

Edgecombe County, North Carolina

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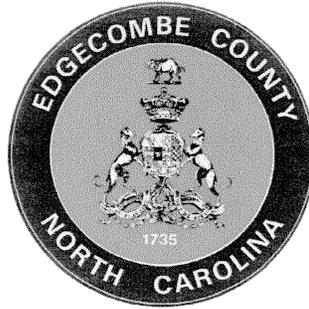
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## **Introductory Section**

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Phone: (252) 641-7834  
Fax: (252) 641-0456



Office of the  
County Manager

December 28, 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, 2009. 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, 2009, 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, 2009 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 the 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 51,800.

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 additional revenues and creating new jobs, we are exploring opportunities such as tourism, landfill gas utilization and high-speed Internet access throughout the county.

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 and Nash-Rocky Mount Board of Education. The County also extends financial support to certain boards, agencies and commissions to assist their efforts in serving citizens, including The Beacon Center, 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. Employment trends remained relatively stable during 2009 and actual showed increase on a seasonally unadjusted basis. Although the unemployment rate has increased from prior years, as with the rest of the nation, Edgecombe County's unemployment rate for 2009 fluctuated between 14% and 16% for the 2009 calendar year.

Significant new prospects exist for Edgecombe County business expansion because of the County's efforts to develop a large rail-served industrial park at Kingsboro. Two industries, KanBan and Rocky Mount, QVC are already located there and the 1,000+ acres of available properties at the site has drawn significant interest from site selectors.

Other sectors that have had growth in Edgecombe County include distribution and food processing. Two of the County's major employers include Sara Lee (maker of pastries) and MBM Corporation (one of the country's largest privately owned food distribution companies). In the fall of 2009, Governor Beverly Perdue participated with Sara Lee corporate officials in announcing a job and investment expansion at the Edgecombe County facility. Rocky Mount QVC, Inc. (the television shopping network) is located in Edgecombe County and employs nearly 1,000 at its fulfillment center in Edgecombe County.

More information on Edgecombe County can be found at [www.edgecombecountync.gov](http://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 doubled 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 and acreage was down dramatically during 2009. 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 29% of the farm income. Edgecombe County currently ranks 16th in North Carolina in agricultural income.

MAJOR INITIATIVES:

- The Golden LEAF Foundation selected Edgecombe County to participate in its Community Assistance Program. Through their community engagement process, four key issues were identified. They were education, economic development, tourism and health. From that, Golden LEAF funded 9 projects totaling almost \$ 1.9 million in funds.
- The County completed a broadband feasibility study with \$100,000 from the Golden LEAF Foundation. A broadband network engineering firm designed a fiber network that would cover the entire county through fiber and wireless connections. This network would help to create opportunities in education, healthcare and economic development. The data collected in this study will now be used to pursue funding to expand affordable broadband access in the county. The Board of Commissioners in recognizing tourism development, created and appointed the Edgecombe County Tourism Development Advisory Council. This group has been meeting to strategize on ways to capitalize on our tourism assets and increase tourism revenues and opportunities in the county.
- 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 substantially complete. 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.
- The Edgecombe County Rescue Squad has 2 new facilities under construction in Pinetops and Whitakers. These facilities will make access to emergency medical sources much quicker to the citizens in the county.

THE FUTURE:

The directive from the Board of Commissioners for the 2009-2010 budget was to hold expenditures down as much as possible. Knowing that with the revaluation tax rates would be able to drop, the Board was aware that the revenue neutral tax rate of 76 cent would not be possible especially since the County utilized fund balance the last 3 fiscal years. The rising cost of operations, national and local economy set the stage for an unavoidable tax increase. Because the County does not have a huge retail sales tax base, we depend more heavily on property tax revenues. The bright side is we

also did not experience the tremendous drop in sales tax revenue as larger counties and cities have experienced. Our sales tax revenue did decrease but that was due mostly to the Medicaid reform, which will eliminate county participation in Medicaid costs in the 2009-2010 fiscal year. Although we lost sales tax revenue, we also lost an estimated 5.5 million dollar Medicaid expense resulting in a net gain of at least \$3 million. Unfortunately, the rising cost in health care, jail administration, school appropriation and other operational costs quickly utilized the realized Medicaid relief. The budget was adopted with only a 1% increase in expenditures from the prior year and a tax rate of 86 cent.

The major highlights of the 2009-10 budget are as follows:

- Competitive bidding and aggressive risk management kept Workman's Compensation cost at the same level as prior year.
- Health insurance costs increased 15%.
- The 3-year Medicaid relief is fully implemented in the coming fiscal year, which included additional reallocation of sales tax and 100% elimination of county participation in Medicaid costs.
- Continued enforcement of foreclosures for delinquent taxes to increase collections.
- After the prior year cuts to all agencies, schools were given a 3 % increase in appropriation while all other agencies were held to the same level as the prior year.
- There were no salary increases for employees with intents on revisiting mid year after the completion of a countywide classification and compensation study.
- Jail medical, food & supplies continue to increase.
- The Department of Social Services building located in Tarboro was not only limited in space but in need of considerable renovations. During the latter months of the fiscal year, an opportunity for the purchase of an office building with approximately 71,000 sq feet of office space for approximately \$800,000 became available. The intents are to purchase, renovate and relocate the Department of Social Services and Health Department into this building. This will give additional space and have the majority of the human service resources for the citizens of this county located under one roof and also bring citizens to the downtown area, which could stimulate growth in that area as well.

Board of Commissioners  
Page 6  
December 28, 2009

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

EDGECOMBE COUNTY  
NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2008

BOARD OF COUNTY COMMISSIONERS

LEONARD WIGGINS  
Chairman

CHARLIE R. HARRELL  
Vice-Chairman

JONATHAN K. FELTON

EVELYN POWELL

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

ART BRADLEY  
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

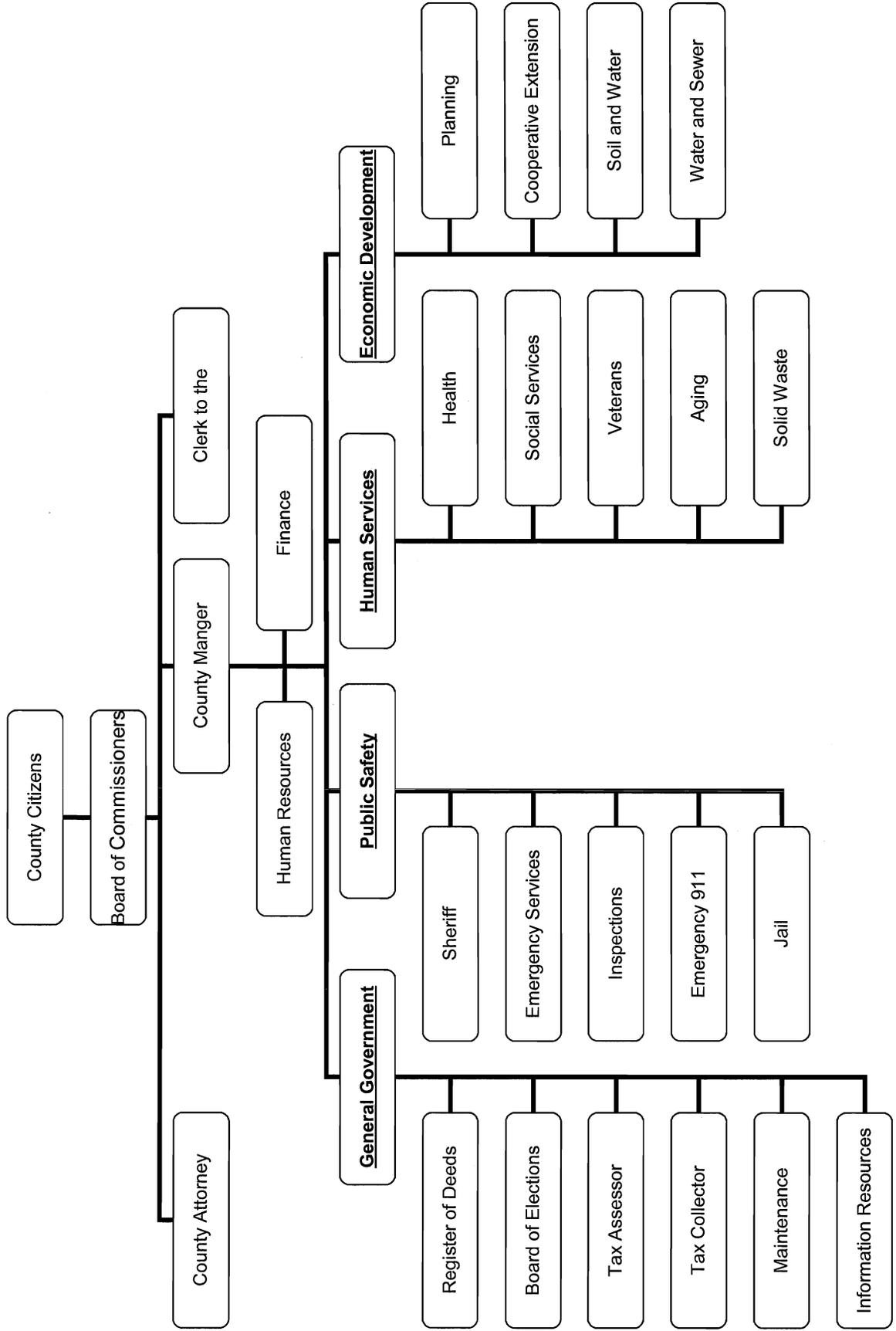
LARRY FLOWERS  
Information Resources Director

MICHAEL C. MATTHEWS  
Water and Sewer  
Director

DEBORAH COLEY  
Aging Director

STEPHEN BERNARD  
Veterans Service Officer

# Edgecombe County, North Carolina General Administration Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Edgecombe County  
North Carolina

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

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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## **Financial Section**

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# 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

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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, 2009, 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, 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, 2009, 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 December 28, 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. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions, and the Other Postemployment Benefits Schedules of Funding Progress and Employer Contributions 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, 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 in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

*Flowers & Stanley, LLP*

Tarboro, North Carolina  
December 28, 2009

## **Management Discussion and Analysis**

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## 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, 2009. 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.

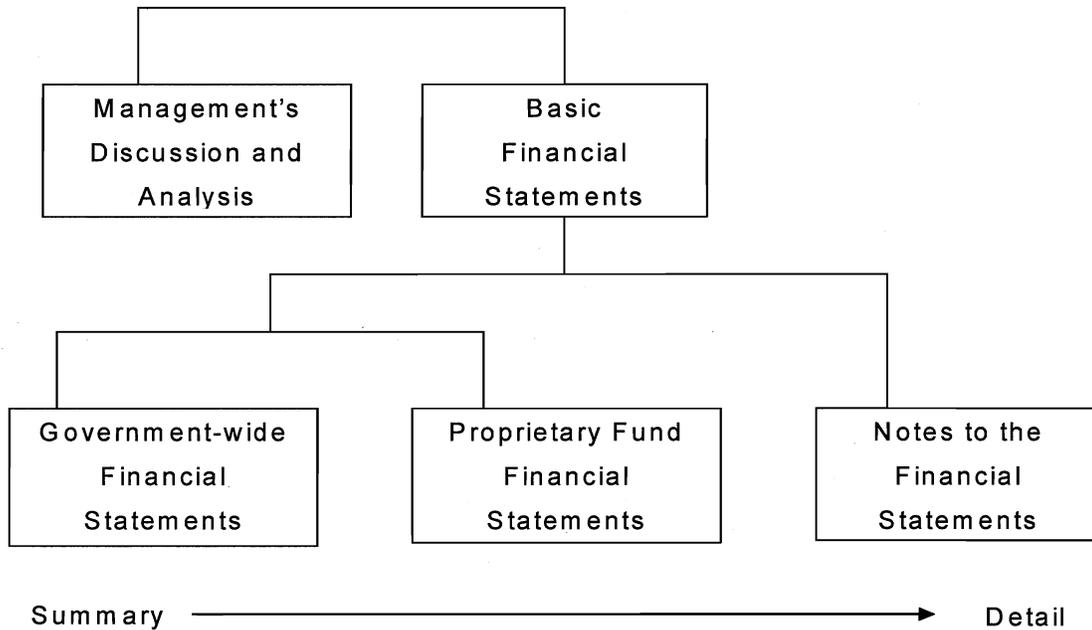
### Financial Highlights

- The assets of Edgecombe County exceeded its liabilities at the close of the fiscal year by \$59,491,301 (*net assets*).
- The government's total net assets increased by \$2,724,780. This increase is attributable in part to the transfer of Phillips School from the Edgecombe County Board of Education to Edgecombe County. Such a transfer is the result of School bond Debt associated with improvements.
- As of the close of the current fiscal year, Edgecombe County's governmental funds reported combined ending fund balances of \$15,895,872 a decrease of \$1,703,853 in comparison with the prior year. Approximately 54 percent of this total amount, or \$8,640,355 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 \$8,367,893 or 15.5 percent of total general fund expenditures for the fiscal year.
- Edgecombe County's total long-term obligations decreased by \$484,950 (1%) during the past fiscal year.
- 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, 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 are 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 and other post-employment benefits.

## **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.

**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 81 of this report.

**Government-wide Financial Analysis**

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Assets:</b>						
Current & other assets	\$ 25,726,692	\$ 27,338,168	\$ 6,282,562	\$ 7,718,540	\$ 32,009,254	\$ 35,056,708
Capital assets	33,556,977	31,353,073	34,280,230	31,547,024	67,837,207	62,900,097
<b>Total Assets</b>	<b>\$ 59,283,669</b>	<b>\$ 58,691,241</b>	<b>\$ 40,562,792</b>	<b>\$ 39,265,564</b>	<b>\$ 99,846,461</b>	<b>\$ 97,956,805</b>
<b>Liabilities:</b>						
Long-term liabilities						
outstanding	\$ 18,470,518	\$ 17,162,769	\$ 17,387,095	\$ 13,389,191	\$ 35,857,613	\$ 30,551,960
Other liabilities	3,692,584	5,480,111	804,963	5,158,213	4,497,547	10,638,324
<b>Total Liabilities</b>	<b>\$ 22,163,102</b>	<b>\$ 22,642,880</b>	<b>\$ 18,192,058</b>	<b>\$ 18,547,404</b>	<b>\$ 40,355,160</b>	<b>\$ 41,190,284</b>
<b>Net Assets:</b>						
Invested in capital assets,						
net of related debt	16,886,989	14,173,172	20,709,078	18,778,684	\$ 37,596,067	32,951,856
Restricted	2,715,347	2,702,845	-	-	2,715,347	2,702,845
Unrestricted	17,518,231	19,172,344	1,661,656	1,939,476	19,179,887	21,111,820
<b>Total Net Assets</b>	<b>\$ 37,120,567</b>	<b>\$ 36,048,361</b>	<b>\$ 22,370,734</b>	<b>\$ 20,718,160</b>	<b>\$ 59,491,301</b>	<b>\$ 56,766,521</b>

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 \$59,491,301 as of June 30, 2009. The County's net assets increased by \$2,724,780 for the fiscal year ended June 30, 2009. One of the largest portions (63.2 %) 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 (4.56%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$19,179,887 is unrestricted.

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 8,708,520	\$ 7,517,574	\$ 4,500,100	\$ 4,158,861	\$ 13,208,620	\$ 11,676,435
Operating grants and contributions	12,590,662	12,929,028	-	-	12,590,662	12,929,028
Capital grants and contributions	3,233,509	948,780	2,365,823	1,186,271	5,599,332	2,135,051
<b>General Revenues:</b>						
Property taxes	24,212,177	24,818,821	-	-	24,212,177	24,818,821
Other taxes	6,978,417	8,411,264	-	-	6,978,417	8,411,264
Grants & contributions not restricted to specific programs	204,877	507,661	-	-	204,877	507,661
Other	593,665	1,488,797	42,907	126,979	636,572	1,615,776
Special Item	2,074,640	-	-	-	2,074,640	-
Transfers	-	1,663,682	-	(1,663,682)	-	-
<b>Total Revenues</b>	<b>\$ 58,596,467</b>	<b>\$ 58,285,607</b>	<b>\$ 6,908,830</b>	<b>\$ 3,808,429</b>	<b>\$ 65,505,297</b>	<b>\$ 62,094,036</b>
<b>Expenses:</b>						
General government	\$ 6,014,390	\$ 5,008,019	\$ -	\$ -	\$ 6,014,390	\$ 5,008,019
Public safety	11,805,147	10,905,575	-	-	11,805,147	10,905,575
Transportation	60,974	56,308	-	-	60,974	56,308
Economic & physical development	2,164,472	1,339,101	-	-	2,164,472	1,339,101
Human services	23,855,432	26,223,748	-	-	23,855,432	26,223,748
Cultural & recreation	717,540	712,402	-	-	717,540	712,402
Education	12,226,548	12,814,315	-	-	12,226,548	12,814,315
Interest on long-term debt	679,758	714,309	-	-	679,758	714,309
Landfill	-	-	2,741,864	2,404,801	2,741,864	2,404,801
Water and Sewer	-	-	2,514,392	2,329,249	2,514,392	2,329,249
<b>Total Expenses</b>	<b>\$ 57,524,261</b>	<b>\$ 57,773,777</b>	<b>\$ 5,256,256</b>	<b>\$ 4,734,050</b>	<b>\$ 62,780,517</b>	<b>\$ 62,507,827</b>
Increase in Net Assets	\$ 1,072,206	\$ 511,830	\$ 1,652,574	\$ (925,621)	\$ 2,724,780	\$ (413,791)
Net Assets, July 1	36,048,361	35,536,531	20,718,160	21,643,782	56,766,521	57,180,313
<b>Net Assets, June 30</b>	<b>\$ 37,120,567</b>	<b>\$ 36,048,361</b>	<b>\$ 22,370,734</b>	<b>\$ 20,718,161</b>	<b>\$ 59,491,301</b>	<b>\$ 56,766,522</b>

**Governmental activities.** Governmental activities increased the County's net assets by \$1,072,206 thereby accounting for a 39.35% increase in the total net assets of Edgecombe County. This increase was attributed to a transfer of school fixed assets to the County in association with renovations paid with school bond proceeds. Although capital assets increase the total net assets of the County, they are not current financial resources.

**Business-type Activities:** Business-type activities increased Edgecombe County's net assets by \$1,652,574 accounting for 60.65% increase in the government's net assets. This increase is attributed to the increase in capital assets of the Edgecombe Water Districts that were funded by grants.

### **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 \$8,367,893 while total fund balance was \$14,799,746. 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 15.5% of total General Fund expenditures, while total fund balance represents 27.4% of that same amount.

At June 30, 2009, the governmental funds of Edgecombe County reported a combined fund balance of \$15,895,872, a 9.7% decrease from last year. The utilization of School Bond proceeds in the School Bond Capital Project Fund represents 38% of this decrease and the remainder is the utilization of fund balance in the General Fund.

**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 \$3,362,441.

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 \$560,678, and those for the Water and Sewer Districts equaled \$1,100,978. The total growth (decline) in net assets for both funds was (\$455,628) and \$2,108,202 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, 2009, totals \$67,837,207 (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
- County Building Renovations
- Sheriff Vehicles
- Additions to water and sewer distribution system
- Transfer of Phillips School from Edgecombe County Board of Education

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Land	\$ 1,200,723	\$ 1,180,054	\$ 505,181	\$ 505,181	\$ 1,705,904	\$ 1,685,235
Buildings & improvements	30,282,469	28,220,119	1,984,035	2,034,272	32,266,504	30,254,391
Machinery & equipment	1,336,939	1,491,280	198,090	200,600	1,535,029	1,691,880
Plant & Distribution system	-	-	25,093,521	25,655,183	25,093,521	25,655,183
Vehicles & motorized equipment	662,717	447,521	363,330	340,726	1,026,047	788,247
Construction in progress	14,099	14,099	6,136,073	2,811,062	6,150,172	2,825,161
<b>Total Net Assets</b>	<b>\$ 33,556,977</b>	<b>\$ 31,353,073</b>	<b>\$ 34,280,230</b>	<b>\$ 31,547,024</b>	<b>\$ 67,837,207</b>	<b>\$ 62,900,097</b>

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, 2009, Edgecombe County had total bonded debt outstanding of \$18,859,500 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
General obligation bonds	\$ 8,220,000	\$ 8,570,000	\$ 10,639,500	\$ 6,810,500	\$ 18,859,500	\$ 15,380,500

Edgecombe County's total debt decreased by \$1,006,999 (5.67%) during the past fiscal year.

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 \$185,156,420. The County has \$5,502,000 in bonds authorized but un-issued at June 30, 2009.

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 2009-2010 Budget Ordinance Edgecombe County reduced the County tax rate to 86 cents per \$100 value. The total budget for the General Fund was increased from the previous year by 1% for a total General Fund budget of \$55,364,005 and a fund balance appropriation of \$2,234,600. The reduction in the tax rate was possible because of the revaluation for the County in January 2009. The revenue neutral tax rate would have been 75.2 cent.

**Business – type Activities:** The water and sewer rates in the County will increase by 3%, primarily to cover increased cost of operations. With continued construction on the fourth and fifth districts, this is an 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 remain the same. The County is exploring possibilities with landfill gas projects including ways to utilize the gas for energy and even selling carbon credits. 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.

## **Basic Financial Statements**

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## **Government-wide Financial Statements**

**Edgecombe County, North Carolina**  
**Statement of Net Assets**  
**June 30, 2009**

	Primary Government			Exhibit 1
	Governmental Activities	Business-type Activities	Total	Component Unit
				Edgecombe County ABC Board
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 15,589,882	\$ 4,384,968	\$ 19,974,850	\$ 554,591
Receivables (net)	6,444,181	855,271	7,299,452	-
Due from other governments	3,194,330	-	3,194,330	-
Due from component unit	1,917	-	1,917	-
Inventories	-	-	-	375,162
Prepaid items	43,495	-	43,495	11,687
<b>Total Current Assets</b>	<b>\$ 25,273,805</b>	<b>\$ 5,240,239</b>	<b>\$ 30,514,044</b>	<b>\$ 941,440</b>
Restricted Assets:				
Cash and cash equivalents	\$ 452,887	\$ 656,811	\$ 1,109,698	\$ -
Accounts receivable	-	385,512	385,512	-
<b>Total Restricted Assets</b>	<b>\$ 452,887</b>	<b>\$ 1,042,323</b>	<b>\$ 1,495,210</b>	<b>\$ -</b>
Capital Assets:				
Land, improvements, and construction in progress	\$ 1,214,822	\$ 6,732,904	\$ 7,947,726	\$ 62,299
Other capital assets, net of depreciation	32,342,155	27,547,326	59,889,481	615,881
<b>Total Capital Assets</b>	<b>\$ 33,556,977</b>	<b>\$ 34,280,230</b>	<b>\$ 67,837,207</b>	<b>\$ 678,180</b>
<b>Total Assets</b>	<b>\$ 59,283,669</b>	<b>\$ 40,562,792</b>	<b>\$ 99,846,461</b>	<b>\$ 1,619,620</b>

(continued)

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

**Edgecombe County, North Carolina**  
**Statement of Net Assets**  
**June 30, 2009**

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Edgecombe County ABC Board
(continued)				
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 3,336,219	\$ 236,103	\$ 3,572,322	\$ 178,688
Unearned revenue	146,784	-	146,784	-
Accrued interest payable	175,377	63,925	239,302	-
Customer deposits	-	94,867	94,867	-
Due to primary government	-	-	-	1,917
Due to other governments	-	-	-	2,473
Liabilities to be Paid from Restricted Assets:				
Accounts payable	34,204	410,068	444,272	-
Total Current Liabilities	\$ 3,692,584	\$ 804,963	\$ 4,497,547	\$ 183,078
Long-term Liabilities:				
Due within one year	\$ 2,264,060	\$ 285,392	\$ 2,549,452	\$ -
Due in more than one year	16,206,458	17,101,703	33,308,161	33,889
Total Long-term Liabilities	\$ 18,470,518	\$ 17,387,095	\$ 35,857,613	\$ 33,889
Total Liabilities	\$ 22,163,102	\$ 18,192,058	\$ 40,355,160	\$ 216,967
<b>Net Assets</b>				
Invested in capital assets, net of related debt	\$ 16,886,989	\$ 20,709,078	\$ 37,596,067	\$ 678,180
Restricted for:				
Education	2,270,031	-	2,270,031	-
Public Safety	404,981	-	404,981	-
Other purposes	40,335	-	40,335	619,552
Unrestricted (deficit)	17,518,231	1,661,656	19,179,887	104,921
Total Net Assets	\$ 37,120,567	\$ 22,370,734	\$ 59,491,301	\$ 1,402,653

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, 2009**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental Activities:				
General Government	\$ 6,014,390	\$ 695,534	\$ -	\$ 264,784
Public Safety	11,805,147	3,122,470	40,000	353,250
Transportation	60,974	-	-	-
Economic and Physical Development	2,164,472	-	-	1,264,076
Human Services	23,855,432	4,890,516	12,217,562	231,379
Cultural and Recreation	717,540	-	-	-
Education	12,226,548	-	333,100	1,120,020
Interest on long-term debt	679,758	-	-	-
Total Governmental Activities	<u>\$ 57,524,261</u>	<u>\$ 8,708,520</u>	<u>\$ 12,590,662</u>	<u>\$ 3,233,509</u>
Business-type Activities:				
Landfill	\$ 2,741,864	\$ 2,131,136	\$ -	\$ 113,644
Water and Sewer	2,514,392	2,368,964	-	2,252,179
Total Business-type Activities	<u>\$ 5,256,256</u>	<u>\$ 4,500,100</u>	<u>\$ -</u>	<u>\$ 2,365,823</u>
Total Primary Government	<u>\$ 62,780,517</u>	<u>\$ 13,208,620</u>	<u>\$ 12,590,662</u>	<u>\$ 5,599,332</u>
Component Units: ABC Board	<u>\$ 2,957,339</u>	<u>\$ 2,988,702</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

