

Financial Statements

Bertie County, North Carolina

FINANCIAL STATEMENTS and INDEPENDENT AUDITOR'S REPORT

Year Ended June 30, 2007

Board of Commissioners

Robert E. Harrell – Chair

L. C. Hoggard

Charles Smith

Norman M. Cherry, Sr.

J. Wallace Perry

County Manager

Zee B. Lamb

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FINANCIAL SECTION

Independent Auditor's Report

To the Board of County Commissioners
Bertie County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina, as of and for the year ended June 30, 2007, which collectively comprise Bertie County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bertie County's management. Our responsibility is to express opinions 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 Bertie County ABC Board were not audited in accordance with *Governmental Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 opinions.

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2007 on our consideration of Bertie County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance 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 on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Bertie County, North Carolina. The 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 the accompanying schedule of expenditures of federal and State awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The statistical tables have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on them.

Pittard Perry & Crone, Inc.

Pittard Perry & Crone, Inc.
October 4, 2007

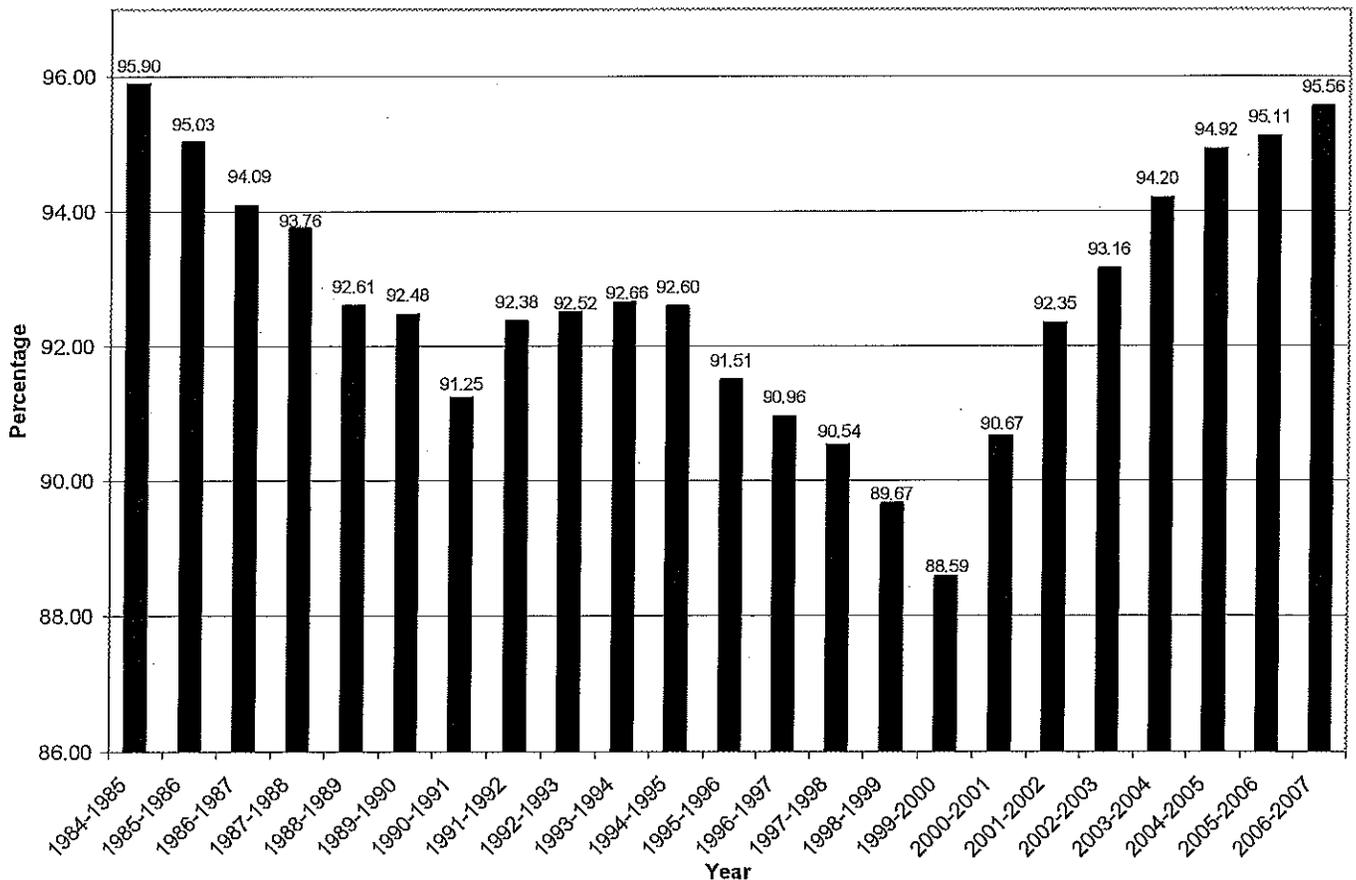
Management's Discussion and Analysis

As management of Bertie County, we offer readers of Bertie County's financial statements this narrative overview and analysis of the financial activities of Bertie County for the fiscal year ended June 30, 2007. 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 Bertie County exceeded its liabilities at the close of the fiscal year by \$24,447,434 (*net assets*).
- The government's total net assets decreased by \$4,545,524, primarily due to capital expenditures in the governmental funds.
- As of the close of the current fiscal year, Bertie County's governmental funds reported combined ending fund balances of \$11,551,168, a decrease of \$2,706,216 in comparison with the prior year. Approximately 48.40% of this total amount or \$5,591,621 is available or 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 \$5,591,621, or 30.32% of total general fund expenditures of \$18,441,971 for the fiscal year.
- Bertie County's total debt increased by \$2,264,645 (12.06%) during the current fiscal year. The key factor in this increase was the loan proceeds received for the Middle School Capital Project.
- Tax collection rate was 95.56% for FY 2006-2007. This represents the highest collection rate since FY 1984-1985.

Current Year Tax Collection Rate - All Property

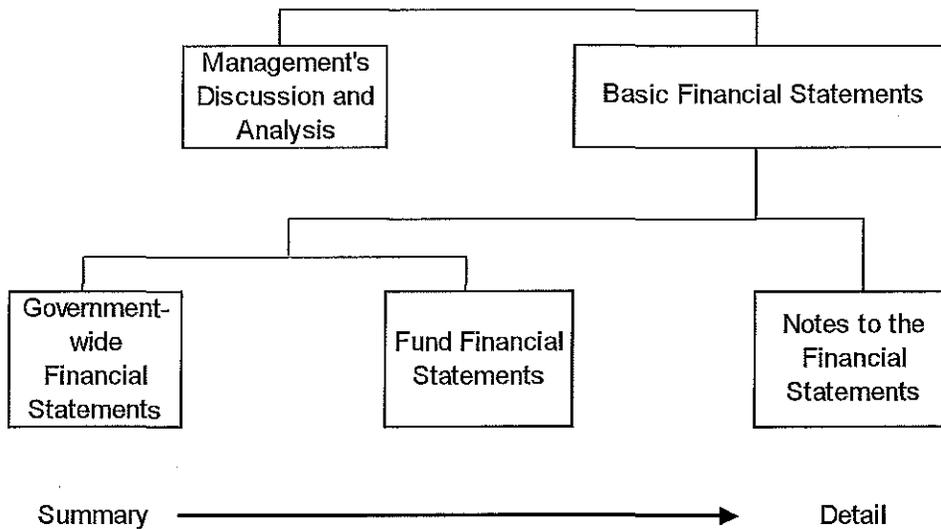


Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Bertie 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 Bertie 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 and internal service 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 plan.

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 gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, 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 services offered by Bertie County. The final category is the component units. Although legally separate from the County, the ABC Board is important to the County because 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. Bertie 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 Bertie 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.

Bertie 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.

Proprietary Funds – Bertie 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. Bertie County uses enterprise funds to account for its water 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. Bertie County has four fiduciary funds, one of which is a pension trust fund and three of which are agency funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 29 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Bertie County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 49 of this report.

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Bertie County exceeded liabilities by \$24,447,434 as of June 30, 2007. The County's net assets decreased by \$4,545,524 for the fiscal year ended June 30, 2007. One of the largest portions (80.78%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. Bertie County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Bertie 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.

Bertie County's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 22,781,748	\$ 24,744,726	\$ 1,455,175	\$ 1,752,828	\$ 24,236,923	\$ 26,497,554
Capital assets	5,895,024	5,378,421	31,422,252	31,290,403	37,317,276	36,668,824
Total assets	<u>28,676,772</u>	<u>30,123,147</u>	<u>32,877,427</u>	<u>33,043,231</u>	<u>61,554,199</u>	<u>63,166,378</u>
Current and other liabilities	2,022,851	909,507	220,447	475,861	2,243,298	1,385,368
Long-term liabilities, due within one year	1,336,851	1,095,141	221,500	214,484	1,558,351	1,309,625
Long-term liabilities, due in more than one year	20,021,138	17,974,877	13,283,978	13,503,550	33,305,116	31,478,427
Total liabilities	<u>23,380,840</u>	<u>19,979,525</u>	<u>13,725,925</u>	<u>14,193,895</u>	<u>37,106,765</u>	<u>34,173,420</u>
Net assets:						
Invested in capital assets, net of related debt	1,817,246	4,533,977	17,930,652	17,588,303	19,747,898	22,122,280
Unrestricted	3,478,686	5,609,645	1,220,850	1,261,033	4,699,536	6,870,678
Total net assets	<u>\$ 5,295,932</u>	<u>\$ 10,143,622</u>	<u>\$ 19,151,502</u>	<u>\$ 18,849,336</u>	<u>\$ 24,447,434</u>	<u>\$ 28,992,958</u>

Government-Wide Financial Analysis

Several particular aspects of the County's financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes, both current year levy and prior year delinquent taxes.
- Increased Host Fees from privately owned landfill.
- Increase in sales tax collections.

**Bertie County Changes in Net Assets
Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 3,057,107	\$ 2,561,899	\$ 1,580,898	\$ 1,417,205	\$ 4,638,005	\$ 3,979,104
Operating grants and contributions	4,065,251	4,118,908	-	-	4,065,251	4,118,908
Capital grants and contributions	42,970	10,292	477,824	3,662,423	520,794	3,672,715
General revenues:						
Property taxes	7,649,173	7,767,523	-	-	7,649,173	7,767,523
Other taxes	3,575,411	3,298,018	-	-	3,575,411	3,298,018
Investment earnings	812,482	507,663	53,643	40,403	866,125	548,066
Miscellaneous	506,579	163,984	55,152	47,460	561,731	211,444
Total revenues	19,708,973	18,428,287	2,167,517	5,167,491	21,876,490	23,595,778
Expenses:						
General government	2,380,366	2,233,074	-	-	2,380,366	2,233,074
Public safety	3,382,408	3,212,105	-	-	3,382,408	3,212,105
Environmental protection	426,602	393,746	-	-	426,602	393,746
Economic and physical development	720,488	673,277	-	-	720,488	673,277
Human services	7,177,837	6,287,450	-	-	7,177,837	6,287,450
Education	9,268,820	3,427,172	-	-	9,268,820	3,427,172
Special appropriations	372,660	350,580	-	-	372,660	350,580
E-911	87,347	75,489	-	-	87,347	75,489
Interest and fees on long-term debt	694,544	635,924	-	-	694,544	635,924
Water districts	-	-	1,910,942	1,813,377	1,910,942	1,813,377
Total expenses	24,511,072	17,288,817	1,910,942	1,813,377	26,422,014	19,102,194
Increase in net assets before transfers and special items	(4,802,099)	1,139,470	256,575	3,354,114	(4,545,524)	4,493,584
Transfers	(45,591)	(539,258)	45,591	539,258	-	-
Increase in net assets	(4,847,690)	600,212	302,166	3,893,372	(4,545,524)	4,493,584
Net assets, July 1	10,143,622	9,543,410	18,849,336	14,955,964	28,992,958	24,499,374
Net assets, June 30	\$ 5,295,932	\$ 10,143,622	\$ 19,151,502	\$ 18,849,336	\$ 24,447,434	\$ 28,992,958

Governmental activities. Governmental activities decreased the County's net assets by \$4,847,690. Key elements of this decrease are as follows.

- Increase expenditures on the Middle School Project.

Business-type activities: Business-type activities increased Bertie County's net assets by \$302,166, accounting for 100% of the total growth in the government's net assets. Key elements of this increase are as follows:

- Solicitation of additional grant revenues for the Water System.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Bertie County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Bertie 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 Bertie County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$5,591,621, while total fund balance reached \$7,051,038. 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 30.32% percent of total General Fund expenditures, while total fund balance represents 38.23% of that same amount.

At June 30, 2007, the governmental funds of Bertie County reported a combined fund balance of \$11,551,168, a 18.98% decrease over last year.

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.

Proprietary Funds. Bertie 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 Water districts equaled \$1,220,850. The total growth in net assets was \$302,166. Other factors concerning the finances of these funds have already been addressed in the discussion of Bertie County's business-type activities.

Capital Asset and Debt Administration

Capital assets. Bertie County's capital assets for its governmental and business – type activities as of June 30, 2007, totals \$37,317,276 (net of accumulated depreciation). These assets include buildings, land, equipment, and vehicles.

Major capital asset transactions during the year include:

- 7 Vehicles for Sheriff's Department, Inspections, and Maintenance
- Final Completion of new Bertie Middle School
- Further Construction of the Water Districts

Bertie County's Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 854,290	\$ 648,290	\$ 129,994	\$ 91,500	\$ 984,284	\$ 739,790
Buildings and system Improvements	3,286,345	3,394,847	22,274,069	17,364,998	25,560,414	20,759,845
Machinery and equipment	709,785	-	-	-	709,785	-
Vehicles and motorized equipment	349,998	400,638	-	-	349,998	400,638
Construction in progress	357,567	347,022	-	797	357,567	347,819
	337,039	587,624	9,018,189	13,833,108	9,355,228	14,420,732
Total	\$ 5,895,024	\$ 5,378,421	\$ 31,422,252	\$ 31,290,403	\$ 37,317,276	\$ 36,668,824

Additional information on the County's capital assets can be found in note II.A. 5.

Long-term Debt. As of June 30, 2007, Bertie County had total bonded debt outstanding of \$13,491,600 all of which is debt backed by the full faith and credit of the County.

