u>	<u>(3,302)</u>	<u>122,882</u>
<b>Expenditures:</b>				
Public safety	<u>117,695</u>	<u>4,351</u>	<u>113,344</u>	<u>316,517</u>
Total expenditures	<u>117,695</u>	<u>4,351</u>	<u>113,344</u>	<u>316,517</u>
Revenues over (under) expenditures	<u>(36,737)</u>	<u>73,305</u>	<u>110,042</u>	<u>(193,635)</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>36,737</u>	-	<u>(36,737)</u>	-
Total other financing sources (uses)	<u>36,737</u>	-	<u>(36,737)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>73,305</u>	<u>\$ 73,305</u>	<u>\$ (193,635)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>36,798</u>		
End of year - June 30		<u>\$ 110,103</u>		

**PITT COUNTY, NORTH CAROLINA**

**CDBG SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - FROM INCEPTION AND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total To Date</b>
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
CDBG 2005-2006	\$ 825,000	\$ 501,207	\$ -	\$ 501,207
CDBG 2007-2008	400,000	399,996	-	399,996
CDBG 2009-2010	400,000	396,652	-	396,652
Total revenues	<u>1,625,000</u>	<u>1,297,855</u>	<u>-</u>	<u>1,297,855</u>
<b>Expenditures:</b>				
CDBG 2005-2006	600,000	501,207	-	501,207
CDBG 2007-2008	400,000	399,966	-	399,966
CDBG 2009-2010	625,000	399,754	-	399,754
CDBG 2011-2012	3,500	-	-	-
Total expenditures	<u>1,628,500</u>	<u>1,300,927</u>	<u>-</u>	<u>1,300,927</u>
Revenues over (under) expenditures	(3,500)	(3,072)	-	(3,072)
<b>Other Financing Sources (Uses):</b>				
Transfers in	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 428</u>	<u>\$ -</u>	<u>\$ 428</u>



**PITT COUNTY, NORTH CAROLINA**

**CDBG SINGLE FAMILY REHABILITATION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - FROM INCEPTION AND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b><u>Project</u></b>	<b><u>Prior</u></b>	<b><u>Current</u></b>	<b><u>Total</u></b>
	<b><u>Authorization</u></b>	<b><u>Years</u></b>	<b><u>Year</u></b>	<b><u>To Date</u></b>
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
Federal grants	\$ 493,263	\$ 158,463	\$ 160,483	\$ 318,946
Total revenues	<u>493,263</u>	<u>158,463</u>	<u>160,483</u>	<u>318,946</u>
<b>Expenditures:</b>				
Single family rehabilitation	<u>493,263</u>	<u>156,493</u>	<u>146,601</u>	<u>303,094</u>
Total expenditures	<u>493,263</u>	<u>156,493</u>	<u>146,601</u>	<u>303,094</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,970</u>	<u>\$ 13,882</u>	<u>\$ 15,852</u>

**PITT COUNTY, NORTH CAROLINA****GRANTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
FOR THE YEAR ENDED JUNE 30, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
Grants	\$ 3,118,453	\$ 2,464,667	\$ (653,786)	\$ 2,617,128
Miscellaneous	179,518	163,706	(15,812)	125,595
Total revenues	<u>3,297,971</u>	<u>2,628,373</u>	<u>(669,598)</u>	<u>2,742,723</u>
<b>Expenditures:</b>				
Economic and physical development:				
Salaries and benefits	1,064,095	804,899	259,196	638,123
Operating expenses	2,330,775	1,870,774	460,001	2,152,789
Contingency	18,047	-	18,047	-
Total expenditures	<u>3,412,917</u>	<u>2,675,673</u>	<u>737,244</u>	<u>2,790,912</u>
Revenues over (under) expenditures	<u>(114,946)</u>	<u>(47,300)</u>	<u>67,646</u>	<u>(48,189)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	80,050	79,503	(547)	98,153
Appropriated fund balance	34,896	-	(34,896)	-
Total other financing sources (uses)	<u>114,946</u>	<u>79,503</u>	<u>(35,443)</u>	<u>98,153</u>
Net change in fund balance	<u>\$ -</u>	<u>32,203</u>	<u>\$ 32,203</u>	<u>\$ 49,964</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>120,417</u>		
End of year - June 30		<u>\$ 152,620</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, 2014**  
**WITH COMPARATIVE ACTUAL AMOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Restricted intergovernmental revenues	\$ 941,307	\$ 818,118	\$ (123,189)	\$ 1,191,888
Sales and services	54,290	51,619	(2,671)	68,931
Total revenues	<u>995,597</u>	<u>869,737</u>	<u>(125,860)</u>	<u>1,260,819</u>
<b>Expenditures:</b>				
Economic and physical development:				
DOT Administrative Grant	<u>1,003,765</u>	<u>909,957</u>	<u>93,808</u>	<u>849,292</u>
Total expenditures	<u>1,003,765</u>	<u>909,957</u>	<u>93,808</u>	<u>849,292</u>
Revenues over (under) expenditures	<u>(8,168)</u>	<u>(40,220)</u>	<u>(32,052)</u>	<u>411,527</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	26,310	26,310	-	37,049
Transfers (out)	(14,200)	(14,200)	-	(14,200)
Appropriated fund balance (contingency)	<u>(3,942)</u>	<u>-</u>	<u>3,942</u>	<u>-</u>
Total other financing sources (uses)	<u>8,168</u>	<u>12,110</u>	<u>3,942</u>	<u>22,849</u>
Net change in fund balance	<u>\$ -</u>	<u>(28,110)</u>	<u>\$ (28,110)</u>	<u>\$ 434,376</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>(9,862)</u>		
End of year - June 30		<u>\$ (37,972)</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, 2014**  
**WITH COMPARATIVE ACTUAL AMOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 2,230,296	\$ 2,252,157	\$ 21,861	\$ 1,993,754
Total revenues	<u>2,230,296</u>	<u>2,252,157</u>	<u>21,861</u>	<u>1,993,754</u>
<b>Expenditures:</b>				
Public safety	<u>2,230,296</u>	<u>2,245,862</u>	<u>(15,566)</u>	<u>1,982,783</u>
Total expenditures	<u>2,230,296</u>	<u>2,245,862</u>	<u>(15,566)</u>	<u>1,982,783</u>
Net change in fund balance	\$ <u>-</u>	6,295	\$ <u>6,295</u>	\$ <u>10,971</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>36,646</u>		
End of year - June 30		<u>\$ 42,941</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, 2014  
WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 2,703,604	\$ 2,769,338	\$ 65,734	\$ 2,626,573
Investment income	-	28,301	28,301	17,014
Transport fees	2,308,864	1,837,995	(470,869)	2,564,559
Miscellaneous	-	10,502	10,502	(15)
Total revenues	<u>5,012,468</u>	<u>4,646,136</u>	<u>(366,332)</u>	<u>5,208,131</u>
<b>Expenditures:</b>				
Public safety	5,056,146	5,022,663	33,483	5,419,037
Debt service	<u>263,297</u>	<u>262,961</u>	<u>336</u>	<u>233,111</u>
Total expenditures	<u>5,319,443</u>	<u>5,285,624</u>	<u>33,819</u>	<u>5,652,148</u>
Revenues over (under) expenditures	<u>(306,975)</u>	<u>(639,488)</u>	<u>(332,513)</u>	<u>(444,017)</u>
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	-	-	-	589,882
Appropriated fund balance	<u>306,975</u>	<u>-</u>	<u>(306,975)</u>	<u>-</u>
Total other financing sources (uses)	<u>306,975</u>	<u>-</u>	<u>(306,975)</u>	<u>589,882</u>
Net change in fund balance	<u>\$ -</u>	<u>(639,488)</u>	<u>\$ (639,488)</u>	<u>\$ 145,865</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>1,512,479</u>		
End of year - June 30		<u>\$ 872,991</u>		

**PITT COUNTY, NORTH CAROLINA**

**EMERGENCY TELEPHONE SYSTEM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**WITH COMPARATIVE ACTUAL AMOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Sales and services - wireless fees	\$ 594,248	\$ 594,248	\$ -	\$ 533,819
Investment earnings	-	2,864	2,864	1,261
Sale of materials	-	35	35	-
Total revenues	<u>594,248</u>	<u>597,147</u>	<u>2,899</u>	<u>535,080</u>
<b>Expenditures:</b>				
Public safety:				
E911 operations	147,044	-	147,044	(650)
Implementation functions	272,766	272,766	-	170,082
Telephone	47,336	47,336	-	89,878
Software maintenance	97,057	97,057	-	95,630
Hardware maintenance	28,890	28,890	-	29,707
Training	1,155	1,155	-	740
Total expenditures	<u>594,248</u>	<u>447,204</u>	<u>147,044</u>	<u>386,037</u>
Net change in fund balance	<u>\$ -</u>	149,943	<u>\$ 149,943</u>	<u>\$ 149,043</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>483,951</u>		
End of year - June 30		<u>\$ 633,894</u>		

**PITT COUNTY, NORTH CAROLINA**

**HURRICANE GRANT PROGRAM FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - FROM INCEPTION AND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b><u>Project Authorization</u></b>	<b><u>Prior Years</u></b>	<b><u>Current Year</u></b>	<b><u>Total to Date</u></b>
<b>Revenues:</b>				
Restricted intergovernmental revenues:				
Federal grants	\$ 225,787	\$ -	\$ 142,828	\$ 142,828
Total revenues	<u>225,787</u>	<u>-</u>	<u>142,828</u>	<u>142,828</u>
<b>Expenditures:</b>				
Hurricane mitigation program expenditures	<u>225,787</u>	<u>-</u>	<u>143,323</u>	<u>143,323</u>
Total expenditures	<u>225,787</u>	<u>-</u>	<u>143,323</u>	<u>143,323</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (495)</u>	<u>\$ (495)</u>

## CAPITAL PROJECT FUNDS

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

The following comprise the County's Capital Projects Funds:

- **Pitt Community College (PCC) Bowen Farm 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.
- **Pitt Community College (PCC) 2010 Capital Project** – Established to account for bond proceeds issued in 2010 to build three new facilities on the college campus.
- **Pitt Community College (PCC) Vernon White Capital Project** – Established to account for work done to the Vernon White facility.
- **Guaranteed Energy Savings Project** – Established to account for funds used to make Pitt County Government facilities more energy efficient.
- **Chicod Capital Project** – Established to account for the local and grant funds being used for improvements on the Chicod School campus.
- **2009 LOBS Education Projects** – Established to account for bond proceeds used in the construction/renovation at several local public school facilities.
- **Sadie Saulter Capital Project** - Established to account for proceeds of Qualified School Construction Bonds (QSCBs) which are funding work on this school campus.
- **Communication Expansion Project Fund** – Established to account for proceeds of bank loan for upgrading county-wide communications system to P25 compliance per FCC mandate.
- **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.
- **Industrial Development Building Projects** – Established to account for building projects by the Development Commission.
- **School Capital Reserve Fund** – Accounts for funds appropriated from local sales tax proceeds and used to cover costs associated with school capital outlay and school debt service.
- **County Capital Reserve Fund** – Accounts for funds appropriated from local sales tax proceeds and used to cover costs associated with outlay and debt service used for both schools and community college.



