COUNTY OF PITT

MISSION STATEMENT

The Mission of Pitt County Government is to enhance the health, safety, and well being of our community by advocating for and providing quality services in a friendly and cost-effective manner.

VALUES

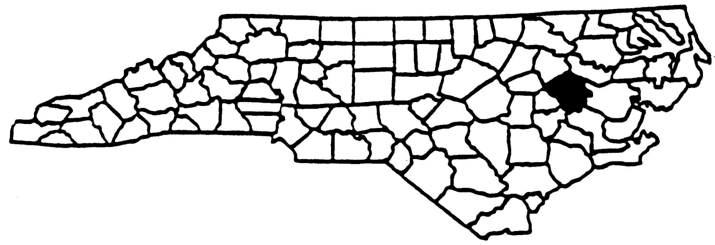
Pitt County Government believes our purpose is public service. Thus, we adhere to the following:

- *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 2001-02

- *To establish a vision for the future of Pitt County through long-range planning and preparation;*
- *To improve the quality of education and schools;*
- *To improve community safety through improved emergency service programs;*
- *To address the facility and space needs of county government programs;*
- *To improve the health and welfare of Pitt County citizens; and*
- *To address the County's role in provision of recreation activities and facilities.*

PITT COUNTY PROFILE



Pitt County was formed in 1760 and has a land area of approximately 656 square miles. With the 2000 Census, the County's population reached 133,798. Greenville, the county seat and largest city, is centrally located in the County. There are nine other incorporated municipalities within Pitt County. Through its location at the hub of a radiating highway network, the County serves the largest concentration of population and industry in the eastern portion of North Carolina. Over one-half million people live within a 45-mile radius of the County.

Pitt County is a rapidly growing, well-diversified employment and service center for eastern North Carolina. As one of the fastest growing centers in the State, the population increased by 23.34% between 1990 and 2000. Greenville is the home of East Carolina University and the East Carolina University School of Medicine. Major employers include East Carolina University, Pitt County Memorial Hospital, DSM Catalytica Pharmaceuticals, Collins & Aikman, NACCO Materials Handling Group, DIMON International, and Rubbermaid.

Located on the coastal plain, the County is in the eastern part of North Carolina, approximately 90 miles east of Raleigh, 75 miles from the Atlantic Ocean, and 220 miles south of Washington, D. C. The Tar River runs through the center of the County. The land generally slopes toward the east and is level with low rolling hills in the west. The temperatures average from a daily high of 73 degrees to a daily low of 50 degrees. The average precipitation is 47 inches of rainfall with only occasional accumulations of snowfall each year.

The County has a commissioner-manager form of government with the nine members of the Board of Commissioners being elected from districts on a partisan basis for staggered four-year terms. The Chairman presides over all County Commissioner meetings (held on the first and third Monday of each month) and has the ability to vote on any issue. The Commission enacts all general and technical ordinances, approves the annual budget and sets the accompanying tax rate, approves contracts and originates 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 one Assistant County Manager. For fiscal year 2001, Pitt County has funds budgeted for 986.95 full time equivalent employees. The full time equivalent (FTE) number is the sum of all full time and part time employee hours divided by 2080 hours, the hours assumed for one full time position.

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 2002) on the appraised value of all real and tangible personal property within its boundaries.

EDUCATION

Pitt County Schools

One public school system serves Pitt County and its municipalities. The Pitt County Schools Administrative Unit is governed by the Board of Education consisting of twelve members elected for staggered four-year terms. A school superintendent is appointed by the Board of Education.

The State provides funding for a basic minimum educational program (approximately 66%) which is supplemented by the County and Federal governments. This minimum program provides funds for operational costs only. The financing of public school facilities has been a joint State and County effort.

Thus, local financial support is provided by the County for capital and operating costs which are not provided for by the State or Federal government.

Pitt Community College

Pitt Community College ("PCC") was established in 1961 and is part of the North Carolina Community College System. PCC is governed by a 12-member Board of Trustees, four of whom are appointed by the Board of Commissioners, four by the County Board of Education and four by the Governor to serve four-year staggered terms. The State provides primary funding (77%) for the Community College. The remainder is shared by the Board of Trustees and Pitt County.

PCC is a comprehensive two-year college offering approximately 58 associate degree, diploma, or certificate programs and 22 university transfer degree programs. Annual enrollment is currently around 18,000 students. PCC's educational programs and services are focused to meet the needs of local communities for higher academic education, employment skills, basic education skills, job retraining, personal growth and development and community workplace literacy, and community and economic development. PCC is well known in the North Carolina Community College System for its specialization in medical career programs.

PCC is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the Associate Degree, Diplomas or Certificates.

East Carolina University

East Carolina University ("ECU") is the third largest of North Carolina's institutions of higher learning with projected enrollment of 19,200. 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 a doctoral II institution offering 200 undergraduate, graduate, and doctorate degree programs in its ten professional schools and College of Arts and Sciences. The University's Medical School operates a family practice center, cancer center, and outpatient clinics in several medical specialties.

TRANSPORTATION

The County has approximately 1565 linear miles of public roads and highways. The County has no financial responsibility with respect to maintenance and construction of roads. Major expansion, improvement and maintenance of primary and secondary highway thoroughfares fall under the responsibilities of the State.

The Pitt-Greenville Airport (the "Airport") is an approximately 1000-acre municipal facility, owned jointly by the County and the City of Greenville and located adjacent to the Greenville Industrial Park in the northwest portion of Greenville. By joint resolution of the Greenville City Council and the Board and by an act of the State General Assembly, the Pitt-Greenville Airport Authority, a body politic and corporate, was created to oversee and direct the operations, maintenance and improvements of the Airport. The Airport is a non-hub Regional (Commuter) Airport currently served by US Air Express, with round trips daily to its hub in Charlotte. In addition to airline activity, the Airport serves as the portal of entry for a myriad of corporate and business aircraft serving such clients as DSM Catalytica Pharmaceuticals, Grady-White Boats, Weyerhaeuser, Collins & Aikman and NACCO Materials Handling. Other services utilizing the Airport include air ambulance and air freight companies.

Daily rail service is provided to the County by CSX Railroad and Norfolk-Southern Railway, two of the nation's largest railroad systems. Interconnecting in Greenville, these systems allow for the transport of freight shipments to and from such cities as Atlanta, New Orleans, Miami, St. Louis, Chicago, Detroit, Philadelphia and Pittsburgh.

The County is served by two public transit systems--one that is operated by the City of Greenville and the other, sponsored by the County. The City of Greenville operates a bus system within its corporate limits. The County has no financial responsibility for subsidizing such service. Pitt Area Transit System, Inc., a non-profit corporation under the sponsorship of the County, operates a rural human service transit system to transport clients to human service agencies.

HUMAN SERVICES

Social Services

The Department of Social Services administers the following Public Assistance or Income Maintenance programs: Medicaid, Work First Cash Assistance, Special Assistance to Adults, Food Stamps, and Energy Assistance. In addition to the public assistance programs, the Department of Social Services operates the child support enforcement program.

The Department of Social Services provides protective services for abused and neglected children and adults, foster care for children and adults, adoption services, day care services for children, family planning, employment counseling services, in-home services, and individual and family adjustment services. It also assists persons in securing health care consumer education and other informational services.

Mental Health Center

The Pitt County Mental Health, Developmental Disabilities and Substance Abuse Center is responsible for providing a comprehensive array of services and supports to meet the needs of the citizens of Pitt County. The 19-member governing board, appointed by the county commissioners, works to carry out the agency's mission: "To empower people to overcome life's challenges by providing quality, affordable mental health, developmental disabilities and substance abuse services and supports."

County Health Department

The primary purpose of the County Health Department is to ensure the health and well being of the citizens of the County by means of various population based activities that fall into the general strategy of health promotion and disease prevention. This strategy distinguishes public health activities from other health care activities that are more curative in nature and more individualized in scope. The mandate of the County Health Department is defined in the General Statutes of the State of North Carolina and the responsibility for administration of activities as assumed by County government are implemented through the County Board of Health.

The scope of County Health Department activities falls into six broad categories, including: (a) control of communicable diseases, which includes environmental health activities, control of sexually transmitted diseases, control of tuberculosis and control of other childhood diseases in child care settings; (b) specific health care services to assure minimal preventive health services for the indigent, including immunization, family planning, prenatal care, well baby care and specialized services for children with special needs; (c) nutrition education and food supplementation; (d) screening and early detection activities directed at the adult population; (e) support and follow-up services especially for high risk infants and pregnant women; and (f) health education and health promotion activities, including an on-going community diagnosis to identify specific community based health problems and develop appropriate interventions.

MEDICAL FACILITIES

Pitt County Memorial Hospital

Pitt County Memorial Hospital ("PCMH") is a 731-bed private, not-for-profit acute care hospital. Located on the western border of Greenville, the hospital facilities were built in 1977. PCMH was transferred by Pitt County in 1998 for operation by Pitt County Memorial Hospital, Inc., (the "Corporation") as a private non-profit corporation. Eleven of the twenty members of the Board of Trustees of the Corporation are appointed by the Pitt County Board of Commissioners.

PCMH is one of four academic medical teaching centers in the State and serves as a teaching hospital for the ECU Brody School of Medicine.

ECU School of Medicine

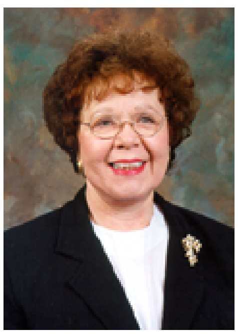
The ECU School of Medicine was established in 1975 by an act of the State General Assembly. The ECU School of Medicine has a threefold mission: to produce primary care physicians (especially family doctors) to serve the State, to increase opportunities for minorities to pursue a medical education, and to expand and improve the network of health care in eastern North Carolina.

2001-2002 Pitt County Board of Commissioners

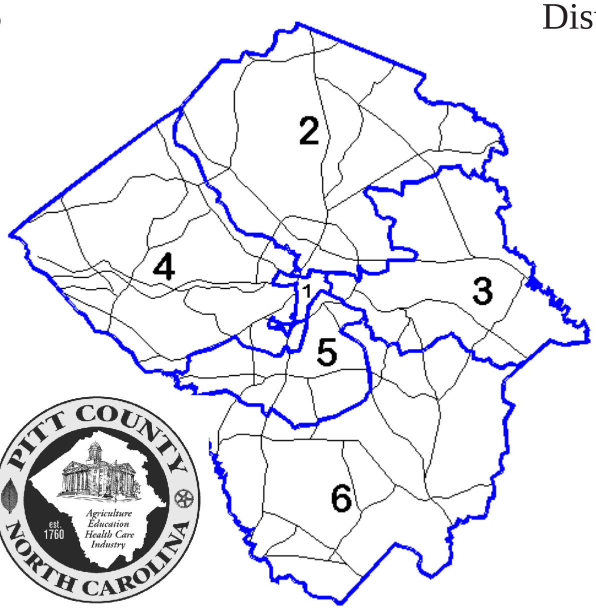
Glenn Bowen
District 6

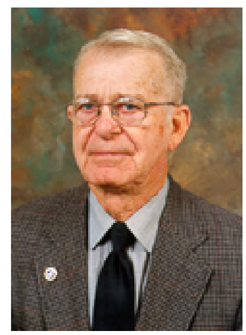
David Hammond
District 1

Tom Johnson
District 3



Terry Shank
District 5





Eugene James
District 2

Mark W. Owens, Jr.
District 4

Tom Coulson
Districts 3 & 6

Randy Royal
Districts 1 & 2

Beth B. Ward
Districts 4 & 5

BUDGET MESSAGE

July, 2001

To the Pitt County Board of Commissioners and Citizens:

The Fiscal Year 2001-02 Annual Budget for Pitt County is presented herewith. The preliminary budget was submitted June 1 after budget workshops held on May 22, 23, and 24. A public hearing was conducted on June 12. The Budget Ordinance totaling $164,381,359 was adopted on June 25, 2001.

The Manager's Budget Message on following pages is as presented with the Manager's Recommended Budget. The final adopted budget did not implement the proposed tax increase of 3 cents referenced in the message that would have taken the property tax to 71 cents per $100 valuation. Instead, fund balance was used to balance the budget. Therefore, the tax rate remains at 68 cents. Other than the budget message, this document reflects adjustments made as a result of this decision and as adopted in the formal Budget Ordinance.

The Budget represents hundreds of hours of deliberation on the part of many people—staff, departments, and the Board—and we extend our appreciation to all of them.

Sincerely,

Thomas B. Robinson
County Manager

June 1, 2001

To the Pitt County Board of Commissioners and Citizens:

The proposed Pitt County Fiscal Year 2001-2002 annual budget as enclosed is $164,591,610 and represents an 0.93% increase over the current year's amended budget. The General Fund, the County's main control fund, is projected at $75,792,453 or a 4.9% increase from the current year. The county property tax rate to support the Fiscal Year 2001-2002 budget as proposed is 71 cents per $100 of valuation. This rate will be split with 69¼ cents supporting general fund operations and 1¾ cents directed to Industrial Development.

Earlier this year, the Board of Commissioners established goals and objectives for Pitt County government to achieve over the next several years. As County Manager, I have worked with staff, departments and agencies to develop an annual budget that begins to implement programs, services, and projects to achieve the Board's adopted priorities. I have also sought to fund the mandated programs and services required by the State of North Carolina and the federal government.

Development of this budget has been one of the most challenging in my sixteen years as a County Manager. The Board has expressed, through its goals and objectives, a desire to move forward with several initiatives including increased levels of service in a number of areas. Historically, the Board has sought to maintain a fairly low tax rate by limiting both the range and the levels of service the County has supported.

This year, as everyone is aware, economies on the local, state and national levels are experiencing a slowdown. The growth previously experienced each year in sales taxes has slowed substantially. The County's investment earnings, like the market, are down from anticipations last year. The revenues withheld from the State for manufacturers inventory reimbursement has impacted the current year with the loss of $815,000 in revenue. The possible escrow or elimination of those revenues next year could impact Pitt County by $1.6 million.

Several other factors have made this a challenging budget to develop. Pitt County is a rapidly growing County. We experienced a 24% population increase over the past 10 years and expect to continue at near this same rate over the next 10 years. Many people believe that growth typically pays for the cost of providing county services. This is not the case in Pitt County. For example, it takes a home selling at $200,000 just to cover the cost of providing Pitt County's public school per pupil current expense allocation of $1070. Additionally, six of the County's top nine employers are exempt from both property and sales taxes. Pitt County's tax base ranks 64th out of 100 counties in the State. We are, therefore, considered to be a low wealth county.

Many people in Pitt County are considered well off; however, there is a very large segment of the County's population that lives on incomes below the poverty level. This large population often requires greater levels of county service than the population in general. Finally, the County's sales to assessment ratio five years from the last property revaluation stands at approximately 80% as compared to 85% after eight years for the last revaluation cycle. In simple terms, this means that 20% of the real property in the County is not being taxed. It also means that many people with low real estate property appreciation are carrying a disproportionate share of the tax burden.

NOTE: This budget message is as presented by the County Manager prior to adoption of the budget. It may contain recommendations that were not implemented by the Board upon adoption of the final budget.

BUDGET MESSAGE

As the Board of Commissioners reviews and deliberates this proposed annual budget, a fundamental question needs to be addressed. *What levels of service does the public want from Pitt County Government?* Given the current tax structure available to county government by the State and a tax base at 75% of the State average, it is not possible for Pitt County to maintain a property tax rate near the State average if higher levels of service are desired.

MAJOR BUDGET INITIATIVES

The Pitt County Board of Commissioners spent considerable time over several meetings this year to identify specific goals and objectives for implementation over the next few years. These priority areas are:

1 - Long-Range Planning / Vision
2 - Education /Schools
3 - Community Safety / Emergency Services
4 - Facilities / Building Needs
5 - Human Services / Social Services
6 - Recreation & Parks

The recommended budget seeks to implement the Board's priorities and to maintain progress in meeting the ongoing needs of our citizens and those public services mandated by state or federal law. To more aggressively address these needs and priorities, additional revenues will have to be identified. Major initiatives included in the coming year's work program are as follows:

- Establish a government/education television channel;
- Continue to seek, retain, and attract a quality workforce by revising the personnel ordinance; revising the performance appraisal system, addressing training needs, and implementing the final phase of the pay and classification plan;
- Seek to fully integrate total quality management principles into County operations;
- Undertake required redistricting of County Commissioner districts;
- Fund and begin Phase II renovations on the Courthouse;
- Continue flood recovery activities;
- Seek funding for Community Schools & Recreation site purchase and development;
- Begin implementation of Rails to Trails recreation plan;
- Develop master Emergency Medical Services plan and begin implementation;
- Bid 800 MHz public safety/emergency radio communications system and begin phased implementation;
- Work with Pitt Community College to seek funding and begin development of the firing range/defensive driving course;
- Continue to implement hazard mitigation buyout program;
- Work with the State to update the flood plain maps;
- Update the Comprehensive Development Plan;
- Implementation of the Northwest Zoning Ordinance;
- Develop a multi-departmental coordinated permitting process;
- Continue work to develop a master plan for supply, distribution, treatment, and management of a countywide water and sewer system;
- Determine a site and seek funding to purchase or option land for Phase 1 of a bio-medical technology park;
- Continue work with East Carolina University, Pitt Community College, Pitt County Schools, the City of Greenville, and the Chamber of Commerce to develop a science center for research, business, and education;
- Work to develop a perpetual drainage plan to include beaver management;
- Enhance the County's efforts to increase recycling and to reduce littering along roadways;

NOTE: This budget message is as presented by the County Manager prior to adoption of the budget. It may contain recommendations that were not implemented by the Board upon adoption of the final budget.

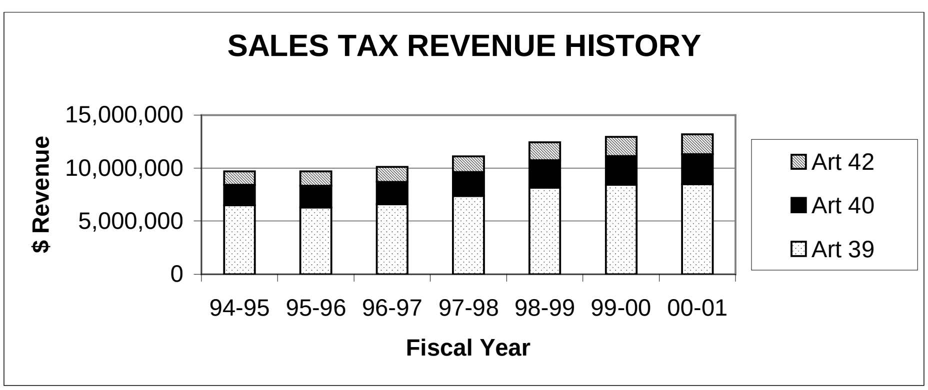
- Continue to work with Pitt County Mental Health to stabilize the agency, continue to improve collections, and to promote clinical excellence;
- Work to resolve the space needs of the Department of Social Services;
- Continue to fund the Education Compact with Pitt County Schools;
- Work with the Public Schools to refine the system's 10-year capital needs; and
- Work with Pitt Community College to fund bond improvements and phase in required county matching funds.