Bertie County's Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ -	\$ -	\$ 13,491,600	\$ 13,702,100	\$ 13,491,600	\$ 13,702,100
Capitalized leases	-	-	-	-	-	-
Installment purchases	21,047,056	18,782,411	-	-	21,047,056	18,782,411
Compensated absences	201,666	190,259	13,878	15,934	215,544	206,193
Net pension obligation	109,267	97,348	-	-	109,267	97,348
	<u>\$ 21,357,989</u>	<u>\$ 19,070,018</u>	<u>\$ 13,505,478</u>	<u>\$ 13,718,034</u>	<u>\$ 34,863,467</u>	<u>\$ 32,788,052</u>

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 Bertie County is \$59,844,606.

Additional information regarding Bertie County's long-term debt can be found in Note II.B.5 beginning on page 42 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County.

- Completion of the construction of a new State Prison.
- Other small businesses locating in the County.
- Innsbrook Subdivision to include 450 residential lots and Arnold Palmer Golf Course.

Budget Highlights for the Fiscal Year Ending June 30, 2008

Governmental Activities: Property tax collections and revenues from permits and fees have been responsible for increases in revenue projections. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund have not significantly increased during the year, due to efforts to limit spending due to the recent recession. The largest increments are in employee compensation, including funding compensation and benefits adjustments, as well as increases in spending for new recreation department, law enforcement, and losses associated with Hurricane Isabel clean-up.

Business – type Activities: The water rates in the County have not increased. The largest increments are in employee compensation, including funding compensation and benefits adjustments.

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 Finance, Bertie County, PO Box 530, Windsor, NC 27983.

BASIC FINANCIAL STATEMENTS

Bertie County, North Carolina
STATEMENT OF NET ASSETS
 June 30, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
ASSETS				
Cash and cash equivalents	\$ 7,957,830	\$ 1,139,232	\$ 9,097,062	\$ 145,081
Receivables (net)	2,108,897	277,508	2,386,405	286
Notes receivable	8,524,218	-	8,524,218	-
Due from component unit	2,389	-	2,389	-
Inventories	-	-	-	156,940
Prepaid items	-	-	-	4,980
Total current assets	<u>18,593,334</u>	<u>1,416,740</u>	<u>20,010,074</u>	<u>307,287</u>
Restricted assets:				
Cash and cash equivalents	4,188,414	-	4,188,414	-
Receivables (net)	-	38,435	38,435	-
Total restricted assets	<u>4,188,414</u>	<u>38,435</u>	<u>4,226,849</u>	<u>-</u>
Capital assets:				
Land, improvements, and construction in progress	1,191,328	9,148,182	10,339,510	5,346
Other capital assets, net of depreciation	4,703,696	22,274,070	26,977,766	10,874
Total capital assets	<u>5,895,024</u>	<u>31,422,252</u>	<u>37,317,276</u>	<u>16,220</u>
Total assets	<u>28,676,772</u>	<u>32,877,427</u>	<u>61,554,199</u>	<u>323,507</u>
LIABILITIES				
Accounts payable and accrued expenses	1,501,801	72,499	1,574,300	61,051
Unearned revenue	70,925	-	70,925	-
Customer deposits	-	117,933	117,933	-
Due to primary government	-	-	-	2,389
Liabilities to be paid from restricted assets	450,125	30,015	480,140	-
Long-term liabilities:				
Due within one year	1,336,851	224,970	1,561,821	-
Due in more than one year	20,021,138	13,280,508	33,301,646	10,332
Total long-term liabilities	<u>21,357,989</u>	<u>13,505,478</u>	<u>34,863,467</u>	<u>10,332</u>
Total liabilities	<u>23,380,840</u>	<u>13,725,925</u>	<u>37,106,765</u>	<u>73,772</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,817,246	17,930,652	19,747,898	16,220
Restricted for working capital	-	-	-	25,388
Unrestricted (deficit)	3,478,686	1,220,850	4,699,536	208,127
Total net assets	<u>\$ 5,295,932</u>	<u>\$ 19,151,502</u>	<u>\$ 24,447,434</u>	<u>\$ 249,735</u>

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
\$ (2,252,628)	\$ -	\$ (2,252,628)	\$ -
(2,866,610)	-	(2,866,610)	-
1,568,724	-	1,568,724	-
(500,155)	-	(500,155)	-
(2,914,674)	-	(2,914,674)	-
(9,225,850)	-	(9,225,850)	-
(372,660)	-	(372,660)	-
(87,347)	-	(87,347)	-
(694,544)	-	(694,544)	-
<u>(17,345,744)</u>	<u>-</u>	<u>(17,345,744)</u>	<u>-</u>
-	147,780	147,780	-
-	147,780	147,780	-
<u>\$ (17,345,744)</u>	<u>\$ 147,780</u>	<u>\$ (17,197,964)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,189</u>
\$ 7,649,173	\$ -	\$ 7,649,173	\$ -
3,173,571	-	3,173,571	-
401,840	-	401,840	-
812,482	53,643	866,125	(3,189)
506,579	55,152	561,731	-
(45,591)	45,591	-	-
12,498,054	154,386	12,652,440	(3,189)
(4,847,690)	302,166	(4,545,524)	-
10,143,622	18,849,336	28,992,958	249,735
<u>\$ 5,295,932</u>	<u>\$ 19,151,502</u>	<u>\$ 24,447,434</u>	<u>\$ 249,735</u>

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

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.	5,849,295
Liabilities for earned but deferred revenues in fund statements.	9,154,355
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(21,357,989)
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	<u>99,103</u>
Net assets of governmental activities	<u>\$ 5,295,932</u>

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

Net changes in fund balances - total governmental funds	\$ (2,706,216)
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 expense in the current year.	557,878
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(22,990)
Revenues not in the statement of activities that do not provide current financial resources and reported as revenues in the funds.	(401,134)
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.	(2,287,972)
Internal service funds are used by management to charge the costs of a telephone system to individual funds.	<u>12,744</u>
Total changes in net assets of governmental activities	<u>\$ (4,847,690)</u>

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

Bertie County, North Carolina
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2007

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 7,855,862	\$ 7,855,862	\$ 8,050,246	\$ 194,384
Other taxes and licenses	705,000	814,560	880,357	65,797
Intergovernmental revenues	5,804,476	6,641,744	6,545,757	(95,987)
Licenses and permits	232,300	227,900	246,113	18,213
Sales and services	1,553,417	1,701,417	1,741,355	39,938
Investment earnings	250,000	250,000	355,999	105,999
Miscellaneous	157,760	1,252,911	1,388,630	135,719
Total revenues	<u>16,558,815</u>	<u>18,744,394</u>	<u>19,208,457</u>	<u>464,063</u>
EXPENDITURES				
Current:				
General government	2,354,177	2,467,777	2,333,899	133,878
Public safety	3,375,299	3,470,777	3,305,414	165,363
Environmental protection	404,500	428,590	426,602	1,988
Economic and physical development	296,074	543,812	510,791	33,021
Human services	7,377,301	7,540,464	7,149,705	390,759
Intergovernmental:				
Education	2,713,000	2,713,000	2,613,000	100,000
Special appropriations	399,507	427,384	372,660	54,724
Capital outlay				
Debt service:				
Principal	678,848	1,035,357	1,035,356	1
Interest and fees	221,728	694,546	694,544	2
Total expenditures	<u>17,820,434</u>	<u>19,321,707</u>	<u>18,441,971</u>	<u>879,736</u>
Revenues over (under) expenditures	<u>(1,261,619)</u>	<u>(577,313)</u>	<u>766,486</u>	<u>1,343,799</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	459,851	324,851	187,637	(137,214)
Transfers to other funds	(90,591)	(271,896)	(271,894)	2
Total other financing sources and uses	<u>369,260</u>	<u>52,955</u>	<u>(84,257)</u>	<u>(137,212)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(892,359)</u>	<u>(524,358)</u>	<u>682,229</u>	<u>1,206,587</u>
Appropriated fund balance	<u>892,359</u>	<u>524,358</u>	<u>-</u>	<u>(524,358)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>682,229</u>	<u>\$ 682,229</u>
Fund balance, beginning			6,368,809	
Fund balance, ending			<u>\$ 7,051,038</u>	

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

Bertie County, North Carolina
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
 June 30, 2007

	Business-type Activities-Proprietary Funds - Major					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 251,548	\$ 109,510	\$ 598,783	\$ 179,391	\$ 1,139,232	\$ 52,633
Receivables, net	50,187	70,650	40,998	115,673	277,508	2,108
Total current assets	<u>301,735</u>	<u>180,160</u>	<u>639,781</u>	<u>295,064</u>	<u>1,416,740</u>	<u>54,741</u>
Noncurrent assets:						
Restricted assets:						
Sales tax receivable	-	-	-	-	-	-
Grants receivable	-	30,114	8,321	-	38,435	-
Capital assets:						
Land and improvements	36,994	36,500	36,500	20,000	129,994	-
Construction in progress	2,408,512	1,509,304	3,138,243	1,962,129	9,018,188	-
Buildings, improvements, and equipment	5,705,836	10,025,321	4,882,199	5,271,187	25,884,543	182,848
Vehicles and motorized equipment	-	-	15,941	-	15,941	-
Less accumulated depreciation	(1,174,336)	(674,783)	(1,151,849)	(625,446)	(3,626,414)	(137,119)
Total capital assets	<u>6,977,006</u>	<u>10,896,342</u>	<u>6,921,034</u>	<u>6,627,870</u>	<u>31,422,252</u>	<u>45,729</u>
Total noncurrent assets	<u>6,977,006</u>	<u>10,926,456</u>	<u>6,929,355</u>	<u>6,627,870</u>	<u>31,460,687</u>	<u>45,729</u>
Total assets	<u>7,278,741</u>	<u>11,106,616</u>	<u>7,569,136</u>	<u>6,922,934</u>	<u>32,877,427</u>	<u>100,470</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	18,176	18,294	18,054	17,975	72,499	1,367
Customer deposits	30,084	20,328	40,857	26,664	117,933	-
Compensated absences payable	3,331	2,498	4,302	3,747	13,878	-
General obligation bonds payable	51,500	67,500	50,000	52,500	221,500	-
Total current liabilities	<u>103,091</u>	<u>108,620</u>	<u>113,213</u>	<u>100,886</u>	<u>425,810</u>	<u>1,367</u>
Current liabilities payable from restricted assets:						
Accounts payable and accrued liabilities	-	19,860	8,360	95	28,315	-
Retainage payable	-	-	1,700	-	1,700	-
Total current liabilities payable from restricted assets	<u>-</u>	<u>19,860</u>	<u>10,060</u>	<u>95</u>	<u>30,015</u>	<u>-</u>
Noncurrent liabilities:						
General obligation bonds payable	2,883,000	3,994,000	2,646,500	3,746,600	13,270,100	-
Total noncurrent liabilities	<u>2,883,000</u>	<u>3,994,000</u>	<u>2,646,500</u>	<u>3,746,600</u>	<u>13,270,100</u>	<u>-</u>
Total liabilities	<u>2,986,091</u>	<u>4,122,480</u>	<u>2,769,773</u>	<u>3,847,581</u>	<u>13,725,925</u>	<u>1,367</u>
NET ASSETS						
Invested in capital assets, net of related debt	4,042,506	6,834,842	4,224,534	2,828,770	17,930,652	45,729
Unrestricted	250,144	149,294	574,829	246,583	1,220,850	53,374
Total net assets	<u>\$ 4,292,650</u>	<u>\$ 6,984,136</u>	<u>\$ 4,799,363</u>	<u>\$ 3,075,353</u>	<u>\$ 19,151,502</u>	<u>\$ 99,103</u>

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

Bertie County, North Carolina
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2007

	Business-type Activities-Proprietary Funds - Major					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
Operating revenue:						
User charges	\$ 322,195	\$ 396,615	\$ 432,656	\$ 429,432	\$ 1,580,898	\$ 74,679
Total operating revenue	<u>322,195</u>	<u>396,615</u>	<u>432,656</u>	<u>429,432</u>	<u>1,580,898</u>	<u>74,679</u>
Operating expenses						
Administrative expenses	176,234	220,395	235,520	169,539	801,688	43,650
Depreciation expense	121,266	106,227	98,706	96,775	422,974	18,285
Total operating expenses	<u>297,500</u>	<u>326,622</u>	<u>334,226</u>	<u>266,314</u>	<u>1,224,662</u>	<u>61,935</u>
Operating income (loss)	24,695	69,993	98,430	163,118	356,236	12,744
Nonoperating revenues (expenses)						
Investment earnings	14,630	4,877	24,383	9,753	53,643	-
Miscellaneous income	2,092	39,460	500	13,100	55,152	-
Interest and fees	(152,704)	(200,870)	(143,862)	(188,844)	(686,280)	-
Total nonoperating revenues (expenses)	<u>(135,982)</u>	<u>(156,533)</u>	<u>(118,979)</u>	<u>(165,991)</u>	<u>(577,485)</u>	<u>-</u>
Income (loss) before contributions and operating transfers	(111,287)	(86,540)	(20,549)	(2,873)	(221,249)	12,744
Capital contributions	40,000	184,993	234,572	18,259	477,824	-
Transfers from (to) other funds	5,000	40,591	-	-	45,591	-
Total transfers and capital contributions	<u>45,000</u>	<u>225,584</u>	<u>234,572</u>	<u>18,259</u>	<u>523,415</u>	<u>-</u>
Change in net assets	(66,287)	139,044	214,023	15,386	302,166	12,744
Net assets, beginning	4,358,937	6,845,092	4,585,340	3,059,967	18,849,336	86,359
Net assets, ending	<u>\$ 4,292,650</u>	<u>\$ 6,984,136</u>	<u>\$ 4,799,363</u>	<u>\$ 3,075,353</u>	<u>\$ 19,151,502</u>	<u>\$ 99,103</u>

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

	Business-type Activities-Proprietary Funds - Major					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 24,695	\$ 69,993	\$ 98,430	\$ 163,118	\$ 356,236	\$ 12,744
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	121,266	106,227	98,706	96,775	422,974	18,285
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	8,487	(43,256)	24,882	(31,270)	(41,157)	3,466
Increase (decrease) in accounts payable and accrued liabilities	56	286	1,767	(1,943)	166	(1,677)
Increase (decrease) in customer deposits	2,474	1,950	2,560	3,762	10,746	-
Increase (decrease) in accrued vacation	(493)	(370)	(638)	(555)	(2,056)	-
Total adjustments	131,790	64,837	127,277	66,769	390,673	20,074
Net cash provided (used) by operating activities	\$ 156,485	\$ 134,830	\$ 225,707	\$ 229,887	\$ 746,909	\$ 32,818

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

Bertie County, North Carolina
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
 June 30, 2007

	Social Services Fund	Pest Management Fund	Fines and Forfeitures
ASSETS			
Cash and cash equivalents	\$ 1,077	\$ 5,513	\$ 1,492
LIABILITIES			
Miscellaneous liabilities	\$ 1,077	\$ 5,513	\$ 1,492

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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

I. Summary of Significant Accounting Policies

The accounting policies of Bertie 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 five-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 component units, legally separate entities for which the County is financially accountable. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. The blended component unit, although it is a legally separate entity, is, in substance, part of the County's operations. The discretely presented component unit below is reported in a separate column in the County's combined financial statements in order to emphasize that it is legally separate from the County.