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**PITT COUNTY, NORTH CAROLINA**

**MAJOR FUND: PITT COMMUNITY COLLEGE**  
**2014 GO BOND CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - FROM INCEPTION AND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b><u>Project</u></b>	<b><u>Prior</u></b>	<b><u>Current</u></b>	<b><u>Total To</u></b>
	<b><u>Authorization</u></b>	<b><u>Years</u></b>	<b><u>Year</u></b>	<b><u>Date</u></b>
<b>Revenues:</b>				
<b>Expenditures:</b>				
Capital outlay:				
Buildings	\$ 1,411,073	\$ -	\$ 1,411,073	\$ 1,411,073
Architect/engineering	83,820	-	83,820	83,820
Total expenditures	<u>1,494,893</u>	<u>-</u>	<u>1,494,893</u>	<u>1,494,893</u>
Revenues over (under) expenditures	<u>(1,494,893)</u>	<u>-</u>	<u>(1,494,893)</u>	<u>(1,494,893)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	<u>1,494,893</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,494,893</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,494,893)</u>	<u>\$ (1,494,893)</u>

Note: This project was capitalized as a capital asset under the category of "Construction in Progress."

**PITT COUNTY, NORTH CAROLINA**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2014**

	<i>Schedule D-4</i> <b>Pitt Community College (Bowen Farm) Capital Project Fund</b>	<i>Schedule D-5</i> <b>Pitt Community College 2010 Capital Project Fund</b>	<i>Schedule D-6</i> <b>Vernon White Capital Project Fund</b>	<i>Schedule D-7</i> <b>Energy Savings Capital Project Fund</b>	<i>Schedule D-8</i> <b>Chicod Capital Project Fund</b>	<i>Schedule D-9</i> <b>2009 LOBS Education Projects Capital Project Fund</b>	<i>Schedule D-10</i> <b>Sadie Saulter Capital Project Fund</b>
<b>Assets:</b>							
Cash, cash equivalents, and investments	\$ 297,053	\$ -	\$ 28,452	\$ -	\$ -	\$ -	\$ -
Cash and investments, restricted	-	1,454,933	-	3,120	-	4,012,225	133,115
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>\$ 297,053</u>	<u>\$ 1,454,933</u>	<u>\$ 28,452</u>	<u>\$ 3,120</u>	<u>\$ -</u>	<u>\$ 4,012,225</u>	<u>\$ 133,115</u>
<b>Liabilities and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 83,154	\$ -	\$ -
Due to other funds	-	-	-	-	122,289	-	-
Total liabilities	-	-	-	-	205,443	-	-
<b>Fund Balances:</b>							
Restricted for stabilization of State statute	-	-	-	-	-	-	-
Restricted	-	1,454,933	-	3,120	-	4,012,225	133,115
Committed	297,053	-	28,452	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(205,443)	-	-
Total fund balances	<u>297,053</u>	<u>1,454,933</u>	<u>28,452</u>	<u>3,120</u>	<u>(205,443)</u>	<u>4,012,225</u>	<u>133,115</u>
Total liabilities and fund balances	<u>\$ 297,053</u>	<u>\$ 1,454,933</u>	<u>\$ 28,452</u>	<u>\$ 3,120</u>	<u>\$ -</u>	<u>\$ 4,012,225</u>	<u>\$ 133,115</u>

<i>Schedule D-11</i>	<i>Schedule D-12</i>	<i>Schedule D-13</i>	<i>Schedule D-14</i>	<i>Schedule D-15</i>	<i>Schedule D-16</i>	<i>Schedule D-17</i>	
<b>Communication Expansion Capital Project Fund</b>	<b>Community Schools and Recreation Capital Project Fund</b>	<b>ECTC Building Capital Project Fund</b>	<b>School Improvement Capital Project Fund</b>	<b>Industrial Development Building Fund</b>	<b>School Capital Reserve Fund</b>	<b>County Capital Reserve Fund</b>	<b>Total</b>
\$ -	\$ 23,227	\$ 8,116	\$ 473,132	\$ 1,064,515	\$ 4,170,981	\$ 5,256,140	\$ 11,321,616
218,628	-	-	-	-	-	-	5,822,021
-	-	-	-	-	1,235,274	777,286	2,012,560
<u>\$ 218,628</u>	<u>\$ 23,227</u>	<u>\$ 8,116</u>	<u>\$ 473,132</u>	<u>\$ 1,064,515</u>	<u>\$ 5,406,255</u>	<u>\$ 6,033,426</u>	<u>\$ 19,156,197</u>
\$ -	\$ 7,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,826
-	-	-	-	-	-	-	122,289
-	7,672	-	-	-	-	-	213,115
-	-	-	-	-	1,235,274	777,286	2,012,560
218,628	-	-	-	-	-	-	5,822,021
-	15,555	8,116	-	-	4,170,981	5,256,140	9,776,297
-	-	-	473,132	1,064,515	-	-	1,537,647
-	-	-	-	-	-	-	(205,443)
<u>218,628</u>	<u>15,555</u>	<u>8,116</u>	<u>473,132</u>	<u>1,064,515</u>	<u>5,406,255</u>	<u>6,033,426</u>	<u>18,943,082</u>
<u>\$ 218,628</u>	<u>\$ 23,227</u>	<u>\$ 8,116</u>	<u>\$ 473,132</u>	<u>\$ 1,064,515</u>	<u>\$ 5,406,255</u>	<u>\$ 6,033,426</u>	<u>\$ 19,156,197</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, 2014**

	<i>Schedule D-4</i> <b>Pitt Community College (Bowen Farm) Capital Project Fund</b>	<i>Schedule D-5</i> <b>Pitt Community College 2010 Capital Project Fund</b>	<i>Schedule D-6</i> <b>Vernon White Capital Project Fund</b>	<i>Schedule D-7</i> <b>Energy Savings Capital Project Fund</b>	<i>Schedule D-8</i> <b>Chicod Capital Project Fund</b>	<i>Schedule D-9</i> <b>2009 LOBS Education Projects Capital Project Fund</b>	<i>Schedule D-10</i> <b>Sadie Saulter Capital Project Fund</b>
<b>Revenues:</b>							
Investment earnings	\$ -	\$ 241	\$ -	\$ 403	\$ -	\$ 273	\$ -
Other taxes and licenses	-	-	-	-	-	-	-
Restricted intergovernmental revenues	-	-	-	-	-	-	-
Sales tax refund	-	12,754	-	-	19,049	-	-
Total revenues	-	12,995	-	403	19,049	273	-
<b>Expenditures:</b>							
Public safety	-	-	-	-	-	-	-
Economic and physical development	-	-	-	881,630	303,551	-	-
Education	-	104,228	-	-	-	-	-
Total expenditures	-	104,228	-	881,630	303,551	-	-
Revenues over (under) expenditures	-	(91,233)	-	(881,227)	(284,502)	273	-
<b>Other Financing Sources (Uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	(293,018)
Insurance settlement	-	-	-	-	20,489	-	-
Debt obligation issued	-	-	-	-	154,353	-	-
Total other financing sources (uses)	-	-	-	-	174,842	-	(293,018)
Net change in fund balances	-	(91,233)	-	(881,227)	(109,660)	273	(293,018)
<b>Fund Balances:</b>							
Beginning of year - July 1	297,053	1,546,166	28,452	884,347	(95,783)	4,011,952	426,133
End of year - June 30	<u>\$ 297,053</u>	<u>\$ 1,454,933</u>	<u>\$ 28,452</u>	<u>\$ 3,120</u>	<u>\$ (205,443)</u>	<u>\$ 4,012,225</u>	<u>\$ 133,115</u>

<i>Schedule D-11</i>	<i>Schedule D-12</i>	<i>Schedule D-13</i>	<i>Schedule D-14</i>	<i>Schedule D-15</i>	<i>Schedule D-16</i>	<i>Schedule D-17</i>	
<b>Communication Expansion Capital Project Fund</b>	<b>Community Schools and Recreation Capital Project Fund</b>	<b>ECTC Building Capital Project Fund</b>	<b>School Improvement Capital Project Fund</b>	<b>Industrial Development Building Fund</b>	<b>School Capital Reserve Fund</b>	<b>County Capital Reserve Fund</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 3,587	\$ -	\$ 25,408	\$ 29,912
-	-	-	-	-	5,112,167	4,326,655	9,438,822
-	-	-	-	-	1,520,868	-	1,520,868
190,314	-	-	-	-	-	-	222,117
190,314	-	-	-	3,587	6,633,035	4,352,063	11,211,719
25,747	-	-	-	-	-	-	25,747
-	-	3,504	-	-	-	-	1,188,685
-	-	-	400,284	-	-	-	504,512
25,747	-	3,504	400,284	-	-	-	1,718,944
164,567	-	(3,504)	(400,284)	3,587	6,633,035	4,352,063	9,492,775
-	-	-	401,023	-	-	-	401,023
-	-	-	-	-	(6,360,204)	(5,371,016)	(12,024,238)
-	-	-	-	-	-	-	20,489
-	-	-	-	-	-	-	154,353
-	-	-	401,023	-	(6,360,204)	(5,371,016)	(11,448,373)
164,567	-	(3,504)	739	3,587	272,831	(1,018,953)	(1,955,598)
54,061	15,555	11,620	472,393	1,060,928	5,133,424	7,052,379	20,898,680
\$ 218,628	\$ 15,555	\$ 8,116	\$ 473,132	\$ 1,064,515	\$ 5,406,255	\$ 6,033,426	\$ 18,943,082

**PITT COUNTY, NORTH CAROLINA**

**PITT COMMUNITY COLLEGE (PCC) CAPITAL PROJECT FUND**  
**BOWEN FARM - SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - FROM INCEPTION AND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b><u>Project Authorization</u></b>	<b><u>Prior Years</u></b>	<b><u>Current Year</u></b>	<b><u>Total to Date</u></b>
<b>Expenditures:</b>				
Capital outlay:				
General construction	\$ 5,062,391	\$ 4,765,339	\$ -	\$ 4,765,339
Total expenditures	<u>5,062,391</u>	<u>4,765,339</u>	<u>-</u>	<u>4,765,339</u>
Revenues over (under) expenditures	<u>(5,062,391)</u>	<u>(4,765,339)</u>	<u>-</u>	<u>(4,765,339)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	<u>5,062,391</u>	<u>5,062,392</u>	<u>-</u>	<u>5,062,392</u>
Total other financing sources (uses)	<u>5,062,391</u>	<u>5,062,392</u>	<u>-</u>	<u>5,062,392</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 297,053</u>	<u>\$ -</u>	<u>\$ 297,053</u>

Note: The expenditures of this project are not accounted for in "Construction in Progress."

Note: The project is not constructing an asset the County will own.

**PITT COUNTY, NORTH CAROLINA****PITT COMMUNITY COLLEGE (PCC) CAPITAL PROJECT FUND****2010 PROJECT - CAPITAL PROJECT FUND****SCHEDULE OF REVENUES AND EXPENDITURES -****BUDGET AND ACTUAL - FROM INCEPTION AND****FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>Revenues:</b>				
Sales tax refund	\$ -	\$ 201,264	\$ 12,754	\$ 214,018
Investment earnings	-	16,787	241	17,028
Total revenues	-	218,051	12,995	231,046
<b>Expenditures:</b>				
Capital outlay:				
General construction	22,436,990	21,108,875	104,228	21,213,103
Total expenditures	22,436,990	21,108,875	104,228	21,213,103
Revenues over (under) expenditures	(22,436,990)	(20,890,824)	(91,233)	(20,982,057)
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	22,112,573	22,112,573	-	22,112,573
Premium received from issuance of debt	324,417	324,417	-	324,417
Total other financing sources (uses)	22,436,990	22,436,990	-	22,436,990
Net change in fund balance	\$ -	\$ 1,546,166	\$ (91,233)	\$ 1,454,933

Note: This project was capitalized as a capital asset under the category of "Construction in Progress."



