

# *Financial Statements*

Bertie County, North Carolina

## **FINANCIAL STATEMENTS and INDEPENDENT AUDITOR'S REPORT**

Year Ended June 30, 2008

### **Board of Commissioners**

Norman M. Cherry, Sr. – Chair

L. C. Hoggard, III

Robert E. Harrell

Charles Smith

J. Wallace Perry

### **County Manager**

Zee B. Lamb

Bertie County, North Carolina

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# FINANCIAL SECTION

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**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, 2008, 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 did not audit the financial statements of Bertie County ABC Board. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Bertie County ABC Board is based on the report of other auditors.

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, 2008, 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 November 3, 2008 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 introductory information and 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.  
November 3, 2008

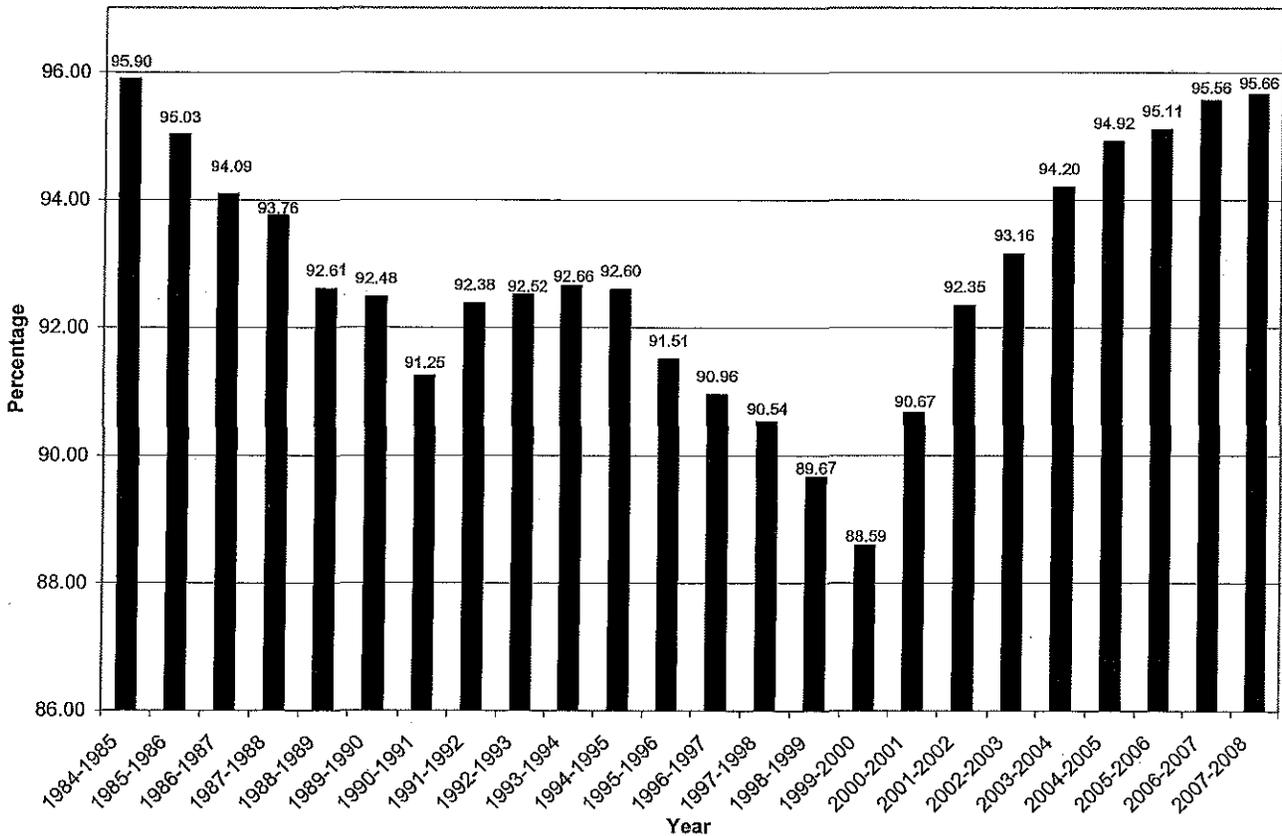
## Management's Discussion and Analysis

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, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### Financial Highlights

- The assets of Bertie County exceeded its liabilities at the close of the fiscal year by \$23,328,605 (*net assets*).
- The government's total net assets decreased by \$1,142,872, 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 \$9,299,633, a decrease of \$2,251,535 in comparison with the prior year and are attributed to expenditure of loan proceeds for the Social Service Building. Approximately 59.76% of this total amount or \$5,557,398 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 \$5,557,398, or 28.79% of total general fund expenditures of \$19,303,182 for the fiscal year.
- Bertie County's total debt increased by \$570,196 (1.6%) during the current fiscal year. The key factor in this increase was the loan proceeds received for the Social Services Capital Project.
- Tax collection rate was 95.66% for FY 2008-2009. This represents the highest collection rate since FY 1984-1985.

**Current Year Tax Collection Rate - All Property**

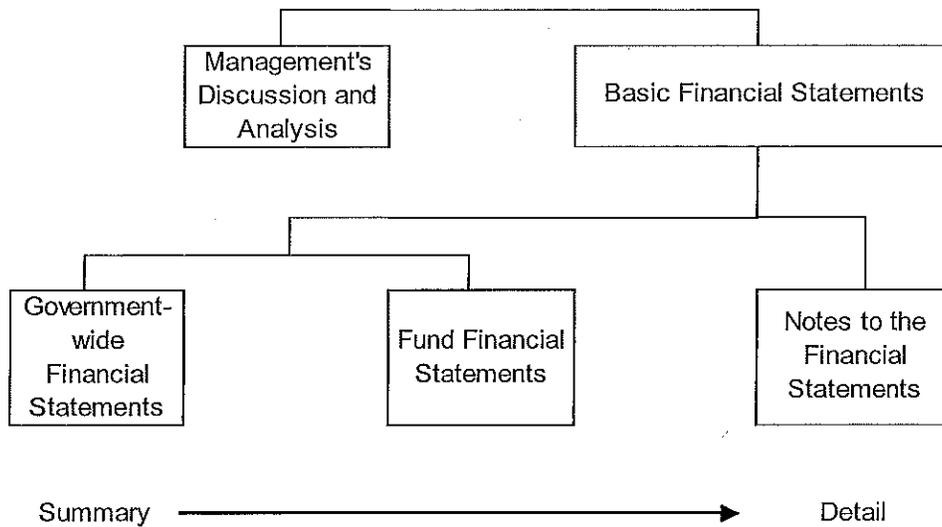


## Overview of the Financial Statements

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.

**Government-Wide Financial Analysis**

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 \$23,328,605 as of June 30, 2008. The County’s net assets decreased by \$1,142,872 for the fiscal year ended June 30, 2008. One of the largest portions (96.75%) 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	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 19,301,047	\$ 22,781,748	\$ 1,204,016	\$ 1,349,618	\$ 20,505,063	\$ 24,131,366
Capital assets	8,541,613	5,895,024	30,963,852	31,422,252	39,505,465	37,317,276
Total assets	<u>27,842,660</u>	<u>28,676,772</u>	<u>32,167,868</u>	<u>32,771,870</u>	<u>60,010,528</u>	<u>61,448,642</u>
Current and other liabilities	1,052,307	2,022,851	195,953	220,447	1,248,260	2,243,298
Long-term liabilities, due within one year	1,507,192	1,336,851	236,047	221,500	1,743,239	1,558,351
Long-term liabilities, due in more than one year	20,642,183	20,021,138	13,048,241	13,283,978	33,690,424	33,305,116
Total liabilities	<u>23,201,682</u>	<u>23,380,840</u>	<u>13,480,241</u>	<u>13,725,925</u>	<u>36,681,923</u>	<u>37,106,765</u>
Net assets:						
Invested in capital assets, net of related debt	4,750,502	1,817,246	17,693,752	17,930,652	22,444,254	19,747,898
Restricted for working capital	613,922	-	-	-	613,922	-
Unrestricted	(723,446)	3,478,686	993,875	1,115,293	270,429	4,593,979
Total net assets	<u>\$ 4,640,978</u>	<u>\$ 5,295,932</u>	<u>\$ 18,687,627</u>	<u>\$ 19,045,945</u>	<u>\$ 23,328,605</u>	<u>\$ 24,341,877</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.
- Increase in tax base.
- Increase in sales tax collections.

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

	Governmental		Business-type		Total	
	Activities		Activities		2008	2007
	2008	2007	2008	2007	2008	2007
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,068,146	\$ 3,057,107	\$ 1,592,326	\$ 1,475,341	\$ 4,660,472	\$ 4,532,448
Operating grants and	4,109,388	4,065,251	-	-	4,109,388	4,065,251
Capital grants and contributions	240,811	42,970	-	477,824	240,811	520,794
General revenues:						
Property taxes	8,194,004	7,649,173	-	-	8,194,004	7,649,173
Other taxes	3,631,293	3,575,411	-	-	3,631,293	3,575,411
Investment earnings	513,077	812,482	48,041	53,643	561,118	866,125
Miscellaneous	203,889	506,579	86,784	55,152	290,673	561,731
Total revenues	<u>19,960,608</u>	<u>19,708,973</u>	<u>1,727,151</u>	<u>2,061,960</u>	<u>21,687,759</u>	<u>21,770,933</u>
<b>Expenses:</b>						
General government	2,580,011	2,380,366	-	-	2,580,011	2,380,366
Public safety	3,512,186	3,382,408	-	-	3,512,186	3,382,408
Environmental protection	448,600	426,602	-	-	448,600	426,602
Economic and physical development	450,197	720,488	-	-	450,197	720,488
Human services	7,313,984	7,177,837	-	-	7,313,984	7,177,837
Education	5,086,121	9,268,820	-	-	5,086,121	9,268,820
Special appropriations	383,889	372,660	-	-	383,889	372,660
E-911	88,545	87,347	-	-	88,545	87,347
Interest and fees on long-term debt	782,826	694,544	-	-	782,826	694,544
Water districts	-	-	2,054,672	1,910,942	2,054,672	1,910,942
Total expenses	<u>20,646,359</u>	<u>24,511,072</u>	<u>2,054,672</u>	<u>1,910,942</u>	<u>22,701,031</u>	<u>26,422,014</u>
Increase in net assets before transfers and special items	(685,751)	(4,802,099)	(327,521)	151,018	(1,013,272)	(4,651,081)
Transfers	30,797	(45,591)	(30,797)	45,591	-	-
Increase in net assets	(784,554)	(4,847,690)	(358,318)	196,609	(1,142,872)	(4,651,081)
Net assets, July 1	<u>5,425,532</u>	<u>10,143,622</u>	<u>19,045,945</u>	<u>18,849,336</u>	<u>24,471,477</u>	<u>28,992,958</u>
Net assets, June 30	<u>\$ 4,640,978</u>	<u>\$ 5,295,932</u>	<u>\$ 18,687,627</u>	<u>\$ 19,045,945</u>	<u>\$ 23,328,605</u>	<u>\$ 24,341,877</u>

**Governmental activities.** Governmental activities decreased the County's net assets by \$784,554. Key elements of this decrease are as follows.