Blended Component Unit

Bertie County Water Districts

Bertie County maintains four water districts (the "Districts") to provide a water system for the County residents within the districts. Under State law [G.S. 162A-89], the County's board of commissioners also serve as the governing board for the Districts. Therefore, the Districts are reported as an enterprise fund in the County's financial statements. The Districts do not issue separate financial statements.

Discretely Presented Component Units

Bertie County Industrial Facility and Pollution Control Financing Authority

Bertie 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 is governed by a seven-member board of commissioners, all of whom are appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

Bertie County ABC Board

The members of the ABC Board's governing body are appointed by the County. The ABC Board is required by state statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

Complete financial statements of the component unit may be obtained at the administrative office of the entity.

Bertie County ABC Board
P. O. Box 97
Windsor, North Carolina 27983

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, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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 revenues are ancillary activities such as investment earnings.

The County reports the following major governmental fund:

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.

Schools Capital Project Fund – Capital Project Fund. This fund accounts for funds used in the construction of school facilities.

Middle School Capital Projects Fund – Capital Project Fund. This fund accounts for funds used in the construction of school facilities.

Social Services Building Construction Fund – Capital Project Fund. This fund accounts for funds used in the construction of a new social services building.

The County reports the following major enterprise funds:

Bertie County Water District I Fund - This fund accounts for the County's water operations of District I.

Bertie County Water District II Fund – This fund accounts for the County's water operations of District II.

Bertie County Water District III Fund – This fund accounts for the County's water operations of District III.

Bertie County Water District IV Fund – This fund accounts for the County's water operations of District IV.

The County also reports the following fund types:

Internal Service Fund. The Internal Service Funds, which are proprietary funds, are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis. Bertie County has one internal service fund. The Bertie Telephone is an internal service fund, which operates for County use only.

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency Funds are used to account for assets the County holds on behalf of others. The County maintains four Agency Funds: the Social Services Fund, which accounts for monies held by the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Bertie County Board of Education and the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; the Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities within the County; and the Pest Management Fund, which accounts for the moneys received from local farmers for Agriculture Extension services.

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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

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. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. 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.

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 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the 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, Bertie County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, 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 2006 through February 2007 apply to the fiscal year ended June 30, 2007. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements. In addition, as of January 1, 2006, State law implemented a staggered expiration date system of annually registered vehicles as part of the conversion into the staggered registration. Originally, annually registration expired December 31st each year with taxes due by May 1st of the following year. To transition from the staggered into the annual registration, the initial 2007 registration renewals will vary from 7 to 18 months after December 31, 2006. Once these initial renewals have expired, all vehicles that were previously annually registered will be in the staggered system.

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

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Special Revenue Funds, (excluding the Revaluation Fund, the Capital Reserve – Schools Fund, the Emergency Telephone System Fund, the Capacity Building Grant Fund, the Housing Assistance Grant, and the Community Development Block Grant Funds), the Enterprise Funds, the Internal Service Funds and the Capital Project Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Block Grant Funds which is a Special Revenue fund type, 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 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 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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

2. Cash and Cash Equivalents

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

3. Restricted Assets

Grants receivable and unexpended grant proceeds are classified as restricted assets within the enterprise funds because their use is completely restricted to the purpose for which the grant is intended.

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, 2003. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The inventory of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory for 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

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. 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. 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.

The County holds title to certain Bertie 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 of 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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2007

reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Bertie County Board of Education.

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

	Years
Buildings	50
Improvements	10-20
Furniture and equipment	10
Vehicles	3-5
Computer equipment	5

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
Computers	3

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 other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

9. Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave 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 has 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.

The governmental fund types classify fund balances as follows:

Reserved

Reserved for domestic violence - portion of fund balance not available for appropriation because it represents domestic violence revenues over expenditures.

Bertie County, North Carolina
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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 CJPP -- portion of fund balance not available for appropriation because it represents monies collected for criminal justice programs.

Unreserved

Designated for subsequent year's expenditures -- portion of total fund balance available for appropriation that has been designated for the adopted 2007-2008 budget ordinance.

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

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets -- governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$(6,255,236) 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)	\$ 8,872,286
Less accumulated depreciation	(3,022,991)
Net capital assets	5,849,295
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	9,154,355
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(21,047,056)
Pension obligation	(109,267)
Compensated absences	(201,666)
	(21,357,989)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	99,103
Total adjustment	\$ (6,255,236)

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
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2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(2,141,382) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 823,774
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	(265,896)
Cost of capital assets disposed during the year, that is recorded on the statement of activities but not in the fund statements	(22,990)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	
Change in deferred revenues	(401,134)
Principal payments on 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	(2,287,972)
Internal service funds are used by management to charge the costs of a data information system to individual funds	12,744
Total adjustment	<u>\$ (2,141,474)</u>

II. Stewardship, Compliance, and Accountability

A. Deficit Fund Balance or Net Assets of Individual Funds

For the fiscal year ended June 30, 2007, the Middle School Capital Project Fund showed a deficit fund balance of \$(209,362). This deficit fund balance occurred because the County expended moneys for the project prior to receiving the grant money. Management will more closely review the budget reports to ensure compliance in future years. The County also showed a deficit fund balance of \$(763) in the Schools Capital Projects Fund. This deficit fund balance occurred because the County expended moneys for the project prior to receiving the grant money. Management will more closely review the budget reports to ensure compliance in future years.

III. Detail Notes on All Funds

A. Assets

1. Deposits

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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
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However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness 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. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2007, the County's deposits had a carrying amount of \$11,083,506 and a bank balance of \$11,429,168. Of the bank balance, \$400,000 was covered by federal depository insurance and \$42,838 in non-interest bearing deposits and \$10,986,330 in interest bearing certificates of deposit covered by collateral held under the Pooling Method.

At June 30, 2007, Bertie County had \$1,170 cash on hand.

At June 30, 2007, the carrying amount of deposits for Bertie County ABC Board was \$143,406 and the bank balance was \$133,885. Of the bank balance, \$100,000 was covered by federal depository insurance and \$33,885 was covered by collateral held under the Pooling Method.

At June 30, 2007, the ABC Board had \$1,675 cash on hand.

2. Investments

At June 30, 2007, the County's investments consisted of \$2,203,723 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAm by Standard and Poor's. The County has no policy on credit risk.

At June 30, 2007, 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.

Year Levied	Tax	Interest	Total
2003	765,280	250,629	1,015,909
2004	1,032,140	245,134	1,277,274
2005	1,043,515	153,919	1,197,434
2006	1,049,597	60,352	1,109,949
Total	\$ 3,890,532	\$ 710,034	\$ 4,600,566

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

4. Receivables

Receivables at the government-wide level at June 30, 2007, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Other	Total
Governmental Activities:					
General	\$ 578,415	\$ 745,304	\$ 869,130	\$ 8,524,218	\$ 10,717,067
Other Governmental	31,496	-	-	-	31,496
Internal Service Fund	2,108	-	-	-	2,108
Total receivables	612,019	745,304	869,130	8,524,218	10,750,671
Allowance for doubtful accounts	-	(115,167)	-	-	(115,167)
Total-governmental activities	\$ 612,019	\$ 630,137	\$ 869,130	\$ 8,524,218	\$ 10,635,504
Business-type Activities					
Water Districts	\$ 289,256	\$ -	\$ -	\$ -	\$ 289,256
Total receivables	289,256	-	-	-	289,256
Allowance for doubtful accounts	(11,748)	-	-	-	(11,748)
Total - business-type activities	\$ 277,508	\$ -	\$ -	\$ -	\$ 277,508

The due from other governments that is owed to the County consists of the following:

Local option sales tax	\$ 833,141
Sales tax receivable	35,989
Total	\$ 869,130

5. Capital Assets

Capital asset activity for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 648,290	\$ 206,000	\$ -	\$ 854,290
Construction in progress	587,624	459,200	709,785	337,039
Total capital assets not being depreciated	1,235,914	665,200	709,785	1,191,329
Capital assets being depreciated:				
Buildings	5,444,503	-	6,000	5,438,503
Improvements	-	709,785	-	709,785
Equipment	678,044	22,816	21,613	679,247
Vehicles and motor equipment	985,896	135,758	268,233	853,421
Total capital assets being depreciated	7,108,443	868,359	295,846	7,680,956
Less accumulated depreciation for:				
Buildings	2,049,656	103,852	1,350	2,152,158
Improvements	-	-	-	-
Equipment	341,421	54,524	20,966	374,979
Vehicles and motor equipment	638,874	107,520	250,540	495,854
Total accumulated depreciation	3,029,951	\$ 265,896	\$ 272,856	3,022,991
Total capital assets being depreciated, net	4,078,492			4,657,965
Internal Service funds	64,015			45,730
Governmental activity capital assets, net	\$ 5,378,421			\$ 5,895,024

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
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Primary Government

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

General government	\$	98,329
Public safety		139,472
Human services		27,485
Parks and Rec		610
Total depreciation expense	\$	<u>265,896</u>

Business-type Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Water Districts				
Capital assets not being depreciated:				
Land	\$ 91,500	\$ 38,494	\$ -	\$ 129,994
Construction in progress	13,833,108	476,057	5,290,976	9,018,189
Total capital assets not being depreciated	<u>13,924,608</u>	<u>514,551</u>	<u>5,290,976</u>	<u>9,148,183</u>
Capital assets being depreciated:				
Plant and distribution systems	20,553,294	5,331,248	-	25,884,542
Vehicles	15,941	-	-	15,941
Total capital assets being depreciated	<u>20,569,235</u>	<u>5,331,248</u>	<u>-</u>	<u>25,900,483</u>
Less accumulated depreciation for:				
Plant and distribution systems	3,188,296	422,177	-	3,610,473
Vehicles	15,144	797	-	15,941
Total accumulated depreciation	<u>3,203,440</u>	<u>\$ 422,974</u>	<u>\$ -</u>	<u>3,626,414</u>
Total capital assets being depreciated, net	<u>17,365,795</u>			<u>22,274,069</u>
Water Districts capital assets, net	<u>\$ 31,290,403</u>			<u>\$ 31,422,252</u>

Construction commitments

The government has active construction projects as of June 30, 2007. The projects include the administration building project, school construction, and water district projects. At June 30, 2007, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Schools Capital project	\$ 14,470,050	\$ 240,047
Middle School	6,655,820	269,289
Social Services Building	543,039	2,897,961
Water districts	14,387,930	706,078
Total	<u>\$ 36,056,839</u>	<u>\$ 4,113,375</u>

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2007, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 5,346	\$ -	\$ -	\$ 5,346
Capital assets being depreciated:				
Furniture and equipment	78,669	-	-	78,669
Leasehold improvements	17,711	-	-	17,711
Vehicles	9,645	-	-	9,645
Total capital assets being depreciated	106,025	-	-	106,025
Less accumulated depreciation for:				
Furniture and equipment	65,185	3,613	-	68,798
Leasehold improvements	16,042	666	-	16,708
Vehicles	9,645	-	-	9,645
Total accumulated depreciation	90,872	\$ 4,279	\$ -	95,151
ABC capital assets, net	<u>\$ 20,499</u>			<u>\$ 16,220</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2007, were as follows:

	Vendors	Accrued Interest	Total
Governmental Activities:			
General	\$ 409,759	\$ -	\$ 409,759
Other Governmental	1,090,675	-	1,090,675
Internal Service Fund	1,367	-	1,367
Total-governmental activities	<u>\$ 1,501,801</u>	<u>\$ -</u>	<u>\$ 1,501,801</u>
Business-type Activities			
Water Districts	\$ 72,499	\$ -	\$ 72,499
Total - business-type activities	<u>\$ 72,499</u>	<u>\$ -</u>	<u>\$ 72,499</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Bertie 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.

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 4.8% and 4.78%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 5.14% of annual covered payroll. The contribution requirements of members and of Bertie 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, 2007, 2006, and 2005 were \$190,637, \$184,624, and \$177,659, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2007, 2006, and 2005 were \$4,620, \$4,483, and \$4,374, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description.

Bertie 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 County law enforcement officers are covered by the Separation Allowance. At December 31, 2006, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	<u>26</u>
Total	<u><u>27</u></u>

2. Summary of Significant Accounting Policies:

Basis of Accounting. Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

3. Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$20,464, or 2.7% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2006 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006 was 24 years.

Annual Pension Cost and Net Pension Obligation. The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 19,396
Interest on net pension obligation	7,058
Adjustment to annual required contribution	<u>(5,826)</u>
Annual pension cost	20,628
Contributions made	<u>8,709</u>
Increase (decrease) in net pension obligation	11,919
Net pension obligation beginning of year	<u>97,348</u>
Net pension obligation end of year	<u><u>\$ 109,267</u></u>

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2007

June 30	(APC)	Contributed	Obligation
2005	\$ 16,709	52.12%	\$ 85,130
2006	20,928	41.61%	97,348
2007	20,628	42.22%	109,267

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

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, 2007 were \$43,906, which consisted of \$35,526 from the County and \$8,380 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

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

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) 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, 2007, the County's required and actual contributions were \$4,583.

e. Other Post employment Benefits - Bertie County

According to a County resolution, the County provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. The County pays the full cost of coverage for these benefits. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently 28 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2007, the County made payments for postretirement health benefit premiums of \$106,757. The County obtains health care coverage through private insurers.

f. Other Employment Benefits

Law enforcement officers are provided death benefits as part of the Law Enforcement Officers Retirement System. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. 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 a percentage of monthly payroll, based upon rates established annually by the State. 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. The County's required contributions for employees for law enforcement officers represented 4.78% of covered payroll.

3. Deferred / Unearned Revenues

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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 70,925
Taxes receivable, net (General)	630,137	-
Special assessments receivable, net (General)	8,524,218	-
Total	<u>\$ 9,154,355</u>	<u>\$ 70,925</u>

4. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three 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, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health and dental insurance for county employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the county is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area 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 is eligible to purchase coverage of \$500,000 per structure through the NFIP. The county also is eligible to but has not purchased commercial flood insurance for another \$3,500,000 of coverage per structure.

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 and tax collector are each individually bonded for \$500,000 each. 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.

Bertie County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injury to employees; 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.