**PITT COUNTY, NORTH CAROLINA**

**VERNON WHITE CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - FROM INCEPTION AND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b><u>Project</u></b>	<b><u>Prior</u></b>	<b><u>Current</u></b>	<b><u>Total to</u></b>
	<b><u>Authorization</u></b>	<b><u>Years</u></b>	<b><u>Year</u></b>	<b><u>Date</u></b>
<b>Expenditures:</b>				
Capital outlay:				
General construction	\$ 806,437	\$ 251,110	\$ -	\$ 251,110
Revenues over (under) expenditures	<u>(806,437)</u>	<u>(251,110)</u>	<u>-</u>	<u>(251,110)</u>
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	526,875	-	-	-
Transfers in (out)	<u>279,562</u>	<u>279,562</u>	<u>-</u>	<u>279,562</u>
Total other financing sources (uses)	<u>806,437</u>	<u>279,562</u>	<u>-</u>	<u>279,562</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 28,452</u>	<u>\$ -</u>	<u>\$ 28,452</u>

Note: The expenditures of this project are not accounted for in "Construction in Progress."

Note: The project is not constructing an asset the County will own.

**PITT COUNTY, NORTH CAROLINA**

**ENERGY SAVINGS CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - FROM INCEPTION AND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total To Date</b>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 2,717	\$ 403	\$ 3,120
<b>Expenditures:</b>				
Capital outlay:				
General construction	3,776,000	2,894,283	881,630	3,775,913
Revenues over (under) expenditures	(3,776,000)	(2,891,566)	(881,227)	(3,772,793)
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	3,776,000	3,775,913	-	3,775,913
Net change in fund balance	\$ -	\$ 884,347	\$ (881,227)	\$ 3,120

Note: The expenditures of this project are accounted for in "Construction in Progress."

**PITT COUNTY, NORTH CAROLINA**

**CHICOD CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total To Date</b>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 500,000	\$ -	\$ -	\$ -
Sales tax refund	-	17,646	19,049	36,695
Miscellaneous	512,440	-	-	-
Total revenues	<u>1,012,440</u>	<u>17,646</u>	<u>19,049</u>	<u>36,695</u>
<b>Expenditures:</b>				
Capital outlay:				
General construction	5,035,482	4,274,814	303,551	4,578,365
Issuance fees	39,460	39,460	-	39,460
Contingency	558,516	-	-	-
Total expenditures	<u>5,633,458</u>	<u>4,314,274</u>	<u>303,551</u>	<u>4,617,825</u>
Revenues over (under) expenditures	<u>(4,621,018)</u>	<u>(4,296,628)</u>	<u>(284,502)</u>	<u>(4,581,130)</u>
<b>Other Financing Sources (Uses):</b>				
Insurance settlement	107,213	-	20,489	20,489
Debt obligation issued	1,973,000	1,660,040	154,353	1,814,393
Transfers in	<u>2,540,805</u>	<u>2,540,805</u>	<u>-</u>	<u>2,540,805</u>
Total other financing sources (uses)	<u>4,621,018</u>	<u>4,200,845</u>	<u>174,842</u>	<u>4,375,687</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (95,783)</u>	<u>\$ (109,660)</u>	<u>\$ (205,443)</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**

**2009 LOBS EDUCATION PROJECTS CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

			<b>Actual</b>	
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total To Date</b>
<b>Revenues:</b>				
Sales tax refund	\$ -	\$ 830,690	\$ -	\$ 830,690
Investment income	-	34,060	273	34,333
Total revenues	-	864,750	273	865,023
<b>Expenditures:</b>				
Capital outlay:				
New K-5 Elementary School	13,120,532	11,131,853	-	11,131,853
DH Conley	8,157,539	8,227,919	-	8,227,919
Eastern Elementary	9,819,549	9,015,754	-	9,015,754
Farmville Central High School	3,093,619	2,953,072	-	2,953,072
Issuance fees	720,000	716,763	-	716,763
Contingency	281,324	-	-	-
Total expenditures	35,192,563	32,045,361	-	32,045,361
Revenues over (under) expenditures	(35,192,563)	(31,180,611)	273	(31,180,338)
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	35,145,000	35,145,000	-	35,145,000
Premiums received from issuance of debt	47,563	47,563	-	47,563
Total other financing sources (uses)	35,192,563	35,192,563	-	35,192,563
Net change in fund balance	\$ -	\$ 4,011,952	\$ 273	\$ 4,012,225

## Note:

The New K-5 Elementary School and DH Conley are the only portions of the project constructing an asset owned by the County. The activity in that project was 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****SADIE SAULTER CAPITAL PROJECT FUND****SCHEDULE OF REVENUES AND EXPENDITURES -****BUDGET AND ACTUAL****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total To Date</b>
<b>Revenues:</b>				
Investment income	\$ -	\$ 4,502	\$ -	\$ 4,502
Sales tax refund	-	149,985	-	149,985
Total revenues	-	154,487	-	154,487
<b>Expenditures:</b>				
Capital outlay:				
General construction	5,836,500	5,629,513	-	5,629,513
Issuance fees	116,000	51,341	-	51,341
Total expenditures	5,952,500	5,680,854	-	5,680,854
Revenues over (under) expenditures	(5,952,500)	(5,526,367)	-	(5,526,367)
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	5,952,500	5,952,500	-	5,952,500
Transfer (out)	-	-	(293,018)	(293,018)
Total other financing sources (uses)	5,952,500	5,952,500	(293,018)	5,659,482
Net change in fund balance	\$ -	\$ 426,133	\$ (293,018)	\$ 133,115

Note:

This project was capitalized as a capital asset under the category of Construction In Progress.

## PITT COUNTY, NORTH CAROLINA

## COMMUNICATION EXPANSION CAPITAL PROJECT FUND

## SCHEDULE OF REVENUES AND EXPENDITURES -

## BUDGET AND ACTUAL

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
<b>Revenues:</b>				
Investment income	\$ -	\$ 2,481	\$ -	\$ 2,481
Sales tax refund	-	45,041	190,314	235,355
Total revenues	-	47,522	190,314	237,836
<b>Expenditures:</b>				
Capital outlay:				
General construction	5,500,000	5,493,461	25,747	5,519,208
Total expenditures	5,500,000	5,493,461	25,747	5,519,208
Revenues over (under) expenditures	(5,500,000)	(5,445,939)	164,567	(5,281,372)
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	5,500,000	5,500,000	-	5,500,000
Net change in fund balance	\$ -	\$ 54,061	\$ 164,567	\$ 218,628

Note:

This project was capitalized as a capital asset under the category of Construction In Progress.

**PITT COUNTY, NORTH CAROLINA**

**COMMUNITY SCHOOLS AND RECREATION CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total To Date</b>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 904,000	\$ 902,744	\$ -	\$ 902,744
Investment earnings	-	9,500	-	9,500
Miscellaneous revenue	211,000	184,414	-	184,414
Total revenues	<u>1,115,000</u>	<u>1,096,658</u>	<u>-</u>	<u>1,096,658</u>
<b>Expenditures:</b>				
Capital outlay:				
General construction	1,250,000	1,213,062	-	1,213,062
Site development	664,871	688,860	-	688,860
Athletic fields and recreation area	480,000	477,685	-	477,685
Professional fees	94,782	101,496	-	101,496
Contingency	25,347	-	-	-
Total expenditures	<u>2,515,000</u>	<u>2,481,103</u>	<u>-</u>	<u>2,481,103</u>
Revenues over (under) expenditures	<u>(1,400,000)</u>	<u>(1,384,445)</u>	<u>-</u>	<u>(1,384,445)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	<u>1,400,000</u>	<u>1,400,000</u>	<u>-</u>	<u>1,400,000</u>
Total other financing sources (uses)	<u>1,400,000</u>	<u>1,400,000</u>	<u>-</u>	<u>1,400,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,555</u>	<u>\$ -</u>	<u>\$ 15,555</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 AND EXPENDITURES -****BUDGET AND ACTUAL****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

		<b>Actual</b>		
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total To Date</b>
<b>Revenues:</b>				
Sales tax refund	\$ 20,449	\$ 9,053	\$ -	\$ 9,053
Investment earnings	2,743	20,854	-	20,854
Miscellaneous revenue	93,000	28,000	-	28,000
State share revenue	-	1,465	-	1,465
Other intergovernmental revenues	1,212,659	817,258	-	817,258
Federal and other grants	454,278	800,000	-	800,000
Total revenues	<u>1,783,129</u>	<u>1,676,630</u>	<u>-</u>	<u>1,676,630</u>
<b>Expenditures:</b>				
Capital outlay:				
General construction	<u>2,432,739</u>	<u>2,359,620</u>	<u>3,504</u>	<u>2,363,124</u>
Total expenditures	<u>2,432,739</u>	<u>2,359,620</u>	<u>3,504</u>	<u>2,363,124</u>
Revenues over (under) expenditures	<u>(649,610)</u>	<u>(682,990)</u>	<u>(3,504)</u>	<u>(686,494)</u>
<b>Other Financing Sources (Uses):</b>				
Debt obligation issued	350,000	395,000	-	395,000
Transfers in (out)	<u>299,610</u>	<u>299,610</u>	<u>-</u>	<u>299,610</u>
Total other financing sources (uses)	<u>649,610</u>	<u>694,610</u>	<u>-</u>	<u>694,610</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,620</u>	<u>\$ (3,504)</u>	<u>\$ 8,116</u>

## Note:

Phase I of this project constructed a capital asset that has been added to buildings.

Phase II expenditures were capitalized as a capital asset under the category of Construction In Progress.



**PITT COUNTY, NORTH CAROLINA**

**SCHOOL IMPROVEMENT CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Capital outlay:			
Transportation upgrades	\$ 92,443	\$ 92,443	\$ -
Maintenance	157,557	-	157,557
Roofing	606,007	307,841	298,166
Total expenditures	<u>856,007</u>	<u>400,284</u>	<u>455,723</u>
Revenues over (under) expenditures	<u>(856,007)</u>	<u>(400,284)</u>	<u>455,723</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in (out)	750,000	401,023	(348,977)
Appropriated fund balance	<u>106,007</u>	<u>-</u>	<u>(106,007)</u>
Total other financing sources (uses)	<u>856,007</u>	<u>401,023</u>	<u>(454,984)</u>
Net change in fund balance	<u>\$ -</u>	739	<u>\$ 739</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>472,393</u>	
End of year - June 30		<u>\$ 473,132</u>	

## Note:

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

**PITT COUNTY, NORTH CAROLINA**

**INDUSTRIAL DEVELOPMENT BUILDING FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 3,587	\$ 3,587
Net change in fund balance	\$ -	3,587	\$ 3,587
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>1,060,928</u>	
End of year - June 30		<u>\$ 1,064,515</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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Other taxes and licenses	\$ 4,500,000	\$ 5,112,167	\$ 612,167
Restricted intergovernmental revenues	<u>1,520,868</u>	<u>1,520,868</u>	<u>-</u>
Total revenues	<u>6,020,868</u>	<u>6,633,035</u>	<u>612,167</u>
 Revenues over (under) expenditures	 <u>6,020,868</u>	 <u>6,633,035</u>	 <u>612,167</u>
<b>Other Financing Sources (Uses):</b>			
Transfer (out)	(6,709,181)	(6,360,204)	348,977
Appropriated fund balance	<u>688,313</u>	<u>-</u>	<u>(688,313)</u>
Total other financing sources (uses)	<u>(6,020,868)</u>	<u>(6,360,204)</u>	<u>(339,336)</u>
 Net change in fund balance	 <u>\$ -</u>	 272,831	 <u>\$ 272,831</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>5,133,424</u>	
 End of year - June 30		 <u>\$ 5,406,255</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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Local option sales tax - Article 46	\$ 3,500,000	\$ 4,326,655	\$ 826,655
Investment earnings	-	25,408	25,408
Total revenues	<u>3,500,000</u>	<u>4,352,063</u>	<u>852,063</u>
<b>Other Financing Sources (Uses):</b>			
Transfer out	(5,371,016)	(5,371,016)	-
Appropriated fund balance	<u>1,871,016</u>	-	<u>(1,871,016)</u>
Total other financing sources (uses)	<u>(3,500,000)</u>	<u>(5,371,016)</u>	<u>(1,871,016)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,018,953)</u>	<u>\$ (1,018,953)</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>7,052,379</u>	
End of year - June 30		<u>\$ 6,033,426</u>	

