

Edgecombe County, North Carolina

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2008

Prepared by
**Edgecombe County
Finance Department**

Finance Director
JoAnne J. Harrell

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Edgecombe County, North Carolina

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Introductory Section

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Edgecombe County

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Post Office Box 10 • 201 Saint Andrew Street
Tarboro, North Carolina 27886

January 23, 2009

The Board of Commissioners
Edgecombe County, North Carolina

We are pleased to submit the Comprehensive Annual Financial Report for Edgecombe County, North Carolina for the fiscal year ended June 30, 2008. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The Comprehensive Annual Financial Report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to protect County assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the County's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Flowers & Stanley, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2008 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was a part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These auditor reports are available in the Single Audit section of this report.

GAAP requirements specify that management provide a narrative introduction, overview, and analysis to accompany the basis financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Some information traditionally reported in the letter of transmittal is now included in the MD&A as required. The County's MD&A can be found immediately following the report of the independent auditors.

The financial reporting entity includes all the funds and the account groups of the primary government, Edgecombe County, as well as its component unit. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the general purpose financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial positions, results of operations, and cash flows from those of the primary government. The Edgecombe County ABC Board is reported as a discretely presented component unit. This organization is reported in the financial statements in a manner similar to a Proprietary Fund.

DESCRIPTION OF THE COUNTY:

Edgecombe County, founded in 1735 is located in the northeastern part of the State. The County has a land area of 511 square miles and a population of 51,813.

Edgecombe County has a diversified economy. Although farming and agricultural services represent the traditional and historic economic base, manufacturing and distribution has become an important sector in the County's economy. The County also has significant transportation, distribution, construction and state/local government sectors. Also in an effort to find new ways to generate revenues we are exploring opportunities such as tourism.

Edgecombe County, like most counties in the state, has a Commissioner/Manager form of government. The seven members of the Board are elected by district and serve staggered four-year terms.

The County provides its citizens a wide range of services that include education, human services, public safety, cultural and recreational activities, environmental protection, general administration, and others. This report includes all of the County's activities in maintaining these services, except schools, which are administered by the Edgecombe County Board of Education. The County also extends financial support to certain boards, agencies and commissions to assist their efforts in serving citizens, including Edgecombe-Nash Mental Health, Edgecombe Memorial Library, Edgecombe Community College, Braswell Library and the Carolinas Gateway Partnership.

ECONOMIC CONDITIONS AND OUTLOOK:

Edgecombe County has faced many challenges as it continues to undergo an economic transition as with the entire United States. Although we have lost some jobs we have gained some as well keeping the number of jobs basically stable. The County's average unemployment rate had a slight increase from 7.8% to 8.3% in the last calendar year. In addition, the County saw a 2.5% decrease in sales tax revenue during fiscal year 07-08 which amounted to \$ 204,985.

Changes in the traditional agricultural and manufacturing economy, has forced us to be more strategic in our efforts. Although we are open to all opportunities that will create jobs, we are more focused and proactive in targeting certain sectors. Industry sectors that show high growth potential in the County include advanced manufacturing, healthcare, logistics (transportation & warehousing), and food processing and distribution. While some companies were downsizing, we have companies like Keihin (an advanced auto part manufacturer), Heritage Hospital, Kanban Logistics, QVC (logistics), and Sara Lee (food processing) that have remained relatively stable.

There are large state certified industrial sites available with one site having a QVC distribution center as an anchor. The County has secured ownership of a 152-acre tract of land within this same industrial park area with potential industry showing interest. Being a Tier 1 county, there are tax credits available for businesses creating new jobs and investments in the county. This along with a supportive Board of Commissioners has positioned Edgecombe County to be very competitive in the economic development market. More information on Edgecombe County can be found at www.edgecombecountync.gov.

Agriculture continues to be a stable foundation of the economy in Edgecombe County. While farmers are changing the crops that they grow each year depending on market prices, tobacco has remained an important part of most farming operations in providing a reliable income source. Tobacco acreage has increased by 88% since 2004 due to the ability of growers to produce good yields and contract their crop for reasonable prices. Our farmers can produce good peanut yields but contracts have varied widely due to the needs of the buying companies. Some farmers continue to work with vegetable crops and develop new opportunities to replace traditional crops and with our good soils and ability to provide irrigation there is room for added capacity. Poultry production has recently expanded in the county providing more opportunities for farmers to diversify their operation.

Animal agriculture is providing an increasing share of the farm income in Edgecombe County and now represents 35% of the farm income. Edgecombe County currently ranks 21st in North Carolina in agricultural income.

MAJOR INITIATIVES:

- The Golden LEAF Foundation selected Edgecombe County to participate in its Community Assistance Program. The Foundation provided technical assistance, as well as financial support to the County in order to stimulate community and economic development. Through the process, four key issues were identified through a community engagement process. They were education, economic development, tourism and health. The foundation has set aside \$2 million in funds to support projects that relate to these issues.
- The County is considering ways to expand broadband internet access to unserved areas. The Golden LEAF Foundation has awarded \$100,000 to complete a feasibility study to determine the best and most economically feasible approach to expanding coverage.
- NC State University completed a tourism development plan for the County. Professor Carol Kline and her class visited the County and conducted an assessment of tourism assets within the County. At the completion of the plan, the Board of Commissioners recognized the importance of tourism in the County and has supported a focus on tourism as another economic development strategy
- It is the County's goal to develop a countywide public water system in order to provide a quality potable water supply to its citizens. Water and Sewer Districts No. 1, 2 and 3 are complete and self-supporting. District No. 5 is underway and should be complete by June of 2009. District No. 4 has been created and we are currently soliciting customers and funding. Sewer is currently provided at Kingsboro Industrial Park and for two of the schools but there are other projects underway to provide sewer in other areas especially where residents and other schools have failing septic systems.
- Through funding from the NC Solar Center at NC State University, we have launched our "Green Fleet". The fleet includes 5 Honda Civics that are powered by compressed natural gas. Natural gas is cheaper and more environmentally friendly, producing little to no harmful emissions. These vehicles were used to replace high-mileage, low-fuel economy vehicles in various departments.
- We are in the process of revaluation of County properties. The new values will be affective in the 2009-2010 fiscal year with an expected 30% increase in total valuation.

THE FUTURE:

The directive from the Board of Commissioners for the 2008-2009 budget was no tax increase. With increases in the cost of doing business, stagnant revenue growth and a struggling economy across the country, management had no choice but to cut expenditures across the board. All departmental budgets were cut 4% and increases only where mandated. Outside agencies including the schools were cut by 3%. A hiring freeze was implemented and positions were eliminated when possible. Management and County departments explored all avenues of cost savings. The end result was a 5.26% total budget decrease from prior year.

The major highlights of the 2008-09 budget are as follows:

- Due to recent major increases in Workman's Compensation cost, the County bid out the service and saved approximately \$400,000.
- Health insurance costs increased 10%
- An installment purchase financing for \$1 million was proposed for various renovations to County buildings and Sheriff cars.
- Medicaid relief was implemented by the State that also changed portions of sales tax revenues received by the County and requiring a hold harmless payment to municipalities. The net savings for the fiscal year should still be approximately \$ 1.5 million.
- Continued enforcement of foreclosures for delinquent taxes to increase collections.

CASH MANAGEMENT:

Cash, which is temporarily idle during the year, was invested in demand deposits, money market accounts, commercial paper, U.S. Government Securities and mutual funds. At all times consideration was given to receiving the highest reasonable yields available while maintaining the safety and liquidity of those monies.

RISK MANAGEMENT:

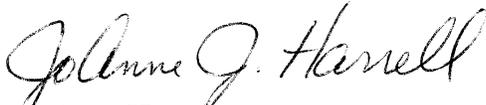
The County is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the self-funded insurance pools administered by the NC Association of County Commissioners to cover property insurance, general liability, and workmen's compensation for the fiscal year ended June 30, 2008. The pools are reinsured through commercial companies. Employee health coverage is also provided through a self-insured program administered by CIGNA beginning July 1, 2006.

ACKNOWLEDGMENTS:

A combined effort of Flowers & Stanley, L.L.P., the entire staff of Edgecombe County Finance Department, the administration & staff of Edgecombe County, and other various agencies made the preparation of the comprehensive annual financial report possible. We offer each our sincere appreciation for their contribution toward the preparation of this report.

In closing, without the leadership and support of the Board of Commissioners, preparation of this report would not have been possible.

Respectfully submitted,



JoAnne Harrell
Finance Director



Lorenzo Carmon
County Manager

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EDGECOMBE COUNTY
NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2008

BOARD OF COUNTY COMMISSIONERS

CHARLIE R. HARRELL
Chairman

LEONARD WIGGINS
Vice-Chairman

JONATHAN K. FELTON

CALVIN C. ANDERSON

VIOLA S. HARRIS

THOMAS C. CHERRY

E. WAYNE HINES

COUNTY OFFICIALS

LORENZO CARMON
County Manager

JAMES KNIGHT
Sheriff

ROBIN CARPENTER
Register of Deeds

CAROLYN HEDGEPEETH
Clerk to the Board

JAMES PEARCE
Cooperative Extension
Director

MINTON BEACH
Emergency Services Director

DANNY BAGLEY
Solid Waste Supervisor

JAMES PRICE
Maintenance Supervisor

MAYLON DELOATCH
County Attorney

JOANNE J. HARRELL
Director of Fiscal Services

MARVA SCOTT
Social Services Director

KAREN LACHAPELLE
Health Director

JERRY W. SPRUELL
Director of Elections

CINDY COKER
Tax Assessor

OLA PITTMAN
Planning and Inspections
Director

GLORIA LYNDAKER
Tax Collector

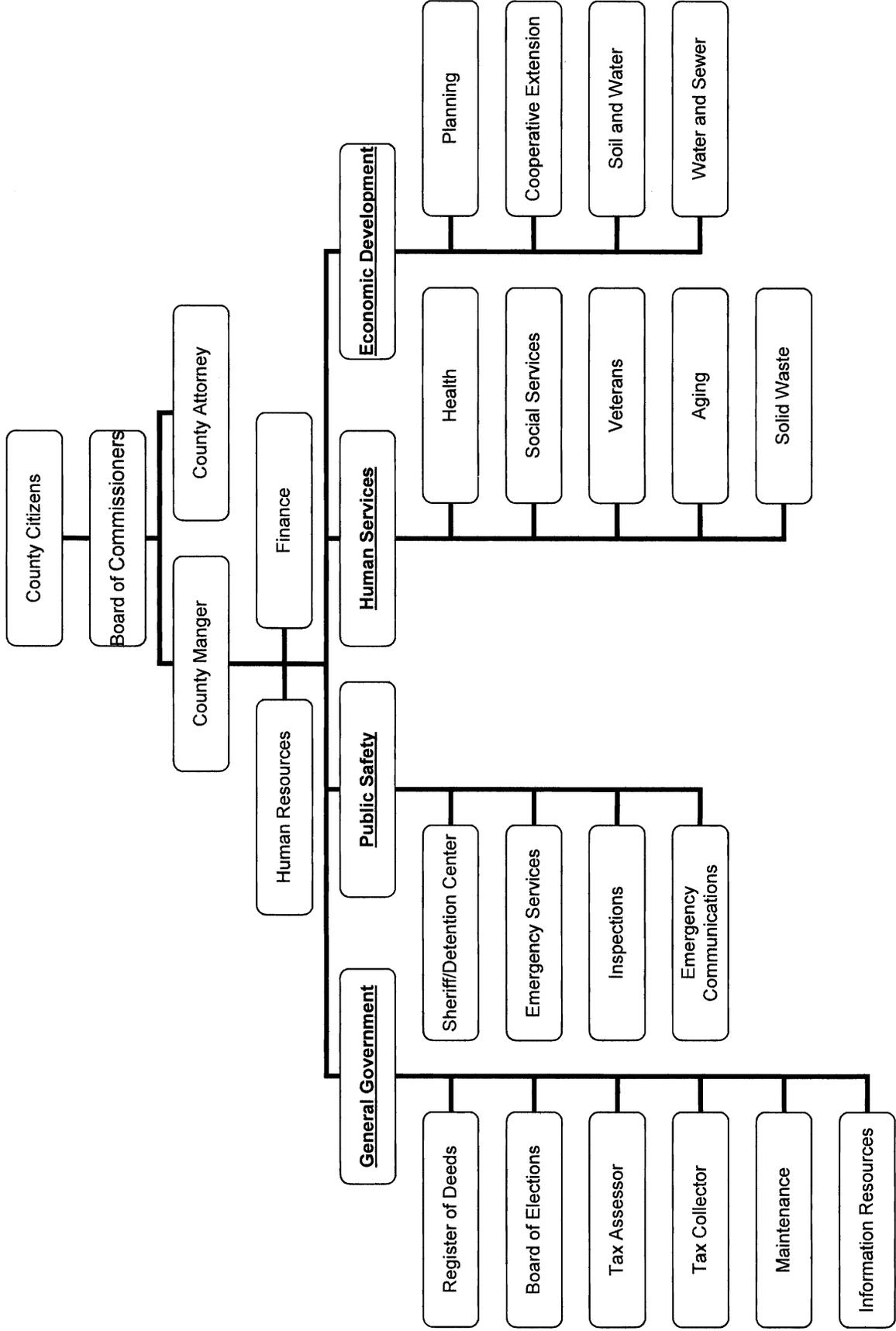
LARRY FLOWERS
Information Resources Director

MICHAEL C. MATTHEWS
Water and Sewer
Director

DEBORAH COLEY
Aging Director

STEPHEN BERNARD
Veterans Service Officer

Edgecombe County, North Carolina General Administration Organization Chart



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Financial Section

Flowers & Stanley, L.L.P.

Certified Public Accountants

3403 N. Main Street – Tarboro, North Carolina 27886

Phone: 252-823-3125 Fax: 252-823-3201

Charles R. Flowers Jr., CPA
Michael L. Stanley, CPA

Eric B. Harrell, CPA

Members
North Carolina Association of
Certified Public Accountants

American Institute of
Certified Public Accountants

Independent Auditor's Report

To the Board of County Commissioners
Edgecombe County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Edgecombe County, North Carolina as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Edgecombe County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Edgecombe County ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Edgecombe County, North Carolina as of June 30, 2008, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2009, on our consideration of Edgecombe County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, the schedules of funding progress, employer contributions and the notes to the required schedules for the law Enforcement Officers' Special Separation allowance are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Edgecombe County, North Carolina. The introductory information, combining and individual nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other statements and schedules and accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit report, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Flowers & Stanley, LLP

Tarboro, North Carolina
January 23, 2009

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Management Discussion and Analysis

Management's Discussion and Analysis

As management of Edgecombe County, we offer readers of Edgecombe County's financial statements this narrative overview and analysis of the financial activities of Edgecombe County for the fiscal year ended June 30, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

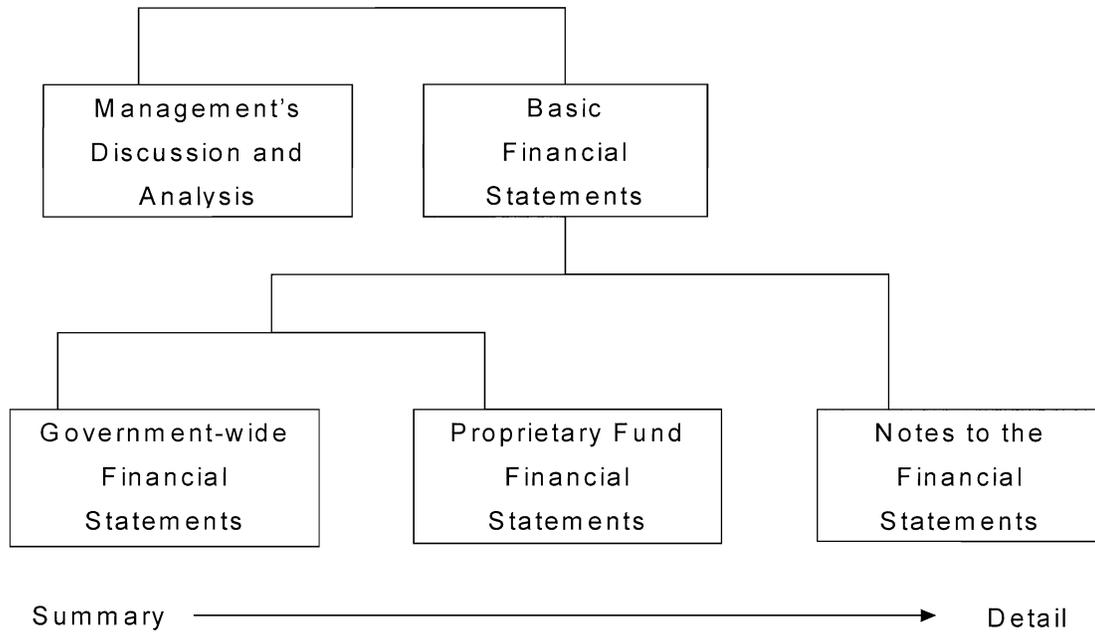
Financial Highlights

- The assets of Edgecombe County exceeded its liabilities at the close of the fiscal year by \$56,766,521 (*net assets*).
- The government's total net assets decreased by \$413,792, primarily due to grants for water and sewer infrastructure.
- As of the close of the current fiscal year, Edgecombe County's governmental funds reported combined ending fund balances of \$ 17,599,725 a decrease of \$1,649,172 in comparison with the prior year. Approximately 52 percent of this total amount or \$9,154,178 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$8,813,604 or 15.94 percent of total general fund expenditures for the fiscal year.
- Edgecombe County's total debt increased by \$1,707,306 (2%) during the past fiscal year due to the issuance of \$3,928,000 bond anticipation notes for Edgecombe Water & Sewer District No. 5.
- Edgecombe County maintains bond ratings from Moody's and Standard & Poor's of A3 and A respectively. Although MBIA Insurance Corporation, who insures our School GO Bonds, subsequently received a reduced rating by Moody's Investors Service, there not been any changes in the interest rates for the bonds.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component unit. The governmental activities include most of the County's basic services such as public safety, human services, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and solid waste services offered by Edgecombe County. The final category is the component units. Although legally separate from the County, the ABC Board is important to the County. The County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Edgecombe County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Edgecombe County can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Management Discussion and Analysis
Edgecombe County, North Carolina

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

Proprietary Funds – Edgecombe County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Edgecombe County uses enterprise funds to account for its water and sewer activity and for its solid waste operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Edgecombe County has one fiduciary fund, which is an agency fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 33 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Edgecombe County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 74 of this report.

Government-wide Financial Analysis

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current & other assets	\$ 27,338,168	\$ 27,993,981	\$ 7,718,540	\$ 8,015,415	\$ 35,056,708	\$ 36,009,396
Capital assets	31,353,073	31,725,257	31,547,024	28,378,523	62,900,097	60,103,780
Total Assets	<u>\$ 58,691,241</u>	<u>\$ 59,719,238</u>	<u>\$ 39,265,564</u>	<u>\$ 36,393,938</u>	<u>\$ 97,956,805</u>	<u>\$ 96,113,176</u>
Liabilities:						
Long-term liabilities outstanding	\$ 16,771,491	\$ 18,366,722	\$ 13,376,654	\$ 13,523,264	\$ 30,148,145	\$ 31,889,986
Other liabilities	5,871,389	5,815,985	5,170,750	1,226,892	11,042,139	7,042,877
Total Liabilities	<u>\$ 22,642,880</u>	<u>\$ 24,182,707</u>	<u>\$ 18,547,404</u>	<u>\$ 14,750,156</u>	<u>\$ 41,190,284</u>	<u>\$ 38,932,863</u>
Net Assets:						
Invested in capital assets, net of related debt	\$ 14,173,172	\$ 16,171,252	\$ 18,778,684	\$ 17,512,165	\$ 32,951,856	\$ 33,683,417
Restricted	2,702,845	2,572,793	-	-	2,702,845	2,572,793
Unrestricted	19,172,344	16,792,486	1,939,476	4,131,617	21,111,820	20,924,103
Total Net Assets	<u>\$ 36,048,361</u>	<u>\$ 35,536,531</u>	<u>\$ 20,718,160</u>	<u>\$ 21,643,782</u>	<u>\$ 56,766,521</u>	<u>\$ 57,180,313</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Edgecombe County exceeded liabilities by \$56,766,521 as of June 30, 2008. The County's net assets decreased by \$413,792 for the fiscal year ended June 30, 2008. One of the largest portions (55.8 %) reflects the County's investment in capital assets (e.g. land, buildings, equipment and water distribution systems), less any related debt still outstanding that was issued to acquire those items. Edgecombe County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Edgecombe County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Edgecombe County's net assets (4.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$21,111,820 is unrestricted.

Edgecombe County's Changes in Net Assets
Figure 3

	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 7,517,574	\$ 7,424,946	\$ 4,158,861	\$ 4,131,674	\$ 11,676,435	\$ 11,556,620
Operating grants and contributions	12,929,028	13,201,642	-	-	12,929,028	13,201,642
Capital grants and contributions	948,780	709,489	1,186,271	2,110,152	2,135,051	2,819,641
General Revenues:						
Property taxes	24,818,821	24,273,073	-	-	24,818,821	24,273,073
Other taxes	8,411,264	8,450,183	-	-	8,411,264	8,450,183
Grants & contributions not restricted to specific programs	507,661	233,730	-	-	507,661	233,730
Other	1,488,797	1,688,635	126,979	223,135	1,615,776	1,911,770
Transfers	1,663,682	-	(1,663,682)	-	-	-
Total Revenues	<u>\$ 58,285,607</u>	<u>\$ 55,981,698</u>	<u>\$ 3,808,429</u>	<u>\$ 6,464,961</u>	<u>\$ 62,094,036</u>	<u>\$ 62,446,659</u>
Expenses:						
General government	\$ 5,008,019	\$ 4,490,345	\$ -	\$ -	\$ 5,008,019	\$ 4,490,345
Public safety	10,905,575	10,715,161	-	-	10,905,575	10,715,161
Transportation	56,308	56,308	-	-	56,308	56,308
Economic & physical development	1,339,101	1,929,463	-	-	1,339,101	1,929,463
Human services	26,223,748	26,632,334	-	-	26,223,748	26,632,334
Cultural & recreation	712,402	691,766	-	-	712,402	691,766
Education	12,814,315	11,941,455	-	-	12,814,315	11,941,455
Interest on long-term debt	714,309	757,723	-	-	714,309	757,723
Landfill	-	-	2,404,801	2,169,389	2,404,801	2,169,389
Water and Sewer	-	-	2,329,249	2,206,944	2,329,249	2,206,944
Total Expenses	<u>\$ 57,773,777</u>	<u>\$ 57,214,555</u>	<u>\$ 4,734,050</u>	<u>\$ 4,376,333</u>	<u>\$ 62,507,827</u>	<u>\$ 61,590,888</u>
Increase in Net Assets	\$ 511,830	\$ (1,232,857)	\$ (925,621)	\$ 2,088,628	\$ (413,791)	\$ 855,771
Net Assets, July 1	35,536,531	37,205,850	21,643,781	19,555,153	57,180,312	56,761,003
Prior Period Adjustment	-	(436,462)	-	-	-	(436,462)
Net Assets, June 30	<u>\$ 36,048,361</u>	<u>\$ 35,536,531</u>	<u>\$ 20,718,160</u>	<u>\$ 21,643,781</u>	<u>\$ 56,766,521</u>	<u>\$ 57,180,312</u>

Governmental Activities. Governmental activities increased the County's net assets by \$511,830, thereby accounting for a .9% increase in the total net assets of Edgecombe County. This increase was attributed to a one-time transfer of funds from the Landfill Activities without which the Governmental funds would have decreased total net assets by \$1,151,852.

Business-type Activities: Business-type activities decreased Edgecombe County's net assets by \$925,621, accounting for 1.6% decline in the government's net assets. This decrease is attributed to the same one-time transfer without which the Business-type activities would have increased the net assets of the County by \$738,061.

Financial Analysis of the County's Funds

As noted earlier, Edgecombe County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Edgecombe County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Edgecombe County's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of Edgecombe County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,813,604 while total fund balance was \$15,736,632. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 15.94% of total General Fund expenditures, while total fund balance represents 28.46% of that same amount.

At June 30, 2008, the governmental funds of Edgecombe County reported a combined fund balance of \$17,599,725, an 8.57% decrease from last year. The primary reason for this decrease is the utilization of School Bond proceeds in the School Bond Capital Project Fund and funds spent in the nonmajor governmental funds for revaluation contracts.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increase revenues by \$4,614,093.

Management Discussion and Analysis
Edgecombe County, North Carolina

Budgets are educated projections of expected operations in a coming year. At the time the budget is prepared there are many unknowns. Some expenditures are determined by the number of citizens that utilize the service, which could be more or less than expected or an unforeseen need that arises during the year that was not expected during the budget process. Also revenues budgeted in certain programs depends on the expenditures eligible for reimbursement in the various programs. In these cases, the actual revenue received may be less but in turn the expenditures are less also.

Proprietary Funds. Edgecombe County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Solid Waste Fund at the end of the fiscal year amounted to \$1,031,450, and those for the Water and Sewer Districts equaled \$908,026. The total growth (decline) in net assets for both funds was (\$1,691,733) and (\$500,408) respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of Edgecombe County's business-type activities.

Capital Asset and Debt Administration

Capital assets. Edgecombe County's capital assets for its governmental and business – type activities as of June 30, 2008, totals \$62,900,097 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, water distribution equipment and lines, and vehicles.

Capital asset transactions were kept to a minimum over the past year. Major capital asset transactions during the year include:

- School Renovations
- Additions to water and sewer distribution system

**Edgecombe County's Capital Assets
 (net of depreciation)
 Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 1,180,054	\$ 1,180,054	\$ 505,181	\$ 505,181	\$ 1,685,235	\$ 1,685,235
Buildings & system	28,220,118	21,174,325	2,034,273	1,209,208	30,254,391	22,383,533
Machinery & equipment	1,491,281	1,728,437	200,600	97,445	1,691,881	1,825,882
Infrastructure	-	-	25,655,183	24,632,432	25,655,183	24,632,432
Vehicles & motorized equipment	447,521	710,276	340,725	390,989	788,246	1,101,265
Construction in progress	14,099	6,932,165	2,811,062	1,543,268	2,825,161	8,475,433
Total Net Assets	<u>\$ 31,353,073</u>	<u>\$ 31,725,257</u>	<u>\$ 31,547,024</u>	<u>\$ 28,378,523</u>	<u>\$ 62,900,097</u>	<u>\$ 60,103,780</u>

Additional information on the County's capital assets can be found in Note III. A. 5, of the basic financial statements.

Long-term Debt. As of June 30, 2008, Edgecombe County had total bonded debt outstanding of \$15,380,500 all of which is debt backed by the full faith and credit of the County.

**Edgecombe County's Outstanding Debt
 General Obligation Bonds
 Figure 5**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	<u>\$ 8,570,000</u>	<u>\$ 8,820,000</u>	<u>\$ 6,810,500</u>	<u>\$ 6,906,000</u>	<u>\$ 15,380,500</u>	<u>\$ 15,726,000</u>

Edgecombe County's total debt increased by \$1,707,306 (5.67%) during the past fiscal year due to the issuance of Bond Anticipation notes for the Edgecombe Water & Sewer District No. 5.

Management Discussion and Analysis
Edgecombe County, North Carolina

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Edgecombe County is \$179,356,033. The County has \$5,502,000 in bonds authorized but un-issued at June 30, 2008.

Additional information regarding Edgecombe County's long-term debt can be found in Note III. B. 7., beginning on page 62 of this audited financial report.

