

Financial Statements

Bertie County, North Carolina

FINANCIAL STATEMENTS and INDEPENDENT AUDITORS' REPORT

Year Ended June 30, 2010

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, 2010, 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.

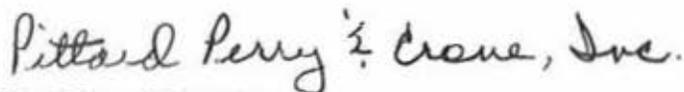
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2010 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 fund statements, budgetary schedules, other schedules, 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 fund statements, budgetary schedules, other schedules, 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.



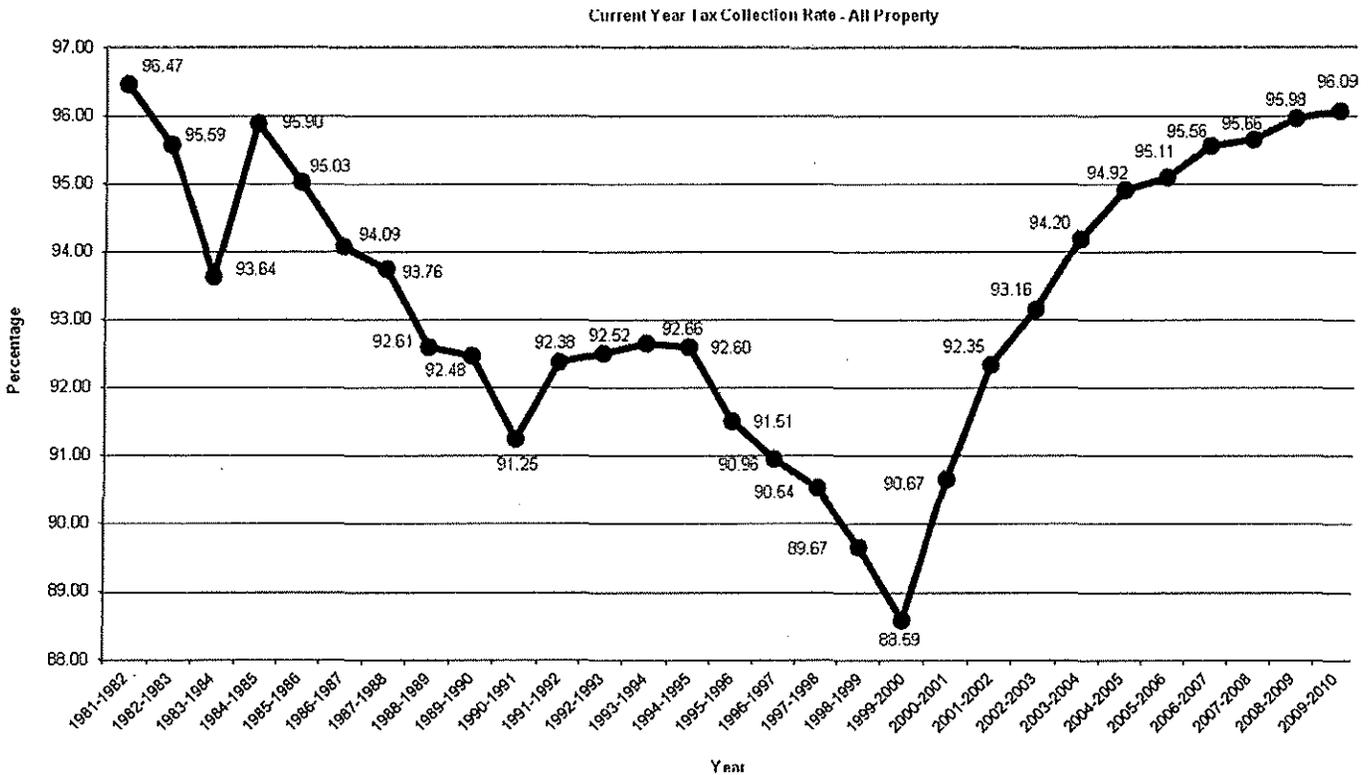
Pittard Perry & Crone, Inc.
November 10, 2010

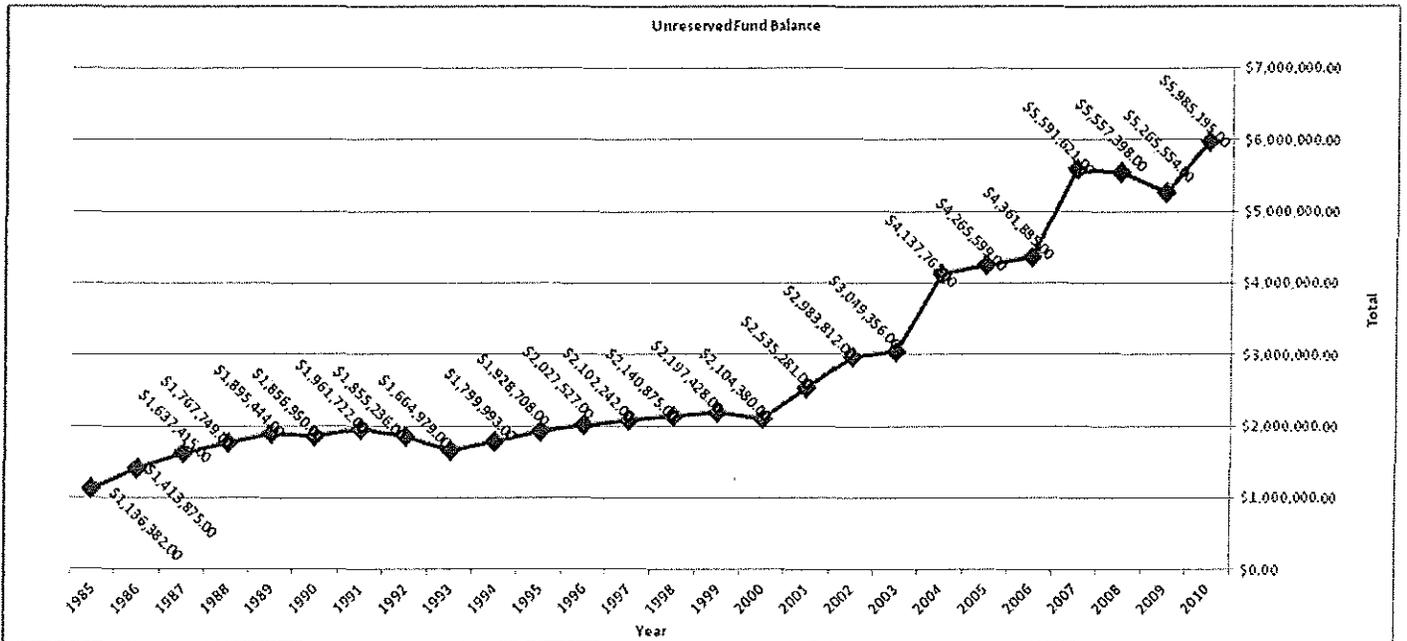
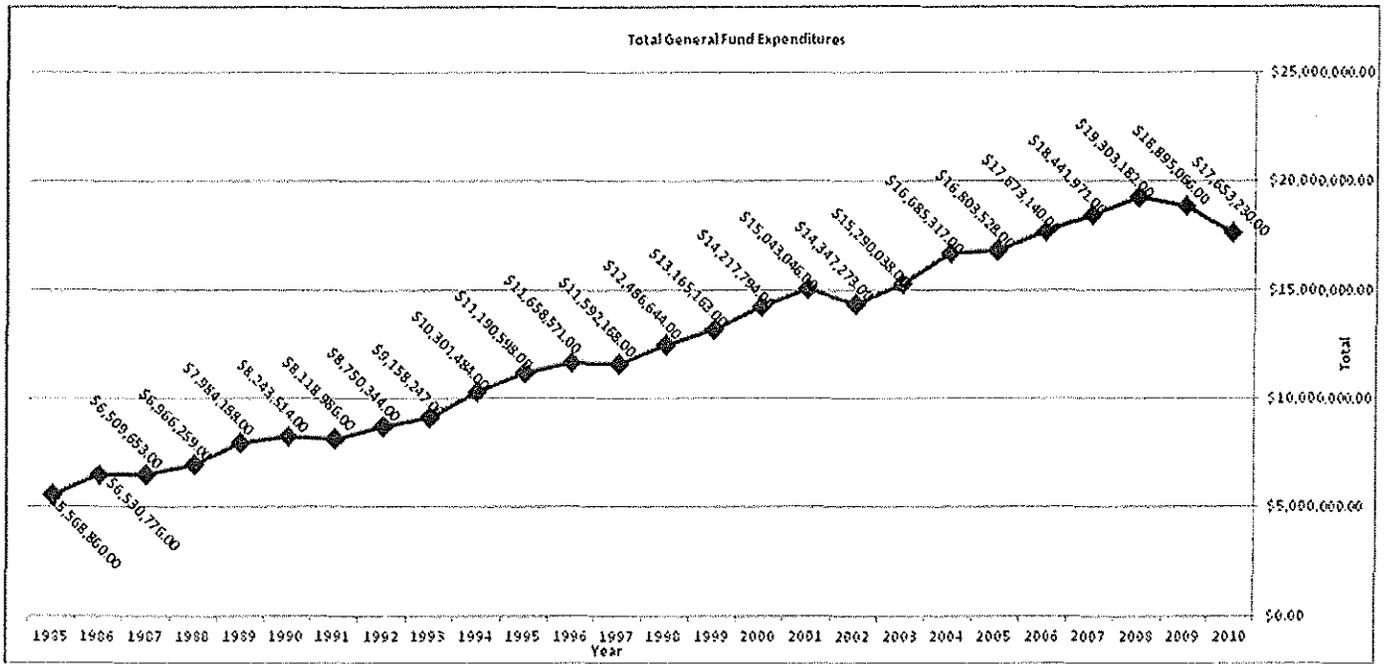
Management's Discussion and Analysis

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, 2010. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

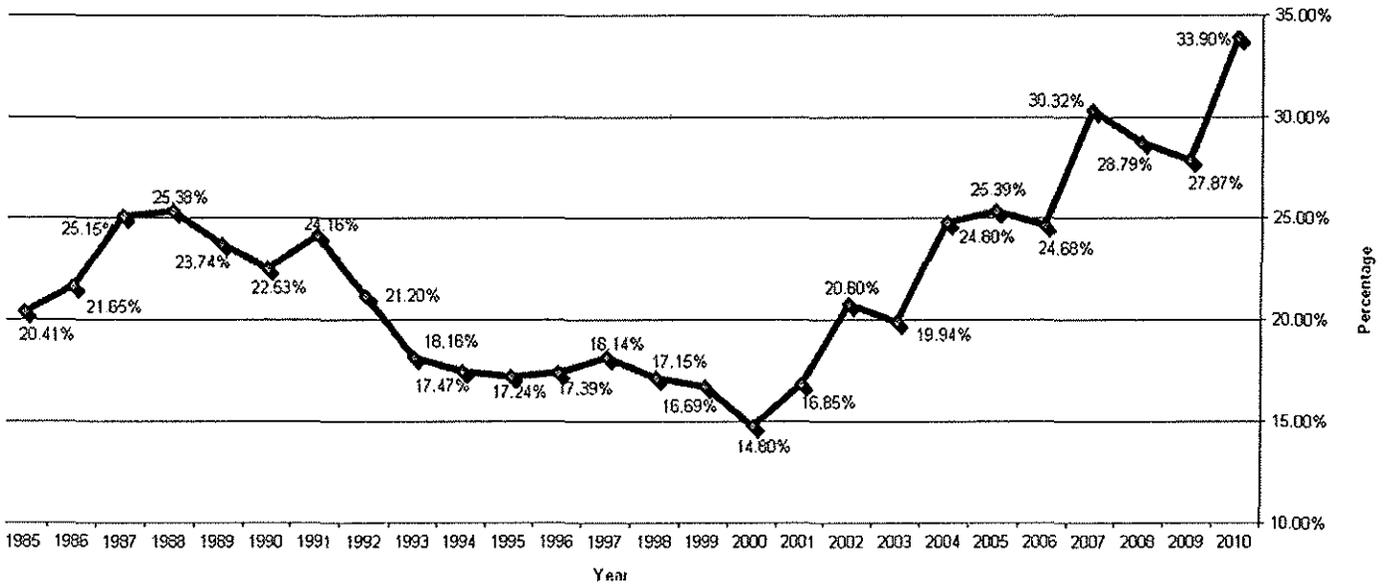
Financial Highlights

- The assets of Bertie County exceeded its liabilities at the close of the fiscal year by \$24,219,429 (*net assets*).
- The government's total net assets increased by \$549,694, 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 \$9,641,432, an increase of \$597,535 in comparison with the prior year and are attributed to an increase in landfill host fees revenue, reduced spending by \$1.2 million to 2006 spending levels, and the Medicaid/Sales tax swap, since the reduction in Medicaid expenditures was greater than the loss in sales tax revenues. Approximately 62.08% of this total amount or \$5,985,195 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 \$5,985,195, or 33.90% of total general fund expenditures of \$17,653,230 for the fiscal year.
- Bertie County's total debt decreased by \$1,019,867 or 2.96% during the current fiscal year. The key factor in this decrease was the repayment of outstanding debt.
- Tax collection rate was 96.09% for FY 2009-2010. This represents the highest collection rate since FY 1981-1982.





Unreserved Fund Balance as a Percentage of Current Year Expenditures

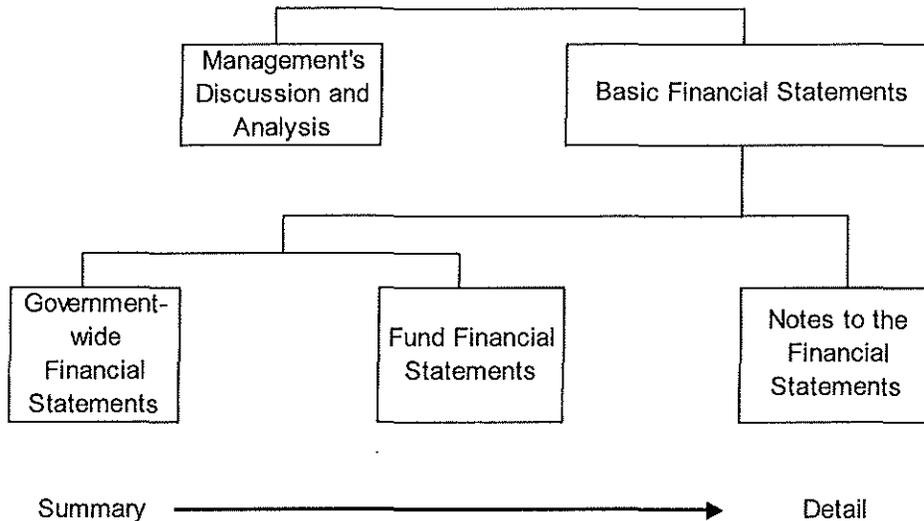


Overview of the Financial Statements

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 31 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 53 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 \$24,219,429 as of June 30, 2010. The County's net assets increased by \$549,694 for the fiscal year ended June 30, 2010. One of the largest portions (95.140%) 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 \$15,000 (0.06%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,162,464 (4.8%) is unrestricted.