REVENUE ASSUMPTIONS

Ad Valorem Taxes – We are anticipating growth in the tax base of 4.9% over last year, to a base of $6.1 billion. Completion of replacement housing from Hurricane Floyd and flood damage continues to improve the base. Pitt County is fortunate to have steady and continuous growth in property valuation. As previously stated, our current revaluation cycle is a detriment with the rapid growth in the housing market. The current sales to assessment ratio of 80% is well below the 85% experienced at the time of the last revaluation. The Board of Commissioners has approved to have an earlier revaluation in the seventh year, effective January 1, 2003, but more property base will be lost before this can be accomplished. A rapidly growing county such as Pitt needs to revalue on a more frequent schedule, such as every four years, in order to keep this assessment more in line.

I am recommending that the allocation to the Industrial Development Fund be reduced to 1¾ cents from the current 2 cents of our tax levy to assist the General Fund in this difficult year. The Industrial Development Fund is used to fund projects that further economic development activities throughout the year. This small reduction should not hamper any known projects for this year or the current fund balance in this account. I would ask that the Board consider carefully this reduced funding recommendation and make sure you are comfortable with this level of support.

Sales Taxes – Slow growth in the overall economy has lead to a decline in the increase typically seen in sales tax revenues. The new 2000 census figures have not adversely impacted the County's portion of the Article 40 and 42 sales taxes that are distributed based on population. A 3.1% increase has been projected in these taxes. Article 39 taxes, distributed on a point of sale basis, have grown very little over the past couple of years and with the economy in the region suffering, we have conservatively budgeted no change in this tax receipt over the prior year budgeted amount. The chart below shows the gradual increase in sales tax collections over the past several years and the leveling off of the Article 39 tax in the last three years.



Fees – Fee increases are proposed as indicated below for the following service areas: Environmental Health (a division of the Health Department), Emergency Services, and Financial Services.

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	Present Fee	Proposed Fee
Environmental Health Fees		
Initial standard septic system evaluation, design and inspection	$100	$225
* Additional charge for non-traditional system	$0	100
* Additional charge for low pressure pump system design	$0	$200
Planned system revision (without site visit)	$15	$25
Planned system revision (with site visit)	$15	$75
Change of flow for an existing septic system	$50	$75
Mass gathering permit	$10	$100
Body piercing establishment permits	NA	$200
Swimming pool, wading pool, spa (year-round) permit	$170	$200
Seasonal swimming, wading pool, spa permit	$85	$100
Emergency Services		
Illegal burning citation	$50	$200
EMS ambulance transport (effective January 1, 2002)	$0	$400
Financial Services		
Wage garnishment (per transaction)	$0	$2

Fire and Emergency Medical Service (EMS) Taxes – Taxes for the Fire Districts will remain at the same level as approved in the prior year for each district. No changes have been requested. Note, the citizens of each service area approved the imposition of these taxes.

A proposal to go to a 3 cents countywide EMS tax (with the exception of the city of Greenville) is reflected within this budget. This County tax would eliminate the three existing EMS district taxes for Ayden, Bell Arthur and Eastern Pines, which currently have tax rates ranging from 2.73 to 5 cents. This county emergency medical service tax is part of a comprehensive plan to upgrade and complement the volunteer emergency medical services in the County. Our volunteers have come to a point where they can no longer provide 24 hour service and Pitt County must step in to provide paid EMS personnel to assist the squads with coverage.

Hospital Revenues – Pitt County has received the full $30 million from Pitt County Memorial Hospital per the transfer agreement. The Board of Commissioners has set this money aside to function like an endowment to generate revenue to cover increased funding for education over the next several years. Although the hospital transfer deal is completed, the hospital will continue annual payments in lieu of taxes in the amount of $1.26 million, and $475,000 annually as a partial Medicaid offset.

Interest Earnings – Pitt County has two separate investment strategies to produce interest earnings. The first is the normal procedure that is allowed by the North Carolina General Statutes and requires that Counties invest in very secure, very conservative instruments. For this coming year, Pitt County expects to earn 4.5% interest or $1.6 million on an average investment of $35 million. These funds are internally managed by the County's Financial Services Department.

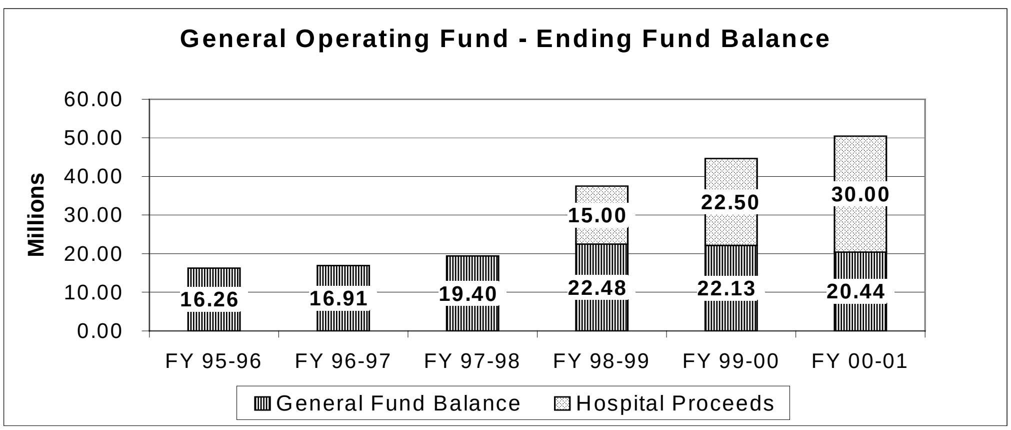
The second investment strategy deals with the $30 million in proceeds realized from the hospital transfer agreement. The Board of Commissioners has established a policy using the interest earnings from these proceeds to help fund the Education Compact. Pitt County also obtained special legislation to be able to invest these funds in typically higher yielding stocks and bonds and has retained five fund managers to invest these funds.

The asset allocation of these funds is 50% stocks (equity instruments) and 50% bonds (fixed instruments). This past year the County established a goal of obtaining a 10% overall return on investment. The actual yield will probably be in the five to seven percent range. Therefore, this coming year, a more conservative 8% return or $2.4 million is included in the proposed budget.

Fund Balance – Approximately $4.8 million in fund balance has been appropriated to cover one-time expenses and to balance the budget. Historically, Pitt County has tried to limit the amount of fund balance appropriated to be an amount that can be offset by conservative budgeting. However, this year, the Board of Commissioners has directed that the County hold the proposed tax increase down by using Fund Balance to cover non-recurring expenses in the budget.

I have a couple of concerns about using fund balance. First, over the past couple of years, we have seen departmental operating margins diminish. Many departments are spending close to their budgeted amounts. Secondly, the non-hospital portion of the fund balance was approximately 15% at the beginning of this current fiscal year. We will probably use over a million in fund balance this year that could drop our non-hospital fund balance percentage to the 12 percent range. With well over this amount budgeted next year to fund the non-recurring expenses, the non-hospital portion of the fund balance will probably drop to the ten percent range. While this is still acceptable, the Board needs to understand that this level is close to the minimum that the Local Government Commission requires a county to maintain and that while we hope to avoid major emergencies in the future, they can and do occur. Remember, the calculation is done at year-end: *fund balance / expenditures = %.* Each year though, the denominator grows at a faster pace than does the amount in actual fund balance and therefore, the percentage can drop. With the larger appropriation this year, the likelihood of fund balance being reduced at the end of the year is greater. For counties of similar size to Pitt, the Local Government Commission reports the average unreserved fund balance to be 18%. Our fund balance outside of the Hospital proceeds was approximately 14.9%.

The following table shows growth of the fund balance levels over the past several years.



* FY 00-01 is an estimate.

EXPENDITURE HIGHLIGHTS

As stated earlier, the overall budget is projected to increase by 0.93% with the General Fund increasing by 4.9%. Much of this increase is attributable to four major expenditure increases. If these four increases are removed for comparison purposes, the proposed budget is actually less than the current year budget.

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Recommended FY 2001-02 General Fund		$75,792,453
Education Compact	$1,600,000	
Medicaid	999,964	
Phase II Courthouse Debt	730,000	
Health Insurance	666,528	3,996,492
Net FY 2001-02 General Fund		$71,795,961
Current FY 2000-01 General Fund		$72,363,010

Some changes to the budget in the primary areas of County responsibility include:

General Government – Two years ago, Pitt County began televising Board of Commissioner meetings on the government access channel run by the City of Greenville. This coming year, Pitt County will move to another channel to allow more programming time for Pitt County, the Pitt County Public School System, and other County-affiliated agencies.

Pitt County will begin Phase II renovations of the historic 1910 courthouse and the 1960 annex within the next 90 days. The debt service payment of $730,000 for this $9 million renovation project has been included in the recommended budget.

Planning and Development – Fiscal Year 2001-02 will be a busy year for the staff of the planning department. In addition to the day-to-day planning functions handled through this department, several new projects are now underway. The Planning Department has been charged with the job of updating the County's Comprehensive Land Use Plan and will be working on the redistricting of commissioner districts as required in response to the Year 2000 Census results. Several departments are participating in the development of a Coordinated Permitting system. Once completed, this system will be of great benefit to our citizens in streamlining the permitting process into "one stop" shopping. Additionally, the County will begin enforcing the requirements of the Northwest Planning Area Zoning Ordinance effective July 1, 2001.

Flood Recovery – The County and many of its departments continue to be heavily involved in the flood recovery process. Through the acquisition of buyout properties in the Planning Department, the demolition of these same properties by the Engineering and Solid Waste Departments, to the filing of reimbursements by the Financial Services Department, these projects are still ongoing daily. Additionally the County is participating in the repair, replacement and relocation programs funded by the State. All told, these projects represent a budget of approximately $30 million in state and federal programs.

Education – The joint Education Compact developed by the Board of Commissioners and the Pitt County School Board is in its second year. The Compact provides for increased funding and greater accountability over a five-year period with a goal of moving the Pitt County Public School System into the top one-third of North Carolina's school systems in both funding and performance. The year the compact was initiated, Pitt County ranked 43rd out of the one hundred counties in per pupil current expense funding according to North Carolina Association of County Commissioners data. The 12.75% increase in funding this past year moved the County to 32nd place. The Education Compact was developed using North Carolina Department of Public Instruction rankings for the 117 school systems. Using these rankings, Pitt County ranked 57th in per pupil current expense funding for 1997-98. Unfortunately, the Department of Public Instruction's numbers lag two years behind the current year and do not reflect this past year's funding effort by Pitt County. The County and the School System will need to reconcile this discrepancy so we can accurately measure progress toward our funding goal.

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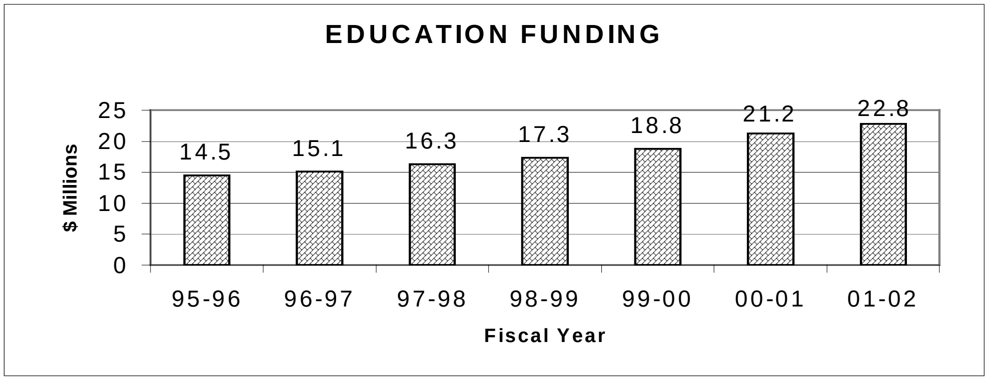
This year funding is increased $1.6 million over the prior year's budget, a 7.5% increase, for a $22.8 million current expense budget. Funding trends for education over the past several years are shown in the chart below.



The Board of Commissioners annually appropriates an additional $750,000 for pay-as-you go Category I, II, and III capital needs and an additional 10% ($475,000) of Article 40 Sales Tax to fund regular school capital projects. Pitt County also provides free rent and utilities for school administration, services valued at over $230,000 annually.

Human Services - The Pitt County Mental Health Area Program has stabilized its operation and has ended a second year with an operational surplus after downsizing 1999. To get back to the pre-deficit funding level and to utilize County dollars for other pressing needs, I am recommending that the Mental Health appropriation be reduced by $324,542, or 16.9% this year. Of the 5 new positions requested by the agency, only 3.5 revenue-generating positions are recommended.

In the Department of Social Services, a $1,379,716 or 13.7% increase is anticipated. Most of this increase can be attributed to mandated services such as Medicaid and Foster Care. I would note that the recommended increase in Medicaid is approximately $318,000 less than the State projected increase for Pitt County. Historically, the State estimates have been too high, however, in the current year, Medicaid will exceed budget by an estimated $300,000 and will have to be covered by fund balance. No net change will be seen in positions within the department.

The Health Department's budget reflects a 3.4% increase in County appropriation. An increase of 1.5 new positions is included—one of which is an environmental health specialist that will aid the County in meeting State standards for inspections. An increase in environmental health fees is proposed to cover this personnel expense.

Public Safety - The Sheriff's budget includes continued funding for training of the Special Response Team established last year for handling violence, gang activity, terrorism, and hostage situations. Recommended positions include a telecommunicator and two positions previously funded by grants in the Sheriff's Office and one maintenance technician in the Detention Center.

This year's Emergency Services Department budget addresses the first phase of improving the level of rescue services throughout the County. Included is a 3 cents countywide EMS tax (with the exception of the city of Greenville) and elimination of the three existing EMS Rescue district taxes for Ayden, Bell Arthur and Eastern Pines. In doing this, base appropriations to each squad will be increased to $30,000 with a $30 per call reimbursement. Squads previously receiving a tax will be held harmless for that amount this year. A $400 fee for each EMS call is also proposed and is recommended to be implemented later in the year after collection options have been evaluated and a system for collection established.

Although funds are not included in the budget, progress is being made for an 800-trunking radio system to replace the County's outdated radio communications system. The County's consultant is in the bid phase to ascertain the total costs for the project. Use of the 911 surcharge fee on phone lines has been identified as the funding source for the system. The estimated cost to implement the entire system is $12,000,000, which would require a $2 monthly telephone surcharge. This project will come back to the Board of Commissioners for approval of the phased approach necessary for implementation and for financing decisions. The Board can implement an increased user fee at the time a decision is made on the phasing of this system.

A portion of the emergency management expenses has been transferred from Fund 10 (the General Fund) to Fund 281 (the EMS Fund). Additionally, emergency medical service expenses have been separate from fire expenses (Fund 280) to better account for each type of cost.

Animal Control needs continue to go unmet this year. Delayed previously by the flood, construction of a new animal shelter falls victim once again to the depressed economy. The project has been pushed out an additional year in the capital plan.

Personnel – In an effort to keep our pay plan as up-to-date as possible, a 2% cost of living wage adjustment for employees has been included. This amount falls short of the recent consumer price index of 3.3% but is reasonable given the current economic slowdown and the tightness of County funds. Funding is also budgeted for implementation of Phase II of the Pay and Classification Study. A significant cost increase has been realized for health care provided under the County's self-funded hospitalization plan. A 19.6% increase in rates is necessary this year to keep the fund stabilized. This increase will affect the portion contributed by the County (100% for individual coverage) as well as the amount paid by the employees for child or family coverage.

Departments requested 24.75 new positions this year. Funding is only included for a net of 8.75 new positions, most of which will generate additional revenue.

CAPITAL IMPROVEMENT PLAN

An updated 5-year Capital Improvement Plan is presented as part of the annual budget process. Continuation funding is included for MIS projects, recurring capital outlay, Pitt County Schools and Pitt Community College current annual projects, and economic development (water, sewer, and gas) projects. Schools capital projects scheduled for completion this year include Pactolus and Whitfield improvements and the new Forlines Road High School. Funding is included in the budget for debt payments on Phase II of the Courthouse project and acquisition of a downtown office building for use by the Sheriff's Department. Decisions to proceed on a new administration building, county storage building and funding for the Bowen Farm site development will be reviewed at the beginning of the calendar year with funds for debt not needed until the next fiscal year. Also, funding for the communications system will be reviewed with anticipated payment method being 911 surcharge fees. Projects pushed out for another year include the animal shelter and a building for Community Schools and Recreation.

The funding for debt service projects in the Capital Improvement Plan comes from multiple sources. The County will use bank financing, current revenues, issued debt and grants to meet our needs. The debt service for the school projects is completely covered through the use of the school's earmarked sales tax proceeds and their capital building money from the State.

OUTLOOK

Without additional permanent revenue streams, the outlook for the County continues to be strained. Several of the major expense increases budgeted this coming year are anticipated to increase again the following year. The recommended 3 cents tax increase only assists with an immediate need and does not solve long-term issues to handle anticipated mandated services. Many of the increased expenses as well as decreased revenues come from the State level. It will be imperative that we monitor events and continue to petition for change at the State level in order to hold future expenses to acceptable levels.

At the time of this budget submission, there is unofficial indication from the State Legislature of a possible one percent additional sales tax. Part of these proceeds would be used to help local governments with their budget dilemmas. I therefore, do not recommend that the Board take action to adopt this budget until late June. I do recommend however, that the Board make a tentative decision on this budget assuming no sales tax is forthcoming. This way, the public will be better informed for the June 12, 2001 budget public hearing.

ACKNOWLEDGMENTS

In closing, I want to acknowledge the significant effort made by Pitt County department heads and their staffs in preparing and carving out a very lean budget that still provides expected services to our citizens. A special recognition is extended Melonie Bryan, Director of Financial Services, and Loretta Lewellyn, Budget Administrator, for their dedication in developing, balancing, and compiling the budget document and presentation material.

Respectfully submitted,

Thomas B. Robinson
County Manager

NOTE: This budget message is as presented by the County Manager prior to adoption of the budget. It may contain recommendations that were not implemented by the Board upon adoption of the final budget.