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**PITT COUNTY, NORTH CAROLINA****MAJOR FUND****DEBT SERVICE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Over/Under</u></b>
<b>Revenues:</b>			
Unrestricted intergovernmental revenues:			
Miscellaneous	\$ 266,873	\$ 267,512	\$ 639
Qualified School Construction Bond refund	308,144	313,206	5,062
Interest earned on investments	-	131	131
Total revenues	<u>575,017</u>	<u>580,849</u>	<u>5,832</u>
<b>Expenditures:</b>			
Debt service:			
Principal payments - loans	10,810,563	10,669,892	140,671
Interest and fees - loans	6,825,101	6,948,754	(123,653)
Total expenditures	<u>17,635,664</u>	<u>17,618,646</u>	<u>17,018</u>
Revenues over (under) expenditures	<u>(17,060,647)</u>	<u>(17,037,797)</u>	<u>22,850</u>
<b>Other Financing Sources (Uses):</b>			
Transfer in - General Fund	5,793,650	5,793,650	-
Transfer in - special revenue funds	10,880,197	10,880,197	-
Transfer in - capital project funds	293,018	293,018	-
Transfer in - Solid waste	93,782	93,782	-
Total other financing sources (uses)	<u>17,060,647</u>	<u>17,060,647</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>22,850</u>	<u>\$ 22,850</u>
<b>Fund Balance:</b>			
Beginning of year - July 1		<u>23,390</u>	
End of year - June 30		<u>\$ 46,240</u>	

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## **PROPRIETARY FUNDS**

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

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



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## **ENTERPRISE FUND**

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

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**PITT COUNTY, NORTH CAROLINA****ENTERPRISE FUND - SOLID WASTE****SCHEDULE OF REVENUES AND EXPENDITURES -****BUDGET AND ACTUAL (NON-GAAP)****FOR THE YEAR ENDED JUNE 30, 2014****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Revenues:</b>				
Operating revenues:				
User charges	\$ 7,556,829	\$ 7,681,781	\$ 124,952	\$ 7,579,217
Investment earnings	-	20,980	20,980	18,889
Restricted intergovernmental revenues	80,306	79,728	(578)	(7,449)
Other	635,400	712,532	77,132	687,171
Total operating revenues	8,272,535	8,495,021	222,486	8,277,828
Non-operating revenues:				
Proceeds from sale of capital assets	3,147	7,890	4,743	44,544
Total revenues	8,275,682	8,502,911	227,229	8,322,372
<b>Expenditures:</b>				
Salaries and employee benefits	1,314,135	1,256,782	57,353	1,178,777
Supplies and materials	1,114,459	860,640	253,819	1,027,134
Contract labor and other services	1,479,826	1,641,586	(161,760)	1,430,923
Contracted services - waste disposal	3,920,250	4,271,169	(350,919)	3,976,858
Capital outlay	488,306	502,000	(13,694)	211,724
Contingency	100,000	-	100,000	-
Total expenditures	8,416,976	8,532,177	(115,201)	7,825,416
Revenues over (under) expenditures	(141,294)	(29,266)	112,028	496,956
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	467,576	-	(467,576)	-
Transfer (to) Debt Service Fund	(93,782)	(93,782)	-	(95,505)
Transfer (to) Internal Service Fund	(12,500)	(12,500)	-	(12,500)
Transfer (to) General Fund	(220,000)	(220,000)	-	-
Total other financing sources (uses)	141,294	(326,282)	(467,576)	(108,005)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (355,548)	\$ (355,548)	\$ 388,951
<b>Reconciliation from Modified Accrual Basis to Full Accrual Basis:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (355,548)		
Reconciling items:				
Capital outlay items capitalized		502,000		
Depreciation		(295,278)		
Change in closure and post-closure costs accrual		(40,000)		
Change in net position		\$ (188,826)		

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## **INTERNAL SERVICE FUNDS**

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

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## PITT COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

JUNE 30, 2014

	County Garage Internal Service Fund	Active Employee Medical Insurance Internal Service Fund	Retiree Medical Insurance Internal Service Fund	Workers' Compensation Internal Service Fund	Total
<b>Assets:</b>					
Current assets:					
Cash, cash equivalents, and investments	\$ 111,258	\$ 2,341,842	\$ 559,832	\$ 320,694	\$ 3,333,626
Accounts receivable	1,493	-	-	-	1,493
Prepaid items	-	-	-	143,919	143,919
Total assets	<u>112,751</u>	<u>2,341,842</u>	<u>559,832</u>	<u>464,613</u>	<u>3,479,038</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued expenses	<u>80,116</u>	<u>892,446</u>	<u>3,234</u>	<u>4,117</u>	<u>979,913</u>
Total liabilities	<u>80,116</u>	<u>892,446</u>	<u>3,234</u>	<u>4,117</u>	<u>979,913</u>
<b>Net Position:</b>					
Unrestricted net position	<u>32,635</u>	<u>1,449,396</u>	<u>556,598</u>	<u>460,496</u>	<u>2,499,125</u>
Total net position	<u>\$ 32,635</u>	<u>\$ 1,449,396</u>	<u>\$ 556,598</u>	<u>\$ 460,496</u>	<u>\$ 2,499,125</u>



## PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	County Garage Internal Service Fund	Active Employee Medical Insurance Internal Service Fund	Retiree Medical Insurance Internal Service Fund	Workers' Compensation Internal Service Fund	Total
<b>Operating Revenues:</b>					
User charges	\$ 909,733	\$ 404,491	\$ -	\$ -	\$ 1,314,224
Interfund services charges	-	8,252,422	-	595,826	8,848,248
Miscellaneous	-	6,000	-	-	6,000
Total operating revenues	909,733	8,662,913	-	595,826	10,168,472
<b>Operating Expenses:</b>					
Equipment maintenance	911,763	-	-	-	911,763
Medical claims costs	-	9,384,138	1,051,049	-	10,435,187
Claims reimbursement	-	-	-	480,462	480,462
Total operating expenses	911,763	9,384,138	1,051,049	480,462	11,827,412
Operating income (loss)	(2,030)	(721,225)	(1,051,049)	115,364	(1,658,940)
<b>Non-Operating Revenues:</b>					
Transfer in (out)	-	(50,000)	1,060,251	26,700	1,036,951
Investment earnings	-	7,785	-	1,070	8,855
Total non-operating revenues	-	(42,215)	1,060,251	27,770	1,045,806
Change in net position	(2,030)	(763,440)	9,202	143,134	(613,134)
<b>Net Position:</b>					
Beginning of year - July 1	34,665	2,212,836	547,396	317,362	3,112,259
End of year - June 30	\$ 32,635	\$ 1,449,396	\$ 556,598	\$ 460,496	\$ 2,499,125

## PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	County Garage Internal Service Fund	Active Employee Medical Insurance Internal Service Fund	Retiree Medical Insurance Internal Service Fund	Workers' Compensation Internal Service Fund	Total
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 909,460	\$ 410,491	\$ -	\$ -	\$ 1,319,951
Cash received from interfund services	-	8,252,422	-	595,826	8,848,248
Cash paid to suppliers	(907,532)	(9,205,119)	(1,047,815)	(479,847)	(11,640,313)
Net cash provided (used) by operating activities	1,928	(542,206)	(1,047,815)	115,979	(1,472,114)
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Transfer in (out)	-	(50,000)	1,060,251	26,700	1,036,951
<b>Cash Flows from Investing Activities:</b>					
Investment earnings	-	7,785	-	1,070	8,855
Net increase (decrease) in cash and cash equivalents	1,928	(584,421)	12,436	143,749	(426,308)
<b>Cash and Cash Equivalents:</b>					
Beginning of year - July 1	109,330	2,926,263	547,396	176,945	3,759,934
End of year - June 30	\$ 111,258	\$ 2,341,842	\$ 559,832	\$ 320,694	\$ 3,333,626
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>					
Operating income (loss)	\$ (2,030)	\$ (721,225)	\$ (1,051,049)	\$ 115,364	\$ (1,658,940)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(273)	-	-	-	(273)
(Increase) decrease in prepaids	-	-	-	(1,378)	(1,378)
Increase (decrease) in accounts payable and accrued expenses	4,231	179,019	3,234	1,993	188,477
Net cash provided (used) by operating activities	\$ 1,928	\$ (542,206)	\$ (1,047,815)	\$ 115,979	\$ (1,472,114)

**PITT COUNTY, NORTH CAROLINA**

**COUNTY GARAGE INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
User charges	\$ 1,123,575	\$ 909,733	\$ (213,842)
Total operating revenues	<u>1,123,575</u>	<u>909,733</u>	<u>(213,842)</u>
<b>Operating Expenses:</b>			
Equipment maintenance	<u>1,123,575</u>	<u>911,763</u>	<u>211,812</u>
Total operating expenses	<u>1,123,575</u>	<u>911,763</u>	<u>211,812</u>
Change in net position	<u>\$ -</u>	<u>\$ (2,030)</u>	<u>\$ (2,030)</u>

**PITT COUNTY, NORTH CAROLINA**

**ACTIVE EMPLOYEE MEDICAL INSURANCE INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
User charges	\$ 345,040	\$ 404,491	\$ 59,451
Miscellaneous revenues	6,390	6,000	(390)
Interfund services charges	8,458,942	8,252,422	(206,520)
Total operating revenues	<u>8,810,372</u>	<u>8,662,913</u>	<u>(147,459)</u>
<b>Operating Expenses:</b>			
Medical claims costs	<u>9,387,894</u>	<u>9,384,138</u>	<u>3,756</u>
Total operating expenses	<u>9,387,894</u>	<u>9,384,138</u>	<u>3,756</u>
Operating income (loss)	<u>(577,522)</u>	<u>(721,225)</u>	<u>(143,703)</u>
<b>Non-Operating Revenues:</b>			
Investment earnings	<u>5,000</u>	<u>7,785</u>	<u>2,785</u>
Total non-operating revenues	<u>5,000</u>	<u>7,785</u>	<u>2,785</u>
<b>Other Financing Sources (Uses):</b>			
Transfer in (out)	(50,000)	(50,000)	-
Appropriated fund balance	<u>622,522</u>	<u>-</u>	<u>(622,522)</u>
Total other financing sources (uses)	<u>572,522</u>	<u>(50,000)</u>	<u>(622,522)</u>
Change in net position	<u>\$ -</u>	<u>\$ (763,440)</u>	<u>\$ (763,440)</u>

**PITT COUNTY, NORTH CAROLINA**

**RETIREE MEDICAL INSURANCE INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Expenses:</b>			
Medical claims costs	\$ 1,102,904	\$ 1,051,049	\$ 51,855
Operating income (loss)	(1,102,904)	(1,051,049)	51,855
<b>Other Financing Sources (Uses):</b>			
Transfer in (out)	1,102,904	1,060,251	(42,653)
Change in net position	<u>\$ -</u>	<u>\$ 9,202</u>	<u>\$ 9,202</u>

**PITT COUNTY, NORTH CAROLINA**

**WORKERS' COMPENSATION INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
Interfund services charges	\$ 650,000	\$ 595,826	\$ 54,174
<b>Operating Expenses:</b>			
Claims reimbursement	<u>676,700</u>	<u>480,462</u>	<u>196,238</u>
Operating income (loss)	<u>(26,700)</u>	<u>115,364</u>	<u>142,064</u>
<b>Non-Operating Revenues:</b>			
Investment earnings	<u>-</u>	<u>1,070</u>	<u>1,070</u>
<b>Other Financing Sources (Uses):</b>			
Transfer in	<u>26,700</u>	<u>26,700</u>	<u>-</u>
Change in net position	<u>\$ -</u>	<u>\$ 143,134</u>	<u>\$ 143,134</u>

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**FIDUCIARY FUND  
(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 fund is the County's Trust Fund:

- **Law Enforcement Separation Allowance Trust Fund** – This fund accounts for assets held by the County to pay special retirement benefits to retired law enforcement officers. (See Exhibits J & K).