Bertie County's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 18,209,370	\$ 18,057,364	\$ 1,169,986	\$ 1,176,793	\$ 19,379,356	\$ 19,234,157
Capital assets	9,186,813	9,304,025	29,866,530	30,266,373	39,053,343	39,570,398
Total assets	<u>27,396,183</u>	<u>27,361,389</u>	<u>31,036,516</u>	<u>31,443,166</u>	<u>58,432,699</u>	<u>58,804,555</u>
Current and other liabilities	466,335	470,268	305,170	202,920	771,505	673,188
Long-term liabilities, due within one year	1,549,591	1,515,130	260,085	246,910	1,809,676	1,762,040
Long-term liabilities, due in more than one year	19,039,473	19,874,256	12,592,616	12,825,336	31,632,089	32,699,592
Total liabilities	<u>21,055,399</u>	<u>21,859,654</u>	<u>13,157,871</u>	<u>13,275,166</u>	<u>34,213,270</u>	<u>35,134,820</u>
Net assets:						
Invested in capital assets, net of related debt	5,969,035	5,799,580	17,072,930	17,228,773	23,041,965	23,028,353
Restricted for working capital	15,000	3,888	-	-	15,000	3,888
Unrestricted	356,749	(301,733)	805,715	939,227	1,162,464	637,494
Total net assets	<u>\$ 6,340,784</u>	<u>\$ 5,501,735</u>	<u>\$ 17,878,645</u>	<u>\$ 18,168,000</u>	<u>\$ 24,219,429</u>	<u>\$ 23,669,735</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 Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 3,467,242	\$ 3,003,403	\$ 1,656,698	\$ 1,608,778	\$ 5,123,940	\$ 4,612,181
Operating grants and contributions	4,397,971	5,088,693	236,733	-	4,634,704	5,088,693
Capital grants and contributions	481,363	864,996	-	-	481,363	864,996
General revenues:						
Property taxes	8,166,305	8,165,669	-	-	8,166,305	8,165,669
Other taxes	1,629,347	2,645,128	-	-	1,629,347	2,645,128
Investment earnings	71,978	209,571	9,809	25,433	81,787	235,004
Miscellaneous	247,338	262,248	35,617	173,708	282,955	435,956
Total revenues	<u>18,461,544</u>	<u>20,239,708</u>	<u>1,938,857</u>	<u>1,807,919</u>	<u>20,400,401</u>	<u>22,047,627</u>
Expenses:						
General government	3,143,762	3,085,949	-	-	3,143,762	3,085,949
Public safety	3,651,636	3,574,125	-	-	3,651,636	3,574,125
Environmental protection	471,102	460,349	-	-	471,102	460,349
Economic and physical development	782,562	1,122,625	-	-	782,562	1,122,625
Human services	5,121,136	6,664,552	-	-	5,121,136	6,664,552
Education	3,330,677	3,220,000	-	-	3,330,677	3,220,000
Special appropriations	349,374	439,397	-	-	349,374	439,397
E-911	80,362	72,731	-	-	80,362	72,731
Interest and fees on long-term debt	691,884	739,223	-	-	691,884	739,223
Water districts	-	-	2,228,212	2,327,546	2,228,212	2,327,546
Total expenses	<u>17,622,495</u>	<u>19,378,951</u>	<u>2,228,212</u>	<u>2,327,546</u>	<u>19,850,707</u>	<u>21,706,497</u>
Increase in net assets	839,049	860,757	(289,355)	(519,627)	549,694	341,130
Net assets, July 1	<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>
Net assets, June 30	<u>\$ 6,340,784</u>	<u>\$ 5,501,735</u>	<u>\$17,878,645</u>	<u>\$ 18,168,000</u>	<u>\$24,219,429</u>	<u>\$ 23,669,735</u>

Governmental activities. Governmental activities increased the County's net assets by \$839,049, thereby accounting for 100% 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 \$289,355. 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 \$5,985,195, while total fund balance reached \$7,163,626. 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 33.90% percent of total General Fund expenditures, while total fund balance represents 40.58% of that same amount. Total amendments to the General Fund increased revenues by \$1,677,751.

At June 30, 2010, the governmental funds of Bertie County reported a combined fund balance of \$9,641,432, a 6.61% increase 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 \$805,715. There was a decrease in net assets of \$(289,355). 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, 2010, totals \$39,053,337 (net of accumulated depreciation). These assets include buildings, land, equipment, and vehicles.

Major capital asset transactions during the year include:

- Parks and Recreation field and buildings placed into service during the year
- 2 Vehicles for Sheriff's Office
- Donation of land to the County
- Shelters and sewer lines for animal control housing

Bertie County's Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 678,397	\$ 639,989	\$ 129,994	\$ 129,994	\$ 808,391	\$ 769,983
Buildings and system	6,393,472	6,340,100	29,421,792	30,120,181	35,815,264	36,460,281
Improvements	891,306	738,533	-	-	891,306	738,533
Machinery and equipment	940,437	252,699	-	-	940,437	252,699
Vehicles and motorized equipment	283,201	359,946	10,224	11,618	293,425	371,564
Construction in progress	-	972,758	304,520	4,580	304,520	977,338
Total	\$ 9,186,813	\$ 9,304,025	\$ 29,866,530	\$ 30,266,373	\$ 39,053,343	\$ 39,570,398

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

Long-term Debt. As of June 30, 2010, Bertie County had total debt outstanding of \$33,441,765.

Bertie County's Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ -	\$ -	\$ 12,793,600	\$ 13,037,600	\$ 12,793,600	\$ 13,037,600
Installment purchases	18,936,338	20,365,836	-	-	18,936,338	20,365,836
Compensated absences	315,859	291,696	13,938	11,640	329,797	303,336
Net pension obligation	151,969	134,938	-	-	151,969	134,938
Other postemployment benefits	1,184,898	596,916	45,163	23,006	1,230,061	619,922
	<u>\$ 20,589,064</u>	<u>\$ 21,389,386</u>	<u>\$ 12,852,701</u>	<u>\$ 13,072,246</u>	<u>\$ 33,441,765</u>	<u>\$ 34,461,632</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 \$68,216,586.

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, 2011

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, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
ASSETS				
Cash and cash equivalents	\$ 9,013,952	\$ 934,331	\$ 9,948,283	\$ 123,057
Receivables (net)	1,721,855	133,733	1,855,588	-
Notes receivable	7,458,563	-	7,458,563	-
Inventories	-	-	-	112,022
Prepaid items	-	-	-	5,306
Total current assets	<u>18,194,370</u>	<u>1,068,064</u>	<u>19,262,434</u>	<u>240,385</u>
Restricted assets:				
Cash and cash equivalents	15,000	-	15,000	-
Receivables (net)	-	101,922	101,922	-
Total restricted assets	<u>15,000</u>	<u>101,922</u>	<u>116,922</u>	<u>-</u>
Capital assets:				
Land, improvements, and construction in progress	678,397	434,514	1,112,911	-
Other capital assets, net of depreciation	8,508,416	29,432,016	37,940,432	26,227
Total capital assets	<u>9,186,813</u>	<u>29,866,530</u>	<u>39,053,343</u>	<u>26,227</u>
Total assets	<u>27,396,183</u>	<u>31,036,516</u>	<u>58,432,699</u>	<u>266,612</u>
LIABILITIES				
Accounts payable and accrued expenses	410,454	83,977	494,431	116,683
Unearned revenue	55,881	-	55,881	-
Customer deposits	-	125,563	125,563	-
Liabilities to be paid from restricted assets	-	95,630	95,630	-
Long-term liabilities:				
Due within one year	1,549,591	260,085	1,809,676	-
Due in more than one year	19,039,473	12,592,616	31,632,089	12,239
Total long-term liabilities	<u>20,589,064</u>	<u>12,852,701</u>	<u>33,441,765</u>	<u>12,239</u>
Total liabilities	<u>21,055,399</u>	<u>13,157,871</u>	<u>34,213,270</u>	<u>128,922</u>
NET ASSETS				
Invested in capital assets, net of related debt	5,969,035	17,072,930	23,041,965	26,227
Restricted for working capital	15,000	-	15,000	17,784
Unrestricted (deficit)	356,749	805,715	1,162,464	93,679
Total net assets	<u>\$ 6,340,784</u>	<u>\$ 17,878,645</u>	<u>\$ 24,219,429</u>	<u>\$ 137,690</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, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 3,143,762	\$ 151,488	\$ -	\$ -
Public safety	3,651,636	506,082	120,074	-
Environmental protection	471,102	1,959,008	103,670	-
Economic and physical development	782,562	10,750	504,179	-
Human services	5,121,136	839,914	3,670,048	-
Intergovernmental:				
Education	3,330,677	-	-	481,363
Special appropriations	349,374	-	-	-
E-911	80,362	-	-	-
Debt service:				
Interest and fees on long-term debt	691,884	-	-	-
Total governmental activities	<u>17,622,495</u>	<u>3,467,242</u>	<u>4,397,971</u>	<u>481,363</u>
Business-type activities:				
Water Districts	2,228,212	1,656,698	-	236,733
Total business-type activities	<u>2,228,212</u>	<u>1,656,698</u>	<u>-</u>	<u>236,733</u>
Total primary government	<u>\$ 19,850,707</u>	<u>\$ 5,123,940</u>	<u>\$ 4,397,971</u>	<u>\$ 718,096</u>
Component unit:				
ABC Board	<u>\$ 643,204</u>	<u>\$ 593,606</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

 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
\$ (2,992,274)	\$ -	\$ (2,992,274)	\$ -
(3,025,480)	-	(3,025,480)	-
1,591,576	-	1,591,576	-
(267,633)	-	(267,633)	-
(611,174)	-	(611,174)	-
(2,849,314)	-	(2,849,314)	-
(349,374)	-	(349,374)	-
(80,362)	-	(80,362)	-
(691,884)	-	(691,884)	-
<u>(9,275,919)</u>	<u>-</u>	<u>(9,275,919)</u>	<u>-</u>
-	(334,781)	(334,781)	-
-	(334,781)	(334,781)	-
<u>(9,275,919)</u>	<u>(334,781)</u>	<u>(9,610,700)</u>	<u>-</u>
-	-	-	(49,598)
8,166,305	-	8,166,305	-
1,519,249	-	1,519,249	-
110,098	-	110,098	-
71,978	9,809	81,787	232
247,338	35,617	282,955	5,197
<u>10,114,968</u>	<u>45,426</u>	<u>10,160,394</u>	<u>5,429</u>
839,049	(289,355)	549,694	(44,169)
5,501,735	18,168,000	23,669,735	181,859
<u>\$ 6,340,784</u>	<u>\$ 17,878,645</u>	<u>\$ 24,219,429</u>	<u>\$ 137,690</u>

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

Bertie County, North Carolina
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	Major	Non-Major	
	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 6,499,828	\$ 2,450,689	\$ 8,950,517
Receivables (net):			
Taxes	562,079	-	562,079
Accounts	1,129,473	27,117	1,156,590
Notes - Pitt County			
Memorial Hospital	7,040,280	-	7,040,280
Notes - Landmark Asset Services	288,683	-	288,683
Notes - Bertie Memorial Limited Partnership	129,600	-	129,600
Total assets	<u>\$ 15,649,943</u>	<u>\$ 2,477,806</u>	<u>\$ 18,127,749</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 409,784	\$ -	\$ 409,784
Deferred revenues	8,020,652	-	8,020,652
Unearned revenues	55,881	-	55,881
Total liabilities	<u>8,486,317</u>	<u>-</u>	<u>8,486,317</u>
Fund balances			
Reserved for CJPP	8,890	-	8,890
Reserved by domestic violence	40,068	-	40,068
Reserved by state statute	1,129,473	27,117	1,156,590
Unreserved	5,985,195	-	5,985,195
Special revenue funds	-	2,450,689	2,450,689
Total fund balances	<u>7,163,626</u>	<u>2,477,806</u>	<u>9,641,432</u>
Total liabilities and fund balances	<u>\$ 15,649,943</u>	<u>\$ 2,477,806</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.	9,186,813
Liabilities for earned but deferred revenues in fund statements.	8,020,652
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.	(20,589,064)
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	<u>80,951</u>
Net assets of governmental activities	<u><u>\$ 6,340,784</u></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
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2010

	Major	Non-Major	Total Governmental Funds
	General Fund	Other Governmental Funds	
REVENUES			
Ad valorem taxes	\$ 8,637,884	\$ -	\$ 8,637,884
Other taxes and licenses	350,267	236,041	586,308
Intergovernmental revenues	5,315,754	898,153	6,213,907
Licenses and permits	197,934	-	197,934
Sales and services	2,021,270	-	2,021,270
Investment earnings	56,403	15,575	71,978
Program income	-	10,750	10,750
Miscellaneous	1,160,859	32,233	1,193,092
Total revenues	<u>17,740,371</u>	<u>1,192,752</u>	<u>18,933,123</u>
EXPENDITURES			
Current:			
General government	2,487,228	-	2,487,228
Public safety	3,550,082	-	3,550,082
Environmental protection	471,102	-	471,102
Economic and physical development	316,625	429,318	745,943
Human services	5,026,760	-	5,026,760
Intergovernmental:			
Education	3,330,677	-	3,330,677
Special appropriations	349,374	-	349,374
Capital projects	-	172,678	172,678
E-911	-	80,362	80,362
Debt service:			
Principal	1,429,498	-	1,429,498
Interest and fees	691,884	-	691,884
Total expenditures	<u>17,653,230</u>	<u>682,358</u>	<u>18,335,588</u>
Excess (deficiency) of revenues over expenditures	<u>87,141</u>	<u>510,394</u>	<u>597,535</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	873,709	404,040	1,277,749
Transfers to other funds	(404,040)	(873,709)	(1,277,749)
Total other financing sources and uses	<u>469,669</u>	<u>(469,669)</u>	<u>-</u>
Net change in fund balance	556,810	40,725	597,535
Fund balances-beginning	6,606,816	2,437,081	9,043,897
Fund balances-ending	<u>\$ 7,163,626</u>	<u>\$ 2,477,806</u>	<u>\$ 9,641,432</u>

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

Net changes in fund balances - total governmental funds	\$ 597,535
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current year.	(94,316)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(13,735)
Revenues not in the statement of activities that do not provide current financial resources and reported as revenues in the funds.	(471,579)
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.	1,388,304
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.	(587,982)
Internal service funds are used by management to charge the costs of a telephone system to individual funds.	<u>20,822</u>
Total changes in net assets of governmental activities	<u>\$ 839,049</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, 2010

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 8,419,772	\$ 8,419,772	\$ 8,637,884	\$ 218,112
Other taxes and licenses	309,300	322,800	350,267	27,467
Intergovernmental revenues	5,293,788	5,549,134	5,315,754	(233,380)
Licenses and permits	137,000	188,300	197,934	9,634
Sales and services	1,481,000	1,913,609	2,021,270	107,661
Investment earnings	150,000	60,000	56,403	(3,597)
Miscellaneous	96,400	1,111,396	1,160,859	49,463
Total revenues	<u>15,887,260</u>	<u>17,565,011</u>	<u>17,740,371</u>	<u>175,360</u>
EXPENDITURES				
Current:				
General government	2,466,824	2,648,920	2,487,228	161,692
Public safety	3,537,320	3,709,974	3,550,082	159,892
Environmental protection	471,000	473,000	471,102	1,898
Economic and physical development	317,612	348,233	316,625	31,608
Human services	5,398,160	5,536,497	5,026,760	509,737
Intergovernmental:				
Education	3,357,500	3,357,500	3,330,677	26,823
Special appropriations	385,962	388,737	349,374	39,363
Debt service:				
Principal	1,008,309	1,429,500	1,429,498	2
Interest and fees	286,426	691,886	691,884	2
Total expenditures	<u>17,229,113</u>	<u>18,584,247</u>	<u>17,653,230</u>	<u>931,017</u>
Revenues over (under) expenditures	<u>(1,341,853)</u>	<u>(1,019,236)</u>	<u>87,141</u>	<u>1,106,377</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	857,272	891,953	873,709	(18,244)
Transfers to other funds	(400,000)	(561,968)	(404,040)	157,928
Total other financing sources and uses	<u>457,272</u>	<u>329,985</u>	<u>469,669</u>	<u>139,684</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(884,581)</u>	<u>(689,251)</u>	<u>556,810</u>	<u>1,246,061</u>
Appropriated fund balance	<u>884,581</u>	<u>689,251</u>	<u>-</u>	<u>(689,251)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>556,810</u>	<u>\$ 556,810</u>
Fund balance, beginning			<u>6,606,816</u>	
Fund balance, ending			<u>\$ 7,163,626</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, 2010

