

Financial Statements

Bertie County, North Carolina

FINANCIAL STATEMENTS and INDEPENDENT AUDITORS' REPORT

Year Ended June 30, 2009

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

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FINANCIAL SECTION



Independent Auditors' 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 unit, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina, as of and for the year ended June 30, 2009, 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 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 unit, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2009 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. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance's and the Other Postemployment Benefits' Schedules of Funding Progress and Schedules of 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.
October 23, 2009

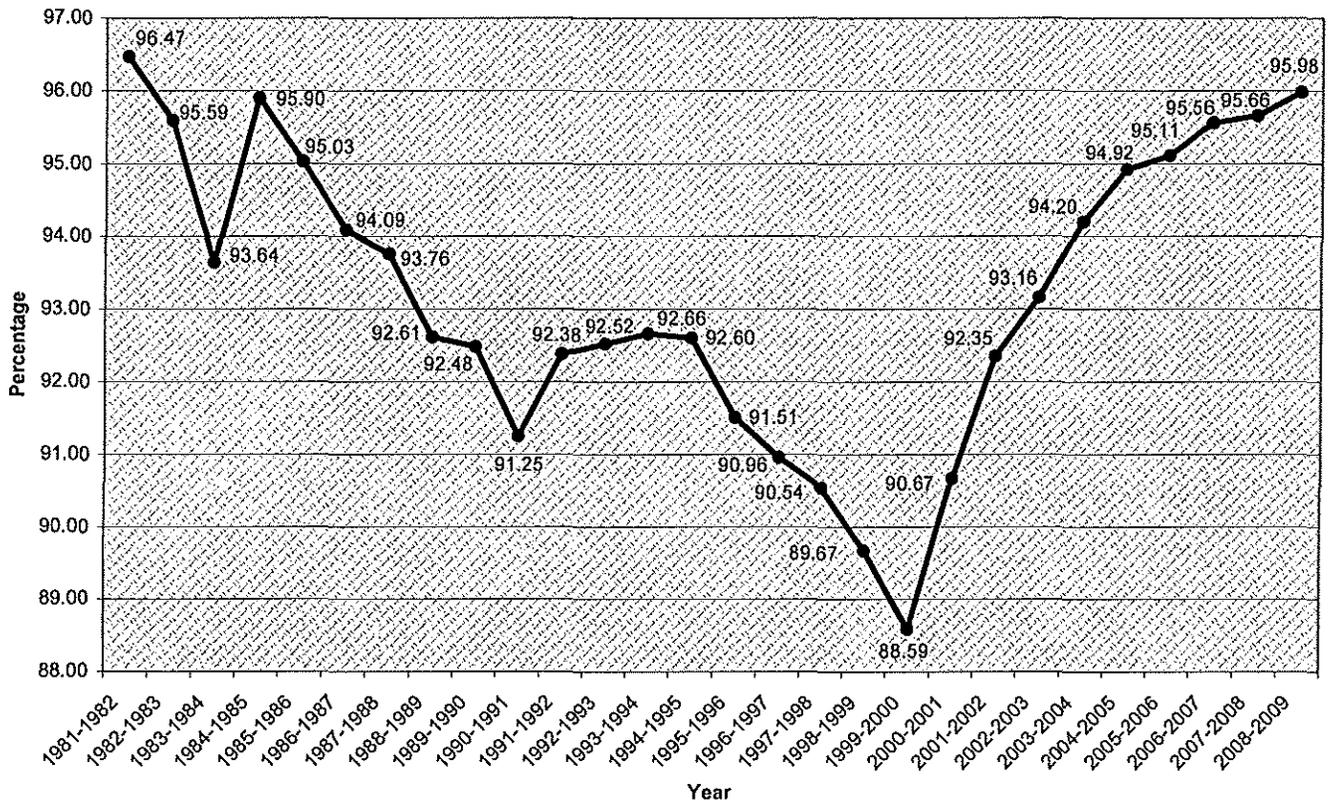
Management's Discussion and Analysis

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, 2009. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets of Bertie County exceeded its liabilities at the close of the fiscal year by \$23,669,735 (*net assets*).
- The government's total net assets increased by \$341,130, primarily due to the governmental funds.
- As of the close of the current fiscal year, Bertie County's governmental funds reported combined ending fund balances of \$9,043,897, a decrease of \$(255,736) in comparison with the prior year and are attributed to decreases in sales tax revenue, landfill host fees revenue, and interest earned on deposits and investments. Approximately 58.22% of this total amount or \$5,265,554 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,265,554, or 27.87% of total general fund expenditures of \$18,895,066 for the fiscal year.
- Bertie County's total debt decreased by \$(972,031) (2.74%) during the current fiscal year. The key factor in this increase was the repayment of outstanding debt.
- Tax collection rate was 95.98% for FY 2008-2009. This represents the highest collection rate since FY 1981-1982.

Current Year Tax Collection Rate - All Property

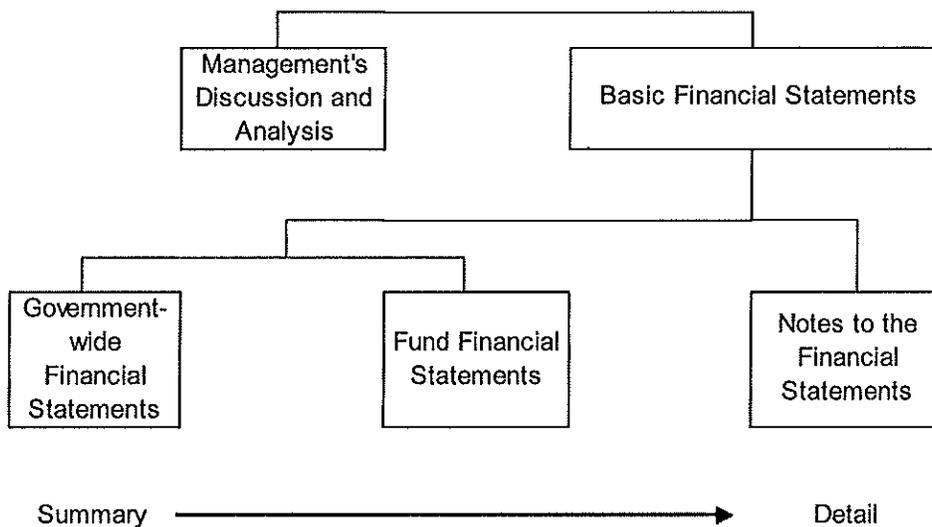


Overview of the Financial Statements

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 and other postemployment benefits.

Government-wide Financial Statements

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

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to 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 three categories: governmental funds, proprietary funds, and fiduciary 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 51 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 \$23,669,735 as of June 30, 2009. The County's net assets increased by \$341,130 for the fiscal year ended June 30, 2009. One of the largest portions (97.29%) 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. An additional portion of Bertie County's net assets \$3,888 (0.02%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$637,494 (2.69%) is unrestricted.

Bertie County's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 18,057,364	\$ 19,301,047	\$ 1,176,793	\$ 1,204,016	\$ 19,234,157	\$ 20,505,063
Capital assets	9,304,025	8,541,613	30,266,373	30,963,852	39,570,398	39,505,465
Total assets	<u>27,361,389</u>	<u>27,842,660</u>	<u>31,443,166</u>	<u>32,167,868</u>	<u>58,804,555</u>	<u>60,010,528</u>
Current and other liabilities	470,268	1,052,307	202,920	195,953	673,188	1,248,260
Long-term liabilities, due within one year	1,515,130	1,507,192	246,910	236,047	1,762,040	1,743,239
Long-term liabilities, due in more than one year	19,874,256	20,642,183	12,825,336	13,048,241	32,699,592	33,690,424
Total liabilities	<u>21,859,654</u>	<u>23,201,682</u>	<u>13,275,166</u>	<u>13,480,241</u>	<u>35,134,820</u>	<u>36,681,923</u>
Net assets:						
Invested in capital assets, net of related debt	5,799,580	4,750,502	17,228,773	17,693,752	23,028,353	22,444,254
Restricted for working capital	3,888	613,922	-	-	3,888	613,922
Unrestricted	(301,733)	(723,446)	939,227	993,875	637,494	270,429
Total net assets	<u>\$ 5,501,735</u>	<u>\$ 4,640,978</u>	<u>\$ 18,168,000</u>	<u>\$ 18,687,627</u>	<u>\$ 23,669,735</u>	<u>\$ 23,328,605</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
- Slight relief because of Medicaid Swap

Bertie County Changes in Net Assets
Figure 3

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 3,003,403	\$ 3,068,146	\$ 1,608,778	\$ 1,592,326	\$ 4,612,181	\$ 4,660,472
Operating grants and contributions	5,088,693	4,109,388	-	-	5,088,693	4,109,388
Capital grants and contributions	864,996	240,811	-	-	864,996	240,811
General revenues:						
Property taxes	8,165,669	8,194,004	-	-	8,165,669	8,194,004
Other taxes	2,645,128	3,631,293	-	-	2,645,128	3,631,293
Investment earnings	209,571	513,077	25,433	48,041	235,004	561,118
Miscellaneous	262,248	203,889	173,708	86,784	435,956	290,673
Total revenues	<u>20,239,708</u>	<u>19,960,608</u>	<u>1,807,919</u>	<u>1,727,151</u>	<u>22,047,627</u>	<u>21,687,759</u>
Expenses:						
General government	3,085,949	2,580,011	-	-	3,085,949	2,580,011
Public safety	3,574,125	3,512,186	-	-	3,574,125	3,512,186
Environmental protection	460,349	448,600	-	-	460,349	448,600
Economic and physical development	1,122,625	450,197	-	-	1,122,625	450,197
Human services	6,664,552	7,313,984	-	-	6,664,552	7,313,984
Education	3,220,000	5,086,121	-	-	3,220,000	5,086,121
Special appropriations	439,397	383,889	-	-	439,397	383,889
E-911	72,731	88,545	-	-	72,731	88,545
Interest and fees on long-term debt	739,223	782,826	-	-	739,223	782,826
Water districts	-	-	2,327,546	2,054,672	2,327,546	2,054,672
Total expenses	<u>19,378,951</u>	<u>20,646,359</u>	<u>2,327,546</u>	<u>2,054,672</u>	<u>21,706,497</u>	<u>22,701,031</u>
Increase in net assets before transfers and special items	860,757	(685,751)	(519,627)	(327,521)	341,130	(1,013,272)
Transfers	-	30,797	-	(30,797)	-	-
Increase in net assets	860,757	(784,554)	(519,627)	(358,318)	341,130	(1,142,872)
Net assets, July 1	<u>4,640,978</u>	<u>5,425,532</u>	<u>18,687,627</u>	<u>19,045,945</u>	<u>23,328,605</u>	<u>24,471,477</u>
Net assets, June 30	<u>\$ 5,501,735</u>	<u>\$ 4,640,978</u>	<u>\$ 18,168,000</u>	<u>\$ 18,687,627</u>	<u>\$ 23,669,735</u>	<u>\$ 23,328,605</u>

Governmental activities. Governmental activities increased the County's net assets by \$860,757, thereby accounting for 100.00% of the total growth in the net assets of Bertie County. Key elements of this increase are as follows.

- Increased operating grants, tax collections and a decrease in capital project expenditures

Business-type activities: Business-type activities decreased Bertie County's net assets by \$(519,627). Key elements of this decrease are as follows:

- Increases in salaries and purchased services contributed to the losses

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 \$5,265,554, while total fund balance reached \$6,606,816. 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 27.87% percent of total General Fund expenditures, while total fund balance represents 34.97% of that same amount. Total amendments to the General Fund increased revenues by \$414,960.

At June 30, 2009, the governmental funds of Bertie County reported a combined fund balance of \$9,043,897, a 2.8% 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 \$939,227. There was a decrease in net assets of \$519,627. 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, 2009, totals \$39,570,398 (net of accumulated depreciation). These assets include buildings, land, equipment, and vehicles.

Major capital asset transactions during the year include:

- 5 Vehicles for Sheriff's Office
- Air conditioning units for several buildings
- Department of Social Services placed into service during the year

Bertie County's Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 639,989	\$ 648,290	\$ 129,994	\$ 129,994	\$ 769,983	\$ 778,284
Buildings and system	6,340,100	3,182,490	30,120,181	29,927,069	36,460,281	33,109,559
Improvements	738,533	715,099	-	-	738,533	715,099
Machinery and equipment	252,699	315,868	-	-	252,699	315,868
Vehicles and motorized equipment	359,946	374,374	11,618	13,013	371,564	387,387
Construction in progress	972,758	3,305,474	4,580	893,774	977,338	4,199,248
Total	\$ 9,304,025	\$ 8,541,595	\$ 30,266,373	\$ 30,963,850	\$ 39,570,398	\$ 39,505,445

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

Long-term Debt. As of June 30, 2009, Bertie County had total debt outstanding of \$34,461,632.

Bertie County's Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ -	\$ -	\$ 13,037,600	\$ 13,270,100	\$ 13,037,600	\$ 13,270,100
Installment purchases	20,365,836	21,772,541	-	-	20,365,836	21,772,541
Compensated absences	291,696	254,604	11,640	14,188	303,336	268,792
Net pension obligation	134,938	122,230	-	-	134,938	122,230
Other postemployment benefits	596,916	-	23,006	-	619,922	-
	<u>\$ 21,389,386</u>	<u>\$ 22,149,375</u>	<u>\$ 13,072,246</u>	<u>\$ 13,284,288</u>	<u>\$ 34,461,632</u>	<u>\$ 35,433,663</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 \$66,279,254.

Additional information regarding Bertie County's long-term debt can be found in Note II.B.5 beginning on page 44 of this audited financial report.