- Increase expenditures on the Middle School Project, the Social Services Building Project, and the Bertie High School Project.

**Business-type activities:** Business-type activities decreased Bertie County's net assets by \$358,318. Key elements of this decrease are as follows:

- Several of the water projects closed during the year, without the grant revenues of prior years.
- Decrease in customers in the Water departments.

**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 \$5,557,398, while total fund balance reached \$7,029,841. 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 28.79% percent of total General Fund expenditures, while total fund balance represents 36.42% of that same amount.

At June 30, 2008, the governmental funds of Bertie County reported a combined fund balance of \$9,299,633, a 19.49% 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 \$993,875. There was a decrease in net assets of \$358,318. 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, 2008, totals \$39,505,465 (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, Social Services, Finance, and Water District
- Final Completion of new Social Services Building
- Construction of the Bertie High School
- Final Construction of several of the Water Districts

**Bertie County's Capital Assets**

**Figure 4**

	Governmental		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Land	\$ 648,290	\$ 854,290	\$ 129,994	\$ 129,994	\$ 778,284	\$ 984,284
Buildings and system	3,182,508	3,286,345	29,927,071	22,274,069	33,109,579	25,560,414
Improvements	715,099	709,785	-	-	715,099	709,785
Machinery and equipment	315,868	349,998	-	-	315,868	349,998
Vehicles and motorized equipment	374,374	357,567	13,013	-	387,387	357,567
Construction in progress	3,305,474	337,039	893,774	9,018,189	4,199,248	9,355,228
<b>Total</b>	<b>\$ 8,541,613</b>	<b>\$ 5,895,024</b>	<b>\$ 30,963,852</b>	<b>\$ 31,422,252</b>	<b>\$ 39,505,465</b>	<b>\$ 37,317,276</b>

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

**Long-term Debt.** As of June 30, 2008, Bertie County had total bonded debt outstanding of \$13,270,100 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	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ -	\$ -	\$ 13,270,100	\$ 13,491,600	\$ 13,270,100	\$ 13,491,600
Installment purchases	21,772,541	21,047,056	-	-	21,772,541	21,047,056
Compensated absences	254,604	201,666	14,188	13,878	268,792	215,544
Net pension obligation	122,230	109,267	-	-	122,230	109,267
	<u>\$ 22,149,375</u>	<u>\$ 21,357,989</u>	<u>\$ 13,284,288</u>	<u>\$ 13,505,478</u>	<u>\$ 35,433,663</u>	<u>\$ 34,863,467</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 \$63,638,025.

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 including 450 residential lots and Arnold Palmer Golf Course.

**Budget Highlights for the Fiscal Year Ending June 30, 2009**

**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 education, recreation, law enforcement.

**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, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,229,431	\$ 1,076,724	\$ 9,306,155	\$ 124,968
Receivables (net)	2,179,544	127,292	2,306,836	967
Notes receivable	8,278,150	-	8,278,150	-
Inventories	-	-	-	135,066
Prepaid items	-	-	-	5,168
Total current assets	<u>18,687,125</u>	<u>1,204,016</u>	<u>19,891,141</u>	<u>266,169</u>
Restricted assets:				
Cash and cash equivalents	613,922	-	613,922	-
Total restricted assets	<u>613,922</u>	<u>-</u>	<u>613,922</u>	<u>-</u>
Capital assets:				
Land, improvements, and construction in progress	3,953,763	2,901,760	6,855,523	-
Other capital assets, net of depreciation	4,587,850	28,062,092	32,649,942	36,282
Total capital assets	<u>8,541,613</u>	<u>30,963,852</u>	<u>39,505,465</u>	<u>36,282</u>
Total assets	<u>27,842,660</u>	<u>32,167,868</u>	<u>60,010,528</u>	<u>302,451</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	818,266	72,401	890,667	51,511
Unearned revenue	84,041	-	84,041	-
Customer deposits	-	123,552	123,552	-
Liabilities to be paid from restricted assets	150,000	-	150,000	-
Long-term liabilities:				
Due within one year	1,507,192	236,047	1,743,239	6,383
Due in more than one year	20,642,183	13,048,241	33,690,424	14,513
Total long-term liabilities	<u>22,149,375</u>	<u>13,284,288</u>	<u>35,433,663</u>	<u>20,896</u>
Total liabilities	<u>23,201,682</u>	<u>13,480,241</u>	<u>36,681,923</u>	<u>72,407</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	4,750,502	17,693,752	22,444,254	25,111
Restricted for working capital	613,922	-	613,922	24,000
Unrestricted (deficit)	(723,446)	993,875	270,429	180,933
Total net assets	<u>\$ 4,640,978</u>	<u>\$ 18,687,627</u>	<u>\$ 23,328,605</u>	<u>\$ 230,044</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	
\$ (2,451,221)	\$ -	\$ (2,451,221)	\$ -	-
(2,866,199)	-	(2,866,199)	-	-
1,195,811	-	1,195,811	-	-
(356,878)	-	(356,878)	-	-
(2,648,957)	-	(2,648,957)	-	-
(4,845,310)	-	(4,845,310)	-	-
(383,889)	-	(383,889)	-	-
(88,545)	-	(88,545)	-	-
(782,826)	-	(782,826)	-	-
(13,228,014)	-	(13,228,014)	-	-
-	(462,346)	(462,346)	-	-
-	(462,346)	(462,346)	-	-
(13,228,014)	(462,346)	(13,690,360)	-	-
-	-	-	(24,873)	-
8,064,404	-	8,064,404	-	-
3,420,589	-	3,420,589	-	-
210,704	-	210,704	-	-
513,077	48,041	561,118	2,793	-
203,889	86,784	290,673	-	-
30,797	(30,797)	-	-	-
12,443,460	104,028	12,547,488	2,793	-
(784,554)	(358,318)	(1,142,872)	(22,080)	-
5,425,532	19,045,945	24,471,477	252,124	-
\$ 4,640,978	\$ 18,687,627	\$ 23,328,605	\$ 230,044	-

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.	8,514,168
Liabilities for earned but deferred revenues in fund statements.	8,919,078
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(22,149,375)
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	<u>57,474</u>
Net assets of governmental activities	<u><u>\$ 4,640,978</u></u>

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

Net changes in fund balances - total governmental funds	\$ (2,251,535)
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.	2,870,856
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(206,000)
Revenues not in the statement of activities that do not provide current financial resources and reported as revenues in the funds.	(364,858)
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.	(791,386)
Internal service funds are used by management to charge the costs of a telephone system to individual funds.	<u>(41,631)</u>
Total changes in net assets of governmental activities	<u>\$ (784,554)</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, 2008

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Ad valorem taxes	\$ 8,172,040	\$ 8,172,040	\$ 8,429,262	\$ 257,222
Other taxes and licenses	820,500	770,500	748,452	(22,048)
Intergovernmental revenues	6,538,467	6,887,438	6,756,392	(131,046)
Licenses and permits	241,775	214,145	221,341	7,196
Sales and services	1,752,828	1,659,342	1,631,371	(27,971)
Investment earnings	300,000	323,000	318,819	(4,181)
Miscellaneous	282,256	1,084,354	1,080,612	(3,742)
Total revenues	<u>18,107,866</u>	<u>19,110,819</u>	<u>19,186,249</u>	<u>75,430</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,216,258	2,610,976	2,504,064	106,912
Public safety	3,693,279	3,548,930	3,450,743	98,187
Environmental protection	427,500	450,500	448,600	1,900
Economic and physical development	308,232	330,659	326,612	4,047
Human services	7,192,726	7,367,243	7,131,883	235,360
Intergovernmental:				
Education	2,970,000	3,070,000	3,000,050	69,950
Special appropriations	424,757	416,721	383,889	32,832
Capital outlay				
Debt service:				
Principal	898,848	1,274,516	1,274,515	1
Interest and fees	336,071	787,054	782,826	4,228
Total expenditures	<u>19,467,671</u>	<u>19,856,599</u>	<u>19,303,182</u>	<u>553,417</u>
Revenues over (under) expenditures	<u>(1,359,805)</u>	<u>(745,780)</u>	<u>(116,933)</u>	<u>628,847</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	311,812	446,412	404,236	(42,176)
Transfers to other funds	300,000	(521,000)	(308,500)	212,500
Total other financing sources and uses	<u>611,812</u>	<u>(74,588)</u>	<u>95,736</u>	<u>170,324</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(747,993)</u>	<u>(820,368)</u>	<u>(21,197)</u>	<u>799,171</u>
Appropriated fund balance	<u>747,993</u>	<u>820,368</u>	<u>-</u>	<u>(820,368)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(21,197)</u>	<u>\$ (21,197)</u>
Fund balance, beginning			7,051,038	
Fund balance, ending			<u>\$ 7,029,841</u>	

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

Bertie County, North Carolina  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
June 30, 2008

	Business-type Activities-Proprietary Funds - Major					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 206,984	\$ 35,808	\$ 666,903	\$ 167,029	\$ 1,076,724	\$ 82,475
Receivables, net	20,596	28,109	24,219	54,368	127,292	3,053
Total current assets	<u>227,580</u>	<u>63,917</u>	<u>691,122</u>	<u>221,397</u>	<u>1,204,016</u>	<u>85,528</u>
Capital assets:						
Land and improvements	36,994	36,500	36,500	20,000	129,994	-
Construction in progress	-	1,247,442	-	1,524,324	2,771,766	-
Buildings, improvements, and equipment	8,114,348	10,360,547	8,020,442	5,708,897	32,204,234	182,848
Vehicles and motorized equipment	-	-	15,941	-	15,941	-
Less accumulated depreciation	<u>(1,298,062)</u>	<u>(879,573)</u>	<u>(1,249,471)</u>	<u>(730,977)</u>	<u>(4,158,083)</u>	<u>(155,403)</u>
Total capital assets	<u>6,853,280</u>	<u>10,764,916</u>	<u>6,823,412</u>	<u>6,522,244</u>	<u>30,963,852</u>	<u>27,445</u>
Total noncurrent assets	<u>6,853,280</u>	<u>10,764,916</u>	<u>6,823,412</u>	<u>6,522,244</u>	<u>30,963,852</u>	<u>27,445</u>
Total assets	<u>7,080,860</u>	<u>10,828,833</u>	<u>7,514,534</u>	<u>6,743,641</u>	<u>32,167,868</u>	<u>112,973</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable and accrued liabilities	17,976	18,283	18,532	17,610	72,401	55,499
Customer deposits	30,809	21,419	42,185	29,139	123,552	-
Compensated absences payable	3,263	2,696	4,540	3,689	14,188	-
General obligation bonds payable	54,500	71,000	52,000	55,000	232,500	-
Total current liabilities	<u>106,548</u>	<u>113,398</u>	<u>117,257</u>	<u>105,438</u>	<u>442,641</u>	<u>55,499</u>
Noncurrent liabilities:						
General obligation bonds payable	2,828,500	3,923,000	2,594,500	3,691,600	13,037,600	-
Total noncurrent liabilities	<u>2,828,500</u>	<u>3,923,000</u>	<u>2,594,500</u>	<u>3,691,600</u>	<u>13,037,600</u>	<u>-</u>
Total liabilities	<u>2,935,048</u>	<u>4,036,398</u>	<u>2,711,757</u>	<u>3,797,038</u>	<u>13,480,241</u>	<u>55,499</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	3,970,280	6,770,916	4,176,912	2,775,644	17,693,752	27,445
Unrestricted	175,532	21,519	625,865	170,959	993,875	30,029
Total net assets	<u>\$ 4,145,812</u>	<u>\$ 6,792,435</u>	<u>\$ 4,802,777</u>	<u>\$ 2,946,603</u>	<u>\$ 18,687,627</u>	<u>\$ 57,474</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, 2008