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.



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## PITT COUNTY, NORTH CAROLINA

TRUST AND AGENCY FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2014

	<b>Social Services, Sheriff, and Mental Health Agency Funds</b>	<b>Tax Collections Held for Municipalities Agency Fund</b>	<b>Flexible Benefit Plan Agency Fund</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 157,995	\$ 160,156	\$ 35,676	\$ 353,827
Total assets	<u>\$ 157,995</u>	<u>\$ 160,156</u>	<u>\$ 35,676</u>	<u>\$ 353,827</u>
<b>Liabilities:</b>				
Deposits held in custody for others	\$ 157,995	\$ 160,156	\$ -	\$ 318,151
Deferred compensation benefits payable	-	-	35,676	35,676
Total liabilities	<u>\$ 157,995</u>	<u>\$ 160,156</u>	<u>\$ 35,676</u>	<u>\$ 353,827</u>

## PITT COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 TRUST AND AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>Social Services, Sheriff, and Other Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 385,878	\$ 1,558,889	\$ (1,786,772)	\$ 157,995
<b>Liabilities:</b>				
Deposits held in custody for others	\$ 385,878	\$ 1,558,889	\$ (1,786,772)	\$ 157,995
<b>Tax Collections Held for Municipalities Agency Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 158,021	\$ 42,714,357	\$ (42,712,222)	\$ 160,156
<b>Liabilities:</b>				
Deposits held in custody for others	\$ 158,021	\$ 42,714,357	\$ (42,712,222)	\$ 160,156
<b>3% Interest Payable to State Agency Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 9,588	\$ -	\$ (9,588)	\$ -
<b>Liabilities:</b>				
Deposits held in custody for others	\$ 9,588	\$ -	\$ (9,588)	\$ -
<b>Flexible Benefit Agency Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 29,072	\$ 87,059	\$ (80,455)	\$ 35,676
<b>Liabilities:</b>				
Deferred compensation benefits payable	\$ 29,072	\$ 87,059	\$ (80,455)	\$ 35,676
<b>Total - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 582,559	\$ 44,360,305	\$ (44,589,037)	\$ 353,827
<b>Liabilities:</b>				
Deposits held in custody for others	\$ 553,487	\$ 44,273,246	\$ (44,508,582)	\$ 318,151
Deferred compensation benefits payable	29,072	87,059	(80,455)	35,676
Total liabilities	\$ 582,559	\$ 44,360,305	\$ (44,589,037)	\$ 353,827

### **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.

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**Pitt County**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities										
Net investment in										
capital assets	\$ 17,058,305	\$ 9,656,803	\$ 9,052,628	\$ 7,199,732	\$ 7,163,940	\$ 26,867,920	\$ 3,313,440	\$ -2,393,761	\$ 2,947,086	\$ 8,363,163
Restricted	470,026	678,647	717,353	200,598	199,051	178,243	15,413,852	10,949,019	12,335,800	17,176,068
Unrestricted	40,825,049	37,971,412	30,517,987	23,707,535	33,161,453	7,602,000	-12,273,362	-5,966,584	9,777,730	7,074,844
Total governmental activities net position	\$ 58,353,380	\$ 48,306,862	\$ 40,287,968	\$ 31,107,865	\$ 40,524,444	\$ 34,648,163	\$ 6,453,930	\$ 2,588,674	\$ 25,060,616	\$ 32,614,075
Business-type activities										
Net investment in										
capital assets	\$ 1,723,354	\$ 1,818,984	\$ 2,070,609	\$ 2,170,579	\$ 2,290,354	\$ 2,821,429	\$ 2,870,867	\$ 2,901,091	\$ 3,563,524	\$ 3,770,246
Unrestricted	(1,898,732)	(1,634,988)	(689,280)	(623,834)	191,582	878,331	1,639,256	2,444,272	2,895,804	2,500,256
Total business-type activities	\$ (175,378)	\$ 183,996	\$ 1,381,329	\$ 1,546,745	\$ 2,481,936	\$ 3,699,760	\$ 4,510,123	\$ 5,345,363	\$ 6,459,328	\$ 6,270,502
Primary government										
Net investment in										
capital assets	\$ 18,781,659	\$ 11,475,787	\$ 11,123,237	\$ 9,370,311	\$ 9,454,294	\$ 29,689,349	\$ 6,184,307	\$ 507,330	\$ 6,510,610	\$ 12,133,409
Restricted	470,026	678,647	717,353	200,598	199,051	178,243	15,413,852	10,949,019	12,335,800	17,176,068
Unrestricted	38,926,317	36,336,424	29,828,707	23,083,701	33,353,035	8,480,331	-10,634,106	-3,522,312	12,673,534	9,575,100
Total primary government net position	\$ 58,178,002	\$ 48,490,858	\$ 41,669,297	\$ 32,654,610	\$ 43,006,380	\$ 38,347,923	\$ 10,964,053	\$ 7,934,037	\$ 31,519,944	\$ 38,884,577

Note:

**Pitt County**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government										
Public safety	\$ 13,501,699	\$ 16,037,941	\$ 15,101,864	\$ 18,117,235	\$ 16,716,822	\$ 16,704,353	\$ 16,768,759	\$ 19,876,656	\$ 16,297,756	\$ 18,833,804
Economic & physical development	23,580,577	25,212,358	27,464,405	30,147,280	34,445,469	37,623,678	32,913,064	43,251,794	42,976,133	39,562,880
Environmental protection	4,335,915	3,274,182	5,156,590	4,924,122	5,337,923	7,633,411	6,728,810	9,625,223	10,116,946	7,068,054
Human Services	208,524	4,469	245,464	248,179	259,750	267,785	245,159	230,549	200,253	216,114
Cultural and recreation	58,880,092	67,135,085	54,707,785	48,987,705	46,606,871	44,209,437	41,740,952	40,545,062	38,623,179	36,848,621
Education	505,161	457,682	583,843	645,517	608,328	718,401	698,384	618,966	590,067	606,785
Debt Service	36,679,407	37,016,790	48,738,593	47,639,044	44,078,522	51,034,996	53,506,480	38,098,594	33,948,819	45,338,884
Capital Outlay	4,556,482	4,976,804	-	-	-	-	-	-	-	-
Interest on long term debt	-	-	5,703,750	6,931,700	4,270,139	5,870,905	6,967,304	9,001,235	6,952,420	8,605,897
Total governmental activities	<u>142,247,857</u>	<u>154,115,311</u>	<u>157,702,294</u>	<u>157,640,782</u>	<u>152,323,844</u>	<u>164,062,966</u>	<u>159,568,912</u>	<u>161,248,079</u>	<u>149,706,173</u>	<u>157,081,039</u>
Business-type activities:										
Solid Waste	7,072,121	6,917,906	6,719,860	7,714,185	6,737,540	6,809,686	7,348,253	8,361,494	7,763,554	8,357,565
Total primary government expenses	<u>149,319,978</u>	<u>161,033,217</u>	<u>164,422,154</u>	<u>165,354,967</u>	<u>159,061,384</u>	<u>170,872,652</u>	<u>166,917,165</u>	<u>169,609,573</u>	<u>157,469,727</u>	<u>165,438,604</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 4,590,236	\$ 4,185,463	\$ 3,889,222	\$ 4,140,725	\$ 4,622,467	\$ 5,838,490	\$ 5,308,955	\$ 5,903,519	\$ 5,635,527	\$ 4,971,244
Public safety	7,603,330	7,291,508	8,752,760	8,484,120	8,611,068	8,631,804	9,341,259	10,237,128	9,987,128	6,607,559
Economic & physical development	2,635	3,015	3,245	3,825	115,237	165,475	584,174	183,709	168,709	59,294
Environmental protection	137,937	243,384	265,127	192,034	115,497	101,973	73,019	50,504	38,004	65,453
Human Services	5,177,386	5,127,900	3,134,045	5,661,649	5,927,338	6,698,097	6,323,684	5,694,120	5,169,120	4,946,415
Cultural and recreation	-	8,945	34,717	23,003	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	-	-	-	-	2,426	7,348	20,334	3,269	8,501	1,410
Public safety	32,200	25,800	25,800	283,037	120,165	100,592	56,387	263,750	228,750	2,230,832
Economic & physical development	2,621,715	263,177	293,962	788,756	2,279,470	5,218,265	4,367,361	3,784,654	3,514,654	3,759,697
Environmental protection	73,156	91,610	98,086	227,341	-	-	-	-	-	-
Human Services	35,944,964	42,757,967	30,318,848	19,540,492	21,751,026	23,191,163	21,147,178	21,157,852	20,505,352	20,465,760
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Education	-	1,130,018	-	789,760	7,033,741	1,183,917	5,083,917	725,706	600,706	-
Capital grants and contributions:										
General government	-	-	-	-	235,915	268,300	207,368	-	-	-
Public safety	64,074	57,358	111,854	98,719	1,293,371	157,578	2,177	37,758	16,758	190,314
Economic & physical development	-	-	2,920,434	1,672,867	1,969,407	107,686	307,686	51,725	40,680	303,311
Environmental protection	-	-	-	-	0	769,744	126,903	96,977	65,977	-
Education	-	-	1,462,000	1,821,032	117,996	64,383	358,751	1,548,346	1,418,346	1,533,622
Cultural and recreation	-	-	37,524	-	-	-	-	-	-	-
Social services	331,781	1,273,940	-	-	-	-	-	-	-	19,049
Total govt activities program revenues	<u>56,579,414</u>	<u>62,460,085</u>	<u>51,347,624</u>	<u>43,727,360</u>	<u>54,195,124</u>	<u>52,504,815</u>	<u>53,309,153</u>	<u>49,719,017</u>	<u>47,398,212</u>	<u>45,153,960</u>