Budget Highlights for the Fiscal Year Ending June 30, 2010

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, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
ASSETS				
Cash and cash equivalents	\$ 7,994,012	\$ 1,076,848	\$ 9,070,860	\$ 123,435
Receivables (net)	2,179,711	99,945	2,279,656	-
Notes receivable	7,879,753	-	7,879,753	-
Inventories	-	-	-	110,366
Prepaid items	-	-	-	7,973
Total current assets	<u>18,053,476</u>	<u>1,176,793</u>	<u>19,230,269</u>	<u>241,774</u>
Restricted assets:				
Cash and cash equivalents	3,888	-	3,888	-
Total restricted assets	<u>3,888</u>	<u>-</u>	<u>3,888</u>	<u>-</u>
Capital assets:				
Land, improvements, and construction in progress	1,612,747	134,574	1,747,321	-
Other capital assets, net of depreciation	7,691,278	30,131,799	37,823,077	30,816
Total capital assets	<u>9,304,025</u>	<u>30,266,373</u>	<u>39,570,398</u>	<u>30,816</u>
Total assets	<u>27,361,389</u>	<u>31,443,166</u>	<u>58,804,555</u>	<u>272,590</u>
LIABILITIES				
Accounts payable and accrued expenses	361,221	73,211	434,432	71,959
Unearned revenue	59,890	-	59,890	-
Customer deposits	-	125,129	125,129	-
Liabilities to be paid from restricted assets	49,157	4,580	53,737	-
Long-term liabilities:				
Due within one year	1,515,130	246,910	1,762,040	4,788
Due in more than one year	19,874,256	12,825,336	32,699,592	13,984
Total long-term liabilities	<u>21,389,386</u>	<u>13,072,246</u>	<u>34,461,632</u>	<u>18,772</u>
Total liabilities	<u>21,859,654</u>	<u>13,275,166</u>	<u>35,134,820</u>	<u>90,731</u>
NET ASSETS				
Invested in capital assets, net of related debt	5,799,580	17,228,773	23,028,353	26,028
Restricted for working capital	3,888	-	3,888	20,308
Unrestricted (deficit)	(301,733)	939,227	637,494	135,523
Total net assets	<u>\$ 5,501,735</u>	<u>\$ 18,168,000</u>	<u>\$ 23,669,735</u>	<u>\$ 181,859</u>

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

Bertie County, North Carolina
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 3,085,949	\$ 102,946	\$ -	\$ -
Public safety	3,574,125	539,926	109,762	-
Environmental protection	460,349	1,518,995	114,347	-
Economic and physical development	1,122,625	-	1,064,224	-
Human services	6,664,552	841,536	3,800,360	-
Intergovernmental:				
Education	3,220,000	-	-	864,996
Special appropriations	439,397	-	-	-
E-911	72,731	-	-	-
Debt service:				
Interest and fees on long-term debt	739,223	-	-	-
Total governmental activities	<u>19,378,951</u>	<u>3,003,403</u>	<u>5,088,693</u>	<u>864,996</u>
Business-type activities:				
Water Districts	2,327,546	1,608,778	-	-
Total business-type activities	<u>2,327,546</u>	<u>1,608,778</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 21,706,497</u>	<u>\$ 4,612,181</u>	<u>\$ 5,088,693</u>	<u>\$ 864,996</u>
Component unit:				
ABC Board	<u>\$ 712,291</u>	<u>\$ 656,678</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

 Property taxes, levied for general purpose

 Local option sales tax

 Other taxes and licenses

Investment earnings, unrestricted

Miscellaneous, unrestricted

 Total general revenues and transfers

 Change in net assets

Net assets-beginning

Net assets-ending

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
\$ (2,983,003)	\$ -	\$ (2,983,003)	\$ -
(2,924,437)	-	(2,924,437)	-
1,172,993	-	1,172,993	-
(58,401)	-	(58,401)	-
(2,022,656)	-	(2,022,656)	-
(2,355,004)	-	(2,355,004)	-
(439,397)	-	(439,397)	-
(72,731)	-	(72,731)	-
(739,223)	-	(739,223)	-
(10,421,859)	-	(10,421,859)	-
-	(718,768)	(718,768)	-
-	(718,768)	(718,768)	-
(10,421,859)	(718,768)	(11,140,627)	-
-	-	-	(55,613)
8,165,669	-	8,165,669	-
2,502,466	-	2,502,466	-
142,662	-	142,662	-
209,571	25,433	235,004	7,428
262,248	173,708	435,956	-
11,282,616	199,141	11,481,757	7,428
860,757	(519,627)	341,130	(48,185)
4,640,978	18,687,627	23,328,605	230,044
\$ 5,501,735	\$ 18,168,000	\$ 23,669,735	\$ 181,859

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

Bertie County, North Carolina
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	Major			Non-Major	Total Governmental Funds
	General	Social Services Building	Parks and Recreation PARTF 2	Other Governmental Funds	
ASSETS					
Cash and cash equivalents	\$ 5,533,510	\$ 3,888	\$ -	\$ 2,410,724	\$ 7,948,122
Receivables (net):					
Taxes	612,477	-	-	-	612,477
Accounts	1,278,904	7,374	260,653	18,224	1,565,155
Notes - Pitt County					
Memorial Hospital	7,461,470	-	-	-	7,461,470
Notes - Landmark Asset Services	288,683	-	-	-	288,683
Notes - Bertie Memorial Limited Partnership	129,600	-	-	-	129,600
Due (to) from other funds	202,875	-	(202,875)	-	-
Total assets	<u>\$ 15,507,519</u>	<u>\$ 11,262</u>	<u>\$ 57,778</u>	<u>\$ 2,428,948</u>	<u>\$ 18,005,507</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 348,583	\$ -	\$ -	\$ 11,750	\$ 360,333
Retainages payable	-	5,000	44,157	-	49,157
Deferred revenues	8,492,230	-	-	-	8,492,230
Unearned revenues	59,890	-	-	-	59,890
Total liabilities	<u>8,900,703</u>	<u>5,000</u>	<u>44,157</u>	<u>11,750</u>	<u>8,961,610</u>
Fund balances					
Reserved for CJPP	10,350	-	-	-	10,350
Reserved by domestic violence	52,008	-	-	-	52,008
Reserved by state statute	1,278,904	-	-	18,224	1,297,128
Unreserved	5,265,554	-	-	-	5,265,554
Designated for subsequent years' expenditures	-	6,262	13,621	-	19,883
Undesignated, reported in nonmajor funds					
Special revenue funds	-	-	-	2,398,974	2,398,974
Total fund balances	<u>6,606,816</u>	<u>6,262</u>	<u>13,621</u>	<u>2,417,198</u>	<u>9,043,897</u>
Total liabilities and fund balances	<u>\$ 15,507,519</u>	<u>\$ 11,262</u>	<u>\$ 57,778</u>	<u>\$ 2,428,948</u>	

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.	9,294,865
Liabilities for earned but deferred revenues in fund statements.	8,492,230
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	(21,389,386)
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	<u>60,129</u>
Net assets of governmental activities	<u><u>\$ 5,501,735</u></u>

Bertie County, North Carolina
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

	General Fund	Major Social Services Building	Parks and Recreation PARTF 2	Non-Major Other Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 8,592,534	\$ -	\$ -	\$ -	\$ 8,592,534
Other taxes and licenses	575,149	-	-	352,674	927,823
Intergovernmental revenues	6,201,143	-	486,379	1,302,261	7,989,783
Licenses and permits	214,826	-	-	-	214,826
Sales and services	1,575,074	-	-	-	1,575,074
Investment earnings	168,783	728	-	40,060	209,571
Miscellaneous	1,099,837	57,125	-	-	1,156,962
Total revenues	<u>18,427,346</u>	<u>57,853</u>	<u>486,379</u>	<u>1,694,995</u>	<u>20,666,573</u>
EXPENDITURES					
Current:					
General government	2,418,035	-	-	-	2,418,035
Public safety	3,519,719	-	-	-	3,519,719
Environmental protection	460,349	-	-	-	460,349
Economic and physical development	311,294	-	-	774,710	1,086,004
Human services	6,380,344	-	-	-	6,380,344
Intergovernmental:					
Education	3,220,000	-	-	-	3,220,000
Special appropriations	439,397	-	-	-	439,397
Capital projects	-	231,090	954,599	-	1,185,689
E-911	-	-	-	72,731	72,731
Debt service:					
Principal	1,406,705	-	-	-	1,406,705
Interest and fees	739,223	-	-	-	739,223
Total expenditures	<u>18,895,066</u>	<u>231,090</u>	<u>954,599</u>	<u>847,441</u>	<u>20,928,196</u>
Excess (deficiency) of revenues over expenditures	<u>(467,720)</u>	<u>(173,237)</u>	<u>(468,220)</u>	<u>847,554</u>	<u>(261,623)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	774,089	170,999	250,000	314,282	1,509,370
Transfers to other funds	<u>(729,394)</u>	<u>-</u>	<u>-</u>	<u>(774,089)</u>	<u>(1,503,483)</u>
Total other financing sources and uses	<u>44,695</u>	<u>170,999</u>	<u>250,000</u>	<u>(459,807)</u>	<u>5,887</u>
Net change in fund balance	(423,025)	(2,238)	(218,220)	387,747	(255,736)
Fund balances-beginning	7,029,841	8,500	231,841	2,029,451	9,299,633
Fund balances-ending	<u>\$ 6,606,816</u>	<u>\$ 6,262</u>	<u>\$ 13,621</u>	<u>\$ 2,417,198</u>	<u>\$ 9,043,897</u>

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

Net changes in fund balances - total governmental funds	\$ (255,736)
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.	796,616
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(15,902)
Revenues not in the statement of activities that do not provide current financial resources and reported as revenues in the funds.	(426,865)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,356,905
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(596,916)
Internal service funds are used by management to charge the costs of a telephone system to individual funds.	<u>2,655</u>
Total changes in net assets of governmental activities	<u>\$ 860,757</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, 2009

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 8,381,554	\$ 8,381,554	\$ 8,592,534	\$ 210,980
Other taxes and licenses	771,250	671,250	575,149	(96,101)
Intergovernmental revenues	6,330,332	6,389,572	6,201,143	(188,429)
Licenses and permits	237,756	215,756	214,826	(930)
Sales and services	1,917,328	1,559,666	1,575,074	15,408
Investment earnings	250,000	250,000	168,783	(81,217)
Miscellaneous	245,045	1,080,427	1,099,837	19,410
Total revenues	<u>18,133,265</u>	<u>18,548,225</u>	<u>18,427,346</u>	<u>(120,879)</u>
EXPENDITURES				
Current:				
General government	2,620,096	2,603,929	2,418,035	185,894
Public safety	3,621,866	3,662,198	3,519,719	142,479
Environmental protection	459,150	462,150	460,349	1,801
Economic and physical development	311,850	319,560	311,294	8,266
Human services	6,683,258	6,824,653	6,380,344	444,309
Intergovernmental:				
Education	3,220,000	3,220,000	3,220,000	-
Special appropriations	435,141	472,213	439,397	32,816
Debt service:				
Principal	1,008,309	1,406,707	1,406,705	2
Interest and fees	310,972	739,225	739,223	2
Total expenditures	<u>18,670,642</u>	<u>19,710,635</u>	<u>18,895,066</u>	<u>815,569</u>
Revenues over (under) expenditures	<u>(537,377)</u>	<u>(1,162,410)</u>	<u>(467,720)</u>	<u>694,690</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	774,089	774,089	-
Transfers to other funds	(455,548)	(619,320)	(729,394)	(110,074)
Total other financing sources and uses	<u>(455,548)</u>	<u>154,769</u>	<u>44,695</u>	<u>(110,074)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(992,925)</u>	<u>(1,007,641)</u>	<u>(423,025)</u>	<u>584,616</u>
Appropriated fund balance	<u>992,925</u>	<u>1,007,641</u>	<u>-</u>	<u>(1,007,641)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(423,025)</u>	<u>\$ (423,025)</u>
Fund balance, beginning			7,029,841	
Fund balance, ending			<u>\$ 6,606,816</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, 2009

	Business-type Activities-Proprietary Funds - Major					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 171,297	\$ 44,929	\$ 718,086	\$ 142,536	\$ 1,076,848	\$ 49,778
Receivables, net	19,028	19,418	24,472	37,027	99,945	2,079
Total current assets	<u>190,325</u>	<u>64,347</u>	<u>742,558</u>	<u>179,563</u>	<u>1,176,793</u>	<u>51,857</u>
Capital assets:						
Land and improvements	36,994	36,500	36,500	20,000	129,994	-
Construction in progress	-	4,580	-	-	4,580	-
Buildings, improvements, and equipment	8,117,191	11,610,338	8,024,398	7,236,435	34,988,362	182,848
Vehicles and motorized equipment	-	-	15,941	-	15,941	-
Less accumulated depreciation	(1,470,106)	(1,116,364)	(1,410,073)	(875,961)	(4,872,504)	(173,688)
Total capital assets	<u>6,684,079</u>	<u>10,535,054</u>	<u>6,666,766</u>	<u>6,380,474</u>	<u>30,266,373</u>	<u>9,160</u>
Total noncurrent assets	<u>6,684,079</u>	<u>10,535,054</u>	<u>6,666,766</u>	<u>6,380,474</u>	<u>30,266,373</u>	<u>9,160</u>
Total assets	<u>6,874,404</u>	<u>10,599,401</u>	<u>7,409,324</u>	<u>6,560,037</u>	<u>31,443,166</u>	<u>61,017</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	19,300	17,627	18,619	17,665	73,211	888
Customer deposits	31,196	22,119	41,973	29,841	125,129	-
Compensated absences payable	2,677	2,212	3,725	3,028	11,640	-
General obligation bonds payable	57,000	74,000	55,500	57,500	244,000	-
Total current liabilities	<u>110,173</u>	<u>115,958</u>	<u>119,817</u>	<u>108,032</u>	<u>453,980</u>	<u>888</u>
Current liabilities payable from restricted assets:						
Accounts payable and accrued liabilities	-	4,580	-	-	4,580	-
Total current liabilities payable from restricted assets	<u>-</u>	<u>4,580</u>	<u>-</u>	<u>-</u>	<u>4,580</u>	<u>-</u>
Noncurrent liabilities:						
General obligation bonds payable	2,771,500	3,849,000	2,539,000	3,634,100	12,793,600	-
Other postemployment benefits	5,303	4,380	7,327	5,996	23,006	-
Total noncurrent liabilities	<u>2,776,803</u>	<u>3,853,380</u>	<u>2,546,327</u>	<u>3,640,096</u>	<u>12,816,606</u>	<u>-</u>
Total liabilities	<u>2,886,976</u>	<u>3,973,918</u>	<u>2,666,144</u>	<u>3,748,128</u>	<u>13,275,166</u>	<u>888</u>
NET ASSETS						
Invested in capital assets, net of related debt	3,855,579	6,612,054	4,072,266	2,688,874	17,228,773	9,160
Unrestricted	131,849	13,429	670,914	123,035	939,227	50,969
Total net assets	<u>\$ 3,987,428</u>	<u>\$ 6,625,483</u>	<u>\$ 4,743,180</u>	<u>\$ 2,811,909</u>	<u>\$ 18,168,000</u>	<u>\$ 60,129</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, 2009