	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	\$ 125,194	\$ 10,177	\$ 753,544	\$ 45,416	\$ 934,331	\$ 78,435
Receivables, net	13,640	58,299	22,419	39,375	133,733	3,186
Total current assets	<u>138,834</u>	<u>68,476</u>	<u>775,963</u>	<u>84,791</u>	<u>1,068,064</u>	<u>81,621</u>
Noncurrent assets:						
Restricted assets:						
Grants receivable	-	-	-	101,922	101,922	-
Capital assets:						
Land and improvements	36,994	36,500	36,500	20,000	129,994	-
Construction in progress	-	-	-	304,520	304,520	-
Buildings, improvements, and equipment	8,117,191	11,614,918	8,024,398	7,236,435	34,992,942	182,848
Vehicles and motorized equipment	-	-	15,941	-	15,941	-
Less accumulated depreciation	(1,634,652)	(1,350,468)	(1,570,693)	(1,021,054)	(5,576,867)	(182,848)
Total capital assets	<u>6,519,533</u>	<u>10,300,950</u>	<u>6,506,146</u>	<u>6,539,901</u>	<u>29,866,530</u>	<u>-</u>
Total noncurrent assets	<u>6,519,533</u>	<u>10,300,950</u>	<u>6,506,146</u>	<u>6,641,823</u>	<u>29,968,452</u>	<u>-</u>
Total assets	<u>6,658,367</u>	<u>10,369,426</u>	<u>7,282,109</u>	<u>6,726,614</u>	<u>31,036,516</u>	<u>81,621</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	30,169	17,241	19,193	17,374	83,977	670
Customer deposits	29,228	22,797	41,519	32,019	125,563	-
Compensated absences payable	3,206	2,648	4,460	3,624	13,938	-
General obligation bonds payable	60,000	78,000	58,000	60,600	256,600	-
Total current liabilities	<u>122,603</u>	<u>120,686</u>	<u>123,172</u>	<u>113,617</u>	<u>480,078</u>	<u>670</u>
Current liabilities payable from restricted assets:						
Accounts payable and accrued liabilities	-	-	-	83,392	83,392	-
Retainage payable	-	-	-	12,238	12,238	-
Total current liabilities payable from restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,630</u>	<u>95,630</u>	<u>-</u>
Noncurrent liabilities:						
General obligation bonds payable	2,711,500	3,771,000	2,481,000	3,573,500	12,537,000	-
Other postemployment benefits	10,354	8,552	14,552	11,705	45,163	-
Total noncurrent liabilities	<u>2,721,854</u>	<u>3,779,552</u>	<u>2,495,552</u>	<u>3,585,205</u>	<u>12,582,163</u>	<u>-</u>
Total liabilities	<u>2,844,457</u>	<u>3,900,238</u>	<u>2,618,724</u>	<u>3,794,452</u>	<u>13,157,871</u>	<u>670</u>
NET ASSETS						
Invested in capital assets, net of related debt	3,748,033	6,451,950	3,967,146	2,905,801	17,072,930	-
Unrestricted	65,877	17,238	696,239	26,361	805,715	80,951
Total net assets	<u>\$ 3,813,910</u>	<u>\$ 6,469,188</u>	<u>\$ 4,663,385</u>	<u>\$ 2,932,162</u>	<u>\$ 17,878,645</u>	<u>\$ 80,951</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, 2010

<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	\$ 319,049	\$ 452,306	\$ 458,769	\$ 426,574	\$ 1,656,698	\$ 71,451
Total operating revenue	<u>319,049</u>	<u>452,306</u>	<u>458,769</u>	<u>426,574</u>	<u>1,656,698</u>	<u>71,451</u>
Operating expenses						
Administrative expenses	186,894	211,192	250,302	222,707	871,095	41,469
Depreciation expense	164,546	234,104	160,620	145,093	704,363	9,160
Total operating expenses	<u>351,440</u>	<u>445,296</u>	<u>410,922</u>	<u>367,800</u>	<u>1,575,458</u>	<u>50,629</u>
Operating income (loss)	(32,391)	7,010	47,847	58,774	81,240	20,822
Nonoperating revenues (expenses)						
Investment earnings	1,635	817	5,722	1,635	9,809	-
Miscellaneous income	1,967	26,837	2,616	4,197	35,617	-
Interest and fees	(144,729)	(190,959)	(135,980)	(181,086)	(652,754)	-
Total nonoperating revenues (expenses)	<u>(141,127)</u>	<u>(163,305)</u>	<u>(127,642)</u>	<u>(175,254)</u>	<u>(607,328)</u>	<u>-</u>
Income (loss) before contributions and operating transfers	(173,518)	(156,295)	(79,795)	(116,480)	(526,088)	20,822
Capital contributions	-	-	-	236,733	236,733	-
Total transfers and capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,733</u>	<u>236,733</u>	<u>-</u>
Change in net assets	(173,518)	(156,295)	(79,795)	120,253	(289,355)	20,822
Net assets, beginning	3,987,428	6,625,483	4,743,180	2,811,909	18,168,000	60,129
Net assets, ending	<u>\$ 3,813,910</u>	<u>\$ 6,469,188</u>	<u>\$ 4,663,385</u>	<u>\$ 2,932,162</u>	<u>\$ 17,878,645</u>	<u>\$ 80,951</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, 2010

	<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	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 304,236	\$ 399,651	\$ 431,834	\$ 402,131	\$ 1,537,852	\$ 70,344
Cash paid for goods and services	(102,583)	(150,909)	(144,664)	(139,977)	(538,133)	(41,687)
Cash paid to employees for services	(67,862)	(56,061)	(97,104)	(76,714)	(297,741)	-
Customer deposits (net)	(1,968)	678	(454)	2,178	434	-
Other operating revenues	20,201	13,774	28,988	22,095	85,058	-
Net cash provided (used) by operating activities	152,024	207,133	218,600	209,713	787,470	28,657
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Nonoperating income	1,967	26,837	2,616	4,197	35,617	-
Net cash provided (used) from noncapital financing activities	1,967	26,837	2,616	4,197	35,617	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	-	(4,580)	-	(208,890)	(213,470)	-
Interest paid on construction debt	(144,729)	(190,959)	(135,980)	(181,086)	(652,754)	-
Principal paid on bond maturities and equipment contracts	(57,000)	(74,000)	(55,500)	(57,500)	(244,000)	-
Capital contributions – State grant	-	-	-	134,811	134,811	-
Net cash provided (used) for capital and related financing activities	(201,729)	(269,539)	(191,480)	(312,665)	(975,413)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	1,635	817	5,722	1,635	9,809	-
Net increase (decrease) in cash and cash equivalents	(46,103)	(34,752)	35,458	(97,120)	(142,517)	28,657
Cash and cash equivalents, beginning	171,297	44,929	718,086	142,536	1,076,848	49,778
Cash and cash equivalents, ending	<u>\$ 125,194</u>	<u>\$ 10,177</u>	<u>\$ 753,544</u>	<u>\$ 45,416</u>	<u>\$ 934,331</u>	<u>\$ 78,435</u>

<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		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (32,391)	\$ 7,010	\$ 47,847	\$ 58,774	\$ 81,240	\$ 20,822
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	164,546	234,104	160,620	145,093	704,363	9,160
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	5,388	(38,881)	2,053	(2,348)	(33,788)	(1,107)
Increase (decrease) in accounts payable and accrued liabilities	10,869	(386)	574	(291)	10,766	(218)
Increase (decrease) in customer deposits	(1,968)	678	(454)	2,178	434	-
Increase (decrease) in accrued vacation	529	436	735	598	2,298	-
Increase (decrease) in OPEB payable	5,051	4,172	7,225	5,709	22,157	-
Total adjustments	<u>184,415</u>	<u>200,123</u>	<u>170,753</u>	<u>150,939</u>	<u>706,230</u>	<u>7,835</u>
Net cash provided (used) by operating activities	<u>\$ 152,024</u>	<u>\$ 207,133</u>	<u>\$ 218,600</u>	<u>\$ 209,713</u>	<u>\$ 787,470</u>	<u>\$ 28,657</u>

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, 2010

	Social Services Fund	Pest Management Fund	Motor Vehicle Tax
ASSETS			
Cash and cash equivalents	\$ 1,192	\$ 3,414	\$ (747)
LIABILITIES			
Miscellaneous liabilities	\$ 1,317	\$ 3,414	\$ (747)
NET ASSETS			
Assets held in trust for social services	\$ (125)	\$ -	\$ -

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, 2010

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, 2010

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.

The County reports the following major enterprise funds:

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

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

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

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

The County also reports the following fund types:

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

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency Funds are used to account for assets the County holds on behalf of others. The County maintains five 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; the Pest Management Fund, which accounts for the moneys received from local farmers for Agriculture Extension services; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Measurement Focus, Basis of Accounting

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

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

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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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 2009 through February 2010 apply to the fiscal year ended June 30, 2010. 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.

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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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. The STIF securities are reported at cost and maintain a constant \$1 per share value. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

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

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

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, 2010

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

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 \$(3,300,648) 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)	\$ 13,113,822
Less accumulated depreciation	<u>(3,927,009)</u>
Net capital assets	9,186,813
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	8,020,652
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	(18,936,338)
Pension obligation	(151,969)
Other postemployment benefit obligation	(1,184,898)
Compensated absences	<u>(315,859)</u>
	(20,589,064)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	<u>80,951</u>
Total adjustment	<u>\$ (3,300,648)</u>

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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 \$241,514 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 284,217
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	(378,533)
Cost of capital assets disposed during the year, that is recorded on the statement of activities but not in the fund statements	(13,735)
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	(471,579)
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	1,429,498
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	(24,163)
Other postemployment benefits	(587,982)
Net pension obligation	(17,031)
Internal service funds are used by management to charge the costs of a data information system to individual funds	20,822
Total adjustment	\$ 241,514

F. Subsequent Events – Date of Management Evaluation

Management has evaluated subsequent events through November 10, 2010, 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, 2010

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.

The County maintains its cash balance in one financial institution located in Eastern North Carolina. The Federal Deposit Insurance Corporation (FDIC) temporarily increased coverage to \$250,000 for substantially all depository accounts and temporarily provided unlimited coverage for certain qualifying and participating non-interest bearing transactions accounts. The increased coverage for depository accounts is scheduled to expire on December 31, 2013. The temporary coverage under the Transaction Account Guarantee Program remains in effect for those participating institutions choosing not to opt out of the program. At June 30, 2010, the County's deposits had a carrying amount of \$7,647,348. The bank balances with financial institutions and with the State Treasurer were \$7,936,239 and \$2,923, respectively. Of these bank balances, \$250,000 was covered by federal depository insurance, \$2,923 was covered by collateral held by authorized escrow agents in the name of the State Treasurer, and \$11,760 in non-interest bearing deposits and \$7,674,479 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2010, Bertie County had \$1,170 cash on hand.

At June 30, 2010, the carrying amount of deposits for Bertie County ABC Board was \$119,866 and the bank balance was \$121,382. All of the bank balance was covered by federal depository insurance.

At June 30, 2010, the ABC Board had \$3,191 cash on hand.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law, which, in part, permanently raised the FDIC current standard maximum deposit insurance amount to \$250,000.

2. Investments

At June 30, 2010, the County's investments consisted of \$2,318,624 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, 2010, 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
2007	1,050,186	343,898	1,394,084
2008	1,038,319	246,558	1,284,877
2009	1,063,765	156,862	1,220,627
2010	1,070,207	61,507	1,131,714
Total	\$ 4,222,477	\$ 808,825	\$ 5,031,302

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

4. Receivables

Receivables at the government-wide level at June 30, 2010, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Other	Total
Governmental Activities:					
General	\$ 727,368	\$ 663,107	\$ 402,105	\$ 7,458,563	\$ 9,251,143
Other Governmental	27,117	-	-	-	27,117
Internal Service Fund	3,186	-	-	-	3,186
Total receivables	757,671	663,107	402,105	7,458,563	9,281,446
Allowance for doubtful accounts	-	(101,028)	-	-	(101,028)
Total-governmental activities	<u>\$ 757,671</u>	<u>\$ 562,079</u>	<u>\$ 402,105</u>	<u>\$ 7,458,563</u>	<u>\$ 9,180,418</u>
Business-type Activities					
Water Districts	\$ 13,977	\$ 59,252	\$ 24,492	\$ 43,763	\$ 141,484
Total receivables	13,977	59,252	24,492	43,763	141,484
Allowance for doubtful accounts	(337)	(953)	(2,073)	(4,388)	(7,751)
Total - business-type activities	<u>\$ 13,640</u>	<u>\$ 58,299</u>	<u>\$ 22,419</u>	<u>\$ 39,375</u>	<u>\$ 133,733</u>

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

Local option sales tax	\$ 364,597
Sales tax receivable	37,508
Total	<u>\$ 402,105</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 639,989	\$ 44,500	\$ 6,092	\$ 678,397
Construction in progress	972,758	172,678	1,145,436	-
Total capital assets not being depreciated	1,612,747	217,178	1,151,528	678,397
Capital assets being depreciated:				
Buildings	8,754,174	227,000	12,500	8,968,674
Improvements	814,860	194,091	-	1,008,951
Equipment	705,960	748,000	-	1,453,960
Vehicles and motor equipment	982,194	43,384	21,738	1,003,840
Total capital assets being depreciated	11,257,188	1,212,475	34,238	12,435,425
Less accumulated depreciation for:				
Buildings	2,414,074	169,003	7,875	2,575,202
Improvements	76,327	41,318	-	117,645
Equipment	462,422	51,101	-	513,523
Vehicles and motor equipment	622,248	117,111	18,720	720,639
Total accumulated depreciation	3,575,071	\$ 378,533	\$ 26,595	3,927,009
Total capital assets being depreciated, net	7,682,117			8,508,416
Internal Service funds	9,161			-
Governmental activity capital assets, net	<u>\$ 9,304,025</u>			<u>\$ 9,186,813</u>

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

Primary Government

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

General government	\$	98,994
Public safety		148,543
Human services		94,376
Parks and Rec		36,620
Total depreciation expense	<u>\$</u>	<u>378,533</u>

Business-type Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Water Districts				
Capital assets not being depreciated:				
Land	\$ 129,994	\$ -	\$ -	\$ 129,994
Construction in progress	4,580	304,520	4,580	304,520
Total capital assets not being depreciated	<u>134,574</u>	<u>304,520</u>	<u>4,580</u>	<u>434,514</u>
Capital assets being depreciated:				
Plant and distribution systems	34,974,420	4,580	-	34,979,000
Vehicles	29,883	-	-	29,883
Total capital assets being depreciated	<u>35,004,303</u>	<u>4,580</u>	<u>-</u>	<u>35,008,883</u>
Less accumulated depreciation for:				
Plant and distribution systems	4,854,239	702,969	-	5,557,208
Vehicles	18,265	1,394	-	19,659
Total accumulated depreciation	<u>4,872,504</u>	<u>\$ 704,363</u>	<u>\$ -</u>	<u>5,576,867</u>
Total capital assets being depreciated, net	<u>30,131,799</u>			<u>29,432,016</u>
Water Districts capital assets, net	<u>\$ 30,266,373</u>			<u>\$ 29,866,530</u>

