

# *Financial Statements*

Bertie County, North Carolina

## **FINANCIAL STATEMENTS and INDEPENDENT AUDITORS' REPORT**

Year Ended June 30, 2012

### **Board of Commissioners**

L. C. Hoggard, III – Chair

Norman M. Cherry, Sr.

Robert E. Harrell

Charles Smith

J. Wallace Perry

### **Interim County Manager**

Morris Rascoe

Bertie County, North Carolina  
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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 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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bertie County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Bertie County ABC Board. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Bertie County ABC Board is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Bertie County ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina as of June 30, 2012, 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 29, 2012 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 grant agreements and other matters. 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 considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance's and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on pages 7 through 14, and pages 53 through 56, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bertie County's basic financial statements. The combining and individual nonmajor fund statements, budgetary schedules and 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 not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and the schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and the schedule of expenditures of federal and State awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Pittard Perry & Crone, Inc.*

Pittard Perry & Crone, Inc.  
November 29, 2012

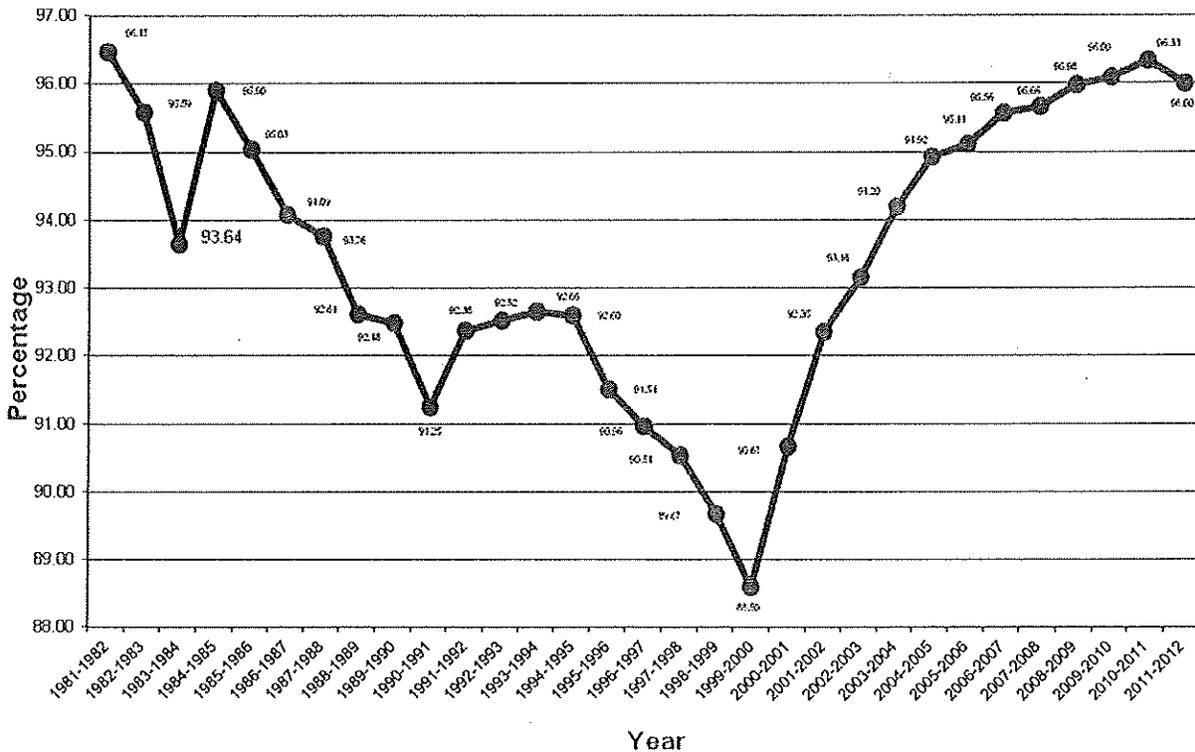
## Management's Discussion and Analysis

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, 2012. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