COUNTY OF PITT, NORTH CAROLINA

BUDGET ORDINANCE
Fiscal Year 2001-02

BE IT ORDAINED by the Board of County Commissioners, County of Pitt, North Carolina:

SECTION I. The following amounts are hereby appropriated for the operation and maintenance of the County's various governmental departments, for the payment of debt service obligations, and for capital outlay purchases during the Fiscal Year beginning July 1, 2001 and ending June 30, 2002:

GENERAL FUND

Governing Board, County Manager, Legal, Public Information	$1,287,489
Finance, Tax Assessor, Tax Collector, Elections	2,714,905
Register of Deeds	595,417
Human Resources, Veterans Affairs	499,425
Printshop/Mailroom, Mgmt Information Sys, Geographic Information Sys	2,049,269
Buildings & Grounds, Housekeeping	2,417,773
Sheriff, School Security, Detention, Jail Inmate Services, Jail Health Services	13,183,746
Emergency Services	563,441
Communications	653,032
Medical Examiner	65,000
Other - Environmental Protection, Economic Development, Public Safety,	--
Human Services, Cultural/Recreation, Transportation	1,167,816
Planning, Recovery Operations Center	754,590
Engineering, Inspections	567,677
Cooperative Extension, Farmers' Market	318,485
Soil & Water Conservation	223,033
Pitt County Schools	23,587,249
Pitt Community College	2,775,000
Transfers to Other Funds	20,424,231
Non-Departmental, Contingency	1,960,875
TOTAL	$75,808,453

LAW ENFORCEMENT OFFICERS' PENSION FUND

LEO Pension Operating Expenses	$54,900

HEALTH FUND

Administration	$1,472,552
Environmental Health	1,026,566
Communicable Disease	783,269
Women's & Children's Health	3,530,534
Adult Health Promotion	658,933
TOTAL	$7,471,854

BUDGET ORDINANCE

BUDGET ORDINANCE

SOCIAL SERVICES FUND

Administration	$2,037,365
Services & Programs	13,279,640
Public Assistance	8,864,024
Child Support	1,381,905
TOTAL	$25,562,934

COURT FACILITIES FUND

Court Facility Operating Expenses	$391,336

MENTAL HEALTH FUND

Administrative Services	$1,983,304
Child & Family Services	5,582,638
Developmental Disabilities	4,216,997
Adult MH/SA Services	4,829,784
TOTAL	$16,612,723

SCHOOL CAPITAL RESERVE FUND

School Reserve Operating Expenses	$7,554,398

WATER/SEWER REVOLVING FUND

Water/Sewer Reserve Operating Expenses	$98,940

STATE GRANTS FUND

Elderly Handicapped Grant	$48,104
CORP Grant	134,117
HCCBG Grant	438,204
Home Grant	91,875
Soil Erosion & Sedimentation Control Grant	18,824
River Debris Removal Grant	625,000
JCPC Alternative Education Grant	36,150
JCPC Resolve & Mediation Grant	62,607
JCPC Juvenile Restitution Grant	62,950
JCPC Power of One Grant	20,759
NCEM Terrorism Grant	20,315
TOTAL	$1,558,905

REVALUATION FUND

Revaluation Operating Expenses	$50,000

INDUSTRIAL DEVELOPMENT COMMISSION FUND

Industrial Development Operating Expenses	$1,037,765
ECTC Rental Operation	151,850
TOTAL	$1,189,615

INDUSTRIAL DEVELOPMENT BUILDING FUND

Shell Building Expenses	$502,000

FIRE DISTRICTS FUND

Fire Districts	Levy
Ayden	$40,318
Bell Arthur	41,254
Black Jack	16,958
Clarks Neck	18,050
Eastern Pines	88,968
Falkland	47,367
Farmville	28,234
Fountain	13,110
Gardnerville	21,850
Grifton	45,914
Grimesland	22,230
Pactolus	35,163
Red Oak	40,888
Simpson	51,443
Staton House	99,180
Stokes	23,608
Winterville	64,125

TOTAL	$698,660

EMS DISTRICT FUND

Pitt County (less Greenville)	$1,410,381

E-911 SURCHARGE FUND

Communications	$247,811
Planning	190,101
Other 911 Projects	115,000
Wireless Communication	64,690
TOTAL	$617,602

DEBT SERVICE FUND

Principal and Interest on Debt	$8,759,387
Capital Lease Principal and Interest	138,364
TOTAL	$8,897,751

DEBT SERVICE RESERVE FUNDS

Reserve and Payment	$40,000

SCHOOL CAPITAL PROJECT FUND

Capital Outlay Expenses	$3,389,208

SOLID WASTE FUND

Solid Waste Operating Expenses	$6,358,960

GARAGE FUND

Garage Operating Expenses	$628,678

HOSPITALIZATION FUND

Administration Expenses	$5,194,061

WORKERS' COMPENSATION FUND

Workers' Compensation Operating Expenses	$290,000

GRAND TOTAL - ALL FUNDS - EXPENDITURES	**$164,381,359**

SECTION II. It is hereby estimated that the following revenues will be available during Fiscal Year 2001-02 to meet the foregoing appropriations:

GENERAL FUND

Ad Valorem Taxes	$41,250,201
Other Taxes	16,872,007
Restricted & Unrestricted Revenues	485,610
Permits & Fees	1,406,800
Sales & Services	3,509,666
Investment Earnings	3,900,000
Miscellaneous Revenues	1,544,858
Debt & Non Revenue Receipts	800,000
Fund Balance Appropriated	6,039,311
TOTAL	$75,808,453

LAW ENFORCEMENT OFFICERS' PENSION FUND

Investment Earnings	$3,500
Transfer from General Fund	51,400
TOTAL	$54,900

HEALTH FUND

Restricted & Unrestricted Revenues	$4,064,150
Fund Balance Appropriated	617,699
Transfer In - General Fund	2,790,005
TOTAL	$7,471,854

SOCIAL SERVICES FUND

Restricted & Unrestricted Revenues	$14,103,084
Transfer In - General Fund	11,459,850
TOTAL	$25,562,934

COURT FACILITIES FUND

Facilities Fees	$371,336
Investment Earnings	20,000
TOTAL	$391,336

MENTAL HEALTH FUND

Restricted & Unrestricted Revenues	$14,988,860
Fund Balance Appropriated	29,275
Transfer In - General Fund	1,594,588
TOTAL	$16,612,723

SCHOOL CAPITAL RESERVE FUND

Local Option Sales Tax	$4,908,905
State Public School Building Capital Funds	1,885,295
Interest Earnings	35,000
Fund Balance Appropriated	725,198
TOTAL	$7,554,398

WATER/SEWER REVOLVING FUND

Fund Balance Appropriated	$98,940

STATE GRANT FUNDS

Elderly Handicapped Grant	$48,104
CORP Grant	134,117
HCCBG Grant	438,204
Home Grant	91,875
Soil Erosion & Sedimentation Control Grant	18,824
River Debris Removal Grant	625,000
JCPC Alternative Education Grant	36,150
JCPC Resolve & Mediation Grant	62,607
JCPC Juvenile Restitution Grant	62,950
JCPC Power of One Grant	20,759
NCEM Terrorism Grant	20,315
TOTAL	$1,558,905

REVALUATION FUND

Transfer from General Fund	$50,000

INDUSTRIAL DEVELOPMENT COMMISSION FUND

Ad Valorem Taxes	$1,031,515
Rental Income	158,100
TOTAL	$1,189,615

INDUSTRIAL DEVELOPMENT BUILDING FUND

Fund Balance Appropriated	$502,000

FIRE DISTRICTS FUND

Ad Valorem Taxes	$698,660

BUDGET ORDINANCE

EMS DISTRICT FUND

Ad Valorem Taxes	$1,410,381

E-911 SURCHARGE FUND

911 User Fees	$507,602
Investment Earnings	10,000
Fund Balance Appropriated	100,000
TOTAL	$617,602

DEBT SERVICE FUND

Transfer from General Fund	$4,224,235
Transfer from School Capital Reserve	4,165,190
Other Transfers	284,400
Miscellaneous	223,926
TOTAL	$8,897,751

DEBT SERVICE RESERVE FUNDS

Investment Earnings & Transfers	$40,000

SCHOOL CAPITAL PROJECT FUND

Transfer from School Reserves	$3,389,208

SOLID WASTE FUND

Fees & Charges	$6,037,960
Other Revenues	311,000
Investment Earnings	10,000
TOTAL	$6,358,960

GARAGE FUND

User Charges	$628,678

HOSPITALIZATION FUND

Premiums	$5,104,061
Investment Earnings	70,000
Other Revenues	20,000
TOTAL	$5,194,061

WORKERS' COMPENSATION FUND

Transfer from General Fund	$220,000
Transfer from Solid Waste Fund	15,000
Investment Earnings	5,000
Other Revenues	50,000
TOTAL	$290,000

GRAND TOTAL - ALL FUNDS - APPROPRIATIONS **$164,381,359**

SECTION III. The following tax rates, based upon collections of 95%, are hereby levied for the Fire and EMS/Res
Districts for Fiscal Year 2001-02:

	Fire Districts	**Tax Rate**	**Estimated Valuation**	**Levy**
	Ayden	$0.0400	$106,100,000	$40,318
	Bell Arthur	$0.0375	$115,800,000	$41,254
	Black Jack	$0.0250	$71,400,000	$16,958
	Clark's Neck	$0.0500	$38,000,000	$18,050
	Eastern Pines	$0.0250	$374,600,000	$88,968
	Falkland	$0.0600	$83,100,000	$47,367
	Farmville	$0.0400	$74,300,000	$28,234
	Fountain	$0.0500	$27,600,000	$13,110
	Gardnerville	$0.0500	$46,000,000	$21,850
	Grifton	$0.0450	$107,400,000	$45,914
	Grimesland	$0.0400	$58,500,000	$22,230
	Pactolus	$0.0465	$79,600,000	$35,163
	Red Oak	$0.0400	$107,600,000	$40,888
	Simpson	$0.0500	$108,300,000	$51,443
	Staton House	$0.0150	$696,000,000	$99,180
	Stokes	$0.0500	$49,700,000	$23,608
	Winterville	$0.0250	$270,000,000	$64,125
	EMS/Rescue District			
	Pitt County (less Greenvill	$0.0300	$3,376,000,000	$969,756
TOTAL				$1,668,416

Pitt County will assume the billing and collection process for EMS/Rescue transport fees for all EMS/Rescue units in the EMS/Rescue Tax District effective January 1, 2002.

SECTION IV. County Commissioners are to be compensated at a rate of $795 per month for regular service, and $50 per meeting when sitting as the Board of Equalization and Review (usually 2 meetings per year). County Commissioners are compensated $200 per month to cover mileage and expenses incurred in the service of Pitt C

SECTION V. Schedule B taxes shall be levied in accordance with the North Carolina Revenue Act.

SECTION VI. Changes to Pitt County fees and charges as presented in Budget Workshops will be effective July 1, 2001 and incorporated into the Pitt County Manual of Fees.

SECTION VII. The Board of County Commissioners hereby levies a tax rate of sixty-six and one-quarter cents (.6 per one hundred dollars ($100.00) of valuation on property for the County General Fund and one and three-quarte (.0175) per one hundred dollars ($100.00) of valuation on property listed for taxes for the Industrial Development Commission Fund, for a total levy of sixty-eight cents (.68) per one hundred dollars ($100.00) of valuation for curre year's property tax.

BUDGET ORDINANCE

The tax rate is based upon an estimated total valuation of property for the purpose of taxation at $6,156,000,000 a
an estimated collection rate of 95.75%.

BUDGET ORDINANCE

SECTION VIII. The Board of County Commissioners hereby levies a per household assessment fee on solid wast disposal in the amount of $62 per household and $45 per ton for non-residential tipping fees, and authorizes the assessment amount to be printed on the Pitt County Property Tax statement. The assessment is authorized to be collected in the same manner as property tax.

SECTION IX. The Board of County Commissioners hereby authorizes the Pitt County Tax Collector to collect taxe for the City of Greenville, the Towns of Falkland, Grimesland, Bethel, and the Village of Simpson in compliance wit the contracts adopted by the governing boards. The County will also be collecting vehicle taxes for the Towns of Ayden, Farmville, Fountain, Grifton and Winterville in compliance with G.S. 105-330. A charge of 1-1/2% of all taxes collected for the units of government will be payable to Pitt County for said collection services.

Adopted this 25th day of June, 2001.

David Hammond, Chairman
Pitt County Board of Commissioners

(SEAL)

Susan J. Banks, Clerk
Pitt County Board of Commissioners

COUNTY OF PITT, NORTH CAROLINA

ORDINANCE NO. _______
AN ORDINANCE AMENDING THE FISCAL YEAR 2001-02 PITT COUNTY BUDGET ORDINANCE

BE IT ORDAINED by the Board of Commissioners, County of Pitt, North Carolina, that the following provisions be incorporated as a part of the Fiscal Year 2001-02 Pitt County Budget Ordinance:

I. The County Manager and/or Financial Services Director are hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

a. The Financial Services Director or designee may transfer amounts between objects of expenditure within a department.

b. The County Manager may transfer amounts less than $20,000 between departments within a fund upon finding they are consistent with operational needs.

c. The funding for merit (step) increases, reclassifications, and cost of living allowances may be moved from the budgeted reserve with the approval of the Financial Services Director.

d. No revenues may be increased, no funds can be moved from the Contingency account, and no transfers between funds can be processed unless formal action is taken by the Board of Commissioners.

e. Upon notification of funding decreases from state, federal or grant sources, budgets may be adjusted to match the approval of the County Manager. Board of Commissioners action will not be required unless staffing if affe

II. The County Manager is hereby authorized to execute new contracts, service agreements, and change orders v $50,000 or less on behalf of the County provided that sufficient funding is available and the action is consistent wit policy. Actions between $30,000 and $50,000 will be reported back to the Board. Additionally, renewal contracts budgeted may be signed regardless of the amount.

Adopted this 9th day of July, 2001.

David Hammond, Chairman
Pitt County Board of Commissioners

(SEAL)

Susan J. Banks, Clerk
Pitt County Board of Commissioners

BUDGET PROCESS

Changing conditions, along with the demand for increased services in recent years, have forced a re-evaluation of the roles of local governments. As public officials, we are charged with the responsibility of ensuring that all local governmental services are provided in the most efficient and effective manner possible in order to maximize available resources. The budgetary process allows for the accumulation of financial and performance information relative to these services and provides the tools necessary to analyze the merits and cost implications of each.

LEGAL BUDGET REQUIREMENTS

North Carolina counties budget and spend money under the Local Government Budget and Fiscal Control Act (LGBFCA), as adopted by the North Carolina General Assembly. The LGBFCA (G.S. 159-10-13) establishes the dates by which each stage in the annual budget process is to be completed.

Budget Preparation Calendar

- Departmental requests, other than the public schools, must be submitted to the budget officer before April 30.
- School administrative units and community colleges must submit their proposed budgets and requests for county appropriations and supplemental tax levies no later than May 15.
- The recommended budget must be given to the Board of Commissioners no later than June 1.
- The Commission must enact the budget ordinance by July 1, when the budget year begins.

Budget Forms and Procedures

The budget officer must prescribe the forms and procedures for the departments to use in preparing their requests; in the words of G.S. 159-10, requests "shall be made in such form and detail, with such supporting information and justifications, as the budget officer may prescribe." G.S. 159-10 also requires that a budget request show actual expenditures for the prior year, estimated expenditures for the current year, and requests for the proposed budget year.

Departmental Requests

G.S. 159-11 requires that the budget officer's recommended budget be balanced unless the Board of Commissioners insists that an unbalanced budget be submitted. A further requirement is that the budget must be accompanied by a budget message. G.S. 159-11(b) states what the message should include:

- A concise explanation of the governmental goals fixed by the budget for the budget year,
- Important features of the activities anticipated in the budget,
- The reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and
- Any major changes in fiscal policy.

Board Review

Once the budget is before the Board of Commissioners, several general legal provisions apply to Board review and adoption of the budget ordinance.

- At least ten days must pass between submission of the budget and the adoption of the budget ordinance.
- On the same day that the budget is submitted to the Board of Commissioners, the Budget Officer must file a copy of it in the office of the Clerk to the Board where it is available to the public and the press.
- The Clerk to the Board must publish a notice that the budget has been delivered to the Board of Commissioners and is available for public inspection. This advertisement must also note the time and place of the required public hearing.
- During the interval between submission and adoption, the Board may conduct its review at both regular and special meetings. At least one of these dates must be a public hearing at which any person who wishes to comment may.
- The Open Meetings Law (G.S. 143-318.9 - 318.18) applies to the budget preparation and adoption process.

Adoption of the Budget Ordinance

The budget ordinance must contain the appropriations, the estimated revenues, the property tax levy and actual tax rate. As required by the Local Government Budget and Fiscal Control Act (G.S. 159, Article 3), the governing board must adopt an annual balanced budget ordinance by July 1 for all funds except those funds that operate under project ordinances.

BUDGET PREPARATION AND ADOPTION

From inception to adoption, the budget process encompasses the better part of a year—normally 8 to 10 months. An outline of the *Budget Calendar* is included within this section. For Pitt County, the process begins in the Fall with solicitation of capital needs for inclusion in the County's 5-year Capital Improvement Program and departmental long-term goals and objectives. The Board of Commissioners holds a series of planning sessions during the Winter months to identify and set the overall goals for the County and to review the financial forecast. Citizen input was solicited this year by way of newspaper survey ads run several times in three area newspapers within the county. The survey ads requested opinions about what citizens believe the priorities of the County should be for the next year; and what specifically they would like to see accomplished. Approximately 32 responses were received into consideration by the Board of Commissioners. Top issues reported from citizens included: planned growth, traffic control, crime, academic success, educational facilities and children.

Budget packages and instructions were distributed to departments in February. After departments submitted their projected budget, individual budget conferences were held with each department head and the County Manager, Budget Administrator, and Financial Services Director. Revisions were made as necessary in the operating and capital budgets and in revenue estimations until a balanced budget was presented by the County Manager to the Board of Commissioners. The Manager's *Budget Message* that accompanied the proposed budget and outlines his recommendations and highlights major policy changes is included in a previous section.

BUDGET PROCESS

The Manager's Proposed Budget was submitted to the Board of County Commissioners in May. Afterward, several workshop sessions were held to review requests and receive input. A public hearing was held on June 12 to assure adequate opportunity to receive additional citizen input on the budget.

Pitt County's budget was adopted on June 25, 2001, in accordance with legal requirements for final adoption prior to July 1.

The budget is prepared on the modified accrual basis of accounting as required by North Carolina General Statute 159-26(c). Appropriations lapse at year-end in the General and Special Revenue Funds for which annual budgets have been legally adopted. The budgets for Capital Project Funds are adopted on a project basis, which may cover more than one year. Appropriations are carried over in these funds until the project(s) are completed.

Budgets for General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Board of Commissioners annually adopts a budget by ordinance approximating funds and may, during the year, authorize supplemental appropriations.

BUDGET AMENDMENT PROCESS

Amendments increasing or decreasing revenues and expenditures to the Pitt County Budget may be submitted at any time during the year. After review by staff and recommendation of the Manager, amendments increasing revenue require formal approval by the Board of Commissioners. Decreases in funding from state, federal, or grant sources may be reduced without Board approval provided that staffing levels are not affected.

Authorization for transferring appropriations within a fund are as follows:

- The Financial Services Director may transfer amounts between objects of expenditure within a department.
- The County Manager may transfer amounts less than $20,000 between departments within a Fund upon finding they are consistent with operational needs.
- The funding for merit (step) increases, reclassifications, and cost of living allowances may be moved from the budgeted reserve with the approval of the Financial Services Director.
- Transfers between funds and transfers from the Contingency account require approval of the Board of Commissioners.

PITT COUNTY FY 2001-02 BUDGET CALENDAR

Dec	Solicit departmental long-range goals.
Jan 8	Departmental presentations to Board at planning workshop (full day). Strategic Planning Goals Survey distributed to Boardmembers for completion.
Jan 24, 8:30 a.m. (Wednesday)	Board of Commissioners Goal Setting Workshop with facilitator utilizing tallied survey results.
Feb 1	Performance Measure Workshop with David Ammons, Willis Bldg., 9 a.m.-4 p.m. Distribution and discussion of budget instructions at close of workshop.
Feb	Departments formulate objectives/action plans tied to Commissioners' goals and prepare budget decision packages for consideration.
Feb 16	Objectives and decision packages due from departments to Financial Services.
Feb 23, 8:30 a.m. (Friday)	Workshop for Commissioners to review and prioritize objectives and decision packages with aid of facilitator (full day).
Early Mar	Staff update and review CIP and Financial Plan.
Mar 21, 8:30 a.m. (Wednesday)	Workshop with Board of Commissioners to present draft CIP and Financial Plan with facilitator.
Apr 2	Base budget requests due from departments to Financial Services Department.
Apr 3-13	Input and balance requests. Return copies to departments for verification.
Apr 16	Print budget for County Manager's review.
Apr 18-27	Departmental budget conferences with County Manager.
Apr 30	Return revised budget requests to departments for review.
May 2-4	Receive departmental appeals on revised budget requests.
May 21	Present overview, balanced budget (tentative) to Board of Commissioners at regular meeting. This document will be used as a working copy during budget workshops.
May 22-24	Hold workshops with Commissioners to review / amend tentative budget.
May 29-31	Open for additional workshops, if needed.
Jun 4	Manager's recommended budget and budget message presented to Board of Commissioners at regular Board meeting.
Tues, Jun 12, 7 p.m.	Hold public hearing for citizen input at 7:00 p.m. (and possible budget adoption).
Jun 13-14	Available for additional workshops, if needed.
Jun 18	Alternative date to adopt 2001-02 Budget (regularly scheduled Board meeting).