Construction commitments

The government has active construction projects as of June 30, 2010. The projects include the administration building project, school construction, and water district projects. At June 30, 2010, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Pilot Extraction Facility	\$ -	\$ 15,000
Rural Center Grant - Water District IV	164,460	175,340
2008 CDBG - Water District IV	140,060	769,440
	<u>\$ 304,520</u>	<u>\$ 959,780</u>

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2010, 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	-	8,175	1,470
Total capital assets being depreciated	131,559	-	8,175	123,384
Less accumulated depreciation for:				
Furniture and equipment	78,733	4,589	-	83,322
Leasehold improvements	17,711	-	-	17,711
Vehicles	9,645	-	8,175	1,470
Total accumulated depreciation	106,089	\$ 4,589	\$ 8,175	102,503
ABC capital assets, net	<u>\$ 30,816</u>			<u>\$ 26,227</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2010, were as follows:

	Vendors	Total
Governmental Activities:		
General	\$ 409,784	\$ 409,784
Internal Service Fund	670	670
Total-governmental activities	<u>\$ 410,454</u>	<u>\$ 410,454</u>
Business-type Activities		
Water Districts	\$ 83,977	\$ 83,977
Total - business-type activities	<u>\$ 83,977</u>	<u>\$ 83,977</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 5.25% 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, 2010, 2009, and 2008 were \$217,162, \$216,115, and \$206,804, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008 were \$2,654, \$3,840, and \$4,668, 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, 2010

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, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	<u>21</u>
Total	<u>22</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 \$28,097, or 3.47% 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, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% 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, 2009 was 21 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	\$ 24,457
Interest on net pension obligation	9,783
Adjustment to annual required contribution	<u>(8,500)</u>
Annual pension cost	25,740
Contributions made	<u>8,709</u>
Increase (decrease) in net pension obligation	17,031
Net pension obligation beginning of year	134,938
Net pension obligation end of year	<u>\$ 151,969</u>

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
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3 Year Trend Information			
For Year Ended June 30	Annual Pension		Net Pension Obligation
	Cost (APC)	Percentage of APC Contributed	
2008	21,672	40.19%	122,230
2009	21,417	40.66%	134,938
2010	25,740	33.83%	151,969

4. Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$211,187, and the actuarial value of assets was 0, resulting in an unfunded actuarial accrued liability (UAAL) of \$211,187.

The covered payroll (annual payroll of active employees covered by the plan) was \$809,289, and the ratio of the UAAL to the covered payroll was 26.10 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, 2010 were \$52,770, which consisted of \$43,565 from the County and \$9,205 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, 2010, the County's required and actual contributions were \$1,189.

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
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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, 2009, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	105	20
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	26	5
Total	<u>131</u>	<u>25</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 \$674.76 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 15.129% of annual covered payroll. For the current year, the County contributed \$127,825 or 2.96% 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	24,797
Adjustment to annual required contribution	<u>(21,393)</u>
Annual OPEB cost (expense)	737,964
Contributions made	<u>(127,825)</u>
Increase (decrease) in net OPEB obligation	610,139
Net OPEB obligation, beginning of year	619,922
Net OPEB obligation, end of year	<u>\$ 1,230,061</u>

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
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The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 734,560	15.60%	\$ 619,922
2010	\$ 737,964	17.30%	\$ 1,230,061

Funded Status and Funding Progress. As of December 1, 2009, 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 \$8,129,891. The covered payroll (annual payroll of active employees covered by the plan) was \$4,311,982, and the ratio of the UAAL to the covered payroll was 188.54%. 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, 2009 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)	\$ -	\$ 55,881
Taxes receivable, net (General)	562,079	-
Special assessments receivable, net (General)	7,458,573	-
Total	\$ 8,020,652	\$ 55,881

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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 two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, 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, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

Blue Cross/Blue Shield of North Carolina provides the County's health insurance and the dental insurance is provided by Ameritus.

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. Contingent Liabilities

At June 30, 2010, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

6. 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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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

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

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

For Bertie County, the future minimum payments of these installment purchases as of June 30, 2010, including \$4,080,497 of interest, are:

Year ending June 30	Governmental Funds					
	Hospital		Health Department		DSS County Building	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 445,287	\$ 381,363	\$ 66,667	\$ 19,538	\$ 220,000	\$ 103,752
2012	469,789	356,862	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	556,210	270,440	66,667	10,018	220,000	69,168
2016-2020	3,295,345	837,907	244,443	16,390	1,100,000	216,150
2021-2023	1,249,899	58,882	-	-	440,000	25,938
Principal and interest payment totals	\$ 7,040,280	\$ 2,535,004	\$ 577,778	\$ 90,325	\$ 2,640,000	\$ 674,388

Year ending June 30	QZAB School	QZAB Bertie	Middle School		Totals	
	Project	High	Principal	Interest	Principal	Interest
	Principal	Principal	Principal	Interest	Principal	Interest
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	594,231
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	212,181	109,460	400,000	84,500	1,564,518	434,126
2016-2020	1,060,905	547,300	2,000,000	219,700	8,247,993	1,290,147
2021-2023	575,390	686,480	200,000	3,380	3,151,769	88,200
Principal and interest payment totals	\$ 2,697,200	\$ 1,781,080	\$ 4,200,000	\$ 780,780	\$ 18,936,338	\$ 4,080,497

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.

Bertie County, North Carolina
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The County's general obligation bonds payable at June 30, 2010 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%	\$ 2,539,000
\$3,300,000 1996 Water Serial Bonds of Water District I due in annual installments of \$33,500 to \$134,000 through 2036; interest at 5.125%	2,771,500
\$4,500,000 1997 Water Serial Bonds of Water District II due in annual installments of \$47,000 to \$188,000, through 2037; interest at 4.875%	3,849,000
\$4,030,600 2000 Water Serial Bonds Series A and Series B of Water District IV due in annual installments of \$43,000 to \$172,000 through 2040; interest at 4.75% and 5.125%	<u>3,634,100</u>
Total	<u><u>\$ 12,793,600</u></u>

At June 30, 2010, Bertie County had a legal debt margin of \$68,216,586.

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
2011	\$ 256,600	\$ 642,364
2012	270,000	628,571
2013	283,000	614,999
2014	296,000	600,760
2015	313,000	585,921
2016-2020	1,808,500	2,677,768
2021-2025	2,306,000	2,178,275
2026-2030	2,829,500	1,539,385
2031-2035	3,061,000	799,844
2036-2040	1,370,000	160,963
Principal and interest payment totals	<u>\$ 12,793,600</u>	<u>\$ 10,428,850</u>

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2010:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010	Cruent Portion of Balance
Governmental activities:					
Installment purchase	\$ 20,365,836	\$ -	\$ 1,429,498	\$ 18,936,338	\$ 1,453,595
Compensated absences	291,696	24,163	-	315,859	78,965
Net pension obligation	134,938	17,031	-	151,969	17,031
Other postemployment benefits	596,916	587,982	-	1,184,898	-
Total governmental activities	\$ 21,389,386	\$ 629,176	\$ 1,429,498	\$ 20,589,064	\$ 1,549,591
Business-type activities:					
General obligation debt	\$ 13,037,600	\$ -	\$ 244,000	\$ 12,793,600	\$ 256,600
Compensated absences	11,640	2,298	-	13,938	3,485
Other postemployment benefits	23,006	22,157	-	45,163	-
Total business-type activities	\$ 13,072,246	\$ 24,455	\$ 244,000	\$ 12,852,701	\$ 260,085
Discretely presented component unit:					
Installment purchase	\$ 4,788	\$ -	\$ 4,788	\$ -	\$ -
Compensated absences	13,984	-	1,745	12,239	-
Total discretely presented component unit	\$ 18,772	\$ -	\$ 6,533	\$ 12,239	\$ -

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.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2010, consist of the following:

Transfer from Emergency 911 to the General Fund.	\$ 67,381
Transfer from the Capital Reserves Schools to the General Fund for the return of excess transfers.	290,285
Transfer from Capital Projects Schools to Debt Service fund to pay QZAB debt payments.	481,363
Transfer from the QZAB Bertie High Fund to the Debt Service Fund for the repayment of QZAB debt.	23,430
Transfer from the DSS Construction Fund to the Debt Service Fund for the repayment of debt.	11,250
Transfer from the General fund to the Revaluation fund to accumulate resources for the revaluation of real property.	25,000
Transfer from the General fund to Parks & Recreation to supplement other funding sources.	127,217
Transfer from General fund to 2006 CDBG to supplement funding sources.	25,069
Transfer from the General Fund to the Capital Reserves Fund to supplement funding sources.	226,754
	\$ 1,277,749

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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, 2010. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$121,448 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, 2010. 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, 2010. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$30,352 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, 2010. In accordance with the governmental agreement between the participating governments, the County appropriated \$781,656 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, 2010. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$10,000 to the Authority to supplement its activities. Complete financial statements for the Authority may be obtained from the Authority's office at P. O. Box 320, Rich Square, North Carolina 27869.

IV. Jointly Governed Organizations

The County, in conjunction with four other counties and thirty-nine municipalities, established the Mid-East Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$5,032 to the Council during the fiscal year ended June 30, 2010.

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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

	Federal	State
Medicaid	\$ 35,866,657	\$ 12,507,638
Food stamp program	6,929,553	-
Energy assistance	230,998	-
Title IV-E	63,048	12,736
Foster Care	28,305	5,689
Foster Home	-	27,817
SC/SA Domiciliary Care	-	300,866
Total	\$ 43,118,561	\$ 12,854,746

VI. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

VII. Merger of Bertie County Health Department

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

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

Year Ending June 30,	Amount
2011	\$ 90,000
2012	40,116
Total	\$ 130,116

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.

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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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, 2010, the balance of the County's ADM allocation account was \$2,503. 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, 2010, the balance of the County's Lottery Fund account was \$114,047. 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, 2010, 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.

XII. 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, 2010, the fair market value of the lease was \$7,040,280.

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.

Bertie County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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)	UAAAL as a Percentage of Covered Payroll (b-a)/c)
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%
12/31/2009	\$ -	\$ 211,187	\$ 211,187	0.00%	\$ 809,289	26.10%

Bertie County, North Carolina
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 June 30, 2010

Year Ended June 30	Annual Required Contribution	Percentage Contributed
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%
2011	\$ 28,097	31.00%

Notes to the Required Schedules:

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

Valuation date	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
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%
12/31/2009	\$ -	\$ 8,129,891	\$ 8,129,891	0.00%	\$ 4,311,982	188.54%

Bertie County, North Carolina
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 June 30, 2010

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 734,560	15.61%
2010	\$ 737,964	17.30%

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	12/31/2009
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 rate*	
Pre-Medicare trend rate	10.50% - 5.00%
Post-Medicare trend rate	9.00% - 5.00%
Year of Ultimate trend rate	2017
* 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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year		\$ 8,121,173	
Prior years		405,701	
Penalties and interest		111,010	
Total	<u>\$ 8,419,772</u>	<u>8,637,884</u>	<u>\$ 218,112</u>
Other taxes:			
Local government sales tax		277,173	
Scrap tire disposal tax		22,194	
White goods disposal		3,231	
N.C. excise tax		47,479	
Lease vehicle tax		190	
Total	<u>322,800</u>	<u>350,267</u>	<u>27,467</u>
Intergovernmental revenues:			
Wine and beer		20,521	
Emergency Management		25,649	
Local 1/2¢ sales tax-art 40		804,360	
Local 1/2¢ sales tax-art 42		425,921	
Local 1/2¢ sales tax-art 44		(5,559)	
State DWI reimbursement		1,614	
Payment in lieu of taxes		37,515	
Veteran services		2,000	
Aging office		239,137	
CAMA		250	
Soil conservation		33,610	
Community based alternatives		88,990	
Court facility fees		63,780	
Officer fees		46,539	
Criminal Justice Partnership		106,549	
Restricted drug money		1,649	
Law Enforcement Grant		2,198	
School Resource Officer – Board of Ed.		100,916	
Rural General Public Transportation		34,634	
Aging - Senior outreach		3,510	
Equalization		41	
Social services - general administration		1,843,582	
Day Care		652,156	
Domestic violence		93,854	
Work First		1,282	
Foster care		148,436	
Enhanced ARRA FMAP		4,719	
ARRA Child Care		140,177	
Elderly/Handicapped transportation		41,311	
Smart start - childcare		132,739	
Title I HAVA elections		26,117	
Homeland Security Grant		7,278	

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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Shiip Grant		2,435	
Land Use Plan Update		13,977	
2 Hot 2 Trot Grant		547	
Solid Waste Disposal		12,059	
Drug Task Force		5,168	
Orthophotography Grant		18,986	
Medicaid EMS Cost		28,365	
Eat Smart - Move More Grant		7,000	
Kids Eating Smarter Grant		790	
Seniors on the Move		15,000	
Caregivers Grant		4,000	
Spice for Life Falls		25,000	
Golden LEAF		25,388	
ARRA Aging		13,064	
EFNEP Program Assistance		18,500	
Total	5,549,134	5,315,754	(233,380)
Licenses and permits:			
Recording fees		48,199	
Vital record fees		13,264	
Concealed weapons		4,415	
Recreation fees		8,079	
Peddlers license		100	
Other fees		55,799	
Inspection fees and building permits		61,673	
Cultural resources		2,465	
Floodplain mapping fee		3,940	
Total	188,300	197,934	9,634
Sales and services:			
Rents and concessions		38,610	
Jail fees		7,670	
Refuse collection fees		1,955,068	
Aging Program income		18,942	
Registration fees		980	
Total	1,913,609	2,021,270	107,661
Investment earnings	60,000	56,403	(3,597)
Miscellaneous:			
Fuel tax		23,597	
Miscellaneous		78,600	
ABC Board management fee		1,400	
5¢ per bottle tax		2,472	
Sale of assets		35,896	
Sale of land		4,065	
Other department revenue		127,070	
Insurance proceeds		13,432	

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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Hospital lease revenue		826,650	
5% water gross receipts		9,143	
5% electric gross receipts		29,580	
5% sewer gross receipts		4,909	
Reimbursement DSS Building Construction		4,045	
Total	1,111,396	1,160,859	49,463
Total revenues	17,565,011	17,740,371	175,360
Expenditures:			
<u>General Government</u>			
Governing body:			
Salaries and benefits		81,999	
Travel		34,121	
Telephone and postage		5,557	
Dues and subscriptions		5,685	
Advertising		132	
Insurance and bonds		35,181	
Miscellaneous		3,748	
Total	181,121	166,423	14,698
Administration:			
Salaries and benefits		399,876	
Telephone and postage		6,438	
Travel		13,123	
Supplies and materials		6,377	
Contracted services		2,500	
Dues and subscriptions		1,095	
Advertising		100	
Total	436,748	429,509	7,239
Finance:			
Salaries and benefits		170,812	
Supplies and materials		6,157	
Travel		2,534	
Telephone and postage		2,945	
Contracted services		34,609	
Dues and subscriptions		25	
Maintenance and repairs		3,144	
Total	222,811	220,226	2,585
Elections:			
Salaries and benefits		82,315	
Telephone and postage		4,766	
Travel		8,064	
Buildings and equipment rents		995	
Advertising		2,452	