Special Item - Edgecombe County Schools transfer of buildings

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

<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Edgecombe County ABC Board</b>
\$ (5,054,072)	\$ -	\$ (5,054,072)	
(8,289,427)	-	(8,289,427)	
(60,974)	-	(60,974)	
(900,396)	-	(900,396)	
(6,515,975)	-	(6,515,975)	
(717,540)	-	(717,540)	
(10,773,428)	-	(10,773,428)	
(679,758)	-	(679,758)	
<u>\$ (32,991,570)</u>	<u>\$ -</u>	<u>\$ (32,991,570)</u>	
\$ -	\$ (497,084)	\$ (497,084)	
-	2,106,751	2,106,751	
<u>\$ -</u>	<u>\$ 1,609,667</u>	<u>\$ 1,609,667</u>	
<u>\$ (32,991,570)</u>	<u>\$ 1,609,667</u>	<u>\$ (31,381,903)</u>	
			<u>\$ 31,363</u>
\$ 24,212,177	\$ -	\$ 24,212,177	\$ -
6,465,512	-	6,465,512	-
512,905	-	512,905	-
204,877	-	204,877	-
408,688	42,907	451,595	4,619
138,023	-	138,023	-
46,954	-	46,954	-
2,074,640	-	2,074,640	-
<u>\$ 34,063,776</u>	<u>\$ 42,907</u>	<u>\$ 34,106,683</u>	<u>\$ 4,619</u>
\$ 1,072,206	\$ 1,652,574	\$ 2,724,780	\$ 35,982
36,048,361	20,718,160	56,766,521	1,366,671
<u>\$ 37,120,567</u>	<u>\$ 22,370,734</u>	<u>\$ 59,491,301</u>	<u>\$ 1,402,653</u>

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

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## **Fund Financial Statements**

**Edgecombe County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

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>	
<b>Assets</b>				
Cash and cash equivalents	\$ 14,940,335	\$ -	\$ 649,547	\$ 15,589,882
Receivables, net	3,048,038	-	826,327	3,874,365
Taxes receivable	4,411,436	-	157,847	4,569,283
Due from other funds	473,600	-	-	473,600
Prepaid items	43,495	-	-	43,495
Restricted assets	-	452,887	-	452,887
<b>Total Assets</b>	<b><u>\$ 22,916,904</u></b>	<b><u>\$ 452,887</u></b>	<b><u>\$ 1,633,721</u></b>	<b><u>\$ 25,003,512</u></b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable from restricted funds	\$ -	\$ 34,204	\$ -	\$ 34,204
Accounts payable & accrued liabilities	3,011,388	-	324,831	3,336,219
Unearned revenue	146,784	-	-	146,784
Deferred revenue	4,958,986	-	157,847	5,116,833
Due to other funds	-	-	473,600	473,600
<b>Total Liabilities</b>	<b><u>\$ 8,117,158</u></b>	<b><u>\$ 34,204</u></b>	<b><u>\$ 956,278</u></b>	<b><u>\$ 9,107,640</u></b>
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Education	\$ 2,270,031	\$ -	\$ -	\$ 2,270,031
Public Safety	-	-	404,981	404,981
Public Health	1,103,905	-	-	1,103,905
Register of Deeds				
Automation Enhancement	40,335	-	-	40,335
State Statute	3,017,582	-	-	3,017,582
Capital projects funds	-	418,683	-	418,683
<b>Unreserved:</b>				
Undesignated	6,133,293	-	-	6,133,293
Designated for subsequent year's expenditures	2,234,600	-	-	2,234,600
<b>Unreserved, Reported in Nonmajor:</b>				
Special revenue funds	-	-	272,462	272,462
<b>Total Fund Balances</b>	<b><u>\$ 14,799,746</u></b>	<b><u>\$ 418,683</u></b>	<b><u>\$ 677,443</u></b>	<b><u>\$ 15,895,872</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 22,916,904</u></b>	<b><u>\$ 452,887</u></b>	<b><u>\$ 1,633,721</u></b>	<b><u>\$ 25,003,512</u></b>

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

(continued)

**Edgecombe County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**For the Year Ended June 30, 2009**

**Exhibit 3**

(continued)

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

Total fund balance	\$ 15,895,872
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.	33,556,977
Other long-term assets are not available to pay current-period expenditures and therefore are deferred in the funds.	1,196,780
Liabilities for earned but deferred revenues in fund statements.	5,116,833
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.	(18,645,895)
Net Assets of Governmental Activities	\$ 37,120,567

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, 2009**

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>		
<b>Revenues</b>				
Ad valorem taxes	\$ 23,413,178	\$ -	\$ 643,504	\$ 24,056,682
Local option sales tax	5,358,757	-	1,106,755	6,465,512
Other taxes and licenses	96,412	-	242,881	339,293
Unrestricted intergovernmental	240,955	-	-	240,955
Restricted intergovernmental	14,748,301	-	1,291,756	16,040,057
Permits and fees	788,327	-	-	788,327
Sales and services	7,441,317	-	-	7,441,317
Investment earnings	397,135	10,884	669	408,688
Miscellaneous	469,722	-	-	469,722
<b>Total Revenues</b>	<u>\$ 52,954,104</u>	<u>\$ 10,884</u>	<u>\$ 3,285,565</u>	<u>\$ 56,250,553</u>
<b>Expenditures</b>				
<b>Current:</b>				
General Government	\$ 5,331,757	\$ -	\$ 246,416	\$ 5,578,173
Public Safety	10,558,791	-	1,186,922	11,745,713
Transportation	60,974	-	-	60,974
Economic and Physical Development	994,213	-	1,156,856	2,151,069
Human Services	23,560,859	-	-	23,560,859
Cultural and Recreational	717,540	-	-	717,540
<b>Intergovernmental:</b>				
Education	10,415,163	-	1,106,755	11,521,918
Capital outlay	-	1,395,748	-	1,395,748
<b>Debt service:</b>				
Principal	1,656,397	-	-	1,656,397
Interest and other charges	687,765	-	-	687,765
<b>Total Expenditures</b>	<u>\$ 53,983,459</u>	<u>\$ 1,395,748</u>	<u>\$ 3,696,949</u>	<u>\$ 59,076,156</u>

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, 2009**

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	\$ (1,029,355)	\$ (1,384,864)	\$ (411,384)	\$ (2,825,603)
<b>Other Financing Sources (Uses)</b>				
Transfers from (to) other funds	\$ (907,531)	\$ 726,000	\$ 181,531	\$ -
Installment financing proceeds	1,000,000	-	121,750	1,121,750
Total Other Financing Sources and Uses	\$ 92,469	\$ 726,000	\$ 303,281	\$ 1,121,750
Net Change in Fund Balance	\$ (936,886)	\$ (658,864)	\$ (108,103)	\$ (1,703,853)
<b>Fund Balance:</b>				
Beginning	15,736,632	1,077,547	785,546	17,599,725
Ending	<u>\$ 14,799,746</u>	<u>\$ 418,683</u>	<u>\$ 677,443</u>	<u>\$ 15,895,872</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, 2009**

**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	\$ (1,703,853)
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.	144,626
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(15,362)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	2,361,276
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.	534,647
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	(77,177)
Net pension obligations	(7,421)
Accrued interest	8,007
Other postemployment benefits	(172,537)
<b>Total Changes in Net Assets of Governmental Activities</b>	<b>\$ 1,072,206</b>

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, 2009**

**Exhibit 5**

**General Fund**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 23,135,283	\$ 23,120,283	\$ 23,413,178	\$ 292,895
Local option sales tax	5,450,000	5,450,000	5,358,757	(91,243)
Other taxes and licenses	62,000	77,000	96,412	19,412
Unrestricted intergovernmental	94,000	234,334	240,955	6,621
Restricted intergovernmental	13,429,259	15,844,512	14,748,301	(1,096,211)
Permits and fees	853,500	843,500	788,327	(55,173)
Sales and services	6,899,114	7,286,127	7,441,317	155,190
Investment earnings	210,000	210,000	397,135	187,135
Miscellaneous	15,500	445,341	469,722	24,381
<b>Total Revenues</b>	<b>\$ 50,148,656</b>	<b>\$ 53,511,097</b>	<b>\$ 52,954,104</b>	<b>\$ (56,993)</b>
<b>Expenditures</b>				
Current:				
General Government	\$ 5,156,462	\$ 6,855,623	\$ 5,331,757	\$ 1,523,866
Public Safety	9,174,867	11,113,097	10,558,791	554,306
Transportation	68,305	63,128	60,974	2,154
Economic and Physical Development	1,143,881	1,498,812	994,213	504,599
Human Services	25,439,350	26,647,518	23,560,859	3,086,659
Cultural and Recreational	701,618	717,541	717,540	1
Intergovernmental:				
Education	10,721,143	10,573,113	10,415,163	157,950
Debt Service:				
Principal retirement	1,672,404	1,660,404	1,656,397	4,007
Interest and other charges	714,127	693,227	687,765	5,462
<b>Total Expenditures</b>	<b>\$ 54,792,157</b>	<b>\$ 59,822,463</b>	<b>\$ 53,983,459</b>	<b>\$ 5,839,004</b>

(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, 2009**

Exhibit 5

**General Fund**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
(continued)				
Revenues Over				
(Under) Expenditures	\$ (4,643,501)	\$ (6,311,366)	\$ (1,029,355)	\$ 5,282,011
Other Financing Sources (Uses):				
Transfers from (to) other funds	\$ 403,732	\$ (915,967)	\$ (907,531)	\$ 8,436
Installment loan proceeds	-	1,000,000	1,000,000	-
Sale of capital assets	-	200,000	-	(200,000)
Appropriated fund balance	4,239,769	6,027,333	-	(6,027,333)
Total Other Financing Sources (Uses)	<u>\$ 4,643,501</u>	<u>\$ 6,311,366</u>	<u>\$ 92,469</u>	<u>\$ (6,218,897)</u>
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	\$ (936,886)	<u>\$ (936,886)</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			15,736,632	
End of year, June 30			<u>\$ 14,799,746</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, 2009**

	<u>Water &amp; Sewer Operations</u>	<u>Water &amp; Sewer District #1</u>	<u>Water &amp; Sewer District #2</u>
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,130,825	\$ -	\$ -
Receivables, net	203,430	-	-
Investment in direct financing leases	(14,203,407)	3,906,402	3,781,519
<b>Total Current Assets</b>	<u>\$ (12,869,152)</u>	<u>\$ 3,906,402</u>	<u>\$ 3,781,519</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and cash equivalents	\$ 656,811	\$ -	\$ -
Accounts receivable	385,512	-	-
<b>Total Restricted Assets</b>	<u>\$ 1,042,323</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Assets:			
Land, improvements, & construction in progress	\$ 6,164,365	\$ -	\$ -
Capital assets (net)	26,184,868	-	-
<b>Total Capital Assets</b>	<u>\$ 32,349,233</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Noncurrent Assets</b>	<u>\$ 33,391,556</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Assets</b>	<u>\$ 20,522,404</u>	<u>\$ 3,906,402</u>	<u>\$ 3,781,519</u>
<b>Liabilities</b>			
Current Liabilities:			
Liabilities to be Paid from Restricted Assets:			
Accounts payable	\$ 410,068	\$ -	\$ -
Accounts payable	98,096	-	-
Customer deposits	94,867	-	-
Accrued interest	-	15,402	14,519
Accrued vacation - current	8,009	-	-
Revenue bonds payable	-	22,500	-
General obligation bonds payable	-	48,000	53,000
<b>Total Current Liabilities</b>	<u>\$ 611,040</u>	<u>\$ 85,902</u>	<u>\$ 67,519</u>
Noncurrent Liabilities:			
Accrued landfill closure & postclosure care costs	\$ -	\$ -	\$ -
Accrued OPEB	3,443	-	-
Accrued vacation	28,862	-	-
Revenue bonds payable	-	1,212,000	-
General obligation bonds payable	-	2,608,500	3,714,000
<b>Total Noncurrent Liabilities</b>	<u>\$ 32,305</u>	<u>\$ 3,820,500</u>	<u>\$ 3,714,000</u>
<b>Total Liabilities</b>	<u>\$ 643,345</u>	<u>\$ 3,906,402</u>	<u>\$ 3,781,519</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 18,778,081	\$ -	\$ -
Unrestricted	1,100,978	-	-
<b>Total Net Assets</b>	<u>\$ 19,879,059</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
\$ -	\$ -	\$ 1,130,825	\$ 3,254,143	\$ 4,384,968
-	-	203,430	651,841	855,271
<u>2,569,680</u>	<u>3,945,806</u>	-	-	-
<u>\$ 2,569,680</u>	<u>\$ 3,945,806</u>	<u>\$ 1,334,255</u>	<u>\$ 3,905,984</u>	<u>\$ 5,240,239</u>
\$ -	\$ -	\$ 656,811	\$ -	\$ 656,811
-	-	385,512	-	385,512
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,042,323</u>	<u>\$ -</u>	<u>\$ 1,042,323</u>
\$ -	\$ -	\$ 6,164,365	\$ 568,539	\$ 6,732,904
-	-	26,184,868	1,362,458	27,547,326
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,349,233</u>	<u>\$ 1,930,997</u>	<u>\$ 34,280,230</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,391,556</u>	<u>\$ 1,930,997</u>	<u>\$ 35,322,553</u>
<u>\$ 2,569,680</u>	<u>\$ 3,945,806</u>	<u>\$ 34,725,811</u>	<u>\$ 5,836,981</u>	<u>\$ 40,562,792</u>
\$ -	\$ -	\$ 410,068	\$ -	\$ 410,068
-	-	98,096	138,007	236,103
-	-	94,867	-	94,867
16,198	17,806	63,925	-	63,925
-	-	8,009	8,290	16,299
-	-	22,500	-	22,500
145,593	-	246,593	-	246,593
<u>\$ 161,791</u>	<u>\$ 17,806</u>	<u>\$ 944,058</u>	<u>\$ 146,297</u>	<u>\$ 1,090,355</u>
\$ -	\$ -	\$ -	\$ 3,181,133	\$ 3,181,133
-	-	3,443	3,061	6,504
-	-	28,862	14,815	43,677
-	-	1,212,000	-	1,212,000
2,407,889	3,928,000	12,658,389	-	12,658,389
<u>\$ 2,407,889</u>	<u>\$ 3,928,000</u>	<u>\$ 13,902,694</u>	<u>\$ 3,199,009</u>	<u>\$ 17,101,703</u>
<u>\$ 2,569,680</u>	<u>\$ 3,945,806</u>	<u>\$ 14,846,752</u>	<u>\$ 3,345,306</u>	<u>\$ 18,192,058</u>
\$ -	\$ -	\$ 18,778,081	\$ 1,930,997	\$ 20,709,078
-	-	1,100,978	560,678	1,661,656
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,879,059</u>	<u>\$ 2,491,675</u>	<u>\$ 22,370,734</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, 2009**

	<b>Water &amp; Sewer Operations</b>	<b>Water &amp; Sewer District #1</b>	<b>Water &amp; Sewer District #2</b>
<b>Operating Revenues</b>			
Charges for services and other	\$ 2,368,964	\$ -	\$ -
<b>Operating Expenses</b>			
Salaries and Employee Benefits	\$ 390,084	\$ -	\$ -
Water purchases	743,483	-	-
Landfill operations	-	-	-
Water operations	202,766	-	-
Depreciation	639,641	-	-
Total Operating Expenses	<u>\$ 1,975,974</u>	<u>\$ -</u>	<u>\$ -</u>
Operating Income (Loss)	<u>\$ 392,990</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest and investment revenue	\$ 1,451	\$ -	\$ -
Bad debt expense	(32,045)	-	-
Interest expense	-	(187,740)	(176,365)
Total Nonoperating Revenue (Expenses)	<u>\$ (30,594)</u>	<u>\$ (187,740)</u>	<u>\$ (176,365)</u>
Income (Loss) before Contributions and Transfers	<u>\$ 362,396</u>	<u>\$ (187,740)</u>	<u>\$ (176,365)</u>
Capital contributions	\$ 2,252,179	\$ -	\$ -
Transfers in (out)	(506,373)	187,740	176,365
Total Contributions and Transfers	<u>\$ 1,745,806</u>	<u>\$ 187,740</u>	<u>\$ 176,365</u>
Change in Net Assets	\$ 2,108,202	\$ -	\$ -
Total Net Assets - beginning	17,770,857	-	-
Total Net Assets - ending	<u><u>\$ 19,879,059</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**

<b>Water &amp; Sewer District #3</b>	<b>Water &amp; Sewer District #5</b>	<b>Total Water &amp; Sewer</b>	<b>Solid Waste Fund</b>	<b>Total</b>
\$ -	\$ -	\$ 2,368,964	\$ 2,131,136	\$ 4,500,100
\$ -	\$ -	\$ 390,084	\$ 664,715	\$ 1,054,799
-	-	743,483	-	743,483
-	-	-	1,960,043	1,960,043
-	-	202,766	-	202,766
-	-	639,641	99,015	738,656
\$ -	\$ -	\$ 1,975,974	\$ 2,723,773	\$ 4,699,747
\$ -	\$ -	\$ 392,990	\$ (592,637)	\$ (199,647)
\$ -	\$ -	\$ 1,451	\$ 41,456	\$ 42,907
-	-	(32,045)	(18,091)	(50,136)
(108,173)	(34,095)	(506,373)	-	(506,373)
\$ (108,173)	\$ (34,095)	\$ (536,967)	\$ 23,365	\$ (513,602)
\$ (108,173)	\$ (34,095)	\$ (143,977)	\$ (569,272)	\$ (713,249)
\$ -	\$ -	\$ 2,252,179	\$ 113,644	\$ 2,365,823
108,173	34,095	-	-	-
\$ 108,173	\$ 34,095	\$ 2,252,179	\$ 113,644	\$ 2,365,823
\$ -	\$ -	\$ 2,108,202	\$ (455,628)	\$ 1,652,574
-	-	17,770,857	2,947,303	20,718,160
\$ -	\$ -	\$ 19,879,059	\$ 2,491,675	\$ 22,370,734

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, 2009**

	<u>Water &amp; Sewer Operations</u>	<u>Water &amp; Sewer District #1</u>	<u>Water &amp; Sewer District #2</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 2,238,513	\$ -	\$ -
Cash paid for goods and services	(919,502)	-	-
Cash paid to employees for services	(380,730)	-	-
Customer deposits (returned)	15,268	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 953,549</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash Flows from Non-capital Activities:</b>			
Transfers in (out)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from investment in direct financing leases	\$ 928,694	\$ 255,005	\$ 227,059
Acquisition and construction of capital assets	(2,947,635)	-	-
Bond/Debt proceeds	-	-	-
Principal paid on bond maturities and equipment contracts	-	(67,000)	(50,500)
Interest paid on bond maturities and equipment contracts	-	(188,005)	(176,559)
Capital contributions - grants	1,866,667	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (152,274)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	<u>\$ 1,451</u>	<u>\$ -</u>	<u>\$ -</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 802,726	\$ -	\$ -
<b>Cash and Cash Equivalents:</b>			
Beginning of year, July 1	984,910	-	-
End of year, June 30	<u>\$ 1,787,636</u>	<u>\$ -</u>	<u>\$ -</u>

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

Exhibit 8

Water & Sewer District #3	Water & Sewer District #5	Total Water & Sewer	Solid Waste Fund	Total
\$ -	\$ -	\$ 2,238,513	\$ 2,108,462	\$ 4,346,975
-	-	(919,502)	(1,704,977)	(2,624,479)
-	-	(380,730)	(661,271)	(1,042,001)
-	-	15,268	-	15,268
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 953,549</u>	<u>\$ (257,786)</u>	<u>\$ 695,763</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 253,725	\$ (2,103,183)	\$ (438,700)	\$ -	\$ (438,700)
-	-	(2,947,635)	(114,160)	(3,061,795)
-	-	-	-	-
(144,593)	(210,260)	(472,353)	-	(472,353)
(109,132)	(34,095)	(507,791)	-	(507,791)
<u>-</u>	<u>-</u>	<u>1,866,667</u>	<u>113,644</u>	<u>1,980,311</u>
<u>\$ -</u>	<u>\$ (2,347,538)</u>	<u>\$ (2,499,812)</u>	<u>\$ (516)</u>	<u>\$ (2,500,328)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,451</u>	<u>\$ 41,456</u>	<u>\$ 42,907</u>
\$ -	\$ (2,347,538)	\$ (1,544,812)	\$ (216,846)	\$ (1,761,658)
-	2,347,538	3,332,448	3,470,989	6,803,437
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,787,636</u>	<u>\$ 3,254,143</u>	<u>\$ 5,041,779</u>

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

(continued)

**Edgecombe County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2009**

	<b>Water &amp; Sewer Operations</b>	<b>Water &amp; Sewer District #1</b>	<b>Water &amp; Sewer District #2</b>
(continued)			
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income	<b>\$ 392,990</b>	<b>\$ -</b>	<b>\$ -</b>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	\$ 639,641	\$ -	\$ -
Changes in Assets and Liabilities:			
Decrease (increase) in accounts receivable	(98,406)	-	-
Increase (decrease) in accounts payable and accrued liabilities	36,101	-	-
Increase (decrease) in allowance for bad debts	(32,045)	-	-
Increase (decrease) in customer deposits	15,268	-	-
<b>Total Adjustments</b>	<b>\$ 560,559</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 953,549</b>	<b>\$ -</b>	<b>\$ -</b>

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

Exhibit 8

<u>Water &amp; Sewer District #3</u>	<u>Water &amp; Sewer District #5</u>	<u>Total Water &amp; Sewer</u>	<u>Solid Waste Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 392,990	\$ (592,636)	\$ (199,646)
\$ -	\$ -	\$ 639,641	\$ 99,015	\$ 738,656
-	-	(98,406)	(4,582)	(102,988)
-	-	36,101	258,508	294,609
-	-	(32,045)	(18,091)	(50,136)
-	-	15,268	-	15,268
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 560,559</u>	<u>\$ 334,850</u>	<u>\$ 895,409</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 953,549</u>	<u>\$ (257,786)</u>	<u>\$ 695,763</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, 2009**

**Exhibit 9**

	<u><b>Agency Fund</b></u>
<b>Assets</b>	
Cash and cash equivalents	\$ 7,038
<b>Liabilities and Net Assets</b>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 7,038
Net Assets:	
Assets held in trust	\$ -

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

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**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, 2009**

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, 2009**

**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 units. 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 of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its 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, 2009**

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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**C. 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.

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 is 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, 2009**

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 2008 through February 2009 apply to the fiscal year ended June 30, 2009. 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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

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.

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.

**D. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the 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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**E. 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.

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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

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, 2009.

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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

The county holds title to certain Edgecombe County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing and acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the County.

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

**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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**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.

**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.

**Edgecombe County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2009**

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 2009 - 2010 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, 2009**

**F. 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 \$21,224,695 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)	\$ 66,934,806
Less Accumulated Depreciation	(33,377,829)
Net Capital Assets	\$ 33,556,977
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	1,196,780
Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not in the government-wide.	5,116,833
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	(16,669,988)
Compensated absences	(1,374,581)
Accrued interest payable	(175,377)
Net pension obligation	(253,412)
Other postemployment benefits	(172,537)
Total Adjustment	\$ 21,224,695

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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

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 \$2,776,059 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,101,404
Cost of disposed capital assets not recorded in fund statements	(15,362)
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	(1,956,778)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it effects only the government-wide statement of net assets	(1,121,750)
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	1,656,397
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)	8,007
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	(84,598)
Other postemployment benefits	(172,537)
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.	2,361,276
Total Adjustment	<u>\$ 2,776,059</u> =====

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**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, 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, 2009**

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, 2009, the County's deposits had a carrying amount of \$1,679,403 and a bank balance of \$2,259,434. Of the bank balance, \$250,000 was covered by federal depository insurance, \$20,400 in non-interest bearing deposits and \$1,989,034 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2009, Edgecombe County had \$2,865 cash on hand.