	<u>Business-type Activities-Proprietary Funds - Major</u>					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
Operating revenue:						
User charges	\$ 333,507	\$ 445,604	\$ 453,801	\$ 375,866	\$ 1,608,778	\$ 70,998
Total operating revenue	<u>333,507</u>	<u>445,604</u>	<u>453,801</u>	<u>375,866</u>	<u>1,608,778</u>	<u>70,998</u>
Operating expenses						
Administrative expenses	181,770	346,988	232,953	186,932	948,643	44,171
Depreciation expense	172,044	236,791	160,602	144,984	714,421	18,285
Total operating expenses	<u>353,814</u>	<u>583,779</u>	<u>393,555</u>	<u>331,916</u>	<u>1,663,064</u>	<u>62,456</u>
Operating income (loss)	(20,307)	(138,175)	60,246	43,950	(54,286)	8,542
Nonoperating revenues (expenses)						
Investment earnings	6,936	2,312	11,561	4,624	25,433	-
Miscellaneous income	2,519	163,343	7,320	526	173,708	-
Interest and fees	(147,532)	(194,432)	(138,724)	(183,794)	(664,482)	-
Total nonoperating revenues (expenses)	<u>(138,077)</u>	<u>(28,777)</u>	<u>(119,843)</u>	<u>(178,644)</u>	<u>(465,341)</u>	<u>-</u>
Income (loss) before contributions and operating transfers	(158,384)	(166,952)	(59,597)	(134,694)	(519,627)	8,542
Transfers from (to) other funds	-	-	-	-	-	(5,887)
Total transfers and capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,887)</u>
Change in net assets	(158,384)	(166,952)	(59,597)	(134,694)	(519,627)	2,655
Net assets, beginning	4,145,812	6,792,435	4,802,777	2,946,603	18,687,627	57,474
Net assets, ending	<u>\$ 3,987,428</u>	<u>\$ 6,625,483</u>	<u>\$ 4,743,180</u>	<u>\$ 2,811,909</u>	<u>\$ 18,168,000</u>	<u>\$ 60,129</u>

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

Bertie County, North Carolina
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009

<u>Business-type Activities-Proprietary Funds - Major</u>						
	Water District I	Water District II	Water District III	Water District IV	Total	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 316,673	\$ 445,244	\$ 429,737	\$ 376,672	\$ 1,568,326	\$ 71,972
Cash paid for goods and services	(109,004)	(288,628)	(134,141)	(106,115)	(637,888)	(98,782)
Cash paid to employees for services	(66,725)	(55,120)	(92,213)	(75,429)	(289,487)	-
Customer deposits (net)	387	700	(212)	702	1,577	-
Other operating revenues	18,402	9,051	23,811	16,535	67,799	-
Net cash provided (used) by operating activities	159,733	111,247	226,982	212,365	710,327	(26,810)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Nonoperating income	2,519	163,343	7,320	526	173,708	-
Transfers from (to) other funds	-	-	-	-	-	(5,887)
Net cash provided (used) from noncapital financing activities	2,519	163,343	7,320	526	173,708	(5,887)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(2,843)	(2,349)	(3,956)	(3,214)	(12,362)	-
Interest paid on construction debt	(147,532)	(194,432)	(138,724)	(183,794)	(664,482)	-
Principal paid on bond maturities and equipment contracts	(54,500)	(71,000)	(52,000)	(55,000)	(232,500)	-
Net cash provided (used) for capital and related financing activities	(204,875)	(267,781)	(194,680)	(242,008)	(909,344)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	6,936	2,312	11,561	4,624	25,433	-
Net increase (decrease) in cash and cash equivalents	(35,687)	9,121	51,183	(24,493)	124	(32,697)
Cash and cash equivalents, beginning	206,984	35,808	666,903	167,029	1,076,724	82,475
Cash and cash equivalents, ending	<u>\$ 171,297</u>	<u>\$ 44,929</u>	<u>\$ 718,086</u>	<u>\$ 142,536</u>	<u>\$ 1,076,848</u>	<u>\$ 49,778</u>

	Business-type Activities-Proprietary Funds - Major					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (20,307)	\$ (138,175)	\$ 60,246	\$ 43,950	\$ (54,286)	\$ 8,542
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	172,044	236,791	160,602	144,984	714,421	18,285
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	1,568	8,691	(253)	17,341	27,347	974
Increase (decrease) in accounts payable and accrued liabilities	1,324	(656)	87	55	810	(54,611)
Increase (decrease) in customer deposits	387	700	(212)	702	1,577	-
Increase (decrease) in accrued vacation	(586)	(484)	(815)	(663)	(2,548)	-
Increase (decrease) in OPEB payable	5,303	4,380	7,327	5,996	23,006	-
Total adjustments	180,040	249,422	166,736	168,415	764,613	(35,352)
Net cash provided (used) by operating activities	\$ 159,733	\$ 111,247	\$ 226,982	\$ 212,365	\$ 710,327	\$ (26,810)

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, 2009

	<u>Social Services Fund</u>	<u>Pest Management Fund</u>	<u>Motor Vehicle Tax</u>
ASSETS			
Cash and cash equivalents	<u>\$ 1,192</u>	<u>\$ 5,274</u>	<u>\$ (3,481)</u>
LIABILITIES			
Miscellaneous liabilities	<u>\$ 1,192</u>	<u>\$ 5,274</u>	<u>\$ (3,481)</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, 2009

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, 2009

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.

Parks and Recreation PARTF 2 Fund – Capital Project Fund. This fund accounts for funds used in the construction of park and recreational 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:

Pension Trust Fund. The County maintains two Pension Trust Funds – the Special Separation Allowance Fund and the Other Postemployment Benefit Fund. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Special Separation Allowance Fund, that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system. The Other Postemployment Benefit Fund accounts for the County's contributions for healthcare coverage provided to qualified retirees.

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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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.

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 2008 through February 2009 apply to the fiscal year ended June 30, 2009. 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 Community Development Block Grant Funds), the Enterprise Funds, the Internal Service Funds and the Capital Project Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Block Grant Funds which is a Special Revenue fund type, and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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, 2009. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The inventory of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory for the ABC Board is recorded as an expense as it is consumed or sold.

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2009

convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the 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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

The governmental fund types classify fund balances as follows:

Reserved

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

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 2009-2010 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 \$(3,542,162) 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)	\$ 12,869,936
Less accumulated depreciation	(3,575,071)
Net capital assets	9,294,865
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	8,492,230
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	(20,365,836)
Pension obligation	(134,938)
Other postemployment benefit obligation	(596,916)
Compensated absences	(291,696)
	(21,389,386)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	60,129
Total adjustment	\$ (3,542,162)

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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 \$1,116,493 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,177,110
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	(380,494)
Cost of capital assets disposed during the year, that is recorded on the statement of activities but not in the fund statements	(15,902)
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	(426,865)
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	1,393,997
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Compensated absences	(37,092)
Other postemployment benefits	(596,916)
Internal service funds are used by management to charge the costs of a data information system to individual funds	2,655
Total adjustment	\$ 1,116,493

F. Subsequent Events – Date of Management Evaluation

Management has evaluated subsequent events through October 23, 2009, the date on which the financial statements were available to be issued.

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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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, 2009, the County's deposits had a carrying amount of \$6,793,210 and a bank balance of \$7,016,731. Of the bank balance, \$250,000 was covered by federal depository insurance and \$6,474 in non-interest bearing deposits and \$6,760,257 in interest bearing certificates of deposit covered by collateral held under the Pooling Method.

At June 30, 2009, Bertie County had \$1,170 cash on hand.

At June 30, 2009, the carrying amount of deposits for Bertie County ABC Board was \$121,760 and the bank balance was \$122,372. All of the bank balance was covered by federal depository insurance.

At June 30, 2009, the ABC Board had \$1,675 cash on hand.

2. Investments

At June 30, 2009, the County's investments consisted of \$2,283,353 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

At June 30, 2009, the ABC Board had no investments.

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

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

Year Levied	Tax	Interest	Total
2006	\$ 1,043,515	\$ 341,741	\$ 1,385,256
2007	1,050,186	249,410	1,299,596
2008	1,038,319	153,142	1,191,461
2009	1,063,765	61,158	1,124,923
Total	\$ 4,195,785	\$ 805,451	\$ 5,001,236

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

4. Receivables

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

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Other	Total
Governmental Activities:					
General	\$ 701,886	\$ 702,429	\$ 577,018	\$ 7,879,753	\$ 9,861,086
Other Governmental	286,251	-	-	-	286,251
Internal Service Fund	2,079	-	-	-	2,079
Total receivables	990,216	702,429	577,018	7,879,753	10,149,416
Allowance for doubtful accounts	-	(89,952)	-	-	(89,952)
Total-governmental activities	\$ 990,216	\$ 612,477	\$ 577,018	\$ 7,879,753	\$ 10,059,464
Business-type Activities					
Water Districts	\$ 128,408	\$ -	\$ -	\$ -	\$ 128,408
Total receivables	128,408	-	-	-	128,408
Allowance for doubtful accounts	(28,463)	-	-	-	(28,463)
Total - business-type activities	\$ 99,945	\$ -	\$ -	\$ -	\$ 99,945

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

Local option sales tax	\$ 543,917
Sales tax receivable	33,101
Total	\$ 577,018

5. Capital Assets

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

Governmental Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 648,290	\$ -	\$ 8,301	\$ 639,989
Construction in progress	3,305,474	995,854	3,328,570	972,758
Total capital assets not being depreciated	3,953,764	995,854	3,336,871	1,612,747
Capital assets being depreciated:				
Buildings	5,438,503	3,335,671	20,000	8,754,174
Improvements	752,105	62,755	-	814,860
Equipment	715,918	6,199	16,157	705,960
Vehicles and motor equipment	978,684	105,201	101,691	982,194
Total capital assets being depreciated	7,885,210	3,509,826	137,848	11,257,188
Less accumulated depreciation for:				
Buildings	2,256,013	170,461	12,400	2,414,074
Improvements	37,008	39,321	-	76,327
Equipment	427,495	51,084	16,157	462,422
Vehicles and motor equipment	604,310	119,628	101,690	622,248
Total accumulated depreciation	3,324,824	\$ 380,494	\$ 130,247	3,575,071
Total capital assets being depreciated, net	4,560,386			7,682,117
Internal Service funds	27,445			9,161
Governmental activity capital assets, net	\$ 8,541,595			\$ 9,304,025

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

Primary Government

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

General government	\$	95,500
Public safety		154,000
Human services		94,373
Parks and Rec		36,621
Total depreciation expense		\$ 380,494

Business-type Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Water Districts				
Capital assets not being depreciated:				
Land	\$ 129,994	\$ -	\$ -	\$ 129,994
Construction in progress	893,774	4,580	893,774	4,580
Total capital assets not being depreciated	1,023,768	4,580	893,774	134,574
Capital assets being depreciated:				
Plant and distribution systems	34,068,282	906,138	-	34,974,420
Vehicles	29,883	-	-	29,883
Total capital assets being depreciated	34,098,165	906,138	-	35,004,303
Less accumulated depreciation for:				
Plant and distribution systems	4,141,213	713,026	-	4,854,239
Vehicles	16,870	1,395	-	18,265
Total accumulated depreciation	4,158,083	\$ 714,421	\$ -	4,872,504
Total capital assets being depreciated, net	29,940,082			30,131,799
Water Districts capital assets, net	\$ 30,963,850			\$ 30,266,373

Construction commitments

The government has active construction projects as of June 30, 2009. The projects include the administration building project, school construction, and water district projects. At June 30, 2009, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Parks & Recreation PARTF 2	\$ 972,758	\$ 290,671
Bertie High School	2,039,459	22,923
Total	\$ 3,012,217	\$ 313,594

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

Discretely presented component units

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 5,346	\$ -	\$ -	\$ 5,346
Capital assets being depreciated:				
Furniture and equipment	104,203	-	-	104,203
Leasehold improvements	17,711	-	-	17,711
Vehicles	9,645	-	-	9,645
Total capital assets being depreciated	<u>131,559</u>	<u>-</u>	<u>-</u>	<u>131,559</u>
Less accumulated depreciation for:				
Furniture and equipment	73,604	5,129	-	78,733
Leasehold improvements	17,374	337	-	17,711
Vehicles	9,645	-	-	9,645
Total accumulated depreciation	<u>100,623</u>	<u>\$ 5,466</u>	<u>\$ -</u>	<u>106,089</u>
ABC capital assets, net	<u>\$ 36,282</u>			<u>\$ 30,816</u>

B. Liabilities

1. Payables

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

	Vendors	Total
Governmental Activities:		
General	\$ 348,583	\$ 348,583
Other Governmental	11,750	11,750
Internal Service Fund	888	888
Total-governmental activities	<u>\$ 361,221</u>	<u>\$ 361,221</u>
Business-type Activities		
Water Districts	\$ 73,211	\$ 73,211
Total - business-type activities	<u>\$ 73,211</u>	<u>\$ 73,211</u>

2. Pension Plan and Other Postemployment 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 4.86%, 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, 2009, 2008, and 2007 were \$216,115, \$206,804, and \$190,637, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$3,840, \$4,668, and \$4,620, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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, 2008, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	<u>25</u>
Total	<u>26</u>

2. Summary of Significant Accounting Policies:

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

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

3. Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$24,457, or 2.79% 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, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases 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, 2008 was 22 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	\$ 20,280
Interest on net pension obligation	8,862
Adjustment to annual required contribution	<u>(7,725)</u>
Annual pension cost	21,417
Contributions made	<u>8,709</u>
Increase (decrease) in net pension obligation	12,708
Net pension obligation beginning of year	<u>122,230</u>
Net pension obligation end of year	<u>\$ 134,938</u>

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

3 Year Trend Information			
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2007	\$ 20,628	42.22%	\$ 109,267
2008	21,672	40.19%	122,230
2009	21,417	40.66%	134,938

4. Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$189,196, and the actuarial value of assets was 0, resulting in an unfunded actuarial accrued liability (UAAL) of \$189,196.

The covered payroll (annual payroll of active employees covered by the plan) was \$877,514, and the ratio of the UAAL to the covered payroll was 21.56 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. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2009 were \$49,163, which consisted of \$41,163 from the County and \$8,000 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, 2009, the County's required and actual contributions were \$1,211.

e. Other Post employment Benefit

Healthcare Benefits

Plan Description. Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System). The County provides these benefits according to the following guidelines: a) The County will pay 50% of the cost of the premiums for an employee who is at least 55 years

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

of age retiring with 15 years of continuous service with Bertie County; b) The County will pay 100% of the cost of the premiums for an employee retiring with 20 years of continuous service with Bertie County; c) The County will pay 100% of the cost of the premiums for an employee retiring with 25 years of non-continuous service with Bertie County; Coverage will continue until the employee becomes eligible for Medicare, at which time the County will convert coverage to a Medicare Supplement policy. The cost for the employee's share of the premiums, if any, will be determined on an annual basis. Service time credit with the County will be calculated based on actual service time and any sick leave time that is on balance with the County at the time of retirement. The health insurance provision of this article shall apply to County Commissioners. The County pays the full cost of coverage for these benefits through private insurers. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	24	5
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	112	25
Total	<u>136</u>	<u>30</u>

Funding Policy. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by County Commissioners. The County's members pay \$594.72 per month for dependent coverage. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 16.14% of annual covered payroll. For the current year, the County contributed \$114,638 or 2.52% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 2.18% and 2.82% of covered payroll, respectively. There were no contributions made by employees. The County's obligation to contribute to HCB Plan is established and may be amended by the County Commissioners.