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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Supplies and materials		2,991	
Maintenance and repairs		37,227	
Contracted services		19,459	
Dues and subscriptions		90	
Insurance and bonds		293	
Total	<u>160,724</u>	<u>158,652</u>	<u>2,072</u>
Tax Collections:			
Salaries and benefits		331,806	
Telephone and postage		36,331	
Travel		4,630	
Advertising		3,847	
Office supplies		6,964	
Contracted services		38,195	
Maintenance and repairs		3,076	
Dues and subscriptions		385	
Miscellaneous		13,773	
Orthophotography Grant		18,986	
Total	<u>494,003</u>	<u>457,993</u>	<u>36,010</u>
Legal:			
Contracted services		37,754	
Tax foreclosures		52,605	
Total	<u>92,000</u>	<u>90,359</u>	<u>1,641</u>
Register of Deeds:			
Salaries and benefits		147,863	
Telephone and postage		3,307	
Travel		2,862	
Supplies and materials		6,086	
Fees		1,530	
Contracted services		17,445	
Dues and subscriptions		430	
Insurance and bonds		1,023	
Maintenance and repairs		49,147	
Conveyance tax		23,268	
Domestic violence		2,995	
Floodplain mapping plan		3,940	
Total	<u>262,555</u>	<u>259,896</u>	<u>2,659</u>
Data Center:			
Salaries and benefits		139,626	
Telephone and postage		10,057	
Travel		335	
Supplies and materials		5,019	
Contracted services		5,493	
Maintenance and repairs		24,237	
Total	<u>199,661</u>	<u>184,767</u>	<u>14,894</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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Public Buildings:			
Salaries and benefits		186,767	
Telephone and postage		960	
Utilities		57,768	
Maintenance and repairs - buildings		20,720	
Maintenance and repairs - vehicles and equipment		2,531	
Automotive supplies		4,980	
Supplies and materials		7,637	
Contracted services		14,361	
Insurance and bonds		21,183	
Uniforms		1,217	
	<u>363,290</u>	<u>318,124</u>	<u>45,166</u>
Allocated to court facilities	(46,000)	(46,000)	-
Total	<u>317,290</u>	<u>272,124</u>	<u>45,166</u>
Court Facilities:			
Utilities and telephone		25,588	
Buildings and equipment rents		1,992	
Miscellaneous		7,132	
Total	<u>39,000</u>	<u>34,712</u>	<u>4,288</u>
Allocated from public buildings	46,000	46,000	-
Total	<u>85,000</u>	<u>80,712</u>	<u>4,288</u>
Parks and Recreation:			
Salaries and benefits		115,678	
Supplies and materials		14,525	
Travel		125	
Telephone and postage		1,775	
Maintenance and repairs - vehicles and equipment		6,471	
Insurance and bonds		1,900	
Advertising		116	
Supplemental grants		11,216	
Contracted services		3,369	
Dues and subscriptions		110	
Utilities		11,282	
	<u>197,007</u>	<u>166,567</u>	<u>30,440</u>
<u>Total General Government</u>	2,648,920	2,487,228	161,692
<u>Public Safety</u>			
Sheriff:			
Salaries and benefits		1,316,368	
Separation allowance		8,709	
Employee training		2,358	
Telephone and postage		12,360	
Travel		1,565	
Maintenance and repairs - equipment		1,801	

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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Maintenance and repairs - vehicles		34,408	
Maintenance and repairs - building		5,265	
Automotive supplies		111,374	
Supplies and materials		15,333	
Dues and subscriptions		400	
Insurance and bonds		19,479	
Uniforms		8,073	
Utilities		9,876	
Restricted drug money		7,913	
Employee physical		445	
Capital outlay - equipment		10,413	
Capital outlay - vehicles		43,384	
Total	<u>1,657,328</u>	<u>1,609,524</u>	<u>47,804</u>
Emergency Management:			
Salaries and benefits		60,591	
Telephone and postage		10,237	
Travel		637	
Insurance and bonds		1,967	
Supplies and materials		209	
Maintenance and repairs		2,624	
Fire department		120,000	
Rescue squad		144,333	
Rescue squad grant		12,500	
Dues and subscriptions		50	
Fire department grant		20,000	
Supplemental grant		9,666	
Medical transports		5,000	
Total	<u>402,376</u>	<u>387,814</u>	<u>14,562</u>
Planning and Inspection:			
Salaries and benefits		233,819	
Telephone and postage		3,632	
Travel		2,071	
Maintenance and repairs		279	
Automotive supplies		12,212	
Supplies and materials		1,374	
Dues and subscriptions		689	
Insurance and bonds		1,806	
Advertising		513	
Land use plan update		9,609	
Miscellaneous		63	
Total	<u>270,548</u>	<u>266,067</u>	<u>4,481</u>
Animal Control:			
Salaries and benefits		44,281	
Utilities		1,687	

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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Travel		15	
Maintenance and repairs		1,245	
Telephone and postage		763	
Automotive supplies		6,636	
Supplies and materials		4,462	
Insurance and bonds		899	
Special shelter needs		400	
Capital outlay		23,654	
Contracted services		4,000	
Uniforms		255	
Total	88,322	88,297	25
Medical Examiner:			
Professional services	11,500	11,000	500
Communications:			
Salaries and benefits		181,161	
Telephone and postage		5,285	
Utilities		7,135	
Travel		6	
Supplies and materials		1,164	
Contracted services		2,533	
Insurance and bonds		546	
Maintenance and repairs equipment		145	
Maintenance contracts		1,800	
Total	240,864	199,775	41,089
Criminal Justice Partnership:			
Salaries and benefits		56,788	
Telephone and postage		3,025	
Advertising		46	
Insurance and bonds		2,303	
Supplies and materials		8,100	
Maintenance and repairs		5,665	
Utilities		8,804	
Miscellaneous		447	
Contracted services		22,829	
Total	108,008	108,007	1
Domestic Violence Task Force:			
Salaries and benefits		52,984	
Supplies and materials		885	
Travel		11,724	
Telephone and postage		3,175	
Contracted services		19,374	

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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Rent expense		4,800	
Administration		5,000	
Total	145,988	97,942	48,046
Appropriations:			
Bertie-Martin Regional Jail	785,040	781,656	3,384
<u>Total Public Safety</u>	3,709,974	3,550,082	159,892
<u>Environmental Protection</u>			
Sanitation:			
Tire disposal		23,558	
Convenience centers		441,804	
Contracted services		5,740	
Total	473,000	471,102	1,898
<u>Total Environmental Protection</u>	473,000	471,102	1,898
<u>Economic and Physical Development</u>			
Agricultural Extension:			
Salaries and benefits		113,072	
Maintenance and repairs - equipment		1,945	
Telephone and postage		5,659	
Programs		7,410	
Eat Smart Move More		6,592	
Kids Eat Smart-Moving More		735	
Travel		2,630	
Supplies and materials		7,816	
Dues and subscriptions		782	
Contracted services		1,453	
Total	177,943	148,094	29,849
Economic Development:			
Salaries and benefits		63,926	
Telephone and postage		1,546	
Travel		3,900	
Advertising		915	
Peanut Belt Rural Planning		5,232	
Total	76,413	75,519	894
Soil Conservation:			
Salaries and benefits		91,430	
Transportation		1,582	
Total	93,877	93,012	865
<u>Total Economic & Physical Development</u>	348,233	316,625	31,608

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, 2010

	Final Budget	Actual	Variance Positive (Negative)
<u>Human Services</u>			
Health:			
Administration:			
Maintenance and repairs - building		238	
Insurance and bonds		1,071	
Management fee yearly appropriation		75,000	
Management fee fund balance buy-in		90,000	
Total	166,738	166,309	429
Total Health	166,738	166,309	429
Social Services:			
Administration:			
Salaries and benefits		2,084,506	
Telephone and postage		27,153	
Utilities		30,331	
Travel		13,004	
Maintenance and repairs		6,958	
Food stamp – EBT		11,485	
Maintenance contracts		7,923	
Buildings and equipment rents		744	
Supplies and materials		21,411	
Contracted services		8,210	
Dues and subscriptions		558	
Insurance		6,111	
Bertie Hospital - Indigent		120,000	
Miscellaneous expense		1,186	
Total	2,447,568	2,339,580	107,988
General Assistance:			
Public assistance		525	
S.A.A.		300,867	
State foster care		102,384	
Day Care		655,015	
Medicaid		16,039	
Legal services		25,774	
Smart start-childcare		132,167	
Chore services		32,021	
Adoption assistance		21,245	
Foster Child Adoption Incentive		8,304	
Transport of patients and other		94,013	
AFDC – Local		195	
Work First		45,997	
Adult day care		50,548	
AFDC – Foster Care		79,961	
Crisis intervention		175,571	
Jobs program		26,574	

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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Aid to blind		1,344	
WalMart Grant		1,000	
ARRA Child Care		137,891	
Total	2,278,871	1,907,435	371,436
Aid to Aged and Disabled:			
Salaries and benefits		174,455	
Telephone and postage		2,611	
Travel		3,894	
Maintenance and repairs		4,362	
Building and equipment rent		4,200	
Respite		40,459	
Transportation of patients		66,996	
Utilities		13,053	
Home delivered meals		38,055	
ARRA Home Delivered Meals		4,352	
ARRA Congregate Meals		8,840	
Food and provisions		51,110	
Insurance and bonds		1,485	
Classes		2,802	
SHIP Grant		1,320	
2 Hot 2 Trot Grant		49	
Caregivers Grant		3,748	
Seniors on the Move Grant		10,067	
Supplies and materials		4,026	
Dues and subscriptions		180	
Total	460,079	436,064	24,015
Total social services	5,186,518	4,683,079	503,439
Veterans Service Office:			
Salaries and benefits		20,744	
Telephone and postage		506	
Travel		810	
Supplies and materials		28	
Dues and subscriptions		75	
Equipment under \$5,000		1,269	
Total	23,471	23,432	39
Appropriations:			
Mental health		44,590	
Mental health - ABC 5¢		4,800	
Community Based Alternatives		94,550	
Choanoke Public Transit Authority		10,000	
Total	159,770	153,940	5,830
<u>Total Human Services</u>	5,536,497	5,026,760	509,737

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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Education:</u>			
Public schools current expense		2,887,500	
Public schools capital outlay		348,177	
Community Colleges		95,000	
Total	<u>3,357,500</u>	<u>3,330,677</u>	<u>26,823</u>
<u>Total Education</u>	3,357,500	3,330,677	26,823
<u>Special Appropriations</u>			
<u>Other Agencies:</u>			
Arts Council		5,000	
Airport		19,209	
Mideast Commission		5,032	
Roanoke River Partners		1,500	
Forest service		74,928	
Historical group		15,000	
Library		121,448	
Juvenile detention		42,723	
Juvenile probation		2,600	
Mideast RC&D Commission		1,000	
CADA		4,800	
CBA task force		3,500	
Windsor Area Chamber		2,000	
Food Bank of Albemarle		1,000	
Partnership for the Sounds		3,000	
Roanoke-Chowan Safe		1,000	
Rural general public transportation		34,634	
RC Domestic Violence Task Force		2,000	
Family Resource Center		5,000	
Highway 17 Association		4,000	
Total	<u>388,737</u>	<u>349,374</u>	<u>39,363</u>
<u>Total Special Appropriations</u>	388,737	349,374	39,363
<u>Debt Service:</u>			
Principal retirement		1,429,498	
Interest and fees		691,884	
	<u>2,121,386</u>	<u>2,121,382</u>	<u>4</u>
<u>Total Debt Service</u>	2,121,386	2,121,382	4
Total expenditures	<u>18,584,247</u>	<u>17,653,230</u>	<u>931,017</u>
Revenues over (under) expenditures	(1,019,236)	87,141	1,106,377

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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfers from (to) other funds:			
To special revenue fund	(434,750)	(276,823)	157,927
From special revenue fund	375,907	357,666	(18,241)
To capital project fund	(127,218)	(127,217)	1
From capital project fund	516,046	516,043	(3)
Total other financing uses	<u>329,985</u>	<u>469,669</u>	<u>139,684</u>
Revenues and other sources over (under) expenditures and other uses	(689,251)	556,810	1,246,061
Appropriated fund balance	<u>689,251</u>	<u>-</u>	<u>(689,251)</u>
Net change in fund balance	<u>\$ -</u>	<u>556,810</u>	<u>\$ 556,810</u>
Fund balance, beginning		<u>6,606,816</u>	
Fund balance, end		<u>\$ 7,163,626</u>	

Bertie County, North Carolina
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	Special Revenue Funds					Total Nonmajor Special Revenue Funds
	Revaluation	Capital Reserve - Schools	Wireless 911	2006 CN Community Development Block Grant	2008 SS Community Development Block Grant	
ASSETS						
Cash and investments	\$ 200,216	\$ 1,438,972	\$ 784,341	\$ 400	\$ 11,760	\$ 2,435,689
Accounts receivable (net)	-	-	18,224	8,893	-	27,117
Total assets	<u>\$ 200,216</u>	<u>\$ 1,438,972</u>	<u>\$ 802,565</u>	<u>\$ 9,293</u>	<u>\$ 11,760</u>	<u>\$ 2,462,806</u>
LIABILITIES AND FUND BALANCES						
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES						
Reserved by State Statute	-	-	18,224	8,893	-	27,117
Unreserved:						
Undesignated	200,216	1,438,972	784,341	400	11,760	2,435,689
Total fund balances	<u>200,216</u>	<u>1,438,972</u>	<u>802,565</u>	<u>9,293</u>	<u>11,760</u>	<u>2,462,806</u>
Total liabilities and fund balances	<u>\$ 200,216</u>	<u>\$ 1,438,972</u>	<u>\$ 802,565</u>	<u>\$ 9,293</u>	<u>\$ 11,760</u>	<u>\$ 2,462,806</u>

Capital Project Funds

Pilot Extraction Facility	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 15,000	\$ 15,000	\$ 2,450,689
-	-	27,117
\$ 15,000	\$ 15,000	\$ 2,477,806
-	-	-
-	-	27,117
15,000	15,000	2,450,689
15,000	15,000	2,477,806
\$ 15,000	\$ 15,000	\$ 2,477,806

Bertie County, North Carolina
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
 For The Fiscal Year Ended June 30, 2010

	Special Revenue Funds					Total Nonmajor Special Revenue Funds
	Revaluation	Capital Reserve - Schools	Wireless 911	2006 CN Community Development Block Grant	2008 SS Community Development Block Grant	
REVENUES						
Investment earnings	\$ -	\$ 9,810	\$ 5,722	\$ -	\$ -	\$ 15,532
Sales tax refund	-	-	-	-	-	-
Other taxes and licenses	-	-	218,687	-	-	218,687
Federal and State grants	-	-	-	280,102	123,068	403,170
Intergovernmental revenues	-	-	-	-	-	-
Program Income	-	-	-	-	10,750	10,750
Miscellaneous	-	-	-	-	-	-
Total revenues	-	9,810	224,409	280,102	133,818	648,139
EXPENDITURES						
Current:						
Public safety	-	-	80,362	-	-	80,362
Economic and physical development	-	-	-	295,878	122,058	417,936
Total expenditures	-	-	80,362	295,878	122,058	498,298
Excess (deficiency) of revenues over (under) expenditures	-	9,810	144,047	(15,776)	11,760	149,841
OTHER FINANCING SOURCES (USES)						
Transfers in	25,000	226,754	-	25,069	-	276,823
Transfers out	-	(290,285)	(67,381)	-	-	(357,666)
Total other financing sources (uses)	25,000	(63,531)	(67,381)	25,069	-	(80,843)
Net change in fund balance	25,000	(53,721)	76,666	9,293	11,760	68,998
Fund balance, beginning	175,216	1,492,693	725,899	-	-	2,393,808
Fund balance, ending	<u>\$ 200,216</u>	<u>\$ 1,438,972</u>	<u>\$ 802,565</u>	<u>\$ 9,293</u>	<u>\$ 11,760</u>	<u>\$ 2,462,806</u>