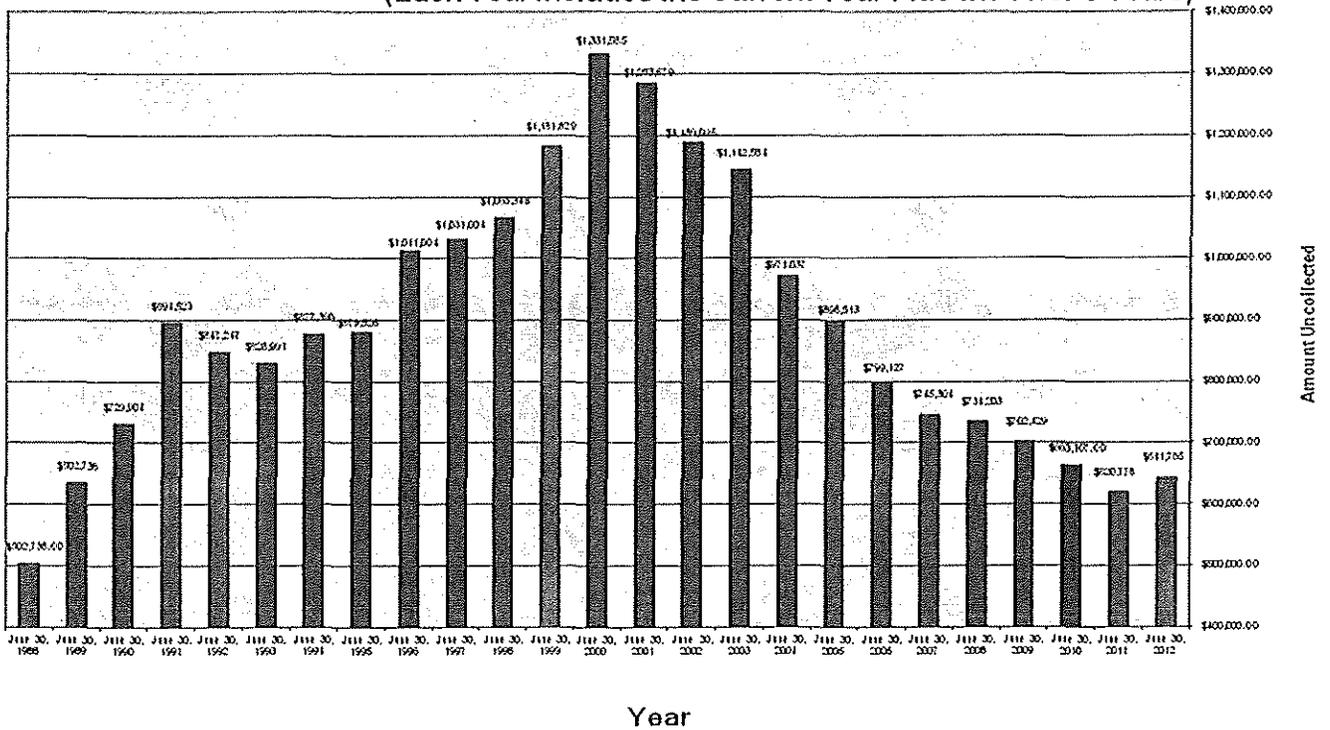
### Financial Highlights

- The assets of Bertie County exceeded its liabilities at the close of the fiscal year by \$23,057,111 (*net assets*).
- The government's total net assets decreased by \$1,250,700, 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 \$7,998,638, a decrease of \$1,512,611 in comparison with the prior year. Approximately 13.97% of this total amount or \$1,117,102 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,354,671, or 27.49% of total general fund expenditures of \$19,477,241 for the fiscal year.
- Bertie County's total debt decreased by \$1,162,459 or 3.59% during the current fiscal year. The key factor in this decrease was the repayment of outstanding debt.
- Tax collection rate was 96% for FY 2011-2012. This represents a slight decrease from last year, but still remains the third highest collection rate since FY 1981-82.

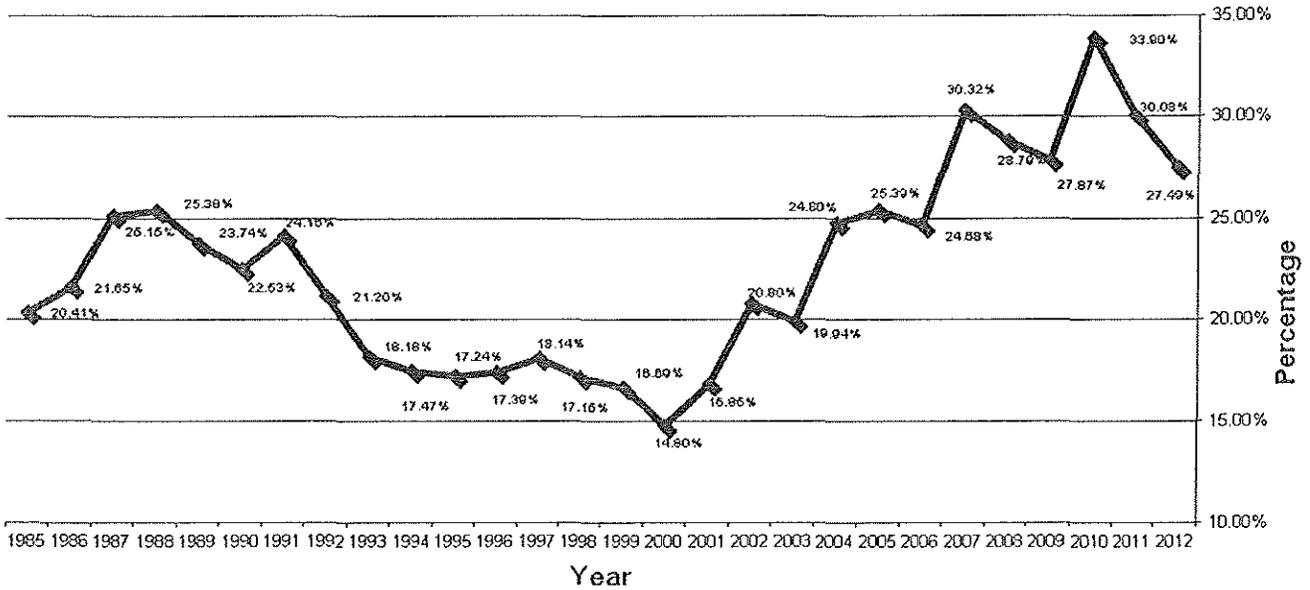
### Current Year Tax Collection Rate - All Property