	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	\$ 327,591	\$ 422,577	\$ 466,330	\$ 375,828	\$ 1,592,326	\$ 71,112
Total operating revenue	<u>327,591</u>	<u>422,577</u>	<u>466,330</u>	<u>375,828</u>	<u>1,592,326</u>	<u>71,112</u>
Operating expenses						
Administrative expenses	184,638	246,064	229,273	188,212	848,187	39,458
Depreciation expense	123,726	204,790	97,622	105,531	531,669	18,285
Total operating expenses	<u>308,364</u>	<u>450,854</u>	<u>326,895</u>	<u>293,743</u>	<u>1,379,856</u>	<u>57,743</u>
Operating income (loss)	19,227	(28,277)	139,435	82,085	212,470	13,369
Nonoperating revenues (expenses)						
Investment earnings	13,102	4,367	21,837	8,735	48,041	-
Miscellaneous income	1,133	83,046	1,426	1,179	86,784	-
Interest and fees	(149,983)	(197,489)	(141,159)	(186,185)	(674,816)	-
Total nonoperating revenues (expenses)	<u>(135,748)</u>	<u>(110,076)</u>	<u>(117,896)</u>	<u>(176,271)</u>	<u>(539,991)</u>	<u>-</u>
Income (loss) before contributions and operating transfers	(116,521)	(138,353)	21,539	(94,186)	(327,521)	13,369
Transfers from (to) other funds	-	(30,797)	-	-	(30,797)	(55,000)
Total transfers and capital contributions	<u>-</u>	<u>(30,797)</u>	<u>-</u>	<u>-</u>	<u>(30,797)</u>	<u>(55,000)</u>
Change in net assets	(116,521)	(169,150)	21,539	(94,186)	(358,318)	(41,631)
Net assets, beginning as previously reported	4,292,650	6,984,136	4,799,363	3,075,353	19,151,502	99,105
Prior period adjustment	(30,317)	(22,551)	(18,125)	(34,564)	(105,557)	-
Net assets, beginning as restated	<u>4,262,333</u>	<u>6,961,585</u>	<u>4,781,238</u>	<u>3,040,789</u>	<u>19,045,945</u>	<u>99,105</u>
Net assets, ending	<u>\$ 4,145,812</u>	<u>\$ 6,792,435</u>	<u>\$ 4,802,777</u>	<u>\$ 2,946,603</u>	<u>\$ 18,687,627</u>	<u>\$ 57,474</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	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ 19,227	\$ (28,277)	\$ 139,435	\$ 82,085	\$ 212,470	\$ 13,369
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	123,726	204,790	97,622	105,531	531,669	18,285
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(726)	19,990	(1,346)	26,741	44,659	(945)
Increase (decrease) in accounts payable and accrued liabilities	(200)	(11)	478	(365)	(98)	54,133
Increase (decrease) in customer deposits	725	1,091	1,328	2,475	5,619	-
Increase (decrease) in accrued vacation	(68)	198	238	(58)	310	-
Total adjustments	123,457	226,058	98,320	134,324	582,159	71,473
Net cash provided (used) by operating activities	\$ 142,684	\$ 197,781	\$ 237,755	\$ 216,409	\$ 794,629	\$ 84,842

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, 2008

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	<u>Social Services Fund</u>	<u>Pest Management Fund</u>	<u>Motor Vehicle Tax</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$          1,117</u>	<u>\$          5,158</u>	<u>\$         (3,621)</u>
<b>LIABILITIES</b>			
Miscellaneous liabilities	<u>\$          1,117</u>	<u>\$          5,158</u>	<u>\$         (3,621)</u>

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, 2008

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**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, 2008

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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.

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

*QZAB – Bertie High School Capital Projects Fund – Capital Project Fund.* This fund accounts for funds used in the construction of school facilities.

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 are 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, 2008

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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 registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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

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

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  
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**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

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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.

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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 2008-2009 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 \$(4,658,655) 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)	\$ 11,838,992
Less accumulated depreciation	(3,324,824)
Net capital assets	8,514,168
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	8,919,078
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	(21,772,541)
Pension obligation	(122,230)
Compensated absences	(254,604)
	(22,149,375)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	57,474
Total adjustment	\$ (4,658,655)

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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 \$1,466,981 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 3,172,689
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	(301,833)
Cost of capital assets disposed during the year, that is recorded on the statement of activities but not in the fund statements	(206,000)
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	(364,858)
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	(791,386)
Internal service funds are used by management to charge the costs of a data information system to individual funds	(41,631)
Total adjustment	\$ 1,466,981

**II. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

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

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, 2008, the County's deposits had a carrying amount of \$4,243,576 and a bank balance of \$4,437,697. Of the bank balance, \$300,000 was covered by federal depository insurance and \$16,023 in non-interest bearing deposits and \$4,121,674 in interest bearing certificates of deposit covered by collateral held under the Pooling Method.

At June 30, 2008, Bertie County had \$1,170 cash on hand.

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At June 30, 2008, the carrying amount of deposits for Bertie County ABC Board was \$123,293 and the bank balance was \$121,360. all of the bank balance was covered by federal depository insurance.

At June 30, 2008, the ABC Board had \$1,675 cash on hand.

**2. Investments**

At June 30, 2008, the County's investments consisted of \$5,675,079 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's, and \$252 in Finistar. The County has no policy on credit risk.

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

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

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

Year Levied	Tax	Interest	Total
2005	\$ 1,043,515	\$ 341,744	\$ 1,385,259
2006	1,050,186	249,413	1,299,599
2007	1,038,319	153,145	1,191,464
2008	1,068,652	61,443	1,130,095
Total	<u>\$ 4,200,672</u>	<u>\$ 805,745</u>	<u>\$ 5,006,417</u>

**4. Receivables**

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

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Other	Total
<b>Governmental Activities:</b>					
General	\$ 872,119	\$ 733,152	\$ 586,193	\$ 8,278,150	\$ 10,469,614
Other Governmental	77,251	-	-	-	77,251
Internal Service Fund	3,053	-	-	-	3,053
Total receivables	952,423	733,152	586,193	8,278,150	10,549,918
Allowance for doubtful accounts	-	(92,224)	-	-	(92,224)
Total-governmental activities	<u>\$ 952,423</u>	<u>\$ 640,928</u>	<u>\$ 586,193</u>	<u>\$ 8,278,150</u>	<u>\$ 10,457,694</u>
<b>Business-type Activities</b>					
Water Districts	\$ 244,598	\$ -	\$ -	\$ -	\$ 244,598
Total receivables	244,598	-	-	-	244,598
Allowance for doubtful accounts	(117,306)	-	-	-	(117,306)
Total - business-type activities	<u>\$ 127,292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,292</u>

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

Local option sales tax	\$ 552,270
Sales tax receivable	33,923
Total	<u>\$ 586,193</u>

**5. Capital Assets**

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

**Governmental Activities:**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 854,290	\$ -	\$ 206,000	\$ 648,290
Construction in progress	337,039	2,968,435	-	3,305,474
Total capital assets not being depreciated	1,191,329	2,968,435	206,000	3,953,764
<b>Capital assets being depreciated:</b>				
Buildings	5,438,521	-	-	5,438,521
Improvements	709,785	42,320	-	752,105
Equipment	679,247	36,671	-	715,918
Vehicles and motor equipment	853,421	125,263	-	978,684
Total capital assets being depreciated	7,680,974	204,254	-	7,885,228
<b>Less accumulated depreciation for:</b>				
Buildings	2,152,158	103,855	-	2,256,013
Improvements	-	37,006	-	37,006
Equipment	374,979	52,516	-	427,495
Vehicles and motor equipment	495,854	108,456	-	604,310
Total accumulated depreciation	3,022,991	\$ 301,833	\$ -	3,324,824
Total capital assets being depreciated, net	4,657,983			4,560,404
Internal Service funds	45,730			27,445
<b>Governmental activity capital assets, net</b>	\$ 5,895,042			\$ 8,541,613

**Primary Government**

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

General government	\$ 99,206
Public safety	137,182
Human services	28,825
Parks and Rec	36,620
Total depreciation expense	<u>\$ 301,833</u>

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**Business-type Activities:**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water Districts</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 129,994	\$ -	\$ -	\$ 129,994
Construction in progress	9,018,189	59,325	8,183,740	893,774
Total capital assets not being depreciated	<u>9,148,183</u>	<u>59,325</u>	<u>8,183,740</u>	<u>1,023,768</u>
<b>Capital assets being depreciated:</b>				
Plant and distribution systems	25,884,544	8,183,740	-	34,068,284
Vehicles	15,941	13,942	-	29,883
Total capital assets being depreciated	<u>25,900,485</u>	<u>8,197,682</u>	<u>-</u>	<u>34,098,167</u>
<b>Less accumulated depreciation for:</b>				
Plant and distribution systems	3,610,473	530,740	-	4,141,213
Vehicles	15,941	929	-	16,870
Total accumulated depreciation	<u>3,626,414</u>	<u>\$ 531,669</u>	<u>\$ -</u>	<u>4,158,083</u>
Total capital assets being depreciated, net	<u>22,274,071</u>			<u>29,940,084</u>
<b>Water Districts capital assets, net</b>	<u><u>\$ 31,422,254</u></u>			<u><u>\$ 30,963,852</u></u>

**Construction commitments**

The government has active construction projects as of June 30, 2008. The projects include the administration building project, school construction, and water district projects. At June 30, 2008, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Parks & Recreation PARTF 2	\$ 18,159	\$ 986,841
Social Services Building	3,529,986	221,014
Bertie High School	1,809,352	190,648
Water districts	2,855,807	233,516
Total	<u>\$ 8,213,304</u>	<u>\$ 1,632,019</u>

**Discretely presented component units**

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 5,346	\$ -	\$ -	\$ 5,346
<b>Capital assets being depreciated:</b>				
Furniture and equipment	78,669	25,534	-	104,203
Leasehold improvements	17,711	-	-	17,711
Vehicles	9,645	-	-	9,645
Total capital assets being depreciated	<u>106,025</u>	<u>25,534</u>	<u>-</u>	<u>131,559</u>
<b>Less accumulated depreciation for:</b>				
Furniture and equipment	68,798	4,806	-	73,604
Leasehold improvements	16,708	666	-	17,374
Vehicles	9,645	-	-	9,645
Total accumulated depreciation	<u>95,151</u>	<u>\$ 5,472</u>	<u>\$ -</u>	<u>100,623</u>
<b>ABC capital assets, net</b>	<u><u>\$ 16,220</u></u>			<u><u>\$ 36,282</u></u>