Capital Project Funds							Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Totals
Schools Capital Project	QZAB - Bertie High	Social Services Building	Parks and Recreation PARTF 2	Pilot Extraction Facility				
\$ -	\$ 40	\$ 3	\$ -	\$ -	\$ -	\$ 43	\$ 15,575	
-	-	(15)	17,369	-	-	17,354	17,354	
-	-	-	-	-	-	-	218,687	
-	-	-	13,620	-	-	13,620	416,790	
481,363	-	-	-	-	-	481,363	481,363	
-	-	-	-	-	-	-	10,750	
-	-	-	17,233	15,000	-	32,233	32,233	
481,363	40	(12)	48,222	15,000	-	544,613	1,192,752	
-	-	-	-	-	-	-	80,362	
-	-	(5,000)	189,060	-	-	184,060	601,996	
-	-	(5,000)	189,060	-	-	184,060	682,358	
481,363	40	4,988	(140,838)	15,000	-	360,553	510,394	
-	-	-	127,217	-	-	127,217	404,040	
(481,363)	(23,430)	(11,250)	-	-	-	(516,043)	(873,709)	
(481,363)	(23,430)	(11,250)	127,217	-	-	(388,826)	(469,669)	
-	(23,390)	(6,262)	(13,621)	15,000	-	(28,273)	40,725	
-	23,390	6,262	13,621	-	-	43,273	2,437,081	
\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ 2,477,806	

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, 2010

	2010		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		<u>175,216</u>	
Fund balance, ending		<u>\$ 200,216</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, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Investment earnings	\$ 20,000	\$ 9,810	\$ (10,190)
Sales tax refund	-	-	-
Total revenue	<u>20,000</u>	<u>9,810</u>	<u>(10,190)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	350,000	226,754	(123,246)
Transfers out	<u>(375,907)</u>	<u>(290,285)</u>	85,622
Total transfers	<u>(25,907)</u>	<u>(63,531)</u>	<u>(37,624)</u>
Revenues and other uses over (under) expenditures	(5,907)	(53,721)	(47,814)
Appropriated fund balance	<u>5,907</u>	<u>-</u>	<u>(5,907)</u>
Revenues, other uses and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(53,721)</u>	<u>\$ (53,721)</u>
Fund balance, beginning		<u>1,492,693</u>	
Fund balance, ending		<u>\$ 1,438,972</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, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Other taxes and licenses	\$ 200,000	\$ 218,687	\$ 18,687
Investment earnings	5,000	5,722	722
Total revenue	<u>205,000</u>	<u>224,409</u>	<u>19,409</u>
EXPENDITURES			
Public safety:			
Operating expenses	<u>111,000</u>	<u>80,362</u>	<u>30,638</u>
Total expenditures	<u>111,000</u>	<u>80,362</u>	<u>30,638</u>
Revenues over (under) expenditures	<u>94,000</u>	<u>144,047</u>	<u>50,047</u>
OTHER FINANCING SOURCES (USES)			
Transfers out:			
General fund	<u>(94,000)</u>	<u>(67,381)</u>	<u>26,619</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>76,666</u>	<u>\$ 76,666</u>
Fund balance, beginning		<u>725,899</u>	
Fund balance, ending		<u>\$ 802,565</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, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Federal grants	\$ 700,000	\$ 409,305	\$ 280,102	\$ 689,407	\$ (10,593)
EXPENDITURES					
Current:					
Economic and physical development	750,000	434,236	295,878	730,114	19,886
Revenues over (under) expenditures	(50,000)	(24,931)	(15,776)	(40,707)	9,293
OTHER FINANCING SOURCES					
Transfers in	50,000	24,931	25,069	50,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	9,293	<u>\$ 9,293</u>	<u>\$ 9,293</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ 9,293</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, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Federal grants	\$ 400,000	\$ 56,619	\$ 123,068	\$ 179,687	\$ (220,313)
Program income	-	-	10,750	10,750	10,750
Total revenues	400,000	56,619	133,818	190,437	(209,563)
EXPENDITURES					
Current:					
Economic and physical development	400,000	56,619	122,058	178,677	221,323
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	11,760	<u>\$ 11,760</u>	<u>\$ 11,760</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ 11,760</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, 2010

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
REVENUES					
Restricted intergovernmental:					
Public School Building Capital Fund	\$ 2,863,506	\$ 2,863,506	\$ 481,363	\$ 3,344,869	\$ 481,363
Public School Building Bond Act	12,620,680	12,620,681	-	12,620,681	1
Total revenues	15,484,186	15,484,187	481,363	15,965,550	481,364
EXPENDITURES					
Capital outlay:					
Education	14,710,097	14,710,098	-	14,710,098	(1)
Total expenditures	14,710,097	14,710,098	-	14,710,098	(1)
Revenues under expenditures	774,089	774,089	481,363	1,255,452	481,363
OTHER FINANCING SOURCES (USES)					
Transfers out	(774,089)	(774,089)	(481,363)	(1,255,452)	481,363
	(774,089)	(774,089)	(481,363)	(1,255,452)	481,363
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning			-		
Fund balance, ending			\$ -		

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, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Investment earnings	\$ 39,278	\$ 39,238	\$ 40	\$ 39,278	\$ -
Total revenues	39,278	39,238	40	39,278	-
EXPENDITURES					
Architect fees	119,141	119,141	-	119,141	-
Legal	15,506	15,506	-	15,506	-
Reimbursements	8,307	8,307	-	8,307	-
Reroofing	1,209,473	1,209,473	-	1,209,473	-
HVAC units	464,642	464,642	-	464,642	-
Repairs/Renovations	222,390	222,390	-	222,390	-
Total expenditures	2,039,459	2,039,459	-	2,039,459	-
Revenues under expenditures	(2,000,181)	(2,000,221)	40	(2,000,181)	-
OTHER FINANCING SOURCES					
Debt proceeds	2,000,000	2,000,000	-	2,000,000	-
Tax refunds	23,611	23,611	-	23,611	-
Transfers out	(23,430)	-	(23,430)	(23,430)	-
Total other financing sources (uses)	2,000,181	2,023,611	(23,430)	2,000,181	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 23,390</u>	<u>(23,390)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			23,390		
Fund balance, ending			<u>\$ -</u>		

Bertie County, North Carolina
DEPARTMENT OF SOCIAL SERVICES BUILDING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
REVENUES					
Investment earnings	\$ 184,000	\$ 184,214	\$ 3	\$ 184,217	\$ 217
Total revenues	184,000	184,214	3	184,217	217
EXPENDITURES					
General construction	3,076,136	3,081,138	(5,000)	3,076,138	(2)
Architect fees	180,000	180,000	-	180,000	-
Reimbursements	34,739	34,463	-	34,463	276
Land purchase	206,000	206,000	-	206,000	-
Inspections	80	80	-	80	-
Contents	209,976	208,906	-	208,906	1,070
Equipment	37,000	36,671	-	36,671	329
Landscaping	13,818	13,818	-	13,818	-
Total expenditures	3,757,749	3,761,076	(5,000)	3,756,076	1,673
Revenues under expenditures	(3,573,749)	(3,576,862)	5,003	(3,571,859)	1,890
OTHER FINANCING SOURCES					
Debt proceeds	3,300,000	3,300,000	-	3,300,000	-
Tax refunds	59,000	57,125	(15)	57,110	(1,890)
Transfers in	226,000	225,999	-	225,999	(1)
Transfers out	(11,251)	-	(11,250)	(11,250)	1
Total other financing sources (uses)	3,573,749	3,583,124	(11,265)	3,571,859	(1,890)
Net change in fund balance	\$ -	\$ 6,262	(6,262)	\$ -	\$ -
Fund balance, beginning			6,262		
Fund balance, ending			\$ -		

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, 2010

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
REVENUES					
State grant	\$ 499,999	\$ 486,379	\$ 13,620	\$ 499,999	-
Miscellaneous revenues	17,233	-	17,233	17,233	-
Total revenues	517,232	486,379	30,853	517,232	-
EXPENDITURES					
General construction	1,055,820	883,142	172,678	1,055,820	-
Architect	70,000	70,000	-	70,000	-
Legal	1,227	1,227	-	1,227	-
Land inspections	17,789	17,789	-	17,789	-
Electrical	600	600	-	600	-
Repairs	16,382	-	16,382	16,382	-
Total expenditures	1,161,818	972,758	189,060	1,161,818	-
Revenues under expenditures	(644,586)	(486,379)	(158,207)	(644,586)	-
OTHER FINANCING SOURCES					
Transfers in	627,217	500,000	127,217	627,217	-
Tax refunds	17,369	-	17,369	17,369	-
Total other financing sources	644,586	500,000	144,586	644,586	-
Net change in fund balance	\$ -	\$ 13,621	(13,621)	\$ -	\$ -
Fund balance, beginning			13,621		
Fund balance, ending			\$ -		

Bertie County, North Carolina
PILOT EXTRACTION FACILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Donations	\$ 15,000	\$ -	\$ 15,000	\$ 15,000	\$ -
Total revenues	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
EXPENDITURES					
General construction	15,000	-	-	-	15,000
Total expenditures	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	15,000	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ 15,000</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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Charges for services		\$ 291,348	
Water taps		7,500	
Other operating revenues		20,201	
Total operating revenues	\$ 332,900	319,049	\$ (13,851)
Nonoperating revenues:			
Investment earnings		1,635	
Miscellaneous revenue		1,967	
Total nonoperating revenues	3,130	3,602	472
Total revenues	336,030	322,651	(13,379)
Expenditures:			
Water administration:			
Salaries and benefits		67,862	
Telephone and postage		15,933	
Repairs and maintenance		2,317	
Advertising		21	
Supplies		11,999	
Uniforms		286	
Contracted services		19,507	
Professional fees		2,800	
Dues and subscriptions		791	
Chemicals		1,319	
Employee training		74	
Maintenance contracts		425	
Insurance		2,893	
Utilities		20,516	
Water testing		4,192	
Other expenses		30,379	
Total	190,452	181,314	9,138
Debt service:			
Principal		57,000	
Interest and fees		144,729	
Total	201,961	201,729	232
Total expenditures	392,413	383,043	9,370
Revenues over (under) expenditures	(56,383)	(60,392)	(4,009)
Appropriated fund balance	56,383	-	(56,383)
Revenues and appropriated fund balance over (under) expenditures	\$ -	(60,392)	\$ (60,392)

	<u>Actual</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:	
Revenues over (under) expenditures	<u>(60,392)</u>
Reconciling items:	
Depreciation	(164,546)
Debt principal	57,000
(Increase) decrease in accrued vacation payable	(529)
(Increase) decrease in other postemployment benefits	<u>(5,051)</u>
Change in net assets	<u>\$ (173,518)</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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Charges for services		\$ 420,842	
Water taps		17,690	
Other operating revenue		13,774	
Total operating revenues	\$ 443,500	452,306	\$ 8,806
Nonoperating revenues:			
Investment earnings		817	
Miscellaneous revenue		26,837	
Total nonoperating revenues	27,100	27,654	554
Total revenues	470,600	479,960	9,360
Expenditures:			
Water administration:			
Salaries and benefits		56,061	
Telephone and postage		12,672	
Repairs and maintenance		4,583	
Advertising		18	
Supplies		9,903	
Uniforms		237	
Contracted services		62,250	
Professional fees		2,350	
Dues and subscriptions		654	
Chemicals		1,089	
Employee training		61	
Insurance		4,167	
Utilities		16,948	
Water testing		3,463	
Other expenses		31,777	
Bad debt expense		351	
Total	216,696	206,584	10,112
Debt service:			
Principal		74,000	
Interest and fees		190,959	
Total	265,247	264,959	288
Total expenditures	481,943	471,543	10,400
Revenues over (under) expenditures	\$ (11,343)	8,417	\$ (19,760)
Appropriated fund balance	11,343	-	(11,343)
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	\$ 8,417	\$ 8,417

Actual

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

Revenues over (under) expenditures

8,417

Reconciling items:

Depreciation

(234,104)

Debt principal

74,000

(Increase) decrease in accrued vacation payable

(436)

(Increase) decrease in other postemployment benefits

(4,172)

Change in net assets

\$ (156,295)

Bertie County, North Carolina
WATER DISTRICT III
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Charges for services		\$ 419,256	
Water taps		10,525	
Other operating revenues		28,988	
Total operating revenues	\$ 439,300	458,769	\$ 19,469
Nonoperating revenues:			
Investment earnings		5,722	
Miscellaneous revenue		2,616	
Total nonoperating revenues	4,020	8,338	4,318
Total revenues	443,320	467,107	23,787
Expenditures:			
Water administration:			
Salaries and benefits		97,104	
Telephone and postage		21,544	
Repairs and maintenance		2,918	
Advertising		30	
Supplies		16,683	
Uniforms		398	
Contracted services		15,286	
Professional fees		3,500	
Dues and subscriptions		1,101	
Chemicals		1,835	
Employee training		103	
Maintenance contracts		591	
Insurance		3,293	
Utilities		28,544	
Water testing		5,833	
Other expenses		43,579	
Total	251,608	242,342	9,266
Debt service:			
Principal		55,500	
Interest and fees		135,980	
Total	191,712	191,480	232
Total expenditures	443,320	433,822	9,498
Revenues over (under) expenditures	\$ -	33,285	\$ 33,285

	<u>Actual</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:	
Revenues over (under) expenditures	<u>33,285</u>
Reconciling items:	
Depreciation	(160,620)
Debt principal	55,500
(Increase) decrease in accrued vacation payable	(735)
(Increase) decrease in other postemployment benefits	<u>(7,225)</u>
Change in net assets	<u><u>\$ (79,795)</u></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, 2010

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Charges for services		\$ 383,876	
Water taps		20,603	
Other operating revenue		22,095	
Total operating revenues	\$ 390,000	426,574	\$ 36,574
Nonoperating revenues:			
Investment earnings		1,635	
Miscellaneous revenue		4,197	
Total nonoperating revenues	2,960	5,832	2,872
Total revenues	392,960	432,406	39,446
Expenditures:			
Water administration:			
Salaries and benefits		76,714	
Telephone and postage		17,322	
Repairs and maintenance		3,370	
Advertising		24	
Supplies		14,599	
Uniforms		325	
Contracted services		30,074	
Professional fees		2,835	
Dues and subscriptions		894	
Chemicals		1,491	
Employee training		84	
Maintenance contracts		6,137	
Insurance		2,168	
Utilities		23,192	
Water testing		4,739	
Other expenses		32,432	
Total	219,577	216,400	3,177
Debt service:			
Principal		57,500	
Interest and fees		181,086	
Total	238,811	238,586	225
Total expenditures	458,388	454,986	3,402
Revenues over (under) expenditures	(65,428)	(22,580)	42,848
Appropriated fund balance	65,428	-	(65,428)
Revenues and appropriated fund balance over expenditures	\$ -	(22,580)	\$ (22,580)

	<u>Actual</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:	
Revenues over (under) expenditures	<u>(22,580)</u>
Reconciling items:	
Depreciation	(145,093)
Debt principal	57,500
(Increase) decrease in accrued vacation payable	(598)
Capital Contributions	236,733
(Increase) decrease in other postemployment benefits	<u>(5,709)</u>
Change in net assets	<u>\$ 120,253</u>

Bertie County, North Carolina
RURAL CENTER GRANT - DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES:					
Restricted intergovernmental:					
State grants	\$ 339,800	\$ -	\$ 96,673	\$ 96,673	\$ (243,127)
Total revenues	339,800	-	96,673	96,673	(243,127)
EXPENDITURES:					
Engineering	32,200	-	-	-	32,200
Construction	307,600	-	164,460	164,460	143,140
Total expenditures	339,800	-	164,460	164,460	175,340
Revenues over (under) expenditures	\$ -	\$ -	\$ (67,787)	\$ (67,787)	\$ (67,787)