Budget Highlights for the Fiscal Year Ending June 30, 2008

Governmental Activities: In the 2008-2009 Budget Ordinance Edgecombe County maintained a tax rate of 94 cents. The total budget for the General Fund was cut from the previous year by 5.26%. All County departments were cut by 4% and outside agencies cut by 3% with a fund balance appropriation of \$4,239,769. With the expected changes in sales tax allocation due to Medicaid relief components and a declining economic outlook the Board of Commissioners and management were proactive in reducing County expenditures.

Business – type Activities: The water and sewer rates in the County will increase by 8.24%, primarily to cover increased cost of operations. With continued construction on the fourth district, new operations building and the expectation of one additional district in the next year, this will be a new opportunity for the County to not only serve its citizens but boost economic development with the water infrastructure to support industry. Rates for solid waste services will increase by 8.3% to cover the \$2/ton tax increase by the State and increases in operational costs. As in the Governmental Activities we are looking for different ways to reduce expenditures and operate more efficiently.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Fiscal Services, Edgecombe County, PO Box 10, Tarboro, NC 27886.

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Basic Financial Statements

Edgecombe County, North Carolina
Statement of Net Assets
June 30, 2008

	Primary Government			Exhibit 1
	Governmental Activities	Business-type Activities	Total	Component Unit
				Edgecombe County ABC Board
Assets				
Current Assets:				
Cash and cash equivalents	\$ 16,490,993	\$ 4,455,899	\$ 20,946,892	\$ 555,644
Receivables (net)	6,061,564	729,569	6,791,133	-
Due from other governments	3,586,968	22,715	3,609,683	-
Due from component unit	65,471	-	65,471	-
Internal balances	-	-	-	-
Inventories	-	-	-	369,734
Prepaid items	55,625	-	55,625	11,444
Deferred charges	-	-	-	-
Total Current Assets	\$ 26,260,621	\$ 5,208,183	\$ 31,468,804	\$ 936,822
Restricted Assets:				
Cash and cash equivalents	\$ 1,077,547	\$ 2,347,538	\$ 3,425,085	\$ -
Accounts receivable	-	162,819	162,819	-
Total Restricted Assets	\$ 1,077,547	\$ 2,510,357	\$ 3,587,904	\$ -
Capital Assets:				
Land, improvements, and construction in progress	\$ 1,194,153	\$ 3,316,243	\$ 4,510,396	\$ 62,299
Other capital assets, net of depreciation	30,158,920	28,230,781	58,389,701	652,396
Total Capital Assets	\$ 31,353,073	\$ 31,547,024	\$ 62,900,097	\$ 714,695
Total Assets	\$ 58,691,241	\$ 39,265,564	\$ 97,956,805	\$ 1,651,517

(continued)

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Statement of Net Assets
June 30, 2008

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Edgecombe County ABC Board
(continued)				
Liabilities				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 3,555,793	\$ 206,409	\$ 3,762,202	\$ 173,711
Unearned revenue	155,673	-	155,673	-
Accrued interest payable	183,384	64,463	247,847	-
Customer deposits	-	79,599	79,599	-
Due to primary government	-	-	-	65,471
Due to other governments	-	-	-	21,565
Current portion of long term liabilities	1,976,539	4,217,879	6,194,418	-
Liabilities to be Paid from Restricted Assets:				
Accounts payable	-	602,400	602,400	-
Total Current Liabilities	\$ 5,871,389	\$ 5,170,750	\$ 11,042,139	\$ 260,747
Non Current Liabilities:				
Compensated absences	\$ 906,126	\$ 41,146	\$ 947,272	\$ 24,099
Bonds, notes, & installment debt	15,865,365	13,335,508	29,200,873	-
Total Non Current Liabilities	\$ 16,771,491	\$ 13,376,654	\$ 30,148,145	\$ 24,099
Total Liabilities	\$ 22,642,880	\$ 18,547,404	\$ 41,190,284	\$ 284,846
Net Assets				
Invested in capital assets, net of related debt	\$ 14,173,172	\$ 18,778,684	\$ 32,951,856	\$ 714,695
Restricted for:				
Education	2,257,114	-	2,257,114	-
Public Safety	423,569	-	423,569	-
Other purposes	22,162	-	22,162	557,604
Unrestricted (deficit)	19,172,344	1,939,476	21,111,820	94,372
Total Net Assets	\$ 36,048,361	\$ 20,718,160	\$ 56,766,521	\$ 1,366,671

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Statement of Activities
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental Activities:				
General Government	\$ 5,008,019	\$ 397,591	\$ -	\$ -
Public Safety	10,905,575	2,459,512	319,433	141,987
Transportation	56,308	-	-	-
Economic and Physical Development	1,339,101	-	-	261,482
Human Services	26,223,748	4,660,471	12,609,595	205,319
Cultural and Recreation	712,402	-	-	-
Education	12,814,315	-	-	339,992
Interest on long-term debt	714,309	-	-	-
Total Governmental Activities	<u>\$ 57,773,777</u>	<u>\$ 7,517,574</u>	<u>\$ 12,929,028</u>	<u>\$ 948,780</u>
Business-type Activities:				
Landfill	\$ 2,404,801	\$ 2,163,628	\$ -	\$ -
Water and Sewer	2,329,249	1,995,233	-	1,186,271
Total Business-type Activities	<u>\$ 4,734,050</u>	<u>\$ 4,158,861</u>	<u>\$ -</u>	<u>\$ 1,186,271</u>
Total Primary Government	<u>\$ 62,507,827</u>	<u>\$ 11,676,435</u>	<u>\$ 12,929,028</u>	<u>\$ 2,135,051</u>
Component Units: ABC Board	<u>\$ 2,890,818</u>	<u>\$ 2,875,775</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Grants and contributions not restricted to specific programs

Investment earnings, unrestricted

Miscellaneous, unrestricted

Sale of capital assets

Transfer from business-type activities

Total General Revenues, Special Items, and Transfers

Change in net assets

Net Assets-beginning

Net Assets-ending

The notes to the financial statements are an integral part of this statement.

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Unit
Governmental	Business-type	Total	Edgewcombe
Activities	Activities		County
			ABC Board
\$ (4,610,428)	\$ -	\$ (4,610,428)	
(7,984,643)	-	(7,984,643)	
(56,308)	-	(56,308)	
(1,077,619)	-	(1,077,619)	
(8,748,363)	-	(8,748,363)	
(712,402)	-	(712,402)	
(12,474,323)	-	(12,474,323)	
(714,309)	-	(714,309)	
<u>\$ (36,378,395)</u>	<u>\$ -</u>	<u>\$ (36,378,395)</u>	
\$ -	\$ (241,173)	\$ (241,173)	
-	852,255	852,255	
<u>\$ -</u>	<u>\$ 611,082</u>	<u>\$ 611,082</u>	
<u>\$ (36,378,395)</u>	<u>\$ 611,082</u>	<u>\$ (35,767,313)</u>	
			<u>\$ (15,043)</u>
\$ 24,818,821	\$ -	\$ 24,818,821	\$ -
8,044,419	-	8,044,419	-
366,845	-	366,845	-
507,661	-	507,661	-
935,330	126,979	1,062,309	15,043
532,800	-	532,800	-
20,667	-	20,667	-
1,663,682	(1,663,682)	-	-
<u>\$ 36,890,225</u>	<u>\$ (1,536,703)</u>	<u>\$ 35,353,522</u>	<u>\$ 15,043</u>
\$ 511,830	\$ (925,621)	\$ (413,791)	\$ -
35,536,531	21,643,781	57,180,312	1,366,671
<u>\$ 36,048,361</u>	<u>\$ 20,718,160</u>	<u>\$ 56,766,521</u>	<u>\$ 1,366,671</u>

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2008

Exhibit 3

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>School Bond Fund</u>	<u>Nonmajor Governmental Funds</u>	
Assets				
Cash and cash equivalents	\$ 15,632,691	\$ -	\$ 858,302	\$ 16,490,993
Receivables, net	3,770,093	-	333,342	4,103,435
Taxes receivable	4,319,075	-	158,715	4,477,790
Due from other funds	112,487	-	-	112,487
Prepaid items	55,625	-	-	55,625
Restricted assets	-	1,077,547	-	1,077,547
Total Assets	<u>\$ 23,889,971</u>	<u>\$ 1,077,547</u>	<u>\$ 1,350,359</u>	<u>\$ 26,317,877</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable & accrued liabilities	\$ 3,262,182	\$ -	\$ 293,611	\$ 3,555,793
Unearned revenue	155,673	-	-	155,673
Deferred revenue	4,735,484	-	158,715	4,894,199
Due to other funds	-	-	112,487	112,487
Total Liabilities	<u>\$ 8,153,339</u>	<u>\$ -</u>	<u>\$ 564,813</u>	<u>\$ 8,718,152</u>
Fund Balances:				
Reserved for:				
Education	\$ 2,257,114	\$ -	\$ -	\$ 2,257,114
Public Safety	-	-	423,569	423,569
Public Health	1,121,956	-	-	1,121,956
Register of Deeds				
Automation Enhancement	22,162	-	-	22,162
State Statute	3,521,796	-	21,403	3,543,199
Capital projects funds	-	1,077,547	-	1,077,547
Unreserved:				
Undesignated	4,573,835	-	-	4,573,835
Designated for subsequent year's expenditures	4,239,769	-	-	4,239,769
Unreserved, Reported in Nonmajor:				
Special revenue funds	-	-	340,574	340,574
Total Fund Balances	<u>\$ 15,736,632</u>	<u>\$ 1,077,547</u>	<u>\$ 785,546</u>	<u>\$ 17,599,725</u>
Total Liabilities and Fund Balances	<u>\$ 23,889,971</u>	<u>\$ 1,077,547</u>	<u>\$ 1,350,359</u>	<u>\$ 26,317,877</u>

(continued)

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2008

Exhibit 3

(continued)

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets:

Total fund balance	\$ 17,599,725
Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	31,353,073
Other long-term assets are not available to pay current-period expenditures and therefore are deferred in the funds.	1,132,778
Liabilities for earned but deferred revenues in fund statements.	4,894,199
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(18,931,414)
Net Assets of Governmental Activities	<u>\$ 36,048,361</u>

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

Exhibit 4

	Major Funds			Total Governmental Funds
	General Fund	School Bond Fund	Nonmajor Governmental Funds	
Revenues				
Ad valorem taxes	\$ 23,393,430	\$ -	\$ 653,136	\$ 24,046,566
Local option sales tax	6,779,920	-	1,264,499	8,044,419
Other taxes and licenses	119,860	-	246,985	366,845
Unrestricted intergovernmental	211,335	-	-	211,335
Restricted intergovernmental	13,788,591	-	261,482	14,050,073
Permits and fees	872,808	-	-	872,808
Sales and services	6,874,690	-	-	6,874,690
Investment earnings	863,025	70,525	1,780	935,330
Miscellaneous	532,801	-	-	532,801
Total Revenues	\$ 53,436,460	\$ 70,525	\$ 2,427,882	\$ 55,934,867
Expenditures				
Current:				
General Government	\$ 4,407,307	\$ -	\$ 336,023	\$ 4,743,330
Public Safety	9,366,966	-	828,949	10,195,915
Transportation	56,308	-	-	56,308
Economic and Physical Development	991,570	-	347,562	1,339,132
Human services	26,553,778	-	-	26,553,778
Cultural and Recreational	712,402	-	-	712,402
Intergovernmental:				
Education	10,947,074	-	1,264,499	12,211,573
Capital outlay	-	1,215,099	-	1,215,099
Debt service:				
Principal	1,512,134	-	-	1,512,134
Interest and other charges	728,717	-	-	728,717
Total Expenditures	\$ 55,276,256	\$ 1,215,099	\$ 2,777,033	\$ 59,268,388

The notes to the financial statements are an integral part of this statement.

(continued)

Edgecombe County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

Exhibit 4

	<u>Major Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>School Bond Fund</u>		
(continued)				
Excess of Revenues Over (Under) Expenditures	\$ (1,839,796)	\$ (1,144,574)	\$ (349,151)	\$ (3,333,521)
Other Financing Sources (Uses)				
Transfers from (to) other funds	\$ 1,479,847	\$ -	\$ 183,835	\$ 1,663,682
Sale of capital assets	20,667	-	-	20,667
Total Other Financing Sources and Uses	\$ 1,500,514	\$ -	\$ 183,835	\$ 1,684,349
Net Change in Fund Balance	\$ (339,282)	\$ (1,144,574)	\$ (165,316)	\$ (1,649,172)
Fund Balance:				
Beginning	16,075,914	2,222,121	950,862	19,248,897
Ending	<u>\$ 15,736,632</u>	<u>\$ 1,077,547</u>	<u>\$ 785,546</u>	<u>\$ 17,599,725</u>

(continued)

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

Exhibit 4

(continued)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - total governmental funds	\$ (1,649,172)
---	----------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(372,184)
---	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	666,391
--	---------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,947,398
---	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(95,004)
Net pension obligations	(1,205)
Accrued interest	15,606

Total Changes in Net Assets of Governmental Activities	\$ 511,830
--	------------

The notes to the financial statements are an integral part of this statement.

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Edgecombe County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2008

	General Fund			Exhibit 5
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 23,469,700	\$ 23,374,853	\$ 23,393,430	\$ 18,577
Local option sales tax	6,637,641	6,580,000	6,779,920	199,920
Other taxes and licenses	84,753	78,000	119,860	41,860
Unrestricted intergovernmental	167,359	95,000	211,335	116,335
Restricted intergovernmental	12,906,629	17,364,859	13,788,591	(3,576,268)
Permits and fees	785,500	851,500	872,808	21,308
Sales and services	6,748,797	6,952,154	6,874,690	(77,464)
Investment earnings	400,000	510,000	863,025	353,025
Miscellaneous	110,000	118,106	532,801	414,695
Total Revenues	\$ 51,310,379	\$ 55,924,472	\$ 53,436,460	\$ (2,488,012)
Expenditures				
Current:				
General Government	\$ 4,963,462	\$ 5,153,667	\$ 4,407,307	\$ 746,360
Public Safety	8,754,684	9,665,119	9,366,966	298,153
Transportation	47,974	56,308	56,308	-
Economic and Physical Development	943,276	1,401,600	991,570	410,030
Human Services	28,192,587	29,523,974	26,553,778	2,970,196
Cultural and Recreational	697,369	739,024	712,402	26,622
Intergovernmental:				
Education	10,617,529	13,667,633	10,947,074	2,720,559
Debt Service:				
Principal retirement	1,525,634	1,512,145	1,512,134	11
Interest and other charges	736,462	728,888	728,717	171
Contingency	50,000	-	-	-
Total Expenditures	\$ 56,528,977	\$ 62,448,358	\$ 55,276,256	\$ 7,172,102

(continued)

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2008

	General Fund			Exhibit 5
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
(continued)				
Revenues Over (Under) Expenditures	<u>\$ (5,218,598)</u>	<u>\$ (6,523,886)</u>	<u>\$ (1,839,796)</u>	<u>\$ 4,684,090</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds	\$ 475,733	\$ 1,479,847	\$ 1,479,847	\$ -
Installment loan proceeds	-	-	-	-
Sale of capital assets	-	20,000	20,667	667
Appropriated fund balance	<u>4,742,865</u>	<u>5,024,039</u>	<u>-</u>	<u>(5,024,039)</u>
Total Other Financing Sources (Uses)	<u>\$ 5,218,598</u>	<u>\$ 6,523,886</u>	<u>\$ 1,500,514</u>	<u>\$ (5,023,372)</u>
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (339,282)</u>	<u>\$ (339,282)</u>
Fund Balance:				
Beginning of year, July 1			16,075,914	
End of year, June 30			<u>\$ 15,736,632</u>	

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Statement of Fund Net Assets
Proprietary Funds
June 30, 2008

	<u>Water & Sewer Operations</u>	<u>Water & Sewer District #1</u>	<u>Water & Sewer District #2</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 984,910	\$ -	\$ -
Receivables, net	105,025	-	-
Investment in direct financing leases	(12,768,340)	3,973,667	3,832,213
Total Current Assets	<u>\$ (11,678,405)</u>	<u>\$ 3,973,667</u>	<u>\$ 3,832,213</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
Total Restricted Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Assets:			
Land, improvements, & construction in progress	\$ 2,839,354	\$ -	\$ -
Capital assets (net)	26,791,817	-	-
Total Capital Assets	<u>\$ 29,631,171</u>	<u>\$ -</u>	<u>\$ -</u>
Total Noncurrent Assets	<u>\$ 29,631,171</u>	<u>\$ -</u>	<u>\$ -</u>
Total Assets	<u>\$ 17,952,766</u>	<u>\$ 3,973,667</u>	<u>\$ 3,832,213</u>
Liabilities			
Current Liabilities:			
Liabilities to be Paid from Restricted Assets:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Accounts payable	71,350	-	-
Customer deposits	79,599	-	-
Accrued vacation	30,960	-	-
Accrued interest	-	15,667	14,713
Bond anticipation notes	-	-	-
General obligation bonds payable	-	67,000	50,500
Due to other funds	-	-	-
Total Current Liabilities	<u>\$ 181,909</u>	<u>\$ 82,667</u>	<u>\$ 65,213</u>
Noncurrent Liabilities:			
Accrued landfill closure & postclosure care costs	\$ -	\$ -	\$ -
General obligation bonds payable	-	3,891,000	3,767,000
Total Noncurrent Liabilities	<u>\$ -</u>	<u>\$ 3,891,000</u>	<u>\$ 3,767,000</u>
Total Liabilities	<u>\$ 181,909</u>	<u>\$ 3,973,667</u>	<u>\$ 3,832,213</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 16,862,831	\$ -	\$ -
Restricted	-	-	-
Unrestricted	908,026	-	-
Total Net Assets	<u>\$ 17,770,857</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Exhibit 6

Water & Sewer District #3	Water & Sewer District #5	Total Water & Sewer	Solid Waste Fund	Total
\$ -	\$ -	\$ 984,910	\$ 3,470,989	\$ 4,455,899
-	-	105,025	647,259	752,284
<u>2,715,232</u>	<u>2,247,228</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,715,232</u>	<u>\$ 2,247,228</u>	<u>\$ 1,089,935</u>	<u>\$ 4,118,248</u>	<u>\$ 5,208,183</u>
\$ -	\$ 2,347,538	\$ 2,347,538	\$ -	\$ 2,347,538
-	162,819	162,819	-	162,819
<u>\$ -</u>	<u>\$ 2,510,357</u>	<u>\$ 2,510,357</u>	<u>\$ -</u>	<u>\$ 2,510,357</u>
\$ -	\$ -	\$ 2,839,354	\$ 476,889	\$ 3,316,243
-	-	26,791,817	1,438,964	28,230,781
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,631,171</u>	<u>\$ 1,915,853</u>	<u>\$ 31,547,024</u>
<u>\$ -</u>	<u>\$ 2,510,357</u>	<u>\$ 32,141,528</u>	<u>\$ 1,915,853</u>	<u>\$ 34,057,381</u>
<u>\$ 2,715,232</u>	<u>\$ 4,757,585</u>	<u>\$ 33,231,463</u>	<u>\$ 6,034,101</u>	<u>\$ 39,265,564</u>
\$ -	\$ 602,400	\$ 602,400	\$ -	\$ 602,400
-	-	-	-	-
-	-	71,350	135,059	206,409
-	-	79,599	-	79,599
-	-	30,960	22,723	53,683
17,158	16,925	64,463	-	64,463
-	3,928,000	3,928,000	-	3,928,000
144,593	15,249	277,342	-	277,342
-	-	-	-	-
<u>\$ 161,751</u>	<u>\$ 4,562,574</u>	<u>\$ 5,054,114</u>	<u>\$ 157,782</u>	<u>\$ 5,211,896</u>
\$ -	\$ -	\$ -	\$ 2,929,016	\$ 2,929,016
2,553,481	195,011	10,406,492	-	10,406,492
<u>\$ 2,553,481</u>	<u>\$ 195,011</u>	<u>\$ 10,406,492</u>	<u>\$ 2,929,016</u>	<u>\$ 13,335,508</u>
<u>\$ 2,715,232</u>	<u>\$ 4,757,585</u>	<u>\$ 15,460,606</u>	<u>\$ 3,086,798</u>	<u>\$ 18,547,404</u>
\$ -	\$ -	\$ 16,862,831	\$ 1,915,853	\$ 18,778,684
-	-	-	-	-
-	-	908,026	1,031,450	1,939,476
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,770,857</u>	<u>\$ 2,947,303</u>	<u>\$ 20,718,160</u>

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2008

	<u>Water & Sewer Operations</u>	<u>Water & Sewer District #1</u>	<u>Water & Sewer District #2</u>
Operating Revenues			
Charges for services and other	\$ 1,995,233	\$ -	\$ -
Operating Expenses			
Salaries and Employee Benefits	\$ 379,000	\$ -	\$ -
Water purchases	559,869	-	-
Landfill operations	-	-	-
Water operations	272,238	-	-
Depreciation	592,417	-	-
Total Operating Expenses	<u>\$ 1,803,524</u>	<u>\$ -</u>	<u>\$ -</u>
Operating Income (Loss)	<u>\$ 191,709</u>	<u>\$ -</u>	<u>\$ -</u>
Nonoperating Revenues (Expenses)			
Interest and investment revenue	\$ 2,763	\$ -	\$ -
Bad debt expense	(31,041)	-	-
Interest expense	-	(190,792)	(178,637)
Total Nonoperating Revenue (Expenses)	<u>\$ (28,278)</u>	<u>\$ (190,792)</u>	<u>\$ (178,637)</u>
Income (Loss) before Contributions and Transfers	<u>\$ 163,431</u>	<u>\$ (190,792)</u>	<u>\$ (178,637)</u>
Capital contributions	\$ 1,186,271	\$ -	\$ -
Transfers in (out)	(494,684)	190,792	178,637
Total Contributions and Transfers	<u>\$ 691,587</u>	<u>\$ 190,792</u>	<u>\$ 178,637</u>
Change in Net Assets	\$ 855,018	\$ -	\$ -
Total Net Assets - beginning	16,915,839	-	-
Total Net Assets - ending	<u><u>\$ 17,770,857</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit 7

<u>Water & Sewer District #3</u>	<u>Water & Sewer District #5</u>	<u>Total Water & Sewer</u>	<u>Solid Waste Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 1,995,233	\$ 2,163,628	\$ 4,158,861
\$ -	\$ -	\$ 379,000	\$ 670,363	\$ 1,049,363
-	-	559,869	-	559,869
-	-	-	1,638,830	1,638,830
-	-	272,238	-	272,238
-	-	592,417	95,608	688,025
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,803,524</u>	<u>\$ 2,404,801</u>	<u>\$ 4,208,325</u>
\$ -	\$ -	\$ 191,709	\$ (241,173)	\$ (49,464)
\$ -	\$ -	\$ 2,763	\$ 124,216	\$ 126,979
-	-	(31,041)	-	(31,041)
<u>(113,992)</u>	<u>(11,263)</u>	<u>(494,684)</u>	<u>-</u>	<u>(494,684)</u>
<u>\$ (113,992)</u>	<u>\$ (11,263)</u>	<u>\$ (522,962)</u>	<u>\$ 124,216</u>	<u>\$ (398,746)</u>
<u>\$ (113,992)</u>	<u>\$ (11,263)</u>	<u>\$ (331,253)</u>	<u>\$ (116,957)</u>	<u>\$ (448,210)</u>
\$ -	\$ -	\$ 1,186,271	\$ -	\$ 1,186,271
113,992	11,263	-	(1,663,682)	(1,663,682)
<u>\$ 113,992</u>	<u>\$ 11,263</u>	<u>\$ 1,186,271</u>	<u>\$ (1,663,682)</u>	<u>\$ (477,411)</u>
\$ -	\$ -	\$ 855,018	\$ (1,780,639)	\$ (925,621)
-	-	16,915,839	4,727,942	21,643,781
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,770,857</u>	<u>\$ 2,947,303</u>	<u>\$ 20,718,160</u>

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008

	<u>Water & Sewer Operations</u>	<u>Water & Sewer District #1</u>	<u>Water & Sewer District #2</u>
Cash Flows from Operating Activities:			
Cash received from customers	\$ 2,073,793	\$ -	\$ -
Cash paid for goods and services	(833,520)	-	-
Cash paid to employees for services	(373,674)	-	-
Customer deposits (returned)	5,417	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 872,016</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Flows from Non-capital Activities:			
Transfers in (out)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from investment in direct financing leases	\$ 812,020	\$ 255,045	\$ 227,826
Acquisition and construction of capital assets	(4,006,542)	-	-
Bond/Debt proceeds	-	-	-
Principal paid on bond maturities and equipment contracts	-	(64,000)	(49,000)
Interest paid on bond maturities and equipment contracts	-	(191,045)	(178,826)
Capital contributions - grants	2,320,011	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (874,511)</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Flows from Investing Activities:			
Interest on investments	<u>\$ 2,762</u>	<u>\$ -</u>	<u>\$ -</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 267	\$ -	\$ -
Cash and Cash Equivalents:			
Beginning of year, July 1	984,643	-	-
End of year, June 30	<u><u>\$ 984,910</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit 8

<u>Water & Sewer District #3</u>	<u>Water & Sewer District #5</u>	<u>Total Water & Sewer</u>	<u>Solid Waste Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 2,073,793	\$ 2,151,119	\$ 4,224,912
-	-	(833,520)	(1,515,037)	(2,348,557)
-	-	(373,674)	(666,580)	(1,040,254)
-	-	5,417	-	5,417
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 872,016</u>	<u>\$ (30,498)</u>	<u>\$ 841,518</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,663,682)</u>	<u>\$ (1,663,682)</u>
\$ 259,544	\$ (1,554,435)	\$ -	\$ -	\$ -
-	-	(4,006,542)	(6,701)	(4,013,243)
-	3,928,000	3,928,000	-	3,928,000
(144,593)	(14,505)	(272,098)	-	(272,098)
(114,951)	(11,522)	(496,344)	-	(496,344)
-	-	2,320,011	-	2,320,011
<u>\$ -</u>	<u>\$ 2,347,538</u>	<u>\$ 1,473,027</u>	<u>\$ (6,701)</u>	<u>\$ 1,466,326</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,762</u>	<u>\$ 124,216</u>	<u>\$ 126,978</u>
\$ -	\$ 2,347,538	\$ 2,347,805	\$ (1,576,665)	\$ 771,140
-	-	984,643	5,047,654	6,032,297
<u>\$ -</u>	<u>\$ 2,347,538</u>	<u>\$ 3,332,448</u>	<u>\$ 3,470,989</u>	<u>\$ 6,803,437</u>

(continued)

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008

	Water & Sewer Operations	Water & Sewer District #1	Water & Sewer District #2
(continued)			
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ 191,709	\$ -	\$ -
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	\$ 592,417	\$ -	\$ -
Changes in Assets and Liabilities:			
Decrease (increase) in accounts receivable	109,603	-	-
Increase (decrease) in accounts payable and accrued liabilities	3,912	-	-
Increase (decrease) in allowance for bad debts	(31,042)	-	-
Increase (decrease) in customer deposits	5,417	-	-
Total Adjustments	\$ 680,307	\$ -	\$ -
Net Cash Provided (Used) by Operating Activities	\$ 872,016	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

Exhibit 8

<u>Water & Sewer District #3</u>	<u>Water & Sewer District #5</u>	<u>Total Water & Sewer</u>	<u>Solid Waste Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 191,709	\$ (241,173)	\$ (49,464)
\$ -	\$ -	\$ 592,417	\$ 95,607	\$ 688,024
-	-	109,603	(12,509)	97,094
-	-	3,912	127,577	131,489
-	-	(31,042)	-	(31,042)
-	-	5,417	-	5,417
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 680,307</u>	<u>\$ 210,675</u>	<u>\$ 890,982</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 872,016</u>	<u>\$ (30,498)</u>	<u>\$ 841,518</u>

The notes to the financial statements are an integral part of this statement.