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

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 734,560
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>734,560</u>
Contributions made	<u>(114,638)</u>
Increase (decrease) in net OPEB obligation	619,922
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 619,922</u>

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

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 734,560	15.61%	\$ 619,922

Bertie County, North Carolina
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Funded Status and Funding Progress. As of December 1, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$8,201,098. The covered payroll (annual payroll of active employees covered by the plan) was \$4,552,443, and the ratio of the UAAL to the covered payroll was 180.15%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50% to 5.00% annually. The investment rate included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of long-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 30 years.

f. Other Employment Benefits

The County has elected to provide death benefits to law enforcement officers 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:

	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 59,890
Taxes receivable, net (General)	612,477	-
Special assessments receivable, net (General)	7,879,753	-
Total	\$ 8,492,230	\$ 59,890

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

Bertie County, North Carolina
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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 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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

For Bertie County, the future minimum payments of these installment purchases as of June 30, 2009, including \$4,772,372 of interest, are:

Year ending June 30	Governmental Funds					
	Hospital		Health Department		DSS County Building	
	Principal	Interest	Principal	Interest	Principal	Interest
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	526,110	300,540	66,667	12,398	220,000	77,814
2015-2019	3,117,236	1,016,016	311,109	26,408	1,100,000	259,380
2020-2023	1,984,219	151,213	-	-	660,000	51,876
Principal and interest payment totals	\$ 7,461,471	\$ 2,940,463	\$ 644,444	\$ 112,243	\$ 2,860,000	\$ 786,786

Year ending June 30	QZAB School Project	QZAB Bertie High	Middle School		Totals	
	Principal	Principal	Principal	Interest	Principal	Interest
	2010	\$ 212,181	\$ 109,460	\$ 400,000	\$ 152,100	\$ 1,429,498
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	212,181	109,460	400,000	98,020	1,534,418	488,772
2015-2019	1,060,905	547,300	2,000,000	287,300	8,136,550	1,589,104
2020-2023	787,571	795,940	600,000	20,280	4,827,730	223,369
Principal and interest payment totals	\$ 2,909,381	\$ 1,890,540	\$ 4,600,000	\$ 932,880	\$ 20,365,836	\$ 4,772,372

b. General Obligation Indebtedness

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

The County's general obligation bonds payable at June 30, 2009 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%	\$ 2,828,500
\$3,300,000 1996 Water Serial Bonds of Water District I due in annual installments of \$33,500 to \$134,000 through 2036; interest at 5.125%	3,923,000
\$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%	2,594,500
\$4,030,600 2000 Water Serial Bonds Series A and Series B of Water District IV due in annual installments of \$43,000 to \$172,000 through 2040; interest at 4.75% and 5.125%	3,691,600
Total	\$ 13,037,600

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At June 30, 2009, Bertie County had a legal debt margin of \$66,279,254.

c. Long-Term Obligation Activity

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

Year ending June 30,	Business-type activities	
	Principal	Interest
2010	\$ 244,000	\$ 654,528
2011	256,600	642,364
2012	270,000	628,571
2013	283,000	614,999
2014	296,000	600,760
2015-2019	1,724,000	2,764,491
2020-2024	2,196,500	2,288,180
2025-2029	2,741,500	1,677,834
2030-2034	3,036,000	952,203
2035-2039	1,818,000	251,008
2040	172,000	8,440
Principal and interest payment totals	<u>\$ 13,037,600</u>	<u>\$ 11,083,378</u>

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2009:

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009	Current Portion of Balance
Governmental activities:					
Installment purchase	\$ 21,772,541	\$ -	\$ 1,406,705	\$ 20,365,836	\$ 1,429,498
Compensated absences	254,604	37,092	-	291,696	72,924
Net pension obligation	122,230	12,708	-	134,938	12,708
Other postemployment benefits	-	596,916	-	596,916	-
Total governmental activities	<u>\$ 22,149,375</u>	<u>\$ 646,716</u>	<u>\$ 1,406,705</u>	<u>\$ 21,389,386</u>	<u>\$ 1,515,130</u>
Business-type activities:					
General obligation debt	\$ 13,270,100	\$ -	\$ 232,500	\$ 13,037,600	\$ 244,000
Compensated absences	14,188	-	2,548	11,640	2,910
Other postemployment benefits	-	23,006	-	23,006	-
Total business-type activities	<u>\$ 13,284,288</u>	<u>\$ 23,006</u>	<u>\$ 235,048</u>	<u>\$ 13,072,246</u>	<u>\$ 246,910</u>
Discretely presented component units:					
Installment purchase	\$ 11,171	\$ -	\$ 6,383	\$ 4,788	\$ 4,788
Compensated absences	9,725	4,259	-	13,984	-
Total discretely presented component unit	<u>\$ 20,896</u>	<u>\$ 4,259</u>	<u>\$ 6,383</u>	<u>\$ 18,772</u>	<u>\$ 4,788</u>

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, 2009, there were no industrial revenue bonds outstanding.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2009, consist of the following:

Transfer from the General fund to the Revaluation fund.	\$ 25,000
Transfer from the General fund to PARTF 2 fund for construction costs.	250,000
Transfer from General fund to 2006 CDBG to supplement funding sources.	16,431
Transfer from General fund to the DSS Building fund for construction.	165,112
Transfer from Capital Projects Schools to Debt Service fund to pay QZAB debt payments.	774,089
Transfer from the Telephone fund to DSS Building fund for construction.	5,887
Transfer from the General fund to the Capital Reserve fund for sales tax refunds.	272,851
	<u>\$ 1,509,370</u>

Due to/from other funds at June 30, 2009, consist of the following :

Due to the General Fund from Parks and Recreation for reimbursement of expenditures	\$ 202,875
	<u>\$ 202,875</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, 2009. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$121,842 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, 2009. 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, 2009. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$33,015 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, 2009. In accordance with the governmental agreement between the participating governments, the County appropriated \$776,099 to the Jail to supplement its activities. This amount represents 44% of the total contributions by the participating governments. Complete financial statements for the Jail may be obtained from the Jail's office at 230 County Farm Road, Windsor, North Carolina 27983.

The County participates in a joint venture to operate the Choanoke Public Transportation Authority with three other local governments. Each participating government appoints board members to the nine member board based upon population. Bertie County appoints two members to the board. The County has an ongoing financial responsibility for the joint venture because the Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2009. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$10,000 to the Authority to supplement

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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 \$5,032 to the Council during the fiscal year ended June 30, 2009.

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	\$ 32,953,715	\$ 13,479,855
Food stamp program	5,341,441	-
Energy assistance	215,632	-
Title IV-E	45,991	8,604
Foster Care	53,340	10,037
Foster Home	-	13,049
SC/SA Domiciliary Care	-	314,984
Total	\$ 38,610,119	\$ 13,826,529

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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2010	\$ 90,000
2011	90,000
2012	40,116
Total	\$ 220,116

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, 2009, 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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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, 2009, the balance of the County's ADM allocation account was \$2,381. 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, 2009, the balance of the County's Lottery Fund account was \$105,497. 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, 2009, the County's disbursing account had a balance of \$2,923.

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

Critical School Facilities Needs Fund

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

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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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. At June 30, 2009, the fair market value of the lease was \$7,461,470.

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 of \$39,163 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.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contribution of the Law Enforcement Officers' Special Separation Allowance
- Notes to the required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Funding Progress for the Other Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits
- Notes to the Required Schedules for the Other Postemployment Benefits

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)
12/31/1999	\$ -	\$ 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%
12/31/2008	\$ -	\$ 189,196	\$ 189,196	0.00%	\$ 877,514	21.56%

Bertie County, North Carolina
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2009

Year Ended June 30	Annual Required Contribution	Percentage Contributed
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%
2010	\$ 24,457	35.61%

Notes to the Required Schedules:

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

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	22 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5 - 12.3%
* Includes inflation of	3.75%
Cost-of living adjustments	N/A

Bertie County, North Carolina
OTHER POSTEMPLOYMENT BENEFITS
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 (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2008	\$ -	\$ 8,201,098	\$ 8,201,098	0.00%	\$ 4,552,443	180.15%

Bertie County, North Carolina
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 June 30, 2009

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 734,560	15.61%

Notes to the Required Schedules:

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

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 Years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return	4.00%
Medical cost trend*	10.50 - 5.00%
* Includes inflation at	3.75%

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year		\$ 8,108,693	
Prior years		364,358	
Penalties and interest		119,483	
Total	<u>\$ 8,381,554</u>	<u>8,592,534</u>	<u>\$ 210,980</u>
Other taxes:			
Local government sales tax		509,811	
Scrap tire disposal tax		23,903	
N.C. excise tax		41,100	
Lease vehicle tax		335	
Total	<u>671,250</u>	<u>575,149</u>	<u>(96,101)</u>
Intergovernmental revenues:			
Wine and beer		64,414	
Emergency Management		24,646	
Local 1/2¢ sales tax-art 40		847,691	
Local 1/2¢ sales tax-art 42		844,542	
Local 1/2¢ sales tax-art 44		219,686	
State DWI reimbursement		1,373	
Payment in lieu of taxes		32,329	
Veteran services		2,000	
Aging office		208,380	
CAMA		875	
Soil conservation		33,712	
Community based alternatives		94,132	
Court facility fees		73,662	
Officer fees		55,307	
Criminal Justice Partnership		104,189	
Restricted drug money		1,700	
School Resource Officer – Board of Ed.		97,796	
Rural General Public Transportation		38,569	
Aging - Senior outreach		5,341	
Equalization		40	
Social services - general administration		2,022,416	
Day Care		936,720	
Domestic violence		98,741	
Work First		926	
Foster care		125,266	
Elderly/Handicapped transportation		40,359	
Hazard mitigation grant		4,900	
Smart start - childcare		129,456	
Mosquito control grant		559	
Hurricane Isabel stream cleanup		13,100	
Ship Grant		4,200	
Land Use Plan Update		15,973	

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
2 Hot 2 Trot Grant		298	
Solid Waste Disposal		7,924	
One Stop Grant		6,963	
Drug Task Force		5,159	
Orthophotography Grant		18,986	
EFNEP Program Assistance		18,813	
Total	<u>6,389,572</u>	<u>6,201,143</u>	<u>(188,429)</u>
Licenses and permits:			
Recording fees		53,159	
Vital record fees		14,886	
Concealed weapons		7,125	
Recreation fees		7,440	
Other fees		66,453	
Inspection fees and building permits		62,103	
Floodplain mapping fee		3,660	
Total	<u>215,756</u>	<u>214,826</u>	<u>(930)</u>
Sales and services:			
Rents and concessions		34,510	
Jail fees		6,043	
Refuse collection fees		1,515,335	
Aging Program income		19,186	
Total	<u>1,559,666</u>	<u>1,575,074</u>	<u>15,408</u>
Investment earnings	<u>250,000</u>	<u>168,783</u>	<u>(81,217)</u>
Miscellaneous:			
Fuel tax		17,188	
Miscellaneous		83,672	
ABC Board management fee		3,250	
5¢ per bottle tax		2,807	
Sale of assets		4,223	
Sale of land		30,423	
Other department revenue		69,389	
Insurance proceeds		1,635	
Hospital lease revenue		826,650	
Grass cutting		11,600	
5% water gross receipts		9,471	
5% electric gross receipts		32,776	
5% sewer gross receipts		4,903	
PetSmart Grant - Medical		1,850	
Total	<u>1,080,427</u>	<u>1,099,837</u>	<u>19,410</u>
Total revenues	<u>18,548,225</u>	<u>18,427,346</u>	<u>(120,879)</u>

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
Expenditures:			
<u>General Government</u>			
Governing body:			
Salaries and benefits		80,958	
Travel		37,831	
Telephone and postage		6,081	
Dues and subscriptions		5,860	
Advertising		6,749	
Insurance and bonds		43,459	
Miscellaneous		1,635	
Total	185,438	182,573	2,865
Administration:			
Salaries and benefits		342,131	
Telephone and postage		5,441	
Travel		9,179	
Supplies and materials		4,818	
Dues and subscriptions		1,080	
Total	377,450	362,649	14,801
Finance:			
Salaries and benefits		169,970	
Supplies and materials		5,640	
Travel		2,675	
Telephone and postage		3,594	
Contracted services		31,988	
Maintenance and repairs		3,094	
Total	221,556	216,961	4,595
Elections:			
Salaries and benefits		74,707	
Telephone and postage		4,341	
Travel		6,383	
Buildings and equipment rents		557	
Advertising		408	
Supplies and materials		3,887	
Maintenance and repairs		1,786	
Contracted services		5,442	
Dues and subscriptions		10	
Insurance and bonds		307	
Total	99,628	97,828	1,800
Tax Collections:			
Salaries and benefits		332,186	
Telephone and postage		34,113	
Travel		4,884	
Advertising		3,676	

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
Office supplies		5,827	
Contracted services		34,798	
Maintenance and repairs		3,162	
Dues and subscriptions		365	
Miscellaneous		19,603	
Orthophotography Grant		21,558	
Total	520,850	460,172	60,678
Legal:			
Contracted services		29,205	
Tax foreclosures		57,988	
Total	95,000	87,193	7,807
Register of Deeds:			
Salaries and benefits		157,899	
Telephone and postage		4,158	
Travel		4,793	
Supplies and materials		4,057	
Contracted services		448	
Dues and subscriptions		425	
Insurance and bonds		1,080	
Maintenance and repairs		38,943	
Conveyance tax		20,143	
Domestic violence		2,400	
Floodplain mapping plan		3,660	
Total	251,251	238,006	13,245
Data Center:			
Salaries and benefits		138,558	
Telephone and postage		6,871	
Travel		174	
Supplies and materials		10,766	
Contracted services		16,660	
Maintenance and repairs		23,649	
Total	209,509	196,678	12,831
Public Buildings:			
Salaries and benefits		201,455	
Telephone and postage		935	
Utilities		69,992	
Maintenance and repairs - buildings		14,678	
Maintenance and repairs – vehicles and equipment		2,630	
Automotive supplies		5,073	
Supplies and materials		13,621	
Contracted services		11,977	
Insurance and bonds		22,787	
Uniforms		1,099	