### Delinquent Taxes Owed to Bertie County (Each Year Includes the Current Year Plus the Prior 9 Years)



### Unreserved Fund Balance as a Percentage of Current Year Expenditures

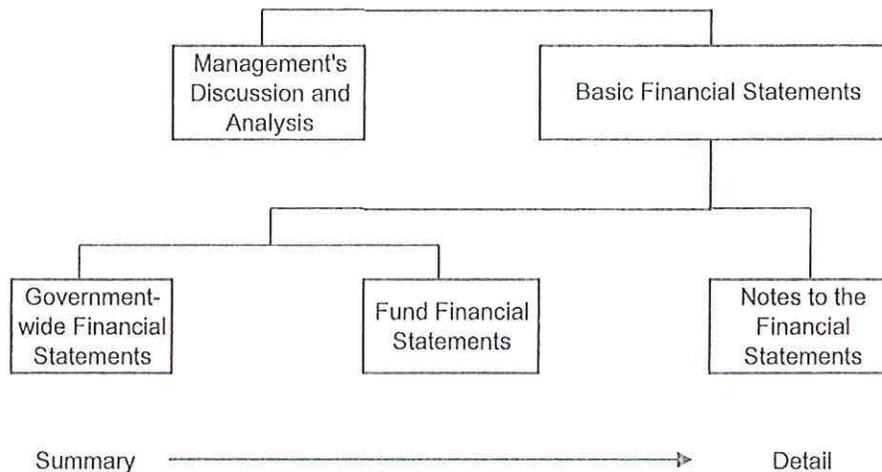


## Overview of the Financial Statements

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 unit. 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 a portion of 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 30 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.

**Interdependence with Other Entities** – The County depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with US Treasury Securities because of actions by foreign government and other holders of publicly held US Treasury Securities.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Bertie County exceeded liabilities by \$23,057,111 as of June 30, 2012. The County's net assets decreased by \$1,250,700 for the fiscal year ended June 30, 2012. One of the largest portions \$22,859,088 (99.14%) 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 \$1,168,197 (5.07%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(970,174) (4.21%) is unrestricted.

### Bertie County's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 15,901,043	\$ 17,754,175	\$ 1,461,032	\$ 1,294,114	\$ 17,362,075	\$ 19,048,289
Capital assets	8,892,303	9,078,342	28,892,456	29,376,643	37,784,759	38,454,985
Total assets	24,793,346	26,832,517	30,353,488	30,670,757	55,146,834	57,503,274
Current and other liabilities	687,928	608,608	203,747	226,347	891,675	834,955
Long-term liabilities, due within one year	1,614,958	1,580,566	286,951	274,000	1,901,909	1,854,566
Long-term liabilities, due in more than one year	17,209,834	18,159,340	12,086,305	12,346,602	29,296,139	30,505,942
Total liabilities	19,512,720	20,348,514	12,577,003	12,846,949	32,089,723	33,195,463
Net assets:						
Invested in capital assets, net of related debt	6,233,732	6,129,367	16,625,356	16,839,543	22,859,088	22,968,910
Restricted for working capital	1,168,197	1,560,552	-	-	1,168,197	1,560,552
Unrestricted	(2,121,303)	(1,205,916)	1,151,129	984,265	(970,174)	(221,651)
Total net assets	\$ 5,280,626	\$ 6,484,003	\$ 17,776,485	\$ 17,823,808	\$ 23,057,111	\$ 24,307,811

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.
- Revenues were higher than budgeted in ad valorem taxes, sales taxes, beer and wine taxes, state funding for aging, landfill host fees, and other miscellaneous revenues and refunds.
- Savings were realized in several departments due to lapsed salaries, as well as unspent supplies, utilities and equipment appropriations.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,411,738	\$ 3,271,585	\$ 2,001,403	\$ 1,965,451	\$ 5,413,141	\$ 5,237,036
Operating grants and	4,312,113	4,596,700	-	-	4,312,113	4,596,700
Capital grants and contributions	102,830	436,986	179,831	244,902	282,661	681,888
General revenues:						
Property taxes	8,271,772	8,197,514	-	-	8,271,772	8,197,514
Other taxes	1,721,168	1,626,112	-	-	1,721,168	1,626,112
Investment earnings	13,719	55,772	2,420	7,606	16,139	63,378
Miscellaneous	369,783	495,968	53,976	27,395	423,759	523,363
Total revenues	<u>18,203,123</u>	<u>18,680,637</u>	<u>2,237,630</u>	<u>2,245,354</u>	<u>20,440,753</u>	<u>20,925,991</u>
<b>Expenses:</b>						
General government	3,686,428	3,282,631	-	-	3,686,428	3,282,631
Public safety	4,390,002	3,882,850	-	-	4,390,002	3,882,850
Environmental protection	493,213	483,926	-	-	493,213	483,926
Economic and physical development	811,733	766,399	-	-	811,733	766,399
Human services	5,556,784	5,426,475	-	-	5,556,784	5,426,475
Education	3,473,000	3,170,662	-	-	3,473,000	3,170,662
Special appropriations	385,767	416,147	-	-	385,767	416,147
E-911	-	495,086	-	-	-	495,086
Interest and fees on long-term debt	594,573	643,242	-	-	594,573	643,242
Water districts	-	-	2,299,953	2,270,191	2,299,953	2,270,191
Total expenses	<u>19,391,500</u>	<u>18,567,418</u>	<u>2,299,953</u>	<u>2,270,191</u>	<u>21,691,453</u>	<u>20,837,609</u>
Increase in net assets before transfers and special items	(1,188,377)	113,219	(62,323)	(24,837)	(1,250,700)	88,382
Transfers	(15,000)	30,000	15,000	(30,000)	-	-
Increase in net assets	(1,203,377)	143,219	(47,323)	(54,837)	(1,250,700)	88,382
Net assets, July 1	<u>6,484,003</u>	<u>6,340,784</u>	<u>17,823,808</u>	<u>17,878,645</u>	<u>24,307,811</u>	<u>24,219,429</u>
Net assets, June 30	<u>\$ 5,280,626</u>	<u>\$ 6,484,003</u>	<u>\$17,776,485</u>	<u>\$ 17,823,808</u>	<u>\$23,057,111</u>	<u>\$ 24,307,811</u>

**Governmental activities.** Governmental activities decreased the County's net assets by \$1,203,377. Key elements of this decrease are as follows.