Edgecombe County, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2008

Exhibit 9

Assets	Agency Fund
Cash and cash equivalents	\$ 6,796
Liabilities and Net Assets	
Liabilities:	
Accounts payable and accrued liabilities	\$ 6,796
Net Assets:	
Assets held in trust	\$ -

The notes to the financial statements are an integral part of this statement.

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Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

I. Summary of Significant Accounting Policies

The accounting policies of Edgecombe County and its component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its discretely presented component unit, a legally separate entity for which the County is financially accountable.

Edgecombe County Water Districts (the "Districts") exist to provide and maintain a water system for the County residents within the districts. The Districts are reported as enterprise funds in the County's financial statements. The County entered into an agreement during fiscal year 2006, with each existing District and which will encompass additional Districts as they are created, that transferred all assets, liabilities (excluding bond indebtedness, loans, and installment notes, along with accrued interest payable), operational rights, and responsibilities to the County. In consideration for this agreement, along with related accrued interest payable, the County agreed to pay the Districts an amount equal to debt service costs for the respective Districts for the duration of the respective bonds, loans, and notes. The County maintains the Districts' assets, provides water and sewer operations and makes payments on outstanding debts on behalf of the respective Districts. Therefore, the County's financial statements reflect the assets and debts in the Edgecombe County Water Operations Fund. The board of county commissioners sits as the board of each District. No separate financial statements are issued by these Districts, as they have no operations, only certain outstanding debt that is paid on their behalf by the County.

Edgecombe County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

The Edgecombe County ABC Board, which has a June 30 year-end, is presented as if it is a separate proprietary fund of the County (discrete presentation). The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Edgecombe County Water District No. 1	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District.	None issued.
Edgecombe County Water District No. 2	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District.	None issued
Edgecombe County Water District No. 3	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District.	None issued.
Edgecombe County Water District No. 5	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District.	None issued.
County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member Board of Commissioners that is appointed by the County Commissioners. The County can remove any Commissioner of the Authority with or without cause.	None issued
Edgecombe County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of The County.	Edgecombe County ABC Board 404 West Wilson St. Tarboro, N.C.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-Wide Statements

The statement of net assets and the statement of activities display information about the primary government (the County) and its component unit, a legally separate entity for which the County is financially accountable. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds and blended component units. Separate statements for each fund category - *governmental and proprietary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

The County reports the following major governmental funds:

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

2006 School Bond Capital Project Fund - This fund accounts for the various school renovation projects being funded by the 2006 School Bonds sold in February 2006.

The County reports the following major enterprise funds:

Water and Sewer Operations and Districts 1, 2, 3, & 5 - These funds are used to account for the operations of Edgecombe Water and Sewer and the four Water and Sewer districts within the County. Water Capital Projects funds are consolidated with the operations fund for financial reporting purposes.

Solid Waste Fund - This fund accounts for the operations of the County's Solid Waste and Landfill activities. The Landfill Closure and Postclosure Reserve Fund is a reserve established by the County to accumulate the funds necessary to cover the closure and postclosure care costs that will be incurred by the landfill in the future. The Landfill Closure and Postclosure Reserve Fund is consolidated with the solid waste operating fund for financial reporting purposes.

The County reports the following fund type:

Agency Fund - Agency Funds are custodial in nature and do not involve the measurement of operating results. The Agency Fund is used to account for assets the County holds on behalf of others. The County maintains as an agency fund the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the N.C. Department of Motor Vehicles.

Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Government-wide and Proprietary Fund Financial Statements

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fiduciary funds and fiduciary like component units are excluded from government-wide financial statements.

The County does not have internal service activities therefore, they are not an issue in the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Edgecombe County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes, which were billed during this period, are shown as a receivable on these financial statements.

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

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

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Schools Capital Outlay Fund, Revaluation Fund, Fire Districts Fund, Industrial Sites Development Fund, Emergency Telephone System Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for 2006 School Bond Capital Project Fund, Community Development Block Grant - Scattered Site Fund, the Golden Leaf Grant, Community Development Block Grant - Economic Development, Economic Development and Housing Recovery Fund, and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all the annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the County and Edgecombe County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

The County and the ABC Board's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

The unexpended bond proceeds of the School Bonds and unexpended debt proceeds of the water capital project funds are classified as restricted assets within the respective funds because their use is completely restricted to the purpose for which the debt was originally issued.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2007.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectable accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventories and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The cost of the inventory carried in the ABC Board is recorded as an expense as it is consumed or sold.

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	Years
Buildings	31-50
Improvements	25
Furniture and equipment	10
Vehicles	3-5
Computer Equipment	3

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	Years
Buildings	20
Furniture and equipment	10
Vehicles	3-5
Leasehold improvements	10-20

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

8. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

9. Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave for regular employees and forty-five days for law enforcement officers, with such leave being fully vested when earned. For the County's government-wide and proprietary funds and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the ABC Board have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Assets/Fund Balances

Net Assets

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

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Fund Balances

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

RESERVED

Reserved by State Statute - portion of fund balance not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenues.

Reserved for Education - portion of total fund balance available for appropriation, which has been designated for school debt retirement.

Reserved for Public Safety - Portion of fund balance restricted by General Statute and/or funding agencies for public safety expenditures.

Reserved for Public Health Programs - portion of fund balance available for appropriation, which has been designated for specific health programs.

Reserved for Register of Deeds - portion of fund balance available for appropriation, restricted by state statute for automation enhancement.

UNRESERVED

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation, which has been designated for the adopted 2008 - 2009 budget ordinance.

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

E. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$18,448,636 consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 57,920,108
Less Accumulated Depreciation	(26,567,035)
Net Capital Assets	\$ 31,353,073
Accrued interest receivable less the amount Claimed as unearned revenue in the government-Wide statements as these funds are not available and therefore deferred in the fund statements	1,132,778
Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not in the government-wide.	4,894,199
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds, leases, and installment financing	(17,204,635)
Compensated absences/Pension	(1,543,395)
Accrued interest payable	(183,384)
Total Adjustment	\$ 18,448,636

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$2,161,003 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,488,149
Depreciation expense, the allocation of those assets over their useful lives that is recorded on the statement of activities but not in the fund statements	(1,860,333)
Principal payments on debt owed and other decreases in debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	1,947,398
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements. Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	15,606
Compensated absences and pension obligations are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(96,209)
Property tax and other revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	666,391
Total Adjustment	\$ 2,161,002

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

II. Stewardship, Compliance, and Accountability

A. Material Violations of Finance-Related Legal and Contractual Provisions

The County reported no instances of non-compliance.

III Detail Notes on All Funds

A. Assets

1. Deposits

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

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. Neither the County nor the ABC Board has any formal policy regarding custodial credit risk for deposits.

At June 30, 2008, the County's deposits had a carrying amount of \$1,549,150 and a bank balance of \$2,510,511. Of the bank balance, \$100,000 was covered by federal depository insurance, \$31,521 in non-interest bearing deposits and \$2,378,990 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2008, Edgecombe County had \$2,395 cash on hand.

At June 30, 2008, the carrying amount of deposits for Edgecombe County ABC Board was \$552,919 and the bank balance was \$399,273. Of the bank balance \$158,720 was covered by federal depository insurance and \$240,553 in interest-bearing deposits was insured under the Pooling Method. At June 30, 2008 the ABC Board has \$2,725 cash on hand.

2. Investments

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>Over 1 Year</u>
U.S. Government Agencies	\$ 1,941,269	\$ 1,160,446	\$ -	\$ 780,823
Commercial Paper	2,741,208	2,741,208	-	-
N.C. Capital Management Trust				
- Cash Portfolio	18,151,307	N/A	N/A	N/A
Total	<u>\$22,833,784</u>	<u>\$ 3,901,654</u>	<u>\$ -</u>	<u>\$ 780,823</u>
	=====	=====	=====	=====

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment practice limits at least half of the County's investment portfolio to maturities of less than 12 months.

**Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008**

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2008, the County's investments in commercial paper were rated P1 or AAA by Standard & Poor's and A-1, A-1+, or Aaa by Moody's Investors Service. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2008. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high-grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

At June 30, 2008, the ABC Board had no investments.

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

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest*</u>	<u>Total</u>
2007	\$ 782,984	\$ -	\$ 782,984
2006	782,984	45,022	828,006
2005	774,655	114,262	888,917
2004	774,655	183,980	958,635
 Total	 \$ 3,115,278	 \$ 343,264	 \$ 3,458,542
	=====	=====	=====

* (Interest figured through fiscal year-end 6/30/08)

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

4. Receivables

Receivables at the government-wide level at June 30, 2008, were as follows:

	<u>Accounts</u>	<u>Taxes & Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 499,973	\$6,051,533	\$ 3,253,626	\$ 65,471	\$ 9,870,603
Other governmental	-	158,715	333,342	-	492,057
Total Receivables	<u>\$ 499,973</u>	<u>\$6,210,248</u>	<u>\$ 3,586,968</u>	<u>\$ 65,471</u>	<u>\$10,362,660</u>
Allowance for doubtful accounts	<u>121,255</u>	<u>527,402</u>	<u>-</u>	<u>-</u>	<u>648,657</u>
Total Governmental Activities	<u>\$ 378,718</u>	<u>\$5,682,846</u>	<u>\$ 3,586,968</u>	<u>\$ 65,471</u>	<u>\$ 9,714,003</u>
Business-type Activities:					
Landfill	\$ 272,409	\$ 525,360	\$ 20,215	\$ -	\$ 817,984
Water & Sewer	<u>334,155</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>336,655</u>
Total Receivables	<u>\$ 606,564</u>	<u>\$ 525,360</u>	<u>\$ 22,715</u>	<u>\$ -</u>	<u>\$ 1,154,639</u>
Allowance for doubtful accounts	<u>402,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,355</u>
Total Business-type Activities	<u>\$ 204,209</u>	<u>\$ 525,360</u>	<u>\$ 22,715</u>	<u>\$ -</u>	<u>\$ 752,284</u>

The due from other governments that is owed to the County governmental activities consist of the following:

	<u>Governmental Activities</u>
Sales & Use Tax	\$ 1,602,534
Jail reimbursement	11,790
Other misc.	217,099
Medicaid/Medicare	613,720
Admin. Reimbursement	885,454
Child Day Care	135,776
911 fees	44,639
Other grants - Homeland Security	49,553
Other grants - Economic Development	26,403
Total	<u>\$ 3,586,968</u>

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

5. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,180,054	\$ -	\$ -	\$ 1,180,054
Construction in progress	6,932,165	1,362,854	8,280,920	14,099
Total	<u>\$ 8,112,219</u>	<u>\$1,362,854</u>	<u>\$8,280,920</u>	<u>\$ 1,194,153</u>
Capital Assets Being Depreciated:				
Building & improvements	\$ 21,286,559	\$ 47,451	\$ -	\$ 21,334,010
Special Item - Schools	20,412,657	8,280,920	-	28,693,577
Equipment	3,970,251	54,890	-	4,025,141
Vehicles & motor equipment	2,824,032	22,954	173,759	2,673,227
Total	<u>\$ 48,493,499</u>	<u>\$8,406,215</u>	<u>\$ 173,759</u>	<u>\$ 56,725,955</u>
Less Accumulated Depreciation For:				
Buildings	\$ 7,290,412	\$ 519,872	\$ -	\$ 7,810,284
Building & improvements	232,701	12,209	-	244,910
Special Item - Schools	13,001,778	750,497	-	13,752,275
Equipment	2,241,814	292,046	-	2,533,860
Vehicles & motor equipment	2,113,756	285,709	173,759	2,225,706
Total	<u>\$ 24,880,461</u>	<u>\$1,860,333</u>	<u>\$ 173,759</u>	<u>\$ 26,567,035</u>
		=====	=====	
Total Capital Assets Being Depreciated, Net	<u>\$ 23,613,038</u>			<u>\$ 30,158,920</u>
Governmental Activity Capital Assets, Net	<u>\$ 31,725,257</u>			<u>\$ 31,353,073</u>
	=====			=====

Primary Government

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

General Government	\$ 270,033
Public Safety	697,774
Economic and Physical Development	5,776
Human Services	136,253
Education	-
	<u>750,497</u>
Total Depreciation Expense	<u>\$1,860,333</u>
	=====

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Special Item - Schools - During 2006, General Obligation Bonds of \$9.37 million were issued for renovation projects on four schools. The titles of these four schools were transferred to the County through an agreement with the Edgecombe County School Board. This will facilitate accounting for the renovation projects and enable the County to request a refund of sales tax related to the construction. The cost of the schools and the accumulated depreciation were adjustments to the capital assets for the County. Once the bond debt is repaid, the title for the schools will revert back to the Edgecombe County School Board.

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Adjustments Decreases</u>	<u>Ending Balances</u>
Business-type Activities:				
Landfill:				
Capital Assets Not Being Depreciated:				
Land	\$ 476,889	\$ -	\$ -	\$ 476,889
Capital Assets Being Depreciated:				
Buildings & improvements	\$ 1,701,303	\$ -	\$ -	\$ 1,701,303
Furniture & maintenance equipment	263,468	-	6,300	257,168
Vehicles	1,094,566	6,700		1,101,266
Total	<u>\$ 3,059,337</u>	<u>\$ 6,700</u>	<u>\$ 6,300</u>	<u>\$ 3,059,737</u>
Less Accumulated Depreciation For:				
Buildings & improvements	\$ 492,095	\$ 38,722	\$ -	\$ 530,817
Furniture & maintenance equipment	178,972	7,846	6,300	180,518
Vehicles	860,401	49,037		909,438
Total	<u>\$ 1,531,468</u>	<u>\$ 95,605</u>	<u>\$ 6,300</u>	<u>\$ 1,620,773</u>
		=====	=====	
Total Capital Assets Being Depreciated, Net	<u>\$ 1,527,869</u>			<u>\$ 1,438,964</u>
Landfill Capital Assets, Net	<u>\$ 2,004,758</u>			<u>\$ 1,915,853</u>
	=====			=====

(continued)

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Adjustments Decreases</u>	<u>Ending Balances</u>
Business-type Activities: (continued)				
Edgecombe County Water Districts:				
Capital Assets Not Being Depreciated:				
Land	\$ 28,292	\$ -	\$ -	\$ 28,292
Construction in progress	1,543,268	3,706,447	2,438,653	2,811,062
Total	<u>\$ 1,571,560</u>	<u>\$3,706,447</u>	<u>\$ 2,438,653</u>	<u>\$ 2,839,354</u>
Capital Assets Being Depreciated:				
Plant & distribution Systems	\$ 27,021,492	\$1,566,142	\$ -	\$ 28,587,634
Buildings & improvements	-	872,512	-	872,512
Furniture & maintenance equipment	40,709	124,424	-	165,133
Vehicles	197,536	18,952	-	216,488
Total	<u>\$ 27,259,737</u>	<u>\$2,582,030</u>	<u>\$ -</u>	<u>\$ 29,841,767</u>
Less Accumulated Depreciation For:				
Plant & distribution systems	\$ 2,389,060	\$ 543,391	\$ -	\$ 2,932,451
Buildings improvements	-	8,725	-	8,725
Furniture & maintenance equipment	27,759	13,423	-	41,182
Vehicles	40,712	26,879	-	67,591
Total	<u>\$ 2,457,531</u>	<u>\$ 592,418</u>	<u>\$ -</u>	<u>\$ 3,049,949</u>
=====				
Total Capital Assets Being Depreciated, Net	<u>\$ 24,802,206</u>			<u>\$ 26,791,818</u>
Edgecombe County Water Districts Capital Assets, Net				
	<u>\$ 26,373,766</u>			<u>\$ 29,631,171</u>
=====				
Business-Type Activity Capital Assets, Net	<u>\$ 28,378,524</u>			<u>\$ 31,547,024</u>
=====				

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Construction Commitments

The government has active construction projects as of June 30, 2008 for the Water Distribution System. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Water Distribution System	\$ 2,502,456	\$ 3,577,489
	=====	=====

Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2008, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not Being Depreciated:				
Land	\$ 62,299	\$ -	\$ -	\$ 62,299
Capital Assets Being Depreciated:				
Buildings	\$ 1,056,589	\$ 9,433	\$ -	\$ 1,066,022
Furniture and equipment	281,091	8,221	-	289,312
Total	\$ 1,337,680	\$ 17,654	\$ -	\$ 1,355,334
Less Accumulated Depreciation For:				
Buildings	\$ 476,990	\$ 22,679	\$ -	\$ 499,669
Furniture and equipment	186,147	17,122	-	203,269
Total	\$ 663,137	\$ 39,801	\$ -	\$ 702,938
		=====	=====	
Capital Assets, Net	\$ 674,543			\$ 652,396
Total Capital Assets, Net	\$ 736,842			\$ 714,695
	=====			=====

**Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008**

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2008, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 1,859,636	\$ 457,462	\$ 183,384	\$ 945,084	\$ 3,445,566
Other					
Governmental	72,269	-	-	221,342	293,611
Total Governmental Activities	<u>\$ 1,931,905</u>	<u>\$ 457,462</u>	<u>\$ 183,384</u>	<u>\$1,166,426</u>	<u>\$ 3,739,177</u>
Business-type Activities:					
Solid Waste	\$ 126,895	\$ 8,164	\$ -	\$ -	\$ 135,059
Water and Sewer District	62,707	8,643	64,463	-	135,813
Total Business-type Activities	<u>\$ 189,602</u>	<u>\$ 16,807</u>	<u>\$ 64,463</u>	<u>\$ -</u>	<u>\$ 270,872</u>

2. Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description

Edgecombe County and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008**

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.91% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 4.99% of annual covered payroll. The contribution requirements of members and of Edgecombe County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$633,146, \$721,503, and \$712,505, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$13,575, \$13,205, and \$10,908, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

Plan Description

Edgecombe County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a pension trust fund.

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	54
Total	64

A separate report was not issued for the plan.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Summary of Significant Accounting Policies

Basis of Accounting

The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments

No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$	78,756
Interest on net pension obligation		17,747
Adjustment to annual required contribution		(15,042)
		81,461
Annual pension cost	\$	81,461
Contributions made		80,256
		1,205
Increase (decrease) in net pension obligation	\$	1,205
Net Pension Obligation -		
Beginning of year		244,786
End of year	\$	245,991
		=====

3 Year Trend Information			
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2006	\$ 86,223	90.43%	\$ 245,651
2007	79,336	101.09%	244,786
2008	81,461	98.52%	245,991

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

Edgecombe County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2008 were \$99,449, which consisted of \$99,449 from the County and \$ 0 from the law enforcement officers.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Registers of Deeds' Supplemental Pension Fund

Plan Description

The County also contributes to the Registers of Deeds' Supplemental Pension Fund (the Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were \$3,570.

Other Post-Employment Benefits

According to a county ordinance, the County provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the State Retirement System. The County pays the full cost of coverage for these benefits. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently thirty-four retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2008, the County made payments for post-retirement health benefit premiums of \$161,509. The County obtains health care coverage through private insurers.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Effective July 1, 2008, the death benefit payments to beneficiaries must be between \$25,000 and \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2008, the County made contributions to the State for death benefits of \$16,966. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .11% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

3. Closure and Post-closure Care Costs - Edgecombe County Solid Waste Facility

State and federal laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill stopped accepting municipal solid waste on January 1, 1998.

The County is also permitted to accept construction and demolition waste on top of a closed landfill site for maximum period of five years or until maximum capacity has been reached. The estimated closure and postclosure liability at June 30, 2008 is \$2,929,016.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund that accumulates resources through annual contributions for the payment of closure and postclosure care costs. At June 30, 2008, those funds are held in investments with a cost and market value of \$2,829,457. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

4. Deferred/Unearned Revenues

The balance in deferred revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	Deferred Revenue	Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 155,673
Taxes receivable (net) (General)	4,319,075	-
Taxes receivable (net) (Special Revenue)	158,715	-
Other revenue not earned (General)	416,409	-
Total	\$ 4,894,199	\$ 155,673
	=====	=====

5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general liability coverage of \$2 million per occurrence, and workers' compensation coverage up to the statutory limits. The pools are reinsured through commercial companies for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property coverage, and single occurrence losses of \$350,000 for workers' compensation.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

The County carries flood insurance through the North Carolina Association of County Commissioners (NCACC). Because the County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County has purchased adequate flood insurance coverage with a \$25,000 deductible per flood occurrence.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Edgecombe County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The County operates a limited risk, self-insurance program to provide health benefits to County employees. Premiums are paid into the General Fund by all other funds (including amounts withheld from employees) and are available to pay claims and administrative costs of the program. The Interfund premiums are based upon actual estimates of the amounts needed to pay prior and current year claims. Administrative services are contracted with CIGNA, Inc. Aggregate stop loss is purchased in the amount of 125% of expected annual claims and losses above \$75,000 on any one claim. Premiums are paid to the fund by the County for employees and by the employee for dependents. A total of \$ 3,741,530 in claims were incurred for benefits during the year ended June 30, 2008. Changes in the fund's claims liability amount was as follows:

	Year Ended June 30,	
	2008	2007
Unpaid claims, beginning of year	\$ 471,621	\$ 410,643
Incurred claims (including IBNRs)	3,999,297	3,660,995
Claim payments	3,741,530	3,600,017
Unpaid claims, end of year	\$ 729,388	\$ 471,621
	=====	=====

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

6. Contingent Liabilities

At June 30, 2008, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate outcome of these legal matters will not have a materially adverse effect on the County's financial position.

7. Long-Term Obligations

General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Edgecombe County Water District issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water District Fund, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2008 is comprised of the following individual issues:

	Balance 6-30-08
General Obligation Bonds:	
Serviced by the County's General Fund:	
\$9,370,000 2006 School Bonds - February 1, 2006; due in annual principal payments of \$250,000 to \$550,000 and semi-annual interest payments of 3.45% to 4% payable August 1 and February 1	\$ 8,570,000
Serviced by the Water and Sewer District #1:	
\$3,000,000 2001 USDA/Rural Development Water Bonds Series A and Series B General Obligation:	
Series A - \$2,696,000 Water Bond due in annual installments of \$28,500 to \$112,500 plus interest @ 4.75% through June of 2038.	2,428,500
Series B - \$304,000 Water Bond due in annual installments of \$3,500 to \$14,000 plus interest @ 4.75% through June of 2038.	273,500

(continued)

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

	Balance 6-30-08
General Obligation Bonds: (continued)	
Serviced by the Water and Sewer District #2:	
Series A - \$2,707,000 Water Bond due in annual installments of \$29,000 to \$116,000 (beginning 2005) plus interest @ 4.625% through June of 2042	2,583,500
Series B - \$1,293,000 Water Bond due in annual installments of \$14,000 to \$56,000 (beginning 2005) plus interest @ 4.625% through June of 2042	1,234,000
Serviced by the Water and Sewer District #3:	
Series 2005 Water General Obligation Bond June 20, 2007; due in annual installments of \$3,000 to \$12,000 plus interest @ 4.25% through 2045	291,000
Total General Obligation Bonds	\$ 15,380,500 =====

The County's financing debt at June 30, 2008 is comprised of the following:

	Balance 6-30-08
Notes Payable:	
\$300,000 Note Payable - June 1, 1999; due in quarterly principal and interest payments of \$9,083 through March 2009; interest at 3.875%; payable on September 1, December 1, March 1, and June 1	\$ 24,734
\$760,000 Note Payable - June 22, 2007; due in quarterly principal and interest payments of \$23,284 through June 2017; interest at 4.125%; payable on September 1, December 1, March 1, and June 1	695,459
Installment Purchases:	
\$4,000,000 Installment Agreement - January 15, 1996; due in semi-annual principal and interest payments of \$179,815 through January 2011; interest @ 3.9%; payable on July 15 and January 15	1,008,923
\$1,300,000 Installment Agreement - December 19, 2003; due in semi-annual principal and interest payments of \$65,000 through June 2013; interest @ 3.66%; payable on June 19 and December 19	715,000

(continued)

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

	Balance 6-30-08
Installment Purchases: (continued)	
\$9,500,000 Installment Agreement - November 10, 1997; due in semi-annual principal and interest payments of \$362,750 through December 2017; interest @ 4.25%; payable on December 1 and June 1	5,622,335
\$1,800,000 Installment Agreement - March 21, 2001; due in quarterly principal and interest payments of \$54,580 through March 2011; interest @ 3.72%; payable on September 21, December 21, March 21, and June 21	568,184
Total	\$ 8,634,635

The County's Water and Sewer District financing debt at June 30, 2008 is comprised of the following:

Water and Sewer Notes Payable:

Serviced by the Water and Sewer District #3:

\$2,690,259 State Clean Water Bond; due in annual principal payments of \$141,593 plus semi-annual interest payments @ 4.02% payable November 1 and May 1, beginning November 1, 2006.	\$ 2,407,074
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Serviced by the Water and Sewer District #5:

\$116,530 Debt Assumption Note Payable for Leggett Community Water Association, Inc. - January 1, 2002; due in annual principal and interest payments of \$10,848 through June 2017; interest @ 5.13%	76,679
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\$181,565 Debt Assumption Note Payable for Leggett Community Water Association, Inc. - April 10, 2002; due in annual principal and interest payments of \$15,180 through April 2020; interest at 5.13%	133,581
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Total Water and Sewer Notes Payable	\$ 2,617,334
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Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

The following table summarizes the annual requirements to amortize all long-term debt outstanding (excluding bond anticipation notes, compensated absence, accrued separation allowance, enterprise revenue bonds payables, and closure/post closure accrual):

Year	Business-type Activities		Governmental Activities		
	General		General		
	Obligation	Notes	Notes	Installment	Obligation
	Bonds	Payable	Payable	Purchases	Bonds
	Principal	Principal	Principal	Principal	Principal
2008-2009	\$ 99,000	\$ 156,842	\$ 90,185	\$ 1,145,076	\$ 350,000
2009-2010	105,000	157,624	68,193	1,186,474	400,000
2010-2011	109,500	158,446	71,050	1,174,984	485,000
2011-2012	115,000	159,309	74,027	687,841	485,000
2012-2013	119,500	160,217	77,128	711,801	485,000
2014-2018	688,000	805,575	339,609	3,008,266	2,435,000
2019-2023	862,500	736,136	-	-	2,450,000
2024-2028	1,081,500	283,185	-	-	1,480,000
2029-2033	1,343,000	-	-	-	-
2034-2038	1,515,500	-	-	-	-
2039-2043	748,000	-	-	-	-
2044-2048	24,000	-	-	-	-
Total	\$ 6,810,500	\$ 2,617,334	\$ 720,193	\$ 7,914,442	\$ 8,570,000

Year	Total		Total	
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2008-2009	\$ 1,585,261	\$ 669,599	\$ 255,842	\$ 424,816
2009-2010	1,654,667	606,240	262,624	413,716
2010-2011	1,731,034	539,533	267,946	402,301
2011-2012	1,246,868	476,174	274,309	390,635
2012-2013	1,273,929	424,954	279,717	378,664
2014-2018	5,782,875	1,361,005	1,493,575	1,703,371
2019-2023	2,450,000	561,825	1,598,636	1,365,468
2024-2028	1,480,000	117,085	1,364,685	1,017,099
2029-2033	-	-	1,343,000	723,299
2034-2038	-	-	1,515,500	389,516
2039-2043	-	-	748,000	182,300
2044-2048	-	-	24,000	1,530
Total	\$ 17,204,635	\$ 4,756,415	\$ 9,427,834	\$ 7,392,715

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

At June 30, 2008, Edgecombe County Water and Sewer district No. 5, had bonds authorized but unissued of \$2,072,000.