Bertie County, North Carolina
2008 COMMUNITY DEVELOPMENT BLOCK GRANT CR - DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES:					
Restricted intergovernmental:					
Federal grants	\$ 850,000	\$ -	\$ 140,060	\$ 140,060	\$ (709,940)
Miscellaneous revenues	59,500	-	-	-	(59,500)
Total revenues	909,500	-	140,060	140,060	(769,440)
EXPENDITURES:					
C-1 Acquisition	72,000	-	-	-	72,000
C-1 Water Improvement	40,000	-	-	-	40,000
C-1 Street Improvement	314,000	-	-	-	314,000
C-1 Clearance	26,500	-	1,590	1,590	24,910
C-1 Relocation	105,000	-	-	-	105,000
C-1 Rehabilitation	140,000	-	1,000	1,000	139,000
C-1 Administration	84,500	-	9,970	9,970	74,530
L-1 Water	127,500	-	127,500	127,500	-
Total expenditures	909,500	-	140,060	140,060	769,440
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

Bertie County, North Carolina
INTERNAL SERVICE FUNDS
BERTIE TELEPHONE
STATEMENT OF NET ASSETS
 June 30, 2010

	2010
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 78,435
Accounts receivable (net) – billed	3,186
Total assets	81,621
 LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	670
Total current liabilities	670
Total liabilities	670
 NET ASSETS	
Unrestricted	80,951
Total net assets	\$ 80,951

Bertie County, North Carolina
INTERNAL SERVICE FUNDS
BERTIE TELEPHONE
SCHEDULE OF REVENUES AND EXPENDITURES
For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating revenues:			
User charges	\$ 70,000	\$ 71,451	\$ 1,451
Total	<u>70,000</u>	<u>71,451</u>	<u>1,451</u>
Expenditures:			
Operating:			
Telephone		40,401	
Maintenance contracts		998	
Capital outlay		70	
Total	<u>70,000</u>	<u>41,469</u>	<u>28,531</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>29,982</u>	<u>\$ 29,982</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		\$ 29,982	
Depreciation expense		<u>(9,160)</u>	
Change in net assets		<u>\$ 20,822</u>	

Bertie County, North Carolina
INTERNAL SERVICE FUNDS
BERTIE TELEPHONE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2010

	2010
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 70,344
Cash paid for goods and services	(41,687)
Net cash provided (used) by operating activities	28,657
Net increase (decrease) in cash and cash equivalents	28,657
Cash and cash equivalents, beginning of year	49,778
Cash and cash equivalents, end of year	\$ 78,435
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 20,822
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	9,160
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(1,107)
Increase (decrease) in accounts payable and accrued liabilities	(218)
Total adjustments	7,835
Net cash provided (used) by operating activities	\$ 28,657

Bertie County, North Carolina
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
 For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
Social Services				
Assets:				
Cash and cash equivalents	\$ 1,192	\$ -	\$ -	\$ 1,192
Liabilities:				
Miscellaneous liabilities	\$ 1,192	\$ 808	\$ 683	\$ 1,317
Fines and Forfeitures				
Assets:				
Cash and investments	\$ -	\$ 28,090	\$ 28,090	\$ -
Intergovernmental payable - State of North Carolina				
Total liabilities	\$ -	\$ 28,090	\$ 28,090	\$ -
Motor Vehicle Tax				
Assets:				
Cash and investments	\$ (3,481)	\$ 1,295,683	\$ 1,292,949	\$ (747)
Liabilities:				
Intergovernmental payable	\$ (3,481)	\$ 1,295,683	\$ 1,292,949	\$ (747)
Pest Management				
Assets:				
Cash and investments	\$ 5,274	\$ 11,253	\$ 13,113	\$ 3,414
Liabilities:				
Miscellaneous liabilities	\$ 5,274	\$ 11,253	\$ 13,113	\$ 3,414
Deed of Trust				
Assets:				
Cash and investments	\$ -	\$ 1,530	\$ 1,530	\$ -
Liabilities:				
Miscellaneous liabilities	\$ -	\$ 1,530	\$ 1,530	\$ -
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 2,985	\$ 1,336,556	\$ 1,335,682	\$ 3,859
Liabilities:				
Miscellaneous liabilities	\$ 2,985	\$ 1,337,364	\$ 1,336,365	\$ 3,984

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, 2010

Fiscal Year	Uncollected Balance June 30, 2009	Additions	Collections and Credits	Uncollected Balance June 30, 2010
2009 - 2010	\$ -	\$ 8,497,410	\$ 8,165,170	\$ 332,240
2008 - 2009	339,203	-	243,054	96,149
2007 - 2008	117,440	-	52,969	64,471
2006 - 2007	59,469	-	22,395	37,074
2005 - 2006	45,874	-	13,083	32,791
2004 - 2005	32,011	-	8,771	23,240
2003 - 2004	28,683	-	5,486	23,197
2002 - 2003	23,275	-	3,885	19,390
2001 - 2002	20,224	-	1,792	18,432
2000 - 2001	18,029	-	1,906	16,123
1999 - 2000	18,221	-	18,221	-
	<u>702,429</u>	<u>8,497,410</u>	<u>8,536,732</u>	663,107
Less: Allowance for uncollectible accounts: General Fund				<u>101,028</u>
Ad valorem taxes receivable - net: General Fund				<u>\$ 562,079</u>
<u>Reconciliation with revenues</u> Ad valorem taxes - General Fund				\$ 8,637,884
Reconciling items:				
Interest collected				(111,010)
Taxes written off				15,386
Discoveries and adjustments				<u>(5,528)</u>
Total collections and credits				<u>\$ 8,536,732</u>

Bertie County, North Carolina
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2010

	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	1,092,569,794	0.0078	\$ 8,522,044	\$ 7,511,979	\$ 1,010,065
Total	1,092,569,794		8,522,044	7,511,979	1,010,065
Discoveries;					
Current year taxes	1,527,949	0.0078	11,918	6,154	5,764
Abatements	(4,686,188)	0.0078	(36,552)	(12,645)	(23,907)
Total property valuation	1,089,411,555				
Net Levy			8,497,410	7,505,488	991,922
Current year's taxes collected			8,165,170	7,337,274	827,896
Uncollected taxes at June 30, 2010			\$ 332,240	\$ 168,214	\$ 164,026
Current levy collection percentage			96.09%	97.76%	83.46%

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, 2010, which collectively comprises the Bertie County's basic financial statements, and have issued our report thereon dated November 10, 2010. Our report includes a reference to 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. Other auditors audited the financial statements of Bertie County ABC Board, as described in our report on Bertie County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting, which is described as item 10-1. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 November 10, 2010.

This report is intended solely for the information and use of management, others within the entity, 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 & Crane, Inc.

Belhaven, North Carolina
November 10, 2010

**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, compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Bertie County's major federal programs for the year ended June 30, 2010. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 entity, 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 & Crane, Inc.

Belhaven, North Carolina
November 10, 2010

**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 Bertie County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major State programs for the year ended June 30, 2010. 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 compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2010.

Internal Control Over Compliance

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 the requirements that could have a direct and material effect on a major State program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 & Crane, Inc.

Belhaven, North Carolina
November 10, 2010

Bertie County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For The Fiscal Year Ended June 30, 2010

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	
93.767	Children's Health Insurance Program
93.568	Low-Income Home Energy Assistance

Dollar threshold used to distinguish between type A and type B programs \$ 1,383,260

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, 2010

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
Public School Building Capital Fund
State/County Special Assistance for Adults

Bertie County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Fiscal Year Ended June 30, 2010

Section II - Financial Statement Findings

Significant Deficiency

10-1 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 has begun the implementation process.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Award Findings and Questioned Costs

None reported.

Section II – Financial Statement Findings

Significant Deficiency and Finding 10-1

Name of Contact Person: Zee Lamb, County Manager
Corrective Action: The County will implement the proposed recommendation.
Proposed Completion Date: December 31, 2010

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, 2010

Findings:

09-1 Reconciliation of Accounts

Status: See 10-1

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2010

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	\$ 6,929,553	\$ -	\$ -
State Administrative Matching Grants for the Food Stamp Program	10.561	XXXX	355,878	-	312,935
Total Food Stamp Cluster			<u>7,285,431</u>	<u>-</u>	<u>312,935</u>
Total U.S. Dept. of Agriculture			7,285,431	-	312,935
<u>U.S. Dept. of Housing and Urban Development</u>					
Passed-through N.C. Dept of Commerce:					
2006 Community Development Block Grant	14.228	XXXX	280,102	-	-
2008 Community Development Block Grant	14.228	XXXX	122,058	-	-
2008 Community Development Block Grant	14.228	XXXX	140,060	-	-
Total U.S. Dept. Housing and Urban Development			<u>542,220</u>	<u>-</u>	<u>-</u>
<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	104,019	75,642	15,147
Special Programs for the Aging – Title III C					
Nutrition Services	93.045	XXXX	18,356	14,408	3,325
Caregiver's Grant	93.052	XXXX	4,000	-	-
ARRA - Aging Home-Delivered Meals	93.705	XXXX	4,345	-	-
ARRA - Aging Congregate Nutrition Services	93.705	XXXX	8,719	-	-
Total Aging Cluster			<u>139,439</u>	<u>90,050</u>	<u>18,472</u>
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	28,624	2,031	26,593
Title IV-E Foster Care	93.658	XXXX	28,305	5,689	5,689
Title IV-E Foster Care/Off Trn	93.658	XXXX	13,010	-	13,010
Title IV-E Child and Family Teams	93.658	XXXX	7,158	7,158	-
Title IV-E Admin County Paid to CCI	93.658	XXXX	13,430	6,715	6,715

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2010

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	8,126	-	3,287
Title IV-E Adopt Subsidy and Vendor	93.659	XXXX	63,048	12,736	12,736
Family Preservation	93.556	XXXX	1,080	-	-
Total Foster Care and Adoption Cluster			162,781	34,329	68,030
 <u>Administration for Children and Families</u>					
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	XXXX	359,606	-	-
Child Care and Development Fund – Mandatory	93.596	XXXX	102,373	-	-
Child Care and Development Fund – Match	93.596	XXXX	173,871	93,359	-
ARRA - Child care and Development Block Grant	93.713	XXXX	91,039	-	-
Total Child Care Fund Cluster			806,889	93,359	-
Social Services Block Grant	93.667	XXXX	3,958	-	-
Temporary Assistance for Needy Families	93.558	XXXX	90,344	-	-
Smart Start		XXXX	-	14,709	-
State Appropriations		XXXX	-	29,575	-
TANF-MOE		XXXX	-	77,050	-
Total Subsidized Child Care Cluster			901,191	214,693	-
Division of Social Services:					
Work First Services	93.558	XXXX	193,627	-	274,443
Work First Administration	93.558	XXXX	31,356	-	44,798
Work First Benefits	93.558	XXXX	7,580	-	-
Crisis Intervention Payments	93.568	XXXX	175,571	-	-
Low-Income Home Energy Assistance Block Grant:					
Administration	93.568	XXXX	28,950	-	-
Energy Assistance Payments - Direct Benefit Payments	93.568	XXXX	230,998	-	-
Adoption/Foster Care	93.645	XXXX	10,486	-	804
Permanency Planning - Reg	93.645	XXXX	4,417	1,556	-
SSBG – Other Service and Training	93.667	XXXX	151,313	11,311	54,208
SSBG – In Home Service Fund	93.667	XXXX	22,828	-	3,261
SSBG – Adult Day Care Over 60	93.667	XXXX	22,476	12,810	5,041
SSBG – Adult Day Care	93.667	XXXX	4,662	5,375	1,434
Independent Living Grant	93.674	XXXX	1,342	336	-
Permanency Planning – Spec	93.645	XXXX	1,229	-	473
AFDC Payments & Penalties	93.560	XXXX	(1,280)	(351)	(351)
TANF - Payments & Penalties	93.558	XXXX	235,038	(51)	195
TANF - Domestic Violence	93.558	XXXX	5,584	-	-
			1,126,177	30,986	384,306

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2010

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>Health Care Financing Administration</u>					
Direct Benefit Payments:					
Medical Assistance Program	93.778	XXXX	35,386,657	12,507,638	16,039
ARRA - Enhanced Medical Assistance Program	93.778	XXXX	4,719	-	-
			35,391,376	12,507,638	16,039
<u>Division of Facility Services</u>					
Office of Emergency Medical Services					
Division of Social Services:					
Administration:					
Health Choice	93.767	XXXX	18,843	1,053	5,066
Medical Assistance Program	93.778	XXXX	28,365	-	-
Medical Assistance Program	93.778	XXXX	484,992	42,252	420,780
			532,200	43,305	425,846
Total U.S. Dept. of Health and Human Services			38,253,164	12,921,001	912,693
<u>U.S. Department of Justice</u>					
<u>Bureau of Justice Assistance</u>					
Direct Program:					
Law Enforcement Block Grant	16.592	XXXX	2,198	-	-
			2,198	-	-
<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>					
Federal Emergency Management Assistance –					
Emergency Management Performance Grant	97.042	XXXX	25,649	-	-
Total Dept of Homeland Security			25,649	18,986	-
Total Federal Awards			46,108,662	12,939,987	1,225,628
State Awards:					
<u>N.C. Dept. of Environment and Natural Resources</u>					
Soil and Water Conservation – S&W Conservation		XXXX	-	33,610	-
Soil and Water Conservation – Administration		XXXX	-	4,000	-
Land Use Plan Update		XXXX	-	13,977	-
Minor Permit County Aid	11.419	XXXX	-	250	-
Division of Parks and Recreation					
Parks and Recreation Trust Fund		XXXX	-	13,620	-
Total Dept. of Environment and Natural Resources			-	65,457	-

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2010

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
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	-	300,866	300,866
State Foster Care Benefits Program		XXXX	-	27,817	27,817
SFHF Maximization		XXXX	-	53	53
Foster Care At Risk Maximization		XXXX	-	25,546	13,761
Foster Care At Risk		XXXX	-	10,922	2,317
Foster Care Special Provision		XXXX	-	5,008	-
CWS Adopt Subsidy & Vendor		XXXX	-	20,639	4,556
Adult Protective Services		XXXX	-	15,619	-
AFDC/TANF Incent/Program Integrity		XXXX	-	433	-
DCD Smart Start		XXXX	-	13,659	-
Total Dept. of Health and Human Services			-	420,562	349,370
<u>N.C. Dept. of Administration</u>					
Veterans Service		XXXX	-	2,000	-
<u>N.C. Dept. of Juvenile Justice and Delinquency Prevention</u>					
Juvenile Crime Prevention Program		XXXX	-	88,990	-
<u>N.C. Dept. of Transportation</u>					
Elderly and Disabled Transportation Assistance		XXXX	-	41,312	-
Work First/Transitional Employment		XXXX	-	5,701	-
Rural General Public Transportation		XXXX	-	34,634	-
Total N.C. Dept. of Transportation			-	81,647	-
<u>N.C. Dept. of Corrections</u>					
Criminal Justice Partnership Program		XXXX	-	89,739	-
<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	-	481,363	-
<u>NC Dept. of Commerce</u>					
Passed-through from Mid East Commission:					
Senior Health Insurance Information Program		XXXX	-	2,435	-
<u>NC Rural Economic Development Center</u>					
Water and Sewer Supplemental Grants Program		XXXX	-	164,460	-
<u>NC State Board of Elections</u>					
Title I - HAVA	90.401	XXXX	-	26,117	-

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2010

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>NC Department of Crime Control and Public Safety</u>					
<u>Division of Emergency Management</u>					
State Homeland Security Grant Program		XXXX	-	7,278	-
Total State Awards			-	1,430,048	349,370
Total Federal and State Awards			\$ 46,108,662	\$ 14,370,035	\$ 1,574,998

Bertie County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2010

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	\$ -	\$ 88,990
Passed-through from N.C. Dept. of Public Instruction:				
Public School Building Bond Act of 1996	XXXXX	XXXX	\$ -	\$ 481,363

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, 2010, and have issued our report thereon dated November 10, 2010.