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**B. Liabilities**

**1. Payables**

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

	Vendors	Accrued Interest	Total
Governmental Activities:			
General	\$ 473,361	\$ -	\$ 473,361
Other Governmental	439,406	-	439,406
Internal Service Fund	55,499	-	55,499
Total-governmental activities	\$ 968,266	\$ -	\$ 968,266
Business-type Activities			
Water Districts	\$ 72,401	\$ -	\$ 72,401
Total - business-type activities	\$ 72,401	\$ -	\$ 72,401

**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, 2008, 2007, and 2006 were \$206,804, \$190,637, and \$184,624, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$4,668, \$4,620, and \$4,483, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

**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, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	21
Total	22

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**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 \$20,280, or 3.03% 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, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases 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, 2007 was 23 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	\$ 20,464
Interest on net pension obligation	7,922
Adjustment to annual required contribution	<u>(6,714)</u>
Annual pension cost	21,672
Contributions made	<u>8,709</u>
Increase (decrease) in net pension obligation	12,963
Net pension obligation beginning of year	<u>109,267</u>
Net pension obligation end of year	<u><u>\$ 122,230</u></u>

**3 Year Trend Information**

For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2006	\$ 20,928	41.61%	\$ 97,348
2007	20,628	42.22%	109,267
2008	21,672	40.19%	122,230

**4. Funded Status and Funding Progress**

As of December 31, 2007, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$169,093, and the actuarial value of assets was 0, resulting in an unfunded actuarial accrued liability (UAAL) of \$169,093.

The covered payroll (annual payroll of active employees covered by the plan) was \$669,260, and the ratio of the UALL to the covered payroll was 25.27 percent.

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

**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.

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Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2008 were \$45,116, which consisted of \$37,595 from the County and \$7,521 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. The Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were \$1,364.

**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 30 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2008, the County made payments for postretirement health benefit premiums of \$116,268. The County obtains health care coverage through private insurers. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 2.18% and 2.82% of covered payroll, respectively.

**f. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

**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:

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	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 84,041
Taxes receivable, net (General)	640,928	-
Special assessments receivable, net (General)	8,278,150	-
Total	\$ 8,919,078	\$ 84,041

**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

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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.

The installment purchase was executed on October 12, 2007 for various property improvements for use by Bertie County Board of Education. The transaction requires fifteen principal payments by the County of \$109,460. There is no interest due. The payments are deposited into an interest drawing account. The remainder of the payments, totaling \$358,100, 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, 2008, including \$5,511,667 of interest, are:

Year ending June 30	Governmental Funds					
	Hospital		Health Department		DSS County Building	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 398,397	\$ 428,253	\$ 66,667	\$ 24,298	\$ 220,000	\$ 121,044
2010	421,190	405,460	66,667	21,918	220,000	112,398
2011	445,287	381,363	66,667	19,538	220,000	103,752
2012	469,789	356,861	66,667	17,203	220,000	95,106
2013	497,640	329,010	66,667	14,778	220,000	86,460
2014-2018	2,948,545	1,184,706	333,333	38,209	1,100,000	302,610
2019-2023	2,679,020	283,143	44,443	597	880,000	86,460
Principal and interest payment totals	<u>\$ 7,859,868</u>	<u>\$ 3,368,796</u>	<u>\$ 711,111</u>	<u>\$ 136,541</u>	<u>\$ 3,080,000</u>	<u>\$ 907,830</u>

Year ending June 30	Governmental Funds					
	QZAB School Project	QZAB Bertie High	Middle School		Totals	
	Principal	Principal	Principal	Interest	Principal	Interest
2009	\$ 212,181	\$ 109,460	\$ 400,000	\$ 165,620	\$ 1,406,705	\$ 739,215
2010	212,181	109,460	400,000	152,100	1,429,498	691,876
2011	212,181	109,460	400,000	138,580	1,453,595	643,233
2012	212,181	109,460	400,000	125,060	1,478,097	594,230
2013	212,181	109,460	400,000	111,540	1,505,948	541,788
2014-2018	1,060,904	547,300	2,000,000	354,900	7,990,082	1,880,425
2019-2023	999,752	905,400	1,000,000	50,700	6,508,615	420,900
Principal and interest payment totals	<u>\$ 3,121,561</u>	<u>\$ 2,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 1,098,500</u>	<u>\$ 21,772,540</u>	<u>\$ 5,511,667</u>

**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.

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The County's general obligation bonds payable at June 30, 2008 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%	\$ 2,883,000
\$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%	3,994,000
\$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%	2,646,500
\$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%	<u>3,746,600</u>
Total	<u>\$ 13,270,100</u>

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

At June 30, 2008, Bertie County had a legal debt margin of \$63,638,025.

**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, 2008:

Year ending June 30,	Business-type activities	
	Principal	Interest
2009	\$ 232,500	\$ 665,412
2010	244,000	654,528
2011	256,600	642,364
2012	270,000	628,571
2013	283,000	614,999
2014-2018	1,641,000	2,846,984
2019-2023	2,092,500	2,391,551
2024-2028	2,641,000	1,812,574
2029-2033	3,003,500	1,102,976
2034-2038	2,262,000	363,511
2039-2040	344,000	25,320
Principal and interest payment totals	<u>\$ 13,270,100</u>	<u>\$ 11,748,790</u>

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

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008	Current Portion of Balance
<b>Governmental activities:</b>					
Installment purchase	\$ 21,047,056	\$ 2,000,000	\$ 1,274,515	\$ 21,772,541	\$ 1,430,578
Compensated absences	201,666	52,938	-	254,604	63,651
Net pension obligation	109,267	12,963	-	122,230	12,963
Total governmental activities	<u>\$ 21,357,989</u>	<u>\$ 2,065,901</u>	<u>\$ 1,274,515</u>	<u>\$ 22,149,375</u>	<u>\$ 1,507,192</u>
<b>Business-type activities:</b>					
General obligation debt	\$ 13,491,600	-	\$ 221,500	\$ 13,270,100	\$ 232,500
Compensated absences	13,878	310	-	14,188	3,547
Total business-type activities	<u>\$ 13,505,478</u>	<u>\$ 310</u>	<u>\$ 221,500</u>	<u>\$ 13,284,288</u>	<u>\$ 236,047</u>
<b>Discretely presented component units:</b>					
Installment purchase	\$ -	\$ 25,534	\$ 14,363	\$ 11,171	\$ 6,383
Compensated absences	10,332	-	607	9,725	-
Total discretely presented component unit	<u>\$ 10,332</u>	<u>\$ 25,534</u>	<u>\$ 14,970</u>	<u>\$ 20,896</u>	<u>\$ 6,383</u>

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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, 2008, there were no industrial revenue bonds outstanding.

**C. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2008, 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 the 2006 CDBG fund	8,500
Transfer from Capital Reserves Schools to the General fund for return of excess transfers	247,946
Transfer from Capital Reserves Schools to the Middle School fund	238,835
Transfer from E911 to the General Fund	125,493
Transfer from the General fund to Parks & Recreation to supplement other funding sources.	250,000
Transfer from the Middle School to Capital Reserves Schools	329,562
Transfer from the Water District II to the General Fund	30,797
	<u>\$ 1,281,133</u>

**III. 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, 2008. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$121,819 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 East Carolina Behavioral Health with nine other counties. Each participating government appoints members to the eighteen member board. Bertie County appoints two 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, 2008. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$49,390 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at 144 Community College Road, 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, 2008. 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.

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, 2008. In accordance with the governmental agreement between the participating governments, the County appropriated \$726,475 to the Jail to supplement its activities. This amount represents 46% 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.

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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, 2008. 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.

**IV. 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, 2008.

**V. 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	\$ 30,173,595	\$ 15,789,856
Food stamp program	4,205,306	-
Energy assistance	92,120	-
Title IV-E	28,753	8,038
Foster Care	-	485
Foster Home	-	14,024
SC/SA Domiciliary Care	-	300,899
Total	\$ 34,499,774	\$ 16,113,302

**VI. 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.

**VII. 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:

Year Ending June 30,	Amount
2009	\$ 90,000
2010	90,000
2011	90,000
2012	40,116
Total	\$ 310,116

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**VIII. 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, 2008, 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.

**IX. 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.

**X. 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, 2008, 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, 2008, the balance of the County's Lottery Fund account was \$102,602. This does not require a county match.

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, 2008, 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.

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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.

**XI. 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.

In July 2004, the County accepted a note receivable from Bertie Memorial Limited Partnership in consideration for environmental clean-up and site improvement expenditures incurred by the County. The face value of the note is \$129,600, due in eighteen payments beginning in 2037 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.

**XII. Prior Period Adjustment**

During the year ended June 30, 2008, the County determined there was a note receivable that was not previously shown in the General Fund in the amount of \$129,600. The adjustment had the effect of increasing notes receivable and deferred revenue. The beginning net assets of the Governmental Funds were increased to allow for this addition.

During the year ended June 30, 2008, the County determined that there were uncollectible accounts receivables in the four water districts that should have been written off in prior years. Water District I fund balance was decreased by \$30,317 from 4,292,650 to \$4,262,333. Water District II fund balance was decreased by \$22,551 from \$6,984,136 to \$6,961,585. Water District III fund balance was decreased by \$18,125 from \$4,799,363 to \$4,781,238. Water District IV fund balance was decreased by \$34,564 from \$3,075,353 to \$3,040,789. The total decrease to the fund balances was \$105,557 from \$19,151,502 to \$19,045,945.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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- 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)
12/31/1998	\$ -	\$ 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%
12/31/2007	\$ -	\$ 169,093	\$ 169,093	0.00%	\$ 669,260	25.27%

Bertie County, North Carolina  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
 June 30, 2008

Year Ended June 30	Annual Required Contribution	Percentage Contributed
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%
2009	\$ 20,280	42.94%

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	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	23 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5 - 12.3%
* Includes inflation 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, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Current year		\$ 7,966,250	
Prior years		344,472	
Penalties and interest		118,540	
Total	<u>\$ 8,172,040</u>	<u>8,429,262</u>	<u>\$ 257,222</u>
Other taxes:			
Local government sales tax		632,855	
Scrap tire disposal tax		25,045	
N.C. excise tax		90,266	
Lease vehicle tax		286	
Total	<u>770,500</u>	<u>748,452</u>	<u>(22,048)</u>
<b>Intergovernmental revenues:</b>			
Wine and beer		66,940	
Emergency Management		14,841	
Local 1/2¢ sales tax-art 40		951,812	
Local 1/2¢ sales tax-art 42		948,979	
Local 1/2¢ sales tax-art 44		557,381	
State DWI reimbursement		1,160	
Payment in lieu of taxes		41,669	
Veteran services		2,000	
Aging office		237,063	
CAMA		550	
Soil conservation		32,537	
Community based alternatives		96,580	
Court facility fees		58,455	
Officer fees		50,132	
Criminal Justice Partnership		102,589	
Restricted drug money		31,836	
School Resource Officer – Board of Ed.		97,371	
Rural General Public Transportation		30,865	
Aging - Senior outreach		6,445	
Equalization		38	
Social services - general administration		1,967,119	
Day Care		870,354	
Domestic violence		66,554	
Work First		160	
Foster care		109,876	
Foster Child Adopt Incentive		54,000	
Elderly/Handicapped transportation		39,704	
Smart start - childcare		119,747	
Mosquito control grant		5,017	
Hold Harmless - Medicaid		126,738	
Title I HAVA elections		2,121	