On November 9, 2005, Edgecombe County voters approved the issuance of \$12,800,000 in school bonds. At June 30, 2008, \$ 3,430,000 of these bonds remained unissued.

The County's legal debt margin was \$ 179,356,033 at June 30, 2008.

Bond Anticipation Notes

Water and Sewer District No. 5 within Edgecombe County have issued a bond anticipation note, in order to finance water and sewer improvements.

Serviced by Edgecombe Water and Sewer District #5:

\$3,928,000 Water and Sewer notes issued on April 29, 2008; interest at 2 percent. The notes will be repaid from a \$3,928,000 bond issue expected to be sold in the next fiscal year	\$ 3,928,000 =====
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Revenue Bonds

In April 1999, the County issued \$1,396,000 of Water Revenue Bonds to finance water lines for Edgecombe Water and Sewer District No. 1. At 4.75% interest, the interest on the bonds is payable annually on June 1. The revenue bonds, which mature through June 1, 2038, are reported on the Edgecombe Water and Sewer District No. 1's financial statements because the principal and interest on the bonds are payable from the net revenues of the system. The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest
2009	\$ 21,500	\$ 59,660
2010	22,500	58,639
2011	23,500	57,570
2012	24,500	56,454
2013	25,500	55,290
2014-2018	147,500	257,094
2019-2023	183,000	218,786
2024-2028	227,000	171,143
2029-2033	281,000	112,291
2034-2038	300,000	42,750
2039-2043	-	-
Total	\$ 1,256,000	\$ 1,089,677

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2008:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008	Current Portion of Balance
Governmental Activities:					
General obligation debt	\$ 8,820,000	\$ -	\$ 250,000	\$ 8,570,000	\$ 350,000
Notes payable	1,313,486		593,293	720,193	90,185
Installment purchase	9,019,746	-	1,105,304	7,914,442	1,145,076
Compensated absences	1,202,400	391,278	296,274	1,297,404	391,278
Unfunded Special Separation Allowance	244,786	1,205	-	245,991	-
Total Governmental Activities	\$20,600,418	\$ 392,483	\$2,244,871	\$18,748,030	\$1,976,539

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008	Current Portion of Balance
Business-type Activities:					
General					
obligation					
debt	\$ 6,906,000	\$ -	\$ 95,500	\$ 6,810,500	\$ 99,000
Bond Anticipation					
Note	-	3,928,000	-	3,928,000	3,928,000
Revenue bonds	1,276,500	-	20,500	1,256,000	21,500
Notes payable	2,773,433	-	156,099	2,617,334	156,842
Accrued landfill					
closure &					
postclosure					
care costs	2,839,430	89,586	-	2,929,016	-
Compensated					
absences	44,573	12,537	3,427	53,683	12,537
Total Business-type					
Activities	\$13,839,936	\$4,030,123	\$ 275,526	\$17,594,533	\$4,217,879
	=====	=====	=====	=====	=====

Discretely Presented Component Units:

Compensated					
absences	\$ 21,487	\$ 2,612	\$ -	\$ 24,099	\$ -
	=====	=====	=====	=====	=====

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

Edgecombe County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2008, there was one series of industrial revenue bonds outstanding. The Company for whom they were issued is in bankruptcy and it is impossible to determine what the unpaid balance is at June 30, 2008.

**Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008**

Interfund Balances and Activity

Transfers to/from other funds at June 30, 2008, consists of the following:

From the General Fund to the Revaluation Fund (To accumulate resources for the octennial revaluation of real property)	\$ 150,000
From the General Fund to the Emergency Telephone System Fund (To cover cost of expenditures incurred but not covered by E911 Revenues)	33,835
To the General Fund from the Solid Waste Fund (One time transfer to supplement revenues in General Fund)	1,663,682
To the CDBG U-365 Grant Fund from the Industrial Sites Development Fund (Local match for CDBG-Industrial Development Fund Grant for improvements at the Fountain Park Industrial Site.	31,045
Total	<u>\$ 1,878,562</u> =====

IV. Joint Ventures

The County, in conjunction with the Town of Tarboro, participates in the Tarboro-Edgecombe Airport Authority. Each participating government appoints three members to the six-member board. The Airport is a joint venture established to facilitate economic expansion within the County and improve the quality of life for its citizens. The Airport is not self-sustaining. The County has an ongoing financial responsibility for the Airport because it and the Town are legally obligated under the intergovernmental agreement that created the Airport to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$ 5,260 for operations and \$ 8,334 for capital outlay to the Airport during the fiscal year ended June 30, 2008. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2008. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 201 St Andrew Street, Tarboro, North Carolina 27886.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

The County also participates in a joint venture to operate the Edgecombe Memorial Library and Braswell Memorial Library along with local municipalities. The County Board of Commissioners appoints three board members to the six-member boards of the Libraries. The County has an ongoing financial responsibility for the joint venture because the Libraries' continued existence depends on the participating governments' continued funding. None of the participating governments has any equity interest in the Libraries, so no equity interest has been reflected in the financial statements at June 30, 2008. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$ 544,508 to the Libraries to supplement its activities. In addition, the City of Rocky Mount borrowed funds to build the new Braswell Memorial Library facility, of which the County has an intergovernmental agreement with the City to appropriate funds for a portion of the annual debt service payments. The County appropriated \$ 80,584 for the debt service payments. Complete financial statements for the Libraries can be obtained from the Libraries' offices at 909 Main Street, Tarboro, North Carolina 27886 and 727 N. Grace Street, Rocky Mount, North Carolina, respectively.

The County, in conjunction with the State of North Carolina and the Edgecombe County Board of Education, participates in a joint venture to operate the Edgecombe County Community College. Each of the participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,143,000 for operations and \$150,000 for capital outlay to the community college during the fiscal year ended June 30, 2008. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2008. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 2009 W. Wilson Street Ext., Tarboro, North Carolina 27886.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

V. Jointly Governed Organization

The County, in conjunction with the City of Wilson, City of Rocky Mount, County of Wilson, and County of Nash, participates in the Rocky Mount - Wilson Regional Airport Authority. Each participating City appoints two members and each participating County appoints one member to the seven-member board. The Airport is a joint venture established to facilitate economic expansion within the region and improve the quality of life for its citizens. The County has an ongoing financial responsibility for the Airport because it and the other participants are legally obligated under the intergovernmental agreement that created the Airport to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$40,214 for operations and \$2,500 for capital outlay to the Airport during the fiscal year ended June 30, 2008. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2008. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 250 Airport Drive, Elm City, North Carolina 27822.

The County participates in a joint venture with Nash County to provide mental health services to the two Counties through the Beacon Center. Each County appoints one of its County Commissioners to the Area Authority. Thirteen of the Authority members are selected by these Commissioners. The County has an ongoing financial responsibility for the joint venture based on annual funding appropriations. Neither of the Counties have an equity interest in the Area Authority, so no equity interest has been reflected in the financial statements at June 30, 2008. The County appropriated \$214,416 to the Area Authority for year ended June 30, 2008. Complete financial statements for the Area Authority may be obtained from the Area Authority's offices at 500 Nash Medical Arts Mall, Rocky Mount, North Carolina.

The County participates in a joint venture with the Town of Tarboro to operate the Edgecombe County Cultural Arts Council, Inc. The County appoints thirteen of the nineteen board members to the Board of Arts Council. Neither participating government has any equity interest in the Arts Council, so no equity interest has been reflected in the financial statements at June 30, 2008. The County contributed \$35,431 to the Arts Council during the year ended June 30, 2008. Complete financial statements for the Arts Council can be obtained from the Arts Council office at 130 Bridgers Street, Tarboro, North Carolina 27886.

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

The County participates in a joint venture with the City of Rocky Mount and Nash County to operate the Down East Home Consortium, (the "DEHC"). The agreement commenced on June 30, 1996, and covered three consecutive fiscal years. After the initial period, the members of the DEHC chose to continue as a consortium and must notify HUD when it has dissolved. The participating governments mutually agree that Rocky Mount shall act as the lead entity. Each of the entities appoint one member of the three-member DEHC Home Coordinating committee. Each participating government shall receive a percentage of the home funds based on a proration of the population. Each participating government shall be responsible for providing matching funds required by federal regulations for any home funds allocated and accepted for use by that government. For fiscal year June 30, 2008 the County made no contributions to DEHC.

The County participates in a joint venture with Nash County, the Town of Tarboro, and the City of Rocky Mount to operate Carolinas Gateway Partnership, Inc. The partnership's bylaws state that private sector funds are matched on an equal basis by the public partners. For fiscal year June 30, 2008, the County contributed \$146,000 to support the partnership.

VI. Benefit Payments Issued by the State

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

	Federal	State
Temporary Assistance for Needy Families	\$ 933,399	\$ -
Medicaid	65,488,668	34,236,522
Food Stamp Program	13,448,408	-
Energy Assistance	156,794	-
Independent Living	1,808	452
Title IV-E, Adoption Subsidy	275,947	77,536
Title IV-E, Foster Care	92,508	20,856
State/County Special Assistance for Adults	-	737,967
F/C At Risk Maximization	-	26,880
CWS Adoption Subsidy	-	218,205
State Foster Home	-	127,325
Special Supplemental Nutrition Program for WIC	1,659,985	-
LINKS	8,702	-
 Total	 \$ 82,066,219	 \$ 35,445,743
	=====	=====

Edgecombe County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

VII. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and State Grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Operating Leases

The County is obligated under operating leases to make monthly payments ranging from \$152 to \$5,733 through March 2013. Lease expenditures for the fiscal year ended June 30, 2008 totaled \$124,055. Under these leases, minimum lease payments for the fiscal year ending June 30, 2009 total \$124,055.

Significant Effects of Subsequent Events

In October 2008, the County incurred debt of \$1,000,000 under two installment purchase contracts of \$500,000 each with RBC Bank. One contract is for the 2008 Administrative Building Project and the other for the Sheriff Vehicle Project.

Required Supplementary Financial Data

This section contains additional information required by generally accepted accounting principles.

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Employer contributions for the Law Enforcement Officers' Special Separation Allowance.
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.

Edgecombe County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress

Exhibit A-1

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/94	\$ -	\$ 204,738	\$ 204,738	\$ -	\$ 976,889	20.96%
12/31/95	-	246,470	246,470	-	1,048,731	23.50%
12/31/96	-	332,050	332,050	-	1,088,328	30.51%
12/31/97	-	347,380	347,380	-	1,108,039	31.35%
12/31/98	-	352,569	352,569	-	1,182,195	29.82%
12/31/99	-	391,485	391,485	-	1,394,619	28.07%
12/31/00	-	642,145	642,145	-	1,384,109	46.39%
12/31/01	-	634,387	634,387	-	1,533,872	41.36%
12/31/02	-	655,749	655,749	-	1,549,290	42.33%
12/31/03	-	743,010	743,010	-	1,600,376	46.43%
12/31/04	-	873,911	873,911	-	1,625,775	53.75%
12/31/05	-	817,612	817,612	-	1,784,149	45.83%
12/31/06	-	815,976	815,976	-	1,859,394	43.88%
12/31/07	-	948,719	948,719	-	1,958,095	48.45%

**Edgecombe County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Employer Contributions**

Exhibit A-2

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2004	\$ 90,553	58.17%
2005	77,630	90.65%
2006	86,223	90.43%
2007	79,336	101.09%
2008	81,461	98.52%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12-31-07
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	23 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5% - 12.3%
*Includes inflation at	3.75%
Cost-of living adjustments	N/A

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Individual Fund Schedules

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Major Governmental Funds

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 23,034,853	\$ 23,011,833	\$ (23,020)
Penalties and interest	340,000	381,597	41,597
Total Ad Valorem Taxes	<u>\$ 23,374,853</u>	<u>\$ 23,393,430</u>	<u>\$ 18,577</u>
Local Option Sales Taxes:			
Article 39 one percent	\$ 2,400,000	\$ 2,401,442	\$ 1,442
Article 40 one - half of one percent	1,980,000	2,117,889	137,889
Article 42 one - half of one percent	800,000	842,999	42,999
Article 44 sales tax	1,400,000	1,417,590	17,590
Total Local Option Sales Taxes	<u>\$ 6,580,000</u>	<u>\$ 6,779,920</u>	<u>\$ 199,920</u>
Other Taxes and Licenses:			
Animal tax	\$ 15,000	\$ 13,843	\$ (1,157)
Franchise tax	50,000	92,443	42,443
Privilege licenses	6,000	5,949	(51)
Gross receipt tax	7,000	7,625	625
Total Other Taxes and Licenses	<u>\$ 78,000</u>	<u>\$ 119,860</u>	<u>\$ 41,860</u>
Unrestricted Intergovernmental:			
Hold Harmless Provision	\$ -	\$ 114,679	\$ 114,679
Beer and wine tax	95,000	96,656	1,656
Total Unrestricted Intergovernmental	<u>\$ 95,000</u>	<u>\$ 211,335</u>	<u>\$ 116,335</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues (continued):			
Restricted Intergovernmental:			
General Fund	\$ 3,677,986	\$ 1,004,663	\$ (2,673,323)
Health Department	2,229,173	1,979,633	(249,540)
Department of Social Services	11,275,925	10,610,824	(665,101)
Court facility fees	125,000	127,603	2,603
Nash County - Veteran Services Officer	38,775	49,070	10,295
ABC bottle taxes	18,000	16,798	(1,202)
Total Restricted Intergovernmental	<u>\$ 17,364,859</u>	<u>\$ 13,788,591</u>	<u>\$ (3,576,268)</u>
Permits and Fees:			
Building and zoning permits	\$ 71,500	\$ 83,655	\$ 12,155
Election fees	-	21,138	21,138
Register of Deeds	450,000	405,068	(44,932)
Sheriff, Jail, and other law fees	280,000	309,609	29,609
Legal fee reimbursement	50,000	53,338	3,338
Total Permits and Fees	<u>\$ 851,500</u>	<u>\$ 872,808</u>	<u>\$ 21,308</u>
Sales and Services:			
Rents, concessions, and fees	\$ 454,400	\$ 472,661	\$ 18,261
Inmate housing	1,700,000	1,615,927	(84,073)
Health fees	4,594,554	4,419,499	(175,055)
Social Services fees	183,200	346,836	163,636
Vehicle tax collection fees	20,000	19,767	(233)
Total Sales and Services	<u>\$ 6,952,154</u>	<u>\$ 6,874,690</u>	<u>\$ (77,464)</u>
Investment earnings	<u>\$ 510,000</u>	<u>\$ 863,025</u>	<u>\$ 353,025</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	Exhibit B-1 Variance Positive (Negative)
Revenues (continued):			
Miscellaneous:			
Other	\$ 62,492	\$ 424,223	\$ 361,731
Donations	51,074	51,376	302
Insurance claims	4,540	12,326	7,786
Medicaid reimbursement - ambulance	-	44,876	44,876
Total Miscellaneous	<u>\$ 118,106</u>	<u>\$ 532,801</u>	<u>\$ 414,695</u>
Total Revenues	<u>\$ 55,924,472</u>	<u>\$ 53,436,460</u>	<u>\$ (2,488,012)</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries and employee benefits	\$ 73,930	\$ 73,841	\$ 89
Other operating expenditures	193,237	190,973	2,264
Dues and meetings	49,000	36,996	12,004
Total Governing Body	<u>\$ 316,167</u>	<u>\$ 301,810</u>	<u>\$ 14,357</u>
Administration:			
Salaries and employee benefits	\$ 300,645	\$ 298,453	\$ 2,192
Other operating expenditures	236,723	43,720	193,003
Capital outlay	-	-	-
Total Administration	<u>\$ 537,368</u>	<u>\$ 342,173</u>	<u>\$ 195,195</u>
Elections:			
Salaries and employee benefits	\$ 251,591	\$ 215,136	\$ 36,455
Other operating expenditures	114,180	82,343	31,837
Capital outlay	-	-	-
Total Elections	<u>\$ 365,771</u>	<u>\$ 297,479</u>	<u>\$ 68,292</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Exhibit B-1</u> <u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures (continued):			
General Government (continued):			
Finance:			
Salaries and employee benefits	\$ 289,645	\$ 288,139	\$ 1,506
Audit	48,550	48,529	21
Other operating expenditures	56,950	49,782	7,168
Total Finance	<u>\$ 395,145</u>	<u>\$ 386,450</u>	<u>\$ 8,695</u>
Tax Collector:			
Salaries and employee benefits	\$ 205,250	\$ 202,186	\$ 3,064
Other operating expenditures	210,125	199,234	10,891
Total Tax Collector	<u>\$ 415,375</u>	<u>\$ 401,420</u>	<u>\$ 13,955</u>
Tax Assessor:			
Salaries and employee benefits	\$ 346,700	\$ 332,270	\$ 14,430
Other operating expenditures	239,750	105,442	134,308
Total Tax Assessor	<u>\$ 586,450</u>	<u>\$ 437,712</u>	<u>\$ 148,738</u>
Legal:			
Contracted services	<u>\$ 53,991</u>	<u>\$ 47,973</u>	<u>\$ 6,018</u>
Data Processing:			
Salaries and employee benefits	\$ 200,900	\$ 191,012	\$ 9,888
Other operating expenditures	151,100	106,505	44,595
Total Data Processing	<u>\$ 352,000</u>	<u>\$ 297,517</u>	<u>\$ 54,483</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Exhibit B-1</u> <u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures (continued):			
General Government (continued):			
Register of Deeds:			
Salaries and employee benefits	\$ 192,705	\$ 182,633	\$ 10,072
Other operating expenditures	164,450	134,133	30,317
Capital outlay	-	-	-
Children's trust fund	1,800	1,640	160
Domestic violence fund	7,000	6,560	440
Total Register of Deeds	<u>\$ 365,955</u>	<u>\$ 324,966</u>	<u>\$ 40,989</u>
Public Buildings:			
Salaries and employee benefits	\$ 357,310	\$ 344,676	\$ 12,634
Other operating expenditures	60,000	52,940	7,060
Utilities	492,400	461,782	30,618
Maintenance	323,300	264,488	58,812
Capital outlay	18,000	17,695	305
Total Public Buildings	<u>\$ 1,251,010</u>	<u>\$ 1,141,581</u>	<u>\$ 109,429</u>
Court Facilities:			
Rent - Courts of Justice	\$ 16,800	\$ 16,800	\$ -
Law library	8,540	7,266	1,274
Juvenile detention	59,960	35,689	24,271
Total Court Facilities	<u>\$ 85,300</u>	<u>\$ 59,755</u>	<u>\$ 25,545</u>
Central Services:			
Insurance and other	\$ 409,135	\$ 352,794	\$ 56,341
Copy machine rental	20,000	15,677	4,323
Total Central Services	<u>\$ 429,135</u>	<u>\$ 368,471</u>	<u>\$ 60,664</u>
Total General Government	<u>\$ 5,153,667</u>	<u>\$ 4,407,307</u>	<u>\$ 746,360</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	Exhibit B-1 Variance Positive (Negative)
Expenditures (continued):			
Public Safety:			
Sheriff:			
Salaries and employee benefits	\$ 3,082,929	\$ 3,040,767	\$ 42,162
Other operating expenditures	695,678	689,280	6,398
Narcotics control	30,000	25,995	4,005
Capital outlay	53,851	53,752	99
Total Public Safety	<u>\$ 3,862,458</u>	<u>\$ 3,809,794</u>	<u>\$ 52,664</u>
Jail:			
Salaries and employee benefits	\$ 2,049,060	\$ 2,030,963	\$ 18,097
Other operating expenditures	1,471,000	1,432,463	38,537
Capital outlay	-	-	-
Total Jail	<u>\$ 3,520,060</u>	<u>\$ 3,463,426</u>	<u>\$ 56,634</u>
Fire:			
Forest fire contracts	\$ 81,113	\$ 65,106	\$ 16,007
Workman's compensation	14,000	12,760	1,240
Assistance to local fire departments	91,394	82,110	9,284
Total Fire	<u>\$ 186,507</u>	<u>\$ 159,976</u>	<u>\$ 26,531</u>
Emergency Management Coordinator:			
Salaries and employee benefits	\$ 211,160	\$ 184,686	\$ 26,474
Other operating expenditures	38,069	29,561	8,508
Capital outlay	23,000	19,000	4,000
Total Emergency Mgmt Coordinator	<u>\$ 272,229</u>	<u>\$ 233,247</u>	<u>\$ 38,982</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Exhibit B-1</u> <u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures (continued):			
Public Safety (continued):			
Criminal Justice Partnership:			
Salaries and employee benefits	\$ 49,829	\$ 48,626	\$ 1,203
Other operating expenditures	79,710	73,261	6,449
Capital outlay	-	-	-
Total Criminal Justice Partnership	<u>\$ 129,539</u>	<u>\$ 121,887</u>	<u>\$ 7,652</u>
Gang Violence Prevention Grant			
Salaries and employee benefits	\$ 71,157	\$ 45,386	\$ 25,771
Other operating expenditures	2,919	1,169	1,750
Capital outlay	6,541	6,541	-
Total Gang Violence Prevention Grant	<u>\$ 80,617</u>	<u>\$ 53,096</u>	<u>\$ 27,521</u>
Communications:			
Salaries and employee benefits	\$ 393,100	\$ 389,754	\$ 3,346
Other operating expenditures	125,770	115,978	9,792
Total Communications	<u>\$ 518,870</u>	<u>\$ 505,732</u>	<u>\$ 13,138</u>
Rescue Squads:			
Contracted services	<u>\$ 723,246</u>	<u>\$ 723,246</u>	<u>\$ -</u>
Medical Examiner:			
Fees	\$ 7,000	\$ 5,700	\$ 1,300
Autopsies	35,000	24,000	11,000
Total Medical Examiner	<u>\$ 42,000</u>	<u>\$ 29,700</u>	<u>\$ 12,300</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	Exhibit B-1 Variance Positive (Negative)
Expenditures (continued):			
Public Safety (continued):			
Animal Control:			
Salaries and employee benefits	\$ 112,388	\$ 86,421	\$ 25,967
Other operating expenditures	37,405	30,208	7,197
Total Animal Control	<u>\$ 149,793</u>	<u>\$ 116,629</u>	<u>\$ 33,164</u>
Inspections:			
Salaries and employee benefits	\$ 151,100	\$ 136,406	\$ 14,694
Other operating expenditures	28,700	13,827	14,873
Total Inspections	<u>\$ 179,800</u>	<u>\$ 150,233</u>	<u>\$ 29,567</u>
Total Public Safety	<u>\$ 9,665,119</u>	<u>\$ 9,366,966</u>	<u>\$ 298,153</u>
Transportation:			
Contribution to regional airport	<u>\$ 56,308</u>	<u>\$ 56,308</u>	<u>\$ -</u>
Economic and Physical Development:			
Water and Sewer Projects:			
Other operating expenditures	<u>\$ 353,488</u>	<u>\$ 78,489</u>	<u>\$ 274,999</u>
Agricultural Extension:			
Salaries and employee benefits	\$ 287,309	\$ 279,885	\$ 7,424
Other operating expenditures	60,425	53,715	6,710
Total Agricultural Extension	<u>\$ 347,734</u>	<u>\$ 333,600</u>	<u>\$ 14,134</u>
Soil and Water Conservation:			
Salaries and employee benefits	\$ 132,125	\$ 127,359	\$ 4,766
Other operating expenditures	14,916	12,344	2,572
Total Soil & Water Conservation	<u>\$ 147,041</u>	<u>\$ 139,703</u>	<u>\$ 7,338</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Exhibit B-1</u> <u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures (continued):			
Economic and Physical Development: (continued)			
Economic Development:			
Industrial Incentive	\$ 37,000	\$ -	\$ 37,000
Carolina Gateway Partnership Rocky Mount/Edgecombe County	146,000	145,999	1
Community Development Corporation	23,227	23,227	-
Land/right of way	86,550	86,550	-
Down East Home Consortium	25,000	-	25,000
Total Economic Development	<u>\$ 317,777</u>	<u>\$ 255,776</u>	<u>\$ 62,001</u>
Planning:			
Salaries and employee benefits	\$ 161,760	\$ 146,558	\$ 15,202
Other operating expenditures	73,800	37,444	36,356
Capital outlay	-	-	-
Total Planning	<u>\$ 235,560</u>	<u>\$ 184,002</u>	<u>\$ 51,558</u>
Total Economic and Physical Development	<u>\$ 1,401,600</u>	<u>\$ 991,570</u>	<u>\$ 410,030</u>
Human Services:			
Veterans Service Officer:			
Salaries and employee benefits	\$ 73,235	\$ 73,168	\$ 67
Other operating expenditures	5,810	5,496	314
Total Veterans Service Officer	<u>\$ 79,045</u>	<u>\$ 78,664</u>	<u>\$ 381</u>
Other:			
Youth services	\$ 212,410	\$ 208,508	\$ 3,902
Misc. Human Services	50,202	47,615	2,587
Total Other	<u>\$ 262,612</u>	<u>\$ 256,123</u>	<u>\$ 6,489</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Exhibit B-1</u> <u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures (continued):			
Human Services: (continued)			
Health Department:			
Administration:			
Salaries and employee benefits	\$ 188,006	\$ 129,393	\$ 58,613
Other operating expenditures	43,473	37,805	5,668
Capital outlay	16,306	16,306	-
Total Administration	<u>\$ 247,785</u>	<u>\$ 183,504</u>	<u>\$ 64,281</u>
Maternal and Child Health:			
Salaries and employee benefits	\$ 691,924	\$ 655,400	\$ 36,524
Other operating expenditures	201,568	167,071	34,497
Total Maternal and Child Health	<u>\$ 893,492</u>	<u>\$ 822,471</u>	<u>\$ 71,021</u>
Family Planning:			
Salaries and employee benefits	\$ 400,051	\$ 397,978	\$ 2,073
Other operating expenditures	214,994	142,601	72,393
Total Family Planning	<u>\$ 615,045</u>	<u>\$ 540,579</u>	<u>\$ 74,466</u>
Child Service Coordination:			
Salaries and employee benefits	\$ 119,784	\$ 101,412	\$ 18,372
Other operating expenditures	400,380	466,563	(66,183)
Total Child Service Coordination	<u>\$ 520,164</u>	<u>\$ 567,975</u>	<u>\$ (47,811)</u>
School Nurse Initiative Program:			
Salaries and employee benefits	\$ 147,221	\$ 110,192	\$ 37,029
Other operating expenditures	11,700	10,568	1,132
Total School Nurse Initiative Program	<u>\$ 158,921</u>	<u>\$ 120,760</u>	<u>\$ 38,161</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services: (continued)			
Health Department (continued):			
Healthy Start:			
Salaries and employee benefits	\$ 186,918	\$ 110,044	\$ 76,874
Other operating expenditures	25,091	17,761	7,330
Total Healthy Start	\$ 212,009	\$ 127,805	\$ 84,204
Environmental Health:			
Salaries and employee benefits	\$ 354,333	\$ 344,651	\$ 9,682
Other operating expenditures	31,083	28,220	2,863
Total Environmental Health	\$ 385,416	\$ 372,871	\$ 12,545
Tuberculosis:			
Salaries and employee benefits	\$ 101,278	\$ 101,380	\$ (102)
Other operating expenditures	16,239	15,643	596
Total Tuberculosis	\$ 117,517	\$ 117,023	\$ 494
Adult Health Services:			
Salaries and employee benefits	\$ 134,706	\$ 129,812	\$ 4,894
Other operating expenditures	46,047	37,992	8,055
Total Adult Health Services	\$ 180,753	\$ 167,804	\$ 12,949
Health Works:			
Salaries and employee benefits	\$ 42,299	\$ 41,565	\$ 734
Other operating expenditures	27,701	20,909	6,792
Total Health Works	\$ 70,000	\$ 62,474	\$ 7,526