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
Travel		31	
Capital outlay		68,955	
	426,727	413,233	13,494
Allocated to court facilities	(46,000)	(46,000)	-
Total	380,727	367,233	13,494
Court Facilities:			
Utilities and telephone		32,044	
Buildings and equipment rents		1,992	
Miscellaneous		4,264	
Total	39,500	38,300	1,200
Allocated from public buildings	46,000	46,000	-
Total	85,500	84,300	1,200
Parks and Recreation:			
Salaries and benefits		90,831	
Supplies and materials		16,958	
Travel		76	
Telephone and postage		1,582	
Maintenance and repairs – vehicles and equipment		447	
Insurance and bonds		2,782	
Supplemental grants		347	
Contracted services		888	
Dues and subscriptions		110	
Utilities		10,421	
	177,020	124,442	52,578
<u>Total General Government</u>	2,603,929	2,418,035	185,894
Public Safety			
Sheriff:			
Salaries and benefits		1,275,575	
Separation allowance		8,709	
Employee training		707	
Telephone and postage		12,130	
Travel		3,544	
Maintenance and repairs - equipment		5,815	
Maintenance and repairs - vehicles		38,168	
Maintenance and repairs - building		225	
Automotive supplies		93,516	
Supplies and materials		18,691	
Dues and subscriptions		390	
Insurance and bonds		29,528	
Uniforms		7,573	
Utilities		8,783	
Restricted drug money		7,282	
Employee physical		587	

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
Capital outlay - vehicles		105,202	
Total	1,627,472	1,616,425	11,047
Emergency Management:			
Salaries and benefits		55,373	
Telephone and postage		1,822	
Travel		1,145	
Insurance and bonds		3,710	
Supplies and materials		302	
Maintenance and repairs		1,933	
Training		233	
Fire department		120,000	
Rescue squad		170,000	
Fire department grant		24,020	
Supplemental grant		20,226	
Medical transports		2,600	
Total	425,003	401,364	23,639
Planning and Inspection:			
Salaries and benefits		226,856	
Telephone and postage		3,455	
Travel		2,219	
Maintenance and repairs		283	
Automotive supplies		8,381	
Supplies and materials		1,142	
Dues and subscriptions		485	
Insurance and bonds		2,675	
Advertising		632	
CAMA land use plan		4,992	
Land use plan update		15,973	
Miscellaneous		3,669	
Total	289,123	270,762	18,361
Animal Control:			
Salaries and benefits		42,762	
Utilities		1,416	
Maintenance and repairs		195	
Telephone and postage		757	
Automotive supplies		5,822	
Supplies and materials		5,147	
Insurance and bonds		2,306	
PetSmart Grant		1,850	
Special shelter needs		850	
Capital outlay		7,101	
Contracted services		3,119	
Uniforms		352	
Total	74,484	71,677	2,807

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
Medical Examiner:			
Professional services	10,000	9,900	100
Communications:			
Salaries and benefits		178,156	
Telephone and postage		16,215	
Utilities		9,877	
Travel		20	
Supplies and materials		1,317	
Contracted services		2,183	
Insurance and bonds		579	
Maintenance and repairs equipment		441	
Maintenance contracts		2,150	
Total	248,762	210,938	37,824
Criminal Justice Partnership:			
Salaries and benefits		50,380	
Telephone and postage		3,396	
Travel		766	
Advertising		139	
Insurance and bonds		2,586	
Supplies and materials		13,729	
Maintenance and repairs		5,054	
Utilities		9,209	
Miscellaneous		124	
Contracted services		22,525	
Total	112,755	107,908	4,847
Domestic Violence Task Force:			
Salaries and benefits		23,935	
Supplies and materials		457	
Travel		5,268	
Telephone and postage		2,467	
Contracted services		12,419	
Rent expense		5,100	
Administration		5,000	
Total	98,500	54,646	43,854
Appropriations:			
Bertie-Martin Regional Jail	776,099	776,099	-
<u>Total Public Safety</u>	3,662,198	3,519,719	142,479
<u>Environmental Protection</u>			
Sanitation:			
Tire disposal		22,050	

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
Convenience centers		431,399	
Contracted services		6,900	
Total	462,150	460,349	1,801
<u>Total Environmental Protection</u>	462,150	460,349	1,801
 <u>Economic and Physical Development</u>			
Agricultural Extension:			
Salaries and benefits		103,075	
Maintenance and repairs - equipment		2,004	
Telephone and postage		5,531	
Programs		4,000	
Travel		3,671	
Supplies and materials		12,549	
Dues and subscriptions		502	
Contracted services		1,020	
Total	138,521	132,352	6,169
 Economic Development:			
Salaries and benefits		63,501	
Telephone and postage		1,562	
Travel		2,587	
Supplies and materials		54	
Peanut Belt Rural Planning		5,625	
Total	74,029	73,329	700
 Soil Conservation:			
Salaries and benefits		91,015	
Dues and subscriptions		500	
Transportation		998	
Hurricane Isabel stream cleanup		13,100	
Total	107,010	105,613	1,397
<u>Total Economic & Physical Development</u>	319,560	311,294	8,266
 <u>Human Services</u>			
Health:			
Administration:			
Insurance and bonds		1,122	
Management fee yearly appropriation		96,000	
Management fee fund balance buy-in		90,000	
Mosquito control		12,000	
Total	200,500	199,122	1,378
Total Health	200,500	199,122	1,378

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
Social Services:			
Administration:			
Salaries and benefits		2,145,178	
Telephone and postage		26,252	
Utilities		40,532	
Travel		15,895	
Maintenance and repairs		37,455	
Food stamp – EBT		10,665	
Maintenance contracts		8,699	
Buildings and equipment rents		600	
Supplies and materials		23,328	
Contracted services		11,630	
Dues and subscriptions		558	
Insurance		6,953	
Bertie Hospital - Indigent		120,000	
Miscellaneous expense		1,394	
Total	2,484,847	2,449,139	35,708
General Assistance:			
Public assistance		1,378	
S.A.A.		314,985	
State foster care		54,387	
Day Care		937,415	
Medicaid		1,098,366	
Legal services		32,108	
Smart start-childcare		129,456	
Chore services		53,556	
Adoption assistance		17,564	
Foster Child Adoption Incentive		7,416	
Transport of patients and other		79,333	
AFDC – Local		973	
Work First		25,339	
Adult day care		56,894	
AFDC – Foster Care		145,056	
Crisis intervention		191,568	
Jobs program		19,447	
Aid to blind		1,294	
Total	3,555,331	3,166,535	388,796
Aid to Aged and Disabled:			
Salaries and benefits		172,978	
Advertising		210	
Telephone and postage		2,584	
Travel		2,974	
Maintenance and repairs		1,805	
Building and equipment rent		4,200	
Respite		25,766	

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
Transportation of patients		58,956	
Utilities		14,518	
Home delivered meals		39,417	
Food and provisions		51,713	
Insurance and bonds		1,556	
Janitor		194	
Senior Center		5,407	
SHIP Grant		1,419	
Supplies and materials		2,275	
Vehicle supplies		173	
Dues and subscriptions		60	
Total	401,308	386,205	15,103
Total social services	6,441,486	6,001,879	439,607
<u>Veterans Service Office:</u>			
Salaries and benefits		20,551	
Telephone and postage		516	
Travel		594	
Supplies and materials		113	
Dues and subscriptions		45	
Total	22,203	21,819	384
<u>Appropriations:</u>			
Mental health		44,590	
Mental health - ABC 5¢		4,800	
Community Based Alternatives		98,134	
Choanoke Public Transit Authority		10,000	
Total	160,464	157,524	2,940
<u>Total Human Services</u>	6,824,653	6,380,344	444,309
<u>Education:</u>			
Public schools current expense		2,750,000	
Public schools capital outlay		375,000	
Community Colleges		95,000	
Total	3,220,000	3,220,000	-
<u>Total Education</u>	3,220,000	3,220,000	-
<u>Special Appropriations</u>			
<u>Other Agencies:</u>			
Arts Council		5,000	
Airport		15,000	
Mideast Commission		5,032	
Roanoke River Partners		2,500	
Forest service		81,270	

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, 2009

	Final Budget	Actual	Variance Positive (Negative)
Historical group		25,000	
Library		121,842	
Juvenile detention		73,247	
Juvenile probation		2,600	
Mideast RC&D Commission		1,000	
CADA		5,800	
CBA task force		2,806	
Windsor Area Chamber		2,000	
Bertie County interagency		400	
Food Bank of Albemarle		1,000	
Partnership for the Sounds		6,000	
Roanoke-Chowan Safe		3,000	
Rural general public transportation		38,563	
RC Domestic Violence Task Force		4,000	
Three Rivers Healthy Carolina		2,500	
Family Resource Center		7,500	
Highway 17 Association		8,000	
Tax specialist		1,337	
E-Civis		24,000	
Total	472,213	439,397	32,816
<u>Total Special Appropriations</u>	472,213	439,397	32,816
<u>Debt Service:</u>			
Principal retirement		1,406,705	
Interest and fees		739,223	
	2,145,932	2,145,928	4
<u>Total Debt Service</u>	2,145,932	2,145,928	4
Total expenditures	19,710,635	18,895,066	815,569
Revenues over (under) expenditures	(1,162,410)	(467,720)	694,690
Other financing sources (uses):			
Transfers from (to) other funds:			
To special revenue fund	(198,320)	(314,282)	115,962
To capital project fund	(421,000)	(415,112)	(5,888)
From capital project fund	774,089	774,089	-
Total other financing uses	154,769	44,695	110,074
Revenues and other sources over (under) expenditures and other uses	(1,007,641)	(423,025)	584,616
Appropriated fund balance	1,007,641	-	(1,007,641)
Net change in fund balance	\$ -	(423,025)	\$ (423,025)
Fund balance, beginning		7,029,841	
Fund balance, end		\$ 6,606,816	

Bertie County, North Carolina
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2009

	Special Revenue Funds				Total Nonmajor Special Revenue Funds
	Revaluation	Capital Reserve - Schools	Wireless 911	2006 Community Development Block Grant	
ASSETS					
Cash and investments	\$ 175,216	\$ 1,492,693	\$ 716,425	\$ 3,000	\$ 2,387,334
Accounts receivable (net)	-	-	18,224	-	18,224
Total assets	<u>\$ 175,216</u>	<u>\$ 1,492,693</u>	<u>\$ 734,649</u>	<u>\$ 3,000</u>	<u>\$ 2,405,558</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 8,750	\$ 3,000	\$ 11,750
Total liabilities	-	-	8,750	3,000	11,750
FUND BALANCES					
Reserved by State Statute	-	-	18,224	-	18,224
Unreserved:					
Undesignated	175,216	1,492,693	707,675	-	2,375,584
Total fund balances	<u>175,216</u>	<u>1,492,693</u>	<u>725,899</u>	<u>-</u>	<u>2,393,808</u>
Total liabilities and fund balances	<u>\$ 175,216</u>	<u>\$ 1,492,693</u>	<u>\$ 734,649</u>	<u>\$ 3,000</u>	<u>\$ 2,405,558</u>

<u>Capital Projects</u>		
<u>QZAB - Bertie High</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 23,390	\$ 23,390	\$ 2,410,724
-	-	18,224
<u>\$ 23,390</u>	<u>\$ 23,390</u>	<u>\$ 2,428,948</u>
\$ -	\$ -	\$ 11,750
-	-	11,750
-	-	18,224
23,390	23,390	2,398,974
<u>23,390</u>	<u>23,390</u>	<u>2,417,198</u>
<u>\$ 23,390</u>	<u>\$ 23,390</u>	<u>\$ 2,428,948</u>

Bertie County, North Carolina
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES**
NON-MAJOR GOVERNMENTAL FUNDS
 For The Fiscal Year Ended June 30, 2009

	Special Revenue Funds				
	Revaluation	Capital Reserve - Schools	Wireless 911	2005 Community Development Block Grant	2006 Community Development Block Grant
REVENUES					
Investment earnings	\$ -	\$ 30,057	\$ 6,936	\$ -	\$ -
Sales tax refund	-	90,907	-	-	-
Other taxes and licenses	-	-	238,156	-	-
Federal and State grants	-	-	-	101,011	370,542
Intergovernmental revenues	-	-	-	-	-
Total revenues	-	120,964	245,092	101,011	370,542
EXPENDITURES					
Current:					
Public safety	-	-	72,731	-	-
Economic and physical development	-	-	-	101,011	386,973
Total expenditures	-	-	72,731	101,011	386,973
Excess (deficiency) of revenues over (under) expenditures	-	120,964	172,361	-	(16,431)
OTHER FINANCING SOURCES (USES)					
Transfers in	25,000	272,851	-	-	16,431
Transfers out	-	-	-	-	-
Total other financing sources (uses)	25,000	272,851	-	-	16,431
Net change in fund balance	25,000	393,815	172,361	-	-
Fund balance, beginning	150,216	1,098,878	553,538	-	-
Fund balance, ending	<u>\$ 175,216</u>	<u>\$ 1,492,693</u>	<u>\$ 725,899</u>	<u>\$ -</u>	<u>\$ -</u>

2008 Community Development Block Grant	Total Nonmajor Special Revenue Funds	Capital Projects		Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Totals
		Schools Capital Project	QZAB - Bertie High		
\$ -	\$ 36,993	\$ -	\$ 3,067	\$ 3,067	\$ 40,060
-	90,907	-	23,611	23,611	114,518
-	238,156	-	-	-	238,156
56,619	528,172	-	-	-	528,172
	-	774,089	-	774,089	774,089
56,619	894,228	774,089	26,678	800,767	1,694,995
-	72,731	-	-	-	72,731
56,619	544,603	-	230,107	230,107	774,710
56,619	617,334	-	230,107	230,107	847,441
-	276,894	774,089	(203,429)	570,660	847,554
-	314,282	-	-	-	314,282
-	-	(774,089)	-	(774,089)	(774,089)
-	314,282	(774,089)	-	(774,089)	(459,807)
-	591,176	-	(203,429)	(203,429)	387,747
-	1,802,632	-	226,819	226,819	2,029,451
\$ -	\$ 2,393,808	\$ -	\$ 23,390	\$ 23,390	\$ 2,417,198

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, 2009

	2009		Variance Positive (Negative)
	Budget	Actual	
EXPENDITURES			
Current:			
Revaluation	\$ 25,000	\$ -	\$ 25,000
Total expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Revenues over (under) expenditures	(25,000)	-	25,000
OTHER FINANCING SOURCES			
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>25,000</u>	<u>\$ 25,000</u>
Fund balance, beginning		150,216	
Fund balance, ending		<u>\$ 175,216</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, 2009