5. Long-Term Obligations

a. Installment Purchase

Serviced by the General Fund:

In February 2000, the County entered into an installment purchase contract for \$9,950,000 to finance construction on a new hospital. Principal and interest payments of \$68,888 are payable monthly. Interest is payable at a 5.5% rate. The County leases the new facilities to Pitt County Memorial Hospital, Inc. The amount of the lease payments shall be equal to the future debt service and all associated costs on the debt incurred by the County for the purpose of constructing the new facility. The final payment is due January 2022.

In February 2004, the County entered into an installment purchase contract for \$1,000,000 to finance construction on a new Health Department Building. The financing contract requires 180 fixed principal payments of \$5,556 and varying interest payments at a rate of 3.57% beginning in March 2004, and ending February 2019.

As authorized by State law [G.S.160A-20 and 153A-158.1], the County financed various property acquisitions for use by Bertie County Board of Education during the fiscal year ended June 30, 2004 by installment purchase. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Bertie County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. The lease

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

The installment purchase was executed on July 1, 2003 for various property improvements for use by Bertie County Board of Education. The transaction requires fifteen principal payments by the County of \$212,181. There is no interest due. The payments are deposited into an interest drawing account. The remainder of the payments, totaling \$787,572, will be made from the interest account.

In November 2005, the County entered into an installment purchase contract for \$6,000,000 to finance the construction on a new Middle School. The financing contract requires 30 semi-annual fixed principal payments of \$200,000 and varying interest payments at a rate of 3.8% beginning May 31, 2006 and ending November 2020.

In October 2006, the County entered into an installment purchase contract for \$3,300,000 to finance the construction of the new Department of Social Services Building. The financing contract requires 15 annual fixed principal payments of \$220,000 with an interest rate of 3.93% beginning October 2007 and ending October 2021.

For Bertie County, the future minimum payments of these installment purchases as of June 30, 2007, including \$6,190,398 of interest, are:

Year ending June 30	Governmental Funds										
	Hospital		Health Department		QZAB School Project	Middle School		DSS County Building		Totals	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 375,667	\$ 450,983	\$ 66,667	\$ 26,749	\$ 212,181	\$ 400,000	\$ 179,140	\$ 220,000	\$ 129,690	\$ 1,274,515	\$ 786,562
2009	398,397	428,253	66,667	24,298	212,181	400,000	165,620	220,000	121,044	1,297,245	739,215
2010	421,190	405,460	66,667	21,918	212,181	400,000	152,100	220,000	112,398	1,320,038	691,876
2011	445,287	381,363	66,667	19,538	212,181	400,000	138,580	220,000	103,752	1,344,135	643,233
2012	469,789	356,861	66,667	17,203	212,181	400,000	125,060	220,000	95,106	1,368,637	594,230
2013-2017	2,788,984	1,344,267	333,333	50,108	1,060,904	2,000,000	358,610	1,100,000	345,840	7,283,221	2,098,825
2018-2022	3,336,221	452,592	111,110	3,475	1,060,904	1,400,000	50,700	1,100,000	129,690	7,008,235	636,457
2023-2026	-	-	-	-	151,030	-	-	-	-	151,030	-
Principal and interest payment totals	\$ 8,235,535	\$ 3,819,779	\$ 777,778	\$ 163,289	\$ 3,333,743	\$ 5,400,000	\$ 1,169,810	\$ 3,300,000	\$ 1,037,520	\$ 21,047,056	\$ 6,190,398

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

The County's general obligation bonds payable at June 30, 2007 are comprised of the following individual issues:

Serviced by the County's Water District Funds:

General obligation bonds serviced by the Districts:

\$3,082,000 1995 Water Serial Bonds of Water District III due in annual installments of \$31,500 to \$126,000 through 2035; interest at 5.25%	\$ 2,696,500
\$3,300,000 1996 Water Serial Bonds of Water District I due in annual installments of \$33,500 to \$134,000 through 2036; interest at 5.125%	2,934,500
\$4,500,000 1997 Water Serial Bonds of Water District II due in annual installments of \$47,000 to \$188,000, through 2037; interest at 4.875%	4,061,500
\$4,030,600 2000 Water Serial Bonds Series A and Series B of Water District IV due in annual installments of \$43,000 to \$172,000 through 2040; interest at 4.75% and 5.125%	3,799,100
Total	\$ 13,491,600

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

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

At June 30, 2007, Bertie County had a legal debt margin of \$59,844,606.

c. 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, 2007:

Year ending June 30,	Business-type activities	
	Principal	Interest
2008	\$ 221,500	\$ 676,542
2009	232,500	665,412
2010	244,000	654,528
2011	256,600	642,362
2012	270,000	628,571
2013-2017	1,562,500	2,925,511
2018-2022	1,993,500	2,491,326
2023-2027	2,533,500	1,940,527
2028-2032	2,958,000	1,251,523
2033-2037	2,703,500	498,351
2038-2040	516,000	50,640
Principal and interest payment totals	<u>\$ 13,491,600</u>	<u>\$ 12,425,293</u>

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2007:

	Balance			Balance June 30, 2007	Current Portion of Balance
	July 1, 2006	Increases	Decreases		
Governmental activities:					
Installment purchase	\$ 18,782,411	\$ 3,300,000	\$ 1,035,355	\$ 21,047,056	\$ 1,274,515
Compensated absences	190,259	11,407	-	201,666	50,417
Net pension obligation	97,348	11,919	-	109,267	11,919
Total governmental activities	<u>\$ 19,070,018</u>	<u>\$ 3,323,326</u>	<u>\$ 1,035,355</u>	<u>\$ 21,357,989</u>	<u>\$ 1,336,851</u>
Business-type activities:					
General obligation debt	\$ 13,702,100	\$ -	\$ 210,500	\$ 13,491,600	\$ 221,500
Compensated absences	15,934	-	2,056	13,878	3,470
Total business-type activities	<u>\$ 13,718,034</u>	<u>\$ -</u>	<u>\$ 212,556</u>	<u>\$ 13,505,478</u>	<u>\$ 224,970</u>
Discretely presented component units:					
Compensated absences	\$ 10,082	\$ 250	\$ -	\$ 10,332	\$ -

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 as earned.

d. Conduit Debt Obligations

Bertie County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2007, there were no industrial revenue bonds outstanding.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2007, consist of the following:

Transfer from the General fund to the Revaluation fund to accumulate resources for the revaluation of real property.	\$ 50,000
Transfer from the General fund to Water District II to supplement other funding sources.	40,591
Transfer from the General fund to Parks & Recreation to supplement other funding sources.	176,303
Transfer from the General fund to GIS/Wellhead Protection Plan.	5,000
Transfer from Capital Reserves Schools to the General fund for return of excess transfers	187,637
	\$ 459,531

IV. Segment Information

The accompanying combined financial statements of the County include an enterprise fund which provides water services. Segment information for the fiscal year ended June 30, 2007 is as follows:

	Water District I	Water District II	Water District III	Water District IV	Totals
Operating revenue	\$ 322,195	\$ 396,615	\$ 432,656	\$ 429,432	\$ 1,580,898
Depreciation expense	121,266	106,227	98,706	96,775	422,974
Operating income (loss)	24,695	69,993	98,430	163,118	356,236
Change in net assets	(66,287)	139,044	214,023	15,386	302,166
Capital contributions	40,000	184,993	234,572	18,259	477,824
Capital asset additions	45,000	290,491	201,072	18,259	554,822
Net working capital	198,644	71,540	526,568	194,178	990,930
Total assets	7,278,741	11,106,616	7,569,136	6,922,934	32,877,427
Bonds and other long-term debt:					
Payable from operating sources	2,883,000	3,994,000	2,646,500	3,746,600	13,270,100
Total equity	4,292,650	6,984,136	4,799,363	3,075,353	19,151,502

V. Joint Ventures

The County participates in a joint venture to operate the Albemarle Regional Library with three other local governments. Each participating government appoints three board members to the twelve member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2007. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$108,529 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at Winton, North Carolina.

The County participates in a joint venture to operate Roanoke Chowan Human Services Center with three other local governments. Each participating government appoints members to the twenty-five member board based upon population. Bertie County appoints six members to the board. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2007. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$44,590 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at Route 3, Box 22-A, Ahoskie, North Carolina 27910.

The County participates in a joint venture to operate the Bertie-Martin-Beaufort Shelter Home, Inc. (Home) with six other local governments. Each participating government appoints three board members to the twenty-one member board of the Home. The County has an ongoing financial responsibility for the joint venture because the Home's continued existence depends on the participating government's continued funding. None of the participating governments have any equity interest in the Home, so no equity interest has been reflected in the financial statements at June 30, 2007. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$39,600 to the Home to supplement its activities. Complete financial statements for the Home may be obtained from the Home's offices at P. O. Box 250, Jamesville, North Carolina 27846.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

The County participates in a joint venture to operate the Bertie-Martin Regional Jail (Jail) with one other local government. Each participating government appoints three board members to the six-member board of the Jail. The County has an ongoing financial responsibility for the joint venture because the Jail's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Jail, so no equity interest has been reflected in the financial statements at June 30, 2007. In accordance with the governmental agreement between the participating governments, the County appropriated \$688,243 to the Jail to supplement its activities. This amount represents 45% of the total contributions by the participating governments. Complete financial statements for the Jail may be obtained from the Jail's office at 230 County Farm Road, Windsor, North Carolina 27983.

The County participates in a joint venture to operate the Choanoke Public Transportation Authority with three other local governments. Each participating government appoints board members to the nine member board based upon population. Bertie County appoints two members to the board. The County has an ongoing financial responsibility for the joint venture because the Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2007. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$10,000 to the Authority to supplement its activities. Complete financial statements for the Authority may be obtained from the Authority's office at P. O. Box 320, Rich Square, North Carolina 27869.

VI. Jointly Governed Organizations

The County, in conjunction with four other counties and thirty-nine municipalities, established the Mid-East Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$4,941 to the Council during the fiscal year ended June 30, 2007.

VII. 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 that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
Medicaid	\$ 29,468,034	\$ 14,737,408
Food stamp program	4,014,798	-
Temporary assistance to needy families	347,192	-
Energy assistance	146,043	-
Title IV-E	15,617	4,341
Foster Care	47,139	13,062
Foster Home	-	14,084
SC/SA Domiciliary Care	-	274,045
Total	<u>\$ 34,038,823</u>	<u>\$ 15,042,940</u>

VIII. 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 moneys 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.

IX. Merger of Bertie County Health Department

In July 2001, the County entered into an agreement with Albemarle Regional Health Services (ARHS) to manage the Bertie County Health Department (BCHD) until June 30, 2002. Effective July 1, 2002, both parties agreed to merge the BCHD with ARHS. BCHD will buy into the ARHS General Fund balance through annual payments until November 2012 and will be responsible for its share of operational costs for belonging to and receiving services from ARHS.

The annual payments for the buy-in of ARHS general Fund balance are as follows:

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

<u>Year Ending June 30,</u>	<u>Amount</u>
2008	\$ 90,000
2009	90,000
2010	90,000
2011	90,000
2012	40,116
Total	<u>\$ 400,116</u>

X. Supplemental and Additional Supplemental One-Half of One Percent Local Government Sales and Use Tax

State law (Chapter 105, Articles 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2007, the County reported these local option sales taxes within its General Fund and Capital Projects Fund. The County expended the restricted portion of these taxes for public school capital outlays and retirement of school indebtedness.

XI. Public School Building Bond Act of 1996

The General Assembly passed the Public School Building Bond Act of 1996 to provide for the issuance of \$1.8 billion in State bonds to be used for making grants to counties for qualified public school capital outlay projects. The Department of Public Instruction is responsible for project approval and the distribution of funds. The principal amounts of bonds or notes issued by the State in any twelve month period may not exceed \$450 million.

Of the total \$1.8 billion authorized, \$30 million will be allocated as grants to counties that have small county school systems, after considering whether the counties demonstrate both greater than average school construction needs and high property tax rates. The primary allocation of \$1.77 billion will be distributed to all counties based on the average daily membership, the ability to pay, and the growth rate of the school administrative units located within each county.

The distribution of the primary allocation is subject to the satisfaction of certain match requirements by the counties. Match requirements may be satisfied by non-State expenditures for public school facilities made on or after January 1, 1992. Bertie County's matching requirement of \$.09 for each dollar of allocated bond proceeds has been fulfilled.

Because the County has met its matching requirement, the County recognizes revenues equal to the liabilities incurred for approved project expenditures. Bertie County requests bond funds by project to be transferred to an account established by Bertie County Board of Education for payment of invoices. To date, the County has expended \$12,620,680 of their total allocation of \$12,620,680, leaving a balance of \$0 to be expended.

XII. School Facilities Finance Act of 1987

The General Assembly passed the School Finance Act of 1987 (Act) to assist county governments in meeting their public school facility capital needs. The Act created two new State-funded programs for the construction and renewal of school facilities: the Public School Building Capital Fund administered by the Office of State Budget and Management, and the Critical School Facilities Needs Fund, administered by the State Board of Education. The County has not received any funding from the Critical School Facilities Needs Fund.

Public School Building Capital Fund

This program is funded using a portion of the corporate income taxes which are imposed on corporations doing business in the State. Each calendar quarter, the Department of Revenue shall remit to the State Treasurer for credit in the fund, an amount equal to the applicable fraction provided by the following table of the net collections of corporate income taxes received during the previous quarter minus \$2.5 million, which it deposits into the Critical School Facilities Needs Fund. For the period from 10/01/1999 to 9/30/2000, the applicable fraction was one-fourteenth (1/14) of the net collections; for periods after 9/30/2000, the applicable fraction is five sixty-ninths (5/69) of the net collections of corporate taxes.

Monies in the fund are allocated to Bertie County on the basis of the average daily membership (ADM) for Bertie County Board of Education as determined and certified by the State Board of Education. The Office of State Budget and Management establishes and maintains an ADM allocation account for the County. At June 30, 2007, the balance of the County's ADM allocation account was \$140,219. The County must match this balance on the basis of one dollar for every three dollars of State funds, for financing the school unit's facilities capital needs. The local school technology plan does not require a county match. This program is also funded in part, using a portion of the lottery funds collected from the NC Education Lottery. Distributions of the lottery money are made based on the County's average daily membership (ADM) and on the tax rate of the County. At June 30, 2007, the balance of the County's Lottery Fund account was \$102,602. This does not require a county match.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

After approving a school capital project authorized by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. At June 30, 2007, the County's disbursing account had a balance of \$2,923.

Funds in the allocation and disbursing accounts are considered State monies until the County issues warrants to disburse them. At that time, they are recognized in the County's General Fund as a restricted intergovernmental revenue.