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.

Incorrect Documentation

During testing of the Children's Health Insurance Program, the budget worksheet prepared by the worker did not agree with the case profile EIS that was generated from the State system. The information was correct in the State system and the participant was receiving the correct benefit, but the two should agree.

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
November 10, 2010

November 10, 2010

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, 2010. 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 November 10, 2010. 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 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 November 10, 2010.

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.

Pittard Perry & Crone, Inc.

11/4/2010 2:29PM

Entry #	Status	Account/Code	Description	Workpaper	Debit	Credit
AJE 1	Posted	260000-213001 260000-392900 268179-539910	RETAINAGE PAYABLE FUND BALANCE GENERAL CONSTRUCTION	[5400]	150,000.00	145,000.00 5,000.00
			adjust fund balance			
AJE 2	Posted	550000-392900 558171-539910	FUND BALANCE GENERAL CONSTRUCTION	[5400]	44,157.00	44,157.00
			adjust fund balance			
AJE 3	Posted	100000-125117 100000-263002	BERTIE MEM LTD P'SHIP DEFERRED REVENUE-BERTIE MEM LT	[LYDIA]	129,600.00	129,600.00
			post per lydia			
AJE 4	Posted	100025-458602 100025-458602 100025-458615 100025-458615	AGING OFFICE AGING OFFICE AGING - ARRA AGING - ARRA	[LYDIA]	82.00 82.00	82.00 82.00
			GO SYSTEMS ONLY - Lydia already posted			
AJE 5	Posted	100000-125100 100025-449011	ACCOUNTS RECEIVABLE MISC GOLDEN LEAF-PARKS & REC	[2306.03]	25,388.00	25,388.00
			record a/r			
AJE 6	Posted	617111-571000 610000-271903	G.O. BOND PRINCIPAL BONDS PAYABLE-WATER BONDS	[4002.03]	57,000.00	57,000.00
			adjust note balance			
AJE 7	Posted	627112-571000 620000-271905	G.O. BOND PRINCIPAL ANTICIPATION NOTES PAYABLE	[4002.03]	74,000.00	74,000.00
			adjust note balance			
AJE 8	Posted	637113-571000 630000-271903	G.O. BOND PRINCIPAL BONDS PAYABLE-WATER BONDS	[4002.03]	55,500.00	55,500.00
			adjust note balance			
AJE 9	Posted	647114-571000 640000-271905	G.O. BOND PRINCIPAL ANTICIPATION NOTES PAYABLE	[4002.03]	57,500.00	57,500.00
			adjust note balance			
AJE 10	Posted	100000-392900 100000-261005	FUND BALANCE TAXES COLLECTED IN ADVANCE-EOY	[5400.01]	24,621.00	24,621.00
			record prior year aje #5			
AJE 11	Posted	100000-261005 100011-411142	TAXES COLLECTED IN ADVANCE-EOY AD VALOREM TAXES 09	[2301.02]	15,893.00	15,893.00
			adjust taxes collected in advance			
AJE 12	Posted	100011-411142 104140-549900	AD VALOREM TAXES 09 MISC EXPENSE TAX REFUNDS	[2301.09]	26,899.00	26,899.00
			adjust for payments made twice			
AJE 13	Posted	100000-121100 100000-262001	TAX RECEIVABLE TAX RECEIVABLE	[2302.04]	50,398.00	50,398.00
			adjust receivables			
AJE 14	Posted	334941-539908 330000-213001	CONTRACT 1-L-1 KELFORD RETAINAGE PAYABLE	[3209.02]	12,238.00	12,238.00
			GO SYSTEMS ONLY - record retainage			
AJE 15	Posted	910000-999990 910000-999991 910000-999994 910000-999997 910000-100001	DEPRECIATION EXPENSE - PARKS & DEPRECIATION EXPENSE - GENERAL DEPRECIATION EXPENSE - HUMAN S DEPRECIATION EXPENSE - PUBLIC ACCUMULATED DEPRECIATION	[3201.03]	36,620.00 98,994.00 94,376.00 148,543.00	378,533.00
			record general depreciation			
AJE 16	Posted	910000-179000 910000-100001 910000-282000	FIXED ASSETS-CONST IN PROGRESS ACCUMULATED DEPRECIATION INVESTMENT FIXED ASSETS	[3201.03]	6,853,950.00	3,305,474.00 3,548,476.00
			adjust to actual			
AJE 17	Posted	617111-546000 610000-180000 627112-546000 620000-180000 637113-546000 630000-180000 647114-546000 640000-180000	DEPRECIATION EXPENSE ACCUMULATED DEPRECIATION DEPRECIATION EXPENSE ACCUMULATED DEPRECIATION DEPRECIATION EXPENSE ACCUMULATED DEPRECIATION DEPRECIATION EXPENSE ACCUMULATED DEPRECIATION	[3210.01]	164,546.00 234,104.00 234,104.00 160,620.00 160,620.00 145,093.00	164,546.00 234,104.00 160,620.00 145,093.00
			record proprietary depreciation			
AJE 18	Posted	620000-175000 620000-392900	FIXED ASSETS-EQUIPMENT FUND BALANCE	[3210.01]	4,580.00	4,580.00
			close fund 24 to wd II			
AJE 19	Posted	610000-260000 610040-471001 620000-260000 620040-471001 630000-260000 630040-471001 640000-260000 640040-471001	DEFERRED REVENUE SALE OF WATER DEFERRED REVENUE SALE OF WATER DEFERRED REVENUES SALE OF WATER DEFERRED REVENUE SALE OF WATER	[2400.00]	11,515.00 7,081.00 25,134.00 11,437.00	11,515.00 7,081.00 25,134.00 11,437.00
			GO SYSTEMS ONLY			

11/4/2010 2:29PM

Entry #	Status	Account/Code	Description	Workpaper	Debit	Credit
AJE 20	Posted	610000-124100	CUSTOMERS ACCOUNTS RECEIVABLES	[2401.00]		10,646.00
		610040-471001	SALE OF WATER		10,646.00	
		620000-124100	CUSTOMERS ACCOUNTS RECEIVABLES		10,200.00	
		620040-471001	SALE OF WATER			10,200.00
		630000-124100	CUSTOMERS ACCOUNTS RECEIVABLES			8,237.00
		630040-471001	SALE OF WATER		8,237.00	
		640000-124100	CUSTOMERS ACCOUNTS RECEIVABLES			3,168.00
		640040-471001	SALE OF WATER		3,168.00	
			adjust a/r to actual			
AJE 21	Posted	610000-124900	ALLOWANCE FOR DOUBTFUL RECEIVA	[2401.01]	5,346.00	
		610040-471001	SALE OF WATER			5,346.00
		620000-124900	ALLOWANCE FOR DOUBTFUL RECEIVA		3,407.00	
		620040-471001	SALE OF WATER			3,407.00
		630000-124900	ALLOWANCE FOR DOUBTFUL RECEIVA		6,184.00	
		630040-471001	SALE OF WATER			6,184.00
		640000-124900	ALLOWANCE FOR DOUBTFUL RECEIVA		5,775.00	
		640040-471001	SALE OF WATER			5,775.00
			adjust allowance accounts			
AJE 22	Posted	620000-125100	ACCOUNTS RECEIVABLE MISC	[2401.01]		14,460.00
		620000-125100	ACCOUNTS RECEIVABLE MISC			16,610.00
		620040-471001	SALE OF WATER		14,460.00	
		620040-471001	SALE OF WATER		16,610.00	
			reverse booked a/r - prison			
AJE 23	Posted	610000-125101	ACCOUNTS RECEIVABLE-REVENUES	[2401.01]		11,044.00
		610040-471001	SALE OF WATER		11,044.00	
		620000-125101	ACCOUNTS RECEIVABLE-REVENUES			7,197.00
		620040-471001	SALE OF WATER		7,197.00	
		630000-125101	ACCOUNTS RECEIVABLE-REVENUES			23,153.00
		630040-471001	SALE OF WATER		23,153.00	
		640000-125101	ACCOUNTS RECEIVABLE-REVENUES			10,991.00
		640040-471001	SALE OF WATER		10,991.00	
			GO SYSTEMS ONLY			
AJE 24	Posted	610000-212000	ACCRUED INTEREST PAYABLE	[4003.08]	232.00	
		617111-572001	G.O.BOND INTEREST			232.00
			adjust accrued interest			
AJE 25	Posted	620000-212000	ACCRUED INTEREST PAYABLE	[4003.09]	287.00	
		627112-572001	G.O.BOND INTEREST			287.00
			adjust accrued interest			
AJE 26	Posted	630000-212000	ACCRUED INTEREST PAYABLE	[4003.10]	231.00	
		637113-572000	G.O.BOND INTEREST			231.00
			adjust accrued interest			
AJE 27	Posted	640000-212000	ACCRUED INTEREST PAYABLE	[4003.11]	224.00	
		647114-572000	G.O.BOND INTEREST			224.00
			adjust accrued interest			
AJE 28	Posted	174327-539910	TRANSFER TO GENERAL FUND	LYDIA	18,803.00	
		100070-398118	TRANSFER FROM E911			18,803.00
		100000-110100	CASH ON DEPOSIT IN C/D		18,803.00	
		170000-110100	CASH ON DEPOSIT IN C/D			18,803.00
			GO SYSTEMS ONLY - Lydia already posted			
AJE 29	Posted	100050-483901	MISC REVENUES & REFUNDS	LYDIA	48,578.00	
		100070-398118	TRANSFER FROM E911			48,578.00
			GO SYSTEMS ONLY - Lydia already posted			
AJE 30	Posted	100000-125100	ACCOUNTS RECEIVABLE MISC	LYDIA	20.00	
		100000-125100	ACCOUNTS RECEIVABLE MISC		20.00	
		100018-423304	1/2 CENT SALES TAX-ART 44			20.00
		100018-423304	1/2 CENT SALES TAX-ART 44			20.00
			GO SYSTEMS ONLY - Lydia already posted			
AJE 31	Posted	100000-125100	ACCOUNTS RECEIVABLE MISC	LYDIA	25,113.00	
		100000-125100	ACCOUNTS RECEIVABLE MISC		71,530.00	
		100000-125100	ACCOUNTS RECEIVABLE MISC		29,236.00	
		100000-125100	ACCOUNTS RECEIVABLE MISC		200.00	
		100018-423100	1 CENT SALES TAX-PT OF CO		1,110.00	
		100018-423301	1/2 CENT SALES TAX-ART 40			25,113.00
		100018-423302	1/2 CENT SALES TAX-ART 42			71,530.00
		100018-423304	1/2 CENT SALES TAX-ART 44			29,236.00
		100030-426101	CABLE FRANCHISE FEES			200.00
			GO SYSTEMS ONLY - Lydia already posted			1,110.00
AJE 32	Posted	205912-549910	TRANSFERS TO GENERAL FUND	LYDIA	865.00	
		100070-498105	TRANSFER FROM SCHOOL CAP			865.00
		100000-110100	CASH ON DEPOSIT IN C/D		865.00	
		200000-110100	CASH ON DEPOSIT IN C/D			865.00
			GO SYSTEMS ONLY - Lydia already posted			
AJE 33	Posted	109800-598049	TRANSFER TO CAP RESERVE - 5	LYDIA	376.00	
		100070-498130	TRANSFER FROM GENERAL FUND			376.00
		100000-110100	CASH ON DEPOSIT IN C/D		376.00	
		200000-110100	CASH ON DEPOSIT IN C/D			376.00
			GO SYSTEM ONLY - Lydia already posted			
AJE 34	Posted	170000-392900	FUND BALANCE	[5400.01]		1.00
		174327-535100	MAINTENANCE OF SYSTEM		1.00	
			adjust fund balance to actual			
AJE 35	Posted	200000-392900	FUND BALANCE	[5400.01]	1.00	
		200060-483101	INTEREST EARNED ON INVEST			1.00
			Adjust fund balance to actual			
AJE 36	Posted	819501-546000	DEPRECIATION EXPENSE	[3211.01]	9,160.00	
		810000-180000	ACCUMULATED DEPRECIATION			9,160.00
			record depreciation			
AJE 37	Posted	610000-396000	RETAINED EARNINGS	[5400.01]		1.00
		617111-532000	TELEPHONE & POSTAGE		1.00	
			adjust fund balance to actual			

Entry #	Status	Account/Code	Description	Workpaper	Debit	Credit
AJE 38	Posted	620000-396000 627112-532000	RETAINED EARNINGS TELEPHONE & POSTAGE	[5400.01]	2.00	2.00
			adjust fund balance to actual			
AJE 39	Posted	630000-396000 637113-532000	RETAINED EARNINGS TELEPHONE & POSTAGE	[5400.01]	82.00	82.00
			adjust fund balance to actual			
AJE 40	Posted	640000-396000 647114-521200	RETAINED EARNINGS UNIFORMS	[5400.01]	1.00	1.00
			adjust fund balance to actual			
AJE 41	Posted	109800-598012 109800-598037 104130-531000	TRANSFER TO SOCIAL SERVIC TRANSFER-DEBT-QZAB-B TRAVEL	GOSYS	1.00 1.00	2.00
			GO SYSTEMS ONLY - adjust internal transfers due to rounding			
AJE 42	Posted	300070-498153 309100-574001	TRANSFERRING FROM QZAB INTEREST-MIDDLE SCHOOL	GOSYS	1.00	1.00
			GO SYSTEMS ONLY - adjust transfers due to rounding			
AJE 43	Posted	910000-171005 910000-176000 910000-282000	FIXED ASSETS-LAND IMPROVEMENT FIXED ASSETS-VEHICLES INVESTMENT FIXED ASSETS	[3200.01]	4.00	2.00 2.00
			adjust assets			
AJE 44	Posted	610000-271904 617111-518400 620000-271912 627112-518400 630000-271912 637113-518400 640000-271912 647114-518400	OPEB LIABILITY RETIREE HEALTH CARE EXPENSE OPEB LIABILITY RETIREE HEALTH CARE EXPENSE OPEB LIABILITY RETIREE HEALTH CARE EXPENSE OPEB LIABILITY RETIREE HEALTH CARE EXPENSE	[1316.15]	5,051.00 4,172.00 4,172.00 7,225.00 7,225.00 5,709.00	5,051.00 4,172.00 7,225.00 5,709.00
			adjust water districts for opeb study			
TOTALS					9,104,650.00	9,104,650.00

Bertie County
 Audit Difference Evaluation Form
 A Listing of Known Audit Differences Over \$500
 June 30, 2010

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 not received in prev. years	[2405.01]	(88,950)	-	(79,994)	(8,956)	-	(8,956)	(88,950)
Total				(88,950)	-	(79,994)	(8,956)	-	(8,956)	(88,950)
Less audit adjustments subsequently booked				-	-	-	-	-	-	-
Net unadjusted audited difference-this year				(88,950)	-	(79,994)	(8,956)	-	(8,956)	(88,950)
Effect of Unadjusted audited difference- prior years								-	-	-
Net audit differences				(88,950)	-	(79,994)	(8,956)	-	(8,956)	(88,950)