- Decreased operating grants and an increase in capital project expenditures
- Decrease in investment earnings due to lower interest rates on cash investments.

**Business-type activities:** Business-type activities decreased Bertie County's net assets by \$47,323. Key elements of this decrease are as follows:

- Increased 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, fund balance available for appropriations 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, Bertie County's fund balance available in the General Fund was \$5,354,671, while total fund balance reached \$7,188,086. The Governing Body of Bertie County has determined that the County should maintain an available fund balance of 10% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 27.49% of general fund expenditures, while total fund balance represents 36.91% of that same amount.

At June 30, 2012, the governmental funds of Bertie County reported a combined fund balance of \$7,998,638, a 15.90% decrease over last year.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

**Proprietary Funds.** Bertie County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Water districts equaled \$1,151,129. There was a decrease in net assets of \$47,323. 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, 2012, totals \$37,784,759 (net of accumulated depreciation). These assets include buildings, land, equipment, and vehicles.

Major capital asset transactions during the year include:

- 5 Vehicles for Sheriff's Office
- 1 Vehicle for Animal Control
- 3 Vans for Parks/Recreation
- A new Maintenance Building

**Bertie County's Capital Assets**

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 678,397	\$ 678,397	\$ 129,994	\$ 129,994	\$ 808,391	\$ 808,391
Buildings and system Improvements	6,046,962	6,220,221	28,023,011	28,722,300	34,069,973	34,942,521
Machinery and equipment	790,411	840,858	-	-	790,411	840,858
Vehicles and motorized equipment	939,485	1,056,541	-	-	939,485	1,056,541
Construction in progress	389,397	282,329	7,436	8,830	396,833	291,159
	47,650	-	732,015	515,519	779,665	515,519
<b>Total</b>	<b>\$ 8,892,302</b>	<b>\$ 9,078,346</b>	<b>\$ 28,892,456</b>	<b>\$ 29,376,643</b>	<b>\$ 37,784,758</b>	<b>\$ 38,454,989</b>

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

Long-term Debt. As of June 30, 2012, Bertie County had total debt outstanding of \$31,198,049.

**Bertie County's Outstanding Debt**

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ -	\$ -	\$ 12,267,100	\$ 12,537,100	\$ 12,267,100	\$ 12,537,100
Installment purchases	16,018,774	17,500,607	-	-	16,018,774	17,500,607
Compensated absences	311,639	319,528	15,804	15,998	327,443	335,526
Net pension obligation	197,733	170,819	-	-	197,733	170,819
Other postemployment benefits	2,296,646	1,748,952	90,352	67,503	2,386,998	1,816,455
	<u>\$ 18,824,792</u>	<u>\$ 19,739,906</u>	<u>\$ 12,373,256</u>	<u>\$ 12,620,601</u>	<u>\$ 31,198,048</u>	<u>\$ 32,360,507</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 \$72,632,170.

Additional information regarding Bertie County's long-term debt can be found in Note III.B.6 beginning on page 45 of this audited financial report.