Critical School Facilities Needs Fund

This program is funded by the net collections of State income taxes imposed on corporations and received by the Department of Revenue. Each quarter, the Department of Revenue deposits \$2.5 million into the fund.

The Commission on School Facilities Needs established a priority list of the counties receiving grants. The Commission on School Facilities Needs has since been abolished. Grants are awarded by the State Board of Education based on the grant priority list. A joint application must have been made by the Bertie County Board of Commissioners and the Bertie County Board of Education. The Boards did not submit a grant application.

XIII. Notes Receivable

General Fund

In December 1999, the County entered into a capital lease agreement with Pitt County Memorial Hospital, Inc. (PCMH). The County is responsible for the construction and financing of a new hospital. As of June 20, 2002, the hospital was completed and the County began leasing the new facilities to PCMH. The title to the facilities transfers to PCMH at the end of the lease term, thus creating a note receivable from PCMH.

In December 1993, the County accepted a note receivable from Landmark Asset Services, Inc., in exchange for 6.78 acres of land. The face value of the note is \$90,000, due in one single principal payment on 2044 and is non-interest bearing. The note is valued on the financial statements at the fair market value of the land and is recorded as deferred revenue because the revenue is measurable, but not available.

In December 1995, the County accepted a note receivable from Landmark Asset Services, Inc., in consideration for environmental clean-up and site improvement expenditures incurred by the County. The face value of the note is \$249,520, due in one single payment in 2046 and is non-interest bearing. The note is valued on the financial statements at face value and is recorded as a deferred revenue because the revenue is measurable, but not available.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

Bertie County, North Carolina
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial value of Assets (a)	Actuarial Accrued Liability (AAL)- Proj Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Val Date (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
12/31/1997	\$ -	\$ 75,515	\$ 75,515	0.00%	\$ 373,523	20.22%
12/31/1998	\$ -	\$ 117,540	\$ 117,540	0.00%	\$ 353,705	33.23%
12/31/1999	\$ -	\$ 118,770	\$ 118,770	0.00%	\$ 494,039	24.04%
12/31/2000	\$ -	\$ 149,851	\$ 149,851	0.00%	\$ 493,520	30.36%
12/31/2001	\$ -	\$ 153,672	\$ 153,672	0.00%	\$ 476,072	32.28%
12/31/2002	\$ -	\$ 123,914	\$ 123,914	0.00%	\$ 467,485	26.51%
12/31/2003	\$ -	\$ 128,702	\$ 128,702	0.00%	\$ 497,053	25.89%
12/31/2004	\$ -	\$ 149,574	\$ 149,574	0.00%	\$ 691,183	21.64%
12/31/2005	\$ -	\$ 143,377	\$ 143,377	0.00%	\$ 748,458	19.16%
12/31/2006	\$ -	\$ 160,224	\$ 160,224	0.00%	\$ 729,854	21.95%

Bertie County, North Carolina
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 June 30, 2007

Year Ended June 30	Annual Required Contribution	Percentage Contributed
1999	\$ 9,948	0.00%
2000	\$ 15,747	0.00%
2001	\$ 17,666	0.00%
2002	\$ 16,189	0.00%
2003	\$ 16,877	0.00%
2004	\$ 14,431	0.00%
2005	\$ 15,444	0.00%
2006	\$ 19,645	0.00%
2007	\$ 19,396	0.00%
2008	\$ 20,464	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	12/31/2006
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	24 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5 - 12.3%
* Includes inflation of	3.75%
Cost-of living adjustments	N/A

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS SECTION**

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Ad valorem taxes:			
Current year		\$ 7,535,773	
Prior years		390,231	
Penalties and interest		124,242	
Total	\$ 7,855,862	8,050,246	\$ 194,384
Other taxes:			
Local government sales tax		685,202	
Scrap tire disposal tax		22,233	
N.C. excise tax		172,500	
Lease vehicle tax		422	
Total	814,560	880,357	65,797
Intergovernmental revenues:			
Wine and beer		66,569	
Emergency Management		16,091	
Local 1/2¢ sales tax-art 40		959,430	
Local 1/2¢ sales tax-art 42		956,391	
Local 1/2¢ sales tax-art 44		572,548	
Sales tax refunds		37,010	
State DWI reimbursement		1,072	
Payment in lieu of taxes		43,093	
Veteran services		2,000	
Aging office		249,382	
CAMA		900	
Soil conservation		30,047	
Community based alternatives		106,580	
Court facility fees		62,044	
Officer fees		52,434	
Criminal Justice Partnership		105,473	
Restricted drug money		13,129	
School Resource Officer – Board of Ed.		45,704	
Rural General Public Transportation		34,562	
Aging - Senior outreach		7,930	
Equalization		38	
Social services - general administration		1,680,680	
Day Care		878,448	
Domestic violence		106,898	
Office on violence against women		30,936	
Work First		421	
Foster care		80,788	
Elderly/Handicapped transportation		45,219	
Smart start - childcare		95,996	
Mosquito control grant		8,663	
Hurricane Isabel stream cleanup		236,958	

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Pesticide recycling grant		3,824	
Title I HAVA elections		4,427	
HRSA Grant		972	
Expanded Food and Nutrition		6,000	
Ship Grant		3,100	
Total	6,641,744	6,545,757	(95,987)
Licenses and permits:			
Registration fees		72,418	
Vital record fees		17,365	
Concealed weapons		1,925	
Recreation fees		8,973	
Other fees		42,857	
Inspection fees and building permits		102,575	
Total	227,900	246,113	18,213
Sales and services:			
Rents and concessions		30,075	
Jail fees		5,927	
Refuse collection fees		1,686,173	
Aging Program income		19,180	
Total	1,701,417	1,741,355	39,938
Investment earnings	250,000	355,999	105,999
Miscellaneous:			
Other refunds		16,469	
Miscellaneous		97,181	
ABC profits		2,389	
5¢ per bottle tax		3,692	
Sale of assets		16,194	
Sale of land		2,500	
Other department revenue		66,835	
Insurance proceeds		30,652	
Hospital lease revenue		826,650	
Cash donations		2,200	
Grass cutting		7,705	
5% water gross receipts		4,800	
5% electric gross receipts		27,431	
5% sewer gross receipts		1,675	
Reimbursement DSS Building Construction		206,000	
Reimbursement from EDA-Water II		76,257	
Total	1,252,911	1,388,630	135,719
Total revenues	18,744,394	19,208,457	464,063

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Expenditures:			
<u>General Government</u>			
Governing body:			
Salaries and benefits		70,677	
Travel		40,452	
Telephone and postage		3,354	
Dues and subscriptions		5,541	
Advertising		257	
Insurance and bonds		42,939	
Miscellaneous		4,786	
Total	169,413	168,006	1,407
Administration:			
Salaries and benefits		306,021	
Telephone and postage		4,356	
Travel		13,231	
Supplies and materials		9,264	
Dues and subscriptions		1,854	
Advertising		520	
Total	349,532	335,246	14,286
Finance:			
Salaries and benefits		144,109	
Supplies and materials		11,012	
Travel		2,182	
Telephone and postage		3,107	
Contracted services		45,301	
Maintenance and repairs		3,043	
Total	214,525	208,754	5,771
Elections:			
Salaries and benefits		56,020	
Telephone and postage		2,173	
Travel		6,032	
Buildings and equipment rents		534	
Advertising		502	
Supplies and materials		3,985	
Maintenance and repairs		4,335	
Contracted services		8,241	
Dues and subscriptions		20	
Insurance and bonds		302	
Total	102,465	82,144	20,321

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Tax Collections:			
Salaries and benefits		283,579	
Telephone and postage		35,433	
Travel		5,817	
Advertising		11,459	
Office supplies		9,881	
Contracted services		55,925	
Maintenance and repairs		2,885	
Dues and subscriptions		518	
Miscellaneous		34,932	
Capital outlay		6,260	
Total	465,259	446,689	18,570
Legal:			
Contracted services		33,099	
Tax foreclosures		70,079	
Total	106,000	103,178	2,822
Register of Deeds:			
Salaries and benefits		159,571	
Telephone and postage		4,363	
Travel		3,903	
Supplies and materials		8,638	
Contracted services		4,378	
Dues and subscriptions		395	
Insurance and bonds		1,094	
Maintenance and repairs		37,064	
Conveyance tax		84,530	
Domestic violence		2,600	
Total	313,120	306,536	6,584
Data Center:			
Salaries and benefits		123,892	
Telephone and postage		6,676	
Travel		919	
Supplies and materials		10,754	
Contracted services		12,760	
Maintenance and repairs		24,222	
Total	181,174	179,223	1,951
Public Buildings:			
Salaries and benefits		194,817	
Telephone and postage		1,020	
Utilities		63,831	
Maintenance and repairs - buildings		9,017	

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Maintenance and repairs – vehicles and equipment		1,773	
Automotive supplies		4,777	
Supplies and materials		10,296	
Contracted services		10,636	
Insurance and bonds		18,497	
Uniforms		836	
Capital outlay		14,556	
	346,514	330,056	16,458
Allocated to court facilities	(44,000)	(44,000)	-
Total	302,514	286,056	16,458
Court Facilities:			
Utilities and telephone		27,796	
Buildings and equipment rents		2,062	
Miscellaneous		11,538	
Total	48,500	41,396	7,104
Allocated from public buildings	44,000	44,000	-
Total	92,500	85,396	7,104
Parks and Recreation:			
Salaries and benefits		66,785	
Supplies and materials		33,433	
Travel		719	
Telephone and postage		1,677	
Maintenance and repairs – vehicles and equipment		633	
Insurance and bonds		2,773	
Advertising		1,052	
Supplemental grants		172	
Contracted services		4,964	
Dues and subscriptions		110	
Utilities		9,044	
Capital outlay		11,309	
	171,275	132,671	38,604
Total General Government	2,467,777	2,333,899	133,878
Public Safety			
Sheriff:			
Salaries and benefits		1,092,380	
Separation allowance		8,709	
Employee training		6,797	
Telephone and postage		12,095	
Travel		4,689	
Maintenance and repairs - equipment		4,713	

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Maintenance and repairs - vehicles		28,300	
Maintenance and repairs - building		144	
Automotive supplies		119,742	
Supplies and materials		21,583	
Dues and subscriptions		396	
Insurance and bonds		33,183	
Uniforms		18,786	
Utilities		6,706	
Restricted drug money		22,172	
Employee physical		282	
Capital outlay - vehicles		92,090	
Total	1,516,321	1,472,767	43,554
Emergency Management:			
Salaries and benefits		50,397	
Telephone and postage		1,618	
Travel		2,989	
Insurance and bonds		3,425	
Advertising		33	
Supplies and materials		1,640	
Maintenance and repairs		2,428	
Training		125	
Fire department		120,000	
Rescue squad		173,000	
Rescue squad grant		5,000	
Fire department grant		10,000	
Supplemental grant		1,972	
Uniforms		25	
Total	408,673	372,652	36,021
Inspection:			
Salaries and benefits		157,874	
Telephone and postage		2,557	
Travel		5,135	
Maintenance and repairs		2,090	
Automotive supplies		5,010	
Supplies and materials		2,217	
Dues and subscriptions		425	
Insurance and bonds		1,006	
Advertising		1,345	
CAMA land use plan		4,992	
Miscellaneous		243	
Capital Outlay		29,112	
Total	226,543	212,006	14,537

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Animal Control:			
Salaries and benefits		63,737	
Utilities		233	
Travel		457	
Maintenance and repairs		1,161	
Telephone and postage		987	
Automotive supplies		9,075	
Supplies and materials		3,826	
Insurance and bonds		2,020	
Animal control		23	
Contracted services		8,118	
Uniforms		490	
Total	93,915	90,127	3,788
Medical Examiner:			
Professional services	12,000	11,300	700
Communications:			
Salaries and benefits		161,288	
Telephone and postage		2,807	
Utilities		7,934	
Travel		651	
Supplies and materials		1,930	
Insurance and bonds		602	
Maintenance and repairs equipment		1,662	
Maintenance contracts		4,985	
Total	202,814	181,859	20,955
Criminal Justice Partnership:			
Salaries and benefits		48,936	
Crime Commission Grant		11,957	
Telephone and postage		1,907	
Insurance and bonds		2,461	
Supplies and materials		7,537	
Maintenance and repairs		4,680	
Utilities		5,677	
Miscellaneous		396	
Contracted services		17,719	
Total	122,513	101,270	21,243
Domestic Violence Task Force:			
Salaries and benefits		60,876	
Supplies and materials		2,035	
Travel		11,473	

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Telephone and postage		3,087	
Contracted services		52,895	
Rent expense		6,152	
Administration		5,000	
Miscellaneous		2,700	
Total	153,307	144,218	9,089
Domestic Violence Against Women			
Salaries and benefits		11,054	
Office supplies and materials		382	
Travel		6,045	
Telephone and postage		535	
Contracted services		11,754	
Building and equipment rent		1,202	
Total	46,448	30,972	15,476
Appropriations:			
Bertie-Martin Regional Jail	688,243	688,243	-
<u>Total Public Safety</u>	3,470,777	3,305,414	165,363
<u>Environmental Protection</u>			
Sanitation:			
Tire disposal		20,260	
Convenience centers		400,089	
Contracted services		6,253	
Total	428,590	426,602	1,988
<u>Total Environmental Protection</u>	428,590	426,602	1,988
<u>Economic and Physical Development</u>			
Agricultural Extension:			
Salaries and benefits		95,805	
Maintenance and repairs - equipment		1,860	
Telephone and postage		4,756	
Programs		2,532	
Travel		2,896	
Supplies and materials		10,882	
Dues and subscriptions		394	
Contracted services		5,322	
Total	153,356	124,447	28,909

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Economic Development:			
Salaries and benefits		56,301	
Telephone and postage		1,438	
Travel		2,641	
Advertising		55	
Supplies and materials		655	
Peanut Belt Rural Planning		4,378	
Total	68,104	65,468	2,636
Soil Conservation:			
Salaries and benefits		82,832	
Dues and subscriptions		60	
Transportation		1,026	
Hurricane Isabel stream cleanup		236,958	
Total	322,352	320,876	1,476
<u>Total Economic & Physical Development</u>	543,812	510,791	33,021
<u>Human Services</u>			
Health:			
Administration:			
Maintenance and repairs - building		780	
Insurance and bonds		1,354	
Management fee yearly appropriation		75,000	
Management fee fund balance buy-in		90,000	
Mosquito control		12,000	
Total	181,000	179,134	1,866
Total Health	181,000	179,134	1,866
Social Services:			
Administration:			
Salaries and benefits		1,894,056	
Telephone and postage		41,844	
Utilities		15,731	
Travel		21,647	
Maintenance and repairs		6,325	
Food stamp - EBT		23,114	
Maintenance contracts		7,747	
Buildings and equipment rents		503	
Vehicle supplies		1,108	
Supplies and materials		58,987	
Contracted services		14,800	