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services: (continued)			
Health Department (continued):			
Home Health Services:			
Salaries and employee benefits	\$ 1,068,628	\$ 917,307	\$ 151,321
Other operating expenditures	918,381	842,715	75,666
Capital outlay	8,220	8,220	-
Total Home Health Services	\$ 1,995,229	\$ 1,768,242	\$ 226,987
Health Promotion:			
Salaries and employee benefits	\$ 29,190	\$ 26,049	\$ 3,141
Other operating expenditures	6,660	5,972	688
Total Health Promotion	\$ 35,850	\$ 32,021	\$ 3,829
Community Health Services:			
Salaries and employee benefits	\$ 70,865	\$ 69,768	\$ 1,097
Other operating expenditures	9,385	8,824	561
Total Community Health Services	\$ 80,250	\$ 78,592	\$ 1,658
Immunization Action Plan:			
Salaries and employee benefits	\$ 89,795	\$ 39,054	\$ 50,741
Other operating expenditures	700	550	150
Capital outlay	-	-	-
Total Immunization Action Plan	\$ 90,495	\$ 39,604	\$ 50,891
Communicable Disease:			
Salaries and employee benefits	\$ 184,788	\$ 181,319	\$ 3,469
Other operating expenditures	30,262	25,216	5,046
Total Communicable Disease	\$ 215,050	\$ 206,535	\$ 8,515

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services: (continued)			
Health Department (continued):			
Comprehensive Breast:			
Salaries and employee benefits	\$ 31,658	\$ 32,518	\$ (860)
Other operating expenditures	11,409	11,386	23
Total Comprehensive Breast	\$ 43,067	\$ 43,904	\$ (837)
Breast Health Initiative:			
Salaries and employee benefits	\$ 15,246	\$ 3,112	\$ 12,134
Other operating expenditures	33,561	7,292	26,269
Total Breast Health Initiative	\$ 48,807	\$ 10,404	\$ 38,403
HIV/STD Prevention Risk Reduction:			
Salaries and employee benefits	\$ 64,709	\$ 62,936	\$ 1,773
Other operating expenditures	34,051	29,906	4,145
Total HIV/STD Prevention Risk Reduction	\$ 98,760	\$ 92,842	\$ 5,918
Medicaid Outreach:			
Salaries and employee benefits	\$ 47,021	\$ 40,780	\$ 6,241
Other operating expenditures	3,866	3,639	227
Total Medicaid Outreach	\$ 50,887	\$ 44,419	\$ 6,468
Hospice:			
Salaries and employee benefits	\$ 345,730	\$ 344,125	\$ 1,605
Other operating expenditures	196,835	160,092	36,743
Capital outlay	3,523	3,523	-
Total Hospice	\$ 546,088	\$ 507,740	\$ 38,348

(continued)

**Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008**

Exhibit B-1

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Human Services: (continued)			
Health Department (continued):			
WIC:			
Salaries and employee benefits	\$ 264,345	\$ 262,847	\$ 1,498
Other operating expenditures	79,461	76,322	3,139
Total WIC	<u>\$ 343,806</u>	<u>\$ 339,169</u>	<u>\$ 4,637</u>
CDC/DENR Lead Grant:			
Salaries and employee benefits	\$ 46,972	\$ 7,283	\$ 39,689
Other operating expenditures	7,793	3,579	4,214
Total CDC/DENR Lead Grant	<u>\$ 54,765</u>	<u>\$ 10,862</u>	<u>\$ 43,903</u>
Special Programs:			
Salaries and employee benefits	\$ 222,165	\$ 215,192	\$ 6,973
Other operating expenditures	109,669	87,684	21,985
Total Special Programs	<u>\$ 331,834</u>	<u>\$ 302,876</u>	<u>\$ 28,958</u>
Pandemic Flu-Emergency Prepared:			
Other operating expenditures	<u>\$ 18,360</u>	<u>\$ 18,359</u>	<u>\$ 1</u>
EPSDT Outreach:			
Salaries and employee benefits	\$ 77,512	\$ 74,826	\$ 2,686
Other operating expenditures	7,255	5,006	2,249
Total EPSDT Outreach	<u>\$ 84,767</u>	<u>\$ 79,832</u>	<u>\$ 4,935</u>
Children's Special Orthopedic:			
Salaries and employee benefits	\$ 23,207	\$ 14,088	\$ 9,119
Other operating expenditures	5,043	2,380	2,663
Total Children's Special Orthopedic	<u>\$ 28,250</u>	<u>\$ 16,468</u>	<u>\$ 11,782</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Exhibit B-1</u> <u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures (continued):			
Human Services (continued):			
Health Department (continued):			
Dental Program:			
Salaries and employee benefits	\$ 102,583	\$ 103,998	\$ (1,415)
Other operating expenditures	427,769	327,452	100,317
Capital outlay	-	-	-
Total Dental Program	<u>\$ 530,352</u>	<u>\$ 431,450</u>	<u>\$ 98,902</u>
NC Teen Tobacco Use:			
Salaries and employee benefits	\$ 5,106	\$ 6,077	\$ (971)
Other operating expenditures	47,667	36,324	11,343
Total NC Teen Tobacco Use	<u>\$ 52,773</u>	<u>\$ 42,401</u>	<u>\$ 10,372</u>
Diabetes:			
Salaries and employee benefits	\$ 87,755	\$ 87,560	\$ 195
Other operating expenditures	55,968	41,351	14,617
Total Diabetes	<u>\$ 143,723</u>	<u>\$ 128,911</u>	<u>\$ 14,812</u>
BT Preparedness:			
Salaries and employee benefits	\$ 21,985	\$ 22,178	\$ (193)
Other operating expenditures	28,828	28,828	-
Total BT Preparedness	<u>\$ 50,813</u>	<u>\$ 51,006</u>	<u>\$ (193)</u>
SG Komen Breast Cancer Project:			
Salaries and employee benefits	\$ 15,002	\$ 13,302	\$ 1,700
Other operating expenditures	22,054	22,054	-
Total Breast Cancer Project	<u>\$ 37,056</u>	<u>\$ 35,356</u>	<u>\$ 1,700</u>
Total Health Department	<u>\$ 8,282,084</u>	<u>\$ 7,364,259</u>	<u>\$ 917,825</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Exhibit B-1</u> <u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures (continued):			
Human Services (continued):			
Mental Health:			
Assist to the Beacon Center	\$ 232,416	\$ 231,214	\$ 1,202
Aging:			
Salaries and employee benefits	\$ 46,525	\$ 40,298	\$ 6,227
Other operating expenditures	30,343	9,515	20,828
Total Aging	<u>\$ 76,868</u>	<u>\$ 49,813</u>	<u>\$ 27,055</u>
Social Services:			
Administration:			
Salaries and employee benefits	\$ 7,164,468	\$ 6,682,798	\$ 481,670
Other operating expenditures	940,699	712,503	228,196
Total Social Services	<u>\$ 8,105,167</u>	<u>\$ 7,395,301</u>	<u>\$ 709,866</u>
Public Assistance:			
Assistance payments	\$ 12,485,782	\$ 11,178,404	\$ 1,307,378
Total Social Services	<u>\$ 20,590,949</u>	<u>\$ 18,573,705</u>	<u>\$ 2,017,244</u>
Total Human Services	<u>\$ 29,523,974</u>	<u>\$ 26,553,778</u>	<u>\$ 2,970,196</u>
Cultural and Recreational:			
Contribution to local library	\$ 648,093	\$ 625,092	\$ 23,001
Cultural Arts Council	35,431	35,431	-
Community recreation	25,500	21,885	3,615
School recreation	30,000	29,994	6
Total Cultural and Recreational	<u>\$ 739,024</u>	<u>\$ 712,402</u>	<u>\$ 26,622</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Exhibit B-1</u> <u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures (continued):			
Education:			
Public Schools:			
Current	\$ 9,224,633	\$ 9,224,633	\$ -
Building capital fund (PSBCF)	1,300,000	206,992	1,093,008
NC Lottery allocations	1,500,000	-	1,500,000
School Hold Harmless	350,000	222,449	127,551
Community Colleges:			
Current	1,143,000	1,143,000	-
Capital outlay	150,000	150,000	-
Total Education	<u>\$ 13,667,633</u>	<u>\$ 10,947,074</u>	<u>\$ 2,720,559</u>
Debt Service:			
Principal retirement	\$ 1,512,145	\$ 1,512,134	\$ 11
Interest and other charges	728,888	728,717	171
Total Debt Service	<u>\$ 2,241,033</u>	<u>\$ 2,240,851</u>	<u>\$ 182</u>
Total Expenditures	<u>\$ 62,448,358</u>	<u>\$ 55,276,256</u>	<u>\$ 7,172,102</u>
Revenues Over (Under) Expenditures	<u>\$ (6,523,886)</u>	<u>\$ (1,839,796)</u>	<u>\$ 4,684,090</u>
Other Financing Sources (Uses):			
Transfers To/From Other Funds:			
Revaluation Fund	\$ (150,000)	\$ (150,000)	\$ -
Solid Waste	1,663,682	1,663,682	-
Emergency Telephone System Fund	(33,835)	(33,835)	-
Sale of fixed assets	20,000	20,667	667
Appropriated fund balance	5,024,039	-	(5,024,039)
Total Other Financing Sources (Uses)	<u>\$ 6,523,886</u>	<u>\$ 1,500,514</u>	<u>\$ (5,023,372)</u>

(continued)

Edgecombe County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	Exhibit B-1 Variance Positive (Negative)
(continued)			
Revenues and Other Financing Sources			
(Uses) Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (339,282)</u>	<u>\$ (339,282)</u>
Fund Balance:			
Beginning of year, July 1		16,075,914	
End of year, June 30		<u>\$ 15,736,632</u>	

Edgecombe County, North Carolina
2006 School Bond Capital Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit B-2

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
NC Lottery	\$ 726,000	\$ -	\$ -	\$ -	\$ (726,000)
Investment Income	583,780	579,872	70,525	650,397	66,617
Total Revenues	<u>\$ 1,309,780</u>	<u>\$ 579,872</u>	<u>\$ 70,525</u>	<u>\$ 650,397</u>	<u>\$ (659,383)</u>
Expenditures:					
Southwest High School:					
Construction	\$ 1,924,302	\$ 1,840,353	\$ 55,079	\$ 1,895,432	\$ 28,870
Engineering	193,663	160,588	31,336	191,924	1,739
Legal & Administration	3,815	3,814	-	3,814	1
Total	<u>\$ 2,121,780</u>	<u>\$ 2,004,755</u>	<u>\$ 86,415</u>	<u>\$ 2,091,170</u>	<u>\$ 30,610</u>
Carver Elementary:					
Construction	\$ 1,073,240	\$ 943,426	\$ 109,573	\$ 1,052,999	\$ 20,241
Engineering	75,307	66,975	8,331	75,306	1
Legal & Administration	5,636	5,635	-	5,635	1
Total	<u>\$ 1,154,183</u>	<u>\$ 1,016,036</u>	<u>\$ 117,904</u>	<u>\$ 1,133,940</u>	<u>\$ 20,243</u>
Bullock Elementary:					
Construction	\$ 3,696,542	\$ 3,058,412	\$ 570,264	\$ 3,628,676	\$ 67,866
Engineering	242,605	219,188	23,417	242,605	-
Legal & Administration	4,636	4,635	-	4,635	1
Total	<u>\$ 3,943,783</u>	<u>\$ 3,282,235</u>	<u>\$ 593,681</u>	<u>\$ 3,875,916</u>	<u>\$ 67,867</u>
Coker Wimberly Middle:					
Construction	\$ 1,655,514	\$ 1,236,431	\$ 388,127	\$ 1,624,558	\$ 30,956
Engineering	120,984	109,309	11,675	120,984	-
Legal & Administration	7,536	7,535	-	7,535	1
Total	<u>\$ 1,784,034</u>	<u>\$ 1,353,275</u>	<u>\$ 399,802</u>	<u>\$ 1,753,077</u>	<u>\$ 30,957</u>

(continued)

Edgecombe County, North Carolina
2006 School Bond Capital Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit B-2

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Expenditures: (continued)					
Phillips School:					
Construction	\$ 1,450,000	\$ -	\$ 5,152	\$ 5,152	\$ 1,444,848
Engineering	120,000	-	7,000	7,000	113,000
Legal & Administration	6,000	-	1,947	1,947	4,053
Total	<u>\$ 1,576,000</u>	<u>\$ -</u>	<u>\$ 14,099</u>	<u>\$ 14,099</u>	<u>\$ 1,561,901</u>
Legal and Administration	<u>\$ 100,000</u>	<u>\$ 71,450</u>	<u>\$ 3,198</u>	<u>\$ 74,648</u>	<u>\$ 25,352</u>
Total Expenditures	<u>\$ 10,679,780</u>	<u>\$ 7,727,751</u>	<u>\$ 1,215,099</u>	<u>\$ 8,942,850</u>	<u>\$ 1,736,930</u>
Revenues Over (Under) Expenditures	\$ (9,370,000)	\$ (7,147,879)	\$ (1,144,574)	\$ (8,292,453)	\$ 1,077,547
Other Financing Sources:					
Bond proceeds	<u>9,370,000</u>	<u>9,370,000</u>	<u>-</u>	<u>9,370,000</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 2,222,121</u>	<u>\$ (1,144,574)</u>	<u>\$ 1,077,547</u>	<u>\$ 1,077,547</u>
Fund Balance:					
Beginning of year, July 1			2,222,121		
End of year, June 30			<u>\$ 1,077,547</u>		

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Non-Major Governmental Funds

**Edgecombe County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008**

				Special
	Revaluation Fund	CDBG 06-C-1525 Scattered Sites Project Fund	Fire Districts Fund	Industrial Sites Development Fund
Assets				
Cash and cash equivalents	\$ 238,864	\$ 63,579	\$ 8,595	\$ 160,320
Accounts receivable, net	-	49,553	-	-
Taxes receivable, net	-	-	158,715	-
Total Assets	<u>\$ 238,864</u>	<u>\$ 113,132</u>	<u>\$ 167,310</u>	<u>\$ 160,320</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 33,602	\$ 20,730	\$ 8,595	\$ 4,893
Due to other funds	-	92,402	-	-
Deferred revenue	-	-	158,715	-
Total Liabilities	<u>\$ 33,602</u>	<u>\$ 113,132</u>	<u>\$ 167,310</u>	<u>\$ 4,893</u>
Fund balances:				
Reserved by state statute	\$ -	\$ -	\$ -	\$ -
Reserved for Public Safety - Wireless	-	-	-	-
Unreserved - Designated	205,262	-	-	155,427
Total Fund Balances	<u>\$ 205,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,427</u>
Total Liabilities and Fund Balances	<u>\$ 238,864</u>	<u>\$ 113,132</u>	<u>\$ 167,310</u>	<u>\$ 160,320</u>

Exhibit C-1

Revenue Funds

Emergency Telephone System	Schools Capital Outlay Fund	Golden Leaf Grant Fund	CDBG U-365 Grant Fund	Economic Development & Housing Recovery Fund	Total Nonmajor Special Revenue Funds
\$ 385,788	\$ -	\$ -	\$ 1,156	\$ -	\$ 858,302
44,639	212,747	5,000	-	21,403	333,342
-	-	-	-	-	158,715
<u>\$ 430,427</u>	<u>\$ 212,747</u>	<u>\$ 5,000</u>	<u>\$ 1,156</u>	<u>\$ 21,403</u>	<u>\$ 1,350,359</u>
\$ 6,858	\$ 212,747	\$ -	\$ -	\$ 6,186	\$ 293,611
-	-	5,000	-	15,085	112,487
-	-	-	-	-	158,715
<u>\$ 6,858</u>	<u>\$ 212,747</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 21,271</u>	<u>\$ 564,813</u>
\$ -	\$ -	\$ -	\$ -	\$ 21,403	\$ 21,403
423,569	-	-	-	-	423,569
-	-	-	1,156	(21,271)	340,574
<u>\$ 423,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,156</u>	<u>\$ 132</u>	<u>\$ 785,546</u>
<u>\$ 430,427</u>	<u>\$ 212,747</u>	<u>\$ 5,000</u>	<u>\$ 1,156</u>	<u>\$ 21,403</u>	<u>\$ 1,350,359</u>

Edgecombe County, North Carolina
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

				Special
	Revaluation Fund	CDBG 06-C-1525 Scattered Sites Fund	Fire Districts Fund	Industrial Sites Development Fund
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ 653,136	\$ -
Local option sales tax	-	-	-	-
Restricted intergovernmental	-	126,829	-	-
Other taxes and licenses	-	-	-	-
Investment earnings	-	-	-	1,780
Total Revenues	\$ -	\$ 126,829	\$ 653,136	\$ 1,780
Expenditures				
General Government	\$ 336,023	\$ -	\$ -	\$ -
Public Safety	-	-	653,136	-
Education	-	-	-	-
Economic and Physical Development	-	126,829	-	29,804
Total Expenditures	\$ 336,023	\$ 126,829	\$ 653,136	\$ 29,804
Excess (Deficiency) of Revenues Over Expenditures	\$ (336,023)	\$ -	\$ -	\$ (28,024)
Other Financing Sources (Uses)				
Transfers to/from other funds	150,000	-	-	(31,045)
Net Change in Fund Balances	\$ (186,023)	\$ -	\$ -	\$ (59,069)
Fund Balances:				
Beginning of year, July 1	391,285	-	-	214,496
End of year, June 30	\$ 205,262	\$ -	\$ -	\$ 155,427

Exhibit C-2

Revenue Funds

Emergency Telephone System	Schools Capital Outlay Fund	Golden Leaf Grant Fund	CDBG U-365 Grant Fund	Economic Development & Housing Recovery Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 653,136
-	1,264,499	-	-	-	1,264,499
-	-	75,750	-	58,903	261,482
242,881	-	-	-	-	242,881
4,104	-	-	-	-	5,884
<u>\$ 246,985</u>	<u>\$ 1,264,499</u>	<u>\$ 75,750</u>	<u>\$ -</u>	<u>\$ 58,903</u>	<u>\$ 2,427,882</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336,023
175,813	-	-	-	-	828,949
-	1,264,499	-	-	-	1,264,499
-	-	75,750	29,889	85,290	-
-	-	-	-	-	347,562
<u>\$ 175,813</u>	<u>\$ 1,264,499</u>	<u>\$ 75,750</u>	<u>\$ 29,889</u>	<u>\$ 85,290</u>	<u>\$ 2,777,033</u>
\$ 71,172	\$ -	\$ -	\$ (29,889)	\$ (26,387)	\$ (349,151)
33,835	-	-	31,045	-	183,835
<u>\$ 105,007</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,156</u>	<u>\$ (26,387)</u>	<u>\$ (165,316)</u>
318,562	-	-	-	26,519	950,862
<u>\$ 423,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,156</u>	<u>\$ 132</u>	<u>\$ 785,546</u>

Edgecombe County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit C-3

	2007		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ -	\$ -
Expenditures:			
General Government:			
Property revaluation	350,000	336,023	13,977
Revenues Over (Under) Expenditures	\$ (350,000)	\$ (336,023)	\$ 13,977
Other Financing Sources:			
Transfer In:			
General Fund	-	150,000	150,000
Revenues and Other Sources Over (Under) Expenditures	\$ (350,000)	\$ (186,023)	\$ 163,977
Appropriated fund balance	-	-	-
Revenues, Other Sources, and Appropriated Fund Balance Over (Under) Expenditures	\$ (350,000)	\$ (186,023)	\$ 163,977
Fund Balance:			
Beginning of year, July 1		391,285	
End of year, June 30		\$ 205,262	

Edgecombe County, North Carolina
Community Development Block Grant Fund
Scattered Site Project Fund - 06-C-1525
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit C-4

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted Intergovernmental:					
Community Development Block Grant 06-C-1525	\$ 400,000	\$ 22,866	\$ 126,829	\$ 149,695	\$ (250,305)
Expenditures:					
Economic and Physical Development:					
Rehabilitation	\$ 360,000	\$ 10,124	\$ 106,902	\$ 117,026	\$ 242,974
Administration	40,000	12,742	19,927	32,669	7,331
Total Expenditures	<u>\$ 400,000</u>	<u>\$ 22,866</u>	<u>\$ 126,829</u>	<u>\$ 149,695</u>	<u>\$ 250,305</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ -</u>		

Edgecombe County, North Carolina
Fire Districts Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit C-5

	2008		Variance
	Budget	Actual	Positive
			(Negative)
Revenues:			
Ad valorem taxes	\$ 847,500	\$ 653,136	\$ (194,364)
Expenditures:			
Public Safety:			
Fire Districts	847,500	653,136	194,364
Revenues Over Expenditures	\$ -	\$ -	\$ -
Fund Balance:			
Beginning of year, July 1		-	
End of year, June 30		\$ -	

**Edgecombe County, North Carolina
Industrial Sites Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008**

Exhibit C-6

	2008		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Investment earnings	\$ -	\$ 1,780	\$ 1,780
Property sale/lease payments	-	-	-
Total Revenues	\$ -	\$ 1,780	\$ 1,780
Expenditures:			
Economic and Physical Development:			
Engineering	\$ 32,050	\$ 29,804	\$ 2,246
Incentives	-	-	-
Total Expenditures	\$ 32,050	\$ 29,804	\$ 2,246
Revenues Over Expenditures	\$ (32,050)	\$ (28,024)	\$ 4,026
Other Financing Sources (Uses):			
Transfers Out:			
Capital Projects	\$ (31,045)	\$ (31,045)	\$ -
Fund Balance appropriated	63,095	-	(63,095)
Total Other Financing Sources (Uses)	\$ 32,050	\$ (31,045)	\$ (63,095)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ (59,069)	\$ (59,069)
Fund Balance:			
Beginning of year, July 1		214,496	
End of year, June 30		\$ 155,427	

Edgecombe County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

	2008		Exhibit C-7
	Budget	Actual	Variance Positive (Negative)
Revenues:			
911 Fees	\$ 120,000	\$ 57,390	\$ (62,610)
911 Wireless fees	65,440	73,283	7,843
NC 911 PSAP fees	-	112,208	112,208
Investment earnings	-	4,104	4,104
Total Revenues	\$ 185,440	\$ 246,985	\$ 61,545
Expenditures:			
Public Safety:			
Enhanced 911:			
Salaries and benefits	\$ 36,387	\$ 35,900	\$ 487
Operating expenses	59,500	21,259	38,241
Total Enhanced 911	\$ 95,887	\$ 57,159	\$ 38,728
NC 911:			
Salaries and benefits	\$ 34,388	\$ 34,388	\$ -
Operating expenses	65,800	65,335	465
Total NC 911	\$ 100,188	\$ 99,723	\$ 465
Wireless 911:			
Operating expenses	\$ 23,200	\$ 18,931	\$ 4,269
Total Expenditures	\$ 219,275	\$ 175,813	\$ 43,462
Revenues Over (Under) Expenditures	\$ (33,835)	\$ 71,172	\$ 105,007
Other Financing Sources (Uses):			
Transfer In:			
General Fund	33,835	33,835	-
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ 105,007	\$ 105,007
Fund Balance:			
Beginning of year, July 1		318,562	
End of year, June 30		\$ 423,569	

Edgecombe County, North Carolina
Schools Capital Outlay Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit C-8

	2008		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Local Sales Tax - Restricted Portion	\$ 1,400,000	\$ 1,264,499	\$ (135,501)
Expenditures:			
Education:			
Schools - Capital outlay	1,400,000	1,264,499	135,501
Revenues Over Expenditures	\$ -	\$ -	\$ -
Other Financing Sources (Uses):			
Transfer Out:			
General Fund for School Debt Service	-	-	-
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ -	\$ -
Fund Balance:			
Beginning of year, July 1		-	
End of year, June 30		\$ -	

Edgecombe County, North Carolina
Golden Leaf Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit C-9

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted Intergovernmental:					
Golden Leaf Grant	\$ 480,000	\$ 402,300	\$ 75,750	\$ 478,050	\$ (1,950)
Expenditures:					
Economic and Physical Development:					
Eastern Carolina Livestock Arena	<u>480,000</u>	<u>402,300</u>	<u>75,750</u>	<u>478,050</u>	<u>1,950</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ -</u>		

Edgecombe County, North Carolina
Community Development Block Grant Fund
CDBG U-365
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit C-10

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted Intergovernmental:					
Community Development Block Grant U-365	\$ 348,000	\$ -	\$ -	\$ -	\$ (348,000)
Expenditures:					
Economic Development:					
Community Development Block Grant U-365:					
Engineering	\$ 31,045	\$ -	\$ 29,634	\$ 29,634	\$ 1,411
Site improvements	348,000	-	255	255	347,745
Total Expenditures	<u>\$ 379,045</u>	<u>\$ -</u>	<u>\$ 29,889</u>	<u>\$ 29,889</u>	<u>\$ 349,156</u>
Revenues Over (Under) Expenditures	\$ (31,045)	\$ -	\$ (29,889)	\$ (29,889)	\$ 1,156
Other Financing Sources (Uses):					
Transfers In:					
Industrial Sites Development Fund	<u>31,045</u>	<u>-</u>	<u>31,045</u>	<u>31,045</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,156</u>	<u>\$ 1,156</u>	<u>\$ 1,156</u>
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ 1,156</u>		

Edgecombe County, North Carolina
Economic Development & Housing Recovery Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit C-11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted Intergovernmental:					
NC Housing & Finance:					
2006 Urgent Repair	\$ 75,000	\$ 37,500	\$ 37,500	\$ 75,000	\$ -
2008 Urgent Repair	75,000	-	-	-	(75,000)
Single Family Repair	336,350	-	21,403	21,403	(314,947)
Investment income	1,152	1,688	-	1,688	536
Total Revenues	<u>\$ 487,502</u>	<u>\$ 39,188</u>	<u>\$ 58,903</u>	<u>\$ 98,091</u>	<u>\$ (389,411)</u>
Expenditures:					
Economic and Physical Development:					
NC Housing & Finance:					
2006 Urgent Repair	\$ 76,152	\$ 12,266	\$ 63,886	\$ 76,152	\$ -
2008 Urgent Repair	75,000	-	-	-	75,000
Single Family Repair	336,350	-	21,404	21,404	314,946
Total Expenditures	<u>\$ 487,502</u>	<u>\$ 12,266</u>	<u>\$ 85,290</u>	<u>\$ 97,556</u>	<u>\$ 389,946</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 26,922</u>	<u>\$ (26,387)</u>	<u>\$ 535</u>	<u>\$ 535</u>
Fund Balance:					
Beginning of year, July 1			26,519		
End of year, June 30			<u>\$ 132</u>		

Enterprise Funds

Edgecombe County, North Carolina
Water District Capital Projects Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit D-1