	2009		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Investment earnings	\$ -	\$ 30,057	\$ 30,057
Sales tax refund	-	90,907	90,907
Total revenue	-	120,964	120,964
OTHER FINANCING SOURCES (USES)			
Transfers in	131,820	272,851	141,031
Transfers out	(131,820)	-	131,820
Total transfers	-	272,851	272,851
Revenues and other uses over (under) expenditures	<u>\$ -</u>	393,815	<u>\$ 393,815</u>
Fund balance, beginning		1,098,878	
Fund balance, ending		<u>\$ 1,492,693</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, 2009

	2009		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Other taxes and licenses	\$ 150,000	\$ 238,156	\$ 88,156
Investment earnings	5,000	6,936	1,936
Total revenue	<u>155,000</u>	<u>245,092</u>	<u>90,092</u>
EXPENDITURES			
Public safety:			
Operating expenses	155,000	72,731	82,269
Total expenditures	<u>155,000</u>	<u>72,731</u>	<u>82,269</u>
Net change in fund balance	<u>\$ -</u>	<u>172,361</u>	<u>\$ 172,361</u>
Fund balance, beginning		553,538	
Fund balance, ending		<u>\$ 725,899</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, 2009

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Federal grants	\$ 400,000	\$ 298,989	\$ 101,011	\$ 400,000	\$ -
EXPENDITURES					
Current:					
Economic and physical development	400,000	298,989	101,011	400,000	-
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, 2009

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Federal grants	\$ 700,000	\$ 38,763	\$ 370,542	\$ 409,305	\$ (290,695)
EXPENDITURES					
Current:					
Economic and physical development	750,000	47,263	386,973	434,236	315,764
Revenues over (under) expenditures	(50,000)	(8,500)	(16,431)	(24,931)	25,069
OTHER FINANCING SOURCES					
Transfers in	50,000	8,500	16,431	24,931	(25,069)
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
2008 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, 2009

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Federal grants	\$ 400,000	\$ -	\$ 56,619	\$ 56,619	\$ (343,381)
EXPENDITURES					
Current:					
Economic and physical development	400,000	-	56,619	56,619	343,381
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
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, 2009

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Restricted intergovernmental:					
Public School Building Capital Fund	\$ 2,863,506	\$ 2,089,417	\$ 774,089	\$ 2,863,506	\$ -
Public School Building Bond Act	12,620,680	12,620,681	-	12,620,681	1
Total revenues	<u>15,484,186</u>	<u>14,710,098</u>	<u>774,089</u>	<u>15,484,187</u>	<u>1</u>
EXPENDITURES					
Capital outlay:					
Education	14,710,097	14,710,098	-	14,710,098	(1)
Total expenditures	<u>14,710,097</u>	<u>14,710,098</u>	<u>-</u>	<u>14,710,098</u>	<u>(1)</u>
Revenues under expenditures	774,089	-	774,089	774,089	-
OTHER FINANCING SOURCES (USES)					
Transfers out	(774,089)	-	(774,089)	(774,089)	-
	<u>(774,089)</u>	<u>-</u>	<u>(774,089)</u>	<u>(774,089)</u>	<u>-</u>
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
QZAB BERTIE HIGH SCHOOL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Investment earnings	\$ 38,770	\$ 36,171	\$ 3,067	\$ 39,238	\$ 468
Total revenues	<u>38,770</u>	<u>36,171</u>	<u>3,067</u>	<u>39,238</u>	<u>468</u>
EXPENDITURES					
Architect fees	140,000	119,141	-	119,141	20,859
Legal	15,609	15,404	102	15,506	103
Reimbursements	9,920	692	7,615	8,307	1,613
Reroofing	1,209,473	1,209,473	-	1,209,473	-
HVAC units	464,642	464,642	-	464,642	-
Repairs/Renovations	222,738	-	222,390	222,390	348
Total expenditures	<u>2,062,382</u>	<u>1,809,352</u>	<u>230,107</u>	<u>2,039,459</u>	<u>22,923</u>
Revenues under expenditures	(2,023,612)	(1,773,181)	(227,040)	(2,000,221)	23,391
OTHER FINANCING SOURCES					
Debt proceeds	2,000,000	2,000,000	-	2,000,000	-
Tax refunds	23,612	-	23,611	23,611	(1)
Total other financing sources (uses)	<u>2,023,612</u>	<u>2,000,000</u>	<u>23,611</u>	<u>2,023,611</u>	<u>(1)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 226,819</u>	<u>(203,429)</u>	<u>\$ 23,390</u>	<u>\$ 23,390</u>
Fund balance, beginning			<u>226,819</u>		
Fund balance, ending			<u>\$ 23,390</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, 2009

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Investment earnings	\$ 184,000	\$ 183,486	\$ 728	\$ 184,214	\$ 214
Total revenues	184,000	183,486	728	184,214	214
EXPENDITURES					
General construction	3,081,138	3,072,392	8,746	3,081,138	-
Architect fees	180,000	177,513	2,487	180,000	-
Reimbursements	34,739	34,463	-	34,463	276
Land purchase	206,000	206,000	-	206,000	-
Inspections	80	45	35	80	-
Contents	210,543	2,902	206,004	208,906	1,637
Equipment	37,000	36,671	-	36,671	329
Landscaping	19,500	-	13,818	13,818	5,682
Total expenditures	3,769,000	3,529,986	231,090	3,761,076	7,924
Revenues under expenditures	(3,585,000)	(3,346,500)	(230,362)	(3,576,862)	8,138
OTHER FINANCING SOURCES					
Debt proceeds	3,300,000	3,300,000	-	3,300,000	-
Tax refunds	59,000	-	57,125	57,125	(1,875)
Transfers in	226,000	55,000	170,999	225,999	(1)
Total other financing sources (uses)	3,585,000	3,355,000	228,124	3,583,124	(1,876)
Net change in fund balance	\$ -	\$ 8,500	(2,238)	\$ 6,262	\$ 6,262
Fund balance, beginning			8,500		
Fund balance, ending			\$ 6,262		

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, 2009

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
State grant	\$ 500,000	\$ -	\$ 486,379	\$ 486,379	(13,621)
Total revenues	500,000	-	486,379	486,379	(13,621)
EXPENDITURES					
General construction	1,168,429	-	883,142	883,142	285,287
Architect	75,000	-	70,000	70,000	5,000
Legal	1,400	1,000	227	1,227	173
Land inspections	18,000	17,159	630	17,789	211
Electrical	600	-	600	600	-
Total expenditures	1,263,429	18,159	954,599	972,758	290,671
Revenues under expenditures	(763,429)	(18,159)	(468,220)	(486,379)	277,050
OTHER FINANCING SOURCES					
Transfers in	750,000	250,000	250,000	500,000	250,000
Tax refunds	13,429	-	-	-	13,429
Total other financing sources	763,429	250,000	250,000	500,000	263,429
Net change in fund balance	<u>\$ -</u>	<u>\$ 231,841</u>	<u>(218,220)</u>	<u>\$ 13,621</u>	<u>\$ 13,621</u>
Fund balance, beginning			231,841		
Fund balance, ending			<u>\$ 13,621</u>		

Bertie County, North Carolina
WATER DISTRICT I
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Charges for services		\$ 299,480	
Water taps		15,625	
Other operating revenues		18,402	
Total operating revenues	\$ 350,300	333,507	\$ (16,793)
Nonoperating revenues:			
Investment earnings		6,936	
Miscellaneous revenue		2,519	
Total nonoperating revenues	9,700	9,455	(245)
Total revenues	360,000	342,962	(17,038)
Expenditures:			
Water administration:			
Salaries and benefits		66,725	
Telephone and postage		14,504	
Travel		2	
Repairs and maintenance		915	
Advertising		35	
Supplies		10,296	
Uniforms		214	
Contracted services		32,176	
Professional fees		4,012	
Dues and subscriptions		693	
Chemicals		1,350	
Maintenance contracts		353	
Insurance		3,592	
Utilities		21,474	
Water testing		2,528	
Other expenses		18,184	
Total	194,475	177,053	17,422
Debt service:			
Principal		54,500	
Interest and fees		147,532	
Total	202,254	202,032	222
Total expenditures	396,729	379,085	17,644
Revenues over (under) expenditures	(36,729)	(36,123)	606
Appropriated fund balance	36,729	-	(36,729)
Revenues and appropriated fund balance over (under) expenditures	\$ -	(36,123)	\$ (36,123)

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		(36,123)	
Reconciling items:			
Depreciation		(172,044)	
Debt principal		54,500	
(Increase) decrease in accrued vacation payable		586	
(Increase) decrease in other postemployment benefits		(5,303)	
Change in net assets		<u>\$ (158,384)</u>	

Bertie County, North Carolina
WATER DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Charges for services		\$ 422,048	
Water taps		14,505	
Other operating revenue		9,051	
Total operating revenues	\$ 457,549	445,604	\$ (11,945)
Nonoperating revenues:			
Investment earnings		2,312	
Miscellaneous revenue		163,343	
Total nonoperating revenues	163,430	165,655	2,225
Total revenues	620,979	611,259	(9,720)
Expenditures:			
Water administration:			
Salaries and benefits		55,120	
Telephone and postage		11,960	
Travel		2	
Repairs and maintenance		1,015	
Advertising		29	
Supplies		8,499	
Uniforms		177	
Contracted services		213,552	
Professional fees		6,003	
Dues and subscriptions		573	
Chemicals		1,115	
Maintenance contracts		292	
Insurance		4,810	
Utilities		18,157	
Water testing		2,089	
Other expenses		19,699	
Total	355,271	343,092	12,179
Debt service:			
Principal		71,000	
Interest and fees		194,432	
Total	265,708	265,432	276
Total expenditures	620,979	608,524	12,455
Revenues over (under) expenditures	\$ -	2,735	\$ (2,735)

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		2,735	
Reconciling items:			
Depreciation		(236,791)	
Debt principal		71,000	
(Increase) decrease in accrued vacation payable		484	
(Increase) decrease in other postemployment benefits		(4,380)	
Change in net assets		<u>\$ (166,952)</u>	

Bertie County, North Carolina
WATER DISTRICT III
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Charges for services		\$ 417,910	
Water taps		12,080	
Other operating revenues		23,811	
Total operating revenues	\$ 448,600	453,801	\$ 5,201
Nonoperating revenues:			
Investment earnings		11,561	
Miscellaneous revenue		7,320	
Total nonoperating revenues	4,700	18,881	14,181
Total revenues	453,300	472,682	19,382
Expenditures:			
Water administration:			
Salaries and benefits		92,213	
Telephone and postage		20,035	
Travel		3	
Repairs and maintenance		1,845	
Advertising		49	
Supplies		14,318	
Uniforms		298	
Contracted services		31,616	
Professional fees		3,392	
Dues and subscriptions		964	
Chemicals		1,878	
Maintenance contracts		491	
Insurance		4,214	
Utilities		29,877	
Water testing		3,518	
Other expenses		21,730	
Total	262,358	226,441	35,917
Debt service:			
Principal		52,000	
Interest and fees		138,724	
Total	190,942	190,724	218
Total expenditures	453,300	417,165	36,135
Revenues over (under) expenditures	\$ -	55,517	\$ 55,517

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		55,517	
Reconciling items:			
Depreciation		(160,602)	
Debt principal		52,000	
(Increase) decrease in accrued vacation payable		815	
(Increase) decrease in other postemployment benefits		(7,327)	
Change in net assets		<u>\$ (59,597)</u>	

Bertie County, North Carolina
WATER DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Charges for services		\$ 345,326	
Water taps		14,005	
Other operating revenue		16,535	
Total operating revenues	\$ 403,215	375,866	\$ (27,349)
Nonoperating revenues:			
Investment earnings		4,624	
Miscellaneous revenue		526	
Total nonoperating revenues	5,553	5,150	(403)
Total revenues	408,768	381,016	(27,752)
Expenditures:			
Water administration:			
Salaries and benefits		75,429	
Telephone and postage		16,310	
Travel		3	
Repairs and maintenance		1,035	
Advertising		254	
Supplies		12,608	
Uniforms		242	
Contracted services		22,375	
Professional fees		2,756	
Dues and subscriptions		785	
Chemicals		1,526	
Maintenance contracts		3,136	
Insurance		2,863	
Utilities		24,275	
Water testing		2,858	
Other expenses		15,144	
Total	198,145	181,599	16,546
Debt service:			
Principal		55,000	
Interest and fees		183,794	
Total	239,009	238,794	215
Total expenditures	437,154	420,393	16,761
Revenues over (under) expenditures	(28,386)	(39,377)	(10,991)
Appropriated fund balance	28,386	-	(28,386)
Revenues and appropriated fund balance over expenditures	\$ -	(39,377)	\$ (39,377)

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		<u>(39,377)</u>	
Reconciling items:			
Depreciation		(144,984)	
Debt principal		55,000	
(Increase) decrease in accrued vacation payable		663	
(Increase) decrease in other postemployment benefits		<u>(5,996)</u>	
Change in net assets		<u>\$ (134,694)</u>	

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, 2009

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES:					
Reimbursement from developer	\$ 898,353	\$ 898,353	\$ -	\$ 898,353	\$ -
EXPENDITURES:					
Engineering	129,951	125,370	4,580	129,950	1
Construction	768,402	768,403	-	768,403	(1)
Total	898,353	893,773	4,580	898,353	-
Revenues over (under) expenditures	\$ -	\$ 4,580	\$ (4,580)	\$ -	\$ -

Bertie County, North Carolina
INTERNAL SERVICE FUNDS
BERTIE TELEPHONE
SCHEDULE OF REVENUES AND EXPENDITURES
 For the Fiscal Year Ended June 30, 2009

	2009		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating revenues:			
User charges	\$ 70,000	\$ 70,998	\$ 998
Total	<u>70,000</u>	<u>70,998</u>	<u>998</u>
Expenditures:			
Operating:			
Telephone		42,616	
Maintenance contracts		998	
Capital outlay		557	
Total	<u>64,112</u>	<u>44,171</u>	<u>19,941</u>
Other financing sources (uses):			
Transfers out	<u>(5,888)</u>	<u>(5,887)</u>	<u>1</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>20,940</u>	<u>\$ 20,940</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		\$ 20,940	
Depreciation expense		<u>(18,285)</u>	
Change in net assets		<u>\$ 2,655</u>	

Bertie County, North Carolina
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Social Services				
Assets:				
Cash and cash equivalents	\$ 1,117	\$ 75	\$ -	\$ 1,192
Liabilities:				
Miscellaneous liabilities	\$ 1,117	\$ 75	\$ -	\$ 1,192
Fines and Forfeitures				
Assets:				
Cash and investments	\$ -	\$ 29,940	\$ 29,940	\$ -
Intergovernmental payable - State of North Carolina				
Total liabilities	\$ -	\$ 29,940	\$ 29,940	\$ -
Motor Vehicle Tax				
Assets:				
Cash and investments	\$ (3,621)	\$ 700,940	\$ 700,800	\$ (3,481)
Liabilities:				
Intergovernmental payable	\$ (3,621)	\$ 700,940	\$ 700,800	\$ (3,481)
Pest Management				
Assets:				
Cash and investments	\$ 5,158	\$ 7,895	\$ 7,779	\$ 5,274
Liabilities:				
Miscellaneous liabilities	\$ 5,158	\$ 7,895	\$ 7,779	\$ 5,274
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 2,654	\$ 738,850	\$ 738,519	\$ 2,985
Liabilities:				
Miscellaneous liabilities	\$ 2,654	\$ 738,850	\$ 738,519	\$ 2,985

OTHER SCHEDULES

This section includes additional information on property taxes.