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Dues and subscriptions		537	
Insurance		3,579	
Bertie Hospital - Indigent		120,000	
Miscellaneous expense		797	
Total	<u>2,333,271</u>	<u>2,210,775</u>	<u>122,496</u>
General Assistance:			
Public assistance		1,551	
S.A.A.		274,302	
State foster care		63,931	
Day Care		882,598	
Medicaid		2,469,738	
Legal services		25,755	
Smart start-childcare		95,996	
Chore services		64,608	
Adoption assistance		6,141	
Transport of patients and other		63,552	
Work First		6,769	
Adult day care		70,570	
AFDC - Foster Care		90,189	
Crisis intervention		83,605	
Jobs program		8,048	
Aid to blind		1,391	
Total	<u>4,467,957</u>	<u>4,208,744</u>	<u>259,213</u>
Aid to Aged and Disabled:			
Salaries and benefits		152,056	
Advertising		211	
Telephone and postage		3,306	
Travel		2,974	
Maintenance and repairs		5,698	
Respite		33,063	
Transportation of patients		48,760	
Utilities		13,521	
Home delivered meals		47,484	
Food and provisions		39,985	
Insurance and bonds		2,071	
Janitor		1,672	
Senior Center		4,905	
SHIP Grant		2,469	
Supplies and materials		3,636	
Vehicle supplies		441	
Dues and subscriptions		170	
Total	<u>365,455</u>	<u>362,422</u>	<u>3,033</u>
Total social services	7,166,683	6,781,941	384,742

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Veterans Service Office:			
Salaries and benefits		17,144	
Telephone and postage		471	
Travel		563	
Supplies and materials		133	
Dues and subscriptions		45	
Equipment under \$5,000		187	
Total	<u>18,797</u>	<u>18,543</u>	<u>254</u>
Human Relations:			
Travel		28	
Telephone and postage		209	
Contracted services		72	
Total	<u>1,500</u>	<u>309</u>	<u>1,191</u>
Appropriations:			
Mental health		44,590	
Mental health - ABC 5¢		4,800	
Community Based Alternatives		110,388	
Choanoke Public Transit Authority		10,000	
Total	<u>172,484</u>	<u>169,778</u>	<u>2,706</u>
<u>Total Human Services</u>	<u>7,540,464</u>	<u>7,149,705</u>	<u>390,759</u>
Education:			
Public schools current expense		2,263,000	
Public schools capital outlay		275,000	
Community Colleges		75,000	
Total	<u>2,713,000</u>	<u>2,613,000</u>	<u>100,000</u>
<u>Total Education</u>	<u>2,713,000</u>	<u>2,613,000</u>	<u>100,000</u>
Special Appropriations			
Other Agencies:			
Arts Council		4,800	
Airport		10,000	
Mideast Commission		4,941	
Roanoke River Partners		2,500	
Forest service		66,592	
Historical group		24,000	
YMCA		5,000	
Library		108,529	
Juvenile detention		63,329	
Juvenile probation		2,600	
Mideast RC&D Commission		1,000	

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Final Budget	Actual	
CADA		4,400	
CBA task force		3,500	
Windsor Area Chamber		2,000	
Bertie County interagency		218	
Food Bank of Albemarle		1,000	
Partnership for the Sounds		5,000	
Roanoke-Chowan Safe		2,500	
Rural general public transportation		34,563	
Rural health		8,921	
RC Domestic Violence Task Force		3,500	
Highway 17 Association		8,000	
Tax specialist		5,767	
Total	427,384	372,660	54,724
<u>Total Special Appropriations</u>	427,384	372,660	54,724
<u>Debt Service:</u>			
Principal retirement		1,035,356	
Interest and fees		694,544	
	1,729,903	1,729,900	3
<u>Total Debt Service</u>	1,729,903	1,729,900	3
Total expenditures	19,321,707	18,441,971	879,736
Revenues over (under) expenditures	(577,313)	766,486	1,343,799
Other financing sources (uses):			
Transfers from (to) other funds:			
To special revenue fund	(50,000)	(50,000)	-
From special revenue fund	324,851	187,637	-
To capital project fund	(176,305)	(176,303)	-
To enterprise fund	(45,591)	(45,591)	-
Total other financing uses	52,955	(84,257)	137,212
Revenues and other sources over (under) expenditures and other uses	(524,358)	682,229	1,206,587
Appropriated fund balance	524,358	-	(524,358)
Net change in fund balance	\$ -	682,229	\$ 682,229
Fund balance, beginning		6,368,809	
Fund balance, end		\$ 7,051,038	

SCHEDULE 4

Capital Projects		
Parks and Recreation Construction	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 1,002 303	\$ 1,002 303	\$ 2,008,657 31,496
<u>\$ 1,305</u>	<u>\$ 1,305</u>	<u>\$ 2,040,153</u>
\$ 1,305 -	\$ 1,305 -	\$ 1,755 187,637
<u>1,305</u>	<u>1,305</u>	<u>189,392</u>
-	-	31,193
-	-	1,819,568
-	-	1,850,761
<u>\$ 1,305</u>	<u>\$ 1,305</u>	<u>\$ 2,040,153</u>

Capital Projects Funds			
Total Nonmajor Special Revenue Funds	Parks and Recreation Construction	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Totals
\$ 84,182	\$ -	\$ -	\$ 84,182
218,687	-	-	218,687
220,333	-	-	220,333
126	1,502	1,502	1,628
523,328	1,502	1,502	524,830
87,347	-	-	87,347
220,333	122,161	122,161	342,494
307,680	122,161	122,161	429,841
215,648	(120,659)	(120,659)	94,989
50,000	176,303	176,303	226,303
(187,637)	-	-	(187,637)
(137,637)	176,303	176,303	38,666
78,011	55,644	55,644	133,655
1,772,750	(55,644)	(55,644)	1,717,106
<u>\$ 1,850,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,850,761</u>

Bertie County, North Carolina
REVALUATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
EXPENDITURES			
Current:			
Revaluation	50,000	-	50,000
Total expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Revenues over (under) expenditures	(50,000)	-	50,000
OTHER FINANCING SOURCES			
Transfers in	50,000	50,000	-
Net change in fund balance	<u>\$ -</u>	<u>50,000</u>	<u>\$ 50,000</u>
Fund balance, beginning		50,216	
Fund balance, ending		<u>\$ 100,216</u>	

Bertie County, North Carolina
CAPITAL RESERVE - SCHOOLS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Investment earnings	\$ -	\$ 63,397	\$ 63,397
Total revenue	<u>-</u>	<u>63,397</u>	<u>63,397</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(324,851)	(187,637)	137,214
Total transfers	<u>(324,851)</u>	<u>(187,637)</u>	<u>137,214</u>
Revenues and other uses over (under) expenditures	(324,851)	(124,240)	200,611
Appropriated fund balance	<u>324,851</u>	<u>-</u>	<u>(324,851)</u>
Revenues, other uses and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(124,240)</u>	<u>\$ (124,240)</u>
Fund balance, beginning		<u>1,323,559</u>	
Fund balance, ending		<u>\$ 1,199,319</u>	

Bertie County, North Carolina
WIRELESS 911
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Other taxes and licenses	\$ 80,000	\$ 117,368	\$ 37,368
Investment earnings	-	14,630	14,630
Total revenue	80,000	131,998	51,998
EXPENDITURES			
Public safety:			
Operating expenses	80,000	19,041	60,959
Total expenditures	80,000	19,041	60,959
Net change in fund balance	\$ -	112,957	\$ 112,957
Fund balance, beginning		308,235	
Fund balance, ending		\$ 421,192	

Bertie 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, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Other taxes and licenses	\$ 100,000	\$ 101,319	\$ 1,319
Investment earnings	3,000	6,155	3,155
Miscellaneous	-	126	126
Total revenue	<u>103,000</u>	<u>107,600</u>	<u>4,600</u>
EXPENDITURES			
Public safety:			
Operating expenses	103,060	68,306	34,754
Total expenditures	<u>103,060</u>	<u>68,306</u>	<u>34,754</u>
Revenues over (under) expenditures	<u>(60)</u>	<u>39,294</u>	<u>39,354</u>
Appropriated fund balance	<u>60</u>	<u>-</u>	<u>(60)</u>
Revenues, other uses and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>39,294</u>	<u>\$ 39,294</u>
Fund balance, beginning		90,740	
Fund balance, ending		<u>\$ 130,034</u>	

Bertie County, North Carolina
2005 COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Federal grants	\$ 400,000	\$ 141,451	\$ 150,533	\$ 291,984	\$ (108,016)
EXPENDITURES					
Current:					
Economic and physical development	400,000	141,451	150,533	291,984	108,016
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

Bertie County, North Carolina
CDBG INFRASTRUCTURE HOOKUP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Federal grants	\$ 400,000	\$ 141,451	\$ 69,800	\$ 211,251	\$ (188,749)
EXPENDITURES					
Current:					
Economic and physical development	400,000	141,451	69,800	211,251	188,749
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

Bertie County, North Carolina
PARKS AND RECREATION CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
REVENUES					
Miscellaneous revenues	\$ -	\$ -	\$ 1,502	\$ 1,502	\$ 1,502
Total revenues	-	-	1,502	1,502	1,502
EXPENDITURES					
General construction	533,369	448,577	73,996	522,573	10,796
Lighting	114,666	107,950	17,511	125,461	(10,795)
Architect	76,135	29,147	19,178	48,325	27,810
Legal	1,481	-	1,481	1,481	-
Permits	470	-	470	470	-
Supplies	11,476	-	11,476	11,476	-
Contingency	28,987	1,950	(1,951)	(1)	28,988
Total expenditures	766,584	587,624	122,161	709,785	56,799
Revenues under expenditures	(766,584)	(587,624)	(120,659)	(708,283)	58,301
OTHER FINANCING SOURCES					
Transfers in	766,584	531,980	176,303	708,283	58,301
Total other financing sources	766,584	531,980	176,303	708,283	58,301
Net change in fund balance	\$ -	\$ (55,644)	55,644	\$ -	\$ -
Fund balance, beginning			(55,644)		
Fund balance, ending			\$ -		

Bertie County, North Carolina
SCHOOL CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 From Inception and for the Fiscal Year Ended June 30, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
REVENUES					
Restricted intergovernmental:					
Public School Building Capital Fund	\$ 2,089,417	\$ -	\$ 1,848,606	\$ 1,848,606	\$ (240,811)
Public School Building Bond Act	12,620,680	4,328,768	8,291,913	12,620,681	1
Total revenues	<u>14,710,097</u>	<u>4,328,768</u>	<u>10,140,519</u>	<u>14,469,287</u>	<u>(240,810)</u>
EXPENDITURES					
Capital outlay:					
Education	14,710,097	4,328,768	10,141,282	14,470,050	240,047
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(763)</u>	<u>\$ (763)</u>	<u>\$ (763)</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ (763)</u>		

Bertie County, North Carolina
MIDDLE SCHOOL CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
REVENUES					
Investment earnings	\$ 425,000	\$ 171,469	\$ 269,768	\$ 441,237	\$ 16,237
Total revenues	425,000	171,469	269,768	441,237	16,237
EXPENDITURES					
General construction	6,925,109	-	6,655,820	- 6,655,820	269,289
Total expenditures	6,925,109	-	6,655,820	6,655,820	269,289
Revenues under expenditures	(6,500,109)	171,469	(6,386,052)	(6,214,583)	285,526
OTHER FINANCING SOURCES					
Debt proceeds	6,000,000	6,000,000	-	6,000,000	-
1996 School bond proceeds	5,220	-	5,221	5,221	1
Tax refunds	50,000	-	-	-	(50,000)
Transfer from School Capital Project	444,889	-	-	-	(444,889)
Total other financing sources (uses)	6,500,109	6,000,000	5,221	6,005,221	(494,888)
Net change in fund balance	\$ -	\$ 6,171,469	(6,380,831)	\$ (209,362)	\$ (209,362)
Fund balance, beginning			6,171,469		
Fund balance, ending			\$ (209,362)		

Bertie County, North Carolina
DEPARTMENT OF SOCIAL SERVICES BUILDING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
REVENUES					
Investment earnings	100,000	\$ -	102,533	\$ 102,533	\$ 2,533
Total revenues	100,000	-	102,533	102,533	2,533
EXPENDITURES					
General construction	3,000,000	-	154,217	154,217	2,845,783
Architect fees	180,000	-	150,160	150,160	29,840
Reimbursements	55,000	-	32,662	32,662	22,338
Land purchase	206,000	-	206,000	206,000	-
Total expenditures	3,441,000	-	543,039	543,039	2,897,961
Revenues under expenditures	(3,341,000)	-	(440,506)	(440,506)	2,900,494
OTHER FINANCING SOURCES					
Debt proceeds	3,300,000	-	3,300,000	3,300,000	-
Tax refunds	41,000	-	-	-	(41,000)
Total other financing sources (uses)	3,341,000	-	3,300,000	3,300,000	(41,000)
Net change in fund balance	\$ -	\$ -	2,859,494	\$ 2,859,494	\$ 2,859,494
Fund balance, beginning			-		
Fund balance, ending			\$ 2,859,494		

Bertie County, North Carolina
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
 June 30, 2007