Adopted 12/18/00
Revised 2/19/01

BUDGET POLICIES

Pitt County maintains the following guidelines and policies to ensure fiscal responsibility, maintain a strong financial position, and maintain the necessary level of resources to provide the services required of its citizens.

FINANCIAL POLICIES

Pitt County's financial policies set forth basic guidelines for the overall fiscal management of the County. Operating independently of changing circumstances and conditions, these policies provide a framework to assist in the decision-making process for the Board of Commissioners and staff and establish guidelines for evaluating both current activities.

1. The Board of Commissioners provides general guidance through the adoption of the annual budget while the County Manager is charged with the implementation of the budget throughout the fiscal year. To this end, the Board of Commissioners has adopted a series of policies designed to give the Manager authority to, among other things, transfer funds within appropriations to meet changing operational needs, and to recommend personnel actions during the year throughout the budget as long as total authorized head-count is not exceeded.
2. The budget process places emphasis on those personnel and management issues of critical importance to the County's fiscal health: employee relations, office automation, implementation of new technologies, long-term work force planning and management incentives. In doing so, it provides for adequate levels of funding for all retirement systems and maintains the principle of avoiding layoffs to balance the budget, by planning personnel reductions to come from attrition, whenever possible.
3. Generally, expansion of existing services and programs, or the addition of a new service or program is considered in the proposed budget only when a new revenue source can support the ongoing costs or when the requesting department can identify an existing service or program which can be reduced or eliminated.
4. The County shall monitor departmental expenditures on a monthly basis to ensure conformity to adopted budgets and prepare monthly financial reports on all funds comparing actual revenues and expenditures to budgeted amounts. This report is presented to the Board of Commissioners at public session each month.
5. The County shall avoid budgetary practices or procedures that balance current period expenditures at the expense of future years' revenues and it shall be general policy to limit the use of prior year Fund Balance for operating and other on-going expenditures.
6. The budget shall provide for the satisfactory maintenance of capital facilities and equipment.
7. The Operating Budget shall fully describe the major goals to be achieved by department and the services and programs to be delivered based upon the levels of funding anticipated or provided. They shall also provide brief descriptions of prior year accomplishments and mission statements for each department and division.
8. The County shall finance essential County services which have a Countywide benefit in the budget from revenue sources which are generated from a broad base, (i.e. property taxes, sales taxes). Throughout the budget document these revenue sources shall be noted as "General Fund Appropriation."
9. The County shall minimize the impact on the use of property tax by seeking alternative funding sources for County services that focus on user fees for responsive services and upgrading and/or enhancement of the property tax base.
10. The County shall review user fee rate structures on a yearly basis to continually and accurately charge the cost of service provided to the benefiting user or customers serviced, while being sensitive to the needs of low-income citizens.
11. The County shall actively oppose any legislation which forces local service mandates without concurrent Federal, State or Regional funding or providing additional locally-controlled funding sources.

BUDGET POLICIES

REVENUE POLICIES

1. The County shall make every attempt to maintain a diverse and stable revenue base to shelter it from short and long-term fluctuations in any one revenue source.
2. The County shall project its annual revenues through an analytical process using historical data, economic trends, indicators, and conservative approaches for estimating future revenues.
3. The County shall try to establish user charges and set fees for services in its funds at a level that fully supports the total direct and indirect costs of the activities. The County should review these and all other fees/charges annually and modify them as necessary.
4. The County shall follow aggressive policies to ensure the highest collection percentage for delinquent County revenues.
5. The County shall purposely prepare conservative revenue estimates to ensure that through over collection of revenues and under spending of the budgeted expenditures, no appropriated fund balance will be needed to meet current expenses. Fund balance reliance should be reduced each year in order to improve the County's fiscal position.

RESERVE POLICIES

1. The County shall strive to maintain a minimum undesignated General Fund Balance of 8.33% or an amount equal to at least 1 month of General Fund operations. It is the County's goal to maintain a minimum of 20-22%.
2. The County shall respect the integrity of fund balance and use it as sparingly as possible when funding future budgets.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

1. An independent audit shall be performed annually.
2. The County shall produce a comprehensive annual financial report in accordance with Generally Accepted Accounting Practices (GAAP) as outlined by Governmental Auditing, Accounting and Financial Reporting (GAAFR).
3. The County shall maintain accounting control systems to ensure the safety of all assets held in the public trust and staff shall perform periodic unscheduled audits of all County departments that handle cash and negotiable instruments in the course of daily activities.

INVESTMENT POLICIES

1. The County shall make a cash-flow analysis of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled such that investment capabilities are maximized and follow the guidelines set forth under North Carolina General Statutes.
2. The County shall invest funds by using a flexible investment strategy to secure high returns of income on cash flow that are in excess of current needs and, when permitted by law, will pool cash from several different funds to maximize its potential earnings. Investments will be structured according to the County's overall financial condition in anticipation of financial opportunities and obligations.
3. The County's accounting system will provide regular information concerning cash position and investment performance and will allow earnings to be reflected monthly on financial reports.

BUDGET POLICIES

DEBT POLICIES

1. The County shall confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues and where the issuance of long-term debt is required, it will repay the bonds within a period not to exceed the expected useful life of the project.
2. The County shall attempt to keep average maturity of general obligation bonds at or below 20 years.
3. The County shall not incur long-term debt to support current operations.
4. The County shall maintain a sound relationship with all bond rating agencies and will keep them informed about current projects and other important fiscal events.

CAPITAL IMPROVEMENT BUDGET POLICIES

1. The County shall maintain the fiscal integrity of the County's operating, debt service and capital improvement budgets in order to provide services and construct and maintain public facilities.
2. The County shall make all capital improvements in accordance with an adopted capital acquisition program.
3. The County shall develop a five-year plan for capital improvements, with proposed funding sources identified for each project. The plan should be updated and extended annually.
4. The County shall coordinate decision making for the capital improvement budget with the operating budget to make effective use of the County's limited resources for operating and maintaining existing services and facilities as well as planning for future needs.
5. The County shall attempt to maintain all its assets at a level adequate to protect the County's capital investment, to minimize future maintenance and replacement costs, and to maximize operating efficiency.
6. The County shall maintain a responsible and prudent fiscal condition to minimize long-term interest expense when financing capital improvements.

BUDGETARY ACCOUNTING SYSTEM & CONTROL

All County funds are budgeted for on a modified accrual basis in accordance with North Carolina General Statutes. Under the modified accrual basis, revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which a liability is incurred, if measurable, except for unmatured principal and interest on long-term debt that is recognized when due.

All governmental fund types, such as the County's General Fund, Special Revenue Funds (Capital Reserve Funds, Fire Districts Fund, EMS District Fund, Revaluation Fund, Debt Service Reserve Funds, E911 Surcharge Fund, etc.) and Capital Project Funds, in addition to Proprietary Funds, will be reported in the financial statements on a full accrual basis beginning this year, rather than modified accrual basis, in accordance with the Governmental Accounting Standards Board Statement No. 34. Under full accrual, revenues are recorded when earned and expenses are recorded when incurred.

FUND ACCOUNTING

Governmental accounting systems should be organized and operated on the basis of fund with account groups. A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities on balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The County operates its various funds under three broad categories with six fund types. Two account groups are not funds but are used to establish accountability over the County's fixed assets and general long-term debt. The following fund types are included in the Annual Operating Budget:

GOVERNMENTAL FUNDS

General Fund The General Fund is the principal fund used to account for the provisions of governmental services. The fund summarizes the financial transactions of functional services, based on departmental operations, except for those transactions that must be accounted for separately in other funds.

Special Revenue Funds Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for special purposes.

Debt Service Funds The Debt Service Funds accounts for expenditures for principal and interest for all general long-term debt account group debt payments. Other governmental fund types provide the resources to the Debt Service Fund to make the payments through operating transfers,

Capital Project Funds Capital Project Funds are used to account for financial resources to be used for acquisition of major capital facilities. The County maintains separately the Pitt Community College Building Capital Project Fund, Jail Addition/CAP Grant Fund, School Capital Project Fund, Courthouse Addition Fund, 1999-00 School Capital Project Fund, State School Bond Project Fund, Elementary School Fund, and Industrial Development ECTC Building Capital Project Fund for account and budgeting purposes.

PROPRIETARY FUNDS

Enterprise Funds An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Pitt County has one enterprise fund—the Solid Waste Fund.

Internal Service Funds Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit or to other governmental units on a cost-replacement basis. Pitt County has three internal service funds: Hospitalization Fund, Worker's Compensation Fund, and County Garage Fund.

FIDUCIARY FUNDS

Trust and Agency Funds Agency funds account for assets held by the County in a trustee capacity or as an agent; are custodial in nature; and do not involve measurement of results of operations. Pitt County has four agency funds (trust funds): Deferred Compensation; Social Services, Sheriff and Mental Health Trust Funds; Tax Collections Held for Municipalities; and Flexible Benefit Plans.

ACCOUNT GROUPS

General Fixed Assets Account Group This group of accounts is established to account for all fixed assets for the County, other than those accounted for in the Proprietary Funds. General fixed assets acquired are recorded as expenditures in the various funds at the time of purchase.

General Long-Term Debt Account Group This group of accounts is established to account for all long-term obligations of the County, other than those accounted for in the Proprietary Funds.

FUND BALANCES

Pitt County uses five operating fund types: general fund, special revenue, capital projects, enterprise and internal service funds. Each type of fund maintains its own fund balance. Fund balance represents moneys that remain unspent after all budgeted expenditures have been made. These unspent moneys serve as working capital reserve and are available for appropriation or may be retained for capital projects or for emergencies.

The Local Government Commission (LGC), an office of the North Carolina State Treasurer's Office, recommends that counties maintain a minimum fund balance of eight percent (8%) in the General Fund. On average, counties of similar size to Pitt County maintain a fund balance of approximately 18 percent. At the end of Fiscal Year 2000-01, Pitt County's General Fund had an estimated fund balance of $50.4 million, of which $42 million was unreserved. Of this balance, $30 million is directly attributable to the Hospital transfer completed in June 1998. Pitt County's fund balance as a percentage of expenditures at June 30, 2001 was 45.11 percent. Net of the Hospital receipts, the underlying fund balance is $12 million or 12.22 percent. The County will continue to monitor closely its fund balance position, as it plays a pivotal role in maintaining a strong financial position and meeting the needs of a growing county.

DEPOSITS AND INVESTMENTS

DEPOSITS

All deposits of the County are made in Board designated official depositories and collateralized as required by General Statute 159-31. The County may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts, money market accounts, and certificates of deposits.

All of the County's deposits are either insured or collateralized by using one of two options. Under Option 1, all deposits over the Federal depository insurance coverage are collateralized with securities held by the County's agent in the County's name. Under Option 2, 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 the County's name. The amount of the pledged collateral is based on an approved averaging method for the non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using Option 2 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 the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under Option 2, the potential exists for under-collateralization, and the risk may increase in periods of high cash flow. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each Option 2 depository. The County utilizes one official depository that collateralizes public deposits in excess of the allowable federal insurance coverage by the Option 2 method.

INVESTMENTS

G.S. 159-309(c) authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptance; and the North Carolina Cash Management Trust, an SEC registered mutual fund. Investments are stated at cost or amortized cost. The County pools moneys from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all enterprise fund cash and investments are essentially demand deposits and are considered cash and equivalents.

Additionally, the County received special legislation during the 1999 Legislative Session that provides additional investment opportunities for the County. This legislation enables the County to maximize returns generated by the investment of the $30,000,000 received from the transfer of the County's hospital into higher yielding instruments such as stocks and bonds. The Board of Commissioners interviewed and selected five professional fund managers in June 2000 to oversee the investment of these funds and expects to see greater returns as this new legislation in exercised.

BUDGETARY CONTROL

In government, more than in business, the budget is an integral part of a unit's accounting system and daily operations. An annual or project budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations and lapses at the end of the fiscal year. The budget can only be amended by action of the Board of Commissioners. For Pitt County, appropriations in all funds are formally budgeted at the departmental level or project level. Project ordinances can be adopted for special revenue and capital project funds. However, for internal accounting purposes, budgetary control is maintained by object class (line item).

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the capital project funds. Accounting control is maintained by encumbering purchase amounts prior to the release of purchase orders to vendors. Purchase orders that would create an over-encumbrance at that level are not written until additional appropriations are available. Encumbrances outstanding at June 30th are reported as reservations of fund balance rather than expenditures and such encumbered funds are appropriated for expenditure in the subsequent fiscal year. The annual budget can be amended through several methods. Changes at the line item level within a department and transfers between departments within the same fund can be initiated and approved by the Department Head with joint approval by the Finance Officer. The appropriation and expenditure of fund balance, expenditures from contingency, or transfers between funds can be initiated at the department level but must have Finance Officer, County Manager, and Board of County Commissioners approval before the amendment is valid.

PERFORMANCE MEASUREMENTS & TOTAL QUALITY

Accountability and improvement are essential parts of our operation and, therefore, a part of the budgetary process as well. Pitt County believes that a system of measurable objectives should be established for each area of its operations. The County began its initial stages of performance measures within the budget in Fiscal Year 1996-97 with only a few departments participating in the initial phase of identifying annual objectives. Each successive year, additional departments have been included in the process of identifying and reporting their objectives for the coming year and summarizing accomplishments from the previous year.

Departments have subsequently been introduced to various types of performance measures; and have advanced to identifying and reporting performance indicators in the budget process. All operational departments are identifying and including performance indicators to serve as measures for their objectives or department's productivity. These measures may be indicative of workload, efficiency, or effectiveness. Departments have continued to refine and improve identification and selection of indicators in an effort to accurately measure success. A new component this year was the actual linking of departmental objectives to the Board of Commissioner's broad goals. The staff actively monitors statewide and nationwide efforts on performance standards in government in order to make continuous improvements to the processes begun in Pitt County.

In addition to the performance component, Pitt County is committed to continuous improvement in quality. By identifying key services or processes and organizations that excel in those processes, the County utilizes benchmarking mechanisms to make improvements within government. Projects have included revamping the payroll time record process, which involved a Quality Team researching methods from various governmental and other outside agencies, taking optimum components, and sculpting a better process to serve the needs of Pitt County. Currently underway is the crafting of a new employee evaluation tool and revisions to the Personnel Ordinance. Other projects are currently being identified for consideration. The County utilizes its Training Department, a division of Human Resources, to focus on Total Quality techniques through training programs offered to all employees.

FINANCIAL PLANNING

Financial planning begins early in the budget process, usually in the Fall of the year. The table on the following page shows the County's budget history for the past three years, the adopted budget, and the projections for four (4) future planning years. Also in this section are several financial indicators and benchmarks used to compare with other counties in the state.

The budget forecast projections are based on the following assumptions:

FINANCIAL PLANNING ASSUMPTIONS

EXPENDITURES:

1. Salaries and benefits in both the General Government and Human Services categories will increase at 4% per year.

2. Operating expenditures in both the General Government and Human Services categories will increase at 2% per year.

3. Expenditures for the Public Schools are based on the Education Compact signed in 2000 while Pitt Community College's funding is based on overall 1.5% growth factor.

4. Expenditures for public assistance (AFDC – Work First and Medicaid) are based on past trends and State estimates. We have increased to a 5% growth factor in these projections due to current data trends.

5. Debt Service uses our current schedule for debt service payments (see Long Term Debt Service chart).

6. The annual funding requirements for the proposed Capital Outlay are from the 5-year plan (2001-2006) as prepared during budget process. Those items which will not be funded on a pay-as-you-go basis have had the annual debt service requirements estimated based on current market conditions and budgeted under the Debt Service category in "Proposed 5-year CIP".

7. We believe it is important to keep debt service at no more than 10% of the total general fund budget.

8. The category "Other Agencies" represents funding to groups that are not a part of the General Government or Human Services operating areas. Funding for cultural, recreational, transportation, special services, etc. is included in this line item.

REVENUES:

1. The current year property tax amount is based on a 5% annual growth in the tax base and the tax rate as shown on the line at the bottom of the chart labeled "Projected Tax Rate". We are anticipating a 95.5% collection rate and are including $1.7 million as our estimate for delinquent collections. For Fiscal Year 2000-2001, we anticipated a flat year due to flood recovery. After FY 00-01, we anticipated a return to approximately 5% growth in the size of the tax base. Additionally, we lowered our annual estimates of delinquent collections in future years to ensure we were conservative in our estimates. Note the 15% increase in FY 03-04 is attributable to the 8-year revaluation process.

2. Sales tax revenues are estimated to increase by 4% each year.

3. All other revenues assume the current cost-sharing formulas for Social Services and other intergovernmental revenues. We have used a 4% growth factor in this analysis.

4. In the past several years, our revenues have been flat and the County has, on occasion, had to use Fund Balance to cover expenditures. Our actual expenditures are usually about 3% to 3 ½% less than the budgeted appropriations and therefore, our "plug" of fund balance on the revenue side is usually no more than 2% to 2 ½% of the proposed budget in an effort to not actually "use" it. This action also helps ensure that the dollar amount of fund balance actually increases. As a result of weak economic conditions and continuing flood recovery efforts, we budgeted more fund balance than is typical. We anticipate returning to prior trends in FY 02-03.

5. The fund balance percentage is a function of dollars/budget and as the budget grows, it is not enough to maintain the same amount of fund balance. It must grow to simply hold constant the percentage. At the end of Fiscal Year 1998-99, the County's fund balance had improved to 36.7%. The infusion of cash realized from the transfer of Pitt County Memorial Hospital helped improve the County's fund balance at the fiscal years ended June 30, 1999, 2000, and 2001.

6. Pitt County secured General Assembly approval for the County to invest a major portion of its fund balance in substantially higher yielding instruments than normally allowed under North Carolina law. Such investment should allow for budget expansion and coverage of additional unmet capital needs with no ad valorem tax increase.