At June 30, 2009, the carrying amount of deposits for Edgecombe County ABC Board was \$551,866 and the bank balance was \$588,497. Of the bank balance, \$167,241 was covered by federal depository insurance and \$421,256 in interest-bearing deposits was insured under the Pooling Method. At June 30, 2009, 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	\$ 774,923	\$ -	\$ 774,923	\$ -
N.C. Capital Management Trust				
- Cash Portfolio	18,634,395	N/A	N/A	N/A
Total	<u>\$ 19,409,318</u>	<u>\$ -</u>	<u>\$ 774,923</u>	<u>\$ -</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, 2009**

*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. 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, 2009. 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, 2009, 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>
2008	\$ 787,674	\$ -	\$ 787,674
2007	771,265	79,054	850,319
2006	771,265	148,468	919,733
2005	763,060	215,564	978,624
Total	<u>\$ 3,093,264</u>	<u>\$ 443,086</u>	<u>\$ 3,536,350</u>

\* (Interest figured through fiscal year-end 6/30/09)

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

4. Receivables

Receivables at the government-wide level at June 30, 2009, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from other Governments</u>	<u>Other</u>	<u>Total</u>
<b>Governmental</b>					
<b>Activities:</b>					
General	\$ 858,788	\$ 6,171,218	\$ 2,368,003	\$ 1,917	\$ 9,399,926
Other governmental	-	157,847	826,327	-	984,174
Total Receivables	<u>\$ 858,788</u>	<u>\$ 6,329,065</u>	<u>\$ 3,194,330</u>	<u>\$ 1,917</u>	<u>\$ 10,384,100</u>
Allowance for Doubtful Accounts	<u>(180,670)</u>	<u>(563,002)</u>	<u>-</u>	<u>-</u>	<u>(743,672)</u>
<b>Total Governmental     Activities</b>	<u><u>\$ 678,118</u></u>	<u><u>\$ 5,766,063</u></u>	<u><u>\$ 3,194,330</u></u>	<u><u>\$ 1,917</u></u>	<u><u>\$ 9,640,428</u></u>
<b>Business-type</b>					
<b>Activities:</b>					
Landfill	\$ 266,881	\$ 544,963	\$ 28,813	\$ -	\$ 840,657
Water & Sewer	467,105	-	385,512	-	852,617
Total Receivables	<u>\$ 733,986</u>	<u>\$ 544,963</u>	<u>\$ 414,325</u>	<u>\$ -</u>	<u>\$ 1,693,274</u>
Allowance for Doubtful Accounts	<u>(452,491)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(452,491)</u>
<b>Total Business-type     Activities</b>	<u><u>\$ 281,495</u></u>	<u><u>\$ 544,963</u></u>	<u><u>\$ 414,325</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,240,783</u></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	\$ 1,080,482
Jail reimbursement	132,062
Other miscellaneous	313,842
Medicaid/Medicare	203,487
Admin. Reimbursement	513,773
Child Day Care	298,495
911 fees	20,240
Other grants - Public Safety	250,418
Other grants - Economic Development	381,531
Total	<u>\$ 3,194,330</u>
	=====

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

5. Capital Assets

**Primary Government**

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities:</b>				
Capital Assets not Being Depreciated:				
Land	\$ 1,180,054	\$ 20,669	\$ -	\$ 1,200,723
Construction in progress	14,099	-	-	14,099
Total	<u>\$ 1,194,153</u>	<u>\$ 20,669</u>	<u>\$ -</u>	<u>\$ 1,214,822</u>
Capital Assets Being Depreciated:				
Buildings & improvements	\$ 21,334,010	\$ 34,189	\$ -	\$ 21,368,199
Special Item - Schools	28,693,577	8,417,992	-	37,111,569
Equipment	4,025,141	159,075	7,679	4,176,537
Vehicles & motor equipment	2,673,227	491,723	101,271	3,063,679
Total	<u>\$ 56,725,955</u>	<u>\$ 9,102,979</u>	<u>\$ 108,950</u>	<u>\$ 65,719,984</u>
Less Accumulated Depreciation for:				
Buildings	\$ 7,810,284	\$ 725,387	\$ -	\$ 8,535,671
Buildings & improvements	244,910	12,209	-	257,119
Special Item - Schools	13,752,275	5,652,234	-	19,404,509
Equipment	2,533,860	253,387	7,679	2,779,568
Vehicles & motor equipment	2,225,706	261,165	85,909	2,400,962
Total	<u>\$ 26,567,035</u>	<u>\$ 6,904,382</u>	<u>\$ 93,588</u>	<u>\$ 33,377,829</u>
Total Capital Assets				
Being Depreciated, Net	<u>\$ 30,158,920</u>			<u>\$ 32,342,155</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 31,353,073</u>			<u>\$ 33,556,977</u>

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

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

General Government	\$ 415,106
Public Safety	665,205
Economic and Physical Development	5,564
Human Services	166,273
Education	704,630
Total Depreciation Expense	\$ 1,956,778
Special Item - Schools prior accumulated depreciation	4,947,604
Total Increase in Accumulated Depreciation	\$ 6,904,382

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. The title to Phillips School was transferred to the County during the year 2009. 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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<b>Business-type Activities:</b>				
<b>Landfill</b>				
Capital Assets not Being Depreciated:				
Land	\$ 476,889	\$ -	\$ -	\$ 476,889
Capital Assets Being Depreciated:				
Buildings & improvements	\$ 1,701,303	\$ 5,995	\$ -	\$ 1,707,298
Furniture & maintenance equipment	257,168	6,054	-	263,222
Vehicles	1,101,266	102,110	-	1,203,376
Total	<u>\$ 3,059,737</u>	<u>\$ 114,159</u>	<u>\$ -</u>	<u>\$ 3,173,896</u>
Less Accumulated Depreciation for:				
Buildings & improvements	\$ 530,817	\$ 38,783	\$ -	\$ 569,600
Furniture & maintenance equipment	180,518	8,553	-	189,071
Vehicles	909,438	51,679	-	961,117
Total	<u>\$ 1,620,773</u>	<u>\$ 99,015</u>	<u>\$ -</u>	<u>\$ 1,719,788</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 1,438,964</u>			<u>\$ 1,454,108</u>
<b>Landfill Capital Assets, Net</b>	<u>\$ 1,915,853</u>			<u>\$ 1,930,997</u>

(continued)

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type Activities: (continued)</b>				
<b>Edgecombe County Water Districts:</b>				
Capital Assets not Being Depreciated:				
Land	\$ 28,292	\$ -	\$ -	\$ 28,292
Construction in progress	2,811,062	3,325,011	-	6,136,073
Total	\$ 2,839,354	\$ 3,325,011	\$ -	\$ 6,164,365
Capital Assets Being Depreciated:				
Plant & distribution systems	\$ 28,587,634	\$ -	\$ -	\$ 28,587,634
Buildings & improvements	872,512	-	-	872,512
Furniture & maintenance equipment	165,133	32,691	-	197,824
Vehicles	216,488	-	-	216,488
Total	\$ 29,841,767	\$ 32,691	\$ -	\$ 29,874,458
Less Accumulated Depreciation for:				
Plant & distribution systems	\$ 2,932,451	\$ 561,662	\$ -	\$ 3,494,113
Buildings & improvements	8,725	17,450	-	26,175
Furniture & maintenance equipment	41,182	32,703	-	73,885
Vehicles	67,591	27,826	-	95,417
Total	\$ 3,049,949	\$ 639,641	\$ -	\$ 3,689,590
Total Capital Assets Being Depreciated, Net				
	\$ 26,791,818			\$ 26,184,868
<b>Edgecombe County Water Districts Capital Assets, Net</b>				
	\$ 29,631,172			\$ 32,349,233
<b>Business-Type Activities: Capital Assets, Net</b>				
	\$ 31,547,025			\$ 34,280,230

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**Construction Commitments**

The government has active construction projects as of June 30, 2009 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	\$ 4,616,511	\$ 1,463,434
	=====	=====

**Discretely Presented Component Units**

Activity for the ABC Board for the year ended June 30, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets not Being Depreciated:				
Land	\$ 62,299	\$ -	\$ -	\$ 62,299
Capital Assets Being Depreciated:				
Buildings	\$ 1,066,022	\$ -	\$ -	\$ 1,066,022
Furniture & equipment	289,312	3,109	26,669	265,752
Total	\$ 1,355,334	\$ 3,109	\$ 26,669	\$ 1,331,774
Less Accumulated Depreciation for:				
Buildings	\$ 499,669	\$ 23,245	\$ -	\$ 522,914
Furniture & equipment	203,269	16,379	26,669	192,979
Total	\$ 702,938	\$ 39,624	\$ 26,669	\$ 715,893
 Total Capital Assets Being Depreciated, Net	 \$ 652,396			 \$ 615,881
 <b>Total Capital Assets, Net</b>	 \$ 714,695			 \$ 678,180

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2009, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Other	Total
<b>Governmental Activities:</b>					
General	\$ 1,578,594	\$ 459,251	\$ 175,377	\$ 1,007,747	\$ 3,220,969
Other governmental	138,539	-	-	186,292	324,831
<b>Total Governmental Activities</b>	<b>\$ 1,717,133</b>	<b>\$ 459,251</b>	<b>\$ 175,377</b>	<b>\$ 1,194,039</b>	<b>\$ 3,545,800</b>
<b>Business-type Activities:</b>					
Solid Waste	\$ 111,841	\$ 26,166	\$ -	\$ -	\$ 138,007
Water and Sewer District	467,850	40,314	63,925	94,867	666,956
<b>Total Business-type Activities</b>	<b>\$ 579,691</b>	<b>\$ 66,480</b>	<b>\$ 63,925</b>	<b>\$ 94,867</b>	<b>\$ 804,963</b>

**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, 2009**

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 4.98% 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, 2009, 2008, and 2007 were \$728,273, \$633,146, and \$721,503, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$13,349, \$13,575, and \$13,205, 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, 2008, 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, 2009**

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, 2008 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, 2008 was 22 years.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

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	\$	91,225
Interest on net pension obligation		17,834
Adjustment to annual required contribution		(15,547)
		\$ 93,512
Annual pension cost		93,512
Contributions made		86,091
		\$ 7,421
Increase (decrease) in net pension obligation		7,421
Net Pension Obligation -		
Beginning of year		245,991
End of year		\$ 253,412

<u>3 Year Trend Information</u>			
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
2009	93,512	92.06%	253,412

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$936,905. The covered payroll (annual payroll of active employees covered by the plan) was \$1,973,902, and the ratio of the UAAL to the covered payroll was 47.46 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

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

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2009 were \$100,348, which consisted of \$100,348 from the County and \$0 from the law enforcement officers.

**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. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

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, 2009, the County's required and actual contributions were \$2,949.

**Other Postemployment Benefit**

Plan Description

Under a County resolution, Edgecombe County provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan) as a single-employer defined benefit plan to cover retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the County. The County pays the full cost of coverage for these benefits. Also, the County's retirees can purchase coverage for their dependents as the County's group rates. The HCB Plan is available to qualified retirees at 100% until the age of 65 or until Medicare eligible, whichever is sooner. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

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

	General	Law
	<u>Employees</u>	<u>Enforcement Officers</u>
Retirees and dependents receiving benefits	28	10
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>414</u>	<u>51</u>
Total	<u>442</u>	<u>61</u>
	=====	=====

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

Funding Policy

The County pays the full cost for the healthcare benefits paid to qualified retirees under a County ordinance, which may be amended by the Board. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 2.56% of annual covered payroll. For the current year, the County contributed \$199,920 or 1.35% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a Board resolution, for employees not engaged in law enforcement and for law enforcement officers represented 1.12% and 2.87% of covered payroll, respectively. There were no contributions made by employees. The County's obligation to contribute to HCB Plan is established and may be amended by the Board of Commissioners.

Summary of Significant Accounting Policies

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

Annual OPEB Cost and Net OPEB Obligation.

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 378,961
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	\$ 378,961
Contributions made	(199,920)
Increase (decrease) in net OPEB obligation	\$ 179,041
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 179,041</u>

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the HCB Plan, and the net OPEB obligation for 2009 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 378,961	52.8%	\$ 179,041

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$5,226,254. The covered payroll (annual payroll of active employees covered by the plan) was \$14,811,257, and the ratio of UAAL to the covered payroll was 35.3 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

In the December 31, 2008, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.75 percent inflation assumption. The medical cost trend rate varied between 10.50 and 5.00 percent. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected unit credit on a level percent of pay, open basis. The remaining amortization period at December 31, 2008, was 30 years.

**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. 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, 2009, the County made contributions to the State for death benefits of \$16,938. 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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**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, 2009 is \$3,181,133.

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, 2009, those funds are held in investments with a cost and market value of \$2,228,202. 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:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned (General)	\$ -	\$ 146,784
Taxes receivable (net) (General)	4,411,436	-
Taxes receivable (net) (Special Revenue)	157,847	-
Other deferred revenue (General)	547,550	-
Total	<u>\$ 5,116,833</u>	<u>\$ 146,784</u>
	=====	=====

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

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.

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.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance, Tax Collector, Register of Deeds, and Sheriff are each individually bonded for \$500,000, 100,000, \$10,000, and \$25,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

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 \$2,796,946 in claims were incurred for benefits during the year ended June 30, 2009. Changes in the fund's claims liability amount was as follows:

	Year Ended June 30,	
	2009	2008
Unpaid claims, beginning of year	\$ 729,388	\$ 471,621
Incurred claims (including IBNRs)	2,796,946	3,999,297
Claim payments	3,310,119	3,741,530
Unpaid claims, end of year	\$ 216,215	\$ 729,388

**6. Contingent Liabilities**

At June 30, 2009, 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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

The County's general obligation bonds payable at June 30, 2009 is comprised of the following individual issues:

	<u>Balance</u> <u>6-30-09</u>
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	\$ 8,220,000
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.	2,387,500
Series B - \$304,000 Water Bond due in annual installments of \$3,500 to \$14,000 plus interest @ 4.75% through June of 2038.	269,000
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	2,549,000
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	1,218,000
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	288,000
Serviced by the Water and Sewer District #5:	
Series 2009 Water General Obligation Bond - April 20, 2009; due in annual installments of approximately \$215,000 including principal and interest @ 4.375% through June 1, 2048	3,928,000
Total General Obligation Bonds	<u>\$ 18,859,500</u> =====

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

The County's financing debt at June 30, 2009 is comprised of the following:

	Balance 6-30-09
<b>Notes Payable:</b>	
\$760,000 Note Payable - June 22, 2007; due in quarterly principal and interest payments of \$23,284 through June 2017; interest @ 4.125%; payable on September 1, December 1, March 1, and June 1	\$ 630,007
<b>Installment Purchases:</b>	
\$500,000 Installment Agreement - October 15, 2008; due in semi-annual payments of \$25,000 plus interest @ 3.77% through October, 2018; payable October 1 and April 1	475,000
\$500,000 Installment Agreement - October 15, 2008; due in semi-annual principal and interest payments of \$55,010 through October, 2014; interest @ 3.55%; payable October 1 and April 1	453,865
\$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	685,518
\$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	585,000
\$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	5,130,615
\$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	368,234
\$121,750 Installment Agreement; due in annual principal and interest payments of \$7,366 through September 14, 2038; interest @ 4.375%; payable on September 14	121,750
<b>Total</b>	\$ 8,449,989

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

The County's Water and Sewer District financing debt at June 30, 2009 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.

\$ 2,265,481  
=====

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	Notes Payable	Notes Payable	Installment Purchases	General
	Obligation Bonds				Obligation Bonds
2009-2010	\$ 105,000	\$ 141,593	\$ 68,193	\$ 1,333,253	\$ 400,000
2010-2011	153,500	141,593	71,050	1,325,245	485,000
2011-2012	161,000	141,593	74,027	841,710	485,000
2012-2013	167,500	141,593	77,128	869,408	485,000
2013-2014	175,000	141,593	207,253	-	485,000
2015-2019	1,001,000	707,962	132,356	778,261	2,440,000
2020-2024	1,253,500	707,962	-	2,575,252	2,450,000
2025-2029	1,564,000	141,592	-	17,066	990,000
2030-2034	1,928,500	-	-	21,143	-
2035-2039	2,070,500	-	-	26,444	-
2040-2044	1,398,000	-	-	32,200	-
2045-2049	662,000	-	-	-	-
<b>Total</b>	<b>\$ 10,639,500</b>	<b>\$ 2,265,481</b>	<b>\$ 630,007</b>	<b>\$ 7,819,982</b>	<b>\$ 8,220,000</b>

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

Year	Total		Total	
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009-2010	\$ 1,801,446	\$ 644,283	\$ 246,593	\$ 575,569
2010-2011	1,881,295	572,209	295,093	563,051
2011-2012	1,400,737	503,357	302,593	550,235
2012-2013	1,431,536	446,514	309,093	537,074
2013-2014	1,283,043	401,186	316,593	669,877
2015-2019	5,335,079	1,019,880	1,708,962	2,384,515
2020-2024	2,467,066	581,589	1,961,462	1,982,772
2025-2029	1,011,143	132,772	1,705,592	1,550,421
2030-2034	26,444	10,636	1,928,500	1,141,479
2035-2039	32,200	4,382	2,070,500	668,717
2040-2044			1,398,000	359,107
2045-2049			662,000	39,623
<b>Total</b>	<b>\$ 16,669,989</b>	<b>\$ 4,316,808</b>	<b>\$ 12,904,981</b>	<b>\$ 11,022,440</b>

At June 30, 2009, 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, 2009, \$3,430,000 of these bonds remained unissued.

The County's legal debt margin was \$185,156,420 at June 30, 2009.

**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, 2009**

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest
2010	\$ 22,500	\$ 58,639
2011	23,500	57,570
2012	24,500	56,454
2013	25,500	55,290
2014	26,500	54,079
2015-2019	154,000	250,088
2020-2024	192,000	210,093
2025-2029	237,000	160,361
2030-2034	289,000	98,943
2035-2038	240,000	28,500
Total	<u>\$ 1,234,500</u> =====	<u>\$ 1,030,017</u> =====

The County has pledged future water customer revenues net of specified operating expense from Water District No. 1 to repay this debt. The Bond Order requires the debt service coverage ratio to be no less than 110%. The debt service coverage ration for the year ended June 30, 2009, is as follows:

Operating revenues	\$ 2,284,126
Operating expenses	<u>1,342,228</u>
Operating income	\$ 941,898
Non-operating revenues (expenses)	<u>(674,218)</u>
Income available for debt service	\$ 267,680
	=====
Debt service, principal and interest paid (Revenue bond only)	\$ 81,160
	=====
Debt service coverage ratio	330%
	=====

**Edgecombe County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2009**

**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, 2009:

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009	Current Portion of Balance
<b>Governmental Activities:</b>					
General obligation debt	\$ 8,570,000	\$ -	\$ 350,000	\$ 8,220,000	\$ 400,000
Notes payable	720,193	-	90,186	630,007	68,193
Installment purchase	7,914,442	1,121,750	1,216,211	7,819,981	1,333,253
Compensated absences	1,297,404	462,614	385,437	1,374,581	462,614
Unfunded Special Separation Allowance	245,991	93,512	86,091	253,412	-
OPEB	-	365,195	192,658	172,537	-
<b>Total Governmental Activities</b>	<b>\$ 18,748,030</b>	<b>\$ 2,043,071</b>	<b>\$ 2,320,583</b>	<b>\$ 18,470,518</b>	<b>\$ 2,264,060</b>

(continued)

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009	Current Portion of Balance
<b>Business-type</b>					
<b>Activities:</b>					
General obligation debt	\$ 6,810,500	\$ 3,928,000	\$ 99,000	\$ 10,639,500	\$ 105,000
Bond Anticipation Note	3,928,000	-	3,928,000	-	-
Revenue bonds	1,256,000	-	21,500	1,234,500	22,500
Notes payable	2,617,334	-	351,853	2,265,481	141,593
Accrued landfill closure and postclosure care costs	2,929,016	252,117	-	3,181,133	-
Compensated absences	53,683	16,299	10,005	59,977	16,299
OPEB	-	13,766	7,262	6,504	-
<b>Total Business-type Activities</b>	<b>\$ 17,594,533</b>	<b>\$ 4,210,182</b>	<b>\$ 4,417,620</b>	<b>\$ 17,387,095</b>	<b>\$ 285,392</b>
<b>Discretely Presented</b>					
<b>Component Units:</b>					
Compensated absences	\$ 24,099	\$ 772	\$ -	\$ 24,871	\$ -

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, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**Conduit Debt Obligation**

Edgecombe County Industrial Facility and Pollution Control Authority have 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, 2009, 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, 2009.

**Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2009, consist 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)	13,534
From the General Fund to the 2006 School Bond Capital Project Fund (Funds from Lottery receipts were matched with the remaining 2006 School Bond funds to complete school renovations.)	726,000
From the General Fund to the Public Safety Fund (Local match for the Sheriff Storage facility)	17,997
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.)	12,150
Total	<u>\$ 919,681</u> =====

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**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 \$8,744 for capital outlay to the Airport during the fiscal year ended June 30, 2009. 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, 2009. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 201 St Andrew Street, Tarboro, North Carolina 27886.

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, 2009. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$374,773 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 \$263,563 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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

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 \$1,208,710 for operations and \$0 for capital outlay to the community college during the fiscal year ended June 30, 2009. 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, 2009. 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.

**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 \$46,970 for operations and \$0 for capital outlay to the Airport during the fiscal year ended June 30, 2009. 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, 2009. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 250 Airport Drive, Elm City, North Carolina 27822.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

The County participates in a joint venture with Wilson, Greene, and Nash Counties to provide mental health services to the residents of the four Counties through the Beacon Center. Each County appoints one of its County Commissioners to the Area Authority. The remaining sixteen Authority members are then selected by these Commissioners, four from each County. 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, 2009. The County appropriated \$107,208 to the Area Authority for year ended June 30, 2009. 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, 2009. The County contributed \$35,431 to the Arts Council during the year ended June 30, 2009. Complete financial statements for the Arts Council can be obtained from the Arts Council office at 130 Bridgers Street, Tarboro, North Carolina 27886.

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, 2009 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, 2009, the County contributed \$143,436 to support the partnership.

**Edgecombe County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2009**

**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.

	<u>Federal</u>	<u>State</u>
Temporary Assistance for Needy Families	\$ 1,338,932	\$ -
Medicaid	74,895,551	30,450,887
Food Stamp Program	17,208,652	-
Energy Assistance	402,523	-
Independent Living	13,175	-
Title IV-E, Adoption Subsidy	345,399	64,078
Title IV-E, Foster Care	64,568	9,541
State/County Special Assistance for Adults	-	772,636
F/C At Risk Maximixation	-	28,963
CWS Adoption Subsidy	-	253,580
State Foster Home	-	125,259
Foster Care Special Provision	-	36,142
Special Supplemental Nutrition Program for WIC	1,702,408	-
<b>Total</b>	<u><u>\$ 95,971,208</u></u>	<u><u>\$ 31,741,086</u></u>

**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.

**Edgecombe County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

**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, 2009 totaled \$124,055. Under these leases, minimum lease payments for the fiscal year ending June 30, 2009 total \$124,055.

**VIII. Significant Effects of Subsequent Events**

On July 17, 2009, Edgecombe County entered into an agreement to purchase the former Embarq office building located on Saint James Street in downtown Tarboro. The total acquisition cost of the building is approximately \$800,000, all of which will be funded by new financing agreements.