	Water District I	Water District II	Water District III	Water District IV	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 251,548	\$ 109,510	\$ 598,783	\$ 179,391	\$ 1,139,232
Accounts receivable (net)	50,187	70,650	40,998	115,673	277,508
Total current assets	<u>301,735</u>	<u>180,160</u>	<u>639,781</u>	<u>295,064</u>	<u>1,416,740</u>
Noncurrent assets:					
Sales tax receivable	-	-	-	-	-
Grants receivable	-	30,114	8,321	-	38,435
Total restricted assets	-	<u>30,114</u>	<u>8,321</u>	-	<u>38,435</u>
Fixed assets (net)	6,977,006	10,896,342	6,921,034	6,627,870	31,422,252
Total noncurrent assets	<u>6,977,006</u>	<u>10,926,456</u>	<u>6,929,355</u>	<u>6,627,870</u>	<u>31,460,687</u>
Total Assets	<u>7,278,741</u>	<u>11,106,616</u>	<u>7,569,136</u>	<u>6,922,934</u>	<u>32,877,427</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	18,176	18,294	18,054	17,975	72,499
Customer deposits	30,084	20,328	40,857	26,664	117,933
Compensated absences payable	3,331	2,498	4,302	3,747	13,878
General obligation bonds payable	51,500	67,500	50,000	52,500	221,500
Total current liabilities	<u>103,091</u>	<u>108,620</u>	<u>113,213</u>	<u>100,886</u>	<u>425,810</u>
Current liabilities payable from restricted assets:					
Accounts payable and accrued liabilities	-	19,860	8,360	95	28,315
Retainage payable	-	-	1,700	-	1,700
Total liabilities payable from restricted assets	-	<u>19,860</u>	<u>10,060</u>	<u>95</u>	<u>30,015</u>
Noncurrent liabilities:					
General obligation bonds payable	2,883,000	3,994,000	2,646,500	3,746,600	13,270,100
Total noncurrent liabilities	<u>2,883,000</u>	<u>3,994,000</u>	<u>2,646,500</u>	<u>3,746,600</u>	<u>13,270,100</u>
Total liabilities	<u>2,986,091</u>	<u>4,122,480</u>	<u>2,769,773</u>	<u>3,847,581</u>	<u>13,725,925</u>
NET ASSETS					
Invested in capital assets, net of related debt	4,042,506	6,834,842	4,224,534	2,828,770	17,930,652
Unrestricted	250,144	149,294	574,829	246,583	1,220,850
Total net assets	<u>\$ 4,292,650</u>	<u>\$ 6,984,136</u>	<u>\$ 4,799,363</u>	<u>\$ 3,075,353</u>	<u>\$ 19,151,502</u>

Bertie County, North Carolina
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
For The Fiscal Year Ended June 30, 2007

	Water District I	Water District II	Water District III	Water District IV	Totals
Operating revenues:					
Charges for services	\$ 282,602	\$ 366,412	\$ 378,130	\$ 382,117	\$ 1,409,261
Water taps	22,675	20,265	30,532	30,905	104,377
Other operating revenues	16,918	9,938	23,994	16,410	67,260
Total operating revenue	<u>322,195</u>	<u>396,615</u>	<u>432,656</u>	<u>429,432</u>	<u>1,580,898</u>
Operating expenses:					
Administration	176,234	220,395	235,520	169,539	801,688
Depreciation	121,266	106,227	98,706	96,775	422,974
Total operating expenses	<u>297,500</u>	<u>326,622</u>	<u>334,226</u>	<u>266,314</u>	<u>1,224,662</u>
Operating income (loss)	24,695	69,993	98,430	163,118	356,236
Nonoperating revenue (expense):					
Investment earnings	14,630	4,877	24,383	9,753	53,643
Miscellaneous revenue	2,092	39,460	500	13,100	55,152
Total nonoperating revenue	<u>16,722</u>	<u>44,337</u>	<u>24,883</u>	<u>22,853</u>	<u>108,795</u>
Debt service:					
Interest and fees	152,704	200,870	143,862	188,844	686,280
Income (loss) before capital contributions and operating transfers	(111,287)	(86,540)	(20,549)	(2,873)	(221,249)
Capital contributions	40,000	184,993	234,572	18,259	477,824
Transfers from General Fund	5,000	40,591	-	-	45,591
Total transfers and capital contributions	<u>45,000</u>	<u>225,584</u>	<u>234,572</u>	<u>18,259</u>	<u>523,415</u>
Change in net assets	(66,287)	139,044	214,023	15,386	302,166
Net assets, beginning	<u>4,358,937</u>	<u>6,845,092</u>	<u>4,585,340</u>	<u>3,059,967</u>	<u>18,849,336</u>
Net assets, ending	<u>\$ 4,292,650</u>	<u>\$ 6,984,136</u>	<u>\$ 4,799,363</u>	<u>\$ 3,075,353</u>	<u>\$ 19,151,502</u>

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		\$ (36,229)	
Reconciling items:			
Depreciation		(121,266)	
Debt principal		49,000	
(Increase) decrease in accrued vacation payable		493	
Sales tax refunds from Clean Water I		1,715	
Capital contributions		40,000	
Change in net assets		<u>\$ (66,287)</u>	

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		\$ (4,092)	
Reconciling items:			
Depreciation		(106,227)	
Debt principal		64,000	
(Increase) decrease in accrued vacation payable		370	
Capital contributions		184,993	
Change in net assets		<u>\$ 139,044</u>	

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		\$ 30,019	
Reconciling items:			
Depreciation		(98,706)	
Debt principal		47,500	
(Increase) decrease in accrued vacation payable		638	
Capital contributions		234,572	
Change in net assets		<u>\$ 214,023</u>	

	2007		Variance Positive (Negative)
	Final Budget	Actual	
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		\$ 43,347	
Reconciling items:			
Depreciation		(96,775)	
Debt principal		50,000	
(Increase) decrease in accrued vacation payable		555	
Capital Contributions		18,259	
Change in net assets		\$ 15,386	

Bertie County, North Carolina
CLEAN WATER PROJECT - DISTRICT I
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES:					
Restricted intergovernmental:					
State grants	\$ 2,664,660	\$ 2,664,659	\$ -	\$ 2,664,659	\$ (1)
EXPENDITURES:					
Engineering	164,604	171,834	(12,230)	159,604	5,000
Construction	2,470,056	2,237,172	(3,264)	2,233,908	236,148
Land	30,000	-	15,494	15,494	14,506
Total	<u>2,664,660</u>	<u>2,409,006</u>	<u>-</u>	<u>2,409,006</u>	<u>255,654</u>
Revenues over (under) expenditures	-	255,653	-	255,653	255,653
OTHER FINANCING SOURCES (USES)					
Tax refunds	-	-	1,715	1,715	1,715
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,715</u>	<u>1,715</u>	<u>1,715</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 255,653</u>	<u>\$ 1,715</u>	<u>\$ 257,368</u>	<u>\$ 257,368</u>

Bertie County, North Carolina
GIS/WELLHEAD PROTECTION PLAN - DISTRICT I
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
State grants	40,000	\$ -	40,000	\$ 40,000	\$ -
Total revenues	40,000	-	40,000	40,000	-
EXPENDITURES					
Administration	5,000	-	5,000	5,000	-
GIS mapping	30,000	-	30,000	30,000	-
WellHead protection	10,000	-	10,000	10,000	-
Total expenditures	45,000	-	45,000	45,000	-
Revenues under expenditures	(5,000)	-	(5,000)	(5,000)	-
OTHER FINANCING SOURCES (USES)					
Transfer from general fund	5,000	-	5,000	5,000	-
Total other financing sources (uses)	5,000	-	5,000	5,000	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bertie County, North Carolina
CLEAN WATER PROJECT - DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES:					
Restricted intergovernmental:					
State grants	\$ 3,000,000	\$ 2,759,445	\$ -	\$ 2,759,445	\$ (240,555)
EXPENDITURES:					
Engineering	162,706	170,312	(7,607)	162,705	1
Construction	2,634,023	2,589,134	7,606	2,596,740	37,283
Total	<u>2,796,729</u>	<u>2,759,446</u>	<u>(1)</u>	<u>2,759,445</u>	<u>37,284</u>
Revenues over (under) expenditures	203,271	(1)	1	-	(203,271)
OTHER FINANCING SOURCES (USES)					
Tax refunds	37,289	-	-	-	(37,289)
Transfer to prison	(240,560)	-	-	-	240,560
Total other financing sources (uses)	<u>(203,271)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,271</u>
Revenues and other sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>

Bertie County, North Carolina
EDA GRANT - DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
REVENUES:					
Restricted intergovernmental:					
State grants	\$ 1,704,556	\$ 1,552,841	\$ 152,114	\$ 1,704,955	\$ 399
Local option sales tax	45,696	32,156	13,548	45,704	8
Total	<u>1,750,252</u>	<u>1,584,997</u>	<u>165,662</u>	<u>1,750,659</u>	<u>407</u>
EXPENDITURES:					
Engineering	125,700	125,700	-	125,700	-
Construction	1,968,922	1,979,461	(11,340)	1,968,121	801
Land	12,000	-	12,000	12,000	-
Total	<u>2,106,622</u>	<u>2,105,161</u>	<u>660</u>	<u>2,105,821</u>	<u>801</u>
Revenues over (under) expenditures	(356,370)	(520,164)	165,002	(355,162)	1,208
OTHER FINANCING SOURCES (USES)					
Local match	<u>356,370</u>	<u>431,418</u>	<u>(76,257)</u>	<u>355,161</u>	<u>(1,209)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (88,746)</u>	<u>\$ 88,745</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

Bertie County, North Carolina
USDA GRANT - DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES:					
Restricted intergovernmental:					
State grants	\$ 350,000	\$ 328,245	\$ 21,754	\$ 349,999	\$ (1)
EXPENDITURES:					
Engineering	20,555	20,555	-	20,555	-
Construction	329,445	307,672	11,500	319,172	10,273
Total	350,000	328,227	11,500	339,727	10,273
Revenues over (under) expenditures	-	18	10,254	10,272	10,272
OTHER FINANCING SOURCES (USES)					
Tax refunds	-	-	3,669	3,669	3,669
Revenues and other sources (uses) over (under) expenditures	\$ -	\$ 18	\$ 13,923	\$ 13,941	\$ 13,941

Bertie County, North Carolina
RURAL CENTER GRANT - DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
REVENUES:					
Restricted intergovernmental:					
State grants	\$ 400,000	\$ 345,371	\$ 11,125	\$ 356,496	\$ (43,504)
EXPENDITURES:					
Engineering	24,909	24,909	-	24,909	-
Construction	353,819	320,462	(10,147)	310,315	43,504
Land	11,000	-	11,000	11,000	-
GPS mapping	10,272	-	10,272	10,272	-
Total	400,000	345,371	11,125	356,496	43,504
Revenues over (under) expenditures	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Tax refunds	-	-	1,838	1,838	1,838
Revenues and other sources (uses) over (under) expenditures	\$ -	\$ -	\$ 1,838	\$ 1,838	\$ 1,838

Bertie County, North Carolina
INNSBROOK - DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES:					
Reimbursement from developer	\$ 898,353	\$ 898,353	\$ -	\$ 898,353	\$ -
EXPENDITURES:					
Engineering	129,950	42,870	23,080	65,950	64,000
Construction	768,403	524,275	244,128	768,403	-
Total	<u>898,353</u>	<u>567,145</u>	<u>267,208</u>	<u>834,353</u>	<u>64,000</u>
Revenues over (under) expenditures	-	331,208	(267,208)	64,000	64,000
OTHER FINANCING SOURCES (USES)					
Tax refunds	-	-	20,225	20,225	20,225
Revenues and other sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 331,208</u>	<u>\$ (246,983)</u>	<u>\$ 84,225</u>	<u>\$ 84,225</u>

Bertie County, North Carolina
CLEAN WATER PROJECT - DISTRICT III
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES:					
Restricted intergovernmental:					
State grants	\$ 3,200,000	\$ 2,935,424	\$ 234,572	\$ 3,169,996	\$ (30,004)
EXPENDITURES:					
Engineering	187,493	176,850	10,275	187,125	368
Construction	3,012,507	2,760,321	190,797	2,951,118	61,389
Total	<u>3,200,000</u>	<u>2,937,171</u>	<u>201,072</u>	<u>3,138,243</u>	<u>61,757</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (1,747)</u>	<u>\$ 33,500</u>	<u>\$ 31,753</u>	<u>\$ 31,753</u>

Bertie County, North Carolina
CLEAN WATER PROJECT - DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES:					
Restricted intergovernmental:					
State grants	\$ 2,190,970	\$ 1,944,647	\$ 18,259	\$ 1,962,906	\$ (228,064)
EXPENDITURES:					
Construction	2,190,970	1,943,870	18,259	1,962,129	228,841
Total	<u>2,190,970</u>	<u>1,943,870</u>	<u>18,259</u>	<u>1,962,129</u>	<u>228,841</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 777</u>	<u>\$ -</u>	<u>\$ 777</u>	<u>\$ 777</u>

Bertie County, North Carolina
RURAL CENTER GRANT - DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES:					
Restricted intergovernmental:					
State grants	\$ 455,388	\$ 455,387	\$ -	\$ 455,387	\$ (1)
Miscellaneous revenues	11,166	-	11,026	11,026	(140)
Total revenues	466,554	455,387	11,026	466,413	(141)
EXPENDITURES:					
Engineering	103,671	103,670	-	103,670	1
Construction	338,003	334,040	-	334,040	3,963
Total expenditures	441,674	437,710	-	437,710	3,964
Revenues over (under) expenditures	24,880	17,677	11,026	28,703	3,823
OTHER FINANCING SOURCES (USES)					
Transfers out					
Operations and management	(24,880)	-	(28,703)	(28,703)	(3,823)
Revenues and other sources over (under) expenditures	\$ -	\$ 17,677	\$ (17,677)	\$ -	\$ -

Bertie County, North Carolina
INTERNAL SERVICE FUNDS
BERTIE TELEPHONE
STATEMENT OF NET ASSETS
 June 30, 2007

	2007
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 52,633
Accounts receivable (net) – billed	2,108
Total	54,741
Fixed assets (net)	45,729
Total assets	100,470
 LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	1,367
Total current liabilities	1,367
Total liabilities	1,367
 NET ASSETS	
Invested in capital assets	45,729
Unrestricted	53,374
Total net assets	\$ 99,103

Bertie County, North Carolina
INTERNAL SERVICE FUNDS
BERTIE TELEPHONE
SCHEDULE OF REVENUES AND EXPENDITURES
 For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating revenues:			
User charges	\$ 75,000	\$ 74,679	\$ (321)
Total	<u>75,000</u>	<u>74,679</u>	<u>(321)</u>
Expenditures:			
Operating:			
Telephone		41,318	
Maintenance contracts		786	
Capital outlay		1,546	
Total	<u>75,000</u>	<u>43,650</u>	<u>31,350</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>31,029</u>	<u>\$ 31,029</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		\$ 31,029	
Depreciation expense		<u>(18,285)</u>	
Change in net assets		<u>\$ 12,744</u>	

Bertie County, North Carolina
INTERNAL SERVICE FUNDS
BERTIE TELEPHONE
CASH FLOW STATEMENT
For the Fiscal Year Ended June 30, 2007

	Bertie Telephone
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 78,145
Cash paid for goods and services	<u>(45,327)</u>
Net cash provided (used) by operating activities	32,818
Net increase (decrease) in cash and cash equivalents	32,818
Cash and cash equivalents, beginning of year	<u>19,815</u>
Cash and cash equivalents, end of year	<u><u>\$ 52,633</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 12,744
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	18,285
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	3,466
Increase (decrease) in accounts payable and accrued liabilities	<u>(1,677)</u>
Total adjustments	<u>20,074</u>
Net cash provided (used) by operating activities	<u><u>\$ 32,818</u></u>