FINANCIAL PLANNING

Financial Indicators

	1998-99 Adopted	1999-00 Adopted	2000-01 Adopted	2001-02 Adopted	2002-03 Forecast	2003-04 Forecast	2004-05 Forecast	2005-06 Forecast
Benchmark #1								
Total Long Term Debt as % of Budget with proposed CIP	7.72%	7.01%	8.76%	**7.70%**	8.59%	8.99%	8.56%	8.40%
Moody's, Standard & Poors, Fitch Benchmark				**< 10.0%** is considered low to moderate by the rating agencies **> 15.0%** is considered high by the rating agencies				
Benchmark #2								
Assessed Property Valuation	$5.4B	$5.8B	$5.9B	$6.1B	$6.7B	$7.0B	$7.4B	$7.8B
Total Debt	--	$58.7M	$94.6M	$99.0M	$94.0M	$99.5M	$93.2M	$87.7M
Total Debt as % of Assessed Valuation	--	1.01%	1.60%	**1.62%**	1.40%	1.42%	1.26%	1.12%
Moody's, Standard & Poors, Fitch Benchmark				**< 2.0%** is considered low by the rating agencies **> 6.0%** is considered high by the rating agencies				
Benchmark #3								
Undesignated Fund Balance as a % of Budget (* = audited / **= estimated) w/ PCMH Proceeds	36.47%*	38.52%*	45.11%*	38.73%**	--	--	--	--
w/o PCMH Proceeds	18.36%	14.90%	14.20%	8.93%	--	--	--	--
State Average for Peer Group (Counties > 100,000)	19.13%	17.78%						
State Average - All Counties	20.49%	18.87%						

Source - Data published annually by LGC/NCACC - 06/2000 latest data available

	1998-99 Adopted	1999-00 Adopted	2000-01 Adopted	2001-02 Adopted	2002-03 Forecast	2003-04 Forecast	2004-05 Forecast	2005-06 Forecast
Benchmark #4								
Debt Service Per Capita - Pitt County	$62	$71	$67	$65	$76	$82	$80	$80
State Average for Peer Group (Counties > 100,000)	$93	$93						
State Average - All Counties	$83	$84						

Source - Data published annually by LGC/NCACC - 06/2000 latest data available

FINANCIAL PLANNING

SUMMARY OF ESTIMATED GENERAL FUND FINANCIAL SOURCES & USES

Pitt County, North Carolina

	Budget Forecast (in millions)							
	1998-99 Adopted	**1999-00 Adopted**	**2000-01 Adopted**	**2001-02 Adopted**	**2002-03 Forecast**	**2003-04 Forecast**	**2004-05 Forecast**	**2005-06 Forecast**
Expenditures:								
General Government								
Salaries & Benefits	14.77	16.07	18.71	19.84	20.63	21.46	22.32	23.21
Operating	7.50	8.99	7.65	8.78	8.96	9.13	9.32	9.50
Human Services								
Salaries & Benefits	22.87	21.79	23.18	24.62	25.60	26.63	27.69	28.80
Operating	12.64	14.20	14.07	16.39	16.72	17.05	17.39	17.74
AFDC/Medicaid	6.20	6.83	6.93	8.32	8.74	9.17	9.63	10.11
Schools/PCC	19.39	21.09	23.56	24.54	26.65	28.86	31.18	33.61
Other Agencies	0.65	0.79	0.74	0.76	0.75	0.75	0.75	0.75
Debt Service								
County	3.64	3.61	3.04	3.83	3.73	3.76	3.83	3.92
Schools	3.58	3.46	6.41	4.17	5.88	5.92	5.76	5.94
Proposed 5-year CIP (Courthouse/DSS Bldg)	--	--	--	0.76	0.78	1.73	1.72	1.71
Capital Leases	0.33	0.18	0.16	0.14	0.00	0.00	0.00	0.00
Capital Outlay								
Capital Outlay - General Government	0.91	2.65	1.20	0.23	1.00	1.00	1.00	1.00
Capital Outlay - Human Services	0.20	0.40	0.83	0.33	0.50	0.50	0.50	0.50
Schools/PCC CIP	0.81	0.92	0.82	0.83	0.83	0.83	0.83	0.83
Small Projects - Economic Development	0.17	0.19	0.17	0.17	0.17	0.17	0.17	0.17
Totals	93.66	101.17	107.47	113.71	120.94	126.97	132.09	137.80
Revenues:								
Property Taxes	35.40	38.49	39.28	41.25	45.79	51.24	53.80	56.49
Sales Taxes	11.15	13.05	13.71	13.86	14.41	14.99	15.59	16.21
All Other Revenues	41.38	43.34	44.93	47.48	49.38	51.90	54.52	57.25
Transfers In	3.58	3.46	6.41	4.17	5.88	5.92	5.76	5.94
Fund Balance Appropriated	2.00	2.50	3.57	6.95	5.47	2.92	2.41	1.90
Totals	93.51	100.84	107.90	113.71	120.94	126.97	132.09	137.80
Projected Tax Rate w/ Proposed CIP	0.68	0.68	0.68	0.68	0.72	0.70	0.70	0.70

Financial Indicators

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Total Long Term Debt as % of Budget with proposed CIP	7.72%	7.01%	8.76%	7.70%	8.59%	8.99%	8.56%	8.40%
Fund Balance Appropriated as % of Budget	2.14%	2.48%	3.31%	6.11%	4.52%	2.30%	1.82%	1.38%
Undesignated Fund Balance as a % of Budget (* = audited / **= estimated)	*36.47%	*38.52%	*45.11%	**38.73%	--	--	--	--
Assessed Property Valuation	$5.4B	$5.8B	$5.9B	$6.1B	$6.7B	$7.0B	$7.4B	$7.8B
Total Debt	--	$58.7M	$94.6M	$99.0M	$94.0M	$99.5M	$93.2M	$87.7M
Total Debt as % of Assessed Valuation	--	1.01%	1.60%	1.62%	1.40%	1.42%	1.26%	1.12%

FINANCIAL PLANNING

FINANCIAL BENCHMARKS FOR COMPARATIVE PURPOSES

Benchmark	Pitt County Ranking	Pitt County Amount	State Average
Population (1999 Certified)	13	127,879	100 Total
Valuation per Capita	67	$46,335	$59,964
1998 Per Capita Income	30	$22,772	$25,181
Tax Levy per Capita	75	$315	$391
Tax Rate per $100	43	0.6800	0.6806
Effective Tax Rate per $100	43	0.5832	0.5651
Sales/Assessment Ratio	49	0.8576	0.8352
Total School Resources/ADM	40	$1,436	$1,476
School Current Expense/ADM	32	$1,070	$1,004
School Capital Outlay/ADM	49	$366	$488
School Debt Service/ADM	34	$198	$260

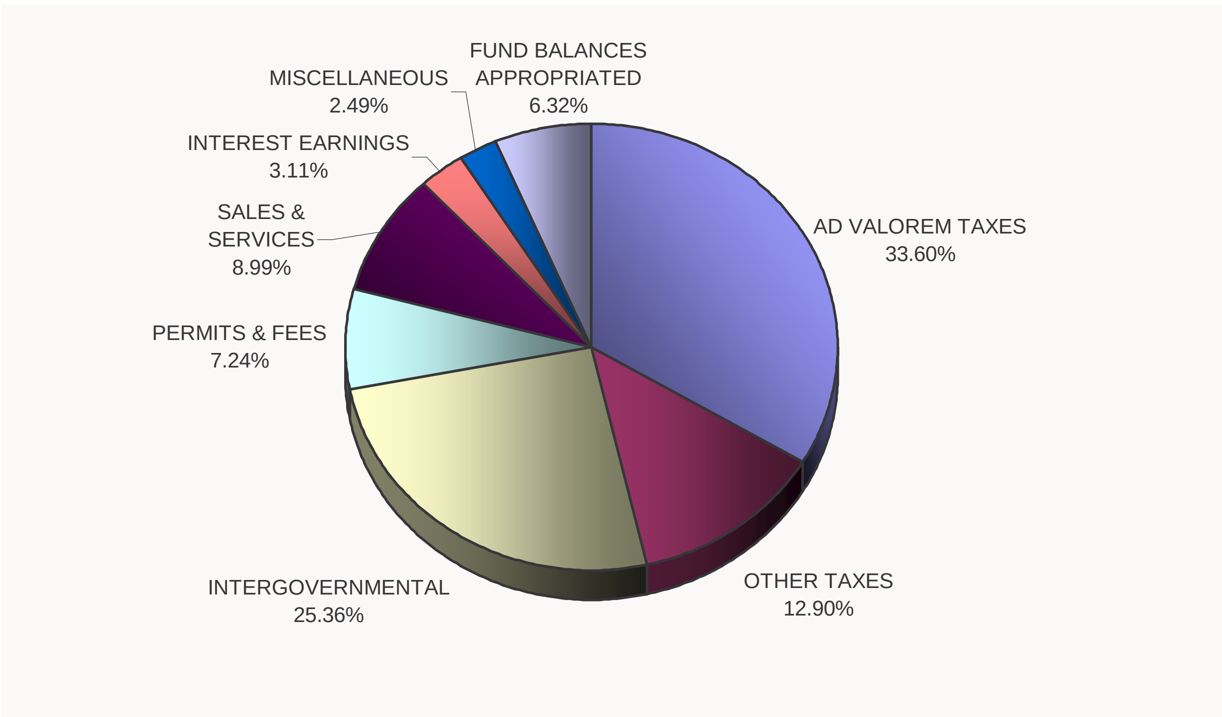
Source: 2000-01 Budget & Tax Survey as prepared by the NCACC

WHERE DOES THE MONEY COMES FROM?

ALL FUNDS

Excluding Interfund Transfers

$164,381,359 Total   ($130,798,769 Unduplicated)

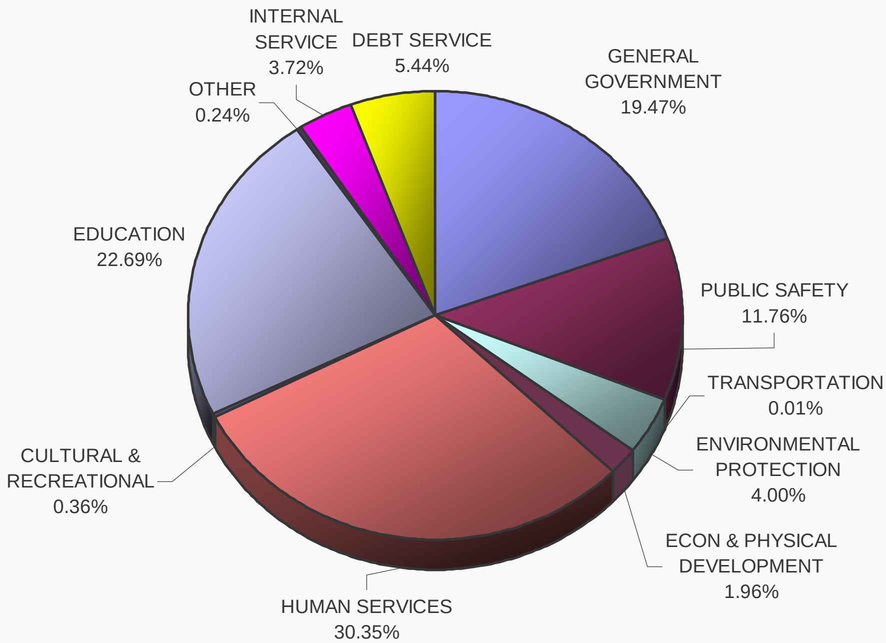


FY 2001-02 REVENUE SOURCES	
AD VALOREM TAXES	$43,950,132
OTHER TAXES	$16,872,007
INTERGOVERNMENTAL	$33,164,973
PERMITS & FEES	$9,469,392
SALES & SERVICES	$11,755,354
INTEREST EARNINGS	$4,073,500
MISCELLANEOUS	$3,252,988
FUND BALANCES APPROPRIATED	$8,260,423
UNDUPLICATED TOTAL	**$130,798,769**
Interfund Transfers	$33,582,590
TOTAL BUDGET	**$164,381,359**

WHERE DOES THE MONEY GO?

ALL FUNDS - BY SERVICE AREA

$164,381,359 Total ($130,798,769 Unduplicated)



FY 2001-02 APPROPRIATIONS	
GENERAL GOVERNMENT	$32,000,034
PUBLIC SAFETY	$19,326,747
TRANSPORTATION	$19,600
ENVIRONMENTAL PROTECTION	$6,586,943
ECON & PHYSICAL DEVELOPMENT	$3,216,514
HUMAN SERVICES	$49,885,917
CULTURAL & RECREATIONAL	$589,259
EDUCATION	$37,305,855
OTHER	$400,000
INTERNAL SERVICE	$6,112,739
DEBT SERVICE	$8,937,751
TOTAL BUDGET	**$164,381,359**
LESS INTERFUND TRANSFERS	$33,582,590
UNDUPLICATED TOTAL	**$130,798,769**

MAJOR REVENUE SOURCE ANALYSIS

Pitt County government has many sources of revenue. The revenue sources support the County's General Fund and the County's only enterprise fund, the Solid Waste Fund. Revenues are affected by a varied array of outside forces. Pitt County is growing rapidly and has, in most years, benefited from solid economic growth. This has lead to continued growth in revenues from sales taxes, property taxes, and other sources. State and Federal sources are also a significant source of revenues and have grown steadily in past years. State and Federal sources are not expected to grow as rapidly in the future; and many programs, especially in Human Services, may experience some decline in revenues.

To estimate revenues for the coming year, the County Manager and Financial Services Office consult with the Tax Administrator and other department heads. Current trends and expected changes for the coming year are considered. The County considers revenue trends over the past five years as well as the effect the County's growth will have on those trends in projecting revenues.

TAX BASE

Property tax valuations have shown a steady increase over the past several years. The revaluation of real property, required by statute every eight (8) years, was completed in Fiscal Year 1995-96 and effective for the 1997 tax levy for Fiscal Year 1996-97. Revaluation will take place again in 2004. North Carolina State Legislature removed property and business inventories from the taxable base after 1988, but with revaluation and economic development, Pitt County has maintained continuous growth.

AD VALOREM TAX

Current year budgeted net property tax estimates of $41,250,201 for this year are based on the $6.1 billion estimated valuation. The tax rate for Fiscal Year 2001-02 is $0.68 per $100 of real and personal property. A collection rate of 95.75% is anticipated. Of the $.68 tax rate, $.6625 is budgeted in the General Fund to support general government operations, while $.0175 is budgeted in the Industrial Development Fund to offset economic development costs.

INVENTORY TAX REIMBURSEMENT

Fiscal Year 1987-1988 was the last year business inventories were allowed by the State Legislature to be included in the tax base. Although, the State guaranteed that cities and counties would be reimbursed for the property tax lost, the legislature has taken liberties with these funds and has provided for very little growth. For budget purposes, we are projecting maintenance at $1,621,000 this year. At the time the County adopted its 2001-02 budget, the State was considering changes to funding of reimbursements. This source may be replaced with an additional .5% sales tax which would grow over time.

NORTH CAROLINA INTANGIBLES TAX

Until 1995, local governments in North Carolina levied property taxes on intangible personal property such as funds on deposit, cash on hand, shares of stock, bonds, accounts receivable, etc. The intangibles tax was first allocated to the counties and reallocated to all governmental units within the county. In Fiscal Year 1997, the State repealed the intangibles tax and replaced it with State funds. The major problem lies in the fact that the State has not assured the local governments of any growth in the revenues in future years. The County has budgeted $1,190,000 this fiscal year. Included with the Inventory Tax Reimbursement, this source of revenue is under consideration by the State for changes/replacement such as an additional .5% sales tax which would grow over time.

SALES TAXES

Sales tax revenues are the county's second largest single revenue source and have been growing steadily. The current sales tax rate in North Carolina is 6%. Of this, two cents is returned to the County. In Pitt County, the total countywide sales tax collections are distributed between the cities in the County and Pitt County government based on the population in each governmental unit. The County's share of 1% is unrestricted. The other 1% is legally split into two 1/2 cents and has certain restrictions placed on the proceeds by General Statute. Currently, 30% of this 1/2 cent sales tax must be used for school capital projects. In Pitt County, the Board of Commissioners has elected to allocate 40% for school capital projects. The second 1/2 cent is allocated 60% for schools and 40% for general government. School sales tax collections are now deposited directly in the School Capital Reserve Fund.

Continued annexations by the cities in the county over time will eventually reduce the County's share of sales tax collections as well as a possible slowing of economic growth. Additionally, the State is considering the implementation of additional sales taxes in response to 2001-02 budget concerns across the State. At adoption of Pitt County's budget, no solid decisions had been made at the State level.

INTERGOVERNMENTAL REVENUE

Intergovernmental revenue consists of restricted and unrestricted funds. Over 97 percent of restricted intergovernmental revenues come from State and Federal grants for the departments of Mental Health, Health, and Social Services. These departments have experienced significant growth in the past. Federal funds are passed through State agencies and typically require matching funds from the County. State funds received by the County also require a local monetary match.

Unrestricted revenues consist primarily of proceeds from the sale of beer, wine and ABC store sales. The County's revenues from sale of alcohol have been stable and have experienced only modest growth.

PERMITS AND FEES

Permits and fees consist of revenues from excise stamps, building permits, inspection fees, Register of Deeds fees, and fees for human service agencies. The revenues have increased steadily in the past. The County does not anticipate a significant change in the revenues from these sources this year.

The three major Human Service departments--Mental Health, Health, and Social Services--receive significant reimbursement from Medicaid, Medicare, and private insurance for providing services to clients. Funding from these sources should not be affected by declines in Federal and State funding.

SALES AND SERVICES

Revenues from sales and services come from a variety of sources including the County's Detention Center, the E911 Surcharge, and user charges from the Solid Waste program. Miscellaneous rents, concessions, and other fees are derived from the operations of various county departments.

INVESTMENT EARNINGS

The County invests its available cash primarily in agency securities, certificates of deposit, North Carolina Cash Management Trust and other secured investments. North Carolina General Statutes define acceptable investment options. The earnings have increased as the County's fund balance has increased.

Legislation passed in 1999 enables the County to maximize returns on the investment of the $30,000,000 received from the transfer of the County's hospital by investing in higher yielding instruments such as stocks and bonds. The Board of Commissioners has five professional fund managers that oversee investment of these funds and expects to see greater returns over the long-term.