**Required Supplemental Financial Data**

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

**Exhibit A-1**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b - a)/c)</b>
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%
12/31/08	-	936,905	936,905	-	1,973,902	47.46%

**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%
2009	93,512	92.06%

**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	12-31-08
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	22 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

**Edgecombe County, North Carolina  
Other Postemployment Benefits  
Required Supplementary Information  
Schedule of Funding Progress**

**Exhibit A-3**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
12/31/08	\$ -	\$ 5,226,254	\$ 5,226,254	0.00%	\$ 14,811,257	35.29%

**Edgecombe County, North Carolina  
Other Postemployment Benefits  
Required Supplementary Allowance  
Schedule of Employer Contributions**

**Exhibit A-4**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 378,961	0.00%

**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	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend	10.5 to 5%
*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, 2009**

**Exhibit B-1**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes	\$ 22,780,283	\$ 23,017,144	\$ 236,861
Penalties and interest	340,000	396,034	56,034
Total Ad Valorem Taxes	\$ 23,120,283	\$ 23,413,178	\$ 292,895
<b>Local Option Sales Taxes:</b>			
Article 39 one percent	\$ 2,000,000	\$ 2,035,797	\$ 35,797
Article 40 one - half of one percent	2,000,000	1,856,349	(143,651)
Article 42 one - half of one percent	800,000	737,837	(62,163)
Article 44 sales tax	650,000	728,774	78,774
Total Local Option Sales Taxes	\$ 5,450,000	\$ 5,358,757	\$ (91,243)
<b>Other Taxes and Licenses:</b>			
Animal tax	\$ 15,000	\$ 12,221	\$ (2,779)
Franchise tax	50,000	72,617	22,617
Privilege licenses	5,000	5,628	628
Gross receipt tax	7,000	5,946	(1,054)
Total Other Taxes and Licenses	\$ 77,000	\$ 96,412	\$ 19,412
<b>Unrestricted Intergovernmental:</b>			
Hold Harmless Provision	\$ 140,334	\$ 155,433	\$ 15,099
Beer and wine tax	94,000	85,522	(8,478)
Total Unrestricted Intergovernmental	\$ 234,334	\$ 240,955	\$ 6,621

(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, 2009**

**Exhibit B-1**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues (continued):</b>			
<b>Restricted Intergovernmental:</b>			
General Fund	\$ 2,709,998	\$ 2,367,330	\$ (342,668)
Health Department	2,308,777	2,255,766	(53,011)
Department of Social Services	10,641,940	9,944,442	(697,498)
Court facility fees	125,000	114,054	(10,946)
Nash County - Veteran Services Officer	40,797	49,355	8,558
ABC bottle taxes	18,000	17,354	(646)
Total Restricted Intergovernmental	\$ 15,844,512	\$ 14,748,301	\$ (1,096,211)
<b>Permits and Fees:</b>			
Building and zoning permits	\$ 75,500	\$ 81,136	\$ 5,636
Election fees	-	18,532	18,532
Register of Deeds	430,000	303,088	(126,912)
Sheriff, Jail, and other law fees	288,000	337,789	49,789
Legal fee reimbursement	50,000	47,782	(2,218)
Total Permits and Fees	\$ 843,500	\$ 788,327	\$ (55,173)
<b>Sales and Services:</b>			
Rents, concessions, and fees	\$ 494,012	\$ 565,000	\$ 70,988
Inmate housing	1,700,000	2,078,950	378,950
NC Department of Motor Vehicles	19,765	18,160	(1,605)
Health fees	4,870,350	4,491,006	(379,344)
Social Services fees	182,000	268,369	86,369
Vehicle tax collection fees	20,000	19,832	(168)
Total Sales and Services	\$ 7,286,127	\$ 7,441,317	\$ 155,190
Investment earnings	\$ 210,000	\$ 397,135	\$ 187,135

(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, 2009**

	<u>Budget</u>	<u>Actual</u>	<b>Exhibit B-1</b>  <b>Variance Positive (Negative)</b>
<b>Revenues (continued):</b>			
Miscellaneous:			
Other	\$ 91,089	\$ 100,820	\$ 9,731
Donations	18,700	17,523	(1,177)
Insurance claims	21,376	37,203	15,827
Medicaid reimbursement - ambulance	314,176	314,176	-
Total Miscellaneous	<u>\$ 445,341</u>	<u>\$ 469,722</u>	<u>\$ 24,381</u>
Total Revenues	<u>\$ 53,511,097</u>	<u>\$ 52,954,104</u>	<u>\$ (556,993)</u>
<b>Expenditures:</b>			
General Government:			
Governing Body:			
Salaries and employee benefits	\$ 81,653	\$ 77,665	\$ 3,988
Other operating expenditures	170,576	165,131	5,445
Dues and meetings	45,000	44,922	78
Total Governing Body	<u>\$ 297,229</u>	<u>\$ 287,718</u>	<u>\$ 9,511</u>
Administration:			
Salaries and employee benefits	\$ 310,786	\$ 310,477	\$ 309
Other operating expenditures	109,183	93,653	15,530
Capital outlay	164,113	164,113	-
Total Administration	<u>\$ 584,082</u>	<u>\$ 568,243</u>	<u>\$ 15,839</u>
Elections:			
Salaries and employee benefits	\$ 242,879	\$ 221,244	\$ 21,635
Other operating expenditures	106,713	53,935	52,778
Capital outlay	-	-	-
Total Elections	<u>\$ 349,592</u>	<u>\$ 275,179</u>	<u>\$ 74,413</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, 2009**

**Exhibit B-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (continued):</b>			
General Government (continued):			
Finance:			
Salaries and employee benefits	\$ 305,522	\$ 298,564	\$ 6,958
Audit	49,500	49,500	-
Other operating expenditures	105,750	96,920	8,830
Total Finance	<u>\$ 460,772</u>	<u>\$ 444,984</u>	<u>\$ 15,788</u>
Tax Collector:			
Salaries and employee benefits	\$ 221,242	\$ 218,429	\$ 2,813
Other operating expenditures	195,113	185,427	9,686
Total Tax Collector	<u>\$ 416,355</u>	<u>\$ 403,856</u>	<u>\$ 12,499</u>
Department of Motor Vehicles			
Salaries and employee benefits	\$ 26,919	\$ 25,713	\$ 1,206
Other operating expenditures	88,168	78,882	9,286
Total Department of Motor Vehicles	<u>\$ 115,087</u>	<u>\$ 104,595</u>	<u>\$ 10,492</u>
Tax Assessor:			
Salaries and employee benefits	\$ 356,392	\$ 342,880	\$ 13,512
Other operating expenditures	192,155	94,220	97,935
Total Tax Assessor	<u>\$ 548,547</u>	<u>\$ 437,100</u>	<u>\$ 111,447</u>
Legal:			
Contracted services	<u>\$ 53,991</u>	<u>\$ 50,330</u>	<u>\$ 3,661</u>
Data Processing:			
Salaries and employee benefits	\$ 209,323	\$ 208,488	\$ 835
Other operating expenditures	186,625	162,993	23,632
Total Data Processing	<u>\$ 395,948</u>	<u>\$ 371,481</u>	<u>\$ 24,467</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, 2009**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures (continued):</b>			
General Government (continued):			
Register of Deeds:			
Salaries and employee benefits	\$ 202,733	\$ 191,374	\$ 11,359
Other operating expenditures	171,150	117,688	53,462
Capital outlay	-	-	-
Children's trust fund	1,800	1,490	310
Domestic violence fund	7,000	5,960	1,040
Total Register of Deeds	\$ 382,683	\$ 316,512	\$ 66,171
Public Buildings:			
Salaries and employee benefits	\$ 364,836	\$ 350,177	\$ 14,659
Other operating expenditures	26,600	18,986	7,614
Utilities	540,700	524,072	16,628
Maintenance	884,715	771,304	113,411
Capital outlay	1,000,000	11,441	988,559
Total Public Buildings	\$ 2,816,851	\$ 1,675,980	\$ 1,140,871
Court Facilities:			
Rent - Courts of Justice	\$ 16,800	\$ 16,800	\$ -
Law library	9,100	8,437	663
Juvenile detention	50,000	20,826	29,174
Total Court Facilities	\$ 75,900	\$ 46,063	\$ 29,837
Central Services:			
Insurance and other	\$ 338,586	\$ 329,716	\$ 8,870
Copy machine rental	20,000	20,000	-
Total Central Services	\$ 358,586	\$ 349,716	\$ 8,870
Total General Government	\$ 6,855,623	\$ 5,331,757	\$ 1,523,866

(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, 2009**

**Exhibit B-1**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures (continued):</b>			
<b>Public Safety:</b>			
<b>Sheriff:</b>			
Salaries and employee benefits	\$ 3,051,826	\$ 3,009,700	\$ 42,126
Other operating expenditures	731,881	646,637	85,244
Narcotics control	16,300	15,680	620
Capital outlay	500,000	491,723	8,277
<b>Total Sheriff</b>	<b>\$ 4,300,007</b>	<b>\$ 4,163,740</b>	<b>\$ 136,267</b>
<b>Jail:</b>			
Salaries and employee benefits	\$ 2,107,873	\$ 2,093,627	\$ 14,246
Other operating expenditures	1,866,500	1,765,909	100,591
Capital outlay	34,500	34,189	311
<b>Total Jail</b>	<b>\$ 4,008,873</b>	<b>\$ 3,893,725</b>	<b>\$ 115,148</b>
<b>Fire:</b>			
Forest fire contracts	\$ 81,113	\$ 66,427	\$ 14,686
Workman's compensation	14,000	12,623	1,377
Assistance to local fire departments	85,065	78,186	6,879
<b>Total Fire</b>	<b>\$ 180,178</b>	<b>\$ 157,236</b>	<b>\$ 22,942</b>
<b>Emergency Management Coordinator:</b>			
Salaries and employee benefits	\$ 209,442	\$ 201,104	\$ 8,338
Other operating expenditures	48,356	41,814	6,542
Capital outlay	45,500	20,669	24,831
<b>Total Emergency Mgmt Coordinator</b>	<b>\$ 303,298</b>	<b>\$ 263,587</b>	<b>\$ 39,711</b>

(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, 2009**

**Exhibit B-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (continued):</b>			
Public Safety (continued):			
Criminal Justice Partnership:			
Salaries and employee benefits	\$ 50,160	\$ 49,850	\$ 310
Other operating expenditures	79,200	69,301	9,899
Capital outlay	-	-	-
Total Criminal Justice Partnership	<u>\$ 129,360</u>	<u>\$ 119,151</u>	<u>\$ 10,209</u>
COPS Technology Program:			
Other operating expenditures	\$ 10,729	\$ 1,945	\$ 8,784
Capital outlay	223,096	86,369	136,727
Total COPS Technology Program	<u>\$ 233,825</u>	<u>\$ 88,314</u>	<u>\$ 145,511</u>
Gang Violence Prevention Grant			
Salaries and employee benefits	\$ 25,771	\$ 25,771	\$ -
Other operating expenditures	1,750	1,608	142
Capital outlay	-	-	-
Total Gang Violence Prevention Grant	<u>\$ 27,521</u>	<u>\$ 27,379</u>	<u>\$ 142</u>
Communications:			
Salaries and employee benefits	\$ 409,785	\$ 404,024	\$ 5,761
Other operating expenditures	149,526	110,102	39,424
Capital outlay	27,161	27,161	-
Total Communications	<u>\$ 586,472</u>	<u>\$ 541,287</u>	<u>\$ 45,185</u>
Rescue Squads:			
Contracted services	<u>\$ 1,028,407</u>	<u>\$ 1,018,984</u>	<u>\$ 9,423</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, 2009**

**Exhibit B-1**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures (continued):</b>			
Public Safety (continued):			
Medical Examiner:			
Fees	\$ 7,000	\$ 5,800	\$ 1,200
Autopsies	35,000	26,000	9,000
Total Medical Examiner	\$ 42,000	\$ 31,800	\$ 10,200
Animal Control:			
Salaries and employee benefits	\$ 92,193	\$ 87,873	\$ 4,320
Other operating expenditures	28,978	25,719	3,259
Total Animal Control	\$ 121,171	\$ 113,592	\$ 7,579
Inspections:			
Salaries and employee benefits	\$ 128,470	\$ 124,817	\$ 3,653
Other operating expenditures	23,515	15,179	8,336
Total Inspections	\$ 151,985	\$ 139,996	\$ 11,989
Total Public Safety	\$ 11,113,097	\$ 10,558,791	\$ 554,306
Transportation:			
Contribution to regional airport	\$ 63,128	\$ 60,974	\$ 2,154
Economic and Physical Development:			
Water and Sewer Projects:			
Other operating expenditures	\$ 226,516	\$ 65,732	\$ 160,784
Agricultural Extension:			
Salaries and employee benefits	\$ 300,253	\$ 289,734	\$ 10,519
Other operating expenditures	68,520	61,826	6,694
Total Agricultural Extension	\$ 368,773	\$ 351,560	\$ 17,213

(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, 2009**

**Exhibit B-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (continued):</b>			
Economic and Physical Development: (continued)			
Soil and Water Conservation:			
Salaries and employee benefits	\$ 132,342	\$ 131,561	\$ 781
Other operating expenditures	11,000	10,038	962
Total Soil & Water Conservation	<u>\$ 143,342</u>	<u>\$ 141,599</u>	<u>\$ 1,743</u>
Economic Development:			
Industrial Incentive	\$ 173,775	\$ 59,712	\$ 114,063
Carolina Gateway Partnership Rocky Mount/Edgecombe County	143,438	143,436	2
Community Development Corporation	22,530	22,530	-
Land/right of way	144,000	19,000	125,000
Down East Home Consortium	25,000	-	25,000
Total Economic Development	<u>\$ 508,743</u>	<u>\$ 244,678</u>	<u>\$ 264,065</u>
Planning:			
Salaries and employee benefits	\$ 163,838	\$ 158,721	\$ 5,117
Other operating expenditures	87,600	31,923	55,677
Capital outlay	-	-	-
Total Planning	<u>\$ 251,438</u>	<u>\$ 190,644</u>	<u>\$ 60,794</u>
Total Economic and Physical Development	<u>\$ 1,498,812</u>	<u>\$ 994,213</u>	<u>\$ 504,599</u>
Human Services:			
Veterans Service Officer:			
Salaries and employee benefits	\$ 77,662	\$ 77,373	\$ 289
Other operating expenditures	3,700	3,102	598
Total Veterans Service Officer	<u>\$ 81,362</u>	<u>\$ 80,475</u>	<u>\$ 887</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, 2009**

	<u>Budget</u>	<u>Actual</u>	<b>Exhibit B-1</b>  <b>Variance Positive (Negative)</b>
<b>Expenditures (continued):</b>			
Human Services: (continued)			
Other:			
Youth services	\$ 214,033	\$ 204,112	\$ 9,921
Misc. Human Services	47,987	45,165	2,822
Total Other	<u>\$ 262,020</u>	<u>\$ 249,277</u>	<u>\$ 12,743</u>
 Health Department:			
Administration:			
Salaries and employee benefits	\$ 128,611	\$ 134,294	\$ (5,683)
Other operating expenditures	54,950	53,656	1,294
Capital outlay	-	-	-
Total Administration	<u>\$ 183,561</u>	<u>\$ 187,950</u>	<u>\$ (4,389)</u>
 Maternal and Child Health:			
Salaries and employee benefits	\$ 739,283	\$ 694,440	\$ 44,843
Other operating expenditures	165,247	115,568	49,679
Total Maternal and Child Health	<u>\$ 904,530</u>	<u>\$ 810,008</u>	<u>\$ 94,522</u>
 Family Planning:			
Salaries and employee benefits	\$ 452,097	\$ 435,578	\$ 16,519
Other operating expenditures	208,896	157,532	51,364
Total Family Planning	<u>\$ 660,993</u>	<u>\$ 593,110</u>	<u>\$ 67,883</u>
 Child Service Coordination:			
Salaries and employee benefits	\$ 111,942	\$ 116,341	\$ (4,399)
Other operating expenditures	89,180	8,734	80,446
Total Child Service Coordination	<u>\$ 201,122</u>	<u>\$ 125,075</u>	<u>\$ 76,047</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, 2009**

**Exhibit B-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (continued):</b>			
Human Services: (continued)			
School Nurse Initiative Program:			
Salaries and employee benefits	\$ 153,775	\$ 148,390	\$ 5,385
Other operating expenditures	7,318	4,621	2,697
<b>Total School Nurse Initiative Program</b>	<u>\$ 161,093</u>	<u>\$ 153,011</u>	<u>\$ 8,082</u>
Healthy Start:			
Salaries and employee benefits	\$ 136,810	\$ 114,708	\$ 22,102
Other operating expenditures	19,246	18,090	1,156
<b>Total Healthy Start</b>	<u>\$ 156,056</u>	<u>\$ 132,798</u>	<u>\$ 23,258</u>
Environmental Health:			
Salaries and employee benefits	\$ 292,630	\$ 280,820	\$ 11,810
Other operating expenditures	27,970	22,471	5,499
<b>Total Environmental Health</b>	<u>\$ 320,600</u>	<u>\$ 303,291</u>	<u>\$ 17,309</u>
Tuberculosis:			
Salaries and employee benefits	\$ 108,576	\$ 99,279	\$ 9,297
Other operating expenditures	19,665	15,269	4,396
<b>Total Tuberculosis</b>	<u>\$ 128,241</u>	<u>\$ 114,548</u>	<u>\$ 13,693</u>
Adult Health Services:			
Salaries and employee benefits	\$ 136,661	\$ 109,775	\$ 26,886
Other operating expenditures	54,300	47,392	6,908
<b>Total Adult Health Services</b>	<u>\$ 190,961</u>	<u>\$ 157,167</u>	<u>\$ 33,794</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, 2009**

**Exhibit B-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (continued):</b>			
Human Services: (continued)			
Health Department (continued):			
Health Works:			
Salaries and employee benefits	\$ 44,163	\$ 45,764	\$ (1,601)
Other operating expenditures	36,175	18,385	17,790
Total Health Works	<u>\$ 80,338</u>	<u>\$ 64,149</u>	<u>\$ 16,189</u>
Home Health Services:			
Salaries and employee benefits	\$ 901,515	\$ 820,181	\$ 81,334
Other operating expenditures	922,937	763,220	159,717
Capital outlay	-	-	-
Total Home Health Services	<u>\$ 1,824,452</u>	<u>\$ 1,583,401</u>	<u>\$ 241,051</u>
Health Promotion:			
Salaries and employee benefits	\$ 25,597	\$ 26,040	\$ (443)
Other operating expenditures	10,303	9,980	323
Total Health Promotion	<u>\$ 35,900</u>	<u>\$ 36,020</u>	<u>\$ (120)</u>
Community Health Services:			
Salaries and employee benefits	\$ 46,488	\$ 47,136	\$ (648)
Other operating expenditures	5,137	4,282	855
Total Community Health Services	<u>\$ 51,625</u>	<u>\$ 51,418</u>	<u>\$ 207</u>
Immunization Action Plan:			
Salaries and employee benefits	\$ 50,226	\$ 47,897	\$ 2,329
Other operating expenditures	350	200	150
Capital outlay	-	-	-
Total Immunization Action Plan	<u>\$ 50,576</u>	<u>\$ 48,097</u>	<u>\$ 2,479</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, 2009**

**Exhibit B-1**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures (continued):</b>			
Human Services: (continued)			
Health Department (continued):			
Communicable Disease:			
Salaries and employee benefits	\$ 214,648	\$ 214,603	\$ 45
Other operating expenditures	33,545	24,880	8,665
Total Communicable Disease	\$ 248,193	\$ 239,483	\$ 8,710
Comprehensive Breast:			
Salaries and employee benefits	\$ 38,150	\$ 37,723	\$ 427
Other operating expenditures	19,066	17,697	1,369
Total Comprehensive Breast	\$ 57,216	\$ 55,420	\$ 1,796
Breast Health Initiative:			
Salaries and employee benefits	\$ 26,561	\$ 26,975	\$ (414)
Other operating expenditures	34,145	33,447	698
Total Breast Health Initiative	\$ 60,706	\$ 60,422	\$ 284
HIV/STD Prevention Risk Reduction:			
Salaries and employee benefits	\$ 68,713	\$ 58,126	\$ 10,587
Other operating expenditures	33,704	30,465	3,239
Total HIV/STD Prevention Risk Reduction	\$ 102,417	\$ 88,591	\$ 13,826
Medicaid Outreach:			
Salaries and employee benefits	\$ 18,221	\$ 4,354	\$ 13,867
Other operating expenditures	9,309	2,304	7,005
Total Medicaid Outreach	\$ 27,530	\$ 6,658	\$ 20,872

(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, 2009**

**Exhibit B-1**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures (continued):</b>			
Human Services: (continued)			
Health Department (continued):			
Hospice:			
Salaries and employee benefits	\$ 329,936	\$ 315,209	\$ 14,727
Other operating expenditures	247,662	203,940	43,722
Capital outlay	-	-	-
<b>Total Hospice</b>	<b>\$ 577,598</b>	<b>\$ 519,149</b>	<b>\$ 58,449</b>
WIC:			
Salaries and employee benefits	\$ 277,827	\$ 261,149	\$ 16,678
Other operating expenditures	83,166	72,589	10,577
<b>Total WIC</b>	<b>\$ 360,993</b>	<b>\$ 333,738</b>	<b>\$ 27,255</b>
CDC/DENR Lead Grant:			
Salaries and employee benefits	\$ 45,498	\$ 43,879	\$ 1,619
Other operating expenditures	4,502	3,924	578
<b>Total CDC/DENR Lead Grant</b>	<b>\$ 50,000</b>	<b>\$ 47,803</b>	<b>\$ 2,197</b>
Special Programs:			
Salaries and employee benefits	\$ 226,712	\$ 217,361	\$ 9,351
Other operating expenditures	130,277	115,905	14,372
<b>Total Special Programs</b>	<b>\$ 356,989</b>	<b>\$ 333,266</b>	<b>\$ 23,723</b>
Pandemic Flu-Emergency Prepared:			
Other operating expenditures	\$ 10,000	\$ 9,872	\$ 128

(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, 2009**

**Exhibit B-1**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures (continued):</b>			
Human Services (continued):			
Health Department (continued):			
EPSDT Outreach:			
Salaries and employee benefits	\$ 74,226	\$ 75,190	\$ (964)
Other operating expenditures	2,950	2,735	215
<b>Total EPSDT Outreach</b>	<b>\$ 77,176</b>	<b>\$ 77,925</b>	<b>\$ (749)</b>
Children's Special Orthopedic:			
Salaries and employee benefits	\$ 14,336	\$ 13,509	\$ 827
Other operating expenditures	863	830	33
<b>Total Children's Special Orthopedic</b>	<b>\$ 15,199</b>	<b>\$ 14,339</b>	<b>\$ 860</b>
Dental Program:			
Salaries and employee benefits	\$ 70,218	\$ 70,644	\$ (426)
Other operating expenditures	458,989	469,404	(10,415)
Capital outlay	-	-	-
<b>Total Dental Program</b>	<b>\$ 529,207</b>	<b>\$ 540,048</b>	<b>\$ (10,841)</b>
NC Teen Tobacco Use:			
Salaries and employee benefits	\$ 48,091	\$ 34,973	\$ 13,118
Other operating expenditures	11,785	11,278	507
<b>Total NC Teen Tobacco Use</b>	<b>\$ 59,876</b>	<b>\$ 46,251</b>	<b>\$ 13,625</b>
Diabetes:			
Salaries and employee benefits	\$ 68,163	\$ 66,246	\$ 1,917
Other operating expenditures	3,872	3,178	694
<b>Total Diabetes</b>	<b>\$ 72,035</b>	<b>\$ 69,424</b>	<b>\$ 2,611</b>

(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, 2009**

**Exhibit B-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (continued):</b>			
Human Services (continued):			
Health Department (continued):			
BT Preparedness:			
Salaries and employee benefits	\$ 27,036	\$ 24,652	\$ 2,384
Other operating expenditures	24,409	24,409	-
Total BT Preparedness	<u>\$ 51,445</u>	<u>\$ 49,061</u>	<u>\$ 2,384</u>
Community Child Health Network			
Salaries and employee benefits	\$ 10,000	\$ 10,000	\$ -
University Health System Grant:			
Salaries and employee benefits	\$ 32,756	\$ 25,230	\$ 7,526
Other operating expenditures	32,056	20,276	11,780
Total BT Preparedness	<u>\$ 64,812</u>	<u>\$ 45,506</u>	<u>\$ 19,306</u>
SG Komen Breast Cancer Project:			
Salaries and employee benefits	\$ 17,263	\$ 9,418	\$ 7,845
Other operating expenditures	16,828	7,103	9,725
Total Breast Cancer Project	<u>\$ 34,091</u>	<u>\$ 16,521</u>	<u>\$ 17,570</u>
Total Health Department	<u>\$ 7,715,531</u>	<u>\$ 6,923,520</u>	<u>\$ 792,011</u>
Mental Health:			
Assist to the Beacon Center	\$ 232,416	\$ 124,562	\$ 107,854
Aging:			
Salaries and employee benefits	\$ 45,375	\$ 44,497	\$ 878
Other operating expenditures	22,247	5,130	17,117
Total Aging	<u>\$ 67,622</u>	<u>\$ 49,627</u>	<u>\$ 17,995</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, 2009**

**Exhibit B-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (continued):</b>			
Human Services (continued):			
Social Services:			
Administration:			
Salaries and employee benefits	\$ 6,816,793	\$ 6,503,056	\$ 313,737
Other operating expenditures	844,472	713,846	130,626
Total Social Services	<u>\$ 7,661,265</u>	<u>\$ 7,216,902</u>	<u>\$ 444,363</u>
Public Assistance:			
Assistance payments	<u>\$ 10,627,302</u>	<u>\$ 8,916,496</u>	<u>\$ 1,710,806</u>
Total Social Services	<u>\$ 18,288,567</u>	<u>\$ 16,133,398</u>	<u>\$ 2,155,169</u>
Total Human Services	<u>\$ 26,647,518</u>	<u>\$ 23,560,859</u>	<u>\$ 3,086,659</u>
Cultural and Recreational:			
Contribution to local library	\$ 638,310	\$ 638,309	\$ 1
Cultural Arts Council	35,431	35,431	-
Community recreation	15,000	15,000	-
School recreation	28,800	28,800	-
Total Cultural and Recreational	<u>\$ 717,541</u>	<u>\$ 717,540</u>	<u>\$ 1</u>
Education:			
Public Schools:			
Current	\$ 8,812,433	\$ 8,812,433	\$ -
Building capital fund (PSBCF)	354,885	300,000	54,885
NC Lottery allocations	197,085	94,020	103,065
Community Colleges:			
Current	<u>1,208,710</u>	<u>1,208,710</u>	<u>-</u>
Total Education	<u>\$ 10,573,113</u>	<u>\$ 10,415,163</u>	<u>\$ 157,950</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, 2009**

**Exhibit B-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (continued):</b>			
Debt Service:			
Principal retirement	\$ 1,660,404	\$ 1,656,397	\$ 4,007
Interest and other charges	693,227	687,765	5,462
Total Debt Service	<u>\$ 2,353,631</u>	<u>\$ 2,344,162</u>	<u>\$ 9,469</u>
Total Expenditures	<u>\$ 59,822,463</u>	<u>\$ 53,983,459</u>	<u>\$ 5,839,004</u>
Revenues Over (Under) Expenditures	<u>\$ (6,311,366)</u>	<u>\$ (1,029,355)</u>	<u>\$ 5,282,011</u>
Other Financing Sources (Uses):			
Transfers To/From Other Funds:			
Revaluation Fund	\$ (150,000)	\$ (150,000)	\$ -
2006 School Bond Capital Project	(726,000)	(726,000)	-
Capital Projects Fund	(26,433)	(17,997)	8,436
Solid Waste Fund	200,000	-	(200,000)
Emergency Telephone System Fund	(13,534)	(13,534)	-
Installment Contract Proceeds	1,000,000	1,000,000	-
Appropriated fund balance	6,027,333	-	(6,027,333)
Total Other Financing Sources (Uses)	<u>\$ 6,311,366</u>	<u>\$ 92,469</u>	<u>\$ (6,218,897)</u>
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (936,886)</u>	<u>\$ (936,886)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		15,736,632	
End of year, June 30		<u>\$ 14,799,746</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, 2009**