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>		
Revenues:					
Water District No. 3:					
Restricted Intergovernmental:					
USDA/Rural Development	\$ 3,900,000	\$ 2,800,345	\$ 830,171	\$ 3,630,516	\$ (269,484)
NC Clean Water & Utilities Bond - Loan	2,690,259	2,690,259	-	2,690,259	-
NC Clean Water & Utilities Bond - Grant	3,000,000	3,000,000	-	3,000,000	-
Rural Center	200,000	200,000	-	200,000	-
County Appropriation	43,500	43,500	-	43,500	-
General Obligation Bonds	294,000	294,000	-	294,000	-
Sales Tax Refunds	-	55,896	-	55,896	55,896
Total	<u>\$ 10,127,759</u>	<u>\$ 9,084,000</u>	<u>\$ 830,171</u>	<u>\$ 9,914,171</u>	<u>\$ (213,588)</u>
Water District No. 5:					
Restricted Intergovernmental:					
USDA/Rural Development	\$ 3,988,000	\$ -	\$ -	\$ -	\$ (3,988,000)
General Obligation Bonds	3,928,000	-	3,928,000	3,928,000	-
Investment Income	-	-	20,479	20,479	20,479
Total	<u>\$ 7,916,000</u>	<u>\$ -</u>	<u>\$ 3,948,479</u>	<u>\$ 3,948,479</u>	<u>\$ (3,967,521)</u>
West Edgecombe/ Bulluck Sewer Project:					
Restricted Intergovernmental:					
Rural Center	\$ 350,000	\$ -	\$ 350,000	\$ 350,000	\$ -
NC Clean Water Mgmt Trust	1,505,000	907,612	308,529	1,216,141	(288,859)
Total	<u>\$ 1,855,000</u>	<u>\$ 907,612</u>	<u>\$ 658,529</u>	<u>\$ 1,566,141</u>	<u>\$ (288,859)</u>
 Total Revenues	 <u>\$ 19,898,759</u>	 <u>\$ 9,991,612</u>	 <u>\$ 5,437,179</u>	 <u>\$ 15,428,791</u>	 <u>\$ (4,469,968)</u>

(continued)

Edgecombe County, North Carolina
Water District Capital Projects Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit D-1

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
(continued)					
Expenditures:					
Water District No. 3:					
Capital Outlay	\$ 422,500	\$ 251,334	\$ 138,170	\$ 389,504	\$ 32,996
Supplies	56,845	-	33,892	33,892	22,953
Construction	8,375,459	7,118,440	622,385	7,740,825	634,634
Engineering Fees	760,800	740,209	9,054	749,263	11,537
Land Right of Way	196,618	196,595	-	196,595	23
Administration & Legal	50,000	29,714	82	29,796	20,204
Capitalized Interest	246,882	171,514	-	171,514	75,368
Contingency	18,655	12,072	-	12,072	6,583
Total	<u>\$ 10,127,759</u>	<u>\$ 8,519,878</u>	<u>\$ 803,583</u>	<u>\$ 9,323,461</u>	<u>\$ 804,298</u>
Water District No. 5:					
Construction	\$ 5,760,445	\$ -	\$ 2,140,309	\$ 2,140,309	\$ 3,620,136
Engineering Fees	606,360	-	368,092	368,092	238,268
Land Right of Way	23,450	-	23,450	23,450	-
Leggett Note Purchase	226,000	-	-	-	226,000
Administration & Legal	30,712	-	22,659	22,659	8,053
Capitalized Interest	350,000	-	-	-	350,000
Equipment	186,000	-	178,856	178,856	7,144
Contingency	733,033	-	-	-	733,033
Total	<u>\$ 7,916,000</u>	<u>\$ -</u>	<u>\$ 2,733,366</u>	<u>\$ 2,733,366</u>	<u>\$ 5,182,634</u>
West Edgecombe/ Bulluck Sewer Project:					
Construction	\$ 1,436,400	\$ 719,448	\$ 636,925	\$ 1,356,373	\$ 80,027
Engineering Fees	235,000	176,243	16,943	193,186	41,814
Land Right of Way	20,000	5,125	-	5,125	14,875
Administration & Legal	25,000	6,796	4,661	11,457	13,543
Contingency	138,600	-	-	-	138,600
Total	<u>\$ 1,855,000</u>	<u>\$ 907,612</u>	<u>\$ 658,529</u>	<u>\$ 1,566,141</u>	<u>\$ 288,859</u>
Total Expenditures	<u>\$ 19,898,759</u>	<u>\$ 9,427,490</u>	<u>\$ 4,195,478</u>	<u>\$ 13,622,968</u>	<u>\$ 6,275,791</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 564,122</u>	<u>\$ 1,241,701</u>	<u>\$ 1,805,823</u>	<u>\$ 1,805,823</u>

Edgecombe County, North Carolina
Water and Sewer Operations
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2008

Exhibit D-2

	2008		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues:			
Water Sales - charges for service	\$ 1,956,614	\$ 1,819,221	\$ (137,393)
Late charges and penalties	110,000	95,630	(14,370)
Total Operating Revenues	\$ 2,066,614	\$ 1,914,851	\$ (151,763)
Non-operating Revenues:			
Water tap fees	\$ 70,000	\$ 75,365	\$ 5,365
The Rural Center Grant	7,500	7,500	-
Investment Income	-	2,763	2,763
Transfer from Capital Project	-	-	-
Other	600	5,017	4,417
Total Non-operating Revenues	\$ 78,100	\$ 90,645	\$ 12,545
Total Revenues	\$ 2,144,714	\$ 2,005,496	\$ (139,218)
Expenditures:			
Water Operation and Administration:			
Salaries and employee benefits	\$ 388,218	\$ 373,674	\$ 14,544
Water purchases	640,500	559,869	80,631
Operating expenditures	333,422	238,345	95,077
Capital outlay	6,000	5,207	793
Total Expenditures	\$ 1,368,140	\$ 1,177,095	\$ 191,045

(continued)

Edgecombe County, North Carolina
Water and Sewer Operations
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2008

Exhibit D-2

	2008		Variance Positive (Negative)
	Budget	Actual	
(continued)			
Revenues Over Expenditures	\$ 776,574	\$ 828,401	\$ 51,827
Other Financing Sources (Uses):			
Lease transfers	(776,574)	(768,442)	8,132
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ 59,959	\$ 59,959

Reconciliation from budgetary basis (modified accrual) to full accrual:

Revenues Over Expenditures	\$ 59,959
Reconciling Items:	
Transfer from Capital Project	\$ 1,144,878
Lease (transfer) adjustment	273,758
Capital Outlay	5,207
Increase in accrued vacation pay	(5,326)
Provision for bad debt	(31,041)
Depreciation	(592,417)
Residual equity transfer	
Total Reconciling Items	\$ 795,059
Change in Net Assets	\$ 855,018

Edgecombe County, North Carolina
Non-operating Enterprise Funds
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2008

	<u>Water & Sewer District 1</u>		<u>Water & Sewer District 2</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Expenditures:				
Budgetary Appropriations:				
Interest paid	\$ 199,176	\$ 191,045	\$ 178,826	\$ 178,826
Debt principal	64,000	64,000	49,000	49,000
Total Expenditures	<u>\$ 263,176</u>	<u>\$ 255,045</u>	<u>\$ 227,826</u>	<u>\$ 227,826</u>
Other Financing Sources:				
Capital lease transfers in	<u>263,176</u>	<u>255,045</u>	<u>227,826</u>	<u>227,826</u>
Revenues and Other Financing Sources				
Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Reconciliation of Modified Accrual Basis to Full Accrual:

Payment of debt principal	\$ 64,000	\$ 49,000
Change in interest accrual	253	189
Reduction of investment in direct financing lease receivable	(64,253)	(49,189)
Residual Equity Transfer	-	-
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>

Exhibit D-3

Water & Sewer District 3		Water & Sewer District 5		Total Non-operating Enterprise Funds		Variance Positive (Negative)
Budget	Actual	Budget	Actual	Budget	Actual	
\$ 114,951	\$ 114,951	\$ 11,522	\$ 11,522	\$ 504,475	\$ 496,344	\$ 8,131
144,593	144,593	14,505	14,505	272,098	272,098	-
<u>\$ 259,544</u>	<u>\$ 259,544</u>	<u>\$ 26,027</u>	<u>\$ 26,027</u>	<u>\$ 776,573</u>	<u>\$ 768,442</u>	<u>\$ 8,131</u>
259,544	259,544	26,027	26,027	776,573	768,442	(8,131)
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
	\$ 144,593		\$ 14,505		\$ 272,098	
	959		259		1,660	
	(145,552)		(14,764)		(273,758)	
	-		-		-	
	<u><u>\$ -</u></u>		<u><u>\$ -</u></u>		<u><u>\$ -</u></u>	

Edgecombe County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2008

Exhibit D-4

	2008		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues:			
Charges for Services:			
Solid Waste charges	\$ 2,258,000	\$ 1,982,858	\$ (275,142)
Recycling	-	9,465	9,465
Total Operating Revenues	\$ 2,258,000	\$ 1,992,323	\$ (265,677)
Non-operating Revenues:			
Investment earnings	\$ 70,000	\$ 124,216	\$ 54,216
Scrap tire	55,000	78,951	23,951
White goods	25,000	26,511	1,511
Other Grants	19,766	24,587	4,821
Other income	6,276	45,533	39,257
Total Non-operating Revenues	\$ 176,042	\$ 299,798	\$ 123,756
Total Revenues	\$ 2,434,042	\$ 2,292,121	\$ (141,921)
Expenditures:			
Operating Expenditures:			
Salaries and employee benefits	\$ 688,338	\$ 670,497	\$ 17,841
Other operating expenditures	1,885,419	1,549,604	335,815
Total Operating Expenditures	\$ 2,573,757	\$ 2,220,101	\$ 353,656
Capital outlays	6,750	6,701	49
Total Expenditures	\$ 2,580,507	\$ 2,226,802	\$ 353,705

(continued)

Edgecombe County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2008

Exhibit D-4

	2008		Variance Positive (Negative)
	Budget	Actual	
(continued)			
Revenues Over (Under) Expenditures	\$ (146,465)	\$ 65,319	\$ 211,784
Other Financing Sources (Uses):			
Transfer to General Fund	\$ (1,663,682)	\$ (1,663,682)	\$ -
Fund balance appropriated	1,810,147	-	(1,810,147)
Total Other Financing Sources (Uses)	\$ 146,465	\$ (1,663,682)	\$ (1,810,147)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ (1,598,363)	\$ (1,598,363)

Reconciliation from budgetary basis (modified accrual) to full accrual:

Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ (1,598,363)
Reconciling Items:	
Capital outlays	\$ 6,701
Depreciation	(95,607)
Provision for bad debt	-
(Increase) decrease in accrued landfill closure and postclosure care costs	(89,586)
(Increase) decrease in accrued vacation pay	(3,784)
Total Reconciling Items	\$ (182,276)
Change in Net Assets	\$ (1,780,639)

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Other Schedules

This section contains additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable.
- Analysis of Current Tax Levy – County-Wide Levy
- Analysis of Current Tax Levy – Fire Districts
- Statement of Changes in Assets and Liabilities – Agency Funds

Edgecombe County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2008

Exhibit E-1

Fiscal Year	Uncollected Balance June 30, 2007	Additions	Collections And Credits	Uncollected Balance June 30, 2008
2007-2008	\$ -	\$ 23,629,262	\$ 21,737,165	\$ 1,892,097
2006-2007	1,609,967	-	904,086	705,881
2005-2006	650,594	-	155,633	494,961
2004-2005	458,181	-	84,071	374,110
2003-2004	407,354	-	65,643	341,711
2002-2003	345,252	-	40,403	304,849
2001-2002	279,896	-	22,376	257,520
2000-2001	177,365	-	9,682	167,683
1999-2000	178,340	-	8,207	170,133
1998-1999	143,278	-	5,745	137,533
1997-1998	106,917	-	106,917	-
	<u>\$ 4,357,144</u>	<u>\$ 23,629,262</u>	<u>\$ 23,139,928</u>	<u>\$ 4,846,478</u>
				Less: allowance for uncollectible accounts (527,402)
				<u>\$ 5,373,880</u>
 Reconciliation with Revenues:				
				<u>\$ 23,393,430</u>
				Reconciling Items:
				Penalties and Interest collected \$ (381,597)
				Taxes written off 128,095
				<u>\$ (253,502)</u>
				Total Collections and Credits <u>\$ 23,139,928</u>

**Edgecombe County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
For the Fiscal Year Ended June 30, 2008**

Exhibit E-2

	County - Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 2,435,057,702	0.94	\$ 22,889,542	\$ 20,033,198	\$ 2,856,344
Penalties			130,359	130,359	-
Total	\$ 2,435,057,702		\$ 23,019,901	\$ 20,163,557	\$ 2,856,344
Discoveries at current year's rate	79,584,417	0.94	748,094	419,307	328,787
Abatements at current year's rate	(14,758,774)	0.94	(138,732)	(68,121)	(70,612)
Total Property Valuation	\$ 2,499,883,345				
Net Levy			\$ 23,629,262	\$ 20,514,743	\$ 3,114,519
Uncollected taxes at June 30, 2008			1,892,097	1,265,102	626,995
Current Year's Taxes Collected			\$ 21,737,165	\$ 19,249,641	\$ 2,487,524
Current levy collection percentage			91.99%	93.83%	79.87%

Edgecombe County, North Carolina
Analysis of Current Tax Levy - Fire Districts
For the Fiscal Year Ended June 30, 2008

Exhibit E-3

	Original Levy	Accounts Receivable
Harrison	\$ 69,279	\$ 5,897
Tri-County	37,204	3,432
Davenport	23,994	2,692
Heartsease	101,056	4,946
Princeville	79,246	8,484
Speed	47,706	3,281
South Edgecombe	38,072	3,424
Macclesfield	45,758	2,511
Leggett	36,958	3,193
West Edgecombe	89,812	6,207
Lewis	38,085	2,253
Conetoe	60,944	6,408
Sharp Point	3,372	280
Total Original Levy	\$ 671,486	\$ 53,008
Less uncollected at June 30, 2008	53,008	
Current Year's Taxes Collected	\$ 618,478	
Percent Current Year Collected	92.11%	

Edgecombe County, North Carolina
Agency Funds
Statement of Changes in Assets and Liabilities
For The Fiscal Year Ended June 30, 2008

Exhibit E-4

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
State Motor Vehicle Interest				
Assets:				
Cash and cash equivalents	\$ 6,761	\$ 54,065	\$ 54,030	\$ 6,796
Liabilities:				
Miscellaneous liabilities	\$ 6,761	\$ 54,065	\$ 54,030	\$ 6,796

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Statistical Section

This part of Edgecombe County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	121-127
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	128-138
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	139-140
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	141-143
Operating Information	
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the city provides and the activities it performs.	144-146

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

Schedule 1

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental Activities:						
Invested in capital assets, net of related debt	\$ 5,878,139	\$ 6,421,042	\$ 6,828,247	\$ 6,490,271	\$ 16,171,252	\$ 14,173,172
Restricted	3,167,385	1,876,405	2,017,147	2,402,398	2,572,793	2,702,845
Unrestricted	10,135,575	14,886,632	18,640,998	28,313,181	16,792,486	19,172,344
Total Governmental Activities Net Assets	\$ 19,181,099	\$ 23,184,079	\$ 27,486,392	\$ 37,205,850	\$ 35,536,531	\$ 36,048,361
Business-type Activities:						
Invested in capital assets, net of related debt	\$ 9,677,241	\$ 11,499,447	\$ 14,823,757	\$ 16,130,877	\$ 17,512,165	\$ 18,778,684
Restricted for other purposes	469,927	-	-	-	-	-
Unrestricted	3,134,880	2,728,005	2,953,861	3,424,277	4,131,617	1,939,476
Total Business-type Activities Net Assets	\$ 13,282,048	\$ 14,227,452	\$ 17,777,618	\$ 19,555,154	\$ 21,643,782	\$ 20,718,160
Primary Government:						
Invested in capital assets, net of related debt	\$ 15,555,380	\$ 17,920,489	\$ 21,652,004	\$ 22,621,148	\$ 33,683,417	\$ 32,951,856
Restricted for other purposes	3,637,312	1,876,405	2,017,147	2,402,398	2,572,793	2,702,845
Unrestricted	13,270,455	17,614,637	21,594,859	31,737,458	20,924,103	21,111,820
Total Primary Government Net Assets	\$ 32,463,147	\$ 37,411,531	\$ 45,264,010	\$ 56,761,004	\$ 57,180,313	\$ 56,766,521

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Edgecombe County, North Carolina
Changes In Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

Schedule 2

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses:						
Governmental Activities:						
General Government	\$ 4,530,069	\$ 3,750,662	\$ 3,917,021	\$ 4,453,545	\$ 4,490,345	\$ 5,008,019
Public Safety	15,507,091	8,682,140	9,248,881	9,517,145	10,715,161	10,905,575
Transportation	40,350	44,641	44,699	57,335	56,308	56,308
Economic and physical development	2,057,241	1,345,582	1,717,941	1,060,364	1,929,463	1,339,101
Human Services	24,423,956	23,501,280	25,504,524	26,639,846	26,632,334	26,223,748
Cultural and recreation	648,861	640,331	652,125	662,671	691,766	712,402
Education	9,581,139	10,475,008	11,133,616	12,769,896	11,941,455	12,814,315
Interest on long-term debt	698,836	542,825	499,600	605,335	757,723	714,309
Total Governmental Activities	<u>\$ 57,487,543</u>	<u>\$ 48,982,469</u>	<u>\$ 52,718,407</u>	<u>\$ 55,766,137</u>	<u>\$ 57,214,555</u>	<u>\$ 57,773,777</u>
Business-type Activities:						
Landfill	\$ 2,124,599	\$ 2,612,624	\$ 2,049,532	\$ 1,902,529	\$ 2,169,389	\$ 2,404,801
Water and Sewer	1,356,846	1,734,542	1,936,697	2,078,309	2,206,944	2,329,249
Total Business-type Activities	<u>\$ 3,481,445</u>	<u>\$ 4,347,166</u>	<u>\$ 3,986,229</u>	<u>\$ 3,980,838</u>	<u>\$ 4,376,333</u>	<u>\$ 4,734,050</u>
Total Primary Government Expenses	<u>\$ 60,968,988</u>	<u>\$ 53,329,635</u>	<u>\$ 56,704,636</u>	<u>\$ 59,746,975</u>	<u>\$ 61,590,888</u>	<u>\$ 62,507,827</u>
Program Revenues:						
Governmental Activities:						
Charges for Services:						
General Government	\$ 445,514	\$ 1,413,144	\$ 769,267	\$ 1,140,117	\$ 811,435	\$ 397,591
Public Safety	1,054,503	1,289,123	1,961,950	2,296,095	2,229,040	2,459,512
Economic and Physical Development	125,178	-	352,066	6,097	-	-
Human Services	4,925,316	5,410,325	5,911,403	4,586,933	4,384,471	4,660,471
Operating grants and contributions	20,670,186	11,817,315	14,379,467	14,253,265	13,201,642	12,929,028
Capital grants and contributions	310,582	1,082,374	190,617	151,525	709,489	948,780
Total Governmental Activities	<u>\$ 27,531,279</u>	<u>\$ 21,012,281</u>	<u>\$ 23,564,770</u>	<u>\$ 22,434,032</u>	<u>\$ 21,336,077</u>	<u>\$ 21,395,382</u>
Business-type Activities:						
Charges for Services:						
Water and Sewer	\$ 1,159,096	\$ 1,404,068	\$ 1,692,537	\$ 1,794,211	\$ 2,060,054	\$ 1,995,233
Solid Waste	2,819,233	2,499,147	2,104,326	2,034,916	2,071,620	2,163,628
Capital grants and contributions	2,749,959	1,798,679	3,661,623	1,767,148	2,110,152	1,186,271
Total Business-type Activities	<u>\$ 6,728,288</u>	<u>\$ 5,701,894</u>	<u>\$ 7,458,486</u>	<u>\$ 5,596,275</u>	<u>\$ 6,241,826</u>	<u>\$ 5,345,132</u>
Total Primary Government Program Revenues	<u>\$ 34,259,567</u>	<u>\$ 26,714,175</u>	<u>\$ 31,023,256</u>	<u>\$ 28,030,307</u>	<u>\$ 27,577,903</u>	<u>\$ 26,740,514</u>

(continued)

Edgecombe County, North Carolina
Changes In Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

Schedule 2

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
(continued)						
Net (Expense)/Revenue						
Governmental activities	\$ (29,956,264)	\$ (27,970,188)	\$ (29,153,637)	\$ (33,332,105)	\$ (35,878,478)	\$ (36,378,395)
Business-type activities	3,246,843	1,354,728	3,472,257	1,615,437	1,865,493	611,082
Total Primary Government Net Expense	<u>\$ (26,709,421)</u>	<u>\$ (26,615,460)</u>	<u>\$ (25,681,380)</u>	<u>\$ (31,716,668)</u>	<u>\$ (34,012,985)</u>	<u>\$ (35,767,313)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Taxes	\$ 29,190,106	\$ 31,196,000	\$ 32,241,560	\$ 32,292,877	\$ 32,723,256	\$ 33,230,085
Grants and contributions not restricted	216,944	98,568	358,295	344,780	233,730	507,661
Investment earnings, unrestricted	498,490	59,192	428,914	1,099,236	1,378,251	935,330
Miscellaneous, unrestricted	303,370	106,721	416,805	198,252	310,384	532,800
Sale of capital assets	525,000	92,187	10,432	38,542	-	20,667
Transfers/Distributions	525,000	420,500	(56)	8,241,408	-	1,663,682
Total Governmental Activities	<u>\$ 30,733,910</u>	<u>\$ 31,973,168</u>	<u>\$ 33,455,950</u>	<u>\$ 42,215,095</u>	<u>\$ 34,645,621</u>	<u>\$ 36,890,225</u>
Business-type Activities:						
Investment earnings	\$ 7,366	\$ 11,176	\$ 77,853	\$ 162,099	\$ 223,135	\$ 126,979
Transfers	(525,000)	(420,500)	56	-	-	(1,663,682)
Total Business-type Activities	<u>\$ (517,634)</u>	<u>\$ (409,324)</u>	<u>\$ 77,909</u>	<u>\$ 162,099</u>	<u>\$ 223,135</u>	<u>\$ (1,536,703)</u>
Total Primary Government	<u>\$ 30,216,276</u>	<u>\$ 31,563,844</u>	<u>\$ 33,533,859</u>	<u>\$ 42,377,194</u>	<u>\$ 34,868,756</u>	<u>\$ 35,353,522</u>
Change in Net Assets						
Governmental activities	\$ 777,646	\$ 4,002,980	\$ 4,302,313	\$ 8,882,990	\$ (1,232,857)	\$ 511,830
Business-type activities	2,729,209	945,404	3,550,166	1,777,536	2,088,628	(925,621)
Total Primary Government	<u>\$ 3,506,855</u>	<u>\$ 4,948,384</u>	<u>\$ 7,852,479</u>	<u>\$ 10,660,526</u>	<u>\$ 855,771</u>	<u>\$ (413,791)</u>

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund:					
Reserved	\$ 5,088,535	\$ 7,860,511	\$ 6,550,918	\$ 8,668,385	\$ 8,635,153
Unreserved:					
Undesignated	8,255,524	3,345,651	4,646,987	3,670,964	3,617,053
Designated	1,755,033	3,217,021	2,583,425	2,459,995	1,297,990
Total General Fund	<u>\$ 15,099,092</u>	<u>\$ 14,423,183</u>	<u>\$ 13,781,330</u>	<u>\$ 14,799,344</u>	<u>\$ 13,550,196</u>
All Other Governmental Funds:					
Reserved	\$ 296,552	\$ 313,540	\$ 918,138	\$ 1,789,474	\$ 19,105
Unreserved, reported in:					
Special revenue funds	209,322	93,032	(28,480)	30,649	451,002
Capital projects funds	447,012	42,266	(573,556)	(1,360,751)	(66,314)
Debt service funds	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 952,886</u>	<u>\$ 448,838</u>	<u>\$ 316,102</u>	<u>\$ 459,372</u>	<u>\$ 403,793</u>

Schedule 3

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 7,453,863	\$ 8,159,272	\$ 8,264,914	\$ 5,710,916	\$ 6,923,028
6,401,260	6,814,311	6,041,658	5,820,833	4,573,835
2,177,343	3,793,919	4,742,865	4,544,165	4,239,769
<u>\$ 16,032,466</u>	<u>\$ 18,767,502</u>	<u>\$ 19,049,437</u>	<u>\$ 16,075,914</u>	<u>\$ 15,736,632</u>
\$ 156,428	\$ 185,627	\$ 9,054,199	\$ 2,542,720	\$ 1,522,519
350,011	476,420	579,781	318,562	340,574
46,067	3,771	-	2,222,121	-
-	-	-	-	-
<u>\$ 552,506</u>	<u>\$ 665,818</u>	<u>\$ 9,633,980</u>	<u>\$ 5,083,403</u>	<u>\$ 1,863,093</u>

Edgecombe County, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenues:				
Ad valorem taxes	\$ 18,606,329	\$ 18,519,950	\$ 18,767,702	\$ 21,860,761
Local option sales tax	4,544,188	4,816,327	4,741,138	4,674,222
Other taxes and licenses	168,482	164,517	139,174	95,724
Unrestricted intergovernmental	1,835,155	2,704,914	2,046,296	1,552,646
Restricted intergovernmental	17,536,853	31,328,849	32,443,858	24,082,880
Permits and fees	566,485	526,748	535,074	558,348
Sales and services	6,636,878	6,150,105	7,471,448	8,592,902
Investment earnings	833,488	974,691	866,875	499,270
Miscellaneous	215,105	7,117,575	1,480,178	607,412
Total Revenues	<u>\$ 50,942,963</u>	<u>\$ 72,303,676</u>	<u>\$ 68,491,743</u>	<u>\$ 62,524,165</u>
Expenditures:				
General Government	\$ 3,069,803	\$ 3,286,643	\$ 3,579,420	\$ 3,673,805
Public safety	5,677,211	11,760,964	8,668,893	7,426,827
Transportation	88,277	69,233	62,732	76,115
Economic and physical development	2,659,924	2,351,591	1,375,852	2,164,879
Human services	22,872,467	36,473,048	29,646,305	25,949,464
Cultural and recreational	485,597	610,723	670,252	674,034
Intergovernmental:				
Education	9,199,834	9,559,449	9,873,570	10,551,154
Capital Outlay	-	-	-	-
Debt service:				
Principal	883,211	733,802	863,738	1,107,643
Interest and other charges	686,123	678,943	702,506	755,672
Capital Outlay	10,230,965	8,698,206	17,456,807	10,672,660
Total Expenditures	<u>\$ 55,853,412</u>	<u>\$ 74,222,602</u>	<u>\$ 72,900,075</u>	<u>\$ 63,052,253</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (4,910,449)</u>	<u>\$ (1,918,926)</u>	<u>\$ (4,408,332)</u>	<u>\$ (528,088)</u>
Other Financing Sources (Uses)				
Bonds Issued	\$ -	\$ -	\$ -	\$ -
Transfers from other funds	-	-	670,000	740,654
Transfers to other funds	-	350,000	(220,000)	(237,567)
Transfer from component unit	40,000	91,197	155,962	153,825
Loan proceeds	1,529,000	289,072	3,000,000	-
Sale of capital assets	359,485	8,700	27,781	10,492
Total Other Financing Sources (Uses)	<u>\$ 1,928,485</u>	<u>\$ 738,969</u>	<u>\$ 3,633,743</u>	<u>\$ 667,404</u>
Net Change in Fund Balances	<u>\$ (2,981,964)</u>	<u>\$ (1,179,957)</u>	<u>\$ (774,589)</u>	<u>\$ 139,316</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>3.44%</u>	<u>2.16%</u>	<u>2.82%</u>	<u>3.56%</u>

Schedule 4

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 22,544,391	\$ 23,303,444	\$ 24,673,143	\$ 24,161,582	\$ 23,906,570	\$ 24,046,566
6,308,937	7,170,852	7,530,351	7,712,329	8,249,404	8,044,419
319,496	313,058	306,050	323,029	326,945	366,845
118,936	510,363	391,087	298,907	168,266	211,335
20,132,473	12,867,033	15,097,186	14,532,891	13,656,898	14,050,073
533,419	628,442	526,208	691,419	910,324	872,808
6,963,395	6,522,210	7,514,326	7,327,063	6,293,458	6,874,690
498,490	59,191	428,914	1,099,236	1,378,251	935,330
210,389	282,131	464,185	339,481	539,247	532,801
<u>\$ 57,629,926</u>	<u>\$ 51,656,724</u>	<u>\$ 56,931,450</u>	<u>\$ 56,485,937</u>	<u>\$ 55,429,363</u>	<u>\$ 55,934,867</u>
\$ 4,126,233	\$ 3,314,180	\$ 3,751,125	\$ 4,156,778	\$ 4,264,018	4,725,635
14,849,091	7,773,127	8,698,861	9,107,990	10,574,834	10,116,622
40,350	44,641	44,699	57,335	56,308	56,308
2,022,829	1,526,936	1,713,868	1,053,162	1,926,960	1,339,132
24,428,679	23,353,120	25,382,074	26,530,571	26,621,901	26,525,729
648,861	640,331	652,125	662,671	691,766	712,402
10,620,867	10,476,092	11,133,616	11,559,046	11,526,190	12,211,573
-	-	-	795,586	6,932,165	1,215,099
1,407,776	1,550,098	1,618,855	1,257,878	1,711,307	1,512,134
709,568	572,484	509,575	454,560	769,003	728,717
698,380	1,587,419	588,680	1,019,267	573,397	125,037
<u>\$ 59,552,634</u>	<u>\$ 50,838,428</u>	<u>\$ 54,093,478</u>	<u>\$ 56,654,844</u>	<u>\$ 65,647,849</u>	<u>\$ 59,268,388</u>
<u>\$ (1,922,708)</u>	<u>\$ 818,296</u>	<u>\$ 2,837,972</u>	<u>\$ (168,907)</u>	<u>\$ (10,218,486)</u>	<u>\$ (3,333,521)</u>
\$ -	\$ -	\$ -	\$ 9,370,000	\$ -	\$ -
733,872	822,526	73,697	-	-	1,663,682
(208,872)	(402,026)	(73,753)	-	-	-
85,105	-	-	-	-	-
-	1,300,000	-	-	760,000	-
7,876	92,187	10,432	49,004	23,966	20,667
<u>\$ 617,981</u>	<u>\$ 1,812,687</u>	<u>\$ 10,376</u>	<u>\$ 9,419,004</u>	<u>\$ 783,966</u>	<u>\$ 1,684,349</u>
<u>\$ (1,304,727)</u>	<u>\$ 2,630,983</u>	<u>\$ 2,848,348</u>	<u>\$ 9,250,097</u>	<u>\$ (9,434,520)</u>	<u>\$ (1,649,172)</u>
<u>3.60%</u>	<u>4.31%</u>	<u>3.98%</u>	<u>3.08%</u>	<u>3.81%</u>	<u>3.79%</u>

Edgecombe County, North Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Real Property			Personal Property	Less: Tax-Exempt Property
	Residential Property	Commercial/ Manufacturing Property	Other		
1999	655,486	626,890	129,509	661,607	85,411
2000	692,669	598,355	132,400	684,267	84,563
2001	695,217	566,607	152,956	703,812	80,539
2002	835,986	845,913	157,637	728,963	97,523
2003	896,924	766,259	140,769	789,924	101,329
2004	900,012	783,427	170,348	721,573	101,786
2005	940,838	788,969	129,133	743,151	106,538
2006	944,475	731,907	128,019	785,651	105,448
2007	1,047,114	673,500	118,501	732,253	106,337
2008	1,054,763	674,859	120,244	756,147	106,130

Source: Edgecombe County Tax Assessor

Notes: The County assesses property every eight years. The last revaluation was in 2001.