REVENUE & EXPENDITURE SUMMARY

REVENUE SUMMARY BY FUND

		ACTUAL FY 1999-00	*ACTUAL FY 2000-01*	*ADOPTED FY 2001-02*	*% Of Total Fund*	*% Change FY 01 to FY 02*
General - Fund 10						
Ad Valorem Taxes		38,896,324	40,615,810	41,250,201	54.41%	6.05%
Other Taxes		15,912,458	15,904,345	16,872,007	22.26%	6.03%
Unrestricted Intergovernmental		1,850,587	803,298	227,640	0.30%	-87.70%
Restricted Intergovernmental		485,712	285,114	257,970	0.34%	-46.89%
Permits & Fees		1,360,589	1,462,431	1,406,800	1.86%	3.40%
Sales & Services		2,894,786	3,398,926	3,509,666	4.63%	21.24%
Investments		2,657,885	2,999,711	3,900,000	5.14%	46.73%
Miscellaneous		9,391,674	9,171,977	1,544,858	2.04%	-83.55%
Fund Balance Appropriated		0	0	6,039,311	7.97%	100.00%
Other Debt & NonRevenue		1,420,500	650,000	800,000	1.06%	-43.68%
	TOTAL	74,870,515	75,291,612	75,808,453	100.00%	1.25%
LEO Pension - Fund 11						
Interest Earnings		4,118	5,208	3,500	6.38%	-15.01%
Transfer from General Fund		38,000	39,000	51,400	93.62%	35.26%
	TOTAL	42,118	44,208	54,900	100.00%	30.35%
Health - Fund 15						
Transfer from General Fund		2,617,680	2,697,858	2,790,005	37.34%	6.58%
Restricted & Unrestricted		3,375,132	4,034,711	4064150	54.39%	20.41%
Fund Balance Appropriated		0	0	617,699	8.27%	100.00%
	TOTAL	5,992,812	6,732,569	7,471,854	100.00%	24.68%
Social Services - Fund 16						
Transfer from General Fund		9,577,691	10,580,134	11,459,850	44.83%	19.65%
Restricted & Unrestricted		16,802,558	14,560,111	14,103,084	55.17%	-16.07%
	TOTAL	26,380,249	25,140,245	25,562,934	100.00%	-3.10%
Court Facilities - Fund 17						
Facilities Fees		336,088	367,388	371,336	94.89%	10.49%
Interest Earnings		20,204	29,862	20,000	5.11%	-1.01%
	TOTAL	356,292	397,250	391,336	100.00%	9.84%
Mental Health - Fund 19						
Transfer from General Fund		1,919,130	1,919,130	1,594,588	9.60%	-16.91%
Restricted & Unrestricted		11,229,440	13,250,688	14,988,860	90.23%	33.48%
Fund Balance Appropriated		0	0	29,275	0.18%	100.00%
	TOTAL	13,148,570	15,169,818	16,612,723	100.00%	26.35%

REVENUE & EXPENDITURE SUMMARY

REVENUE SUMMARY BY FUND

		ACTUAL FY 1999-00	*ACTUAL FY 2000-01*	*ADOPTED FY 2001-02*	*% Of Total Fund*	*% Change FY 01 to FY 02*
School Capital Reserve - Fund 20						
Sales Tax		4,514,694	4,656,037	4,908,905	64.98%	8.73%
State ADM Funds		1,000,000	1,050,000	1,885,295	24.96%	88.53%
Interest Earnings		33,419	71,549	35,000	0.46%	4.73%
Fund Balance Appropriated		0	0	725,198	9.60%	100.00%
	TOTAL	5,548,113	5,777,586	7,554,398	100.00%	36.16%
State/Federal Forfeiture - Fund 22		27,063	61,708	0	100.00%	0.00%
Water/Sewer Revolving - Fund 23		0	0	98,940	100.00%	100.00%
CDBG Scattered Housing - Fund 23		22,132	75,489	0	100.00%	-100.00%
State Grants - Fund 24		1,074,161	1,717,231	1,558,905	100.00%	45.13%
Revaluation - Fund 25						
Interest Earnings		6,952	11,110	0	0.00%	0.00%
Transfer from General Fund		50,000	50,000	50,000	100.00%	0.00%
	TOTAL	56,952	61,110	50,000	100.00%	0.00%
Industrial Development - Fund 26						
Ad Valorem Taxes		1,156,141	1,210,088	1,031,515	86.71%	-10.78%
Rental Income		93,476	143,760	158,100	13.29%	69.13%
Interest Earnings		36,869	45,409	0	0.00%	0.00%
GTP Loan		25,000	29,000	0	0.00%	-100.00%
	TOTAL	1,311,486	1,428,257	1,189,615	100.00%	-9.29%
Indust. Dev. Shell Bldg - Fund 27						
Interest Earnings		11,720	35,756	0	0.00%	-100.00%
Miscellaneous		945,293	0	0	0.00%	-100.00%
Fund Balance Appropriated		0	0	502,000	100.00%	100.00%
	TOTAL	957,013	35,756	502,000	100.00%	-47.55%
Fire Districts - Fund 28						
Ad Valorem Taxes		965,015	1,026,288	698,660	100.00%	-27.60%
EMS Districts - Fund 281						
Ad Valorem Taxes		0	0	1,410,381	100.00%	100.00%
E911 Surcharge - Fund 29						
911 User Fees		429,447	525,491	507,602	82.19%	18.20%
Interest Earnings		11,856	12,017	10,000	1.62%	-15.65%
Fund Balance Appropriated		0	0	100,000	16.19%	0.00%
	TOTAL	441,303	537,508	617,602	100.00%	39.95%

REVENUE SUMMARY BY FUND

	ACTUAL FY 1999-00	*ACTUAL FY 2000-01*	*ADOPTED FY 2001-02*	*% Of Total Fund*	*% Change FY 01 to FY 02*
Debt Service - Fund 30					
Transfer from General Fund	3,320,610	3,022,599	4,224,235	47.48%	27.21%
Transfer from School Capital Reserve	3,456,649	3,930,656	4,165,190	46.81%	20.50%
Other Transfers	1,833,315	1,337,340	284,400	3.20%	-84.49%
Miscellaneous	157,923	223,962	223,926	2.52%	41.79%
TOTAL	8,768,497	8,514,557	8,897,751	100.00%	1.47%
Debt Service Reserve - Funds 35-39					
Interest Earnings & Transfers	303,910	63,448	40,000	100.00%	-86.84%
School Capital Project - Fund 51	1,105,785	950,000	3,389,208	100.00%	206.50%
Solid Waste - Fund 60					
FEMA	6,459,340	1,385,072	0	0.00%	-100.00%
Tipping Fees & Household Fees	5,804,300	5,841,307	6,037,960	94.95%	4.03%
Interest Earnings	100,699	4,626	10,000	0.16%	-90.07%
Other Revenues	792,990	239,639	311,000	4.89%	-60.78%
TOTAL	13,157,329	7,470,644	6,358,960	100.00%	-51.67%
County Garage - Fund 82					
User Charges	532,965	623,404	628,678	100.00%	17.96%
Other Revenues	75,485	82,775	0	0.00%	-100.00%
TOTAL	608,450	706,179	628,678	100.00%	3.32%
Hospitalization - Fund 84					
Premiums	3,497,860	4,134,367	5,104,061	98.27%	45.92%
Interest Earnings	77,714	59,589	70,000	1.35%	-9.93%
Other Revenues	0	0	20,000	0.39%	100.00%
TOTAL	3,575,574	4,193,956	5,194,061	100.00%	45.27%
Worker's Compensation - Fund 85					
Interest Earnings	10,136	16,634	5,000	1.72%	-50.67%
Other Revenues	60,661	67,970	50,000	17.24%	-17.57%
Transfer from General Fund	312,000	302,000	220,000	75.86%	-29.49%
Transfer from Solid Waste Fund	15,000	15,000	15,000	5.17%	0.00%
TOTAL	397,797	401,604	290,000	100.00%	-27.10%
GRAND TOTAL	159,111,136	155,797,023	164,381,359	100.00%	3.31%

REVENUE & EXPENDITURE SUMMARY

EXPENDITURES - ALL FUNDS BY SERVICE AREA

	ACTUAL FY 1999-00	BUDGET FY 2000-01	ACTUAL FY 2000-01	ADOPTED FY 2001-02	% CHANGE FY 01 to FY 02
GENERAL GOVERNMENT					
Governing Board	169,852	186,403	196,582	188,927	-3.89%
County Manager	389,130	434,635	389,614	411,202	5.54%
Financial Services	689,692	666,164	662,330	738,833	11.55%
Tax Assessor	838,726	864,205	863,498	923,807	6.98%
Revaluation	0	50,000	9,048	50,000	452.61%
Tax Collector	346,910	399,057	343,079	393,459	14.68%
Legal	442,694	459,395	514,774	526,816	2.34%
Board of Elections	552,432	479,864	491,295	658,806	34.10%
Register of Deeds	527,204	552,470	529,038	595,417	12.55%
Public Information	114,542	126,012	132,694	160,544	20.99%
Human Resources	394,846	430,631	428,228	453,839	5.98%
Printshop/Mail Room	91,360	104,963	104,385	91,384	-12.45%
Management Information Systems	1,409,924	1,449,347	1,287,756	1,681,806	30.60%
Geographic Information Systems	213,293	244,732	235,510	276,079	17.23%
Buildings & Grounds	1,891,099	2,115,907	1,826,674	1,969,523	7.82%
Housekeeping Services	495,200	538,900	453,108	448,250	-1.07%
Nondepartmental	1,027,273	1,986,981	1,070,673	1,560,875	45.78%
Retirement Funds-Law Enforcement	24,646	41,900	30,918	54,900	77.57%
Court Facilities	198,464	260,615	721,176	391,336	-45.74%
General Fund Interfund Transfers	18,666,026	18,737,731	18,792,895	20,424,231	8.68%
TOTAL	28,483,313	30,129,912	29,083,275	32,000,034	10.03%
PUBLIC SAFETY					
Sheriff	5,707,700	5,840,392	5,940,612	6,260,704	5.39%
Detention Center	5,172,160	5,494,075	5,359,272	5,785,214	-2.62%
Jail Health Services	603,383	685,750	671,169	740,143	10.28%
Jail Inmate Services	31,340	32,113	29,780	32,596	9.46%
School Security	271,881	330,351	331,346	365,089	10.18%
Emergency Services	824,670	1,056,192	1,073,129	563,441	-47.50%
Communications	579,632	598,112	614,334	653,032	6.30%
E911 Surcharge	369,380	417,686	562,721	617,602	9.75%
Inspections	360,117	345,418	367,357	385,231	4.87%
Medical Examiner	70,325	55,000	70,075	65,000	-7.24%
Firing Range	0	0	244,202	0	-100.00%
State & Federal Grants	1,337,588	505,681	1,719,525	1,558,905	-9.34%
State & Federal Forfeiture	27,109	0	35,379	0	-100.00%
Fire & EMS Districts	965,015	913,173	1,026,288	2,109,041	105.50%
Other Public Safety	174,533	161,187	194,877	190,749	-2.12%
TOTAL	16,494,833	16,435,130	18,240,066	19,326,747	5.96%
TRANSPORTATION					
Transportation-Airport, GREAT, PATS	56,012	22,420	12,824	19,600	52.84%
TOTAL	56,012	22,420	12,824	19,600	52.84%
ENVIRONMENTAL PROTECTION					
Soil & Water Conservation	204,818	204,901	212,004	223,033	5.20%
Other Environmental Protection	4,950	4,950	4,950	4,950	0.00%
Solid Waste	13,017,913	6,665,726	9,798,773	6,358,960	-35.10%
TOTAL	13,227,681	6,875,577	10,015,727	6,586,943	-34.23%
ECONOMIC & PHYSICAL DEVELOPMENT					
Planning	488,278	620,779	479,896	706,559	47.23%
Hurricane Recovery Operations Center	0	94,696	16,890	48,031	184.38%
Engineering	360,688	236,105	194,074	182,446	-5.99%
Industrial Development	1,163,192	1,257,630	1,042,632	1,189,615	14.10%
Industrial Dev. Building Fund	100,441	100,000	81,785	502,000	513.80%

REVENUE & EXPENDITURE SUMMARY

EXPENDITURES - ALL FUNDS BY SERVICE AREA

	ACTUAL FY 1999-00	*BUDGET FY 2000-01*	*ACTUAL FY 2000-01*	*ADOPTED FY 2001-02*	*% CHANGE FY 01 to FY 02*
Cooperative Extension Service	291,736	290,681	283,088	294,408	4.00%
Farmers' Market	22,613	21,158	23,310	24,077	3.29%
Other Economic Development	913,900	170,438	206,804	170,438	-17.58%
CDBG Housing Grants	3,196	0	54,793	0	-100.00%
Water / Sewer Revolving Fund	0	102,700	0	98,940	100.00%
TOTAL	3,344,044	2,894,187	2,383,272	3,216,514	34.96%
HUMAN SERVICES					
Health	5,757,836	7,215,259	6,388,008	7,471,854	16.97%
Social Services	25,756,560	24,062,772	24,908,125	25,562,934	2.63%
Mental Health	13,088,332	13,732,619	13,904,143	16,612,723	19.48%
Veterans Affairs	35,064	36,349	40,549	45,586	12.42%
Other Human Services	142,826	157,776	157,776	192,820	22.21%
TOTAL	44,780,618	45,204,775	45,398,601	49,885,917	9.88%
CULTURAL & RECREATIONAL					
Libraries, Arts & Recreation Contributions	546,864	587,000	580,000	589,259	1.60%
TOTAL	546,864	587,000	580,000	589,259	1.60%
EDUCATION					
Pitt County Schools	19,620,749	21,987,249	21,737,004	23,587,249	8.51%
Pitt Community College	2,335,052	2,397,650	2,516,194	2,775,000	10.29%
Pitt Co. Schools Capital Reserve	4,562,434	6,522,819	4,880,656	7,554,398	54.78%
Pitt County Schools Capital Projects	602,253	950,000	780,615	3,389,208	334.17%
TOTAL	27,120,488	31,857,718	29,914,469	37,305,855	24.71%
OTHER					
Contingency	0	400,000	0	400,000	100.00%
TOTAL	0	400,000	0	400,000	100.00%
INTERNAL SERVICE					
Hospitalization	4,016,317	4,086,106	3,831,909	5,194,061	35.55%
Worker's Compensation	334,270	350,000	299,555	290,000	-3.19%
County Garage	643,922	663,222	774,596	628,678	-18.84%
TOTAL	4,994,509	5,099,328	4,906,060	6,112,739	24.60%
DEBT SERVICE					
Debt Service	8,732,953	9,605,798	8,510,710	8,897,751	4.55%
Debt Service Reserves	605,940	40,000	71,624	40,000	-44.15%
TOTAL	9,338,893	9,645,798	8,582,334	8,937,751	4.14%
GRAND TOTAL	148,387,255	149,151,845	149,116,628	164,381,359	10.24%
Less Interfund Transfers	27,594,612	28,516,056	28,362,322	33,582,590	18.41%
UNDUPLICATED TOTAL	120,792,643	120,635,789	120,754,306	130,798,769	8.32%

EXPENDITURES

ALL FUNDS - BY FUND TYPE

FUND TYPE	*FUND NUMBER*	*FUND TITLE*	*ADOPTED FY 2001-02*
General Fund			
	10	General Fund	75,808,453
	11	LEO Pension Fund	54,900
	15	Health Fund	7,471,854
	16	Social Services Fund	25,562,934
	17	Court Facilities Fund	391,336
	19	Mental Health Fund	16,612,723
	30	Debt Service Fund	8,897,751
			134,799,951
Special Revenue Funds			
	20	School Capital Reserve Fund	7,554,398
	23	Water/Sewer Revolving Fund	98,940
	24	State Grants Fund	1,558,905
	25	Revaluation Fund	50,000
	26	Industrial Development Fund	1,189,615
	27	Industrial Dev Bldg Fund Fund	502,000
	280	Fire Districts Fund	698,660
	28	EMS District Fund	1,410,381
	29	E911 Surcharge Fund	617,602
	35-39	Debt Service Reserve Funds	40,000
	51	School Capital Projects	3,389,208
			17,109,709
Enterprise Fund			
	60	Solid Waste Fund	6,358,960
Internal Service Funds			
	82	County Garage Fund	628,678
	84	Hospitalization Fund	5,194,061
	85	Worker's Compensation Fund	290,000
			6,112,739
		TOTAL BUDGET FY 01-02	164,381,359

FUND SUMMARY

Fund Type and Assignment Numbers

The various funds of Pitt County are maintained in the fund types listed below. For more information on fund accounting, see section entitled "Budgetary Accounting System & Control".

GENERAL OPERATING FUNDS

10	General
11	LEO Pension
15	Health
16	Social Services
17	Court Facility
19	Mental Health
23	Water/Sewer Revolving
24	State Grants
30	Debt Service

SPECIAL REVENUE FUNDS

20	School Capital Reserve
21	County Capital Reserve
25	Revaluation
26	Industrial Development Commission
27	Industrial Development Building
280	Fire Districts
281	EMS District
29	E911 Surcharge
36	1992 MH/Health COP Reserve
39	1991 Jail/Ag COP Reserve

CAPITAL PROJECTS

40	Jail Addition/CAP Grant
41	Pitt Community College Bond
43	Courthouse Addition
47	1998-2000 COP - School Project
48	State School Bonds Projects
49	1997 COP - Elementary School
50	ECTC Building
51	School Capital Projects

ENTERPRISE FUNDS

60	Solid Waste

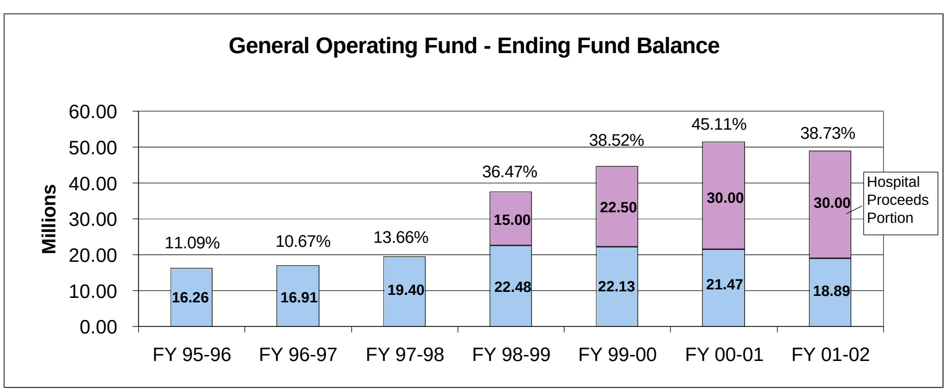
INTERNAL SERVICE FUNDS

82	County Garage
84	Hospitalization
85	Workers Comp

FUND SUMMARY

FUND BALANCE HISTORY - GENERAL OPERATING FUNDS

	ACTUAL 1997-98	*ACTUAL 1998-99*	*ACTUAL 1999-00*	*ACTUAL 2000-01*	*PROJECTED 2001-02*
BEGINNING FUND BALANCE	16,489,956	19,003,595	37,476,176	44,625,858	51,474,044
REVENUES					
PROPERTY TAXES	36,566,815	39,208,449	38,896,324	40,615,810	41,600,000
OTHER TAXES & LICENSES	14,055,538	15,389,657	15,912,458	15,904,345	16,000,000
INTERGOVERNMENTAL	23,169,498	26,644,632	33,155,212	32,284,556	32,500,000
PERMITS AND FEES	1,229,736	1,270,597	1,696,677	1,829,819	1,800,000
SALES AND SERVICES	8,349,995	3,083,910	3,465,737	4,104,261	4,100,000
INVESTMENT EARNINGS	1,090,446	1,712,674	2,683,093	3,034,781	3,600,000
MISCELLANEOUS	848,804	1,658,506	1,908,938	1,682,934	1,700,000
TOTAL REVENUE	85,310,832	88,968,425	97,718,439	99,456,506	101,300,000
OTHER FINANCING SOURCES					
OPERATING TRANSFERS IN	3,760,667	424,911	-	-	-
OPERATING TRANSFERS OUT	(50,000)	(3,727,745)	(4,226,525)	(3,682,232)	(4,000,000)
OPERATING TRANSFERS-COMPONENT UNITS	1,107,685	650,000	650,000	650,000	800,000
PROCEEDS FROM LEASE PURCHASE	500,000	-	770,500	-	-
PROCEEDS FROM REFUNDING BONDS	-	-	-	-	-
PAYMENT TO REFUNDING AGENT	-	-	-	-	-
RESIDUAL EQUITY TRANSFER OUT	(98,465)	-	-	-	-
TRANSFER FROM PITT MEMORIAL HOSPITAL, INC.	-	15,000,000	7,500,000	7,500,000	-
TOTAL OTHER FINANCING SOURCES	5,219,887	12,347,166	4,693,975	4,467,768	(3,200,000)
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT	9,855,829	9,066,611	9,906,139	9,931,234	9,940,000
PUBLIC SAFETY	12,320,594	12,317,338	14,049,862	15,136,070	14,123,000
ENVIRONMENTAL PROTECTION	147,998	191,954	209,768	216,951	175,000
ECONOMIC & PHYSICAL DEV	1,322,013	942,552	2,077,215	1,204,062	1,300,000
HUMAN SERVICES	37,507,947	39,613,163	46,517,083	45,477,039	48,200,000
CULTURAL & RECREATIONAL	406,651	512,205	546,864	580,000	589,000
EDUCATION	19,025,890	20,199,187	21,955,801	24,530,732	26,362,000
DEBT SERVICE	7,430,158	-	-	-	-
TOTAL EXPENDITURES	88,017,080	82,843,010	95,262,732	97,076,088	100,689,000
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	2,513,639	18,472,581	7,149,682	6,848,186	(2,589,000)
FUND BALANCE, ENDING	19,003,595	37,476,176	44,625,858	51,474,044	48,885,044
UNRESERVED BUT DESIGNATED	3,091,964	2,731,878	4,047,261	7,556,285	4,000,000
UNDESIGNATED	8,930,989	27,478,826	32,652,074	36,234,747	35,000,000
GENERAL FUND EXPENDITURES	88,017,080	82,843,010	95,262,732	97,076,088	100,689,000
FUND BALANCE (UNRESERVED) AS % OF EXPENDITURES	13.66%	36.47%	38.52%	45.11%	38.73%