- 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, 2009

Fiscal Year	Uncollected Balance June 30, 2008	Additions	Collections and Credits	Uncollected Balance June 30, 2009
2008 - 2009	\$ -	\$ 8,447,897	\$ 8,108,694	\$ 339,203
2007 - 2008	361,280	-	243,840	117,440
2006 - 2007	106,150	-	46,681	59,469
2005 - 2006	72,026	-	26,152	45,874
2004 - 2005	47,987	-	15,976	32,011
2003 - 2004	36,674	-	7,991	28,683
2002 - 2003	29,054	-	5,779	23,275
2001 - 2002	25,037	-	4,813	20,224
2000 - 2001	20,253	-	2,224	18,029
1999 - 2000	20,536	-	2,315	18,221
1998 - 1999	14,155	-	14,155	-
	<u>733,152</u>	<u>8,447,897</u>	<u>8,478,620</u>	<u>702,429</u>
Less: Allowance for uncollectible accounts: General Fund				<u>89,952</u>
Ad valorem taxes receivable - net: General Fund				<u>\$ 612,477</u>
<u>Reconciliation with revenues</u> Ad valorem taxes - General Fund				\$ 8,592,534
Reconciling items:				
Interest collected				(119,483)
Taxes written off				12,579
Discoveries and adjustments				<u>(7,010)</u>
Total collections and credits				<u>\$ 8,478,620</u>

Bertie County, North Carolina
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2009

	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	1,084,015,542	0.0078	\$ 8,455,321	\$ 7,369,952	\$ 1,085,369
Total	1,084,015,542		8,455,321	7,369,952	1,085,369
Discoveries;					
Current year taxes	4,965,096	0.0078	38,728	30,154	8,574
Abatements	(5,917,014)	0.0078	(46,152)	(23,077)	(23,075)
Total property valuation	1,083,063,624				
Net Levy			8,447,897	7,377,029	1,070,868
Current year's taxes collected			8,108,694	7,219,222	889,472
Uncollected taxes at June 30, 2009			\$ 339,203	\$ 157,807	\$ 181,396
Current levy collection percentage			95.98%	97.86%	83.06%

COMPLIANCE SECTION



Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

To the Board of Commissioners
Bertie County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component 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, 2009, which collectively comprises the Bertie County's basic financial statements, and have issued our report thereon dated October 23, 2009. 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 09-1.

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, of accordingly, would not disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 is described in the accompanying schedule of findings and responses. We did not audit Bertie County's responses and accordingly, we express not opinion on it.

We noted certain matters that we reported to management of Bertie County, in a separate letter dated October 23, 2009.

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
October 23, 2009

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, 2009. 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, 2009.

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
October 23, 2009

MEMBER: NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC
ACCOUNTANTS AND AMERICAN INSTITUTE OF CERTIFIED PUBLIC
ACCOUNTANTS



**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, 2009. 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, 2009.

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
October 23, 2009

Bertie County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For The Fiscal Year Ended June 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes 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	
93.575	Subsidized Child Care Cluster
93.596	
93.667	
93.558	

Dollar threshold used to distinguish between type A and type B programs \$ 1,269,324

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, 2009

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

Subsidized Child Care Cluster

Public School Building Capital Fund

Parks and Recreation Trust Fund

Bertie County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Fiscal Year Ended June 30, 2009

Section II - Financial Statement Findings

Significant Deficiency

09-1 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.
<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, 2009

Section II – Financial Statement Findings

Significant Deficiency and Finding 09-1

Name of Contact Person: Zee Lamb, County Manager
Corrective Action: The County will implement the proposed recommendation.
Proposed Completion Date: December 31, 2009

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, 2009

Findings:

08-1 Reconciliation of Accounts

Status: See 09-1

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed –through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
<u>Food Stamp Cluster</u>					
Food Stamp Program – Noncash	10.551	XXXX	\$ 5,341,441	\$ -	\$ -
State Administrative Matching Grants for the Food Stamp Program	10.561	XXXX	382,182	-	367,867
Total Food Stamp Cluster			5,723,623	-	367,867
Total U.S. Dept. of Agriculture			5,723,623	-	367,867
<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	101,011	-	-
2006 Community Development Block Grant	14.228	XXXX	370,542	-	-
2008 Community Development Block Grant	14.228	XXXX	56,619	-	-
Total U.S. Dept. Housing and Urban Development			528,172	-	-
<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	123,119	89,531	17,928
Special Programs for the Aging – Title III C					
Nutrition Services	93.045	XXXX	21,727	17,054	3,936
Total Aging Cluster			144,846	106,585	21,864
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	33,256	2,647	30,609
Title IV-E Foster Care	93.658	XXXX	53,340	10,037	13,691
Title IV-E Foster Care/Off Trm	93.658	XXXX	18,198	-	18,198
Title IV-E Child and Family Teams	93.658	XXXX	3,862	23,183	-
Title IV-E Foster Care in Excess	93.658	XXXX	6,182	(299)	3,260
Title IV-E Admin County Paid to CCI	93.658	XXXX	18,427	9,213	9,213

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
Title IV-E Max Level III	93.658	XXXX	3,114	(273)	1,557
Title IV-E Adopt Subsidy and Vendor	93.659	XXXX	45,991	8,604	11,792
Family Preservation	93.556	XXXX	514	-	-
Total Foster Care and Adoption Cluster			182,884	53,112	88,320
Administration for Children and Families					
Passed-through the N.C. Dept. of Health and Human Services:					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Childcare Development Fund – Administration	93.596	XXXX	80,000	-	-
Division of Child Development					
Child Care and Development Fund – Discretionary	93.575		385,256	-	-
Child Care and Development Fund – Mandatory	93.596		140,986	-	-
Child Care and Development Fund – Match	93.596		200,900	104,755	-
Total Child Care Fund Cluster			807,142	104,755	-
Social Services Block Grant	93.667		5,976	-	-
Temporary Assistance for Needy Families	93.558		147,200	-	-
Smart Start		XXXX	-	13,561	-
State Appropriations		XXXX	-	41,285	-
TANF-MOE		XXXX	-	34,640	-
Total Subsidized Child Care Cluster			960,318	194,241	-
Division of Social Services:					
Work First Services	93.558	XXXX	191,122	-	304,523
Work First Administration	93.558	XXXX	33,861	-	48,134
Work First Functional Assessment	93.558	XXXX	2,800	-	-
Crisis Intervention Payments	93.568	XXXX	193,231	-	-
Low-Income Home Energy Assistance Block Grant:					
Administration	93.568	XXXX	22,843	-	-
Energy Assistance Payments - Direct Benefit Payments	93.568	XXXX	215,632	-	-
Adoption/Foster Care	93.645	XXXX	10,294	-	3,798
Permanency Planning - Reg	93.645	XXXX	4,087	1,362	-
SSBG – Other Service and Training	93.667	XXXX	162,376	17,270	59,882
SSBG – In Home Service Fund	93.667	XXXX	12,148	-	1,735
SSBG – Adult Day Care Over 60	93.667	XXXX	20,284	21,653	5,991
SSBG – Adult Day Care	93.667	XXXX	3,746	4,651	1,199
Independent Living Grant	93.674	XXXX	3,485	871	-
Permanency Planning – Spec	93.645	XXXX	1,213	-	404
AFDC Payments & Penalties	93.560	XXXX	(1,154)	(316)	(316)
TANF - Payments & Penalties	93.558	XXXX	306,326	(229)	914
TANF - Domestic Violence	93.558	XXXX	4,683	-	-
			1,186,977	45,262	426,264

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>Health Care Financing Administration</u>					
Direct Benefit Payments:					
Medical Assistance Program	93.778	XXXX	32,953,715	13,479,855	989,726
<u>Division of Facility Services</u>					
Division of Social Services:					
Administration:					
Health Choice	93.767	XXXX	23,116	1,232	6,441
Medical Assistance Program	93.778	XXXX	537,665	29,796	507,869
			560,781	31,028	514,310
Total U.S. Dept. of Health and Human Services			35,989,521	13,910,083	2,040,484
<u>U.S. Election Assistance Commission</u>					
Passed-through NC State Board of Elections					
Help America Vote Act	90.401	XXXX	6,963	-	-
<u>U.S. Department of the Interior</u>					
Passed-through NC Dept of Environment and Natural Resources					
Orthophotography Grant	15.808	XXXX	18,986	-	-
<u>U.S. Department of Homeland Security</u>					
Passed from Division of Emergency Management					
Emergency Management Performance Grant	97.042	XXXX	24,646	-	-
Total Dept of Homeland Security			24,646	-	-
Total Federal Awards			42,291,911	13,910,083	2,408,351
State Awards:					
<u>N.C. Dept. of Environment and Natural Resources</u>					
Soil and Water Conservation – S&W Conservation		XXXX	-	33,712	-
Soil and Water Conservation – Administration		XXXX	-	4,000	-
Land Use Plan Update		XXXX	-	15,973	-
Public Health Pest Management		XXXX	-	559	-
Minor Permit County Aid	11.419	XXXX	875	-	-
Division of Water Resources					
Hurricane Isabel Stream Clean Up	97.036	XXXX	13,100	-	-
Division of Parks and Recreation					
Parks and Recreation Trust Fund		XXXX	-	486,379	-
Total Dept. of Environment and Natural Resources			13,975	540,623	-

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards:					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
State/County Special Assistance for Adults – Direct					
benefit payments		XXXX	-	314,984	314,904
State Foster Care Benefits Program		XXXX	-	13,049	13,049
Foster Care At Risk Maximization		XXXX	-	5,609	3,091
Foster Care At Risk		XXXX	-	988	212
Foster Care Special Provision		XXXX	-	7,777	-
CWS Adopt Subsidy & Vendor		XXXX	-	20,338	4,737
Adult Protective Services		XXXX	-	19,016	-
AFDC/TANF Incent/Program Integrity		XXXX	-	840	-
DCD Smart Start		XXXX	-	14,385	-
State AID to Counties		XXXX	-	28,651	-
			-	425,637	335,993
Total Dept. of Health and Human Services					
<u>N.C. Dept. of Juvenile Justice and Delinquency Prevention</u>					
Juvenile Crime Prevention Program		XXXX	-	94,132	-
<u>N.C. Dept. of Transportation</u>					
Elderly and Disabled Transportation Assistance		XXXX	-	40,506	-
Work First/Transitional Employment		XXXX	-	5,483	-
Rural General Public Transportation		XXXX	-	38,569	-
			-	84,558	-
Total N.C. Dept. of Transportation					
<u>N.C. Dept. of Corrections</u>					
Criminal Justice Partnership Program		XXXX	-	85,834	-
<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	-	774,089	-
<u>NC Dept. of Commerce</u>					
Passed-through from Mid East Commission:					
Senior Health Insurance Information Program		XXXX	-	4,200	-
<u>NC Department of Crime Control and Public Safety</u>					
<u>Division of Emergency Management</u>					
Hazard Material Emergency Planning	20.073	XXXX	4,900	-	-
			4,900	-	-
Total NC Dept of Crime Control and Public Safety					
Total State Awards					
			-	2,009,073	335,993
Total Federal and State Awards					
			\$ 42,310,786	\$ 15,919,156	\$ 2,744,344

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2009

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	\$ -	\$ 94,132
Passed-through from N.C. Dept. of Public Instruction:				
Public School Building Bond Act of 1996	XXXXX	XXXX	\$ -	\$ 774,089

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

To the Board of Commissioners
Bertie County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining information of Bertie County, North Carolina, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 00, 2009.

In our report on internal control over financial reporting, in the compliance section of the annual report, we explained the standards and procedures by which we conducted our audit. We also stated the responsibilities of the County's management for establishing and maintaining an internal control structure, and that we had noted certain matters involving the internal control structure and its operations that we consider to be material weaknesses or significant deficiencies. Our study and evaluation disclosed the following areas, while not considered to be material weaknesses or significant deficiencies, in which we believe improvements are desirable.

Customer Utility Deposits

The County requires water customers to place a deposit on new accounts. However, the deposit amount is minimal and may not be enough to cover the unpaid bill when the customer defaults. The County should consider reviewing customer deposit amounts for future years.

Consumption Reports – Utility Department

The consumption report for the water department should be compared to the amounts billed. This would provide a good indication to determine if the amounts billed appear correct.

Cut-off Procedures – Utility Department

The County needs to review their cut-off procedures for utility service and determine that these procedures are followed.

We appreciate the excellent cooperation and courtesies extended us during the audit. If we can be of further assistance, please let us know.

Pittard Perry & Crone, Inc.

Pittard Perry & Crone, Inc.
Belhaven, North Carolina
October 23, 2009

October 23, 2009

To the Board of Commissioners
Bertie County

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County for the year ended June 30, 2009. 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. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133 as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 8, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Auditing Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Bertie County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the depreciation of capital assets is based on Bertie County's capital asset policy, which is based on historic information. We evaluated the key factors and assumptions used to develop the estimate of depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts is based on historical water and sewer revenues and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of converting the modified accrual Fund statements to the full accrual Government-wide statements, shown in Note 1E, describing the components of this conversion.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to each opinion unit's financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in

the aggregate, to each opinion unit's financial statements taken as a whole. All of the journal entries listed on the attached journal entry report were prepared based on management provided information.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 23, 2009.

Management Consultations with Other Independent Accountants

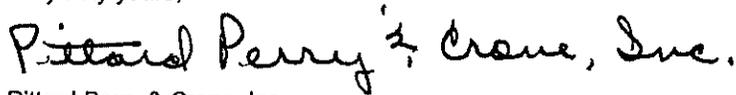
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Members of the Board of Commissioners and management of Bertie County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Pittard Perry & Crone, Inc.