Schedule 5

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
1,988,081	0.91%	2,395,278
2,023,128	0.91%	2,504,388
2,038,053	0.91%	2,547,566
2,470,976	0.87%	2,534,334
2,492,547	0.91%	2,771,184
2,473,574	0.91%	2,865,018
2,495,553	0.93%	2,873,826
2,484,604	0.93%	3,105,755
2,465,031	0.94%	3,201,339
2,499,883	0.94%	3,472,060

Edgecombe County, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$100 of assessed value)

	Year Taxes Are Payable				
	2008	2007	2006	2005	2004
County Direct Rate					
General - Edgecombe(1)	0.94	0.94	0.93	0.93	0.91
City Rates					
City of Rocky Mount	0.58	0.55	0.50	0.50	0.50
Town Rates					
Town of Conetoe	0.16	0.17	0.17	0.18	0.20
Town of Leggett	0.25	0.25	0.25	0.25	0.25
Town of Macclesfield	0.45	0.45	0.45	0.45	0.45
Town of Pinetops	0.36	0.36	0.36	0.36	0.36
Town of Princeville	0.78	0.78	0.78	0.78	0.78
Town of Sharpsburg	0.50	0.45	0.45	0.45	0.45
Town of Speed	0.30	0.30	0.25	0.25	0.25
Town of Tarboro	0.42	0.42	0.42	0.42	0.42
Town of Whitakers	0.69	0.69	0.69	0.69	0.69

Notes:

(1) Property was revalued in 2001.

(2) The property tax rates for each of the governments listed above are base unit-wide tax rates. For each government, certain motor vehicles were taxed at the preceding year's rate.

Source: Tax Assessor for the respective entities.

Schedule 6

2003	2002	2001	2000	1999
0.91	0.87	0.91	0.91	0.91
0.48	0.44	0.46	0.46	0.46
0.20	0.20	0.21	0.21	0.21
0.25	0.25	0.25	0.25	0.25
0.45	0.45	0.45	0.45	0.45
0.36	0.34	0.37	0.37	0.37
0.78	0.78	0.78	0.78	0.78
0.45	0.45	0.41	0.41	0.41
0.25	0.25	0.25	0.25	0.25
0.42	0.42	0.46	0.46	0.46
0.67	0.67	0.67	0.67	0.67

**Edgecombe County, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago**

Schedule 7

Taxpayer	1998		1999	
	Assessed Valuation	% of Total Assessed Valuation	Assessed Valuation	% of Total Assessed Valuation
QVC Rocky Mount, Inc.	\$ -	0.00%	\$ -	0.00%
Sprint	56,682,444	2.92%	54,944,158	2.74%
Keihin Carolina Systems Technology	-	0.00%	-	0.00%
Cogentrix	62,432,302	3.21%	60,929,101	3.04%
A T & T Communications	31,682,583	1.63%	32,017,916	1.60%
Sara Lee Bakery	41,117,183	2.12%	41,060,852	2.05%
Amoco Fabrics & Fibers	30,359,798	1.56%	23,358,206	1.17%
Empire Industries	18,589,851	0.96%	17,167,834	0
Dixie Yarn/Fieldcrest Cannon	17,319,285	0.89%	15,026,096	0.75%
Heritage Hospital Inc.	26,874,704	1.38%	-	0.00%
Superior Telecommunications	17,862,217	0.92%	23,932,401	1.19%
Glenoit Mills	23,796,187	1.22%	33,292,943	1.66%
EMC	-	0.00%	13,779,582	0.69%
American Fibers & Yarns	-	0.00%	-	0.00%
CSX	-	0.00%	-	0.00%
Carlisle Plastics LP	-	0.00%	-	0.00%
Air Systems Components	-	0.00%	-	0.00%
Covalence Specialty Materials Corp	-	0.00%	-	0.00%
Total	<u>\$ 326,716,554</u>	<u>16.81%</u>	<u>\$ 315,509,089</u>	<u>15.75%</u>

Source: Tax Assessor for the entity.

**Edgecombe County, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago**

Schedule 7

Taxpayer	2000		2001	
	Assessed Valuation	% of Total Assessed Valuation	Assessed Valuation	% of Total Assessed Valuation
QVC Rocky Mount, Inc.	\$ -	0.00%	\$ 61,614,080	2.74%
Sprint	49,100,590	2.28%	64,346,582	2.86%
Keihin Carolina Systems Technology	17,205,060	0.86%	33,587,691	1.49%
Cogentrix	58,929,262	2.73%	58,247,693	2.59%
A T & T Communications	25,812,855	1.19%	23,172,788	1.03%
Sara Lee Bakery	43,362,064	2.01%	67,492,015	3.00%
Amoco Fabrics & Fibers	-	0.00%	-	0.00%
Empire Industries	-	-	-	0.00%
Dixie Yarn/Fieldcrest Cannon	23,295,824	1.08%	-	0.00%
Heritage Hospital Inc.	-	0.00%	-	0.00%
Superior Telecommunications	24,777,472	1.15%	19,655,110	0.87%
Glenoit Mills	26,344,969	1.22%	24,060,720	1.07%
EMC	-	0.00%	17,118,018	0.76%
American Fibers & Yarns	19,746,373	0.92%	19,213,796	0.85%
CSX	-	0.00%	-	0.00%
Carlisle Plastics LP	15,411,638	0.72%	-	0.00%
Air Systems Components	-	0.00%	-	0.00%
Covalence Specialty Materials Corp	-	0.00%	-	0.00%
Total	<u>\$ 303,986,107</u>	<u>14.16%</u>	<u>\$ 388,508,493</u>	<u>17.26%</u>

Source: Tax Assessor for the entity.

**Edgecombe County, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago**

Schedule 7

Taxpayer	2002		2003	
	Assessed Valuation	% of Total Assessed Valuation	Assessed Valuation	% of Total Assessed Valuation
QVC Rocky Mount, Inc.	\$ 62,530,718	2.48%	\$ 73,703,681	2.98%
Sprint	63,507,922	2.52%	62,454,297	2.52%
Keihin Carolina Systems Technology	44,701,599	1.78%	48,366,714	1.95%
Cogentrix	57,065,659	2.27%	47,912,247	1.94%
A T & T Communications	-	0.00%	-	0.00%
Sara Lee Bakery	64,062,187	2.54%	71,971,615	2.91%
Amoco Fabrics & Fibers	-	0.00%	-	0.00%
Empire Industries	-	0.00%	-	0.00%
Dixie Yarn/Fieldcrest Cannon	-	0.00%	-	0.00%
Heritage Hospital Inc.	-	0.00%	-	0.00%
Superior Telecommunications	21,731,630	0.86%	19,845,620	0.80%
Glenoit Mills	20,699,894	0.82%	-	0.00%
EMC	17,939,452	0.71%	18,224,126	0.74%
American Fibers & Yarns	18,157,257	0.72%	25,355,872	1.02%
CSX	-	0.00%	14,810,087	0.60%
Carlisle Plastics LP	15,267,046	0.61%	12,735,074	0.51%
Air Systems Components	-	0.00%	-	0.00%
Covalence Specialty Materials Corp	-	0.00%	-	0.00%
Total	\$ 385,663,364	15.31%	\$ 395,379,333	15.97%

Source: Tax Assessor for the entity.

**Edgecombe County, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago**

Schedule 7

Taxpayer	2004		2005	
	Assessed Valuation	% of Total Assessed Valuation	Assessed Valuation	% of Total Assessed Valuation
QVC Rocky Mount, Inc.	\$ 81,043,588	3.22%	\$ 71,915,287	2.83%
Sprint	61,806,698	2.45%	67,184,075	2.64%
Keihin Carolina Systems Technology	56,190,873	2.23%	59,623,706	2.34%
Cogentrix	51,843,151	2.06%	46,748,445	1.84%
A T & T Communications	13,031,564	0.52%	-	0.00%
Sara Lee Bakery	54,646,983	2.17%	63,461,613	2.50%
Amoco Fabrics & Fibers	-	0.00%	-	0.00%
Empire Industries	-	0.00%	-	0.00%
Dixie Yarn/Fieldcrest Cannon	-	0.00%	-	0.00%
Heritage Hospital Inc.	-	0.00%	-	0.00%
Superior Telecommunications	17,630,200	0.70%	16,427,150	0.65%
Glenoit Mills	-	0.00%	-	0.00%
EMC	18,749,478	0.74%	20,043,954	0.79%
American Fibers & Yarns	24,514,529	0.97%	12,835,571	0.50%
CSX	-	0.00%	13,957,580	0.55%
Carlisle Plastics LP	13,444,522	0.53%	15,715,109	0.62%
Air Systems Components	-	0.00%	-	0.00%
Covalence Specialty Materials Corp	-	0.00%	-	0.00%
Total	<u>\$ 392,901,586</u>	<u>15.59%</u>	<u>\$ 387,912,490</u>	<u>15.26%</u>

Source: Tax Assessor for the entity.

**Edgecombe County, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago**

Schedule 7

Taxpayer	2006		2007	
	Assessed Valuation	% of Total Assessed Valuation	Assessed Valuation	% of Total Assessed Valuation
QVC Rocky Mount, Inc.	\$ 69,489,661	3.23%	\$ 70,942,641	2.84%
Sprint	58,849,236	2.74%	58,475,763	2.34%
Keihin Carolina Systems Technology	66,333,882	3.09%	66,464,930	2.66%
Cogentrix	45,583,521	2.12%	44,470,824	1.78%
A T & T Communications		0.00%	-	0.00%
Sara Lee Bakery	58,557,623	2.72%	51,687,341	2.07%
Amoco Fabrics & Fibers	-	0.00%	-	0.00%
Empire Industries	-	0.00%	-	0.00%
Dixie Yarn/Fieldcrest Cannon	-	0.00%	-	0.00%
Heritage Hospital Inc.	-	0.00%	-	0.00%
Superior Telecommunications	17,329,980	0.81%	16,839,258	0.67%
Glenoit Mills	-	0.00%	-	0.00%
EMC	20,467,170	0.95%	21,442,067	0.86%
American Fibers & Yarns		0.00%	-	0.00%
CSX	13,486,537	0.63%	14,956,853	0.60%
Carlisle Plastics LP	16,202,318	0.75%	16,956,148	0.68%
Air Systems Components	9,498,365	0.44%	-	0.00%
Covalence Specialty Materials Corp	-	0.44%	16,584,924	0.66%
Total	<u>\$ 375,798,293</u>	<u>17.92%</u>	<u>\$ 378,820,749</u>	<u>15.16%</u>

Source: Tax Assessor for the entity.

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**Edgecombe County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years**

Levy	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
1998	18,116,306	17,142,044	94.62%
1999	18,473,429	17,225,786	93.25%
2000	18,599,076	17,218,279	92.58%
2001	21,601,406	19,968,594	92.44%
2002	22,779,178	20,680,173	90.79%
2003	22,560,839	20,754,985	92.00%
2004	23,253,954	21,797,535	93.74%
2005	23,151,447	21,645,355	93.49%
2006	23,244,190	21,634,223	93.07%
2007	23,629,262	21,737,165	91.99%

Source: Audited annual financial reports of this entity.

Notes: The information in this schedule relates to the County's own property tax levies, and does not include those it collects on behalf of other governments.

Schedule 8

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
836,729	17,978,773	99.24%
1,077,510	18,303,296	99.08%
1,213,114	18,431,393	99.10%
1,375,292	21,343,886	98.81%
1,794,156	22,474,329	98.66%
1,464,143	22,219,128	98.49%
1,082,309	22,879,844	98.39%
1,011,131	22,656,486	97.86%
904,086	22,538,309	96.96%
-	21,737,165	91.99%

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Edgecombe County, North Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Schedule 9

Fiscal Year	Governmental Activities General Obligation Bonds	Percentage of Personal Income	Per Capita	General Bonded Debt As A % of Actual Value of Taxable Property
2008	\$ 8,570,000	n/a	\$ 165	0.34%
2007	8,820,000	n/a	168	0.36%
2006	9,370,000	0.69%	173	0.38%
2005	-	0.00%	-	0.00%
2004	-	0.00%	-	0.00%
2003	-	0.00%	-	0.00%
2002	-	0.00%	-	0.00%
2001	-	0.00%	-	0.00%
2000	-	0.00%	-	0.00%
1999	150,000	0.02%	3	0.01%
1998	500,000	0.05%	9	0.03%

Notes:

Population and personal income can be found in Schedule 11.

See Schedule 5 for property value data.

Edgecombe County, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years

Schedule 10

Legal Debt Margin Calculation	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed Value--January 1,	\$ 1,988,080,658	\$ 2,023,128,132	\$ 2,038,053,077	\$ 2,470,975,862	\$ 2,492,546,665	\$ 2,473,573,956	\$ 2,495,552,804	\$ 2,484,504,466	\$ 2,465,031,350	\$ 2,499,883,345
Debt limit - 8% of assessed value	\$ 159,048,453	\$ 161,850,251	\$ 163,044,246	\$ 197,678,069	\$ 199,403,733	\$ 197,885,916	\$ 199,644,224	\$ 198,768,357	\$ 197,202,508	\$ 199,990,668
Gross Debt:										
Total bonded debt	4,546,000	4,396,000	4,349,000	4,300,500	8,250,000	8,491,000	8,392,000	16,364,000	15,726,000	15,380,500
Revenue Bonds								1,296,000	1,276,500	1,256,000
Installment Purchase	12,899,928	12,616,091	14,765,896	13,995,627	12,595,757	12,836,116	11,434,509	10,086,839	9,019,746	7,914,442
Notes Payable	1,433,895	1,341,719	1,235,281	1,124,405	829,150	602,869	2,870,729	3,140,060	4,086,919	3,337,527
Unissued	-	-	-	-	-	6,000,000	6,000,000	9,430,000	9,430,000	9,430,000
Gross Debt	\$ 18,879,823	\$ 18,353,810	\$ 20,350,177	\$ 19,420,532	\$ 21,674,907	\$ 27,929,985	\$ 28,697,238	\$ 40,316,899	\$ 39,539,165	\$ 37,318,469
Less Water Gross Debt	4,396,000	4,396,000	4,349,000	4,587,849	8,526,051	14,755,175	17,141,283	17,218,823	16,955,933	16,683,834
Net Bonded Debt	\$ 14,483,823	\$ 13,957,810	\$ 16,001,177	\$ 14,832,683	\$ 13,148,856	\$ 13,174,810	\$ 11,555,955	\$ 23,098,076	\$ 22,583,232	\$ 20,634,635
Legal Debt Margin	\$ 144,562,630	\$ 147,892,441	\$ 147,043,069	\$ 182,845,386	\$ 186,254,877	\$ 184,711,106	\$ 188,088,269	\$ 175,670,281	\$ 174,619,276	\$ 179,356,033

Total net debt applicable to the limit
as a percentage of debt limit

9.11% 8.62% 9.81% 7.50% 6.59% 6.66% 5.79% 11.62% 11.45% 10.32%

**Edgecombe County, North Carolina
Demographic and Economic Statistics
Last Ten Calendar Years**

Schedule 11

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School ADM	Unemployment Rate
	(1)	(2)	(2)	(1)	(3)	(4)
1999	54,702	938,303	17,153	34.55	7,704	9.5%
2000	54,659	789,003	14,435	35.01	7,771	8.5%
2001	55,606	1,181,294	21,244	35.85	7,468	5.9%
2002	54,698	1,229,009	22,469	36.23	7,544	8.4%
2003	54,945	1,226,812	22,328	36.20	7,643	11.0%
2004	54,077	1,293,684	23,923	36.20	7,621	10.1%
2005	53,916	1,370,000	25,373	37.58	7,495	8.8%
2006	53,034	1,352,000	25,445	37.84	7,469	8.6%
2007	52,644	*	*	38.00	7,385	7.8%
2008	51,813	*	*	38.25	7,363	8.3%

*Information not yet available.

Source:

- # North Carolina Data Center
- # Bureau of Economic Analysis
- # North Carolina Department of Public Instruction
- # Employment Security Commission of North Carolina

**Edgecombe County, North Carolina
Principal Employers
Current Year and Nine Years Ago**

Schedule 12

Employer	1999		2000		2001		2002		2003	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Edgecombe County Schools	1,100	4.77%	1,100	4.65%	1,110	4.83%	1,100	4.98%	1,100	4.92%
Sara Lee Bakery	500	2.17%	1,000	4.23%	930	4.05%	935	4.23%	935	4.18%
QVC, Inc.	-	0.00%	-	0.00%	400	1.74%	400	1.81%	400	1.79%
Edgecombe County	600	2.60%	600	2.54%	640	2.79%	680	3.08%	680	3.04%
MBM Corporation	350	1.52%	350	1.48%	350	1.52%	700	3.17%	700	3.13%
Carolina Telephone/Sprint/Embarq	650	2.82%	650	2.75%	650	2.83%	1,206	5.46%	1,206	5.40%
Tyco Plastics	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Keith Carolina System Technology	-	0.00%	300	1.27%	400	1.74%	430	1.95%	430	1.92%
Air System Components	300	1.30%	-	0.00%	170	0.74%	287	1.30%	287	1.28%
Barcalounger Company	400	1.74%	425	1.80%	430	1.87%	430	1.95%	430	1.92%
Heritage Hospital Inc.	450	1.95%	350	1.48%	360	1.57%	489	2.21%	489	2.19%
Superior Telecommunications	450	1.95%	400	1.69%	400	1.74%	222	1.01%	222	0.99%
Barnhill Contracting Company	200	0.87%	200	0.85%	200	0.87%	735	3.33%	735	3.29%
Long Agribusiness	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
General Foam Plastics	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Focal Point	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Glenoit LLC	850	3.69%	1,000	4.23%	1,000	4.36%	447	2.02%	447	2.00%
ABB Power T&D Company, Inc.	200	0.87%	200	0.85%	200	0.87%	176	0.80%	176	0.79%
Glenoit Fabrics (GH) Corporation	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Mayo Knitting Mills	325	1.41%	350	1.48%	310	1.35%	221	1.00%	221	0.99%
Tri-County Industries	175	0.76%	175	0.74%	175	0.76%	175	0.79%	175	0.78%
HC Composites LLC	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Stretchon, Inc.	100	0.43%	100	0.42%	100	0.44%	100	0.45%	100	0.45%
Royster Clark, Inc.	-	0.00%	-	0.00%	100	0.44%	100	0.45%	100	0.45%
Inco, Inc.	325	1.41%	350	1.48%	350	1.52%	320	1.45%	320	1.43%
Carlisle Plastics, Inc.	325	1.41%	325	1.37%	320	1.39%	270	1.22%	270	1.21%
Long Manufacturing Co., Inc.	300	1.30%	225	0.95%	210	0.91%	181	0.82%	181	0.81%
SE&M	200	0.87%	200	0.85%	200	0.87%	117	0.53%	117	0.52%
Pilotex Corporation	300	1.30%	300	1.27%	250	1.09%	250	1.13%	-	0.00%
Empire Industries, Inc.	400	1.74%	400	1.69%	200	0.87%	200	0.91%	-	0.00%
American Fabrics & Fibers	300	1.30%	300	1.27%	275	1.20%	-	0.00%	-	0.00%
Ansell Edmont Industrial	200	0.87%	200	0.85%	200	0.87%	-	0.00%	-	0.00%
Heilig-Meyers Distribution	160	0.69%	160	0.68%	160	0.70%	-	0.00%	-	0.00%
Engine Systems	125	0.54%	125	0.53%	100	0.44%	-	0.00%	-	0.00%
Trinity Industries	100	0.43%	100	0.42%	100	0.44%	-	0.00%	-	0.00%
Carolina Farms	100	0.43%	100	0.42%	-	0.00%	-	0.00%	-	0.00%
Walker-Ross Printing Co.	100	0.43%	100	0.42%	-	0.00%	-	0.00%	-	0.00%
Amerigold Logistics	100	0.43%	100	0.42%	-	0.00%	-	0.00%	-	0.00%
Covalence Plastica	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Farm Trac	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Town of Tarboro	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Berry Plastics	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Nomaco, Inc.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Spongex, LLC	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total	9,685	42.04%	10,185	43.08%	10,290	44.82%	10,171	46.06%	9,921	44.40%

Source:
Carolina Gateway Partnership
Employment Security Commission of North Carolina

Edgecombe County, North Carolina
Principal Employers
Current Year and Nine Years Ago

Schedule 12

Employer	2004		2005		2006		2007		2008	
	Employees	Percentage of Total County Employment								
Edgecombe County Schools	1,100	4.94%	1,100	4.95%	1,100	4.92%	1,100	4.92%	1,100	4.92%
Sara Lee Bakery	850	3.81%	850	3.82%	850	3.80%	800	3.58%	800	3.58%
QVC, Inc.	850	3.81%	850	3.82%	850	3.80%	850	3.80%	950	4.25%
Edgecombe County	650	2.92%	650	2.92%	550	2.46%	550	2.46%	550	2.46%
MBM Corporation	400	1.79%	600	2.70%	600	2.68%	600	2.68%	600	2.68%
Carolina Telephone/Sprint/Embarq	600	2.69%	600	2.70%	600	2.68%	600	2.68%	600	2.68%
Tyco Plastics	550	2.47%	550	2.47%	550	2.46%	-	0.00%	-	0.00%
Keihin Carolina System Technology	500	2.24%	500	2.25%	500	2.24%	500	2.24%	500	2.24%
Air System Components	325	1.46%	425	1.91%	450	2.01%	450	2.01%	550	2.46%
Barcalounger Company	400	1.79%	400	1.80%	400	1.79%	200	0.89%	200	0.89%
Heritage Hospital Inc.	485	2.18%	380	1.71%	380	1.70%	380	1.70%	380	1.70%
Superior Telecommunications	400	1.79%	340	1.53%	340	1.52%	300	1.34%	300	1.34%
Barnhill Contracting Company	250	1.12%	250	1.12%	250	1.12%	275	1.23%	275	1.23%
Long Agribusiness	225	1.01%	200	0.90%	200	0.89%	-	0.00%	-	0.00%
General Foam Plastics	200	0.90%	200	0.90%	200	0.89%	200	0.89%	200	0.89%
Focal Point	200	0.90%	200	0.90%	200	0.89%	100	0.45%	100	0.45%
Glennco LLC	200	0.90%	200	0.90%	200	0.89%	-	0.00%	-	0.00%
ABB Power T&D Company, Inc.	180	0.81%	180	0.81%	180	0.80%	220	0.98%	220	0.98%
Glennco Fabrics (GH) Corporation	200	0.90%	160	0.72%	160	0.72%	-	0.00%	-	0.00%
Mayo Knitting Mills	200	0.90%	150	0.67%	150	0.67%	140	0.63%	130	0.58%
Tri-County Industries	125	0.56%	130	0.58%	125	0.56%	100	0.45%	100	0.45%
HC Composites LLC	150	0.67%	125	0.56%	150	0.67%	100	0.45%	100	0.45%
Stretchlon, Inc.	100	0.45%	100	0.45%	100	0.45%	100	0.45%	100	0.45%
Royster Clark, Inc.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Inco, Inc.	375	1.68%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Carlisle Plastics, Inc.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Long Manufacturing Co., Inc.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
SE&M	140	0.63%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Pilotex Corporation	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Empire Industries, Inc.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
American Fabrics & Fibers	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Ansell Edmont Industrial	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Heilig-Meyers Distribution	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Engine Systems	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Trinity Industries	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Carolina Farms	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Walker-Ross Printing Co.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Amerigold Logistics	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Covalence Plastica	-	0.00%	-	0.00%	-	0.00%	600	2.68%	-	0.00%
Farm Trac	-	0.00%	-	0.00%	-	0.00%	175	0.78%	-	0.00%
Town of Tarboro	-	0.00%	-	0.00%	-	0.00%	170	0.76%	170	0.76%
Berry Plastics	-	0.00%	-	0.00%	-	0.00%	-	0.00%	500	2.24%
Nomaco, Inc.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	150	0.67%
Spongex, LLC	-	0.00%	-	0.00%	-	0.00%	-	0.00%	100	0.45%
Total	9,655	43.32%	9,140	41.10%	9,085	40.62%	8,510	38.05%	8,675	38.79%

Source:
Carolina Gateway Partnership
Employment Security Commission of North Carolina

Edgecombe County, North Carolina
Full Time Equivalent Employees by Function/Program
Last Ten Fiscal Years

Schedule 13

<u>Full-time Equivalent Employees as of December 31,</u>										
<u>Function/Program</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government										
County Manager	3	3	3	3	3	3	3	3	3	4
Finance	6	6	6	6	6	6	6	6	6	6
Tax Assessor	8	8	8	8	8	8	8	8	8	8
Tax Collector	6	6	6	6	6	6	6	6	6	6
Board of Elections	4	4	4	4	4	4	4	4	4	4
Register of Deeds	5	5	5	5	5	5	5	5	5	5
Data Processing	3	3	3	3	3	3	4	4	4	4
Public Buildings	10	10	10	10	10	10	10	10	10	10
Public Safety										
Sheriff	52	52	52	53	54	55	56	56	58	55
Dispatchers	10	10	10	10	10	10	10	10	11	11
Jail	50	50	50	50	50	50	50	61	61	58
Emergency Services	2	2	2	2	2	2	2	2	3	3
Building Inspections	3	3	3	3	3	3	3	3	3	3
Economic Development										
Planning	5	5	5	5	5	5	5	5	5	5
Housing Recovery	1	2	2	1	1	1	1	1	1	0
CoOp. Extension	10	10	10	10	10	10	10	10	10	10
Soil Conservation	4	4	4	4	4	4	4	4	3	3
Human Services										
Health Department	80	80	80	80	80	81	81	81	81	70
HomeHealth	45	45	45	34	34	34	34	34	34	31
Social Serives	165	165	165	165	161	161	166	166	166	153
Veterans	1	1	1	1	2	2	2	2	2	2
Landfill										
	8	8	8	8	8	8	8	8	8	8
Water and Sewer										
	2	3	3	3	4	4	9	9	9	9
Total	<u>483</u>	<u>485</u>	<u>485</u>	<u>474</u>	<u>473</u>	<u>475</u>	<u>487</u>	<u>498</u>	<u>501</u>	<u>468</u>

Source: Human Resource Manager of the entity

Notes: A full-time employee is scheduled to work 2,088 hours per year (including vacation and sick leave).