**Budget Highlights for the Fiscal Year Ending June 30, 2013**

**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.

**Business – type Activities:** The water rates in the County increased on July 1, 2012. 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, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bertie County ABC Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,021,280	\$ 1,323,120	\$ 8,344,400	\$ 156,739
Receivables (net)	1,636,762	137,912	1,774,674	-
Notes receivable	6,543,488	-	6,543,488	-
Inventories	-	-	-	136,066
Prepaid items	-	-	-	6,975
Restricted cash and cash equivalents	699,513	-	699,513	-
Total current assets	<u>15,901,043</u>	<u>1,461,032</u>	<u>17,362,075</u>	<u>299,780</u>
Capital assets:				
Land, improvements, and construction in progress	726,047	862,009	1,588,056	-
Other capital assets, net of depreciation	8,166,256	28,030,447	36,196,703	18,401
Total capital assets	<u>8,892,303</u>	<u>28,892,456</u>	<u>37,784,759</u>	<u>18,401</u>
Total assets	<u>24,793,346</u>	<u>30,353,488</u>	<u>55,146,834</u>	<u>318,181</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	619,788	71,867	691,655	204,828
Unearned revenue	68,140	-	68,140	-
Customer deposits	-	131,880	131,880	-
Long-term liabilities:				
Due within one year	1,614,958	286,951	1,901,909	-
Due in more than one year	17,209,834	12,086,305	29,296,139	13,304
Total long-term liabilities	<u>18,824,792</u>	<u>12,373,256</u>	<u>31,198,048</u>	<u>13,304</u>
Total liabilities	<u>19,512,720</u>	<u>12,577,003</u>	<u>32,089,723</u>	<u>218,132</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	6,233,732	16,625,356	22,859,088	18,401
Restricted for:				
Drug task force	29,083	-	29,083	-
Stabilization by State Statute	1,139,114	-	1,139,114	-
Working capital	-	-	-	19,202
Unrestricted (deficit)	(2,121,303)	1,151,129	(970,174)	62,446
Total net assets	<u>\$ 5,280,626</u>	<u>\$ 17,776,485</u>	<u>\$ 23,057,111</u>	<u>\$ 100,049</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, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 3,686,428	\$ 137,750	\$ -	\$ -
Public safety	4,390,002	400,521	100,258	-
Environmental protection	493,213	2,033,684	80,542	-
Economic and physical development	811,733	-	351,217	-
Human services	5,556,784	839,783	3,780,096	102,830
Intergovernmental:				
Education	3,473,000	-	-	-
Special appropriations	385,767	-	-	-
Debt service:				
Interest and fees on long-term debt	594,573	-	-	-
Total governmental activities	<u>19,391,500</u>	<u>3,411,738</u>	<u>4,312,113</u>	<u>102,830</u>
Business-type activities:				
Water Districts	2,299,953	2,001,403	-	179,831
Total business-type activities	<u>2,299,953</u>	<u>2,001,403</u>	<u>-</u>	<u>179,831</u>
Total primary government	<u>\$ 21,691,453</u>	<u>\$ 5,413,141</u>	<u>\$ 4,312,113</u>	<u>\$ 282,661</u>
Component unit:				
ABC Board	<u>\$ 629,966</u>	<u>\$ 644,895</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				
Profit distribution				
Transfers				
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
\$ (3,548,678)	\$ -	\$ (3,548,678)	\$ -
(3,889,223)	-	(3,889,223)	-
1,621,013	-	1,621,013	-
(460,516)	-	(460,516)	-
(834,075)	-	(834,075)	-
(3,473,000)	-	(3,473,000)	-
(385,767)	-	(385,767)	-
(594,573)	-	(594,573)	-
(11,564,819)	-	(11,564,819)	-
-	(118,719)	(118,719)	-
-	(118,719)	(118,719)	-
(11,564,819)	(118,719)	(11,683,538)	-
-	-	-	14,929
8,271,772	-	8,271,772	-
1,562,420	-	1,562,420	-
158,748	-	158,748	-
13,719	2,420	16,139	191
369,783	53,976	423,759	14,186
-	-	-	(29,306)
(15,000)	15,000	-	-
10,361,442	71,396	10,432,838	(14,929)
(1,203,377)	(47,323)	(1,250,700)	-
6,484,003	17,823,808	24,307,811	100,049
\$ 5,280,626	\$ 17,776,485	\$ 23,057,111	\$ 100,049

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

Bertie County, North Carolina  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2012

	Major		Non-Major	
	General		Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,033,333		\$ 865,365	\$ 6,898,698
Restricted cash	699,513		-	699,513
Receivables (net):				
Taxes	547,243		-	547,243
Accounts	1,077,486		10,329	1,087,815
Notes - Pitt County				
Memorial Hospital	6,125,205		-	6,125,205
Notes - Landmark Asset Services	288,683		-	288,683
Notes - Bertie Memorial Limited Partnership	129,600		-	129,600
Due (to) from other funds	51,299		(51,299)	-
Total assets	<u>\$ 14,952,362</u>		<u>\$ 824,395</u>	<u>\$ 15,776,757</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 605,405		\$ 13,843	\$ 619,248
Deferred revenues	7,090,731		-	7,090,731
Unearned revenues	68,140		-	68,140
Total liabilities	<u>7,764,276</u>		<u>13,843</u>	<u>7,778,119</u>
Fund balances:				
Restricted:				
Drug task force	29,083		-	29,083
Stabilization by State Statute	1,128,785		10,329	1,139,114
Committed:				
Tax Revaluation	(94,694)		-	(94,694)
Education	770,241		-	770,241
Assigned:				
Subsequent years' expenditures	-		800,223	800,223
Unassigned:				
Total fund balances	<u>7,188,086</u>		<u>810,552</u>	<u>7,998,638</u>
Total liabilities and fund balances	<u>\$ 14,952,362</u>		<u>\$ 824,395</u>	

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Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	8,892,303
Liabilities for earned but deferred revenues in fund statements.	7,090,731
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.	(18,824,792)
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	<u>123,746</u>
Net assets of governmental activities	<u>\$ 5,280,626</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, 2012

	Major	Non-Major	
	General Fund	Other Governmental Funds	
<b>REVENUES</b>			
Ad valorem taxes	\$ 8,719,368	\$ -	\$ 8,719,368
Other taxes and licenses	358,132	-	358,132
Intergovernmental revenues	5,471,381	371,923	5,843,304
Licenses and permits	218,730	-	218,730
Sales and services	2,099,736	-	2,099,736
Investment earnings	13,234	485	13,719
Miscellaneous	1,368,350	29,380	1,397,730
Total revenues	<u>18,248,931</u>	<u>401,788</u>	<u>18,650,719</u>
<b>EXPENDITURES</b>			
Current:			
General government	3,110,789	-	3,110,789
Public safety	4,061,301	325,311	4,386,612
Environmental protection	493,213	-	493,213
Economic and physical development	354,388	282,708	637,096
Human services	5,526,113	-	5,526,113
Intergovernmental:			
Education	3,473,000	-	3,473,000
Special appropriations	385,767	-	385,767
Capital projects	-	63,070	63,070
Debt service:			
Principal	1,478,097	-	1,478,097
Interest and fees	594,573	-	594,573
Total expenditures	<u>19,477,241</u>	<u>671,089</u>	<u>20,148,330</u>
Excess (deficiency) of revenues over expenditures	<u>(1,228,310)</u>	<u>(269,301)</u>	<u>(1,497,611)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	355,000	355,000
Transfers to other funds	(370,000)	-	(370,000)
Total other financing sources and uses	<u>(370,000)</u>	<u>355,000</u>	<u>(15,000)</u>
Net change in fund balance	(1,598,310)	85,699	(1,512,611)
Fund balances-beginning	8,786,396	724,853	9,511,249
Fund balances-ending	<u>\$ 7,188,086</u>	<u>\$ 810,552</u>	<u>\$ 7,998,638</u>