10/20/2009 5:09PM

Entry #	Status	Account/Code	Description	Workpaper	Debit	Credit
AJE 1	Posted	260000-213001 260000-392900	RETAINAGE PAYABLE FUND BALANCE	[5400.01]	150,000.00	150,000.00
			Adjust Fund Balance to actual			
AJE 2	Posted	360000-179000 360000-392900	FIXED ASSETS-CONST IN PROGRESS FUND BALANCE	[5400.01]	13,942.00	13,942.00
			Adjust Fund Balance to actual			
AJE 3	Posted	240000-179000 240000-392900	FIXED ASSETS - CONSTRUCTION IN FUND BALANCE	[5400.01]	59,420.00	59,420.00
			Adjust Fund Balance to actual			
AJE 4	Posted	350000-179000 350000-392900	FIXED ASSETS-CONST IN PROGRESS FUND BALANCE	[5400.01]	95.00	95.00
			Adjust Fund Balance to actual			
AJE 5	Posted	610000-212000 617111-572001	ACCRUED INTEREST PAYABLE G.O.BOND INTEREST	[4002.08]	222.00	222.00
			Adjust accrued interest payable			
AJE 6	Posted	620000-212000 627112-572001	ACCRUED INTEREST PAYABLE G.O.BOND INTEREST	[4002.09]	275.00	275.00
			Adjust accrued interest payable			
AJE 7	Posted	630000-212000 637113-572000	ACCRUED INTEREST PAYABLE G.O.BOND INTEREST	[4002.10]	217.00	217.00
			Adjust accrued interest payable			
AJE 8	Posted	640000-212000 647114-572000	ACCRUED INTEREST PAYABLE G.O.BOND INTEREST	[4002.11]	215.00	215.00
			Adjust accrued interest payable			
AJE 9	Posted	617111-571000 610000-271903	G.O. BOND PRINCIPAL BONDS PAYABLE-WATER BONDS	[4001.02]	54,500.00	54,500.00
			Adjust note balance			
AJE 10	Posted	627112-571000 620000-271905	G.O. BOND PRINCIPAL ANTICIPATION NOTES PAYABLE	[4001.02]	71,000.00	71,000.00
			Adjust note balance			
AJE 11	Posted	637113-571000 630000-271903	G.O.BOND PRINCIPAL BONDS PAYABLE-WATER BONDS	[4001.02]	52,000.00	52,000.00
			Adjust Note Balance			
AJE 12	Posted	647114-571000 640000-271905	G.O.BOND PRINCIPAL ANTICIPATION NOTES PAYABLE	[4001.02]	55,000.00	55,000.00
			Adjust Note Balance			
AJE 13	Posted	100000-125110 100000-263000	A/R- PITT CO MEMORIAL HOSPITAL DEFERRED REVENUES-PITT HOSP	[4001.02]	398,397.00	398,397.00
			Adjust to actual			
AJE 14	Posted	550000-125100 550070-398110	ACCOUNTS RECEIVABLE MISC TRANSFERS FROM GENERAL FUND	[4107.01]	250,000.00	250,000.00
			GO SYSTEMS ONLY - Balance Transfers			
AJE 15	Posted	100011-411142 100011-411143 100011-411144 100011-411146 100011-411242 100011-411243 100000-261005 104140-549900	AD VALOREM TAXES 09 AD VALOREM TAXES 08 AD VALOREM TAXES 07 AD VALOREM TAXES 05 MOTOR VEHICLE TAXES 09 MOTOR VEHICLE TAXES 08 TAXES COLLECTED IN ADVANCE-EOY MISC EXPENSE TAX REFUNDS	[2301.01]	1,769.00 10,495.00 58,121.00 24,620.00	618.00 137.00 63,214.00 31,036.00
			To adjust taxes			
AJE 16	Posted	100000-121100 100000-262001	TAX RECEIVABLE TAX RECEIVABLE	[2301.01]	28,451.00	28,451.00
			To adjust receivable			
AJE 17	Posted	100000-125117 100000-263002	BERTIE MEM LTD P'SHIP DEFERRED REVENUE-BERTIE MEM LT	Lydia	129,600.00	129,600.00
			Record N/R Bertie Mem per Lydia			
AJE 18	Posted	550025-449010 550000-125100	PARTF GRANT II ACCOUNTS RECEIVABLE MISC	PARTF	205,171.00	205,171.00
			record grant receivable			

Entry #	Status	Account/Code	Description	Workpaper	Debit	Credit
AJE 19	Posted	558171-539910	GENERAL CONSTRUCTION	[PARTF]	44,157.00	
		550000-213001	RETAINAGE PAYABLE			44,157.00
		550000-125100	ACCOUNTS RECEIVABLE MISC		31,158.00	
		550025-449010	PARTF GRANT II			31,158.00
			Record retainage payable			
AJE 20	Posted	100000-125100	ACCOUNTS RECEIVABLE MISC	LYDIA	45,417.00	
		100000-125100	ACCOUNTS RECEIVABLE MISC		64,216.00	
		100000-125100	ACCOUNTS RECEIVABLE MISC		73,029.00	
		100000-125100	ACCOUNTS RECEIVABLE MISC		9,114.00	
		100000-125100	ACCOUNTS RECEIVABLE MISC		1,110.00	
		100000-125100	ACCOUNTS RECEIVABLE MISC		1,349.00	
		100000-125100	ACCOUNTS RECEIVABLE MISC		1,411.00	
		100018-423100	1 CENT SALES TAX-PT OF CO			45,417.00
		100018-423301	1/2 CENT SALES TAX-ART 40			64,216.00
		100018-423302	1/2 CENT SALES TAX-ART 42			73,029.00
		100018-423304	1/2 CENT SALES TAX-ART 44			9,114.00
		100030-426101	CABLE FRANCHISE FEES			1,110.00
		100020-427501	WHITE GOODS			1,349.00
		100020-427501	WHITE GOODS			1,411.00
			CO SYSTEMS ONLY - Lydia already made entry			
AJE 21	Posted	109800-598049	TRANSFER TO CAP RESERVE - S	LYDIA	272,851.00	
		200070-498130	TRANSFER FROM GENERAL FUND			272,851.00
		100000-110100	CASH ON DEPOSIT IN C/D			272,851.00
		200000-110100	CASH ON DEPOSIT IN C/D		272,851.00	
			CO SYSTEMS ONLY - Lydia already posted			
AJE 22	Posted	100018-423301	1/2 CENT SALES TAX-ART 40	LYDIA	76,518.00	
		100018-423100	1 CENT SALES TAX-PT OF CO			76,518.00
			CO SYSTEMS ONLY - Lydia already posted			
AJE 23	Posted	100000-391004	RESERVE FOR RC DOM VIOLENCE	LYDIA	7,853.00	
		100000-392900	FUND BALANCE			7,853.00
			CO SYSTEMS ONLY - Lydia already posted			
AJE 24	Posted	910000-100001	ACCUMULATED DEPRECIATION	[3203.01]		3,575,070.00
		910000-173000	FIXED ASSETS-BUILDINGS		3,223,476.00	
		910000-171005	FIXED ASSETS-LAND IMPROVEMENT		105,074.00	
		910000-175000	FIXED ASSETS-EQUIPMENT			11,130.00
		910000-176000	FIXED ASSETS-VEHICLES			2.00
		910000-999990	DEPRECIATION EXPENSE - PARKS &		36,621.00	
		910000-999991	DEPRECIATION EXPENSE - GENERAL		95,500.00	
		910000-999994	DEPRECIATION EXPENSE - HUMAN S		94,373.00	
		910000-999997	DEPRECIATION EXPENSE - PUBLIC		154,000.00	
		910000-179000	FIXED ASSETS-CONST IN PROGRESS			2,332,716.00
		910000-282000	INVESTMENT FIXED ASSETS		2,209,874.00	
			Adjust Governmental Capital Assets			
AJE 25	Posted	610000-175000	FIXED ASSETS-EQUIPMENT	[3209.01]	2,843.00	
		617111-551000	CAPITAL OUTLAY - EQUIPME			2,843.00
		617111-546000	DEPRECIATION EXPENSE		172,044.00	
		610000-180000	ACCUMULATED DEPRECIATION			172,044.00
		620000-175000	FIXED ASSETS-EQUIPMENT		2,349.00	
		627112-551000	CAPITAL OUTLAY - EQUIPME			2,349.00
		627112-546000	DEPRECIATION EXPENSE		236,791.00	
		620000-180000	ACCUMULATED DEPRECIATION			236,791.00
		630000-175000	FIXED ASSETS-EQUIPMENT		3,956.00	
		637113-551000	CAPITAL OUTLAY - EQUIPME			3,956.00
		637113-546000	DEPRECIATION EXPENSE		160,602.00	
		630000-180000	ACCUMULATED DEPRECIATION			160,602.00
		640000-175000	FIXED ASSETS-EQUIPMENT		3,214.00	
		647114-551000	CAPITAL OUTLAY-EQUIPMENT			3,214.00
		647114-546000	DEPRECIATION EXPENSE		144,984.00	
		640000-180000	ACCUMULATED DEPRECIATION			144,984.00
			Adjust Proprietary Capital Assets			
AJE 26	Posted	120000-110100	CASH ON DEPOSIT IN C/D	[2003.02]	269,082.00	
		550000-110100	CASH ON DEPOSIT IN C/D		202,875.00	
		100000-110100	CASH ON DEPOSIT IN C/D			471,957.00
		120000-244001	DUE TO GENERAL FUND			269,082.00
		550000-244000	DUE TO GENERAL FUND			202,875.00
		100000-125118	DUE FROM SOCIAL SERVICES		269,082.00	
		100000-125119	DUE FROM PARTF		202,875.00	
			CO SYSTEMS ONLY - Setup Due To/From for credit cash balances			
AJE 27	Posted	360000-179000	FIXED ASSETS-CONST IN PROGRESS	[3209.01]		353,669.00
		360000-392900	FUND BALANCE		353,669.00	
		350000-179000	FIXED ASSETS-CONST IN PROGRESS			1,962,034.00
		350000-392900	FUND BALANCE		1,962,034.00	
		240000-179000	FIXED ASSETS - CONSTRUCTION IN			893,773.00
		240000-392900	FUND BALANCE		893,773.00	
		620000-175000	FIXED ASSETS-EQUIPMENT		1,247,443.00	
		620000-381001	CONTRIBUTED CAPITAL			1,247,443.00
		640000-175000	FIXED ASSETS-EQUIPMENT		1,962,034.00	
		640000-381001	CONTRIBUTED CAPITAL			1,962,034.00
			Move CIP to correct Fund			
AJE 28	Posted	260000-213001	RETAINAGE PAYABLE	[3218.01]	145,000.00	
		268179-539910	GENERAL CONSTRUCTION			145,000.00
			Adjust retainage to actual			

Entry #	Status	Account/Code	Description	Workpaper	Debit	Credit	
AJE 29	Posted	610000-392900	FUND BALANCE			1.00	
		617111-529000	DEPARTMENTAL SUPPLIES		1.00		
		620000-392900	FUND BALANCE		1.00		
		627112-529000	DEPARTMENTAL SUPPLIES			1.00	
		640000-392900	FUND BALANCE			1.00	
		647114-529000	DEPARTMENTAL SUPPLIES		1.00		
		810000-392900	FUND BALANCE			1.00	
		819501-532002	TELEPHONE		1.00		
		Adjust Fund Balances to actual					
AJE 30	Posted	610000-124100	CUSTOMERS ACCOUNTS RECEIVABLES [2404.01]			27,743.00	
		610040-471001	SALE OF WATER		27,743.00		
		620000-124100	CUSTOMERS ACCOUNTS RECEIVABLES			30,818.00	
		620040-471001	SALE OF WATER		30,818.00		
		630000-124100	CUSTOMERS ACCOUNTS RECEIVABLES			14,115.00	
		630040-471001	SALE OF WATER		14,115.00		
		640000-124100	CUSTOMERS ACCOUNTS RECEIVABLES			43,848.00	
		640040-471001	SALE OF WATER		43,848.00		
		Adjust A/R to actual					
AJE 31	Posted	610000-124900	ALLOWANCE FOR DOUBTFUL RECEIVA [2406.01]		26,107.00		
		610040-471001	SALE OF WATER			26,107.00	
		620000-124900	ALLOWANCE FOR DOUBTFUL RECEIVA		22,091.00		
		620040-471001	SALE OF WATER			22,091.00	
		630000-124900	ALLOWANCE FOR DOUBTFUL RECEIVA		14,368.00		
		630040-471001	SALE OF WATER			14,368.00	
		640000-124900	ALLOWANCE FOR DOUBTFUL RECEIVA		26,277.00		
		640040-471001	SALE OF WATER			26,277.00	
		Adjust allowance accounts to actual					
AJE 32	Posted	610000-271904	OPEB LIABILITY [1315.15]			5,303.00	
		617111-518400	RETIREE HEALTH CARE EXPENSE		5,303.00		
		620000-271904	OPEB LIABILITY			4,380.00	
		627112-518400	RETIREE HEALTH CARE EXPENSE		4,380.00		
		630000-271904	OPEB LIABILITY			7,327.00	
		637113-518400	RETIREE HEALTH CARE EXPENSE		7,327.00		
		640000-271904	OPEB LIABILITY			5,996.00	
		647114-518400	RETIREE HEALTH CARE EXPENSE		5,996.00		
		OPEB adjustment for water districts					
TOTALS					16,846,489.00	16,846,489.00	

Bertie County
 Audit Difference Evaluation Form
 A Listing of Known Audit Differences Over \$500
 June 30, 2009

Proprietary Funds
 Financial Statements Effect -
 Amount of Over (Under) Statement of:

Pass Aje #	Description (Nature of Audit Difference)	Cause	W/P Ref	Total Assets	Total Liabilities	Fund Equity	Revenues	Expenses	Net Income	Working Capital
1	To Rec Unbilled Recvbl	not material in prev. years	[2405.01]	79,994	-	49,558	30,345	-	30,345	79,994
Total				79,994	-	49,558	30,345	-	30,345	79,994
Less audit adjustments subsequently booked				-	-	-	-	-	-	-
Net unadjusted audited difference-this year				79,994	-	49,558	30,345	-	30,345	79,994
Effect of Unadjusted audited difference- prior years								-	-	-
Net audit differences				79,994	-	49,558	30,345	-	30,345	79,994
Financial statement caption totals				31,443,166	13,275,166	18,168,000	1,807,919	2,327,546	(519,627)	722,813
Net audit differences as % of F/S Captions				0.2544%	0.0000%	0.2728%	1.6784%	0.0000%	-5.8398%	11.0670%