Bertie County, North Carolina
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Social Services				
Assets:				
Cash and cash equivalents	\$ 958	\$ 450	\$ 331	\$ 1,077
Liabilities:				
Miscellaneous liabilities	\$ 958	\$ 450	\$ 331	\$ 1,077
Fines and Forfeitures				
Assets:				
Cash and investments	\$ 1,492	\$ 158,968	\$ 158,968	\$ 1,492
Liabilities:				
Intergovernmental payable - Bertie County Board of Education	\$ -	\$ 158,968	\$ 158,968	\$ -
Intergovernmental payable - State of North Carolina	1,492	-	-	1,492
Total liabilities	\$ 1,492	\$ 158,968	\$ 158,968	\$ 1,492
Motor Vehicle Tax				
Assets:				
Cash and investments	\$ -	\$ 670,475	\$ 670,475	\$ -
Liabilities:				
Intergovernmental payable	\$ -	\$ 670,475	\$ 670,475	\$ -
Pest Management				
Assets:				
Cash and investments	\$ 6,260	\$ 4,456	\$ 5,203	\$ 5,513
Liabilities:				
Miscellaneous liabilities	\$ 6,260	\$ 4,456	\$ 5,203	\$ 5,513
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 8,710	\$ 834,349	\$ 834,977	\$ 8,082
Liabilities:				
Miscellaneous liabilities	\$ 8,710	\$ 834,349	\$ 834,977	\$ 8,082

OTHER SCHEDULES

This section includes additional information on property taxes and transfers.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

Bertie County, North Carolina
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
 June 30, 2007

Fiscal Year	Uncollected Balance June 30, 2006	Additions	Collections and Credits	Uncollected Balance June 30, 2007
2006 - 2007	\$ -	\$ 7,886,937	\$ 7,536,562	\$ 350,375
2005 - 2006	377,415	-	261,659	115,756
2004 - 2005	126,296	-	53,157	73,139
2003 - 2004	71,067	-	20,972	50,095
2002 - 2003	54,947	-	16,167	38,780
2001 - 2002	42,721	-	11,677	31,044
2000 - 2001	33,768	-	8,027	25,741
1999 - 2000	32,329	-	7,030	25,299
1998 - 1999	21,647	-	4,463	17,184
1997 - 1998	19,912	-	2,021	17,891
1996 - 1997	19,025	-	19,025	-
	<u>\$ 799,127</u>	<u>\$ 7,886,937</u>	<u>\$ 7,940,760</u>	<u>\$ 745,304</u>
Less: Allowance for uncollectible accounts: General Fund				<u>115,167</u>
Ad valorem taxes receivable - net: General Fund				<u>\$ 630,137</u>
<u>Reconciliation with revenues</u> Ad valorem taxes - General Fund				\$ 8,050,246
Reconciling items:				
Interest collected				(124,242)
Taxes written off				17,599
Discoveries and adjustments				<u>(2,843)</u>
Total collections and credits				<u>\$ 7,940,760</u>

Bertie County, North Carolina
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2007

	County Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 1,010,312,564	0.0078	\$ 7,880,438	\$ 6,845,292	\$ 1,035,146
Total	1,010,312,564		7,880,438	6,845,292	1,035,146
Discoveries;					
Current year taxes	7,490,000	0.0078	58,422	49,888	8,534
Abatements	(6,656,795)	0.0078	(51,923)	(15,194)	(36,729)
Total property valuation	\$ 1,011,145,769				
Net Levy			7,886,937	6,879,986	1,006,951
Current year's taxes collected			7,536,562	6,680,378	856,184
Uncollected taxes at June 30, 2006			\$ 350,375	\$ 199,608	\$ 150,767
Current levy collection percentage			95.56%	97.10%	85.03%

COMPLIANCE SECTION

**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 Commissioners
Bertie County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of Bertie County, North Carolina, as of and for the year ended June 30, 2007, which collectively comprises Bertie County's basic financial statements, and have issued our report thereon dated October 4, 2007. 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 Bertie 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 Bertie County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 Bertie 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*.

We noted certain matters that we reported to management of Bertie County, in a separate letter dated October 4, 2007.

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.

Pittard Perry & Crone, Inc.

Belhaven, North Carolina
October 4, 2007

**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 Commissioners
Bertie County, North Carolina

Compliance

We have audited the compliance of Bertie 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, 2007. Bertie 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 Bertie County's management. Our responsibility is to express an opinion on Bertie 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 Bertie 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 Bertie County's compliance with those requirements.

In our opinion, Bertie 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, 2007.

Internal Control over Compliance

The management of Bertie 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 Bertie County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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 compliance requirement of a federal program 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 material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.

Pittard Perry & Crane, Inc.

Belhaven, North Carolina
October 4, 2007

**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 Commissioners
Bertie County, North Carolina

Compliance

We have audited the compliance of Bertie 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, 2007. Bertie 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 Bertie County's management. Our responsibility is to express an opinion on Bertie 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 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 Bertie 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 Bertie County's compliance with those requirements.

In our opinion, Bertie 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, 2007.

Internal Control Over Compliance

The management of Bertie 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 Bertie 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.

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

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 State program will not be prevented or detected by the County's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.

Pittard Perry & Crane, Inc.

Belhaven, North Carolina
October 4, 2007

Bertie County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For The Fiscal Year Ended June 30, 2007

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(s) identified that are not considered to be material weaknesses Yes X None Reported

Noncompliance material to financial statements noted Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes X No

Significant deficiency(s) identified that are not considered to be material weaknesses Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 Yes X No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Title XIX – Medicaid
10.551	Food Stamp Cluster
10.561	

Dollar threshold used to distinguish between type A and type B programs \$ 1,110,791

Auditee qualified as low-risk Auditee? Yes X No

Bertie County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Fiscal Year Ended June 30, 2007

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Award Findings and Questioned Costs

None reported.

Bertie County, North Carolina
CORRECTIVE ACTION PLAN
For The Fiscal Year Ended June 30, 2007

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

Bertie County, North Carolina
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For The Fiscal Year Ended June 30, 2007

Findings:

Status: All prior year findings have been resolved.

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
<u>Food Stamp Cluster:</u>					
Food Stamp Program – Noncash	10.551	XXXX	4,014,798	-	-
State Administrative Matching Grants for the Food Stamp Program	10.561	XXXX	291,492	-	291,492
Total Food Stamp Cluster			4,306,290	-	291,492
<u>Rural Utilities Service</u>					
Direct Program:					
Water and Environmental Program					
Water Disposal System for Rural Communities	10.760	XXXX	21,754	-	-
Total U.S. Dept. of Agriculture			4,328,044	-	291,492
<u>U.S. Dept. of Housing and Urban Development</u>					
Passed-through N.C. Dept of Commerce:					
2005 Community Development Block Grant	14.228	XXXX	150,533	-	-
Infrastructure Hookup	14.228	XXXX	69,800	-	-
Total U.S. Dept. Housing and Urban Development			220,333	-	-
<u>U.S. Dept. of Health and Human Services</u>					
<u>Administration on Aging</u>					
Passed-through Mid-East Commission:					
Aging Cluster:					
Special Programs for the Aging – Title III B					
Grants for Supportive Services and Senior Centers	93.044	XXXX	132,172	97,259	19,951
Special Programs for the Aging – Title III C					
Nutrition Services	93.045	XXXX	23,727	18,610	4,187
Total Aging Cluster			155,899	115,869	24,138
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Foster Care and Adoption Cluster:					
Title IV-E CPS/Optional	93.658	XXXX	43,407	2,647	40,760
Title IV-E Foster Care	93.658	XXXX	47,139	13,062	13,169

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
Title IV-E Foster Care/Off Trn	93.658	XXXX	22,139	-	22,139
Title IV-E Adopt Subsidy and Vendor	93.659	XXXX	15,617	4,341	4,341
Total Foster Care and Adoption Cluster			128,302	20,050	80,409
 <u>Administration for Children and Families</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
TANF-Direct Benefit Payments	93.558	XXXX	347,192	-	-
Work First Services	93.558	XXXX	170,558	-	216,242
Work First Administration	93.558	XXXX	27,892	-	42,062
Crisis Intervention Payments	93.568	XXXX	83,434	-	-
Low-Income Home Energy Assistance Block Grant:					
Administration	93.568	XXXX	10,006	-	-
Energy Assistance Payments - Direct Benefit Payments	93.568	XXXX	146,043	-	-
Adoption/Foster Care	93.645	XXXX	7,260	-	-
Permanency Planning - Reg	93.645	XXXX	4,465	1,488	-
SSBG – Other Service and Training	93.667	XXXX	133,589	17,268	50,286
SSBG – In Home Service Fund	93.667	XXXX	33,695	-	4,814
SSBG – Adult Day Care Over 60	93.667	XXXX	18,307	19,293	5,371
SSBG – Adult Day Care	93.667	XXXX	15,678	9,245	3,561
Independent Living Grant	93.674	XXXX	379	95	-
Permanency Planning – Spec	93.645	XXXX	1,325	-	442
AFOC Payments & Penalties	93.560	XXXX	(359)	(98)	(98)
TANF - TEA Foster Care	93.558	XXXX	285	-	-
TANF - Domestic Violence	93.558	XXXX	1,307	-	-
			1,001,056	47,291	322,680
Division of Child Development:					
<u>Subsidized Child Care Cluster:</u>					
Childcare Development Fund – Administration	93.596	XXXX	60,000	-	-
Child Care and Development Fund – Discretionary	93.575	XXXX	329,711	-	-
Child Care and Development Fund – Mandatory	93.596	XXXX	131,163	-	-
Child Care and Development Fund – Match	93.596	XXXX	161,710	85,568	-
Social Services Block Grant	93.667	XXXX	4,736	-	-
Temporary Assistance for Needy Families	93.558	XXXX	120,172	-	-
State Appropriations		XXXX	-	31,699	-
Smart Start		XXXX	-	1,623	-
TANF-MOE		XXXX	-	119,591	-
Total Subsidized Child Care Cluster			807,492	238,481	-
 <u>Health Care Financing Administration</u>					
Direct Benefit Payments:					
Medical Assistance Program	93.778	XXXX	29,468,034	14,737,408	2,609,696
 <u>Division of Facility Services</u>					
Office of Emergency Medical Services					
HRSA	93.089	XXXX	972	-	-

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
Division of Social Services:					
Administration:					
Health Choice	93.767	XXXX	19,056	1,040	5,306
Medical Assistance Program	93.778	XXXX	433,522	25,661	407,860
			452,578	26,701	413,166
Total U.S. Dept. of Health and Human Services			32,014,333	15,185,800	3,450,089
<u>U.S. Department of Justice</u>					
<u>Bureau of Justice Assistance</u>					
Direct Program:					
Violence Against Women Formula Grant	16.588	XXXX	30,936	-	-
Violence Against Women	16.588	XXXX	44,009	-	-
			74,945	-	-
<u>U.S. Dept. of Commerce</u>					
Passed-through Economic Development Administration					
Infrastructure Improvements	11.307	XXXX	101,559	-	-
<u>U.S. Election Assistance Commission</u>					
Passed-through NC State Board of Elections					
Help America Vote Act	90.401	XXXX	31,299	-	-
<u>U.S. Department of Homeland Security</u>					
Federal Emergency Management Assistance –					
Hurricane Isabel Storm Cleanup	97.036	XXXX	236,958	-	-
Homeland Security	97.004	XXXX	2,317	-	-
Passed from Division of Emergency Management					
Emergency Management Performance Grant	97.042	XXXX	16,091	-	-
Total Dept of Homeland Security			255,366	-	-
Total Federal Awards			37,025,879	15,185,800	3,741,581
State Awards:					
<u>N.C. Dept. of Environment and Natural Resources</u>					
Soil and Water Conservation – S&W Conservation		XXXX	-	30,047	-
Soil and Water Conservation – Administration		XXXX	-	4,000	-
Public Health Pest Management		XXXX	-	8,663	-
Minor Permit County Aid	11.419	XXXX	475	-	-
Drinking Water Bond Program		XXXX	-	104,015	-
Scrap Tire Fund		XXXX	-	1,017	-
Total Dept. of Environment and Natural Resources			475	147,742	-

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards:					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
State/County Special Assistance for Adults – Direct					
benefit payments		XXXX	-	274,045	275,145
State Foster Care Benefits Program		XXXX	-	14,084	14,084
Foster Care At Risk Maximization		XXXX	-	3,227	1,775
<u>N.C. Dept. of Health and Human Services</u>					
Adult Protective Services		XXXX	-	18,862	-
AFDC/TANF Incent/Program Integrity		XXXX	-	35	-
State AID to Counties		XXXX	-	28,686	-
Total Division of Social Services			-	338,939	291,004
<u>N.C. Dept. of Juvenile Justice and Delinquency Prevention</u>					
Juvenile Crime Prevention Program		XXXX	-	106,580	-
<u>N.C. Dept. of Transportation</u>					
Elderly and Disabled Transportation Assistance		XXXX	-	45,241	-
Work First/Transitional Employment		XXXX	-	4,411	-
Rural General Public Transportation		XXXX	-	34,562	-
Total N.C. Dept. of Transportation			-	84,214	-
<u>N.C. Dept. of Corrections</u>					
Criminal Justice Partnership Program		XXXX	-	79,589	-
<u>N.C. Dept. of Public Instruction</u>					
Passed-through from N.C. Dept. of Public Instruction:					
Public School Building Bond Act of 1996		XXXX	-	10,141,282	-
<u>NC Dept. of Commerce</u>					
Passed-through from Rural Center:					
Supplemental and Capacity Program		XXXX	-	250,497	-
<u>NC State Board of Elections</u>					
Title I - HAVA		XXXX	-	4,427	-
Total NC State Board of Elections			-	4,427	-
<u>NC Department of Agriculture</u>					
Pesticide Environmental Trust Fund		XXXX	-	3,824	-
Total State Awards			-	11,157,094	291,004
Total Federal and State Awards			\$ 37,026,354	\$ 26,342,894	\$ 4,032,585

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2007

Notes to the schedule of Expenditures of Federal and State Financial Awards:

Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Bertie County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the 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.

Subrecipients

Of the federal and State expenditures presented in the schedule, Bertie County provided federal and State awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
N.C. Dept. of Juvenile Justice and Delinquency Prevention Juvenile Crime Prevention Program	XXXXX	XXXX	\$ -	\$ 106,580
Passed-through from N.C. Dept. of Public Instruction: Public School Building Bond Act of 1996	XXXXX	XXXX	\$ -	\$ 10,141,282

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:
 Subsidized Child Care and Foster Care and Adoption