**Pitt County**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charge for services - Solid Waste	6,686,238	7,277,190	7,916,793	7,851,102	7,664,223	8,023,307	8,145,483	8,461,544	8,266,388	8,394,313
Capital grants and contrib. - Solid Waste	-	-	-	-	5,783	-	12,248	755,856	700,247	79,728
Total business-type activities prog revenues	6,686,238	7,277,190	7,916,793	7,851,102	7,670,006	8,023,307	8,157,731	9,217,400	8,966,635	8,474,041
Total primary government program revenues	63,265,652	69,737,275	59,264,417	51,578,482	61,865,130	60,528,122	61,468,884	58,936,417	56,364,847	53,628,001
<b>Net (Expense)/Revenue</b>										
Governmental activities	(85,668,443)	(91,655,226)	(106,354,670)	(113,913,422)	(98,128,720)	(111,558,151)	(106,259,759)	(111,529,062)	(102,307,961)	(111,927,079)
Business-type activities	(385,883)	359,284	1,196,933	136,917	932,466	1,213,621	809,478	855,906	1,203,081	116,476
Total primary government net (expense)/revenue	(86,054,326)	(91,295,942)	(105,157,737)	(113,776,505)	(97,196,254)	(110,344,530)	(105,450,281)	(110,673,156)	(101,104,880)	(111,810,603)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	60,786,461	64,079,131	65,841,771	70,155,690	77,862,674	78,618,324	79,984,365	82,303,935	81,542,495	84,456,744
Local option sales tax	26,639,641	26,425,763	28,162,325	29,660,569	17,816,780	14,166,657	14,704,181	14,321,819	15,401,125	23,118,577
Payment in lieu of taxes and other taxes	-	1,614,982	1,683,750	1,752,849	12,164,104	11,109,775	10,655,050	10,876,593	11,493,571	2,118,654
Interest earned on investments	1,510,066	2,054,907	2,647,891	3,164,210	1,126,732	362,113	138,986	140,704	89,350	2,036,371
Loss on disposal of capital assets	-	(12,566,106)	-	-	-	-	(27,417,055)	-	-	-
Gain on Bond Refinance	-	-	-	-	-	-	-	-	-	7,423,910
Total governmental activities:	88,936,168	81,608,677	98,335,737	104,733,318	108,970,290	104,256,869	78,065,527	107,643,051	108,526,741	119,154,256
Business-type activities:										
Investment earnings	-	-	-	28,499	3,191	4,203	885	89	18,889	20,980
Miscellaneous	371	90	-	-	-	-	-	-	-	-
Transfers	-	-	400	-	-	-	-	-	-	-
Total business-type activities	371	90	400	28,499	3,191	4,203	885	89	18,889	20,980
Total primary government	88,936,539	81,608,767	98,336,137	104,761,817	108,973,481	104,261,072	78,066,412	107,643,140	108,545,630	119,175,236
<b>Change in Net Position</b>										
Governmental activities	3,267,725	(10,046,549)	(8,018,933)	(9,180,104)	10,841,570	(7,301,282)	(28,194,232)	(3,886,011)	6,218,780	7,227,177
Business-type activities	(385,512)	359,374	1,197,333	165,416	935,657	1,217,824	810,363	855,995	1,221,970	137,456
Total primary government	2,882,213	(9,687,175)	(6,821,600)	(9,014,688)	11,777,227	(6,083,458)	(27,383,869)	(3,030,016)	7,440,750	7,364,633



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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Reserved for:										
State statute	\$ 10,630,636	\$ 10,148,617	\$ 7,890,551	\$ 7,276,450	\$ 5,723,696	\$ 5,315,377	\$	\$	\$	\$
Prepaid items	75,128	189,070	169,571	125,818	108,552	166,883				
Future wireline E-911/Public Safety expenditures	-	-	-	291,941	209,068	160,058				
For Register of Deeds	155,028	233,586	190,924	200,598	199,051	178,243				
Public Safety - Winterville Rural Fire Department						116,670				
Public Safety - Ayden Fire Department						11,567				
For Mental Health	-	-	2,271,269	450,000	-	-				
Total reserved	10,860,792	10,571,273	10,522,315	8,344,807	6,240,357	5,948,798	0	0	0	0
Unreserved										
Designated for subsequent year's expenditures	5,800,011	4,968,202	7,038,044	5,486,442	6,753,916	5,342,211				
Designated for Potential TSR Refund (MH)	-	-	-	-	-	-				
Undesignated	16,631,302	18,075,910	17,805,686	17,387,066	16,593,431	19,625,099				
<b>Nonspendable - prepaid items</b>							127,233	96,021	150,981	194,008
Restricted by Stabilization of State Statute							5,930,673	6,859,363	7,792,727	8,878,007
Restricted							249,769	130,713	153,970	186,041
Committed							0	0	0	0
Assigned							4,215,000	2,288,000	2,288,000	2,786,466
Unassigned							11,384,700	14,846,239	16,922,805	23,805,248
<b>Total General Fund</b>	<b>\$ 33,292,105</b>	<b>\$ 33,615,385</b>	<b>\$ 35,366,045</b>	<b>\$ 31,218,315</b>	<b>\$ 29,587,704</b>	<b>\$ 30,916,108</b>	<b>\$ 21,907,375</b>	<b>\$ 24,220,336</b>	<b>\$ 27,308,483</b>	<b>\$ 35,849,770</b>
<b>All Other Governmental Funds</b>										
Reserved for:										
State statute	\$ 582,561	\$ 1,211,152	\$ 1,465,594	\$ 2,520,470	\$ 2,361,080	\$ 1,786,089	\$	\$	\$	\$
Prepaid items	46,538	31,228	23,760	106,705	80,544	73,575				
Wireless 911 Operations	314,998	445,061	526,429	-	-	-				
Winterville Rural Fire Dept	-	24,204	73,973	104,814	77,983	77,983				
Total reserved	944,097	1,711,645	2,089,756	2,731,989	2,519,607	1,937,647	0	0	0	0
Unreserved										
Undesignated/(deficit)										
Special revenue Funds										
Debt Service Fund	-	24,958	251,477	1,312,430	1,904,621	2,041,415				
Capital Project Funds	64,521	83,212	42,022	(8,068)	64,415	41,635				
All other special revenue funds	4,814,295	1,567,175	-	1,746,264	1,847,095	(159,711)				
Designated for capital projects	-	-	-	-	9,331,452					
<b>Nonspendable - prepaid items</b>							93,315	114,571	139,920	84,668
Restricted by Stabilization of State Statute							7,661,279	3,301,873	1,484,819	2,688,524
Restricted							23,074,203	8,566,117	12,812,428	7,233,292
Committed							11,623,127	12,407,122	7,427,612	9,822,537
Assigned							1,434,962	1,789,875	1,506,723	1,647,750
Unassigned							(1,130,273)	(975,612)	(265,605)	(2,191,980)
<b>Total all other governmental funds</b>	<b>\$ 5,622,913</b>	<b>\$ 3,386,990</b>	<b>\$ 24,879,070</b>	<b>\$ 15,532,034</b>	<b>\$ 15,667,190</b>	<b>\$ 3,860,986</b>	<b>\$ 42,756,613</b>	<b>\$ 25,203,946</b>	<b>\$ 23,104,897</b>	<b>\$ 19,284,791</b>

Note: Fiscal Year 2011 reflects implementation of GASB statement 54, prior year amounts have not been restated. Classifications of fund balances are discussed in the Notes to the Financial Statements.

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

**Table 4**

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Revenues</b>										
Taxes:										
Property	\$ 60,831,679	\$ 64,024,879	\$ 66,158,617	70,960,636	77,740,541	78,631,905	78,827,130	82,355,998	81,339,280	85,735,784
Sales	19,238,192	21,232,409	22,304,132	23,072,981	25,129,031	22,632,862	14,428,378	14,380,502	15,677,039	13,809,165
Other	7,401,449	6,815,814	7,541,028	8,319,157	4,918,193	2,643,570	10,930,853	10,817,910	11,217,657	11,428,066
Total taxes	87,471,320	92,073,102	96,003,777	102,352,774	107,787,765	103,908,337	104,186,361	107,554,410	108,233,976	110,973,015
Intergovernmental	44,645,599	50,615,252	41,059,040	31,479,203	38,583,757	36,282,989	38,191,288	33,859,590	32,355,138	32,239,169
Sales & Services / Permits & Fees	9,390,266	9,575,595	10,691,673	10,956,768	11,309,491	11,274,744	11,933,673	12,270,529	11,976,737	10,832,855
Interest	1,346,644	1,883,583	2,432,376	3,142,597	1,116,097	359,591	262,393	140,633	83,754	451,726
Miscellaneous	1,124,314	2,021,470	1,592,836	1,259,163	2,903,009	2,868,190	1,754,585	2,154,058	1,566,417	1,679,320
Total Revenues	143,978,143	156,169,002	151,779,702	149,190,505	161,700,119	154,693,851	156,328,300	155,979,220	154,216,022	156,176,085
<b>Expenditures</b>										
General Government	11,779,455	15,507,763	13,183,808	14,224,253	13,972,599	13,629,713	13,455,312	12,712,923	12,178,377	14,855,647
Public Safety	23,090,104	24,828,006	26,791,432	28,796,663	32,049,357	35,958,562	37,264,598	41,181,005	39,894,354	37,939,525
Environmental Protection	211,435	219,636	246,652	231,415	242,986	252,499	229,879	217,076	200,253	216,114
Economic Development	4,100,580	4,263,373	4,916,623	4,667,773	5,090,345	7,416,836	6,648,224	8,998,731	9,469,340	6,916,650
Human Services (Health, DSS, Mental Health)	58,852,913	66,949,101	54,364,801	48,668,963	45,042,960	42,612,489	40,327,489	39,276,818	37,486,478	37,911,830
Culture and Recreation	505,161	536,972	583,843	645,517	606,328	718,401	698,384	618,966	590,667	606,785
Education	31,385,448	32,948,342	34,993,965	58,517,353	38,077,316	58,320,263	65,996,318	55,350,580	40,720,188	42,996,018
Capital Outlay	2,669,908	8,911,587	11,677,400	13,792,689	13,964,836	-	-	-	-	-
Debt Service:										
Principal	6,831,820	7,932,098	8,112,363	7,470,752	10,134,329	9,228,295	9,388,490	9,949,728	10,670,107	11,372,680
Interest	4,407,418	5,000,322	4,647,862	5,906,402	4,360,526	6,181,091	7,052,042	9,786,979	7,092,600	6,967,738
Total Expenditures	143,834,242	167,097,200	159,518,749	182,921,770	163,543,582	174,318,159	181,060,736	178,092,806	158,302,364	159,782,987
Excess of revenues over (under) expenditures	143,901	(10,928,198)	(7,739,047)	(33,731,265)	(1,843,463)	(19,624,308)	(24,732,436)	(22,113,586)	(4,086,342)	(3,606,902)
<b>Other Financing Sources (Uses)</b>										
Transfers in	(13,940,284)	(13,634,787)	(13,617,578)	(16,532,170)	(17,167,904)	(16,667,575)	(8,110,548)	(10,070,906)	(18,911,293)	(18,948,152)
Transfers out	25,897,409	13,634,787	13,617,578	16,532,170	17,167,904	15,856,415	7,341,348	9,079,761	17,960,898	18,237,483
Insurance Proceeds	-	-	-	-	-	-	-	-	-	20,489
Bonds issued	150,000	-	-	19,855,000	-	-	-	-	-	-
Revenue Anticipation Notes issued	-	-	-	-	-	-	-	-	-	54,295,000
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Payment to refunding escrow agent	(11,675,000)	3,422,002	1,863,940	-	-	-	(5,040,000)	-	-	-
Payment to escrow agent, debt refunding pmt	-	-	(28,995,000)	-	-	-	-	(21,230,000)	-	-
Payment to escrow agent, advance interest pmt	-	-	(1,252,192)	-	-	-	-	-	-	-
Payment to bondholders, bond redemption	-	-	-	-	-	-	-	-	-	-
Payment from escrow agent	-	-	-	-	-	-	-	-	-	-
Payment to retire revenue anticipation notes	-	-	-	-	-	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-	-	-	-	-	-
Advance payments from debt refunding	-	-	-	-	-	-	-	-	-	-
Debt Obligation issued	-	-	59,365,000	-	348,000	36,344,145	33,994,490	26,711,977	6,025,835	1,594,353
Appropriated Fund Balances	-	-	-	-	-	-	-	-	-	-
Premium on issued debt	-	-	-	381,491	-	47,563	-	2,383,047	-	-
Total other financing sources (uses)	432,125	3,422,002	30,981,748	20,236,491	348,000	35,580,548	28,185,290	6,873,879	5,075,440	8,328,083
Net change in fund balances	\$ 576,026	\$ (7,506,196)	\$ 23,242,701	(13,494,774)	(1,495,463)	15,956,240	3,452,854	(15,239,707)	989,098	4,721,181
Debt service as a percentage of noncapital expenditures	7.96%	8.18%	8.63%	7.91%	9.69%	9.35%	10.37%	12.47%	11.89%	11.83%