FUND SUMMARY

FUND BALANCE HISTORY - OTHER FUNDS

(Fund types other than General Operating Fund)

	ACTUAL 1997-98	ACTUAL 1998-99	ACTUAL 1999-00	ACTUAL 2000-01	PROJECTED 2001-02
SPECIAL REVENUE FUNDS					
Beginning Fund Balance	1,583,434	1,859,535 (3)	1,528,778	3,516,712	4,533,921
Revenues	5,851,516	7,573,986	15,300,257	16,900,258	10,220,000
(Expenditures)	(5,387,646)	(7,904,743)	(13,312,323)	(11,134,567)	(11,350,000)
Residual Equity Transfer	577,682	-	-	(4,748,482)	-
Ending Fund Balance	2,624,986	1,528,778	3,516,712	4,533,921	3,403,921
CAPITAL PROJECTS FUNDS *(1)*					
Beginning Fund Balance	6,422,674	6,375,974 (3)	3,673,304	10,502,256	16,422,674
Revenues	7,455,544	11,253,579	7,039,727	8,906,687	500,000
(Expenditures)	(16,666,694)	(16,048,200)	(12,154,127)	(31,357,412)	(19,500,000)
Residual Equity Transfer	(496,864)	-	-	321,143	-
Proceeds from Issuance of Debt	-	2,091,951	11,943,352	28,050,000	9,000,000
Ending Fund Balance	(3,285,340)	3,673,304	10,502,256	16,422,674	6,422,674
ENTERPRISE FUND					
Beginning Fund Balance	1,334,964	710,386	922,875	804,955	(165,036)
Revenues	5,648,522	6,330,537	13,157,329	9,028,783	10,500,000
(Expenditures)	(5,526,367)	(6,118,048)	(13,275,249)	(9,998,774)	(9,000,000)
Ending Fund Balance	1,457,119	922,875	804,955	(165,036) (4)	1,334,964
INTERNAL SERVICE FUNDS					
Beginning Fund Balance	1,857,025 (2)	1,357,197 (3)	860,137	447,450	916,125
Revenues	3,972,734	3,876,041	4,581,822	5,401,740	5,400,000
(Expenditures)	(4,490,208)	(3,634,810)	(4,994,509)	(5,585,139)	(5,100,000)
Prior Period Adjustments	-	(738,291)	-	652,074	-
Ending Fund Balance	1,339,551	860,137	447,450	916,125	1,216,125

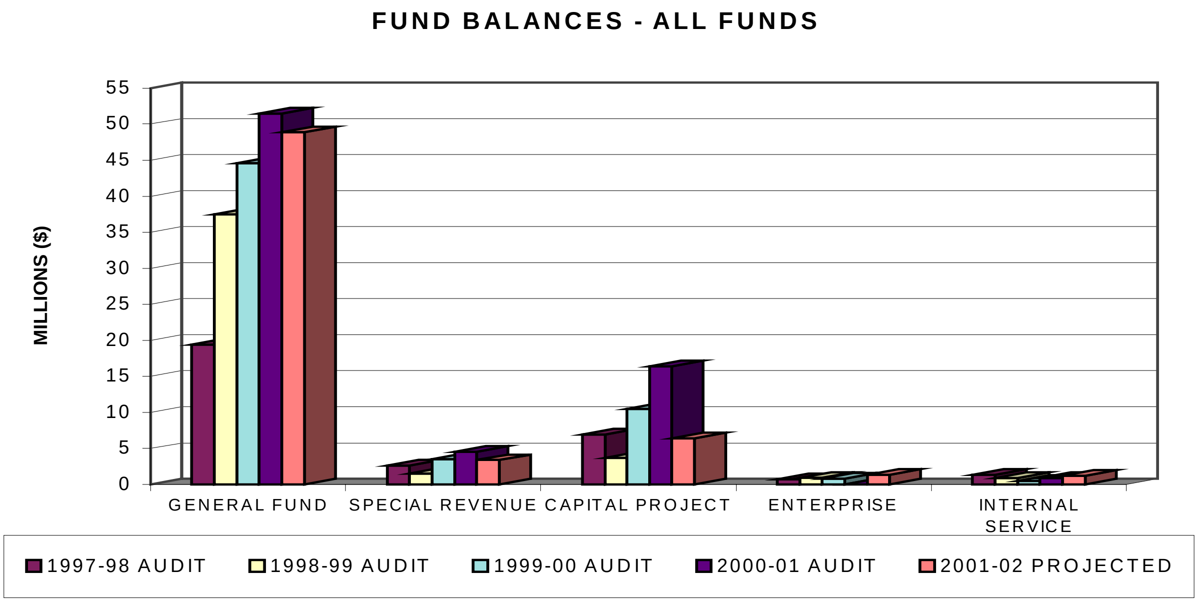
(1) Capital Projects are adopted at the Project Ordinance level at the inception of the project. A project ordinance runs for the life of the project and annual reappropriation is not necessary. Therefore, there are no budgets for the capital projects fund included in this document.

(2) Audited numbers were restated for June 30, 1997 at June 30, 1998 to reflect reclassification of an Internal Service Fund to the General Fund during Fiscal Year 1998.

(3) Beginning balances restated by new audit firm after review of prior auditors work papers.

(4) Revenues due from FEMA running on 6-month lag.

FUND SUMMARY



As shown, all of the above fund types maintain their own fund balances each year. In some fund types, steady growth is a necessity. The County consciously works to increase the fund balance in the General Fund—a combination of the General Operating Fund, Court Facilities, Law Enforcement Officers Pension, Mental Health, Health, and Social Services Funds. This presentation method is used to be consistent with the County's audit presentation. This is the fund which the County has discretionary spending power in and is also the fund the Local Government Commission (LGC), a division of the North Carolina Treasurer's Office, observes. The LGC requires a fund balance equivalent to a minimum of 8% of the prior year's expenditures and for units the size of Pitt County, recommends 15-16%. In actuality, counties of similar size to Pitt County average a fund balance of 17-18%. Upon completion of the June 30, 2001 audit, the County has a fund balance of 45.11%.

We aggressively work to contain costs and maximize revenues with an eye toward keeping this financial indicator solid. The County routinely budgets fund balance with no intention of using it. This year, more than the normal amount of fund balance was budgeted due to the economy and desire to keep the current tax rate. The over collection of revenues and the trend for departments to spend between 95-98% of their budgets, usually negates the need to actually spend fund balance appropriated. However, since more than average was budgeted this year, actual use of fund balance is anticipated.

Changes in the Special Revenue and Capital Projects Funds reflect the population growth and increased construction activity in the County. High balances in 2000-01 were indicative of active grant programs in the Special Revenue Fund and construction activity in the Capital Projects Fund. As projects are completed, balances will decrease.

Lastly, the proprietary fund types--Enterprise and Internal Service--typically increase their balances each year. The County monitors these funds and tries to maintain a healthy balance between the use of available fund balance to cover costs and setting reasonable user fees to make up the complete revenue picture. Again this fiscal year, we increased health insurance premiums due to the financial position of the Hospitalization Internal Service Fund and our history of health related expenditures.

DEBT SUMMARY

LEGAL DEBT LIMIT

The County is subject to the Municipal Finance Law of North Carolina which limits the amount of net debt the County may have outstanding to eight percent of the appraised value of property subject to taxation. At June 30, 2001, the County's statutory debt capacity is $478,651,202. At that same point in time, the County's gross outstanding debt was $83,060,659 which is comprised of $20,325,000 in general obligation bond (G. O.) debt, $60,875,000 in Certificates of Participation, and $1,860,659 in outstanding installment/lease-purchase financing.

A distinction should be made between the various types of debt the County maintains. General Obligation (G.O.) Bonds are backed by the “full faith and credit” of the County. The General Assembly has pledged the power and obligation of the County to levy taxes and raise other revenues for the prompt payment of installments of principal and interest or for the maintenance of sinking funds. This authority is unrestricted as to rate and/or amount. In North Carolina, no bonds may be issued without the approval of the Department of the State Treasurer, Local Government Commission. A sworn statement of debt must also be filed attesting that net debt will not exceed the eight percent limitation on appraised value.

Certificates of Participation and Lease-Purchase financing do not pledge the “full faith and credit” of the County but rather offer the investors/lien holders the purchased property as security for the financing, and the repayment is subject to annual appropriation. In the event of default, “repossession or foreclosure” action could occur.

GENERAL OBLIGATION DEBT

Pitt County has issued general obligation bonds to finance facilities and equipment for Pitt County, Pitt County Schools and Pitt Community College. At June 30, 2001, the total outstanding general obligation debt was $20,325,000. The County’s primary focus in debt management is to keep the amount of debt at a level whereby available resources can carry the debt and to keep the debt within the legal debt limitations established by the State of North Carolina State Treasurer’s Office while maintaining a minimum cost to the taxpayer.

The County’s outstanding debt is made up of the following issues. On July 16, 1993, the County issued $25,645,000 in General Obligation Bonds to advance refund $23,700,000 of outstanding 1990 series bonds. The net proceeds were used to purchase U.S. Government bonds which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1990 series bonds. As a result , the 1990 series bonds are considered to be defeased and the liability for those bonds has been removed from the general long-tern debt group. Lastly, the County issued $3,000,000 in General Obligation Security Landfill bonds to finance the capital costs of sanitary landfill transfer facilities in the County. An additional $5,000,000 is authorized but unissued for this same purpose. At present, there is no intention of issuing these additional bonds. The county's outstanding debt includes the following general obligation bonds as of June 30, 2001:

1993	Refunded G .O. Bonds	$10,850,000
1995	Landfill	2,000,000
1999	Community College - Refunding	7,055,000
1999	Community College - New	420,000
TOTAL		$20,325,000

DEBT SUMMARY

The following schedule summarizes the future debt service requirements related to the above debt:

FY	Principal	Interest	Total Payment	Balance
2000-01				20,325,000
2001-02	2,675,000	949,360	3,624,360	17,650,000
2002-03	2,665,000	822,535	3,487,535	14,985,000
2003-04	2,700,000	696,335	3,396,335	12,285,000
2004-05	2,775,000	566,935	3,341,935	8,943,065
FUTURE	9,510,000	1,107,900	10,617,900	0
BALANCE	20,325,000	4,143,065	24,468,065	

BONDED DEBT PER CAPITA

The general obligation bonded debt per capita at June 30, 2001 is $151.91. The following chart shows the debt per capita for the last five years:

At June 30	Total G. O. Debt	Assessed Valuation	Debt to Assessed Valuation	Population	Debt Per Capita
1997	$29,720,000	$5,050,268,200	0.59%	124,411	$238.89
1998	$27,125,000	$5,430,683,852	0.50%	126,643	$214.18
1999	$25,640,000	$5,853,017,038	0.44%	127,879	$200.50
2000	$22,990,000	$5,925,279,904	0.39%	131,166	$175.27
2001	$20,325,000	$5,983,140,030	0.34%	133,798	$151.91

Overall debt per capita, based on the County's full debt load of $83,060,659, results in $620.79 per person.

DEBT OTHER THAN BONDS

The County has five outstanding issues of Certificates of Participation with a total balance of $68,790,000 as of July 1, 2001.

The County issued Certificates of Participation (COPs) in April 1991 in the amount of $14,500,000 to finance the purchase of land and the construction of a new jail and agricultural center. In May 1997, the County issued $8,835,000 to advance refund the callable portion of the 1991 issue. The 1997 refunding has a remaining balance of $7,915,000.

In July 1992, the County issued $6,145,000 in Certificates of Participation to finance the construction of a new mental health and public health center. The remaining balance on this debt is $4,355,000.

In 1997, the County issued $18,665,000 in Certificates of Payments to finance renovations and a four-story addition to the Courthouse and to fund the construction of an elementary school. The County has designated $9,761,795 for the renovation and expansion of the Courthouse and $8,903,205 to construct the new elementary school. The current outstanding balance is $16,215,000.

In May 2000, the County issued Certificates of Participation for multiple education projects including additions at Pactolus School, G. R. Whitfield School, and land for a new high school totaling $12,255,000 which is the current outstanding balance.

In November 2000, the County issued Certificates of Participation to finance the construction of a new high school in the amount of $28,050,000, which is the current outstanding balance.

Other outstanding debt for the County consists of several loans from the Global Transpark Development Trust Fund "GTP". The County originally borrowed $500,000 in 1995 to purchase a facility to begin an economic incubator program to attract new industry into the County. This loan was refinanced in August 1996 with a new principal balance of $1,200,000. The additional funds were used to renovate the building purchased in 1995, and the current balance is $896,406.

A second GTP Loan was issued to the County in December 1999 for the benefit of the Town of Grifton in the amount of $261,000 for the Town to extend municipal sewer service. The current outstanding balance is $241,052.

Another GTP loan in the amount of $499,500 was issued to the County on behalf of Greenville Utilities and the Town of Ayden in May 2000. The project was for the installation of a natural gas line to the Ayden Industrial Park. The current balance is $459,378.

The Industrial Development Commission efforts to secure a Technological Development loan resulted in $200,000 being received in 1998. This funding was used to complete interior renovations and the development of lab space for the Technology Incubator. The current outstanding balance is $131,025.

Lastly, the County has one lease-purchase issue which was completed in February 1998 for computer hardware and software. It was financed over four years and has a current balance of $132,798.

BOND RATINGS

Rating agencies review Pitt County's financial position each time the county issues debt, analyzing our debt burden, proposed debt, general economy, infrastructure needs, and overall outlook for the future. Upon our last review in Fall of 2000, the following ratings were received from these agencies:

Rating Agency	***Rating Type***	***Rating for Current Project***	***Opinion***
Fitch IBCA	GO	AA	Affirmed
	COPS	AA-	Stable Outlook
Moody's	GO	Aa3	Affirmed
	COPS	A1	Stable Outlook
Standard & Poor's	GO	AA-	Affirmed
	COPS	A	Stable Outlook

All three rating agencies felt the County was in a strong fiscal posture with a stable outlook for the future despite the effects of Hurricane Floyd and the flood on the area. Pitt County takes pride in its AA ratings from all three agencies, considering less than 15 percent of debt issues taken to the public market by counties in general carry a AA rating.

IMPACT ON CURRENT & FUTURE BUDGET YEARS

The Fiscal Year 2001-02 adopted budget for Pitt County is $164,381,359. This covers only the operating costs of the County and a few pay-as-you-go projects.

All existing capital projects of the County were established by Project Ordinances at the start of each project, and that authorization lasts until the project is completed. No annual carryover budgets are required.

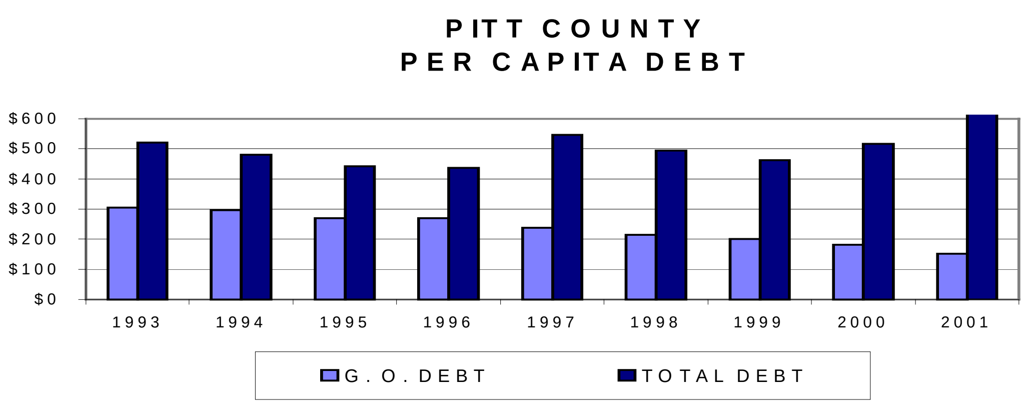
Capital items such as vehicles, equipment and rolling stock are budgeted in each department's operating budget. The County does not feel the dollar volume of these purchases necessitates borrowing money to complete the purchase. This is analyzed each year before the County adopts its budget; and thus far, it has been determined that a pay-as-you-go method is appropriate.

FUTURE ANTICIPATED OBLIGATION

One anticipated project that will add to the County's debt obligation is approximately $8,500,000 for Phase II renovations to the County Courthouse. New borrowing by means of Certificates of Participation (COP) is planned for Fall 2001 for the Courthouse project. Costs should be absorbed through natural growth in the tax base and no additional tax increase to fund this project should be needed. However, the County has notified the Board of the potential of a one cent increase that could be needed should we see significant weakening in the local economy. No significant increased level of operational expenses is expected to result from this renovation.

LONG-RANGE PLANNING

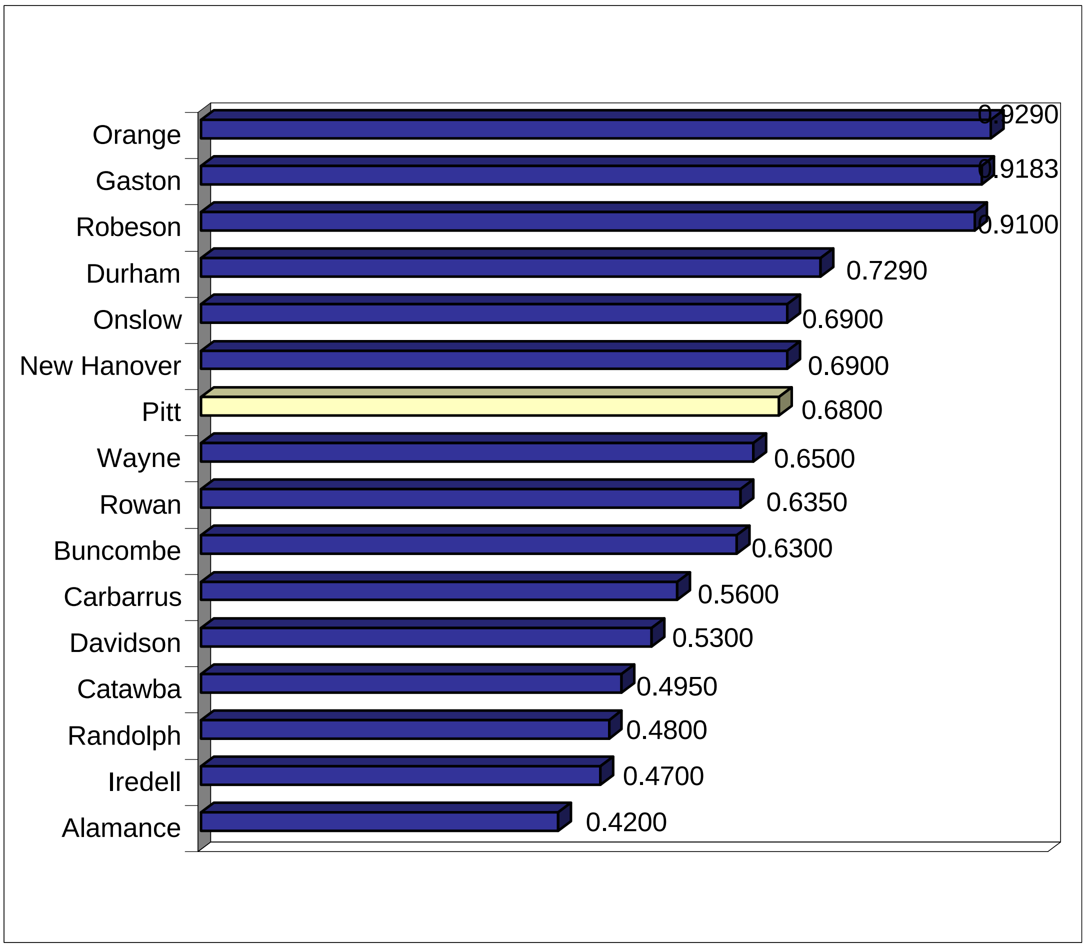
The Pitt County Board of Commissioners identified the need to address facility and space needs of county government programs as one of their goals over the next few years. Identified needs included space for Social Service programs, an improved animal shelter, and school needs. However, until flood recovery efforts are completed (projected for Summer 2002), no significant expansions are planned.