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

Net changes in fund balances - total governmental funds	\$ (1,512,611)
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.	(186,043)
Revenues not in the statement of activities that do not provide current financial resources and reported as revenues in the funds.	(447,592)
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.	1,481,833
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.	(566,719)
Internal service funds are used by management to charge the costs of a telephone system to individual funds.	<u>27,755</u>
Total changes in net assets of governmental activities	<u>\$ (1,203,377)</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, 2012

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Ad valorem taxes	\$ 8,651,979	\$ 8,651,979	\$ 8,719,368	\$ 67,389
Other taxes and licenses	393,200	393,200	358,132	(35,068)
Intergovernmental revenues	5,534,677	5,883,224	5,471,381	(411,843)
Licenses and permits	191,400	191,400	218,730	27,330
Sales and services	1,922,262	1,922,262	2,099,736	177,474
Investment earnings	50,000	50,000	11,136	(38,864)
Miscellaneous	297,205	1,187,350	1,368,350	181,000
Total revenues	<u>17,040,723</u>	<u>18,279,415</u>	<u>18,246,833</u>	<u>(32,582)</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,825,032	3,030,624	2,801,873	228,751
Public safety	4,191,819	4,319,182	4,061,301	257,881
Environmental protection	496,000	500,527	493,213	7,314
Economic and physical development	336,364	395,208	354,388	40,820
Human services	5,715,228	6,050,619	5,526,113	524,506
Intergovernmental:				
Education	3,473,000	3,473,000	3,473,000	-
Special appropriations	447,414	468,240	385,767	82,473
Debt service:				
Principal	1,008,309	1,478,098	1,478,097	1
Interest and fees	237,713	594,575	594,573	2
Total expenditures	<u>18,730,879</u>	<u>20,310,073</u>	<u>19,168,325</u>	<u>1,141,748</u>
Revenues over (under) expenditures	<u>(1,690,156)</u>	<u>(2,030,658)</u>	<u>(921,492)</u>	<u>1,109,166</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	813,751	813,751	732,041	(81,710)
Transfers to other funds	(310,000)	(403,115)	(411,706)	(8,591)
Total other financing sources and uses	<u>503,751</u>	<u>410,636</u>	<u>320,335</u>	<u>(90,301)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,186,405)</u>	<u>(1,620,022)</u>	<u>(601,157)</u>	<u>1,018,865</u>
Appropriated fund balance	<u>1,186,405</u>	<u>1,620,022</u>	<u>-</u>	<u>(1,620,022)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(601,157)</u>	<u>\$ (601,157)</u>
Fund balance, beginning			7,113,696	
Fund balance, ending			<u>\$ 6,512,539</u>	
The legally budgeted Tax Revaluation Fund and Capital Reserve Fund are consolidated into the General Fund for reporting purposes:				
Investment earnings			\$ 2,098	
Transfers in - General Fund			341,706	
Transfers out - General Fund			(732,041)	
Transfers out - Bertie High School			(300,000)	
Expenditures			(308,916)	
Fund balance, beginning			1,672,700	
Fund balance, ending (Exhibit 4)			<u>\$ 7,188,086</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, 2012

	Business-type Activities-Proprietary Funds - Major					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 72,749	\$ 288,474	\$ 847,813	\$ 114,084	\$ 1,323,120	\$ 122,582
Receivables, net	15,483	51,970	21,337	49,122	137,912	1,704
Total current assets	<u>88,232</u>	<u>340,444</u>	<u>869,150</u>	<u>163,206</u>	<u>1,461,032</u>	<u>124,286</u>
Noncurrent assets:						
Capital assets:						
Land and improvements	36,994	36,500	36,500	20,000	129,994	-
Construction in progress	-	-	-	732,015	732,015	-
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	(1,958,492)	(1,817,276)	(1,891,630)	(1,311,038)	(6,978,436)	(182,848)
Total capital assets	<u>6,195,693</u>	<u>9,834,142</u>	<u>6,185,209</u>	<u>6,677,412</u>	<u>28,892,456</u>	<u>-</u>
Total noncurrent assets	<u>6,195,693</u>	<u>9,834,142</u>	<u>6,185,209</u>	<u>6,677,412</u>	<u>28,892,456</u>	<u>-</u>
Total assets	<u>6,283,925</u>	<u>10,174,586</u>	<u>7,054,359</u>	<u>6,840,618</u>	<u>30,353,488</u>	<u>124,286</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable and accrued liabilities	18,479	17,322	19,261	16,805	71,867	540
Customer deposits	30,599	26,756	40,681	33,844	131,880	-
Compensated absences payable	3,161	3,951	4,741	3,951	15,804	-
General obligation bonds payable	66,500	85,500	65,000	66,000	283,000	-
Total current liabilities	<u>118,739</u>	<u>133,529</u>	<u>129,683</u>	<u>120,600</u>	<u>502,551</u>	<u>540</u>
Noncurrent liabilities:						
General obligation bonds payable	2,582,000	3,604,000	2,354,500	3,443,600	11,984,100	-
Other postemployment benefits	20,066	18,493	28,567	23,226	90,352	-
Total noncurrent liabilities	<u>2,602,066</u>	<u>3,622,493</u>	<u>2,383,067</u>	<u>3,466,826</u>	<u>12,074,452</u>	<u>-</u>
Total liabilities	<u>2,720,805</u>	<u>3,756,022</u>	<u>2,512,750</u>	<u>3,587,426</u>	<u>12,577,003</u>	<u>540</u>
<b>NET ASSETS</b>						
Invested in capital assets net of related debt	3,547,193	6,144,642	3,765,709	3,167,812	16,625,356	-
Unrestricted	15,927	273,922	775,900	85,380	1,151,129	123,746
Total net assets	<u>\$ 3,563,120</u>	<u>\$ 6,418,564</u>	<u>\$ 4,541,609</u>	<u>\$ 3,253,192</u>	<u>\$ 17,776,485</u>	<u>\$ 123,746</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, 2012