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

Table 5

Fiscal Year	Real Property			Industrial Property	Present-use Value	Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
	Residential Property	Commercial Property									
2005	\$ 6,435,605,771	\$ -	\$ -	-	\$ -	\$ 1,913,780,456	\$ 100,466,296	\$ 8,449,852,523	\$ 0.7000	\$ 8,543,787,515	98.9%
2006	6,716,994,823	-	-	-	-	2,068,236,052	106,987,984	8,892,218,859	0.7000	9,412,272,973	94.5%
2007	7,084,226,847	-	-	-	-	1,998,812,513	105,553,248	9,188,592,608	0.7000	9,439,255,440	97.3%
2008	7,450,655,025	-	-	-	-	2,568,090,556	108,434,679	10,127,180,260	0.7150	10,427,180,260	97.1%
2009	9,099,185,257	-	-	-	-	2,587,970,546	109,424,469	11,796,580,272	0.6650	11,914,546,075	99.0%
2010	9,346,427,845	-	-	-	-	2,470,662,313	109,460,104	11,926,550,262	0.6650	12,045,815,765	99.0%
2011	9,652,528,904	-	-	-	-	2,045,396,018	105,153,588	11,803,078,510	0.6650	11,921,109,295	99.0%
2012	9,554,186,028	-	-	-	-	2,091,154,625	104,488,137	11,749,828,790	0.6650	11,867,327,078	99.0%
2013	9,113,031,060	-	-	-	-	2,266,724,289	104,234,635	11,483,989,984	0.6800	11,598,829,884	99.0%
2014	9,206,945,276	-	-	-	-	2,643,301,152	101,041,838	11,951,288,266	0.6800	12,070,801,149	99.0%

Source: Annual County Report of Valuation and Property Tax Levies

Table 6

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

	Year Taxes Are Payable									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Pitt County - Total	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7150	\$ 0.6650	\$ 0.6650	\$ 0.6650	\$ 0.6650	\$ 0.6800	\$ 0.6800
General Fund	0.6650	0.6850	0.6850	0.7000	0.6516	0.6540	0.6550	0.6560	0.6730	0.6730
Industrial Development	0.0150	0.0150	0.0150	0.0150	0.0134	0.0110	0.0100	0.0090	0.0070	0.0070
County Capital Reserve	0.0200	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>Municipality Rates:</u>										
Town of Ayden	0.5200	0.5200	0.5200	0.5000	0.5000	0.5000	0.5000	0.5400	0.5400	0.5400
Town of Bethel	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.6600	0.6600	0.6600
Town of Falkland	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Town of Farnville	0.4900	0.4900	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
City of Greenville	0.5600	0.5600	0.5600	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Town of Grifton	0.5500	0.5500	0.5500	0.5500	0.5500	0.6000	0.6000	0.6000	0.6000	0.6000
Town of Grimesland	0.4500	0.4500	0.4500	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
Village of Simpson	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Town of Winterville	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4750	0.4750	0.4750
<u>Fire Districts:</u>										
Ayden Fire District	0.0375	0.0375	0.0375	0.0375	0.0375	0.0300	0.0425	0.0475	0.0475	0.0475
Bell Arthur Fire District	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0885	0.0885
Belvoir Fire District	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0189	0.0189	0.0225
Bethel Fire District	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0675	0.0675	0.0675
Black Jack Fire District	0.0300	0.0300	0.0450	0.0540	0.0540	0.0540	0.0540	0.0640	0.0740	0.0740
Clarks Neck Fire District	0.0500	0.0500	0.0500	0.4500	0.4500	0.4500	0.0450	0.0450	0.0450	0.0450
Eastern Pines Fire District	0.0250	0.0350	0.0350	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Falkland Fire District	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Farmville Fire District	0.0360	0.0360	0.0360	0.0360	0.0360	0.0360	0.0365	0.0389	0.0389	0.0389
Fountain Fire District	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0675
Gardnersville Fire District	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0800	0.0800	0.0940	0.0940
Grifton Fire District	0.0475	0.0499	0.0499	0.0499	0.0499	0.0499	0.0499	0.0599	0.0599	0.0599
Grimesland Fire District	0.0400	0.0450	0.0550	0.0650	0.0650	0.0650	0.0700	0.0700	0.0700	0.0700
Pactolus Fire District	0.0425	0.0425	0.0425	0.0425	0.0425	0.0425	0.0425	0.0425	0.0425	0.0625
Red Oak Fire District	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Sharp Point Fire District	0.0600	0.0600	0.0600	0.0600	0.0600	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	0.0650	0.0650	0.0650
Staton House Fire District	0.0175	0.0175	0.0190	0.0190	0.0190	0.0200	0.0215	0.0250	0.0275	0.0275
Stokes Fire District	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0700	0.0700
Winterville Fire District	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0440	0.0440	0.0440
EMS District	0.0400	0.0400	0.0400	0.0440	0.0440	0.0440	0.0440	0.0460	0.0460	0.0460

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 Taxpayers,**  
**Current and Four Prior Years**

Taxpayer	Type of Business	Fiscal Year 2014			Fiscal Year 2013			Fiscal Year 2012			Fiscal Year 2011			Fiscal Year 2010		
		Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
DSM Pharmaceuticals	Manufacturer	\$ 216,120,211	2	1.88%	\$ 212,764,918	2	1.85%	\$ 136,653,968	2	1.85%	\$ 211,430,150	2	1.85%	\$ 213,697,866	1	1.85%
DSM Dyneema, LLC	Manufacturer	195,205,363	1	1.70%	243,042,824	1	2.12%	251,195,207	1	2.12%	262,018,187	1	2.12%	211,909,666	2	2.12%
DSM Biomedical, Inc.	Manufacturer	28,213,772	10	0.25%	-	-	0.00%	-	-	0.00%	-	-	-	-	-	0.00%
Carolina Telephone	Communications	46,460,620	6	0.40%	28,638,317	10	0.25%	54,425,412	3	0.25%	57,728,335	3	0.25%	62,000,000	3	0.25%
Asmo	Manufacturer	73,499,068	4	0.64%	54,232,103	4	0.47%	52,427,361	4	0.47%	56,196,982	4	0.47%	51,222,537	4	0.47%
Weyerhaeuser Company	Manufacturer	75,769,394	3	0.66%	46,665,251	5	0.41%	47,836,270	6	0.41%	46,966,121	6	0.41%	45,330,654	6	0.41%
North Campus Crossing LLC (I&I)	Apartments	-	-	0.00%	-	-	0.00%	23,978,251	10	0.00%	45,418,511	7	0.00%	45,418,511	5	0.00%
Marelda Greenville Mall (Colonial)	Mall	40,428,933	7	0.35%	40,480,296	6	0.35%	39,833,585	7	0.35%	41,858,620	9	0.35%	41,868,724	9	0.35%
Copper Beech Townhome Communities	Apartments	34,605,790	8	0.30%	34,605,790	7	0.30%	34,605,790	8	0.30%	43,156,107	8	0.30%	43,132,107	8	0.30%
PL Greenville LP (Bellamy)	Apartments	29,073,633	9	0.25%	29,073,633	8	0.25%	29,073,633	9	0.25%	39,542,426	10	0.25%	39,542,426	10	0.25%
NACCO	Manufacturer	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	-	-	-	0.00%
Attends Healthcare	Manufacturer	72,835,039	5	0.63%	72,760,202	3	0.63%	49,028,757	5	0.63%	51,509,574	5	0.63%	44,715,520	7	0.63%
USCOC of Greater NC LLC	Communications	-	-	0.00%	28,776,812	9	0.25%	-	-	0.25%	-	-	-	-	-	0.25%
Corridor Greenville (The Exchange)	Apartments	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	-	-	-	0.00%
Speight, Maxine	Developer	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	-	-	-	0.00%
<b>Totals</b>		<b>\$ 812,211,823</b>		<b>7.07%</b>	<b>\$ 791,040,146</b>		<b>6.89%</b>	<b>\$ 719,058,234</b>		<b>6.89%</b>	<b>\$ 855,825,013</b>		<b>6.89%</b>	<b>\$ 798,838,011</b>		<b>6.89%</b>

Note: This data was not presented prior to changes in the reporting requirements in 2006. Data being built as years post implementation are completed.

Source: Pitt County Tax Assessor

Pitt County  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Table 8

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy							Total Amount Collected	Total Percentage Collected	
		Adjustments		Total Adjusted Levy	Total Amount Collected		Percentage of Adjusted				Collections for Prior Years
					Amount	Levy	of Original Levy	Levy			
2005	\$ 57,727,485	\$ (1,458,773)	\$ 56,268,712	\$ 54,237,137	93.95%	96.39%	\$ 2,017,033	\$ 56,254,170	97.45%		
2006	60,295,684	698,616	60,994,300	58,743,657	97.43%	96.31%	1,552,027	60,295,684	100.00%		
2007	62,756,579	1,580,524	64,337,103	60,454,677	96.33%	93.97%	2,301,902	62,756,579	100.00%		
2008	70,118,338	713,268	70,831,606	67,321,263	96.01%	95.04%	1,838,681	69,159,944	98.63%		
2009	77,210,700	(68,103)	77,142,597	73,335,531	94.98%	95.06%	2,116,311	75,451,842	97.72%		
2010	76,839,094	67,981	76,907,075	73,447,355	95.59%	95.50%	2,202,767	75,650,122	98.45%		
2011	77,149,471	(1,265,750)	75,883,721	72,098,919	93.45%	95.01%	2,341,016	74,439,935	96.49%		
2012	78,720,265	(282,444)	78,437,821	74,447,693	94.57%	94.91%	2,615,285	77,062,978	97.89%		
2013	77,910,953	(685,609)	77,225,344	73,415,329	94.23%	95.07%	2,116,475	75,531,804	96.95%		
2014	81,273,137	(437,679)	80,835,458	78,657,337	96.78%	97.31%	2,010,977	80,668,314	99.26%		

Note: The presentation of this schedule includes 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 reflected separately in the Financial Statements.