Exhibit B-2

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment Income	\$ 583,780	\$ 650,397	\$ 10,884	\$ 661,281	\$ 77,501
<b>Expenditures:</b>					
Southwest High School:					
Construction	\$ 1,924,302	\$ 1,895,432	\$ -	\$ 1,895,432	\$ 28,870
Engineering	193,663	191,924	-	191,924	1,739
Legal & Administration	3,815	3,814	-	3,814	1
Total	<u>\$ 2,121,780</u>	<u>\$ 2,091,170</u>	<u>\$ -</u>	<u>\$ 2,091,170</u>	<u>\$ 30,610</u>
Carver Elementary:					
Construction	\$ 1,073,240	\$ 1,052,999	\$ -	\$ 1,052,999	\$ 20,241
Engineering	75,307	75,306	-	75,306	1
Legal & Administration	5,636	5,635	-	5,635	1
Total	<u>\$ 1,154,183</u>	<u>\$ 1,133,940</u>	<u>\$ -</u>	<u>\$ 1,133,940</u>	<u>\$ 20,243</u>
Bullock Elementary:					
Construction	\$ 3,696,542	\$ 3,628,676	\$ -	\$ 3,628,676	\$ 67,866
Engineering	242,605	242,605	-	242,605	-
Legal & Administration	4,636	4,635	-	4,635	1
Total	<u>\$ 3,943,783</u>	<u>\$ 3,875,916</u>	<u>\$ -</u>	<u>\$ 3,875,916</u>	<u>\$ 67,867</u>
Coker Wimberly Middle:					
Construction	\$ 1,655,514	\$ 1,624,558	\$ -	\$ 1,624,558	\$ 30,956
Engineering	120,984	120,984	-	120,984	-
Legal & Administration	7,536	7,535	-	7,535	1
Total	<u>\$ 1,784,034</u>	<u>\$ 1,753,077</u>	<u>\$ -</u>	<u>\$ 1,753,077</u>	<u>\$ 30,957</u>
Phillips School:					
Construction	\$ 1,450,000	\$ 5,152	\$ 1,373,748	\$ 1,378,900	\$ 71,100
Engineering	120,000	7,000	22,000	29,000	91,000
Legal & Administration	6,000	1,947	-	1,947	4,053
Total	<u>\$ 1,576,000</u>	<u>\$ 14,099</u>	<u>\$ 1,395,748</u>	<u>\$ 1,409,847</u>	<u>\$ 166,153</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, 2009**

**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>
<b>Expenditures: (continued)</b>					
Legal and Administration	\$ 100,000	\$ 74,648	\$ -	\$ 74,648	\$ 25,352
Total Expenditures	<u>\$ 10,679,780</u>	<u>\$ 8,942,850</u>	<u>\$ 1,395,748</u>	<u>\$ 10,338,598</u>	<u>\$ 341,182</u>
Revenues Over (Under) Expenditures	<u>\$(10,096,000)</u>	<u>\$ (8,292,453)</u>	<u>\$ (1,384,864)</u>	<u>\$ (9,677,317)</u>	<u>\$ 418,683</u>
Other Financing Sources:					
Transfers from General Fund	\$ 726,000	\$ -	\$ 726,000	\$ 726,000	\$ -
Bond proceeds	<u>9,370,000</u>	<u>9,370,000</u>	<u>-</u>	<u>9,370,000</u>	<u>-</u>
Total	<u>\$ 10,096,000</u>	<u>\$ 9,370,000</u>	<u>\$ 726,000</u>	<u>\$ 10,096,000</u>	<u>\$ -</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 1,077,547</u>	<u>\$ (658,864)</u>	<u>\$ 418,683</u>	<u>\$ 418,683</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			1,077,547		
End of year, June 30			<u>\$ 418,683</u>		

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## **Non-Major Governmental Funds**

**Edgecombe County, North Carolina**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2009**

	<b>Special</b>			
	<b>Revaluation Fund</b>	<b>CDBG 06-C-1525 Scattered Sites Project Fund</b>	<b>Fire Districts Fund</b>	<b>Industrial Sites Development Fund</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 108,846	\$ -	\$ 12,154	\$ 137,114
Accounts receivable, net	-	-	-	-
Taxes receivable, net	-	-	157,847	-
<b>Total Assets</b>	<b>\$ 108,846</b>	<b>\$ -</b>	<b>\$ 170,001</b>	<b>\$ 137,114</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 12,154	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	157,847	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 170,001</b>	<b>\$ -</b>
<b>Fund balances:</b>				
Reserved by state statute	\$ -	\$ -	\$ -	\$ -
Reserved for Public Safety - Wireless	-	-	-	-
Unreserved - Designated	108,846	-	-	137,114
<b>Total Fund Balances</b>	<b>\$ 108,846</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,114</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 108,846</b>	<b>\$ -</b>	<b>\$ 170,001</b>	<b>\$ 137,114</b>

Exhibit C-1

Revenue Funds

Emergency Telephone System	Schools Capital Outlay Fund	Public Safety Fund	CDBG U-365 Grant Fund	Economic Development & Housing Recovery Fund	Total Nonmajor Special Revenue Funds
\$ 391,433	\$ -	\$ -	\$ -	\$ -	\$ 649,547
20,240	174,138	250,418	176,555	204,976	826,327
-	-	-	-	-	157,847
<u>\$ 411,673</u>	<u>\$ 174,138</u>	<u>\$ 250,418</u>	<u>\$ 176,555</u>	<u>\$ 204,976</u>	<u>\$ 1,633,721</u>
\$ 6,692	\$ 174,138	\$ -	\$ 49,887	\$ 81,960	\$ 324,831
-	-	-	126,668	96,514	223,182
-	-	250,418	-	-	408,265
<u>\$ 6,692</u>	<u>\$ 174,138</u>	<u>\$ 250,418</u>	<u>\$ 176,555</u>	<u>\$ 178,474</u>	<u>\$ 956,278</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
404,981	-	-	-	-	404,981
-	-	-	-	26,502	272,462
<u>\$ 404,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,502</u>	<u>\$ 677,443</u>
<u>\$ 411,673</u>	<u>\$ 174,138</u>	<u>\$ 250,418</u>	<u>\$ 176,555</u>	<u>\$ 204,976</u>	<u>\$ 1,633,721</u>

**Edgecombe County, North Carolina**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2009**

	<b>Special</b>			
	<b>Revaluation Fund</b>	<b>CDBG 06-C-1525 Scattered Sites Fund</b>	<b>Fire Districts Fund</b>	<b>Industrial Sites Development Fund</b>
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ 643,504	\$ -
Local option sales tax	-	-	-	-
Restricted intergovernmental	-	250,305	-	-
Other taxes and licenses	-	-	-	-
Investment earnings	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 250,305</b>	<b>\$ 643,504</b>	<b>\$ -</b>
<b>Expenditures</b>				
General Government	\$ 246,416	\$ -	\$ -	\$ -
Public Safety	-	-	643,504	-
Education	-	-	-	-
Economic and Physical Development	-	250,305	-	6,163
<b>Total Expenditures</b>	<b>\$ 246,416</b>	<b>\$ 250,305</b>	<b>\$ 643,504</b>	<b>\$ 6,163</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (246,416)	\$ -	\$ -	\$ (6,163)
<b>Other Financing Sources (Uses)</b>				
Transfers to/from other funds	150,000	-	-	(12,150)
Loan proceeds	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (96,416)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (18,313)</b>
<b>Fund Balances:</b>				
Beginning of year, July 1	205,262	-	-	155,427
End of year, June 30	<b>\$ 108,846</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,114</b>

Exhibit C-2

Revenue Funds

Emergency Telephone System	Schools Capital Outlay Fund	Public Safety Fund	CDBG U-365 Grant Fund	Economic Development & Housing Recovery Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 643,504
-	1,106,755	-	-	-	1,106,755
-	-	128,668	472,297	440,486	1,291,756
242,881	-	-	-	-	242,881
-	-	-	-	669	669
<u>\$ 242,881</u>	<u>\$ 1,106,755</u>	<u>\$ 128,668</u>	<u>\$ 472,297</u>	<u>\$ 441,155</u>	<u>\$ 3,285,565</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 246,416
275,003	-	268,415	-	-	1,186,922
-	1,106,755	-	-	-	1,106,755
-	-	-	485,603	414,785	-
-	-	-	-	-	1,156,856
<u>\$ 275,003</u>	<u>\$ 1,106,755</u>	<u>\$ 268,415</u>	<u>\$ 485,603</u>	<u>\$ 414,785</u>	<u>\$ 3,696,949</u>
\$ (32,122)	\$ -	\$ (139,747)	\$ (13,306)	\$ 26,370	\$ (411,384)
13,534	-	17,997	12,150	-	181,531
-	-	121,750	-	-	121,750
<u>\$ (18,588)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,156)</u>	<u>\$ 26,370</u>	<u>\$ (108,103)</u>
423,569	-	-	1,156	132	785,546
<u>\$ 404,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,502</u>	<u>\$ 677,443</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, 2009**

**Exhibit C-3**

	2009		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Investment earnings	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
General Government:			
Property revaluation	265,000	246,416	18,584
Revenues Over (Under) Expenditures	\$ (265,000)	\$ (246,416)	\$ 18,584
<b>Other Financing Sources:</b>			
Transfer In:			
General Fund	150,000	150,000	-
Revenues and Other Sources Over (Under) Expenditures	\$ (115,000)	\$ (96,416)	\$ 18,584
Appropriated fund balance	115,000	-	(115,000)
Revenues, Other Sources, and Appropriated Fund Balance Over (Under) Expenditures	\$ -	\$ (96,416)	\$ (96,416)
<b>Fund Balance:</b>			
Beginning of year, July 1		205,262	
End of year, June 30		\$ 108,846	

**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, 2009**

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>
<b>Revenues:</b>					
Restricted Intergovernmental:					
Community Development Block Grant 06-C-1525	\$ 400,000	\$ 149,695	\$ 250,305	\$ 400,000	\$ -
<b>Expenditures:</b>					
Economic and Physical Development:					
Rehabilitation	\$ 360,000	\$ 117,026	\$ 242,974	\$ 360,000	\$ -
Administration	40,000	32,669	7,331	40,000	-
Total Expenditures	<u>\$ 400,000</u>	<u>\$ 149,695</u>	<u>\$ 250,305</u>	<u>\$ 400,000</u>	<u>\$ -</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
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, 2009**

**Exhibit C-5**

	<b>2009</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>Positive</b>
			<b>(Negative)</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 844,000	\$ 643,504	\$ (200,496)
<b>Expenditures:</b>			
Public Safety:			
Fire Districts	844,000	643,504	200,496
Revenues Over Expenditures	\$ -	\$ -	\$ -
<b>Fund Balance:</b>			
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, 2009**

Exhibit C-6

	2009		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Investment earnings	\$ -	\$ -	\$ -
Property sale/lease payments	-	-	-
Total Revenues	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Economic and Physical Development:			
Engineering	13,000	6,163	6,837
Revenues Over Expenditures	\$ (13,000)	\$ (6,163)	\$ 6,837
<b>Other Financing Sources (Uses):</b>			
Transfers Out:			
Community Development Block Grant Fund	(12,150)	(12,150)	-
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ (25,150)	\$ (18,313)	\$ 6,837
<b>Fund Balance:</b>			
Beginning of year, July 1		155,427	
End of year, June 30		\$ 137,114	

**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, 2009**

Exhibit C-7

	2009		<b>Variance Positive (Negative)</b>
	Budget	Actual	
<b>Revenues:</b>			
NC 911 PSAP fees	\$ 243,000	\$ 242,881	\$ (119)
<b>Expenditures:</b>			
Public Safety:			
Salaries and benefits	\$ 74,070	\$ 72,582	\$ 1,488
Operating expenses	166,019	156,876	9,143
Capital Outlay	47,250	45,545	1,705
Total Expenditures	\$ 287,339	\$ 275,003	\$ 12,336
Revenues Over (Under) Expenditures	\$ (44,339)	\$ (32,122)	\$ 12,217
Other Financing Sources (Uses):			
Transfer from General Fund	\$ -	\$ 13,534	\$ 13,534
Fund Balance Appropriated	44,339	-	(44,339)
Total Other Financing Sources (Uses)	\$ 44,339	\$ 13,534	\$ (30,805)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ (18,588)	\$ (18,588)
<b>Fund Balance:</b>			
Beginning of year, July 1		423,569	
End of year, June 30		\$ 404,981	

**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, 2009**

**Exhibit C-8**

	2009		
	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Local Sales Tax - Restricted Portion	\$ 1,200,000	\$ 1,106,755	\$ (93,245)
<b>Expenditures:</b>			
Education:			
Schools - Capital outlay	1,200,000	1,106,755	93,245
Revenues Over Expenditures	\$ -	\$ -	\$ -
<b>Fund Balance:</b>			
Beginning of year, July 1		-	
End of year, June 30		\$ -	

**Edgecombe County, North Carolina**  
**Public Safety Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2009**

Exhibit C-9

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental:					
Hazard Mitigation Grant	\$ 223,180	\$ -	\$ 128,668	\$ 128,668	\$ (94,512)
<b>Expenditures:</b>					
Public Safety:					
Sheriff Storage Facility:					
Constuction	\$ 139,262	\$ -	\$ 139,222	\$ 139,222	\$ 40
Administration	1,000	-	525	525	475
Contingency	6,921	-	-	-	6,921
Total	<u>\$ 147,183</u>	<u>\$ -</u>	<u>\$ 139,747</u>	<u>\$ 139,747</u>	<u>\$ 7,436</u>
Hazard Mitigation Grant:					
Administration	\$ 1,850	\$ -	\$ 1,330	\$ 1,330	\$ 520
Owner Buyout	221,330	-	127,338	127,338	93,992
Total	<u>\$ 223,180</u>	<u>\$ -</u>	<u>\$ 128,668</u>	<u>\$ 128,668</u>	<u>\$ 94,512</u>
Total Expenditures	<u>\$ 370,363</u>	<u>\$ -</u>	<u>\$ 268,415</u>	<u>\$ 268,415</u>	<u>\$ 101,948</u>
Revenues Over (Under) Expenditures	<u>\$ (147,183)</u>	<u>\$ -</u>	<u>\$ (139,747)</u>	<u>\$ (139,747)</u>	<u>\$ 7,436</u>
Other Financing Sources (Uses):					
Transfer from					
General Fund	\$ 25,433	\$ -	\$ 17,997	\$ 17,997	\$ 7,436
Loan proceeds	121,750	-	121,750	121,750	-
Total	<u>\$ 147,183</u>	<u>\$ -</u>	<u>\$ 139,747</u>	<u>\$ 139,747</u>	<u>\$ 7,436</u>
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
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, 2009**

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>
<b>Revenues:</b>					
Restricted Intergovernmental:					
Community Development Block Grant U-365	\$ 479,883	\$ -	\$ 472,297	\$ 472,297	\$ (7,586)
<b>Expenditures:</b>					
Economic Development:					
Community Development Block Grant U-365:					
Engineering	\$ 43,195	\$ 29,634	\$ 12,751	\$ 42,385	\$ 810
Site improvements	479,883	255	472,852	473,107	6,776
Total Expenditures	<u>\$ 523,078</u>	<u>\$ 29,889</u>	<u>\$ 485,603</u>	<u>\$ 515,492</u>	<u>\$ 7,586</u>
Revenues Over (Under) Expenditures	\$ (43,195)	\$ (29,889)	\$ (13,306)	\$ (43,195)	\$ -
Other Financing Sources (Uses):					
Transfers In:					
Industrial Sites Development Fund	<u>43,195</u>	<u>31,045</u>	<u>12,150</u>	<u>43,195</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 1,156</u>	<u>\$ (1,156)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			1,156		
End of year, June 30			<u>\$ -</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, 2009**

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>
<b>Revenues:</b>					
Restricted Intergovernmental:					
NC Housing & Finance:					
USDA/RD - Housing	\$ 95,503	\$ -	\$ 66,632	\$ 66,632	\$ (28,871)
2008 Urgent Repair	75,000	-	37,500	37,500	(37,500)
Single Family Repair	336,350	21,403	270,792	292,195	(44,155)
Golden Leaf-Broadband	100,000	-	40,562	40,562	(59,438)
The Rural Center - Building Reuse	25,000	-	25,000	25,000	-
Investment income	-	-	669	669	669
<b>Total Revenues</b>	<u>\$ 631,853</u>	<u>\$ 21,403</u>	<u>\$ 441,155</u>	<u>\$ 462,558</u>	<u>\$ (169,295)</u>
<b>Expenditures:</b>					
Economic and Physical Development:					
NC Housing & Finance:					
USDA/RD - Housing	\$ 95,503	\$ -	\$ 66,632	\$ 66,632	\$ 28,871
2008 Urgent Repair	75,000	-	11,800	11,800	63,200
Single Family Repair	336,350	21,404	270,791	292,195	44,155
Golden Leaf-Broadband	100,000	-	40,562	40,562	59,438
The Rural Center - Building Reuse	25,000	-	25,000	25,000	-
<b>Total Expenditures</b>	<u>\$ 631,853</u>	<u>\$ 21,404</u>	<u>\$ 414,785</u>	<u>\$ 436,189</u>	<u>\$ 195,664</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (1)</u>	\$ 26,370	<u>\$ 26,369</u>	<u>\$ 26,369</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			132		
End of year, June 30			<u>\$ 26,502</u>		

## **Enterprise Funds**

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**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, 2009**

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>	
<b>Revenues:</b>					
Water District No. 3:					
Restricted Intergovernmental:					
USDA/Rural Development	\$ 3,900,000	\$ 3,630,516	\$ (157,796)	\$ 3,472,720	\$ (427,280)
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	36,600	55,896	-	55,896	19,296
<b>Total</b>	<b>\$ 10,164,359</b>	<b>\$ 9,914,171</b>	<b>\$ (157,796)</b>	<b>\$ 9,756,375</b>	<b>\$ (407,984)</b>
Water District No. 5:					
Restricted Intergovernmental:					
USDA/Rural Development	\$ 3,988,000	\$ -	\$ 2,196,026	\$ 2,196,026	\$ (1,791,974)
General Obligation Bonds	3,928,000	3,928,000	-	3,928,000	-
Investment Income	20,500	20,479	6,089	26,568	6,068
<b>Total</b>	<b>\$ 7,936,500</b>	<b>\$ 3,948,479</b>	<b>\$ 2,202,115</b>	<b>\$ 6,150,594</b>	<b>\$ (1,785,906)</b>
Water District No. 4:					
Phase I:					
Restricted Intergovernmental:					
CDBG 07-C-1717	\$ 750,000	\$ -	\$ 56,153	\$ 56,153	\$ (693,847)
Rural Center	500,000	-	-	-	(500,000)
<b>Total</b>	<b>\$ 1,250,000</b>	<b>\$ -</b>	<b>\$ 56,153</b>	<b>\$ 56,153</b>	<b>\$ (1,193,847)</b>
Water District No. 4:					
Phase II:					
Restricted Intergovernmental:					
Rural Center	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
USDA	427,281	-	-	-	(427,281)
Fund Balance Appropriation	344,181	-	-	-	(344,181)
<b>Total</b>	<b>\$ 1,271,462</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,271,462)</b>

(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, 2009**

Exhibit D-1

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
<b>Revenues: (continued)</b>					
Water District No. 4:					
Phase III - PER & EA:					
Restricted Intergovernmental:					
Rural Center	\$ 31,480	\$ -	\$ -	\$ -	\$ (31,480)
Fund Balance Appropriation	11,020	-	-	-	(11,020)
Total	<u>\$ 42,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,500)</u>
 Total Revenues	 <u>\$ 20,664,821</u>	 <u>\$ 13,862,650</u>	 <u>\$ 2,100,472</u>	 <u>\$ 15,963,122</u>	 <u>\$ (4,701,699)</u>
<b>Expenditures:</b>					
Water District No. 3:					
Capital Outlay	\$ 422,500	\$ 389,504	\$ -	\$ 389,504	\$ 32,996
Supplies	56,845	33,892	-	33,892	22,953
Construction	8,412,059	7,740,825	-	7,740,825	671,234
Engineering Fees	760,800	749,263	(32,253)	717,010	43,790
Land Right of Way	196,618	196,595	-	196,595	23
Administration & Legal	50,000	29,796	14	29,810	20,190
Capitalized Interest	246,882	171,514	-	171,514	75,368
Contingency	18,655	12,072	-	12,072	6,583
Total	<u>\$ 10,164,359</u>	<u>\$ 9,323,461</u>	<u>\$ (32,239)</u>	<u>\$ 9,291,222</u>	<u>\$ 873,137</u>
Water District No. 5:					
Construction	\$ 6,365,745	\$ 2,140,309	\$ 2,780,869	\$ 4,921,178	\$ 1,444,567
Engineering Fees	621,360	368,092	218,447	586,539	34,821
Land Right of Way	23,450	23,450	-	23,450	-
Leggett Note Purchase	226,000	-	176,929	176,929	49,071
Administration & Legal	40,712	22,659	15,337	37,996	2,716
Capitalized Interest	350,000	-	53,772	53,772	296,228
Equipment	192,680	178,856	9,386	188,242	4,438
Contingency	116,553	-	16,522	16,522	100,031
Total	<u>\$ 7,936,500</u>	<u>\$ 2,733,366</u>	<u>\$ 3,271,262</u>	<u>\$ 6,004,628</u>	<u>\$ 1,931,872</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, 2009**

Exhibit D-1

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
<b>Expenditures: (continued)</b>					
Water District No. 4:					
Phase I:					
Construction	\$ 997,650	\$ -	\$ -	\$ -	\$ 997,650
Engineering Fees	133,000	-	54,005	54,005	78,995
Land Right of Way	7,000	-	2,148	2,148	4,852
Administration & Legal	20,000	-	-	-	20,000
Contingency	92,350	-	-	-	92,350
Total	<u>\$ 1,250,000</u>	<u>\$ -</u>	<u>\$ 56,153</u>	<u>\$ 56,153</u>	<u>\$ 1,193,847</u>
Water District No. 4:					
Phase II:					
Construction	\$ 945,000	\$ -	\$ -	\$ -	\$ 945,000
Engineering Fees	142,000	-	49,221	49,221	92,779
Land Right of Way	5,000	-	2,100	2,100	2,900
Administration & Legal	8,000	-	7,310	7,310	690
Equipment	42,000	-	-	-	42,000
Contingency	129,462	-	-	-	129,462
Total	<u>\$ 1,271,462</u>	<u>\$ -</u>	<u>\$ 58,631</u>	<u>\$ 58,631</u>	<u>\$ 1,212,831</u>
Water District No. 4:					
Phase III - PER & EA:					
Engineering Fees	<u>\$ 42,500</u>	<u>\$ -</u>	<u>\$ 8,925</u>	<u>\$ 8,925</u>	<u>\$ 33,575</u>
Total Expenditures	<u>\$ 20,664,821</u>	<u>\$ 12,056,827</u>	<u>\$ 3,362,732</u>	<u>\$ 15,419,559</u>	<u>\$ 5,245,262</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 1,805,823</u>	<u>\$ (1,262,260)</u>	<u>\$ 543,563</u>	<u>\$ 543,563</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, 2009**

Exhibit D-2

	2009		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Operating Revenues:			
Water Sales - charges for service	\$ 2,079,745	\$ 2,190,356	\$ 110,611
Late charges and penalties	95,000	93,770	(1,230)
<b>Total Operating Revenues</b>	<b>\$ 2,174,745</b>	<b>\$ 2,284,126</b>	<b>\$ 109,381</b>
Non-operating Revenues:			
Water tap fees	\$ 70,000	\$ 72,486	\$ 2,486
Investment Income	-	1,451	1,451
Transfer from Capital Project	-	-	-
Other	-	12,351	12,351
<b>Total Non-operating Revenues</b>	<b>\$ 70,000</b>	<b>\$ 86,288</b>	<b>\$ 16,288</b>
<b>Total Revenues</b>	<b>\$ 2,244,745</b>	<b>\$ 2,370,414</b>	<b>\$ 125,669</b>
<b>Expenditures:</b>			
Water Operation and Administration:			
Salaries and employee benefits	\$ 399,645	\$ 380,731	\$ 18,914
Water purchases	698,000	743,483	(45,483)
Operating expenditures	327,100	218,014	109,086
Capital outlay	50,000	20,192	29,808
<b>Total Expenditures</b>	<b>\$ 1,474,745</b>	<b>\$ 1,362,420</b>	<b>\$ 112,325</b>

(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, 2009**

Exhibit D-2

	2009		Variance Positive (Negative)
	Budget	Actual	
(continued)			
Revenues Over Expenditures	\$ 770,000	\$ 1,007,994	\$ 237,994
Other Financing Sources (Uses):			
Lease transfers	(770,000)	(740,314)	29,686
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ 267,680	\$ 267,680

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

Revenues Over Expenditures	\$ 267,680
Reconciling Items:	
Transfer from Capital Project	\$ 2,252,179
Lease (transfer) adjustment	249,191
Capital Outlay	20,192
Increase in accrued vacation pay & OPEB	(9,354)
Provision for bad debt	(32,045)
Depreciation	(639,641)
Total Reconciling Items	\$ 1,840,522
Change in Net Assets	\$ 2,108,202

**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, 2009**

	<b>Water &amp; Sewer District 1</b>		<b>Water &amp; Sewer District 2</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>Expenditures:</b>				
Budgetary Appropriations:				
Interest paid	\$ 196,136	\$ 188,005	\$ 176,560	\$ 176,559
Debt principal	67,000	67,000	50,500	50,500
 Total Expenditures	 \$ 263,136	 \$ 255,005	 \$ 227,060	 \$ 227,059
Other Financing Sources:				
Capital lease transfers in	263,136	255,005	227,060	227,059
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	\$ 67,000	\$ 50,500
Change in interest accrual	265	195
Reduction of investment in direct financing lease receivable	(67,265)	(50,695)
Residual Equity Transfer	-	-
 Change in Net Assets	 <u>\$ -</u>	 <u>\$ -</u>