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, 2008

	Final Budget	Actual	Variance Positive (Negative)
Homeland Security Grant		4,930	
Ship Grant		7,500	
Land Use Plan Update		29,950	
Emergency Management Supplemental Grant		4,067	
Lewiston-Woodville Water Management Project		17,601	
2 Hot 2 Trot Grant		1,711	
Total	6,887,438	6,756,392	(131,046)
Licenses and permits:			
Registration fees		65,459	
Vital record fees		14,977	
Concealed weapons		1,610	
Recreation fees		9,322	
Other fees		52,464	
Inspection fees and building permits		77,509	
Total	214,145	221,341	7,196
Sales and services:			
Rents and concessions		29,465	
Jail fees		11,220	
Refuse collection fees		1,571,988	
Aging Program income		18,698	
Total	1,659,342	1,631,371	(27,971)
Investment earnings	323,000	318,819	(4,181)
Miscellaneous:			
Other refunds		16,249	
Miscellaneous		83,433	
5¢ per bottle tax		3,345	
Sale of assets		3,791	
Sale of land		21,243	
Other department revenue		66,836	
Insurance proceeds		4,768	
Hospital lease revenue		826,650	
Grass cutting		11,515	
5% water gross receipts		8,716	
5% electric gross receipts		30,252	
5% sewer gross receipts		3,814	
Total	1,084,354	1,080,612	(3,742)
Total revenues	19,110,819	19,186,249	75,430

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, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Expenditures:</b>			
<u>General Government</u>			
Governing body:			
Salaries and benefits		78,792	
Travel		38,503	
Telephone and postage		7,006	
Dues and subscriptions		5,791	
Advertising		1,117	
Insurance and bonds		42,569	
Miscellaneous		4,953	
Total	181,300	178,731	2,569
Administration:			
Salaries and benefits		334,975	
Telephone and postage		5,623	
Travel		13,049	
Supplies and materials		7,391	
Dues and subscriptions		1,814	
Total	364,648	362,852	1,796
Finance:			
Salaries and benefits		165,003	
Supplies and materials		9,671	
Travel		1,671	
Telephone and postage		3,471	
Contracted services		32,410	
Maintenance and repairs		3,069	
Total	220,809	215,295	5,514
Elections:			
Salaries and benefits		74,359	
Telephone and postage		3,117	
Travel		7,552	
Buildings and equipment rents		806	
Advertising		1,393	
Supplies and materials		6,906	
Contracted services		10,736	
Dues and subscriptions		90	
Insurance and bonds		280	
Total	121,028	105,239	15,789
Tax Collections:			
Salaries and benefits		322,127	
Telephone and postage		39,156	
Travel		5,006	
Advertising		8,938	

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, 2008

	Final Budget	Actual	Variance Positive (Negative)
Office supplies		10,204	
Contracted services		68,581	
Maintenance and repairs		2,843	
Dues and subscriptions		784	
Miscellaneous		47,621	
Total	507,608	505,260	2,348
<b>Legal:</b>			
Contracted services		47,901	
Tax foreclosures		62,487	
Total	112,488	110,388	2,100
<b>Register of Deeds:</b>			
Salaries and benefits		169,562	
Telephone and postage		3,983	
Travel		5,591	
Supplies and materials		9,345	
Contracted services		6,434	
Dues and subscriptions		395	
Insurance and bonds		1,005	
Maintenance and repairs		38,945	
Conveyance tax		44,233	
Domestic violence		2,475	
Total	290,072	281,968	8,104
<b>Data Center:</b>			
Salaries and benefits		134,115	
Telephone and postage		6,607	
Travel		116	
Supplies and materials		5,720	
Contracted services		9,790	
Maintenance and repairs		23,201	
Total	189,618	179,549	10,069
<b>Public Buildings:</b>			
Salaries and benefits		204,884	
Telephone and postage		1,020	
Utilities		66,694	
Maintenance and repairs - buildings		13,831	
Maintenance and repairs -- vehicles and equipment		3,594	
Automotive supplies		6,231	
Supplies and materials		17,684	
Contracted services		11,104	
Insurance and bonds		18,175	
Uniforms		947	

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, 2008

	Final Budget	Actual	Variance Positive (Negative)
Travel		125	
Capital outlay		42,320	
	388,209	386,609	1,600
Allocated to court facilities	(46,000)	(46,000)	-
Total	342,209	340,609	1,600
<b>Court Facilities:</b>			
Utilities and telephone		30,616	
Buildings and equipment rents		1,930	
Miscellaneous		5,707	
Total	38,500	38,253	247
Allocated from public buildings	46,000	46,000	-
Total	84,500	84,253	247
<b>Parks and Recreation:</b>			
Salaries and benefits		84,346	
Supplies and materials		36,038	
Travel		1,285	
Telephone and postage		1,647	
Maintenance and repairs – vehicles and equipment		2,363	
Insurance and bonds		1,849	
Advertising		250	
Supplemental grants		218	
Contracted services		2,861	
Dues and subscriptions		110	
Utilities		8,953	
	196,696	139,920	56,776
<u>Total General Government</u>	2,610,976	2,504,064	106,912
<b>Public Safety</b>			
<b>Sheriff:</b>			
Salaries and benefits		1,203,051	
Separation allowance		8,709	
Employee training		7,352	
Telephone and postage		13,008	
Travel		667	
Maintenance and repairs - equipment		3,133	
Maintenance and repairs - vehicles		37,381	
Maintenance and repairs - building		13,384	
Automotive supplies		110,467	
Supplies and materials		40,798	
Dues and subscriptions		395	
Insurance and bonds		28,655	
Uniforms		11,230	
Utilities		7,075	

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, 2008

	Final Budget	Actual	Variance Positive (Negative)
Restricted drug money		17,541	
Employee physical		967	
Project Lifesaver		2,722	
Capital outlay - vehicles		88,702	
Total	1,622,778	1,595,237	27,541
<b>Emergency Management:</b>			
Salaries and benefits		53,562	
Telephone and postage		1,848	
Travel		889	
Insurance and bonds		3,546	
Supplies and materials		630	
Maintenance and repairs		3,075	
Training		90	
Fire department		120,000	
Rescue squad		162,000	
Dues and subscriptions		50	
Fire department grant		40,981	
Supplemental grant		5,930	
Miscellaneous		384	
Medical transports		3,400	
Total	408,276	396,385	11,891
<b>Planning and Inspection:</b>			
Salaries and benefits		214,771	
Telephone and postage		3,316	
Travel		3,838	
Maintenance and repairs		2,157	
Automotive supplies		10,139	
Supplies and materials		2,877	
Dues and subscriptions		465	
Insurance and bonds		3,634	
Advertising		1,401	
Land use plan update		29,950	
Zoning ordinance development		17,425	
Miscellaneous		333	
Capital Outlay		20,508	
Total	318,647	310,814	7,833
<b>Animal Control:</b>			
Salaries and benefits		43,029	
Utilities		482	
Maintenance and repairs		317	
Telephone and postage		855	
Automotive supplies		7,864	
Supplies and materials		7,263	

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, 2008

	Final Budget	Actual	Variance Positive (Negative)
Insurance and bonds		915	
Contracted services		4,251	
Uniforms		401	
Total	69,616	65,377	4,239
Medical Examiner:			
Professional services	8,000	4,200	3,800
Communications:			
Salaries and benefits		162,587	
Employee training		45	
Telephone and postage		2,946	
Utilities		9,124	
Travel		641	
Supplies and materials		1,998	
Insurance and bonds		552	
Maintenance and repairs equipment		2,218	
Maintenance contracts		5,257	
Total	193,719	185,368	8,351
Criminal Justice Partnership:			
Salaries and benefits		51,883	
Crime Commission Grant		2,644	
Telephone and postage		2,916	
Travel		316	
Insurance and bonds		2,334	
Supplies and materials		8,934	
Maintenance and repairs		4,680	
Utilities		7,885	
Miscellaneous		601	
Contracted services		21,746	
Total	130,422	103,939	26,483
Domestic Violence Task Force:			
Salaries and benefits		27,544	
Supplies and materials		332	
Travel		6,195	
Telephone and postage		3,127	
Contracted services		14,630	
Rent expense		6,000	
Administration		5,000	
Miscellaneous		120	
Total	70,997	62,948	8,049
Appropriations:			
Bertie-Martin Regional Jail	726,475	726,475	-
<u>Total Public Safety</u>	3,548,930	3,450,743	98,187

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, 2008

	Final Budget	Actual	Variance Positive (Negative)
<u>Environmental Protection</u>			
Sanitation:			
Tire disposal		27,019	
Convenience centers		414,941	
Contracted services		6,640	
Total	450,500	448,600	1,900
<u>Total Environmental Protection</u>	450,500	448,600	1,900
<u>Economic and Physical Development</u>			
Agricultural Extension:			
Salaries and benefits		110,838	
Maintenance and repairs - equipment		2,149	
Telephone and postage		5,176	
Programs		4,150	
Travel		4,177	
Supplies and materials		13,345	
Dues and subscriptions		577	
Contracted services		1,381	
Total	144,839	141,793	3,046
Economic Development:			
Salaries and benefits		62,331	
Telephone and postage		1,813	
Travel		3,423	
Advertising		100	
Supplies and materials		10	
Peanut Belt Rural Planning		5,625	
Total	73,979	73,302	677
Soil Conservation:			
Salaries and benefits		88,827	
Dues and subscriptions		1,021	
Transportation		1,689	
Lewiston-Woodville Management Project		19,980	
Total	111,841	111,517	324
<u>Total Economic &amp; Physical Development</u>	330,659	326,612	4,047
<u>Human Services</u>			
Health:			
Administration:			
Maintenance and repairs - building		177	
Insurance and bonds		1,034	
Management fee yearly appropriation		75,000	