PITT COUNTY
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2001

Assessed Valuations:	
Assessed Value	$5,983,140,030
Debt Limit - Eight Percent (8%) of Appraised Valuation	$478,651,202
Gross Debt:	
Outstanding Bonded Debt:	
General Governmental Bonds	$20,325,000
Other:	
Installment/Lease Purchases	$132,798
Certificates of Participation	$60,875,000
Global Transpark Loans	$1,727,861
Gross Debt	$83,060,659
Net Debt	$83,060,659
Legal Debt Margin	$395,590,543

COMPARISON OF AD VALOREM TAX RATES
FISCAL YEAR 2001-02 ADOPTED LEVIES

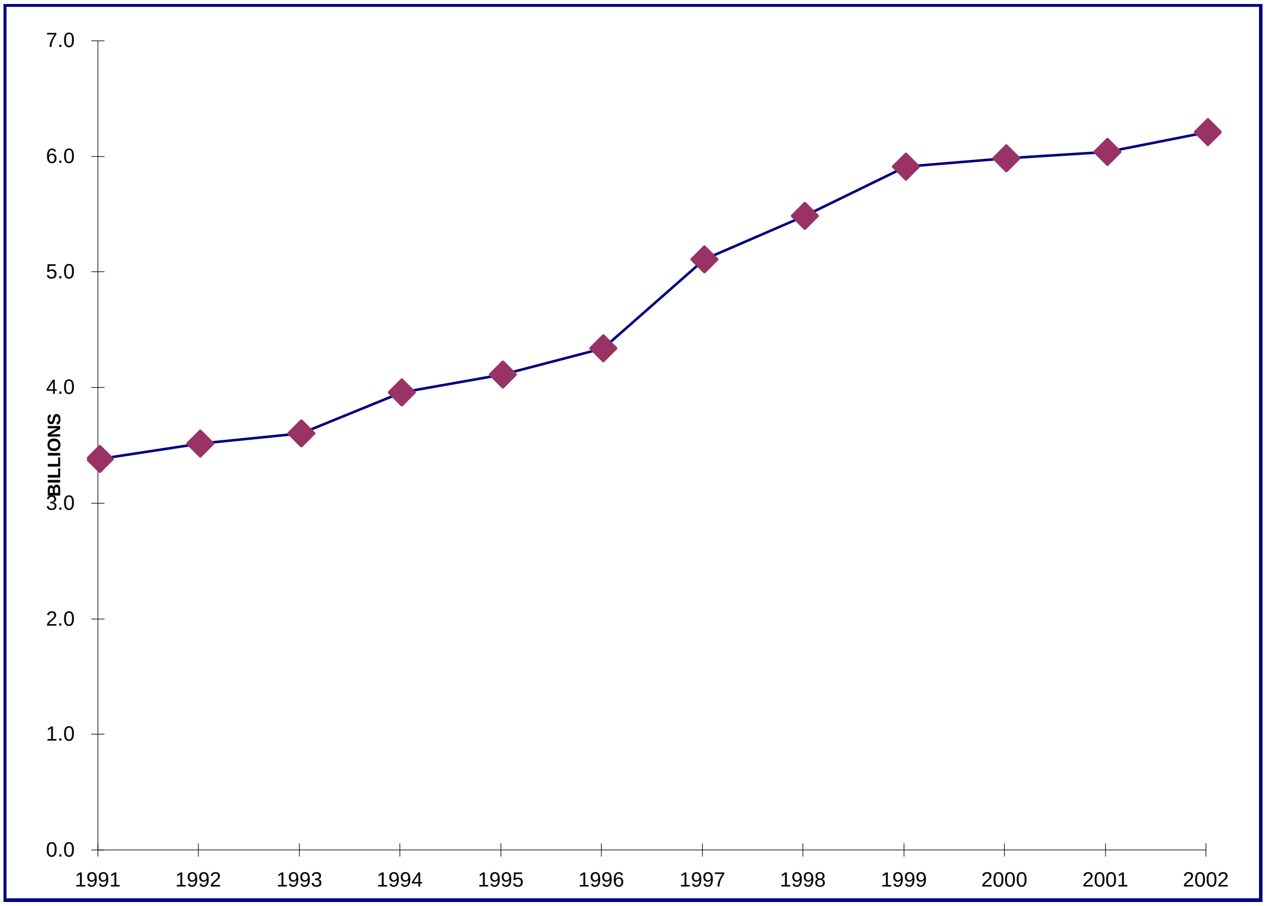


Counties with populations 100,000 to 199,999
Ad Valorem Tax Rate Per $100 Valuation

The N. C. Association of County Commissioners' annual survey of newly adopted tax rates for the 2001-02 fiscal year shows that 36 counties in North Carolina maintained their rates at the previous level, while 36 counties raised their rates, 2 decreased rates, and 23 counties underwent revaluation of property that resulted in net increases. Three counties were operating on an interim budget and unable to report.

PITT COUNTY

PROPERTY VALUATION



Revaluation of real property is required by statute every eight (8) years. Pitt County completed revaluation for levy of taxes in Fiscal Year 1996-1997and is scheduled for revaluation January 1, 2004.

PITT COUNTY
ANALYSIS OF ADOPTED TAX LEVY
FISCAL YEAR 2001-02
Tax Rate per $100 = $0.68

	Estimated Value		***Levy Proceeds***
Real & Personal Property	$6,156,000,000	@ .68/$100	$41,860,800
Adjustment for Non-Collection *(Collection Rate)*			X 95.75%
Total Ad Valorem Tax			$40,081,716

DISTRIBUTION OF AD VALOREM TAX PROCEEDS ACROSS FUNDS

General Fund	$0.6625	$39,050,201
Development Commission Fund	$0.0175	$1,031,515
		$40,081,716

PITT COUNTY

2001
TOP TEN TAXPAYERS

Taxpayer	*Type*	*Value*	
DSM Catalytica Pharmaceuticals	Manufacturer	$ 232,090,000	
Carolina Telephone (Sprint)	Communications	52,000,000	*
Weyerhaeuser	Manufacturer	44,700,000	
ASMO	Manufacturer	36,170,000	
Collins & Aikman	Manufacturer	35,620,000	
Paper Pak	Manufacturer	31,700,000	
NACCO Materials Handling Group, Inc.	Manufacturer	30,213,000	
TRW, Inc.	Manufacturer	29,720,000	
Joseph D. Speight	Developer	27,100,000	
Monk-Austin (DIMON)	Processor	24,033,000	
		$ 543,346,000	

* estimated

SUMMARY OF POSITIONS BY SERVICE AREA

	AMENDED FY 1998-99	*AMENDED FY 1999-00*	*AMENDED FY 2000-01*	*REQUEST FY 2001-02*	*APPROVED FY 2001-02*	*% CHANGE FY 01 to FY 02*
GENERAL GOVERNMENT						
County Manager	5.00	5.00	5.00	5.00	5.00	0.00%
Financial Services	11.00	11.00	11.00	12.00	12.00	9.09%
Tax Assessor	17.00	17.00	18.00	18.50	18.50	2.78%
Tax Collector	7.50	7.50	7.50	8.75	8.75	16.67%
Legal	7.00	8.50	8.50	8.50	8.50	0.00%
Board of Elections	5.90	5.60	6.00	6.00	6.00	0.00%
Register of Deeds	9.00	9.00	9.00	10.00	10.00	11.11%
Public Information	1.00	1.00	2.00	2.00	2.00	0.00%
Human Resources	8.00	8.00	8.00	8.00	8.00	0.00%
Print Shop/Mailroom	2.00	2.00	2.00	2.00	2.00	0.00%
Management Info Systems	22.00	23.00	23.00	23.00	23.00	0.00%
Geographic Info Systems	2.00	2.00	2.00	2.00	2.00	0.00%
Buildings & Grounds	22.00	23.00	23.00	25.00	23.00	0.00%
Garage (1)	0.00	4.00	4.00	2.00	2.00	-50.00%
Court Facilities	0.00	0.00	1.00	1.00	1.00	0.00%
TOTAL	119.40	126.60	130.00	133.75	131.75	1.35%
PUBLIC SAFETY						
Sheriff	98.00	101.00	103.00	107.00	106.00	2.91%
Detention Center	112.00	113.00	113.00	114.00	114.00	0.88%
Jail Health Services	5.00	4.00	4.00	4.00	4.00	0.00%
School Security Contract	5.00	7.00	8.00	8.00	8.00	0.00%
Jail Inmate Coordinator	1.00	1.00	1.00	1.00	1.00	0.00%
Emergency Services (2)	4.00	4.00	5.00	3.50	3.50	-30.00%
EMS Districts (2)	0.00	0.00	0.00	1.50	1.50	100.00%
Communications	12.00	14.00	14.00	14.00	14.00	0.00%
E911 Surcharge	0.75	0.25	1.75	1.75	1.75	0.00%
Inspections	6.00	7.00	7.00	7.00	7.00	0.00%
State Grants *	11.00	9.50	11.50	11.50	7.50	-34.78%
TOTAL	254.75	260.75	268.25	273.25	268.25	0.00%

HUMAN RESOURCES SUMMARY

SUMMARY OF POSITIONS BY SERVICE AREA

	AMENDED FY 1998-99	*AMENDED FY 1999-00*	*AMENDED FY 2000-01*	*REQUEST FY 2001-02*	*APPROVED FY 2001-02*	*% CHANGE FY 01 to FY 02*
ENVIRONMENTAL PROTECTION						
Pitt Soil & Water	5.00	5.00	5.00	5.00	5.00	0.00%
Solid Waste (1)	15.00	15.25	16.25	17.25	17.25	6.15%
TOTAL	20.00	20.25	21.25	22.25	22.25	4.71%
ECONOMIC & PHYSICAL DEVELOPMENT						
Planning	7.05	9.05	8.75	9.75	9.75	11.43%
Recovery Operations Center	0.00	0.00	1.00	1.00	1.00	0.00%
Engineering	2.00	2.25	2.25	2.25	2.25	0.00%
Industrial Development	3.00	3.00	3.00	3.00	3.00	0.00%
Farmers Market	0.60	0.60	0.60	0.60	0.60	0.00%
TOTAL	12.65	14.90	15.60	16.60	16.60	6.41%
HUMAN SERVICES						
Health	111.50	115.50	124.10	126.10	125.60	1.21%
Social Services	202.00	213.00	217.00	219.00	217.00	0.00%
Mental Health	278.91	202.25	200.00	205.00	203.50	1.75%
Veteran's Affairs	1.00	1.00	1.00	1.00	1.00	0.00%
TOTAL	593.41	531.75	542.10	551.10	547.10	0.92%
GRAND TOTAL	1,000.21	954.25	977.20	996.95	985.95	0.90%

Note: This chart is based on authorized Full Time Equivalent (FTE) positions.

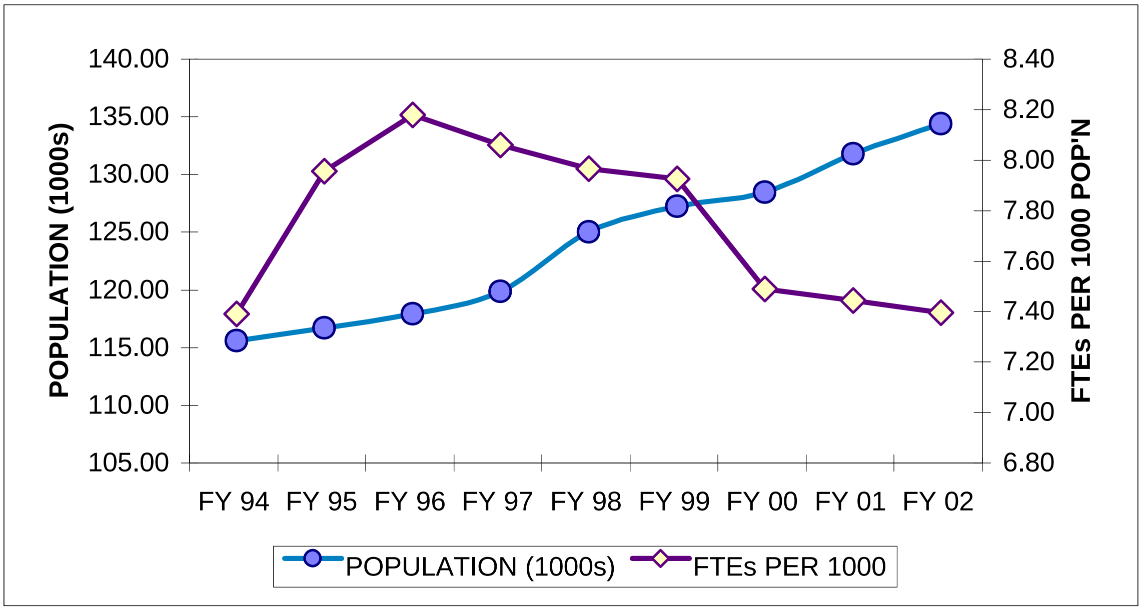
(1) Reorganization between Solid Waste & Garage Functions

(2) 1.5 FTE transferred from General Fund to EMS Districts Fund

* State and Federal Grants are subject fo funding availability (Includes HMGP; STAR request)

HUMAN RESOURCES SUMMARY

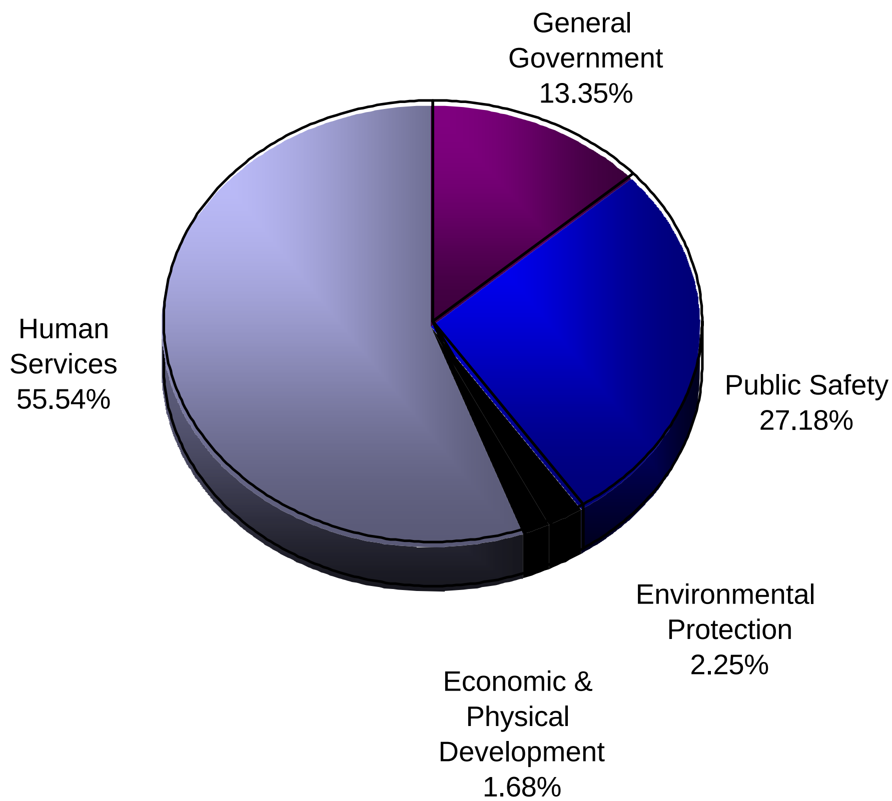
PITT COUNTY
FULL TIME EQUIVALENT POSITIONS PER 1000 POPULATION



Fiscal Year	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
FTE Positions	846.6	920.4	956.4	957.65	987.56	1000.21	954.25	977.2	985.95
Population	114,997	116,088	117,330	119,236	124,411	126,643	127,879	131,166	133,798

As the graph above indicates, the growth in County population has increased steadily and is projected to continue at a similar rate. However, over the past several years the number of county positions (employees) per 1000 population has decreased.

PERCENTAGE OF FTE POSITIONS
BY SERVICE AREA
Fiscal Year 2001-02



Service Area	***FTEs***
General Government	131.75
Public Safety	268.25
Environmental Protection	22.25
Economic & Physical Development	16.6
Human Services	548.1
Total FTE Positions	985.95

MISCELLANEOUS STATISTICS

PITT COUNTY

General Information:	
Date of Incorporation	1760
Form of Government	Commission-Manager
Area in Square Miles	657
Population	133,798
Government Facilities & Services:	
Number of County Employees (1)	986.95
Miles of Streets - Public & Private	1,700
Culture & Recreation:	
Libraries (2)	9
Bookmobiles	1
Book Circulation	428,000 +
Number of Books	240,000 +
Parks (3)	23
Park Acreage	1,250
Golf Courses - Public & Private	7
Swimming Pools (3)	2
Tennis Courts (3)	24
Fire Protection & Rescue Services (County): (1)	
Number of Stations	30
Fire & Resuce Personnel (Officers, Volunteer, and Paid)	1,072
Fire & Resuce Calls Answered	23,445
Number of Fire Inspections Conducted	792
Law Enforcement (Sheriff & Detention): (1)	
Number of Stations	1
Number of Detention Centers	1
Number of Personnel and Officers - Sheriff	106
Number of Personnel and Officers - Detention	114
Number of Patrol Units (Deputies)	40
Number of Law Violations	13,473
Education: (4)	
Number of Public School Systems	1
Number of School Instructors	1,459
Number of Elementary Schools	26
Number of Secondary Schools	5
Community Colleges (Pitt Community College)	1
Universities (East Carolina University)	1
Hospitals: (5)	
Number of Hospitals	1
Number of Patient Beds	731
Number of Newborn Bassinets	42

Sources:
(1) Departments of the Entity
(2) Sheppard Memorial Library (Reports only main and satellite branches)
(3) City of Greenville - Parks & Recreation (Reports only public facilities maintained by City of Greenville)
(4) Pitt County Board of Education
(5) Pitt County Memorial Hospital