	Business-type Activities-Proprietary Funds - Major					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
Operating revenue:						
User charges	\$ 360,233	\$ 671,824	\$ 507,748	\$ 461,598	\$ 2,001,403	\$ 71,438
Total operating revenue	<u>360,233</u>	<u>671,824</u>	<u>507,748</u>	<u>461,598</u>	<u>2,001,403</u>	<u>71,438</u>
Operating expenses						
Administrative expenses	185,415	299,313	265,322	221,727	971,777	43,683
Depreciation expense	161,907	233,362	160,455	144,959	700,683	-
Total operating expenses	<u>347,322</u>	<u>532,675</u>	<u>425,777</u>	<u>366,686</u>	<u>1,672,460</u>	<u>43,683</u>
Operating income (loss)	12,911	139,149	81,971	94,912	328,943	27,755
Nonoperating revenues (expenses)						
Investment earnings	322	485	1,291	322	2,420	-
Miscellaneous income	260	49,491	875	240	50,866	-
Tax refunds	-	-	-	3,110	3,110	-
Interest and fees	(138,707)	(183,521)	(129,996)	(175,269)	(627,493)	-
Total nonoperating revenues (expenses)	<u>(138,125)</u>	<u>(133,545)</u>	<u>(127,830)</u>	<u>(171,597)</u>	<u>(571,097)</u>	<u>-</u>
Income (loss) before contributions and operating transfers	(125,214)	5,604	(45,859)	(76,685)	(242,154)	27,755
Capital contributions	-	-	-	179,831	179,831	-
Transfers from (to) other funds	-	-	-	15,000	15,000	-
Total transfers and capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,831</u>	<u>194,831</u>	<u>-</u>
Change in net assets	(125,214)	5,604	(45,859)	118,146	(47,323)	27,755
Net assets, beginning	3,688,334	6,412,960	4,587,468	3,135,046	17,823,808	95,991
Net assets, ending	<u>\$ 3,563,120</u>	<u>\$ 6,418,564</u>	<u>\$ 4,541,609</u>	<u>\$ 3,253,192</u>	<u>\$ 17,776,485</u>	<u>\$ 123,746</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, 2012

	Business-type Activities-Proprietary Funds - Major					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 341,366	\$ 668,096	\$ 480,314	\$ 438,520	\$ 1,928,296	\$ 73,669
Cash paid for goods and services	(118,788)	(208,903)	(163,510)	(131,967)	(623,168)	(43,701)
Cash paid to employees for services	(68,975)	(85,886)	(103,382)	(86,141)	(344,384)	-
Customer deposits (net)	1,216	1,659	1,200	825	4,900	-
Other operating revenues	23,102	13,316	32,416	22,782	91,616	-
Net cash provided (used) by operating activities	177,921	388,282	247,038	244,019	1,057,260	29,968
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Nonoperating income	260	49,491	875	3,350	53,976	-
Transfers from (to) other funds	-	-	-	15,000	15,000	-
Net cash provided (used) from noncapital financing activities	260	49,491	875	18,350	68,976	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	-	-	-	(225,567)	(225,567)	-
Interest paid on construction debt	(138,707)	(183,521)	(129,996)	(175,269)	(627,493)	-
Principal paid on bond maturities and equipment contracts	(63,000)	(81,500)	(61,500)	(64,000)	(270,000)	-
Capital contributions – State grant	-	-	-	179,831	179,831	-
Net cash provided (used) for capital and related financing activities	(201,707)	(265,021)	(191,496)	(285,005)	(943,229)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	322	485	1,291	322	2,420	-
<b>Net increase (decrease) in cash and cash equivalents</b>	(23,204)	173,237	57,708	(22,314)	185,427	29,968
Cash and cash equivalents, beginning	95,953	115,237	790,105	136,398	1,137,693	92,614
Cash and cash equivalents, ending	<u>\$ 72,749</u>	<u>\$ 288,474</u>	<u>\$ 847,813</u>	<u>\$ 114,084</u>	<u>\$ 1,323,120</u>	<u>\$ 122,582</u>

	Business-type Activities-Proprietary Funds - Major					Governmental Activities- Internal Service Funds
	Water District I	Water District II	Water District III	Water District IV	Total	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ 12,911	\$ 139,149	\$ 81,971	\$ 94,912	\$ 328,943	\$ 27,755
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	161,907	233,362	160,455	144,959	700,683	-
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	4,235	9,588	4,982	(296)	18,509	2,231
Increase (decrease) in accounts payable and accrued liabilities	(6,405)	(2,085)	(8,051)	(1,888)	(18,429)	(18)
Increase (decrease) in customer deposits	1,216	1,659	1,200	825	4,900	-
Increase (decrease) in accrued vacation	(519)	911	(378)	(208)	(194)	-
Increase (decrease) in OPEB payable	4,576	5,698	6,859	5,715	22,848	-
Total adjustments	165,010	249,133	165,067	149,107	728,317	2,213
Net cash provided (used) by operating activities	\$ 177,921	\$ 388,282	\$ 247,038	\$ 244,019	\$ 1,057,260	\$ 29,968