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

Table 9

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

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Per Capita	Percentage of Personal Income
	General Obligation Bonds	COPs	LOBs	QSCBs	Notes Payable	General		Installment					
						Obligation Bonds	Revenue Bonds	Obligation Bonds	Loans				
2005	\$ 8,310,000	\$ 95,540,000	\$ -	\$ -	\$ 2,266,640	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 107,316,640	\$ 758	2.69%	
2006	6,655,000	90,800,000	-	-	5,193,458	1,000,000	-	-	-	103,648,458	698	2.40%	
2007	3,295,000	116,115,000	-	-	4,496,096	800,000	-	-	-	124,706,096	852	2.75%	
2008	2,340,000	130,195,000	-	-	5,133,440	600,000	-	-	-	138,268,440	910	2.77%	
2009	1,080,000	123,645,000	-	-	4,866,253	400,000	-	-	-	129,991,253	835	2.47%	
2010	-	151,335,000	-	-	3,946,052	200,000	-	-	-	155,481,052	980	2.88%	
2011	-	105,330,000	59,835,000	5,952,500	3,953,949	-	-	-	-	175,071,449	1,034	3.12%	
2012	-	98,860,000	57,450,000	5,602,353	8,691,345	-	-	-	-	170,603,698	1,002	2.77%	
2013	-	92,715,000	54,705,000	5,252,206	11,761,922	-	-	-	-	164,434,128	953	N/A	
2014	-	86,225,000	51,965,000	4,902,059	13,089,040	-	-	-	-	156,181,099	898	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			
2005	\$ 8,310,000	\$ -	\$ 8,310,000	0.21%	0.0983%	\$ 59
2006	6,655,000	-	6,655,000	0.15%	0.0748%	45
2007	4,095,000	-	4,095,000	0.09%	0.0446%	28
2008	2,940,000	-	2,940,000	0.06%	0.0290%	19
2009	1,480,000	-	1,480,000	0.03%	0.0125%	10
2010	200,000	-	200,000	0.00%	0.0017%	1
2011	0	-	-	0.00%	0.0000%	0
2012	0	-	-	0.00%	0.0000%	0
2013	0	-	-	N/A	0.0000%	0
2014	0	-	-	N/A	0.0000%	0

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									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed Value of Property	\$ 8,449,853	\$ 8,892,219	\$ 9,188,593	\$ 10,127,180	\$ 11,796,580	\$ 11,926,550	\$ 11,803,079	\$ 11,749,829	\$ 11,483,990	\$ 11,951,288
Debt Limit, 8% of Assessed Value (Statutory Limitation)	675,988	711,378	735,087	810,174	943,726	954,124	944,246	939,986	918,719	956,103
Amount of Debt Applicable to Limit										
Gross debt	107,317	103,648	124,706	138,268	129,991	155,481	175,071	170,604	164,434	156,181
Less: Amount available for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Debt outstanding serviced by Enterprise Fund (solid waste)	1,200	1,000	800	600	400	200	-	-	-	-
Revenue bonds	95,540	90,800	116,115	130,195	123,645	151,335	105,330	98,860	92,715	86,225
Total net debt applicable to limit	10,577	11,848	7,791	7,473	5,946	3,946	69,741	71,744	71,719	69,956
Legal Debt Margin	\$ 665,412	\$ 699,529	\$ 727,296	\$ 802,701	\$ 937,780	\$ 950,178	\$ 874,505	\$ 868,243	\$ 847,000	\$ 886,147
Total net debt applicable to the limit as a percentage of debt limit	1.56%	1.67%	1.06%	0.92%	0.63%	0.41%	7.39%	7.63%	7.81%	7.32%

Source: Annual audited financial reports of this entity.

Pitt County

Direct and Overlapping Governmental Activities Debt

As of June 30, 2014

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	\$ 14,430,000	100.00%	\$ 14,430,000
TOWN OF AYDEN	-	100.00%	-
TOWN OF BETHEL	1,185,000	100.00%	1,185,000
TOWN OF FARMVILLE	-	100.00%	-
TOWN OF FOUNTAIN	56,000	100.00%	56,000
TOWN OF GRIMESLAND	244,500	100.00%	244,500
TOWN OF WINTERVILLE	916,500	100.00%	916,500
CONTENTNEA METROPOLITAN SEWAGE DISTRICT (1)	37,000	0.00%	-
General Obligation Debt			-
Certificates of Participation			86,225,000
Limited Obligation Bonds			51,965,000
Notes Payable			13,089,040
Qualified School Construction Bonds			4,902,059
Total direct debt			\$ 156,181,099
Total overlapping debt			16,832,000
Total direct and overlapping debt			<u>\$ 173,013,099</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.

(2) Overlapping is defined as debt that is financed via a tax levied on the same asset - in this case, real and personal property base value subject to taxation by each municipal unit.

(3) Total overlapping debt is the total of estimated share of debt outstanding for all governmental units.

Source: Local Government Commission

**Pitt County**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Table 13**

<u>Year</u>	<u>Population(1)</u>	<u>Personal Income (2) (thousands of dollars)</u>	<u>Per Capita Personal Income (2)</u>	<u>Public School Enrollment(3)</u>	<u>Unemployment Rate(4)</u>
2005	141,499	\$ 3,990,272	\$ 28,200	21,582	5.8%
2006	148,493	4,310,900	29,031	22,030	5.2%
2007	146,398	4,535,996	30,984	22,498	5.1%
2008	151,996	4,996,717	32,874	22,994	6.6%
2009	155,607	5,263,078	33,089	23,235	10.3%
2010	158,575	5,400,169	32,001	22,886	10.1%
2011	169,378	5,620,218	32,841	23,240	10.8%
2012	170,263	6,167,597	35,743	23,300	9.6%
2013	172,569	*	*	23,495	*
2014	173,938	*	*	23,845	*

\* 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) Provided by Pitt County Board of Education.
- (4) N.C. Employment Security Commission. Annual Average for prior calendar year.



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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
General government	139.50	141.50	142.50	142.00	144.00	143.50	138.00	128.60	123.00	123.00
Public safety	299.35	312.25	321.50	326.56	372.00	399.75	426.50	383.50	382.50	389.00
Social services	219.00	223.00	225.00	227.00	232.00	234.00	229.00	233.30	226.30	258.00
Economic and physical dev	18.60	19.60	18.60	18.60	19.10	21.35	20.35	39.35	30.60	30.60
Environmental protection	21.25	21.25	21.00	21.50	21.50	21.75	21.75	22.25	25.25	26.25
Health	117.70	119.50	124.60	129.10	131.90	137.90	138.90	130.55	120.65	119.65
Mental Health	191.40	54.75	21.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Veteran's Services	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total</b>	<b>1007.80</b>	<b>892.85</b>	<b>876.45</b>	<b>866.76</b>	<b>922.50</b>	<b>960.25</b>	<b>976.50</b>	<b>939.55</b>	<b>910.30</b>	<b>948.50</b>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities:</b>										
<b>General Government</b>										
Number of registered voters	92,753	96,244	90,676	96,416	102,049	103,700	104,079	106,801	113,251	115,842
Number of marriage licenses issued	1,163	1,146	1,039	1,222	1,131	1,098	1,123	1,158	1,200	1,191
<b>Public Safety</b>										
Number of 911 dispatch/calls	11,400	12,230	32,000	35,843	36,695	36,630	85,584	83,657	82,286	83,828
Number of law violations	19,388	19,388	26,427	26,505	26,212	28,181	29,578	32,077	34,187	29,255
<b>Environmental Protection</b>										
Number of Soil & Water customers served	1,587	2,109	N/A	822	958	801	750	568	456	354
<b>Economic and Physical Development</b>										
Number of commercial permits issued	134	145	107	61	32	65	29	21	18	19
Number of residential permits issued	1,656	2,122	1,671	1,299	508	570	115	107	282	106
<b>Human Services</b>										
Households that received assistance with energy bills	2,519	2,380	2,721	2,880	3,848	4,211	4,338	3,755	1,222	1,745
Medicaid clients receiving transportation assistance	2,199	2,320	2,386	2,242	2,272	2,309	3,851	1,599	1,448	1,045
Number of child support collection cases	8,198	7,692	7,660	9,679	7,944	8,087	7,462	7,539	7,503	7,560
Average number of Public Health WIC cases	4,257	4,505	4,525	4,598	4,811	4,881	4,785	4,887	4,635	4,385
Restaurant/Lodging inspections, consults & permitting activi	5,156	5,891	7,500	8,929	10,801	9,592	8,567	8,591	9,554	9,277
<b>Culture and Recreation</b>										
Total circulation for library system	409,184	409,184	452,011	460,478	460,478	486,559	475,126	507,522	502,322	492,143
<b>Education</b>										
Public school student enrollment K-12	21,582	22,030	22,498	22,994	23,235	22,886	23,240	23,300	23,495	23,845
<b>Business-Type Activities:</b>										
<b>Solid Waste and Recycling</b>										
Tons of garbage processed	138,000	133,100	134,500	135,530	126,000	140,000	152,556	205,708	155,674	177,120
Tons of recycled material	35,506	35,150	35,700	36,000	36,000	36,000	54,872	75,908	46,597	44,980

Pitt County  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

Table 17

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities:</b>										
<b>General Government</b>										
Buildings	5	5	5	5	5	15	15	15	15	15
Vehicles	31	35	35	30	30	42	49	55	55	58
<b>Public Safety</b>										
Buildings	3	3	3	3	3	4	4	4	4	4
Vehicles	178	181	181	175	183	193	201	210	211	222
<b>Environmental Protection</b>										
Buildings	0	0	0	0	0	1	1	1	1	1
Vehicles	3	3	3	7	7	7	6	6	6	6
<b>Economic and Physical Development</b>										
Buildings	0	0	0	0	0	3	3	3	3	3
Vehicles	7	7	7	11	12	7	8	9	9	8
<b>Human Services</b>										
Buildings	5	5	5	5	5	3	3	3	3	3
Vehicles	72	71	73	67	72	70	70	69	69	73
<b>Culture and Recreation</b>										
Buildings	0	1	1	1	1	1	1	1	1	1
Vehicles	0	0	0	0	0	0	0	0	0	0
<b>Education</b>										
Buildings	6	7	7	8	8	8	5	5	5	5
Vehicles	0	0	0	0	0	0	0	0	0	0
<b>Business-Type Activities:</b>										
<b>Solid Waste and Recycling</b>										
Buildings	2	2	2	2	2	4	5	5	5	5
Vehicles	14	14	14	16	16	14	19	20	20	21

Source: Records within the Pitt County Financial Services Department.

## **COMPLIANCE SECTION**



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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards**

### **Independent Auditor's Report**

To the Board of County Commissioners  
Pitt County  
Greenville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable of the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 17, 2014. The financial statements of the Pitt County ABC Board were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Pitt County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pitt County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2014-001 to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Pitt County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of non-compliance or other matter, described in the accompanying Schedule of Findings and Responses as item 2014-001, that is required to be reported under *Government Auditing Standards*.

### **Response to Finding**

Pitt County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements; and accordingly, we express no opinion on it.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 17, 2014

**PITT COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2014**

**1. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified?                      X   Yes              No
- Significant deficiencies identified not  
  considered to be material weaknesses?              Yes         X   None reported

Non-compliance material to financial  
statements noted?                      X   Yes              No

## **PITT COUNTY, NORTH CAROLINA**

### **SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2014**

#### **2. Findings Related to the Audit of the Basic Financial Statements**

##### **Finding 2014-001: Deficit Fund Balance, Expenditures in Excess of Appropriations**

**Criteria:** North Carolina General Statutes require that the County have policies and procedures in place to monitor budgetary compliance throughout the year. Management should have a control system in place to reduce the likelihood that violations of General Statutes occur and go undetected.

**Condition:** In the current year, there were several violations of the General Statutes regarding funds operating in a deficit, and instances of expenditures exceeding appropriations.

**Effect:** The County was in violation of North Carolina General Statutes.

**Cause:** There was a lack of monitoring and insufficient controls over budget compliance.

**Context:** The County had several funds at year-end with deficit fund balances. The County had instances of expenditures exceeding appropriations for the Mental Health Department in the County's General Fund and transfers out exceeding appropriations in one of the Capital Project funds.

**Recommendation:** Management should review its policies and procedures regarding budget amendments to determine if modifications are necessary.

**Name of Contact Person:** Duane Holder, Finance Officer

**Views of Responsible Officials and Planned Corrective Action:** Management concurs with the condition and will more closely monitor compliance related issues. It should be noted that both instances were revenue recognition and timing related. The finance staff is constantly striving to improve the transparency of financial reporting.

**Proposed Completion Date:** Immediately

**PITT COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**2013-001** – Modified and repeated as 2014-001

**2013-002** – Resolved

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