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, 2008

	Final Budget	Actual	Variance Positive (Negative)
Management fee fund balance buy-in		90,000	
Mosquito control		12,000	
Total	178,397	178,211	186
Total Health	178,397	178,211	186
<b>Social Services:</b>			
<b>Administration:</b>			
Salaries and benefits		2,043,029	
Telephone and postage		46,169	
Utilities		17,359	
Travel		22,021	
Maintenance and repairs		2,154	
Food stamp – EBT		11,945	
Maintenance contracts		10,433	
Buildings and equipment rents		450	
Vehicle supplies		348	
Supplies and materials		31,310	
Contracted services		3,000	
Dues and subscriptions		560	
Insurance		3,294	
Bertie Hospital - Indigent		120,000	
Miscellaneous expense		1,509	
Capital Outlay		16,053	
Total	2,346,763	2,329,634	17,129
<b>General Assistance:</b>			
Public assistance		839	
S.A.A.		301,366	
State foster care		56,728	
Day Care		870,167	
Medicaid		2,218,779	
Legal services		32,742	
Smart start-childcare		119,747	
Chore services		65,588	
Adoption assistance		15,416	
Transport of patients and other		55,599	
AFDC – Local		846	
Work First		29,666	
Adult day care		62,003	
AFDC – Foster Care		99,954	
Crisis intervention		102,011	
Jobs program		7,426	
Aid to blind		1,547	
Total	4,251,265	4,040,424	210,841

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, 2008

	Final Budget	Actual	Variance Positive (Negative)
Aid to Aged and Disabled:			
Salaries and benefits		168,939	
Advertising		174	
Telephone and postage		2,589	
Travel		3,595	
Maintenance and repairs		4,822	
Building and equipment rent		3,500	
Respite		25,003	
Transportation of patients		58,223	
Utilities		14,828	
Home delivered meals		43,511	
Food and provisions		53,603	
Insurance and bonds		1,289	
Janitor		2,306	
Senior Center		8,544	
SHIP Grant		3,380	
2 Hot 2 Trot Grant		1,461	
Supplies and materials		6,693	
Vehicle supplies		119	
Dues and subscriptions		209	
Total	409,880	402,788	7,092
Total social services	7,007,908	6,772,846	235,062
Veterans Service Office:			
Salaries and benefits		19,611	
Telephone and postage		514	
Travel		656	
Supplies and materials		77	
Dues and subscriptions		75	
Equipment under \$5,000		115	
Total	21,160	21,048	112
Appropriations:			
Mental health		44,590	
Mental health - ABC 5¢		4,800	
Community Based Alternatives		100,388	
Choanoke Public Transit Authority		10,000	
Total	159,778	159,778	-
Total Human Services	7,367,243	7,131,883	235,360

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, 2008

	Final Budget	Actual	Variance Positive (Negative)
<u>Education:</u>			
Public schools current expense		2,500,000	
Public schools capital outlay		405,050	
Community Colleges		95,000	
Total	3,070,000	3,000,050	69,950
<u>Total Education</u>	3,070,000	3,000,050	69,950
<u>Special Appropriations</u>			
Other Agencies:			
Arts Council		5,000	
Airport		15,000	
Mideast Commission		4,941	
Roánoke River Partners		2,500	
Forest service		89,033	
Historical group		25,000	
Library		121,819	
Juvenile detention		40,331	
Juvenile probation		2,600	
Mideast RC&D Commission		1,000	
CADA		4,800	
CBA task force		3,500	
Windsor Area Chamber		1,500	
Food Bank of Albemarle		1,000	
Partnership for the Sounds		6,000	
Roanoke-Chowan Safe		3,000	
Rural general public transportation		30,865	
RC Domestic Violence Task Force		4,000	
Shaken Baby Syndrome		3,500	
Caswell Center		500	
Three Rivers Healthy Carolina		2,500	
Family Resource Center		7,500	
Highway 17 Association		8,000	
Total	416,721	383,889	32,832
<u>Total Special Appropriations</u>	416,721	383,889	32,832
<u>Debt Service:</u>			
Principal retirement		1,274,515	
Interest and fees		782,826	
	2,061,570	2,057,341	4,229
<u>Total Debt Service</u>	2,061,570	2,057,341	4,229
Total expenditures	19,856,599	19,303,182	553,417
Revenues over (under) expenditures	(745,780)	(116,933)	628,847

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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing sources (uses):			
Transfers from (to) other funds:			
To special revenue fund	(100,000)	(58,500)	-
From special revenue fund	446,412	373,439	-
To capital project fund	(421,000)	(250,000)	-
From enterprise fund	-	30,797	-
Total other financing uses	<u>(74,588)</u>	<u>95,736</u>	<u>(170,324)</u>
Revenues and other sources over (under) expenditures and other uses	(820,368)	(21,197)	799,171
Appropriated fund balance	<u>820,368</u>	<u>-</u>	<u>(820,368)</u>
Net change in fund balance	<u>\$ -</u>	<u>(21,197)</u>	<u>\$ (21,197)</u>
Fund balance, beginning		<u>7,051,038</u>	
Fund balance, end		<u>\$ 7,029,841</u>	

SCHEDULE 4

<u>Capital Projects</u>		
<u>Parks and Recreation PART 2</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 231,841	\$ 231,841	\$ 2,018,025
-	-	19,752
<u>\$ 231,841</u>	<u>\$ 231,841</u>	<u>\$ 2,037,777</u>
\$ -	\$ -	\$ 3,304
-	-	3,304
-	-	19,752
231,841	231,841	2,014,721
<u>231,841</u>	<u>231,841</u>	<u>2,034,473</u>
<u>\$ 231,841</u>	<u>\$ 231,841</u>	<u>\$ 2,037,777</u>

Capital Projects Funds					
Total Nonmajor Special Revenue Funds	Parks and Recreation PARTF 2	Schools Capital Project	Middle School Construction	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Totals
\$ 73,910	\$ -	\$ -	\$ 3,224	\$ 3,224	\$ 77,134
199,218	-	-	-	-	199,218
45,768	-	-	-	-	45,768
-	-	240,811	-	240,811	240,811
-	-	-	329,562	329,562	329,562
318,896	-	240,811	332,786	573,597	892,493
88,545	-	-	-	-	88,545
54,268	18,159	-	32,697	50,856	105,124
-	-	240,048	-	240,048	240,048
142,813	18,159	240,048	32,697	290,904	433,717
176,083	(18,159)	763	300,089	282,693	458,776
388,062	250,000	-	238,835	488,835	876,897
(612,274)	-	-	(329,562)	(329,562)	(941,836)
(224,212)	250,000	-	(90,727)	159,273	(64,939)
(48,129)	231,841	763	209,362	441,966	393,837
1,850,761	-	(763)	(209,362)	(210,125)	1,640,636
<u>\$ 1,802,632</u>	<u>\$ 231,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,841</u>	<u>\$ 2,034,473</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, 2008

	2008		Variance Positive (Negative)
	Budget	Actual	
<b>EXPENDITURES</b>			
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
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>50,000</u>	<u>\$ 50,000</u>
Fund balance, beginning		<u>100,216</u>	
Fund balance, ending		<u>\$ 150,216</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, 2008

	2008		Variance Positive (Negative)
	Budget	Actual	
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 56,778	\$ 56,778
Total revenue	-	56,778	56,778
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	329,562	329,562
Transfers out	(550,647)	(486,781)	63,866
Total transfers	(550,647)	(157,219)	393,428
Revenues and other uses over (under) expenditures	(550,647)	(100,441)	450,206
Appropriated fund balance	550,647	-	(550,647)
Revenues, other uses and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(100,441)</u>	<u>\$ (100,441)</u>
Fund balance, beginning		1,199,319	
Fund balance, ending		<u>\$ 1,098,878</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, 2008

	2008		Variance Positive (Negative)
	Budget	Actual	
<b>REVENUES</b>			
Other taxes and licenses	\$ 90,000	\$ 148,899	\$ 58,899
Investment earnings	-	13,102	13,102
Total revenue	90,000	162,001	72,001
<b>EXPENDITURES</b>			
Public safety:			
Operating expenses	90,000	29,655	60,345
Total expenditures	90,000	29,655	60,345
Net change in fund balance	\$ -	132,346	\$ 132,346
Fund balance, beginning		421,192	
Fund balance, ending		\$ 553,538	

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, 2008

	2008		Variance Positive (Negative)
	Budget	Actual	
<b>REVENUES</b>			
Other taxes and licenses	\$ 100,000	\$ 50,319	\$ (49,681)
Investment earnings	3,000	4,030	1,030
Total revenue	<u>103,000</u>	<u>54,349</u>	<u>(48,651)</u>
<b>EXPENDITURES</b>			
Public safety:			
Operating expenses	103,000	58,890	44,110
Total expenditures	<u>103,000</u>	<u>58,890</u>	<u>44,110</u>
Revenues over (under) expenditures	<u>-</u>	<u>(4,541)</u>	<u>(4,541)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers out:			
General fund	(130,034)	(125,493)	4,541
Revenues and other financing sources over (under) expenditures	<u>(130,034)</u>	<u>(130,034)</u>	<u>-</u>
Appropriated fund balance	<u>130,034</u>	<u>-</u>	<u>(130,034)</u>
Revenues, other uses and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(130,034)</u>	<u>\$ (130,034)</u>
Fund balance, beginning		130,034	
Fund balance, ending		<u>\$ -</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, 2008

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Federal grants	\$ 400,000	\$ 291,984	\$ 7,005	\$ 298,989	\$ (101,011)
<b>EXPENDITURES</b>					
Current:					
Economic and physical development	400,000	291,984	7,005	298,989	101,011
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  
**2006 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, 2008

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Federal grants	\$ 700,000	\$ -	\$ 38,763	\$ 38,763	\$ (661,237)
<b>EXPENDITURES</b>					
Current:					
Economic and physical development	750,000	-	47,263	47,263	702,737
Revenues over (under) expenditures	(50,000)	-	(8,500)	(8,500)	41,500
<b>OTHER FINANCING SOURCES</b>					
Transfers in	50,000	-	8,500	\$ 8,500	\$ (41,500)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

Bertie County, North Carolina  
**PARKS AND RECREATION CONSTRUCTION PART 2 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
 From Inception and for the Fiscal Year Ended June 30, 2008

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
State grant	\$ 500,000	\$ -	\$ -	\$ -	(500,000)
Total revenues	500,000	-	-	-	(500,000)
<b>EXPENDITURES</b>					
General construction	910,000	-	-	-	910,000
Architect	75,000	-	-	-	75,000
Legal	2,000	-	1,000	1,000	1,000
Land inspections	18,000	-	17,159	17,159	841
Total expenditures	1,005,000	-	18,159	18,159	986,841
Revenues under expenditures	(505,000)	-	(18,159)	(18,159)	486,841
<b>OTHER FINANCING SOURCES</b>					
Transfers in	500,000	-	250,000	250,000	250,000
Tax refunds	5,000	-	-	-	5,000
Total other financing sources	505,000	-	250,000	250,000	255,000
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	231,841	<u>\$ 231,841</u>	<u>\$ 231,841</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ 231,841</u>		

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, 2008

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Restricted intergovernmental:					
Public School Building Capital Fund	\$ 2,089,417	\$ 1,848,606	\$ 240,811	\$ 2,089,417	\$ -
Public School Building Bond Act	12,620,680	12,620,681	-	12,620,681	1
Total revenues	<u>14,710,097</u>	<u>14,469,287</u>	<u>240,811</u>	<u>14,710,098</u>	<u>1</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Education	14,710,097	14,470,050	240,048	14,710,098	(1)
Total expenditures	<u>14,710,097</u>	<u>14,470,050</u>	<u>240,048</u>	<u>14,710,098</u>	<u>(1)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (763)</u>	763	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			(763)		
Fund balance, ending			<u>\$ -</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, 2008