**Exhibit D-3**

<b>Water &amp; Sewer District 3</b>		<b>Water &amp; Sewer District 5</b>		<b>Total Non-operating Enterprise Funds</b>		<b>Variance Positive (Negative)</b>
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	
\$ 109,132	\$ 109,132	\$ 10,779	\$ 19,775	\$ 492,607	\$ 493,471	\$ (864)
144,593	144,593	15,250	15,250	277,343	277,343	-
<u>\$ 253,725</u>	<u>\$ 253,725</u>	<u>\$ 26,029</u>	<u>\$ 35,025</u>	<u>\$ 769,950</u>	<u>\$ 770,814</u>	<u>\$ (864)</u>
253,725	253,725	26,029	35,025	769,950	770,814	864
<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	\$ 15,250	\$ 277,343
959	14,321	15,740
(145,552)	(29,571)	(293,083)
-	-	-
<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, 2009**

Exhibit D-4

	2009		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Operating Revenues:			
Charges for Services:			
Solid Waste charges	\$ 2,128,000	\$ 1,961,792	\$ (166,208)
Recycling	-	30,646	30,646
Total Operating Revenues	<u>\$ 2,128,000</u>	<u>\$ 1,992,438</u>	<u>\$ (135,562)</u>
Non-operating Revenues:			
Investment earnings	\$ 10,000	\$ 41,456	\$ 31,456
Scrap tire	55,000	75,762	20,762
White goods	25,000	26,628	1,628
Other Grants	112,254	113,644	1,390
Other income	-	36,307	36,307
Total Non-operating Revenues	<u>\$ 202,254</u>	<u>\$ 293,797</u>	<u>\$ 91,543</u>
Total Revenues	<u>\$ 2,330,254</u>	<u>\$ 2,286,235</u>	<u>\$ (44,019)</u>
<b>Expenditures:</b>			
Operating Expenditures:			
Salaries and employee benefits	\$ 679,873	\$ 661,272	\$ 18,601
Other operating expenditures	1,545,632	1,388,540	157,092
Post-closure expenditures	347,500	319,386	28,114
Total Operating Expenditures	<u>\$ 2,573,005</u>	<u>\$ 2,369,198</u>	<u>\$ 203,807</u>
Capital outlays	381,843	114,160	267,683
Total Expenditures	<u>\$ 2,954,848</u>	<u>\$ 2,483,358</u>	<u>\$ 471,490</u>

(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, 2009**

Exhibit D-4

	2009		Variance
	Budget	Actual	Positive (Negative)
(continued)			
Revenues Over (Under) Expenditures	\$ (624,594)	\$ (197,123)	\$ 427,471
Other Financing Sources (Uses):			
Transfer to General Fund	\$ (200,000)	\$ -	\$ 200,000
Fund balance appropriated	824,594	-	(824,594)
Total Other Financing Sources (Uses)	\$ 624,594	\$ -	\$ (624,594)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ (197,123)	\$ (197,123)

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

Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ (197,123)
Reconciling Items:	
Capital outlays	\$ 114,160
Depreciation	(99,015)
Provision for bad debt	(18,091)
(Increase) decrease in accrued landfill closure and postclosure care costs	(252,117)
(Increase) decrease in accrued vacation pay & OPEB	(3,442)
Total Reconciling Items	\$ (258,505)
Change in Net Assets	\$ (455,628)

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## **Other Schedules**

- 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, 2009**

**Exhibit E-1**

<b>Fiscal Year</b>	<b>Uncollected Balance June 30, 2008</b>	<b>Additions</b>	<b>Collections And Credits</b>	<b>Uncollected Balance June 30, 2009</b>
2008-2009	\$ -	\$ 23,320,868	\$ 21,481,564	\$ 1,839,304
2007-2008	1,892,097	-	1,131,498	760,599
2006-2007	705,881	-	176,536	529,345
2005-2006	494,961	-	97,029	397,932
2004-2005	374,110	-	62,958	311,152
2003-2004	341,711	-	43,377	298,334
2002-2003	304,849	-	27,707	277,142
2001-2002	257,520	-	15,526	241,994
2000-2001	167,683	-	10,298	157,385
1999-2000	170,133	-	8,881	161,252
1998-1999	137,533	-	137,533	-
	<u>\$ 4,846,478</u>	<u>\$ 23,320,868</u>	<u>\$ 23,192,907</u>	<u>\$ 4,974,439</u>
				Less: allowance for uncollectible accounts 563,002
				<u>Ad Valorem Taxes Receivable - Net: \$ 4,411,437</u>
<b>Reconciliation with Revenues:</b>				
				<u>\$ 23,413,178</u>
				Reconciling Items:
				Penalties and Interest collected \$ (396,034)
				Taxes written off 175,763
				<u>Total Reconciling Items \$ (220,271)</u>
				<u>Total Collections and Credits \$ 23,192,907</u>

**Edgecombe County, North Carolina**  
**Analysis of Current Tax Levy**  
**County-Wide Levy**  
**For the Fiscal Year Ended June 30, 2009**

Exhibit E-2

	<u>County - Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property taxed at current year's rate	\$ 2,473,826,277	0.94	\$ 23,253,967	\$ 20,278,548	\$ 2,975,419
Penalties	89,575		89,575	89,575	-
<b>Total</b>	<u>\$ 2,473,915,852</u>		<u>\$ 23,343,542</u>	<u>\$ 20,368,123</u>	<u>\$ 2,975,419</u>
Discoveries at current year's rate	23,251,064	0.94	218,560	218,560	-
Abatements at current year's rate	25,663,191	0.94	(241,234)	(194,645)	(46,589)
<b>Total Property Valuation</b>	<u><u>\$ 2,522,830,107</u></u>				
<b>Net Levy</b>			<b>\$ 23,320,868</b>	<b>\$ 20,392,038</b>	<b>\$ 2,928,830</b>
Uncollected taxes at June 30, 2009			1,839,304	1,254,716	584,588
<b>Current Year's Taxes Collected</b>			<u><u>\$ 21,481,564</u></u>	<u><u>\$ 19,137,322</u></u>	<u><u>\$ 2,344,242</u></u>
<b>Current levy collection percentage</b>			<u><u>92.11%</u></u>	<u><u>93.85%</u></u>	<u><u>80.04%</u></u>

**Edgecombe County, North Carolina**  
**Analysis of Current Tax Levy - Fire Districts**  
**For the Fiscal Year Ended June 30, 2009**

Exhibit E-3

	<b>Original Levy</b>	<b>Accounts Receivable</b>
Harrison	\$ 41,427	\$ 2,987
Tri-County	30,940	2,939
Davenport	21,930	2,735
Heartsease	105,149	7,262
Princeville	72,288	8,659
Speed	43,432	3,359
South Edgecombe	33,608	4,427
Macclesfield	40,354	2,948
Leggett	32,857	3,481
West Edgecombe	79,151	7,011
Lewis	36,090	2,163
Conetoe	55,117	5,984
Sharp Point	3,440	213
Pintain	2,805	647
Total Original Levy	\$ 598,588	\$ 54,815
Less uncollected at June 30, 2009	54,815	
Current Year's Taxes Collected	\$ 543,773	
Percent Current Year Collected	90.84%	

**Edgecombe County, North Carolina**  
**Agency Funds**  
**Statement of Changes in Assets and Liabilities**  
**For The Fiscal Year Ended June 30, 2009**

**Exhibit E-4**

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<b>State Motor Vehicle Interest</b>				
Assets:				
Cash and cash equivalents	\$ 6,796	\$ 54,992	\$ 54,750	\$ 7,038
Liabilities:				
Miscellaneous liabilities	\$ 6,796	\$ 54,992	\$ 54,750	\$ 7,038

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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>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	131 - 140
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	141 - 151
<b>Debt Capacity</b>	
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.	152 - 154
<b>Demographic and Economic Information</b>	
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.	155 - 157
<b>Operating Information</b>	
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.	158 - 162

**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.

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

	<u>2003</u>	<u>2004</u>
<b>Governmental Activities:</b>		
Invested in capital assets, net of related debt	\$ 5,878,139	\$ 6,421,042
Restricted	3,167,385	1,876,405
Unrestricted	10,135,575	14,886,632
<b>Total Governmental Activities Net Assets</b>	<u>\$ 19,181,099</u>	<u>\$ 23,184,079</u>
 <b>Business-type Activities:</b>		
Invested in capital assets, net of related debt	\$ 9,677,241	\$ 11,499,447
Restricted for other purposes	469,927	-
Unrestricted	3,134,880	2,728,005
<b>Total Business-type Activities Net Assets</b>	<u>\$ 13,282,048</u>	<u>\$ 14,227,452</u>
 <b>Primary Government:</b>		
Invested in capital assets, net of related debt	\$ 15,555,380	\$ 17,920,489
Restricted for other purposes	3,637,312	1,876,405
Unrestricted	13,270,455	17,614,637
<b>Total Primary Government Net Assets</b>	<u>\$ 32,463,147</u>	<u>\$ 37,411,531</u>

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

Schedule 1

	Fiscal Year				
	2005	2006	2007	2008	2009
\$	6,828,247	\$ 6,490,271	\$ 16,171,252	\$ 14,173,172	\$ 16,886,989
	2,017,147	2,402,398	2,572,793	2,702,845	2,715,347
	18,640,998	28,313,181	16,792,486	19,172,344	17,518,231
<u>\$</u>	<u>27,486,392</u>	<u>\$ 37,205,850</u>	<u>\$ 35,536,531</u>	<u>\$ 36,048,361</u>	<u>\$ 37,120,567</u>
\$	14,823,757	\$ 16,130,877	\$ 17,512,165	\$ 18,778,684	\$ 20,709,078
	-	-	-	-	-
	2,953,861	3,424,277	4,131,617	1,939,476	1,661,656
<u>\$</u>	<u>17,777,618</u>	<u>\$ 19,555,154</u>	<u>\$ 21,643,782</u>	<u>\$ 20,718,160</u>	<u>\$ 22,370,734</u>
\$	21,652,004	\$ 22,621,148	\$ 33,683,417	\$ 32,951,856	\$ 37,596,067
	2,017,147	2,402,398	2,572,793	2,702,845	2,715,347
	21,594,859	31,737,458	20,924,103	21,111,820	19,179,887
<u>\$</u>	<u>45,264,010</u>	<u>\$ 56,761,004</u>	<u>\$ 57,180,313</u>	<u>\$ 56,766,521</u>	<u>\$ 59,491,301</u>

**Edgecombe County, North Carolina**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**  
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>
<b>Expenses:</b>		
<b>Governmental Activities:</b>		
General Government	\$ 4,530,069	\$ 3,750,662
Public Safety	15,507,091	8,682,140
Transportation	40,350	44,641
Economic and physical development	2,057,241	1,345,582
Human Services	24,423,956	23,501,280
Cultural and recreation	648,861	640,331
Education	9,581,139	10,475,008
Interest on long-term debt	698,836	542,825
<b>Total Governmental Activities</b>	<u>\$ 57,487,543</u>	<u>\$ 48,982,469</u>
<b>Business-type Activities:</b>		
Landfill	\$ 2,124,599	\$ 2,612,624
Water and Sewer	1,356,846	1,734,542
<b>Total Business-type Activities</b>	<u>\$ 3,481,445</u>	<u>\$ 4,347,166</u>
<b>Total Primary Government Expenses</b>	<u>\$ 60,968,988</u>	<u>\$ 53,329,635</u>
<b>Program Revenues:</b>		
<b>Governmental Activities:</b>		
<b>Charges for Services:</b>		
General Government	\$ 445,514	\$ 1,413,144
Public Safety	1,054,503	1,289,123
Economic and Physical Development	125,178	-
Human Services	4,925,316	5,410,325
Operating grants and contributions	20,670,186	11,817,315
Capital grants and contributions	310,582	1,082,374
<b>Total Governmental Activities</b>	<u>\$ 27,531,279</u>	<u>\$ 21,012,281</u>
<b>Business-type Activities:</b>		
<b>Charges for Services:</b>		
Water and Sewer	\$ 1,159,096	\$ 1,404,068
Solid Waste	2,819,233	2,499,147
Capital grants and contributions	2,749,959	1,798,679
<b>Total Business-type Activities</b>	<u>\$ 6,728,288</u>	<u>\$ 5,701,894</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 34,259,567</u>	<u>\$ 26,714,175</u>

Schedule 2

Fiscal Year				
2005	2006	2007	2008	2009
\$ 3,917,021	\$ 4,453,545	\$ 4,490,345	\$ 5,008,019	\$ 6,014,390
9,248,881	9,517,145	10,715,161	10,905,575	11,805,147
44,699	57,335	56,308	56,308	60,974
1,717,941	1,060,364	1,929,463	1,339,101	2,164,472
25,504,524	26,639,846	26,632,334	26,223,748	23,855,432
652,125	662,671	691,766	712,402	717,540
11,133,616	12,769,896	11,941,455	12,814,315	12,226,548
499,600	605,335	757,723	714,309	679,758
<u>\$ 52,718,407</u>	<u>\$ 55,766,137</u>	<u>\$ 57,214,555</u>	<u>\$ 57,773,777</u>	<u>\$ 57,524,261</u>
\$ 2,049,532	\$ 1,902,529	\$ 2,169,389	\$ 2,404,801	\$ 2,741,864
1,936,697	2,078,309	2,206,944	2,329,249	2,514,392
<u>\$ 3,986,229</u>	<u>\$ 3,980,838</u>	<u>\$ 4,376,333</u>	<u>\$ 4,734,050</u>	<u>\$ 5,256,256</u>
<u>\$ 56,704,636</u>	<u>\$ 59,746,975</u>	<u>\$ 61,590,888</u>	<u>\$ 62,507,827</u>	<u>\$ 62,780,517</u>
\$ 769,267	\$ 1,140,117	\$ 811,435	\$ 397,591	\$ 695,534
1,961,950	2,296,095	2,229,040	2,459,512	3,122,470
352,066	6,097	-	-	-
5,911,403	4,586,933	4,384,471	4,660,471	4,890,516
14,379,467	14,253,265	13,201,642	12,929,028	12,590,662
190,617	151,525	709,489	948,780	3,233,509
<u>\$ 23,564,770</u>	<u>\$ 22,434,032</u>	<u>\$ 21,336,077</u>	<u>\$ 21,395,382</u>	<u>\$ 24,532,691</u>
\$ 1,692,537	\$ 1,794,211	\$ 2,060,054	\$ 1,995,233	\$ 2,368,964
2,104,326	2,034,916	2,071,620	2,163,628	2,131,136
3,661,623	1,767,148	2,110,152	1,186,271	2,365,823
<u>\$ 7,458,486</u>	<u>\$ 5,596,275</u>	<u>\$ 6,241,826</u>	<u>\$ 5,345,132</u>	<u>\$ 6,865,923</u>
<u>\$ 31,023,256</u>	<u>\$ 28,030,307</u>	<u>\$ 27,577,903</u>	<u>\$ 26,740,514</u>	<u>\$ 31,398,614</u>

(continued)

**Edgecombe County, North Carolina**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**  
(accrual basis of accounting)

	<b>2003</b>	<b>2004</b>
(continued)		
<b>Net (Expense)/Revenue</b>		
Governmental activities	\$ (29,956,264)	\$ (27,970,188)
Business-type activities	3,246,843	1,354,728
<b>Total Primary Government Net Expense</b>	<b>\$ (26,709,421)</b>	<b>\$ (26,615,460)</b>
<b>General Revenues and</b>		
<b>Other Changes in Net Assets</b>		
Governmental Activities:		
Taxes	\$ 29,190,106	\$ 31,196,000
Grants and contributions not restricted	216,944	98,568
Investment earnings, unrestricted	498,490	59,192
Miscellaneous, unrestricted	303,370	106,721
Sale of capital assets		92,187
Transfers/Distributions	525,000	420,500
<b>Total Governmental Activities</b>	<b>\$ 30,733,910</b>	<b>\$ 31,973,168</b>
Business-type Activities:		
Investment earnings	\$ 7,366	\$ 11,176
Transfers	(525,000)	(420,500)
<b>Total Business-type Activities</b>	<b>\$ (517,634)</b>	<b>\$ (409,324)</b>
<b>Total Primary Government</b>	<b>\$ 30,216,276</b>	<b>\$ 31,563,844</b>
<b>Change in Net Assets</b>		
Governmental activities	\$ 777,646	\$ 4,002,980
Business-type activities	2,729,209	945,404
<b>Total Primary Government</b>	<b>\$ 3,506,855</b>	<b>\$ 4,948,384</b>

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

Schedule 2

Fiscal Year				
2005	2006	2007	2008	2009
\$ (29,153,637)	\$ (33,332,105)	\$ (35,878,478)	\$ (36,378,395)	\$ (32,991,570)
3,472,257	1,615,437	1,865,493	611,082	1,609,667
\$ (25,681,380)	\$ (31,716,668)	\$ (34,012,985)	\$ (35,767,313)	\$ (31,381,903)
\$ 32,241,560	\$ 32,292,877	\$ 32,723,256	\$ 33,230,085	\$ 31,190,594
358,295	344,780	233,730	507,661	204,877
428,914	1,099,236	1,378,251	935,330	408,688
416,805	198,252	310,384	532,800	138,023
10,432	38,542	-	20,667	46,954
(56)	8,241,408	-	1,663,682	2,074,640
\$ 33,455,950	\$ 42,215,095	\$ 34,645,621	\$ 36,890,225	\$ 34,063,776
\$ 77,853	\$ 162,099	\$ 223,135	\$ 126,979	\$ 42,907
56	-	-	(1,663,682)	-
\$ 77,909	\$ 162,099	\$ 223,135	\$ (1,536,703)	\$ 42,907
\$ 33,533,859	\$ 42,377,194	\$ 34,868,756	\$ 35,353,522	\$ 34,106,683
\$ 4,302,313	\$ 8,882,990	\$ (1,232,857)	\$ 511,830	\$ 1,072,206
3,550,166	1,777,536	2,088,628	(925,621)	1,652,574
\$ 7,852,479	\$ 10,660,526	\$ 855,771	\$ (413,791)	\$ 2,724,780

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund:				
Reserved	\$ 7,860,511	\$ 6,550,918	\$ 8,668,385	\$ 8,635,153
Unreserved:				
Undesignated	3,345,651	4,646,987	3,670,964	3,617,053
Designated	3,217,021	2,583,425	2,459,995	1,297,990
Total General Fund	<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	\$ 313,540	\$ 918,138	\$ 1,789,474	\$ 19,105
Unreserved, Reported in:				
Special Revenue funds	93,032	(28,480)	30,649	451,002
Capital Projects funds	42,266	(573,556)	(1,360,751)	(66,314)
Debt Service funds	-	-	-	-
Total All Other Governmental Funds	<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>	<u>2009</u>
\$ 7,453,863	\$ 8,159,272	\$ 8,264,914	\$ 5,710,916	\$ 6,923,028	\$ 6,431,853
6,401,260	6,814,311	6,041,658	5,820,833	4,573,835	6,133,293
2,177,343	3,793,919	4,742,865	4,544,165	4,239,769	2,234,600
<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>	<u>\$ 14,799,746</u>
\$ 156,428	\$ 185,627	\$ 9,054,199	\$ 2,542,720	\$ 1,522,519	\$ 823,664
350,011	476,420	579,781	318,562	340,574	272,462
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>	<u>\$ 1,096,126</u>

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 18,519,950	\$ 18,767,702	\$ 21,860,761	\$ 22,544,391
Local option sales tax	4,816,327	4,741,138	4,674,222	6,308,937
Other taxes and licenses	164,517	139,174	95,724	319,496
Unrestricted intergovernmental	2,704,914	2,046,296	1,552,646	118,936
Restricted intergovernmental	31,328,849	32,443,858	24,082,880	20,132,473
Permits and fees	526,748	535,074	558,348	533,419
Sales and services	6,150,105	7,471,448	8,592,902	6,963,395
Investment earnings	974,691	866,875	499,270	498,490
Miscellaneous	7,117,575	1,480,178	607,412	210,389
Total Revenues	<u>\$ 72,303,676</u>	<u>\$ 68,491,743</u>	<u>\$ 62,524,165</u>	<u>\$ 57,629,926</u>
<b>Expenditures:</b>				
General Government	\$ 3,286,643	\$ 3,579,420	\$ 3,673,805	\$ 4,126,233
Public safety	11,760,964	8,668,893	7,426,827	14,849,091
Transportation	69,233	62,732	76,115	40,350
Economic and physical development	2,351,591	1,375,852	2,164,879	2,022,829
Human services	36,473,048	29,646,305	25,949,464	24,428,679
Cultural and recreational	610,723	670,252	674,034	648,861
Intergovernmental:				
Education	9,559,449	9,873,570	10,551,154	10,620,867
Capital Outlay	-	-	-	-
Debt service:				
Principal	733,802	863,738	1,107,643	1,407,776
Interest and other charges	678,943	702,506	755,672	709,568
Capital Outlay	8,698,206	17,456,807	10,672,660	698,380
Total Expenditures	<u>\$ 74,222,602</u>	<u>\$ 72,900,075</u>	<u>\$ 63,052,253</u>	<u>\$ 59,552,634</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (1,918,926)</u>	<u>\$ (4,408,332)</u>	<u>\$ (528,088)</u>	<u>\$ (1,922,708)</u>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	\$ -	\$ -	\$ -	\$ -
Transfers from other funds	-	670,000	740,654	733,872
Transfers to other funds	350,000	(220,000)	(237,567)	(208,872)
Transfer from component unit	91,197	155,962	153,825	85,105
Loan proceeds	289,072	3,000,000	-	-
Sale of capital assets	8,700	27,781	10,492	7,876
Total Other Financing Sources (Uses)	<u>\$ 738,969</u>	<u>\$ 3,633,743</u>	<u>\$ 667,404</u>	<u>\$ 617,981</u>
Net Change in Fund Balances	<u>\$ (1,179,957)</u>	<u>\$ (774,589)</u>	<u>\$ 139,316</u>	<u>\$ (1,304,727)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>2.16%</u>	<u>2.82%</u>	<u>3.56%</u>	<u>3.60%</u>

## Schedule 4

2004	2005	2006	2007	2008	2009
\$ 23,303,444	\$ 24,673,143	\$ 24,161,582	\$ 23,906,570	\$ 24,046,566	\$ 24,056,682
7,170,852	7,530,351	7,712,329	8,249,404	8,044,419	6,465,512
313,058	306,050	323,029	326,945	366,845	339,293
510,363	391,087	298,907	168,266	211,335	240,955
12,867,033	15,097,186	14,532,891	13,656,898	14,050,073	16,040,057
628,442	526,208	691,419	910,324	872,808	788,327
6,522,210	7,514,326	7,327,063	6,293,458	6,874,690	7,441,317
59,191	428,914	1,099,236	1,378,251	935,330	408,688
282,131	464,185	339,481	539,247	532,801	469,722
<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>	<u>\$ 56,250,553</u>
\$ 3,314,180	\$ 3,751,125	\$ 4,156,778	\$ 4,264,018	\$ 4,725,635	\$ 5,578,173
7,773,127	8,698,861	9,107,990	10,574,834	10,116,622	11,040,057
44,641	44,699	57,335	56,308	56,308	60,974
1,526,936	1,713,868	1,053,162	1,926,960	1,339,132	2,151,069
23,353,120	25,382,074	26,530,571	26,621,901	26,525,729	23,560,859
640,331	652,125	662,671	691,766	712,402	717,540
10,476,092	11,133,616	11,559,046	11,526,190	12,211,573	11,521,918
-	-	795,586	6,932,165	1,215,099	1,395,748
1,550,098	1,618,855	1,257,878	1,711,307	1,512,134	1,656,397
572,484	509,575	454,560	769,003	728,717	687,765
1,587,419	588,680	1,019,267	573,397	125,037	705,656
<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>\$ 59,076,156</u>
<u>\$ 818,296</u>	<u>\$ 2,837,972</u>	<u>\$ (168,907)</u>	<u>\$ (10,218,486)</u>	<u>\$ (3,333,521)</u>	<u>\$ (2,825,603)</u>
\$ -	\$ -	\$ 9,370,000	\$ -	\$ -	\$ -
822,526	73,697	-	-	1,663,682	-
(402,026)	(73,753)	-	-	-	-
-	-	-	-	-	-
1,300,000	-	-	760,000	-	1,121,750
92,187	10,432	49,004	23,966	20,667	-
<u>\$ 1,812,687</u>	<u>\$ 10,376</u>	<u>\$ 9,419,004</u>	<u>\$ 783,966</u>	<u>\$ 1,684,349</u>	<u>\$ 1,121,750</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>\$ (1,703,853)</u>
<u>4.31%</u>	<u>3.98%</u>	<u>3.08%</u>	<u>3.81%</u>	<u>3.79%</u>	<u>4.02%</u>

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

<b>Fiscal Year</b>	<b>Real Property</b>			<b>Personal Property</b>
	<b>Residential Property</b>	<b>Commercial/ Manufacturing Property</b>	<b>Other</b>	
2000	\$ 692,669	\$ 598,355	\$ 132,400	\$ 684,267
2001	695,217	566,607	152,956	703,812
2002	835,986	845,913	157,637	728,963
2003	896,924	766,259	140,769	789,924
2004	900,012	783,427	170,348	721,573
2005	940,838	788,969	129,133	743,151
2006	944,475	731,907	128,019	785,651
2007	1,047,114	673,500	118,501	732,253
2008	1,054,763	674,859	120,244	756,147
2009	1,093,226	668,578	116,819	751,626

Source: Edgecombe County Tax Assessor

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

**Schedule 5**

<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>
\$ 84,563	\$ 2,023,128	0.91%	\$ 2,504,388
80,539	2,038,053	0.91%	2,547,566
97,523	2,470,976	0.87%	2,534,334
101,329	2,492,547	0.91%	2,771,184
101,786	2,473,574	0.91%	2,865,018
106,538	2,495,553	0.93%	2,873,826
105,448	2,484,604	0.93%	3,105,755
106,337	2,465,031	0.94%	3,201,339
106,130	2,499,883	0.94%	3,472,060
107,419	2,522,830	0.94%	3,503,931

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>County Direct Rate</b>				
General - Edgecombe(1)	0.94	0.94	0.94	0.93
<b>City Rates</b>				
City of Rocky Mount	0.58	0.58	0.55	0.50
<b>Town Rates</b>				
Town of Conetoe	0.16	0.16	0.17	0.17
Town of Leggett	0.25	0.25	0.25	0.25
Town of Macclesfield	0.45	0.45	0.45	0.45
Town of Pinetops	0.36	0.36	0.36	0.36
Town of Princeville	0.78	0.78	0.78	0.78
Town of Sharpsburg	0.50	0.50	0.45	0.45
Town of Speed	0.30	0.30	0.30	0.25
Town of Tarboro	0.42	0.42	0.42	0.42
Town of Whitakers	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

Year Taxes Are Payable

2005	2004	2003	2002	2001	2000
0.93	0.91	0.91	0.87	0.91	0.91
0.50	0.50	0.48	0.44	0.46	0.46
0.18	0.20	0.20	0.20	0.21	0.21
0.25	0.25	0.25	0.25	0.25	0.25
0.45	0.45	0.45	0.45	0.45	0.45
0.36	0.36	0.36	0.34	0.37	0.37
0.78	0.78	0.78	0.78	0.78	0.78
0.45	0.45	0.45	0.45	0.41	0.41
0.25	0.25	0.25	0.25	0.25	0.25
0.42	0.42	0.42	0.42	0.46	0.46
0.69	0.69	0.67	0.67	0.67	0.67

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

**Schedule 7**

<u>Taxpayer</u>	<u>1999</u>		<u>2000</u>	
	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
QVC Rocky Mount, Inc.	\$ -	0.00%	\$ -	0.00%
Sprint	54,944,158	2.74%	49,100,590	2.28%
Keihin Carolina Systems Technology	-	0.00%	17,205,060	0.86%
Cogentrix	60,929,101	3.04%	58,929,262	2.73%
A T & T Communications	32,017,916	1.60%	25,812,855	1.19%
Sara Lee Bakery	41,060,852	2.05%	43,362,064	2.01%
Amoco Fabrics & Fibers	23,358,206	1.17%	-	0.00%
Empire Industries	17,167,834	0	-	-
Dixie Yarn/Fieldcrest Cannon	15,026,096	0.75%	23,295,824	1.08%
Heritage Hospital Inc.	-	0.00%	-	0.00%
Superior Telecommunications	23,932,401	1.19%	24,777,472	1.15%
Glenoit Mills	33,292,943	1.66%	26,344,969	1.22%
EMC	13,779,582	0.69%	-	0.00%
American Fibers & Yarns	-	0.00%	19,746,373	0.92%
CSX	-	0.00%	-	0.00%
Carlisle Plastics LP	-	0.00%	15,411,638	0.72%
Air Systems Components	-	0.00%	-	0.00%
Covalence Specialty Materials Corp	-	0.00%	-	0.00%
ABB Power	-	0.00%	-	0.00%
Total	<u>\$ 315,509,089</u>	<u>15.75%</u>	<u>\$ 303,986,107</u>	<u>14.16%</u>

Source: Tax Assessor for the entity.