Full-time equivalent employment is calculated by dividing total labor hours by 2,088.

Edgecombe County, North Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Schedule 14

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Board of Elections										
Number of registered voters	35,431	35,990	35,408	35,475	35,752	36,344	34,908	35,450	34,861	38,189
Planning/Inspections										
Building permits issued	50	57	108	87	83	47	25	38	35	29
Emergency Services										
Fire-Number of calls answered	3,000	2,224	571	1,369	1,284	1,388	1,585	1,571	1,641	1,992
Fire-Number of inspections conducted	1,250	250	250	250	156	217	143	116	185	169
Veterans										
Number of clients served	1,526	1,375	1,558	2,119	7,105	3,942	5,814	3,141	2,561	2,868
Water										
Number of water customers	948	957	1,375	2,148	2,390	3,014	3,199	3,724	3,845	3,932

Source: County departments

*Information not available

Edgecombe County, North Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Schedule 15

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Fire Protection										
Number of Fire personnel and officers	500	450	450	450	500	238	231	233	233	227
Number of stations	15	15	15	15	15	9	9	9	9	9
Law Enforcement										
Number of stations	6	4	2	3	3	3	3	3	4	4
Patrol units	81	59	68	68	68	68	68	68	91	95
Public Works										
Paved/unpaved highways (miles)	700	700	700	700	700	700	700	730	730	754
Number of traffic lights	69	69	69	69	69	69	69	77	85	86
Cultural and Recreation										
Community Centers	4	4	4	4	4	4	4	4	4	4
Parks	5	5	5	5	5	5	5	5	5	5
Golf Courses	2	2	2	3	2	2	2	3	3	3
Swimming pools	6	4	4	4	4	4	4	4	4	4
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Museums and Art Centers	4	4	4	4	4	4	4	4	4	4
Water										
Water mains(miles)	96	96	96	210	210	210	210	560	560	560
Fire hydrants	96	96	96	211	211	211	211	426	426	426
Storage capacity (millions of gallons)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.1	2.1	2.1
Facilities and Services not included in Reporting Entity:										
Education:										
Number of school systems	1	1	1	1	1	1	1	1	1	1
Number of Secondary Schools	4	4	4	4	4	4	4	4	4	4
Number of Elementary Schools	11	11	11	11	11	11	11	11	11	11
Number of Community Colleges	1	1	1	1	1	1	1	1	1	1
Hospitals:										
Number of hospitals	1	1	1	1	1	1	1	1	1	1
Number of patient beds	127	127	127	127	127	127	127	127	127	127

Sources:

County departments
North Carolina Department of Transportation
North Carolina Department of Public Instruction

Compliance Section

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of County Commissioners
Edgecombe County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregated remaining fund information of Edgecombe County, North Carolina, as of and for the year ended June 30, 2008, which collectively comprises Edgecombe County's basic financial statements, and have issued our report thereon dated January 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Edgecombe County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Edgecombe County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Edgecombe County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting. The significant deficiency is referenced as finding 08-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Edgecombe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Flowers & Stanley, LLP

Tarboro, North Carolina
January 23, 2009

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Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 And the State Single Audit Implementation Act

To the Board of County Commissioners
Edgecombe County, North Carolina

Compliance

We have audited the compliance of Edgecombe County, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB Circular A-133 Compliance Supplement*) and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2008. Edgecombe County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Edgecombe County's management. Our responsibility is to express an opinion on Edgecombe County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Edgecombe County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Edgecombe County's compliance with those requirements.

As described in findings 08-2 and 08-3 in the accompanying Schedule of Findings and Questioned Costs, Edgecombe County did not comply with requirements regarding eligibility that is applicable to its Medicaid and Food Stamp programs. Compliance with such requirements is necessary, in our opinion, for Edgecombe County to comply with requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Edgecombe County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Edgecombe County, North Carolina is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Edgecombe County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Edgecombe County's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as we discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of a compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Edgecombe County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as findings 08-2 and 08-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Edgecombe County's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider findings 08-2 and 08-3 to be material weaknesses.

Edgecombe County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board of County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Flowers & Stanley, LLP

Tarboro, North Carolina
January 23, 2009

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Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners
Edgecombe County, North Carolina

Compliance

We have audited the compliance of Edgecombe County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2008. Edgecombe County's major State programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of Edgecombe County's management. Our responsibility is to express an opinion on Edgecombe County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*; and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Edgecombe County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Edgecombe County's compliance with those requirements.

As described in finding 08-4 in the accompanying Schedule of Findings and Questioned Costs, Edgecombe County did not comply with requirements regarding eligibility that is applicable to its State/County Special Assistance for Adults program. Compliance with such requirements is necessary, in our opinion, for Edgecombe County to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Edgecombe County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Edgecombe County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered Edgecombe County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a State program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency in internal control over compliance describe in the accompanying Schedule of Findings and Questioned Costs as finding 08-4 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the County's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider finding 08-4 to be a material weakness.

Edgecombe County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Flowers & Stanley, LLP

Tarboro, North Carolina
January 23, 2009

**Edgecombe County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes X no

- Significant deficiency(ies)
 identified that are not considered
 to be material weaknesses X yes ___none reported

Noncompliance material to financial
statements noted ___yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? X yes ___no

- Significant deficiency(ies)
 identified that are not considered
 to be material weaknesses ___yes X none reported

Type of auditor's report issued on compliance for major federal programs:
Unqualified.

Any audit findings disclosed that are
Required to be reported in accordance
with Section 510(a) of Circular A-133 X yes ___no

**Edgecombe County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008**

Identification of major federal programs:

<u>CFDA#</u>	<u>Names of Federal Program or Cluster</u>
93.778	Title XIX - Medicaid
93.778	Adult Care Home Case Management
93.778	Medical Transportation
93.778	MA Expansion
10.551 and 10.561	Food Stamp Cluster

Federal programs that, did not meet the criteria for a major program using the criteria discussed in OMB Circular No. A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program, are included in the list of major federal programs.

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 2,765,409

Auditee qualified as low-risk auditee yes X no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses yes X none reported

Type of auditor's report issued on compliance for major State programs:
Unqualified.

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act X yes no

Identification of major State programs:

<u>Program Name</u>	<u>CFDA #</u>
State/County Special Assistance	N/A
Subsidized Child Care Cluster	N/A
Rural Center Grant	N/A
NC Clean Water Bond Program	N/A

Edgecombe County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section II - Financial Statement Findings

Finding 08-1.

Criteria: The County, through its Water Department provides metered water sales to certain residential and commercial customers. Deposits are required before service is begun and upon termination of service the deposit is first applied to any unpaid utility accounts with the balance(if any)refunded to the customer.

Condition: There are currently no procedures to ensure that the subsidiary record of meter deposits is reconciled to the general ledger control account on a periodic basis.

Effect: The lack of reconciliation procedures increases the likelihood that errors or defalcations could occur and not be detected in a timely manner.

Cause: Lack of procedures.

Recommendation: Install procedures that require reconciliation of the subsidiary to the control account at least monthly.

Management Response: Management will develop and implement procedures for monthly account reconciliation for deposits versus the general ledger.

Edgecombe County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section III - Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services
Program Name: Medical Assistance Program (Medicaid)
CFDA #: 93.778

Finding 08-2

Material Weakness, Material Noncompliance - Eligibility

Criteria: The County Department of Social Services establishes a local case record when a person initially applies for Medicaid. The case file (paper or electronic) is maintained and updated as needed throughout the period of eligibility.

Condition: Of the 60 cases requested for examination, 3 files were not provided to the Auditor, 3 files were missing required documentation (i.e. Case Profile), and 16 contained incomplete application information.

Effect: The Auditor is required to review the local case files to assure that the process is being completed properly by verifying that the file contains the necessary documents. Also, if a file is not provided, the auditor is unable to perform this task.

Cause: The County Department of Social Services does not have proper procedures in place to ensure that all required information is in the case files and the information is complete. Also, three files could not be located.

Recommendation: All files (paper or electronic) should be filed properly, and proper procedures should be in place to make sure all required information is in the files and the information is complete and accurate. Implement and maintain a monitoring process for Medicaid application process.

Management Response: The Department of Social Services implemented stringent management oversight of all areas of the processing and scanning of Medicaid records. Incoming documents will be scanned daily. The supervisor will in turn monitor records on a daily basis. The Program Manager will review the system to make sure records have been scanned. With this stringent monitoring by two (2) Managers, this monitoring will not only ensure that all records are stored properly, but that all information in the records is complete and accurate.

Edgecombe County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section III - Federal Award Findings and Questioned Costs (continued)

U.S. Department of Agriculture
Passed through N.C. Department of Health and Human Services
Program Name: Food Stamp Cluster
CFDA #: 10.551 and 10.561

Finding 08-3

Material Weakness, Material Noncompliance - Eligibility

Criteria: Food Stamp case files should contain proper documentation including a completed, signed, and dated Food Stamp application. The Auditor is to test a sample of case files to ensure proper documentation is contained in the case record to verify eligibility and allotment amount.

Condition: Of the 60 case files examined, 1 file was not provided to the Auditor and 31 files were either missing required documentation or contained an incomplete application. Of those 31 files, 15 files contained a Case Profile that did not match the allotment amount or was missing the Case Profile.

Effect: The Auditor is required to review the local case files to assure that the process is being completed properly by verifying that the file contains the necessary documents. Also, if a file is not provided, the auditor is unable to perform this task.

Cause: The County Department of Social Services does not have proper procedures in place to ensure that all required information is in the case files and the information is complete. Also, one file could not be located.

Recommendation: All files (paper or electronic) should be filed properly, and proper procedures should be in place to make sure all required information is in the files and the information is complete and accurate. Implement and maintain a monitoring process for Food Stamp applications.

Management Response: The Department of Social Services implemented stringent management oversight of all areas of the processing and scanning of Food and Nutrition records. Incoming documents will be scanned daily. The supervisor will in turn monitor records on a daily basis. The Program Manager will review the system to make sure records have been scanned. With this stringent monitoring by two (2) Managers, this monitoring will not only ensure that all records are stored properly, but that all information in the records is complete and accurate.

Edgecombe County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section IV - State Award Findings and Questioned Costs

N.C. Department of Human and Health Services
Program Name: State/County Special Assistance for Adults

Finding 08-4

Material Weakness, Material Noncompliance - Eligibility

Criteria: State/County Special Assistance for Adults case files should contain proper documentation including a completed, verified, signed, and dated State/County Special Assistance for Adults Workbook. The Auditor is to test a sample of case files to ensure proper documentation is contained in the case record to verify eligibility.

Condition: Of the 25 case files examination, 5 files contained a Workbook that was not signed, 3 files were missing a current Level of Care (FL-2 or MR-2), and 2 files did not contain documentation that the Workbook information had been verified.

Effect: The Auditor is required to review the local case files to assure that the process is being completed properly by verifying that the file contains the necessary documents and the information in the file has been verified.

Cause: The County Department of Social Services does not have proper procedures in place to ensure that all required information is in the case files and the information is complete and verified.

Recommendation: Proper procedures should be in place to make sure all required information is in the files, the information is complete and accurate, and the information contained in the file has been verified. Implement and maintain a monitoring process for State/County Special Assistance for Adults program.

Management Response: The Department of Social Services implemented stringent management oversight of all areas of the processing and scanning of State/County Special Assistance for Adults records. Incoming documents will be scanned daily. The supervisor will in turn monitor records on a daily basis. The Program Manager will review the system to make sure records have been scanned. With this stringent monitoring by two (2) Managers, this monitoring will not only ensure that all records are stored properly, but that all information in the records is complete and accurate.

**Edgecombe County, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2008**

Section II - Financial Statement Findings

Finding 08-1

Name of Contract Person: Lorenzo Carmon
County Manager

Corrective Action: Management will develop and implement procedures for monthly account reconciliation for deposits versus the general ledger.

Proposed Completion Date: Immediately.

Section III - Federal Award Findings and Questioned Costs

Finding 08-2

Name of Contract Person: Marva G. Scott, MSA
Director, Department of Social Services

Corrective Action: The Department of Social Services implemented stringent management oversight of all areas of the processing and scanning of Medicaid records. Incoming documents will be scanned daily. The supervisor will in turn monitor records on a daily basis. The Program Manager will review the system to make sure records have been scanned. With this stringent monitoring by two (2) Managers, this monitoring will not only ensure that all records are stored properly, but that all information in the records is complete and accurate.

Proposed Completion Date: Immediately.

Edgecombe County, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2008

Section III - Federal Award Findings and Questioned Costs (continued)

Finding 08-3

Name of Contract Person: Marva G. Scott, MSA
Director, Department of Social Services

Corrective Action: The Department of Social Services implemented stringent management over sight of all areas of the processing and scanning of Food and Nutrition records. Incoming documents will be scanned daily. The supervisor will in turn monitor records on a daily basis. The Program Manager will review the system to make sure records have been scanned. With this stringent monitoring by two (2) Managers, this monitoring will not only ensure that all records are stored properly, but that all information in the records is complete and accurate.

Proposed Completion: Immediately.

Section IV - State Award Findings and Questioned Costs

Finding 08-4

Name of Contract Person: Marva G. Scott, MSA
Director, Department of Social Services

Corrective Action: The Department of Social Services implemented stringent management over sight of all areas of the processing and scanning of State/County Special Assistance for Adults records. Incoming documents will be scanned daily. The supervisor will in turn monitor records on a daily basis. The Program Manager will review the system to make sure records have been scanned. With this stringent monitoring by two (2) Managers, this monitoring will not only ensure that all records are stored properly, but that all information in the records is complete and accurate.

Proposed Completion: Immediately.

**Edgecombe County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2008**

Finding: 07-1

Status: Corrected

Finding: 07-2

Status: Steps are in place to assure the billing clerk will not receive and/or post payments to accounts.

Finding: 07-3

Corrective Action: Management will develop and implement procedures for monthly account reconciliation for deposits versus the general ledger.

Finding: 07-4

Corrective Action: An electronic scanning system has been implemented. All files within the agency are being scanned into the electronic system.

Finding: 07-5

Status: More second party reviews by the food stamp lead worker and supervisor has been implemented in order to eliminate errors in calculations.

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Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS:	
U.S. Department of Health and Human Services:	
Passed-through N.C. Department of Health and Human Services:	
Division of Social Services:	
Administration:	
Temporary Assistance for Needy Families	93.558
Low Income Home Energy Assistance	93.568
Crisis Intervention	93.568
Family Preservation	93.556
Social Services Block Grant	93.667
Child Support Enforcement	93.563
Links	93.674
Permanency Planning	93.645
NC Health Choice	93.767
Direct Benefit Payments:	
Temporary Assistance for Needy Families	93.558
Low Income Home Energy Assistance	93.568
Independent Living	93.674
Links	93.674
Total Administration:	
Foster Care and Adoption Cluster:	
Adoption/Foster Care	93.659
Title IV-E CPS	93.658
Title IV-E Adoption Subsidy	93.659
Title IV-E Foster Care Administration	93.658
CWS Adoption Subsidy	N/A
State Foster Home	N/A
Title IV-E Foster Care	93.658
Title IV-E Foster Care Subsidy	93.658
Total Foster Care and Adoption Cluster	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 1,413,127	\$ -	\$ 1,273,997
33,559	-	-
371,203	-	-
15,294	-	-
362,817	51,324	126,010
871,055	-	448,725
17,540	4,385	-
14,914	3,833	1,138
26,652	2,767	6,144
933,399	(321)	4,874
156,794	-	-
1,808	452	-
8,702	-	-
\$ 4,226,864	\$ 62,440	\$ 1,860,888
\$ 178,314	\$ -	\$ 1,823
156,352	57,925	98,427
275,947	77,536	77,536
139,983	-	138,883
-	218,205	50,932
-	127,325	125,562
-	5,198	-
92,508	20,856	30,741
\$ 843,104	\$ 507,045	\$ 523,904

(continued)

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Health and Human Services: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	
Division of Medical Assistance:	
Administration:	
Title XIX - Medicaid	93.778
Adult Care Home Case Mgmt	93.778
MA Expansion	93.778
Medical Transportation	93.778
Direct Benefit Payments:	
Title XIX - Medicaid	93.778
Total Division of Medical Assistance	
Subsidized Child Care (Note 4):	
Child Care Development Fund Cluster:	
Division of Social Services:	
Child Care Development Fund - Administration	93.596
Division of Child Development:	
Child Care and Development Fund - Discretionary	93.575
Child Care and Development Fund - Mandatory	93.596
Child Care and Development Fund - Match	93.596
Social Services Block Grant	93.667
Temporary Assistance for Needy Families	93.558
Total Child Care Development Fund Cluster	
State Appropriations	N/A
TANF-MOE	N/A
Total Subsidized Child Care Cluster	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 885,210	\$ -	\$ 885,210
42,287	19,263	23,023
30,497	30,497	-
18,782	-	18,782
	-	-
65,488,668	34,236,522	4,566,452
<u>\$ 66,465,444</u>	<u>\$ 34,286,282</u>	<u>\$ 5,493,467</u>
\$ 120,883	\$ -	\$ -
1,378,356	-	-
491,388	-	-
216,737	120,837	-
29,645	-	-
328,373	-	-
<u>\$ 2,565,382</u>	<u>\$ 120,837</u>	<u>\$ -</u>
-	233,605	-
-	472,730	-
<u>\$ 2,565,382</u>	<u>\$ 827,172</u>	<u>\$ -</u>

(continued)

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Health and Human Services: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	
N.C. Department of Health and Human Services:	
Prevention Investigations and Technical Assistance	93.283
Coop Agreement for Breast and Cervical Cancer	93.919
Maternal and Child Health Services Block Grant	93.994
Tuberculosis Control	93.116
Statewide Health Promotion Program	93.991
Childhood Immunization Grant	93.268
Aids - State SSBG	93.667
Healthy Start	93.926
Bioterrorism Grant	93.283
Cardiovascular Health Program	93.945
Temporary Assistance for Needy Families	93.558
Family Planning Services	93.217
Total N.C. Department of Health and Human Services	
Total U.S. Department of Health and Human Services	
U.S. Department of Agriculture:	
Passed-through N.C. Department of Health and Human Services:	
Division of Social Services:	
Food Stamp Cluster:	
Food Stamp Program - Noncash	10.551
Food Stamp Program	10.561
Total Division of Social Services	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 89,340	\$ -	\$ -
-	-	-
412,235	-	-
27,868	-	-
10,234	-	-
22,918	-	-
9,916	-	-
122,307	-	-
-	-	-
-	-	-
15,902	-	-
75,634	-	-
\$ 786,354	\$ -	\$ -
\$ 74,887,148	\$ 35,682,939	\$ 7,878,259
\$ 13,448,408	\$ -	\$ -
563,840	-	563,839
\$ 14,012,248	\$ -	\$ 563,839

(continued)

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Agriculture: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	
Division of Public Health:	
Administration:	
Special Supplemental Nutrition Program for WIC	10.557
AGRI-SFP Food Program Meal	10.559
Direct Benefit Payments:	
Special Supplemental Nutrition Program for WIC	10.557
Total Division of Public Health	
Passed-through N.C. Rural Economic Development Center:	
Water and Waste Disposal Systems for Rural Communities	10.760
Total U.S. Department of Agriculture	
U.S. Department of Homeland Security:	
Passed-through N.C. Department of Crime Control and Public Safety:	
Emergency Management Services	97.042
Homeland Security Grant	97.004
Total U.S. Department of Homeland Security	
U.S. Department of Housing and Urban Development:	
Passed-through N.C. Department of Commerce:	
Community Development Block Grant/State's Program	14.228
U.S. Department of Justice:	
Passed-through N.C. Department of Correction:	
Criminal Justice	16.541

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 312,522	\$ -	\$ -
363	-	-
1,659,985	-	-
<u>\$ 1,972,870</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 830,171	\$ -	\$ -
<u>\$ 16,815,289</u>	<u>\$ -</u>	<u>\$ 563,839</u>
\$ 22,142	\$ -	\$ -
-	-	-
<u>\$ 22,142</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 126,829	\$ -	\$ -
<u>\$ 73,955</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Aging:	
Passed-through N.C. Division of Aging:	
Aging Cluster:	
Title III-B/Access	93.044
Title III-B/In-Home Services	93.044
Title III-C1/Congregate Nutrition	93.045
Title III-C2/Home Delivered Meals	93.045
Social Services Block Grant	93.667
NSIP - Nutrition	93.053
Total U.S. Department of Aging	
 STATE GRANTS:	
N.C. Department of Human and Health Services:	
Division of Social Services:	
Administration:	
State Aid to Counties	N/A
State/County Special Assistance for Adults	N/A
Direct Benefit Payments:	
State/County Special Assistance for Adults	N/A
F/C At Risk Maximization	N/A
Energy Assistance	N/A
State Adult Protection Services	N/A
Smart Start	N/A
TANF Program Integrity	N/A
Total Division of Social Services	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 20,470	\$ 1,204	\$ -
96,963	5,704	-
56,256	3,309	-
15,585	917	-
44,787	1,279	-
20,863	-	-
<u>\$ 254,924</u>	<u>\$ 12,413</u>	<u>\$ -</u>
\$ -	\$ 77,145	\$ 217,039
-	-	26,893
-	737,967	738,009
-	26,880	14,773
-	1,001	-
-	27,500	-
-	87,962	-
-	1,652	112,688
<u>\$ -</u>	<u>\$ 960,107</u>	<u>\$ 1,109,402</u>

(continued)

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS: (continued)	
N.C. Department of Human and Health Services:	
Division of Health Services:	
Emergency Preparedness	N/A
AIDS	N/A
Women's Preventative Health	N/A
General Health	N/A
Communicable Disease	N/A
Children's Special Health Services	N/A
Risk Reduction/Health Promotion	N/A
TB Medical Services	N/A
Tuberculosis	N/A
Brease and Cervical Cancer Control	N/A
HIV Counsel	N/A
N.C. Healthy Start	N/A
Lead Grant	N/A
Public Health Nurse Training	N/A
Healthy Carolinians	N/A
Total Division of Health Services	
Division of Aging and Adult Services:	
Passed-through Upper Coastal Plains Council of Government:	
Access Services	N/A
Congregate Nutrition	N/A
Home Delivered Meals	N/A
Caregiver Match	N/A
In-Home Services	N/A
Total Division of Aging and Adult Services	
Total N.C. Department of Human and Health Services	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ -	\$ -
-	69,917	-
-	6,354	-
-	177,075	-
-	7,367	-
-	6,771	-
-	24,157	-
-	2,968	-
-	48,478	-
-	12,160	-
-	49,049	-
-	-	-
-	3,053	-
-	3,800	-
-	20,368	-
<u>\$ -</u>	<u>\$ 431,517</u>	<u>\$ -</u>
\$ -	\$ 23,219	\$ -
-	11,963	-
-	13,161	-
-	10,060	-
-	194,369	-
<u>\$ -</u>	<u>\$ 252,772</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 1,644,396</u>	<u>\$ 1,109,402</u>

(continued)

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS: (continued)	
N.C. Department of Crime Control and Public Safety:	
NC Crime 2007 Emer Performance	N/A
Gang Violence Prevention	N/A
Total N.C. Department of Crime Control and Public Safety	
N.C. Department of Transportation:	
Operating Assistance	N/A
N.C. Department of Environment and Natural Resources	
NC Clean Water Bond Program	N/A
Rural Center Grants	N/A
White Goods Management Program	N/A
Scrap Tire Program	N/A
BT Preparedness	N/A
Recycling Grant	N/A
Soil Conservation Cost Share	N/A
Total N.C. Department of Environment and Natural Resources	
N.C. Department of Juvenile Justice & Delinquency Prevention:	
Youth Services	N/A
Governor's One on One Mentoring	N/A
Total N.C. Department of Juvenile Justice & Delinquency Prevention	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 6,068	\$ -
-	39,822	-
<u>\$ -</u>	<u>\$ 45,890</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 154,119</u>	<u>\$ -</u>
\$ -	\$ 308,529	\$ -
-	357,500	-
-	6,227	-
-	21,098	-
-	47,590	-
-	19,369	-
-	40,022	-
<u>\$ -</u>	<u>\$ 800,335</u>	<u>\$ -</u>
\$ -	\$ 184,545	\$ -
-	-	-
<u>\$ -</u>	<u>\$ 184,545</u>	<u>\$ -</u>

(continued)

Edgecombe County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS: (continued)	
N.C. Housing Finance Agency:	
NC Housing Single Family	N/A
Urgent Repair	N/A
Total N.C. Housing Finance Agency	
N.C. Department of Agriculture and Consumer Services:	
Pesticide Grant	N/A
Total Financial Assistance	

Note 1:

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Edgecombe County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included on this schedule.

Note 2:

The following are clustered by the N.C. Department of Health and Human Services and are treated separately for State audit requirement purposes:

Subsidized Child Care, Foster Care and Adoption, Mental Health Services, Developmental Disability Waiting List Services, and Substance Abuse Services.

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 21,403	\$ -
-	37,500	-
<u>\$ -</u>	<u>\$ 58,903</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 5,218</u>	<u>\$ -</u>
<u><u>\$ 92,180,287</u></u>	<u><u>\$ 38,588,758</u></u>	<u><u>\$ 9,551,500</u></u>

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