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Investment earnings	\$ 444,460	\$ 441,237	\$ 3,224	\$ 444,461	\$ 1
Total revenues	444,460	441,237	3,224	444,461	1
<b>EXPENDITURES</b>					
General construction	6,688,518	6,655,820	32,697	6,688,517	1
Total expenditures	6,688,518	6,655,820	32,697	6,688,517	1
Revenues under expenditures	(6,244,058)	(6,214,583)	(29,473)	(6,244,056)	2
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt proceeds	6,000,000	6,000,000	-	6,000,000	-
1996 School bond proceeds	5,220	5,221	-	5,221	1
Tax refunds	329,565	-	329,562	329,562	(3)
Transfer from School Capital Project	238,836	-	238,835	238,835	(1)
Transfer to Capital Reserve	(329,563)	-	(329,562)	(329,562)	1
Total other financing sources (uses)	6,244,058	6,005,221	238,835	6,244,056	(2)
Net change in fund balance	<u>\$ -</u>	<u>\$ (209,362)</u>	209,362	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			(209,362)		
Fund balance, ending			<u>\$ -</u>		

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, 2008

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Investment earnings	\$ 184,000	\$ 102,533	\$ 80,953	\$ 183,486	\$ (514)
Total revenues	<u>184,000</u>	<u>102,533</u>	<u>80,953</u>	<u>183,486</u>	<u>(514)</u>
<b>EXPENDITURES</b>					
General construction	3,080,396	154,217	2,918,175	3,072,392	8,004
Architect fees	180,000	150,160	27,353	177,513	2,487
Reimbursements	38,254	32,662	1,801	34,463	3,791
Land purchase	206,000	206,000	-	206,000	-
Inspections	45	-	45	45	-
Contents	209,305	-	2,902	2,902	206,403
Equipment	37,000	-	36,671	36,671	329
Total expenditures	<u>3,751,000</u>	<u>543,039</u>	<u>2,986,947</u>	<u>3,529,986</u>	<u>221,014</u>
Revenues under expenditures	(3,567,000)	(440,506)	(2,905,994)	(3,346,500)	220,500
<b>OTHER FINANCING SOURCES</b>					
Debt proceeds	3,300,000	3,300,000	-	3,300,000	-
Tax refunds	41,000	-	-	-	(41,000)
Transfers in	226,000	-	55,000	55,000	(171,000)
Total other financing sources (uses)	<u>3,567,000</u>	<u>3,300,000</u>	<u>55,000</u>	<u>3,355,000</u>	<u>(212,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,859,494</u>	<u>(2,850,994)</u>	<u>\$ 8,500</u>	<u>\$ 8,500</u>
Fund balance, beginning			2,859,494		
Fund balance, ending			<u>\$ 8,500</u>		

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over (under) expenditures		(44,363)	
Reconciling items:			
Depreciation		(123,726)	
Debt principal		51,500	
(Increase) decrease in accrued vacation payable		68	
Change in net assets		<u>\$ (116,521)</u>	

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over (under) expenditures		(31,662)	
Reconciling items:			
Depreciation		(204,790)	
Debt principal		67,500	
(Increase) decrease in accrued vacation payable		(198)	
Change in net assets		<u>\$ (169,150)</u>	

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over (under) expenditures		69,399	
Reconciling items:			
Depreciation		(97,622)	
Debt principal		50,000	
(Increase) decrease in accrued vacation payable		(238)	
Change in net assets		<u>\$ 21,539</u>	

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over (under) expenditures		(41,213)	
Reconciling items:			
Depreciation		(105,531)	
Debt principal		52,500	
(Increase) decrease in accrued vacation payable		58	
Change in net assets		\$ (94,186)	

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, 2008

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES:</b>					
Restricted intergovernmental:					
State grants	\$ 350,000	\$ 349,999	\$ -	\$ 349,999	\$ (1)
<b>EXPENDITURES:</b>					
Engineering	20,555	20,555	-	20,555	-
Construction	333,116	319,172	13,942	333,114	2
Total	353,671	339,727	13,942	353,669	2
Revenues over (under) expenditures	(3,671)	10,272	(13,942)	(3,670)	1
<b>OTHER FINANCING SOURCES (USES)</b>					
Tax refunds	3,671	3,669	-	3,669	(2)
Revenues and other sources (uses) over (under) expenditures	\$ -	\$ 13,941	\$ (13,942)	\$ (1)	\$ (1)

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, 2008

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES:</b>					
Reimbursement from developer	\$ 898,353	\$ 898,353	\$ -	\$ 898,353	\$ -
<b>EXPENDITURES:</b>					
Engineering	129,950	65,950	59,420	125,370	4,580
Construction	768,403	768,403	-	768,403	-
Total	<u>898,353</u>	<u>834,353</u>	<u>59,420</u>	<u>893,773</u>	<u>4,580</u>
Revenues over (under) expenditures	-	64,000	(59,420)	4,580	4,580
<b>OTHER FINANCING SOURCES (USES)</b>					
Tax refunds	-	20,225	(20,225)	-	-
Revenues and other sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 84,225</u>	<u>\$ (79,645)</u>	<u>\$ 4,580</u>	<u>\$ 4,580</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, 2008

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES:</b>					
Restricted intergovernmental:					
State grants	\$ 2,190,970	\$ 1,962,906	\$ -	\$ 1,962,906	\$ (228,064)
<b>EXPENDITURES:</b>					
Construction	2,190,970	1,962,129	(95)	1,962,034	228,936
Total	2,190,970	1,962,129	(95)	1,962,034	228,936
Revenues over (under) expenditures	\$ -	\$ 777	\$ 95	\$ 872	\$ 872

Bertie County, North Carolina  
**INTERNAL SERVICE FUNDS**  
**BERTIE TELEPHONE**  
**STATEMENT OF NET ASSETS**  
 June 30, 2008

	<u>2008</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 82,475
Accounts receivable (net) – billed	3,053
Total	<u>85,528</u>
Fixed assets (net)	27,445
Total assets	<u>112,973</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and accrued liabilities	55,499
Total current liabilities	<u>55,499</u>
Total liabilities	<u>55,499</u>
<b>NET ASSETS</b>	
Invested in capital assets	27,445
Unrestricted	30,029
Total net assets	<u>\$ 57,474</u>

Bertie County, North Carolina  
**INTERNAL SERVICE FUNDS**  
**BERTIE TELEPHONE**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
 For the Fiscal Year Ended June 30, 2008

	2008		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Operating revenues:			
User charges	\$ 72,000	\$ 71,112	\$ (888)
Total	<u>72,000</u>	<u>71,112</u>	<u>(888)</u>
<b>Expenditures:</b>			
Operating:			
Telephone		38,463	
Maintenance contracts		995	
Total	<u>52,000</u>	<u>39,458</u>	<u>12,542</u>
<b>Other financing sources (uses):</b>			
Transfers to other funds			
General fund	<u>(55,000)</u>	<u>(55,000)</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ (35,000)</u>	<u>\$ (23,346)</u>	<u>\$ 11,654</u>
Appropriated fund balance	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>(23,346)</u>	<u>\$ (23,346)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over (under) expenditures		\$ (23,346)	
Depreciation expense		<u>(18,285)</u>	
Change in net assets		<u>\$ (41,631)</u>	

Bertie County, North Carolina  
**INTERNAL SERVICE FUNDS**  
**BERTIE TELEPHONE**  
**CASH FLOW STATEMENT**  
For the Fiscal Year Ended June 30, 2008

	Bertie Telephone
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from users	\$ 70,167
Cash paid for goods and services	14,675
Net cash provided (used) by operating activities	84,842
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Operating transfers out	(55,000)
Net cash provided (used) by noncapital financing activities	(55,000)
<b>Net increase (decrease) in cash and cash equivalents</b>	29,842
Cash and cash equivalents, beginning of year	52,633
Cash and cash equivalents, end of year	\$ 82,475
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ 13,369
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	(945)
Increase (decrease) in accounts payable and accrued liabilities	54,133
Total adjustments	71,473
Net cash provided (used) by operating activities	\$ 84,842

Bertie County, North Carolina  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
 For the Fiscal Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<b>Social Services</b>				
Assets:				
Cash and cash equivalents	\$ 1,077	\$ 190	\$ 150	\$ 1,117
Liabilities:				
Miscellaneous liabilities	\$ 1,077	\$ 190	\$ 150	\$ 1,117
<b>Fines and Forfeitures</b>				
Assets:				
Cash and investments	\$ 1,492	\$ 146,439	\$ 147,931	\$ -
Intergovernmental payable - State of North Carolina				
Total liabilities	\$ 1,492	\$ 146,439	\$ 147,931	\$ -
<b>Motor Vehicle Tax</b>				
Assets:				
Cash and investments	\$ -	\$ 714,170	\$ 717,791	\$ (3,621)
Liabilities:				
Intergovernmental payable	\$ -	\$ 714,170	\$ 717,791	\$ (3,621)
<b>Pest Management</b>				
Assets:				
Cash and investments	\$ 5,513	\$ 6,210	\$ 6,565	\$ 5,158
Liabilities:				
Miscellaneous liabilities	\$ 5,513	\$ 6,210	\$ 6,565	\$ 5,158
<b>Total - All Agency Funds</b>				
Assets:				
Cash and investments	\$ 8,082	\$ 867,009	\$ 872,437	\$ 2,654
Liabilities:				
Miscellaneous liabilities	\$ 8,082	\$ 720,570	\$ 724,506	\$ 4,146

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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- 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, 2008

Fiscal Year	Uncollected Balance June 30, 2007	Additions	Collections and Credits	Uncollected Balance June 30, 2008
2007 - 2008	\$ -	\$ 8,327,530	\$ 7,966,250	\$ 361,280
2006 - 2007	350,375	-	244,225	106,150
2005 - 2006	115,756	-	43,730	72,026
2004 - 2005	73,139	-	25,152	47,987
2003 - 2004	50,095	-	13,421	36,674
2002 - 2003	38,780	-	9,726	29,054
2001 - 2002	31,044	-	6,007	25,037
2000 - 2001	25,741	-	5,488	20,253
1999 - 2000	25,299	-	4,763	20,536
1998 - 1999	17,184	-	3,029	14,155
1997 - 1998	17,891	-	17,891	-
	<u>\$ 745,304</u>	<u>\$ 8,327,530</u>	<u>\$ 8,339,682</u>	<u>\$ 733,152</u>
Less: Allowance for uncollectible accounts: General Fund				<u>92,224</u>
Ad valorem taxes receivable - net: General Fund				<u>\$ 640,928</u>
<u>Reconciliation with revenues</u> Ad valorem taxes - General Fund				\$ 8,429,262
Reconciling items:				
Interest collected				(118,540)
Taxes written off				17,257
Discoveries and adjustments				<u>11,703</u>
Total collections and credits				<u>\$ 8,339,682</u>