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

**Schedule 7**

<u>Taxpayer</u>	<u>2001</u>		<u>2002</u>	
	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
QVC Rocky Mount, Inc.	\$ 61,614,080	2.74%	\$ 62,530,718	2.48%
Sprint	64,346,582	2.86%	63,507,922	2.52%
Keihin Carolina Systems Technology	33,587,691	1.49%	44,701,599	1.78%
Cogentrix	58,247,693	2.59%	57,065,659	2.27%
A T & T Communications	23,172,788	1.03%	-	0.00%
Sara Lee Bakery	67,492,015	3.00%	64,062,187	2.54%
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	19,655,110	0.87%	21,731,630	0.86%
Glenoit Mills	24,060,720	1.07%	20,699,894	0.82%
EMC	17,118,018	0.76%	17,939,452	0.71%
American Fibers & Yarns	19,213,796	0.85%	18,157,257	0.72%
CSX	-	0.00%	-	0.00%
Carlisle Plastics LP	-	0.00%	15,267,046	0.61%
Air Systems Components	-	0.00%	-	0.00%
Covalence Specialty Materials Corp	-	0.00%	-	0.00%
ABB Power	-	0.00%	-	0.00%
Total	<u>\$ 388,508,493</u>	<u>17.26%</u>	<u>\$ 385,663,364</u>	<u>15.31%</u>

Source: Tax Assessor for the entity.

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

Schedule 7

Taxpayer	2003		2004	
	Assessed Valuation	% of Total Assessed Valuation	Assessed Valuation	% of Total Assessed Valuation
QVC Rocky Mount, Inc.	\$ 73,703,681	2.98%	\$ 81,043,588	3.22%
Sprint	62,454,297	2.52%	61,806,698	2.45%
Keihin Carolina Systems Technology	48,366,714	1.95%	56,190,873	2.23%
Cogentrix	47,912,247	1.94%	51,843,151	2.06%
A T & T Communications	-	0.00%	13,031,564	0.52%
Sara Lee Bakery	71,971,615	2.91%	54,646,983	2.17%
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	19,845,620	0.80%	17,630,200	0.70%
Glenoit Mills	-	0.00%	-	0.00%
EMC	18,224,126	0.74%	18,749,478	0.74%
American Fibers & Yarns	25,355,872	1.02%	24,514,529	0.97%
CSX	14,810,087	0.60%	-	0.00%
Carlisle Plastics LP	12,735,074	0.51%	13,444,522	0.53%
Air Systems Components	-	0.00%	-	0.00%
Covalence Specialty Materials Corp	-	0.00%	-	0.00%
ABB Power	-	0.00%	-	0.00%
Total	<u>\$ 395,379,333</u>	<u>15.97%</u>	<u>\$ 392,901,586</u>	<u>15.59%</u>

Source: Tax Assessor for the entity.

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

**Schedule 7**

<u>Taxpayer</u>	<u>2005</u>		<u>2006</u>	
	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
QVC Rocky Mount, Inc.	\$ 71,915,287	2.83%	\$ 69,489,661	3.23%
Sprint	67,184,075	2.64%	58,849,236	2.74%
Keihin Carolina Systems Technology	59,623,706	2.34%	66,333,882	3.09%
Cogentrix	46,748,445	1.84%	45,583,521	2.12%
A T & T Communications	-	0.00%		0.00%
Sara Lee Bakery	63,461,613	2.50%	58,557,623	2.72%
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	16,427,150	0.65%	17,329,980	0.81%
Glenoit Mills	-	0.00%	-	0.00%
EMC	20,043,954	0.79%	20,467,170	0.95%
American Fibers & Yarns	12,835,571	0.50%		0.00%
CSX	13,957,580	0.55%	13,486,537	0.63%
Carlisle Plastics LP	15,715,109	0.62%	16,202,318	0.75%
Air Systems Components	-	0.00%	9,498,365	0.44%
Covalence Specialty Materials Corp	-	0.00%	-	0.44%
ABB Power	-	0.00%	-	0.00%
Total	<u>\$ 387,912,490</u>	<u>15.26%</u>	<u>\$ 375,798,293</u>	<u>17.92%</u>

Source: Tax Assessor for the entity.

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

**Schedule 7**

<u>Taxpayer</u>	<u>2007</u>		<u>2008</u>	
	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
QVC Rocky Mount, Inc.	\$ 70,942,641	2.84%	\$ 65,878,958	2.61%
Sprint	58,475,763	2.34%	56,759,751	2.25%
Keihin Carolina Systems Technology	66,464,930	2.66%	63,944,268	2.53%
Cogentrix	44,470,824	1.78%	42,169,492	1.67%
A T & T Communications	-	0.00%	-	0.00%
Sara Lee Bakery	51,687,341	2.07%	48,662,817	1.93%
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	16,839,258	0.67%	15,540,578	0.62%
Glenoit Mills	-	0.00%	-	0.00%
EMC	21,442,067	0.86%	20,661,809	0.82%
American Fibers & Yarns	-	0.00%	-	0.00%
CSX	14,956,853	0.60%	15,585,561	0.62%
Carlisle Plastics LP	16,956,148	0.68%	15,798,330	0.63%
Air Systems Components	-	0.00%	-	0.00%
Covalence Specialty Materials Corp	16,584,924	0.66%	-	0.00%
ABB Power	-	0.00%	9,359,158	0.37%
Total	<u>\$ 378,820,749</u>	<u>15.16%</u>	<u>\$ 354,360,722</u>	<u>14.05%</u>

Source: Tax Assessor for the entity.

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

<u>Levy</u>	Taxes Levied for the Fiscal Year (Original Levy)		Collected within the Fiscal Year of the Levy		
			<u>Amount</u>	<u>Percentage of Levy</u>	
2000	\$	18,473,429	\$	17,225,786	93.25%
2001		18,599,076		17,218,279	92.58%
2002		21,601,406		19,968,594	92.44%
2003		22,779,178		20,680,173	90.79%
2004		22,560,839		20,754,985	92.00%
2005		23,253,954		21,797,535	93.74%
2006		23,151,447		21,645,355	93.49%
2007		23,244,190		21,634,223	93.07%
2008		23,629,262		21,737,165	91.99%
2009		23,320,868		21,481,564	92.11%

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
\$ 1,086,391	\$ 18,312,177	99.13%
1,223,412	18,441,691	99.15%
1,390,818	21,359,412	98.88%
1,821,863	22,502,036	98.78%
1,507,520	22,262,505	98.68%
1,145,267	22,942,802	98.66%
1,108,160	22,753,515	98.28%
1,080,622	22,714,845	97.72%
1,131,498	22,868,663	96.78%
-	21,481,564	92.11%

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

Schedule 9

<b>Fiscal Year</b>	<b>Governmental Activities General Obligation Bonds</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>	<b>General Bonded Debt As A % of Actual Value of Taxable Property</b>
2009	\$ 8,220,000	n/a	\$ 159	0.33%
2008	8,570,000	n/a	165	0.34%
2007	8,820,000	0.63%	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%

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**

<b>Legal Debt Margin Calculation</b>	<u><b>2000</b></u>	<u><b>2001</b></u>	<u><b>2002</b></u>	<u><b>2003</b></u>
Assessed Value--January 1,	<u>\$ 2,023,128,132</u>	<u>\$ 2,038,053,077</u>	<u>\$ 2,470,975,862</u>	<u>\$ 2,492,546,665</u>
Debt limit - 8% of assessed value	<u>\$ 161,850,251</u>	<u>\$ 163,044,246</u>	<u>\$ 197,678,069</u>	<u>\$ 199,403,733</u>
Gross Debt:				
Total bonded debt	\$ 4,396,000	\$ 4,349,000	\$ 4,300,500	\$ 8,250,000
Revenue Bonds	-	-	-	-
Installment Purchase	12,616,091	14,765,896	13,995,627	12,595,757
Notes Payable	<u>1,341,719</u>	<u>1,235,281</u>	<u>1,124,405</u>	<u>829,150</u>
Gross Debt	<u>\$ 18,353,810</u>	<u>\$ 20,350,177</u>	<u>\$ 19,420,532</u>	<u>\$ 21,674,907</u>
Less Water Gross Debt	<u>4,396,000</u>	<u>4,349,000</u>	<u>4,587,849</u>	<u>8,526,051</u>
Net Bonded Debt				
Applicable to Debt Limit	<u>\$ 13,957,810</u>	<u>\$ 16,001,177</u>	<u>\$ 14,832,683</u>	<u>\$ 13,148,856</u>
Legal Debt Margin	<u>\$ 147,892,441</u>	<u>\$ 147,043,069</u>	<u>\$ 182,845,386</u>	<u>\$ 186,254,877</u>
 Total net debt applicable to the limit as a percentage of debt limit	 8.62%	 9.81%	 7.50%	 6.59%

Schedule 10

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>\$ 2,473,573,956</u>	<u>\$ 2,495,552,804</u>	<u>\$ 2,484,604,466</u>	<u>\$ 2,465,031,350</u>	<u>\$ 2,499,883,345</u>	<u>\$ 2,522,830,107</u>
<u>\$ 197,885,916</u>	<u>\$ 199,644,224</u>	<u>\$ 198,768,357</u>	<u>\$ 197,202,508</u>	<u>\$ 199,990,668</u>	<u>\$ 201,826,409</u>
\$ 8,491,000	\$ 8,392,000	\$ 16,364,000	\$ 15,726,000	\$ 15,380,500	\$ 18,859,500
-	-	1,296,000	1,276,500	1,256,000	1,234,500
12,836,116	11,434,509	10,086,839	9,019,746	7,914,442	7,819,982
602,869	2,870,729	3,140,060	4,086,919	3,337,527	2,895,488
<u>\$ 21,929,985</u>	<u>\$ 22,697,238</u>	<u>\$ 30,886,899</u>	<u>\$ 30,109,165</u>	<u>\$ 27,888,469</u>	<u>\$ 30,809,470</u>
<u>8,755,175</u>	<u>11,141,283</u>	<u>11,218,823</u>	<u>10,955,933</u>	<u>10,683,834</u>	<u>14,139,481</u>
<u>\$ 13,174,810</u>	<u>\$ 11,555,955</u>	<u>\$ 19,668,076</u>	<u>\$ 19,153,232</u>	<u>\$ 17,204,635</u>	<u>\$ 16,669,989</u>
<u>\$ 184,711,106</u>	<u>\$ 188,088,269</u>	<u>\$ 179,100,281</u>	<u>\$ 178,049,276</u>	<u>\$ 182,786,033</u>	<u>\$ 185,156,420</u>
6.66%	5.79%	9.89%	9.71%	8.60%	8.26%

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

**Schedule 11**

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School ADM</b>	<b>Unemployment Rate</b>
	(1)	(2)	(2)	(1)	(3)	(4)
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	25,410	37.58	7,495	8.8%
2006	53,034	1,352,000	25,493	37.84	7,469	8.6%
2007	52,644	1,400,594	26,605	38.00	7,385	7.8%
2008	51,813	*	*	38.25	7,363	8.3%
2009	51,800	*	*	36.74	7,221	14.2%

\*Information not yet available.

Source:

- (1) North Carolina Data Center
- (2) Bureau of Economic Analysis
- (3) North Carolina Department of Public Instruction
- (4) Employment Security Commission of North Carolina

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

Schedule 12

Employer	2000			2001			2002			2003			2004		
	Employees	Percentage of		Employees	Percentage of		Employees	Percentage of		Employees	Percentage of		Employees	Percentage of	
		Total	County		Total	County		Total	County		Total	County		Total	County
Edgecombe County Schools	1,100	4.65%	4.83%	1,110	4.98%	4.92%	1,100	4.92%	1,100	4.92%	4.94%	1,100	4.92%	4.94%	
Sara Lee Bakery	1,000	4.23%	4.05%	930	4.23%	4.18%	935	4.18%	935	4.18%	3.81%	850	3.81%	3.81%	
QVC, Inc.	-	0.00%	1.74%	400	1.74%	1.79%	400	1.79%	400	1.79%	3.81%	850	3.81%	3.81%	
Edgecombe County	600	2.54%	2.79%	640	2.79%	3.04%	680	3.04%	680	3.04%	2.92%	650	2.92%	2.92%	
MBM Corporation	350	1.48%	1.52%	350	1.52%	3.17%	700	3.17%	700	3.17%	1.79%	400	1.79%	1.79%	
Carolina Telephone/Sprint/Embarq	650	2.75%	2.83%	650	2.83%	2.94%	650	2.94%	650	2.94%	2.69%	600	2.69%	2.69%	
Tyco Plastics	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	2.47%	550	2.47%	2.47%	
Keihin Carolina System Technology	300	1.27%	1.74%	400	1.74%	1.95%	430	1.95%	430	1.95%	2.24%	500	2.24%	2.24%	
Air System Components	-	0.00%	0.74%	170	0.74%	1.30%	287	1.30%	287	1.30%	1.46%	325	1.46%	1.46%	
Barcalounger Company	425	1.80%	1.87%	430	1.87%	1.92%	430	1.92%	430	1.92%	1.79%	400	1.79%	1.79%	
Heritage Hospital Inc.	350	1.48%	1.57%	360	1.57%	2.21%	489	2.21%	489	2.21%	2.18%	485	2.18%	2.18%	
Superior Telecommunications	400	1.69%	1.74%	400	1.74%	1.01%	222	1.01%	222	0.99%	1.79%	400	1.79%	1.79%	
Barnhill Contracting Company	200	0.85%	0.87%	200	0.87%	3.33%	735	3.33%	735	3.29%	1.12%	250	1.12%	1.12%	
Long Agribusiness	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	1.01%	225	1.01%	1.01%	
General Foam Plastics	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.90%	200	0.90%	0.90%	
Focal Point	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.90%	200	0.90%	0.90%	
Glenoit LLC	1,000	4.23%	4.36%	1,000	4.36%	2.02%	447	2.02%	447	2.00%	0.90%	200	0.90%	0.90%	
ABB Power T&D Company, Inc.	200	0.85%	0.87%	200	0.87%	0.80%	176	0.80%	176	0.79%	0.81%	180	0.81%	0.81%	
Glenoit Fabrics (GH) Corporation	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.90%	200	0.90%	0.90%	
Mayo Knitting Mills	350	1.48%	1.35%	310	1.35%	1.00%	221	1.00%	221	0.99%	0.90%	200	0.90%	0.90%	
Tri-County Industries	175	0.74%	0.76%	175	0.76%	0.79%	175	0.79%	175	0.78%	0.56%	125	0.56%	0.56%	
HC Composites LLC	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.67%	150	0.67%	0.67%	
Stretchlon, Inc.	100	0.42%	0.44%	100	0.44%	0.45%	100	0.45%	100	0.45%	0.45%	100	0.45%	0.45%	
Royster Clark, Inc.	-	0.00%	0.44%	100	0.44%	0.45%	100	0.45%	100	0.45%	0.00%	-	0.00%	0.00%	
Inco, Inc.	350	1.48%	1.52%	350	1.52%	1.43%	320	1.43%	320	1.43%	1.68%	375	1.68%	1.68%	
Carlisle Plastics, Inc.	325	1.37%	1.39%	320	1.39%	1.22%	270	1.22%	270	1.21%	0.00%	-	0.00%	0.00%	
Long Manufacturing Co., Inc.	225	0.95%	0.91%	210	0.91%	0.82%	181	0.82%	181	0.81%	0.00%	-	0.00%	0.00%	
SE&M	200	0.85%	0.87%	200	0.87%	0.53%	117	0.53%	117	0.52%	0.63%	140	0.63%	0.63%	
Pilotex Corporation	300	1.27%	1.09%	250	1.09%	1.13%	250	1.13%	250	1.13%	0.00%	-	0.00%	0.00%	
Empire Industries, Inc.	400	1.69%	1.20%	200	0.87%	0.91%	200	0.91%	200	0.91%	0.00%	-	0.00%	0.00%	
American Fabrics & Fibers	300	1.27%	1.20%	275	1.20%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Ansell Edmont Industrial	200	0.85%	0.87%	200	0.87%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Heilig-Meyers Distribution	160	0.68%	0.70%	160	0.70%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Engine Systems	125	0.53%	0.44%	100	0.44%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Trinity Industries	100	0.42%	0.44%	100	0.44%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Carolina Farms	100	0.42%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Walker-Ross Printing Co.	100	0.42%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Amerigold Logistics	100	0.42%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Covolence Plastica	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Farm Trac	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Town of Tarboro	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Greenleaf Nursery	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Nomaco, Inc.	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
Spongex, LLC	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	
<b>Total</b>	<b>10,185</b>	<b>43.08%</b>	<b>44.82%</b>	<b>10,290</b>	<b>44.82%</b>	<b>43.54%</b>	<b>9,615</b>	<b>43.54%</b>	<b>9,365</b>	<b>41.91%</b>	<b>43.32%</b>	<b>9,655</b>	<b>41.91%</b>	<b>43.32%</b>	

Source:  
Carolina Gateway Partnership  
Employment Security Commission  
of North Carolina

Edgecombe County, North Carolina  
Principal Employers

Schedule 12  
Current Year and Nine Years Ago

Employer	2005			2006			2007			2008			2009		
	Employees	Percentage of Total County Employment	Percentage of Total County Employment	Employees	Percentage of Total County Employment	Percentage of Total County Employment	Employees	Percentage of Total County Employment	Percentage of Total County Employment	Employees	Percentage of Total County Employment	Percentage of Total County Employment	Employees	Percentage of Total County Employment	Percentage of Total County Employment
Edgecombe County Schools	1,100	4.95%	4.92%	1,100	4.92%	4.92%	1,100	4.92%	4.92%	1,100	4.92%	4.92%	1,100	4.92%	4.92%
Sara Lee Bakery	850	3.82%	3.80%	850	3.80%	3.58%	800	3.58%	3.58%	800	3.58%	3.58%	800	3.58%	3.58%
QVC, Inc.	850	3.82%	3.80%	850	3.80%	3.80%	850	3.80%	3.80%	950	4.25%	4.25%	1,025	4.58%	4.58%
Edgecombe County	650	2.92%	2.46%	550	2.46%	2.46%	550	2.46%	2.46%	550	2.46%	2.46%	600	2.09%	2.09%
MBM Corporation	600	2.70%	2.68%	600	2.68%	2.68%	600	2.68%	2.68%	600	2.68%	2.68%	600	2.68%	2.68%
Carolina Telephone/Sprint/Embarq	600	2.70%	2.68%	600	2.68%	2.68%	600	2.68%	2.68%	600	2.68%	2.68%	1,000	4.47%	4.47%
Tyco Plastics	550	2.47%	2.46%	550	2.46%	2.46%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Keihin Carolina System Technology	500	2.25%	2.24%	500	2.24%	2.24%	500	2.24%	2.24%	500	2.24%	2.24%	400	1.79%	1.79%
Air System Components	425	1.91%	2.01%	450	2.01%	2.01%	450	2.01%	2.01%	550	2.46%	2.46%	822	3.68%	3.68%
Barcalounger Company	400	1.80%	1.79%	400	1.79%	0.89%	200	0.89%	0.89%	200	0.89%	0.89%	200	0.00%	0.00%
Heritage Hospital Inc.	380	1.71%	1.70%	380	1.70%	1.70%	380	1.70%	1.70%	380	1.70%	1.70%	470	2.10%	2.10%
Superior Telecommunications	340	1.53%	1.52%	340	1.52%	1.34%	300	1.34%	1.34%	300	1.34%	1.34%	260	1.16%	1.16%
Barnhill Contracting Company	250	1.12%	1.23%	275	1.23%	1.23%	275	1.23%	1.23%	275	1.23%	1.23%	275	1.23%	1.23%
Long Agribusiness	200	0.90%	0.89%	200	0.89%	0.89%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
General Foam Plastics	200	0.90%	0.89%	200	0.89%	0.89%	200	0.89%	0.89%	200	0.89%	0.89%	250	1.12%	1.12%
Focal Point	200	0.90%	0.89%	200	0.89%	0.89%	100	0.45%	0.45%	100	0.45%	0.45%	-	0.00%	0.00%
Glenoit LLC	200	0.90%	0.89%	200	0.89%	0.89%	200	0.89%	0.89%	200	0.89%	0.89%	-	0.00%	0.00%
ABB Power T&D Company, Inc.	180	0.81%	0.80%	180	0.80%	0.98%	220	0.98%	0.98%	220	0.98%	0.98%	270	1.21%	1.21%
Glenoit Fabrics (GH) Corporation	160	0.72%	0.72%	160	0.72%	0.72%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Mayo Knitting Mills	150	0.67%	0.67%	150	0.67%	0.63%	140	0.63%	0.63%	130	0.58%	0.58%	130	0.58%	0.58%
Tri-County Industries	130	0.58%	0.56%	125	0.56%	0.45%	100	0.45%	0.45%	100	0.45%	0.45%	100	0.45%	0.45%
HC Composites LLC	125	0.56%	0.67%	150	0.67%	0.45%	100	0.45%	0.45%	100	0.45%	0.45%	100	0.45%	0.45%
Stretchlon, Inc.	100	0.45%	0.45%	100	0.45%	0.45%	100	0.45%	0.45%	100	0.45%	0.45%	100	0.45%	0.45%
Royster Clark, Inc.	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Inco, Inc.	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Carlisle Plastics, Inc.	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Long Manufacturing Co., Inc.	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
SE&M	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Pilotex Corporation	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Empire Industries, Inc.	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
American Fabrics & Fibers	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Ansell Edmont Industrial	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Heilig-Meyers Distribution	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Engine Systems	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Trinity Industries	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Carolina Farms	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Walker-Ross Printing Co.	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Amerigold Logistics	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Covaleance Plastica	-	0.00%	0.00%	-	0.00%	0.00%	600	2.68%	2.68%	-	0.00%	0.00%	-	0.00%	0.00%
Farm Trac	-	0.00%	0.00%	-	0.00%	0.78%	175	0.78%	0.78%	-	0.00%	0.00%	-	0.00%	0.00%
Town of Tarboro	-	0.00%	0.76%	170	0.76%	0.76%	170	0.76%	0.76%	170	0.76%	0.76%	170	0.76%	0.76%
Greenleaf Nursery	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%
Nomaco, Inc.	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	150	0.67%	0.67%
Spongex, LLC	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	100	0.45%	0.45%
Total	9,140	41.10%	40.62%	9,085	40.62%	38.05%	8,510	38.05%	36.55%	8,175	36.55%	36.55%	8,619	38.54%	38.54%

Source:  
Carolina Gateway Partnership  
Employment Security Commission  
of North Carolina