Bertie County, North Carolina  
**ANALYSIS OF CURRENT TAX LEVY**  
**COUNTY-WIDE LEVY**  
 For the Fiscal Year Ended June 30, 2008

	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	\$ 1,067,969,969	0.0078	\$ 8,330,166	\$ 7,209,689	\$ 1,120,477
<b>Total</b>	<u>1,067,969,969</u>		<u>8,330,166</u>	<u>7,209,689</u>	<u>1,120,477</u>
<b>Discoveries;</b>					
Current year taxes	7,828,903	0.0078	61,065	50,930	10,135
Abatements	<u>(8,166,796)</u>	0.0078	<u>(63,701)</u>	<u>(31,374)</u>	<u>(32,327)</u>
Total property valuation	<u>\$ 1,067,632,076</u>				
Net Levy			8,327,530	7,229,245	1,098,285
Current year's taxes collected			<u>7,966,250</u>	<u>7,030,940</u>	<u>935,310</u>
Uncollected taxes at June 30, 2008			<u>\$ 361,280</u>	<u>\$ 198,305</u>	<u>\$ 162,975</u>
Current levy collection percentage			<u>95.66%</u>	<u>97.26%</u>	<u>85.16%</u>

# COMPLIANCE SECTION



Certified Public Accountants and Advisors

*Ideas...Strategies...Results*

**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 unit, each major fund, and the aggregated remaining fund information of the Bertie County, North Carolina as of and for the year ended June 30, 2008, which collectively comprises the Bertie County's basic financial statements, and have issued our report thereon dated November 3, 2008. We did not audit the financial statements of the Bertie County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bertie County ABC Board, is based solely on the reports of the other auditors. 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 Bertie County's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Bertie 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 Bertie County's financial statements that is more than inconsequential will not be prevented or detected by Bertie County's internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting, which is described as item 08-1.

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 Bertie County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not disclose all significant deficiencies that are also considered material weaknesses. However, we believe neither of the significant deficiencies described above are not material weaknesses.

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*.

Bertie County's response to the finding identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Bertie County's responses and accordingly, we express no opinion on it.

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

*Pittard Perry & Crone, Inc.*  
Belhaven, North Carolina  
November 3, 2008

Member: North Carolina Association of Certified Public Accountants  
and American Institute of Certified Public Accountants

**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, 2008. 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 of 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, 2008.

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 Bertie 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 Bertie 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 Bertie 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 specific parties.

*Pittard Perry & Crone, Inc.*  
Belhaven, North Carolina  
November 3, 2008

**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, 2008. 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; 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 of 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, 2008.

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 Bertie 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 Bertie 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 Bertie 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 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 specific parties.

*Pittard Perry & Crone, Inc.*

Belhaven, North Carolina  
November 3, 2008

Bertie County, North Carolina  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 For The Fiscal Year Ended June 30, 2008

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

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

Noncompliance material to financial statements noted \_\_\_\_\_ Yes   X   No

*Federal Awards*

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_\_\_ 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 \$ 1,117,508

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, 2008

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*State Awards*

Internal control over major State programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

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

Non compliance material to State Award \_\_\_\_\_ Yes  X  No

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act \_\_\_\_\_ Yes  X  No

Identification of major State programs:

Names of State Program or Cluster  
State/County Special Assistance for Adults  
Subsidized Child Care Cluster

Bertie County, North Carolina  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Fiscal Year Ended June 30, 2008

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**Section II - Financial Statement Findings**

**Significant Deficiency**

**08-1 Reconciliation of Accounts**

<u>Criteria:</u>	The County should reconcile the water revenues and receivables per monthly billings and collections to the General Ledger. The County should also monitor on a monthly basis the allowance accounts.
<u>Condition:</u>	The County's water receivables and revenues per the General Ledger did not agree with the monthly reports.
<u>Effect:</u>	The financial statements could be misstated. A prior period adjustment was made to correct the accounts.
<u>Cause:</u>	The monthly billings and collections were not reconciled with the General Ledger on a monthly basis and the allowance accounts had not been monitored.
<u>Recommendation:</u>	The County should reconcile the billings and collections to the General Ledger on a monthly basis and monitor the allowance accounts.
<u>Views of responsible officials and planned corrective action</u>	The County agrees with this finding and will implement this procedure immediately.

**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, 2008

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**Section II – Financial Statement Findings**

Significant Deficiency and Finding 08-1

Name of Contact Person: Zee Lamb, County Manager  
Corrective Action: The County will implement the proposed recommendation.  
Proposed Completion Date: December 31, 2008

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, 2008

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**Findings:**

Status:           There were no prior year findings.

Bertie County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
<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	\$ 4,205,306	\$ -	\$ -
State Administrative Matching Grants for the Food Stamp Program	10.561	XXXX	341,142	-	341,142
Total U.S. Dept. of Agriculture			4,546,448	-	341,142
<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	7,005	-	-
2006 Community Development Block Grant	14.228	XXXX	38,763	-	-
Total U.S. Dept. Housing and Urban Development			45,768	-	-
<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	133,227	98,035	20,109
Special Programs for the Aging – Title III C					
Nutrition Services	93.045	XXXX	24,419	19,152	4,309
Total Aging Cluster			157,646	117,187	24,418
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	41,383	2,647	38,736
Title IV-E Foster Care	93.658	XXXX	-	485	-
Title IV-E Foster Care/Off Trm	93.658	XXXX	21,058	-	21,058
Title IV-E Adopt Subsidy and Vendor	93.659	XXXX	28,753	8,038	8,038
Family Preservation	93.556	XXXX	3,610	-	-
Total Foster Care and Adoption Cluster			94,804	11,170	67,832

Bertie County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
<u>Administration for Children and Families</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Work First Services	93,558	XXXX	198,923	-	263,730
Work First Administration	93,558	XXXX	28,029	-	49,080
Crisis Intervention Payments	93,568	XXXX	100,648	-	-
Low-Income Home Energy Assistance Block Grant:					
Administration	93,568	XXXX	9,407	-	-
Energy Assistance Payments - Direct Benefit Payments	93,568	XXXX	92,120	-	-
Adoption/Foster Care	93,645	XXXX	7,260	-	2,611
Permanency Planning - Reg	93,645	XXXX	4,288	1,429	-
SSBG - Other Service and Training	93,667	XXXX	153,136	17,270	56,802
SSBG - In Home Service Fund	93,667	XXXX	22,166	-	3,167
SSBG - Adult Day Care Over 60	93,667	XXXX	25,292	17,014	6,044
SSBG - Adult Day Care	93,667	XXXX	8,628	4,282	1,844
Independent Living Grant	93,674	XXXX	1,200	300	-
Permanency Planning - Spec	93,645	XXXX	1,273	-	424
AFDC Payments & Penalties	93,560	XXXX	(240)	(66)	(66)
TANF - Payments & Penalties	93,558	XXXX	312,922	-	-
TANF - Domestic Violence	93,558	XXXX	6,285	-	-
			971,337	40,229	383,636
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	267,631	-	-
Child Care and Development Fund - Mandatory	93,596	XXXX	108,985	-	-
Child Care and Development Fund - Match	93,596	XXXX	168,842	94,574	-
Social Services Block Grant	93,667	XXXX	12,249	-	-
Temporary Assistance for Needy Families	93,558	XXXX	104,251	-	-
State Appropriations		XXXX	-	81,975	-
Smart Start		XXXX	-	20,682	-
TANF-MOE		XXXX	-	130,912	-
Total Subsidized Child Care Cluster			721,958	328,143	-
<u>Health Care Financing Administration</u>					
Direct Benefit Payments:					
Medical Assistance Program	93,778	XXXX	30,173,595	15,789,856	2,148,570
<u>Division of Facility Services</u>					
Division of Social Services:					
Administration:					
Health Choice	93,767	XXXX	26,137	1,478	7,262
Medical Assistance Program	93,778	XXXX	497,175	28,792	468,383
			523,312	30,270	475,645
Total U.S. Dept. of Health and Human Services			32,642,652	16,316,855	3,100,101

Bertie County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
<u>U.S. Department of Homeland Security</u>					
Passed from Division of Emergency Management					
Emergency Management Performance Grant	97.042	XXXX	14,841	-	-
Total Federal Awards			37,249,709	16,316,855	3,441,243
<b>State Awards:</b>					
<u>N.C. Dept. of Environment and Natural Resources</u>					
Soil and Water Conservation – S&W Conservation		XXXX	-	32,537	-
Soil and Water Conservation – Administration		XXXX	-	4,000	-
Land Use Plan Update		XXXX	-	29,950	-
Public Health Pest Management		XXXX	-	5,017	-
Minor Permit County Aid	11.419	XXXX	550	-	-
Scrap Tire Fund		XXXX	-	3,300	-
Total Dept. of Environment and Natural Resources			550	74,804	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
State/County Special Assistance for Adults – Direct					
benefit payments		XXXX	-	300,899	301,367
State Foster Care Benefits Program		XXXX	-	14,024	14,024
Foster Care At Risk Maximization		XXXX	-	9,103	5,091
CWS Adopt Subsidy & Vendor		XXXX	-	6,006	940
Adult Protective Services		XXXX	-	18,869	-
AFDC/TANF Incent/Program Integrity		XXXX	-	35	-
DCD Smart Start		XXXX	-	29,939	-
State AID to Counties		XXXX	-	28,651	-
Total Dept. of Health and Human Services			-	407,526	321,422
<u>N.C. Dept. of Juvenile Justice and Delinquency Prevention</u>					
Juvenile Crime Prevention Program		XXXX	-	96,580	-
<u>N.C. Dept. of Transportation</u>					
Elderly and Disabled Transportation Assistance		XXXX	-	64,772	-
Work First/Transitional Employment		XXXX	-	9,142	-
Rural General Public Transportation		XXXX	-	51,264	-
Total N.C. Dept. of Transportation			-	125,178	-
<u>N.C. Dept. of Corrections</u>					
Criminal Justice Partnership Program		XXXX	-	82,168	-

Bertie County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>State Awards:</b>					
<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	-	240,048	-
<u>NC Dept. of Commerce</u>					
Passed-through from Mid East Commission:					
Senior Health Insurance Information Program		XXXX	-	7,500	-
<u>NC State Board of Elections</u>					
Title I - HAVA		XXXX	-	2,121	-
<u>NC Department of Crime Control and Public Safety</u>					
State Homeland Security Grant Program		XXXX	-	4,930	-
Emergency Management Supplemental Grant			-	4,067	-
Total NC Dept of Crime Control and Public Safety			-	8,997	-
Total State Awards			-	1,044,922	321,422
Total Federal and State Awards			\$ 37,250,259	\$ 17,361,777	\$ 3,762,665

Bertie County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
 For the Year Ended June 30, 2008

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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	\$ -	\$ 96,580
Passed-through from N.C. Dept. of Public Instruction:				
Public School Building Bond Act of 1996	XXXXX	XXXX	\$ -	\$ 240,048

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