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

Schedule 13

**Full-time Equivalent Employees as of December 31,**

<b>Function/Program</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>General Government</b>										
County Manager	3	3	3	3	3	3	3	3	4	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	4	4	4	4	4
Public Buildings	10	10	10	10	10	10	10	10	10	10
<b>Public Safety</b>										
Sheriff	52	52	53	54	55	56	56	58	55	59
Dispatchers	10	10	10	10	10	10	10	11	11	11
Jail	50	50	50	50	50	50	61	61	58	62
Emergency Services	2	2	2	2	2	2	2	3	3	3
Building Inspections	3	3	3	3	3	3	3	3	3	2
<b>Economic Development</b>										
Planning	5	5	5	5	5	5	5	5	5	5
Housing Recovery	2	2	1	1	1	1	1	1	0	0
CoOp. Extension	10	10	10	10	10	10	10	10	10	7
Soil Conservation	4	4	4	4	4	4	4	3	3	3
<b>Human Services</b>										
Health Department	80	80	80	80	81	81	81	81	70	72
HomeHealth	45	45	34	34	34	34	34	34	31	26
Social Services	165	165	165	161	161	166	166	166	153	151
Veterans	1	1	1	2	2	2	2	2	2	2
<b>Landfill</b>	8	8	8	8	8	8	8	8	8	8
<b>Water and Sewer</b>	3	3	3	4	4	9	9	9	9	9
<b>Total</b>	<b>485</b>	<b>485</b>	<b>474</b>	<b>473</b>	<b>475</b>	<b>487</b>	<b>498</b>	<b>501</b>	<b>468</b>	<b>467</b>

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**

<b>Function/Program</b>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Board of Elections</b>					
Number of registered voters	35,990	35,408	35,475	35,752	36,344
<b>Planning/Inspections</b>					
Building permits issued	57	108	87	83	47
<b>Emergency Services</b>					
Fire-Number of calls answered	2,224	571	1,369	1,284	1,388
Fire-Number of inspections conducted	250	250	250	156	217
<b>Veterans</b>					
Number of clients served	1,375	1,558	2,119	7,105	3,942
<b>Water</b>					
Number of water customers	957	1,375	2,148	2,390	3,014

Source: County departments

\*Information not available

**Schedule 14**

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
34,908	35,450	34,861	38,189	37,040
25	38	35	29	21
1,585	1,571	1,641	1,992	1,867
143	116	185	169	146
5,814	3,141	2,561	2,868	2,861
3,199	3,724	3,845	3,932	4,035

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

<b>Function/Program</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Fire Protection</b>					
Number of Fire personnel and officers	450	450	450	500	238
Number of stations	15	15	15	15	9
<b>Law Enforcement</b>					
Number of stations	4	2	3	3	3
Patrol units	59	68	68	68	68
<b>Public Works</b>					
Paved/unpaved highways (miles)	700	700	700	700	700
Number of traffic lights	69	69	69	69	69
<b>Cultural and Recreation</b>					
Community Centers	4	4	4	4	4
Parks	5	5	5	5	5
Golf Courses	2	2	3	2	2
Swimming pools	4	4	4	4	4
Tennis Courts	6	6	6	6	6
Museums and Art Centers	4	4	4	4	4
<b>Water</b>					
Water mains(miles)	96	96	210	210	210
Fire hydrants	96	96	211	211	211
Storage capacity (millions of gallons)	1.5	1.5	1.5	1.5	1.5
<b>Facilities and Services not included in Reporting Entity:</b>					
<b>Education;</b>					
Number of school systems	1	1	1	1	1
Number of Secondary Schools	4	4	4	4	4
Number of Elementary Schools	11	11	11	11	11
Number of Community Colleges	1	1	1	1	1
<b>Hospitals:</b>					
Number of hospitals	1	1	1	1	1
Number of patient beds	127	127	127	127	127

**Sources:**

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

**Schedule 15**

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
231	233	233	227	243
9	9	9	9	9
3	3	4	4	4
68	68	91	95	95
700	730	730	754	754
69	77	85	86	86
4	4	4	4	4
5	5	5	5	5
2	3	3	3	3
4	4	4	4	4
6	6	6	6	6
4	4	4	4	4
210	560	560	560	560
211	426	426	426	600
1.5	2.1	2.1	2.1	2.1
1	1	1	1	1
4	4	4	4	4
11	11	11	11	11
1	1	1	1	1
1	1	1	1	1
127	127	127	127	127

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## **Compliance Section**

# Flowers & Stanley, L.L.P.

Certified Public Accountants

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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, 2009, which collectively comprises Edgecombe County's basic financial statements, and have issued our report thereon dated December 28, 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.

### 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 control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a 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 limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board of 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  
December 28, 2009

# Flowers & Stanley, L.L.P.

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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, 2009. 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.

In our opinion, 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, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133, and the State Single Audit Implementation Act, and which are described in the accompanying schedule of findings and questioned costs as items 09-1, 09-2, 09-3, 09-4, 09-5, and 09-6.

## 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 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 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 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.

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 the County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-1, 09-2, 09-3, 09-4, 09-5, and 09-6 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 the County's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs 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 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  
December 28, 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, 2009. 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.

In our opinion, 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, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act and which are described in the accompanying schedule of findings and questioned costs as items 09-5 and 09-6.

## 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 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.

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 a 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-5 and 09-6 to be significant deficiencies.

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. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs 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 Commissioners, and federal and State awarding agencies and pass-through entities, is not intended to be, and should not be used by anyone other than these specified parties.

*Flowers & Stanley, LLP*

Tarboro, North Carolina  
December 28, 2009

**Edgecombe County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009**

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 Xno
- Significant deficiency(ies) identified that are not considered to be material weaknesses \_\_\_yes Xnone reported

Noncompliance material to financial statements noted \_\_\_yes Xno

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_yes Xno
- Significant deficiency(ies) identified that are not considered to be material weaknesses Xyes \_\_\_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 Xyes \_\_\_no

Identification of major federal programs:

<u>CFDA#</u>	<u>Names of Federal Program or Cluster</u>
10.551 and 10.561	Food Stamp Cluster
93.568	Low-income Energy Assistance
93.778	Medical Assistance Program - Title XIX - Medicaid
10.557	Special Supplemental Nutrition Program for WIC
93.558	Temporary Assistance for Needy Families
	Subsidized Child Care Cluster:
93.596	Child Care Development Fund
93.575	Child Care and Development Block Grant
93.667	Social Services Block Grant
93.558	Temporary Assistance for Needy Families



**Edgecombe County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2009**

---

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  
CFDA #: 93.778

**Finding 09-1**

**Significant Deficiency, Nonmaterial Noncompliance, Eligibility**

**Criteria:** The County Department of Social Services establishes a local case record when a person initially applies for Medicaid. The case record (paper or electronic) is maintained and updated as needed throughout the period of eligibility. The State of North Carolina Department of Health and Human Services provides the auditor with an Eligibility Review Document that details the requirements for Medicaid case records. The Auditor is required to review the local case records to assure that the process is being completed properly by verifying the application was completed and the file contains the necessary documents.

**Condition:** Of the sixty cases requested for examination, five records contained exceptions. Of these records, four records were missing one or more pieces of required documentation and one record was missing substantially all documentation.

**Questioned Costs:** None. Clients were considered to be eligible in spite of the exceptions noted, due to the information contained in the EIS system.

**Effect:** Five individuals could have received benefits for which they were not eligible.

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

**Recommendation:** All records (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. The County Department of Social Services should implement and maintain a monitoring process for the Medicaid application process.

**Management Response:** The County Department of Social Services will implement and maintain a monitoring process for the Medicaid application process to ensure all of the required information is in the case record.

**Edgecombe County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2009**

---

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

---

U.S. Department of Health and Human Services  
Passed through N.C. Department of Health and Human Services  
Program Name: Low-Income Energy Assistance Program  
CFDA #: 93.568

**Finding 09-2**

**Significant Deficiency, Nonmaterial Noncompliance, Eligibility**

Criteria: The Auditor is required to determine that income and energy (fuel) type information is gathered and recorded on the Form DSS-8114.

Condition: Of the ten cases selected for examination, one file was missing the required energy (fuel) type information.

Questioned Costs: None. Recipient was considered to be eligible in spite of the exceptions noted.

Effect: One individual could have received benefits for which they were not eligible.

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

Recommendation: All records (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.

Management Response: The County Department of Social Services has implemented an electronic filing system designed to ensure that all required information is in each case record.

**Edgecombe County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2009**

---

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

---

U.S. Department of Health and Human Services  
Passed through N.C. Department of Health and Human Services  
Program Name: Temporary Assistance for Needy Families (TANF)  
CFDA #: 93.558

**Finding 09-3**

**Significant Deficiency, Nonmaterial Noncompliance, Special Tests and Provisions**

**Criteria:** The County Department of Social Services is obligated to sanction participants who do not comply with program requirements. For cases in which the participants have been determined to be in noncompliance, the Auditor is required to determine if the County DSS has taken necessary action to reduce Work First benefits.

**Condition:** Of the five cases requested for examination, one case was found to have not been sanctioned for non-cooperation with Child Support Enforcement requirements.

**Questioned Costs:** \$1,088.

**Effect:** The County failed to impose appropriate sanctions for noncompliance with program requirements.

**Cause:** The County Department of Social Services does not have proper procedures in place to ensure that benefits are reduced in accordance with the TANF State Plan.

**Recommendation:** The County Department of Social Services should implement effective procedures to ensure non-compliant participants are handled in accordance to the TANF State Plan.

**Management Response:** The County Department of Social Services will implement procedures to ensure sanctions are keyed timely and handled in accordance with the TANF State Plan for non-cooperation with Child Support.

**Edgecombe County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2009**

---

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 09-4**  
**Significant Deficiency, Nonmaterial Noncompliance, Eligibility**

**Criteria:** The County Department of Social Services establishes a local case record when a person initially applies for Food Stamps. This case record (paper or electronic) is maintained and updated as needed throughout the period of eligibility. The Auditor is required to review the local case records to verify that the record contains a completed, signed, and dated Food and Nutrition Services Application as well as any required supporting documentation. The Auditor also performs procedures to confirm the amounts of the allotments being disbursed.

**Condition:** Of the forty-seven cases requested for examination, one record contained the incorrect application form. For five additional records, requested documentation was not provided.

**Questioned Costs:** None. Recipients were considered to be eligible in spite of the exceptions noted.

**Effect:** One applicant could have been provided benefits for which they were not eligible. Documentation was not available to verify the amount of the allotment paid to the applicants matched the amount calculated for five additional records.

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

**Recommendation:** All records (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. The County Department of Social Services should implement and maintain a monitoring process for the Food Stamp application process.

**Management Response:** The County Department of Social Services has implemented an electronic filing system designed to ensure that all required information is in each case file and is complete and accurate.

**Edgecombe County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2009**

---

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

---

U.S. Department of Health and Human Services  
Passed through N.C. Department of Health and Human Services  
Program Name: Child Care Cluster  
CFDA #: 93.575 and 93.596

**Finding 09-5**

**Significant Deficiency, Nonmaterial Noncompliance,  
Special Tests (Child Care Action Notice, Payment for Care and Parent Fees)**

**Criteria:** The Auditor is required to determine if action notices are being provided appropriately when changes in child care occur. The Auditor also confirms that action notices have been properly processed.

**Condition:** Of the thirty cases requested for examination, one file contained a Child Care Action Notice, which was not being reflected in the provider payment.

**Questioned Costs:** \$552.

**Effect:** The County has a net overpayment to providers in the amount of \$552. This consisted of an overpayment of \$92 for a period of six months, resulting from a parent fee from an action notice not being charged.

**Cause:** The County Department of Social Services does not have proper procedures in place to ensure that all changes in situation are properly documented and carried out.

**Recommendation:** The County Department of Social Services should implement and maintain procedures to ensure that all Child Care Action Notices are processed properly.

**Management Response:** The County Department of Social Services will implement procedures to ensure that all child care action notices are processed properly.

**Edgecombe County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2009**

---

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

---

U.S. Department of Health and Human Services  
Passed through N.C. Department of Health and Human Services  
Program Name: Child Care Cluster  
CFDA #: 93.575 and 93.596

**Finding 09-6**  
**Significant Deficiency, Nonmaterial Noncompliance,**  
**Special Tests (Payment for Care and Parent Fees, Provider Records)**

**Criteria:** The Auditor is required to determine whether child care provider records are being properly maintained by the County Department of Social Services and proper payments are being made.

**Condition:** Of the twenty-one provider records requested for examination, four files contained documents, which were missing required signatures.

**Questioned Costs:** None. Providers receiving payments are still considered eligible in spite of the exceptions noted.

**Effect:** Provider files are incomplete.

**Cause:** The County Department of Social Services does not have proper procedures in place to ensure that provider records are being properly maintained.

**Recommendation:** The County Department of Social Services should implement and maintain procedures to ensure that all records properly maintained.

**Management Response:** The County Department of Social Services will implement procedures and maintain procedures to ensure that all records are complete and properly maintained.

**Edgecombe County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2009**

---

Section IV - State Award Findings and Questioned Costs (continued)

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U.S. Department of Health and Human Services  
Passed through N.C. Department of Health and Human Services  
Program Name: Child Care Cluster  
CFDA #: 93.575 and 93.596

**Finding 09-5**  
**Significant Deficiency, Nonmaterial Noncompliance,**  
**Special Tests (Child Care Action Notice, Payment for Care and Parent Fees)**

See 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: Child Care Cluster  
CFDA #: 93.575 and 93.596

**Finding 09-6**  
**Significant Deficiency, Nonmaterial Noncompliance,**  
**Special Tests (Payment for Care and Parent Fees, Provider Records)**

See Section III - Federal Award Findings and Questioned Costs

**Edgecombe County, North Carolina  
Corrective Action Plan  
For the Year Ended June 30, 2009**

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Section II - Financial Statement Findings

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NONE

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Section III - Federal Award Findings and Questioned Costs

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**Finding 09-1**

Name of Contract Person: Marva G. Scott, Director

Corrective Action: Supervisors will 2<sup>nd</sup> party applications and reviews utilizing an agency developed tool to ensure all forms are in the case record.

Proposed Completion Date: January 2010 and ongoing.

**Finding 09-2**

Name of Contract Person: Marva G. Scott, Director

Corrective Action: The County Department of Social Services has implemented an electronic filing system designed to ensure that all required information is in each case record.

Proposed Completion Date: Immediately

**Finding 09-3**

Name of Contract Person: Marva G. Scott, Director

Corrective Action: The County Department of Social Services will implement procedures to ensure sanctions are keyed timely for non-cooperation with Child Support. Supervisors will view the Non-Cooperation Individuals without a IV-D Sanction report daily and ensure that sanctions are keyed within 3 days of it showing up on the report.

Proposed Completion Date: Immediately

**Edgecombe County, North Carolina**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2009**

---

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

---

**Finding 09-4**

Name of Contract Person: Marva G. Scott, Director

Corrective Action: The County Department of Social Services has implemented an electronic filing system designed to ensure that all required information is in each case file and is complete and accurate.

Proposed Completion Date: Immediately

**Finding 09-5**

Name of Contract Person: Marva G. Scott, Director

Corrective Action: The Child Care Supervisor will review with staff policy as relates to keying notices timely to prevent overpayments to Providers. We will continue to remind Providers to review the reimbursement summary report monthly. Once an overpayment is discovered, the total overpayment must be repaid to the County and the County will correct the problem.

Proposed Completion: Immediately.

**Finding 09-6**

Name of Contract Person: Marva G. Scott, Director

Corrective Action: The County Department of Social Services will implement and maintain procedures to ensure that all records are complete and properly maintained.

Proposed Completion: Immediately.

**Edgecombe County, North Carolina**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2009**

---

Section IV - State Award Findings and Questioned Costs

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**Finding 09-5**

Name of Contract Person: Marva G. Scott, Director

Corrective Action: The Child Care Supervisor will review with staff policy as relates to keying notices timely to prevent overpayments to Providers. We will continue to remind Providers to review the reimbursement summary report monthly. Once an overpayment is discovered, the total overpayment must be repaid to the County and the County will correct the problem.

Proposed Completion: Immediately.

**Finding 09-6**

Name of Contract Person: Marva G. Scott, Director

Corrective Action: The County Department of Social Services will implement and maintain procedures to ensure that all records are complete and properly maintained.

Proposed Completion: Immediately.

**Edgecombe County, North Carolina  
Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2009**

**Finding: 08-1**

Status: Corrected

**Finding: 08-2**

Status: Additional procedures are to be implemented during the 2010 fiscal year.

**Finding: 08-3**

Status: Additional procedures are to be implemented during the 2010 fiscal year.

**Finding: 08-4**

Status: Corrected

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**Edgecombe County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2009**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>
<b>FEDERAL GRANTS:</b>	
<b>U.S. Department of Health and Human Services:</b>	
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
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	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>
\$ 1,315,726	\$ -	\$ 1,265,669
71,157	-	-
608,319	-	-
972	-	-
354,892	94,895	133,550
986,791	-	435,274
26,860	6,715	-
17,071	4,589	1,101
28,972	2,905	6,682
1,338,932	(814)	2,244
402,523	-	-
13,175	-	-
\$ 5,165,390	\$ 108,290	\$ 1,844,520
\$ 182,721	\$ -	\$ 5,938
177,827	59,583	118,243
345,399	64,078	92,103
136,990	160	136,057
64,568	9,541	19,184
\$ 907,505	\$ 133,362	\$ 371,525

(continued)

**Edgecombe County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2009**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>
<b>FEDERAL GRANTS: (continued)</b>	
<b>U.S. Department of Health and Human Services: (continued)</b>	
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>
\$ 808,973	\$ -	\$ 808,973
16,909	14,132	6,400
30,769	30,769	-
21,900	-	21,900
74,895,551	30,450,887	2,182,378
<u>\$ 75,774,102</u>	<u>\$ 30,495,788</u>	<u>\$ 3,019,651</u>
\$ 119,050	\$ -	\$ -
1,296,073	-	-
574,995	-	-
165,240	90,807	-
22,612	-	-
523,880	-	-
<u>\$ 2,701,850</u>	<u>\$ 90,807</u>	<u>\$ -</u>
-	205,441	-
-	34,095	-
<u>\$ 2,701,850</u>	<u>\$ 330,343</u>	<u>\$ -</u>

(continued)

**Edgecombe County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2009**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>
<b>FEDERAL GRANTS: (continued)</b>	
<b>U.S. Department of Health and Human Services: (continued)</b>	
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
Maternal and Child Health Services Block Grant	93.994
Tuberculosis Control Programs	93.116
Statewide Health Promotion Program	93.991
Childhood Immunization Grant	93.268
Social Service Block Grant	93.667
Healthy Start Communities	93.926
HIV State Funds	93.940
Temporary Assistance for Needy Families	93.558
Family Planning Services	93.217
First Time Motherhood	93.110
Total N.C. Department of Health and Human Services	
Total U.S. Department of Health and Human Services	
<b>U.S. Department of Agriculture:</b>	
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>
\$ 34,739	\$ -	\$ -
450,169	-	-
32,202	-	-
10,234	-	-
22,918	-	-
9,916	-	-
123,760	-	-
10,849	-	-
15,902	-	-
75,454	-	-
9,872	-	-
\$ 796,015	\$ -	\$ -
\$ 85,344,862	\$ 31,067,783	\$ 5,235,696
\$ 17,208,652	\$ -	\$ -
572,893	-	553,744
\$ 17,781,545	\$ -	\$ 553,744

(continued)

**Edgecombe County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2009**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>
<b>FEDERAL GRANTS: (continued)</b>	
<b>U.S. Department of Agriculture: (continued)</b>	
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
Rural Housing Preservation Grants	10.433
Total N.C. Rural Economic Development Center	
Total U.S. Department of Agriculture	
<b>U.S. Department of Homeland Security:</b>	
Passed-through N.C. Department of Crime Control and Public Safety:	
Emergency Management Services	97.042
Total U.S. Department of Homeland Security	
<b>U.S. Department of Housing and Urban Development:</b>	
Passed-through N.C. Department of Commerce:	
Community Development Block Grant/State's Program	14.228
Home Investment Partnership Program	14.239
Total U.S. Department of Housing and Urban Development	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 326,260	\$ -	\$ -
-	-	-
1,702,408	-	-
<u>\$ 2,028,668</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,196,026	\$ -	\$ -
66,632	-	-
<u>\$ 2,262,658</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 22,072,871</u>	<u>\$ -</u>	<u>\$ 553,744</u>
\$ 162,777	\$ -	\$ -
<u>\$ 162,777</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 779,564	\$ -	\$ -
270,792	-	-
<u>\$ 1,050,356</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**Edgecombe County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2009**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>
<b>FEDERAL GRANTS: (continued)</b>	
<b>U.S. Department of Justice:</b>	
Passed-through N.C. Department of Correction:	
Criminal Justice	16.541
COPS Technology Grant	16.710
State Criminal Alien Assistance Program	16.606
Total U.S. Department of Justice	
<b>U.S. Department of Transportation:</b>	
Passed-through N.C. Solar Center:	
Clean Fuel Grant	20.205
<b>U.S. Election Assistance Commission:</b>	
Passed-through N.C. Department of Administration:	
Help America Vote Act	90.401
<b>U.S. Department of Aging:</b>	
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
Family Caregiver Title III-E	93.052
Total U.S. Department of Aging	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 71,471	\$ -	\$ 24,925
88,314	-	-
1,488	-	-
\$ 161,273	\$ -	\$ 24,925
\$ 126,400	\$ -	\$ 37,713
\$ 26,492	\$ -	\$ -
\$ 31,065	\$ 1,827	\$ -
56,041	3,297	-
68,989	4,058	-
23,027	1,354	-
29,681	848	-
19,780	-	-
5,363	357	-
\$ 233,946	\$ 11,741	\$ -

(continued)

**Edgecombe County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2009**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>
<b>STATE GRANTS:</b>	
<b>N.C. Department of Human and Health Services:</b>	
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
Foster Care Special Provision	N/A
Energy Assistance	N/A
State Adult Protection Services	N/A
Smart Start	N/A
TANF Program Integrity	N/A
CWS Adoption Subsidy	N/A
State Foster Home	N/A
SFHF Maximization	N/A
Work First Non-Reimbursable	N/A
Total Division of Social Services	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 77,145	\$ 213,839
-	-	14,755
-	772,636	773,868
-	28,963	15,271
-	36,142	-
-	3,507	-
-	27,922	-
-	77,272	-
-	3,408	-
-	253,580	57,877
-	125,259	125,258
-	74,712	74,657
-	-	104,867
<u>\$ -</u>	<u>\$ 1,480,546</u>	<u>\$ 1,380,392</u>

(continued)

**Edgecombe County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2009**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>
<b>STATE GRANTS: (continued)</b>	
<b>N.C. Department of Human and Health Services:</b>	
Division of Health Services:	
Preparedness and Response	N/A
AIDS - State	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
Public Health Lab	N/A
Lead Grant	N/A
Public Health Nurse Training	N/A
Minority Health	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
Fan/Heat Program	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>
\$ -	\$ 34,291	\$ -
-	63,183	-
-	9,052	-
-	166,735	-
-	7,367	-
-	6,521	-
-	24,157	-
-	1,280	-
-	50,992	-
-	5,610	-
-	3,202	-
-	3,053	-
-	1,000	-
-	31,318	-
<u>\$ -</u>	<u>\$ 407,761</u>	<u>\$ -</u>
\$ -	\$ 8,431	\$ -
-	14,120	-
-	17,217	-
-	8,721	-
-	223,017	-
-	148	-
<u>\$ -</u>	<u>\$ 271,654</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 2,159,961</u>	<u>\$ 1,380,392</u>

(continued)

**Edgecombe County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2009**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>
<b>STATE GRANTS: (continued)</b>	
<b>N.C. Department of Crime Control and Public Safety:</b>	
NC Crime Center VIPER Grant	N/A
Gang Violence Prevention	N/A
Total N.C. Department of Crime Control and Public Safety	
<b>N.C. Department of Transportation:</b>	
Operating Assistance	N/A
<b>N.C. Department of Environment and Natural Resources</b>	
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
CDC Lead Grant	N/A
Total N.C. Department of Environment and Natural Resources	
<b>N.C. Department of Juvenile Justice &amp; Delinquency Prevention:</b>	
Youth Services	N/A
Total N.C. Department of Juvenile Justice & Delinquency Prevention	

<b>Federal Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
\$ -	\$ 21,729	\$ 5,432
-	14,255	4,752
<u>\$ -</u>	<u>\$ 35,984</u>	<u>\$ 10,184</u>
<u>\$ -</u>	<u>\$ 166,358</u>	<u>\$ -</u>
\$ -	\$ -	\$ -
-	25,000	-
-	110,999	-
-	20,542	-
-	48,489	-
-	4,000	1,995
-	47,886	-
<u>\$ -</u>	<u>\$ 256,916</u>	<u>\$ 1,995</u>
\$ -	\$ 180,202	\$ 18,196
<u>\$ -</u>	<u>\$ 180,202</u>	<u>\$ 18,196</u>

(continued)

**Edgecombe County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2009**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>
<b>STATE GRANTS: (continued)</b>	
<b>N.C. Housing Finance Agency:</b>	
Urgent Repair	N/A
Total N.C. Housing Finance Agency	
<b>N.C. Department of Agriculture and Consumer Services:</b>	
Recycling 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 and Foster Care and Adoption.

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
-	55,200	-
<u>\$ -</u>	<u>\$ 55,200</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 6,055</u>	<u>\$ -</u>
<u><u>\$ 109,178,977</u></u>	<u><u>\$ 33,940,200</u></u>	<u><u>\$ 7,262,845</u></u>

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