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, 2012

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>5,539</u>
<b>LIABILITIES</b>	
Miscellaneous liabilities	<u>5,539</u>
<b>NET ASSETS</b>	
Assets held in trust for social services	\$ <u>-</u>

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

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2012

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**I. Summary of Significant Accounting Policies**

The accounting policies of Bertie County and its component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. The blended component unit, although it is a legally separate entity, is, in substance, part of the County's operations. The discretely presented component unit below is reported in a separate column in the County's combined financial statements in order to emphasize that it is legally separate from the County.

**Blended Component Unit**

**Bertie County Water Districts**

Bertie County maintains four water districts (the "Districts") to provide a water system for the County residents within the respective District. 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, 2012

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

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 Tax Revaluation Fund and the Capital Reserves Schools Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 they are consolidated in the General 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.

*Nonmajor Funds.* The County maintains eight legally budgeted funds. The Emergency Telephone System Fund, 2006 CDBG-CN Fund, 2008 CDBG-SS Fund, and the Tornado Donations Fund are reported as nonmajor special revenue funds. The Pilot Extraction Facility Fund, the Golden Leaf Grant Fund, the Maintenance Building Fund, and the Bertie High School Fund are reported as capital projects funds.

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

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

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2012

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Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as 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 2011 through February 2012 apply to the fiscal year ended June 30, 2012. 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 Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Block Grant Funds which is a Special Revenue fund type, and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

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

Bertie County, North Carolina  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2012

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**D. Assets, Liabilities, and Fund Equity**

**1. Deposits and Investments**

All deposits of the County and Bertie County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

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

**2. Cash and Cash Equivalents**

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

**3. Restricted Assets**

Grants receivable and unexpended grant proceeds are classified as restricted assets within the governmental and enterprise funds because their use is completely restricted to the purpose for which the grant is intended. Money in the Tax Revaluation Fund and the Capital Reserve Schools Fund are also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

**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, 2011. 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

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the Fiscal Year Ended June 30, 2012

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.

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, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

**Nonspendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. There is no nonspendable fund balance at June 30, 2012.

**Inventories** – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

**Restricted Fund Balance** – This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Bertie County, North Carolina  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2012

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Restricted for Stabilization of State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for drug task force – portion of fund balance that is restricted by revenue source for drug investigations.

Committed Fund Balance – Portion of fund balance that can only be used for specific purpose imposed by majority vote of Bertie County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Tax Revaluation – portion of fund balance that can only be used for Tax Revaluation.

Committed for Education – portion of fund balance that can only be used for capital reserves schools.

Assigned Fund Balance – Portion of fund balance that the Bertie County governing board has budgeted.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance – Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Bertie County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Director has the authority to deviate from this policy if it's in the best interest of the County.

Bertie County has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 10% of budgeted expenditures. Any portion of the General Fund balance in excess of 10% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2012

**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 \$(2,718,012) 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)	\$ 13,718,200
Less accumulated depreciation	<u>(4,825,897)</u>
Net capital assets	8,892,303
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	7,090,731
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	(16,018,774)
Pension obligation	(197,733)
Other postemployment benefit obligation	(2,296,646)
Compensated absences	<u>(311,639)</u>
	(18,824,792)
Internal service funds are used by management to charge the costs of a data information system to individual funds.	<u>123,746</u>
Total adjustment	<u><u>(2,718,012)</u></u>

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2012

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 \$309,234 as follows:

Description	Amount
Capital outlay expenditures recorded in the funds statements but capitalized as assets in the statement of activities	\$ 311,042
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	(497,085)
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 revenue	(447,592)
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	1,481,833
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	7,889
Other postemployment benefits	(547,694)
Net pension obligation	(26,914)
Internal service funds are used by management to charge the costs of a data information system to individual funds	27,755
Total adjustments	\$ 309,234

**F. Subsequent Events – Date of Management Evaluation**

Management has evaluated subsequent events through November 29, 2012, the date on which the financial statements were available to be issued.

**II. Stewardship, Compliance, and Accountability**

**A. Excess of Expenditures over Appropriations**

During the fiscal year ended June 30, 2012, the County reported expenditures that violated State law [G.S. 115C-44] because they exceeded the amounts appropriated in the budget ordinance within the Revaluation Fund by \$33,700, the Water District I Fund by \$8,567, and the Water District II Fund by \$23,441. Management will monitor budgets monthly and make necessary amendments to avoid expenditures in excess of appropriations.

**III. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

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

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2012

Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

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, 2012, the County's deposits had a carrying amount of \$7,654,854. The bank balances with financial institutions and with the State Treasurer were \$7,879,942 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 \$46,197 in non-interest bearing deposits and \$7,583,745 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2012, Bertie County had \$1,225 cash on hand.

At June 30, 2012, the carrying amount of deposits for Bertie County ABC Board was \$155,064 and the bank balance was \$145,568. All of the bank balance was covered by federal depository insurance.

At June 30, 2012, the ABC Board had \$1,675 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, 2012, the County's investments consisted of \$1,393,373 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, 2012, 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
2009	\$ 1,063,765	\$ 348,213	\$ 1,411,978
2010	1,070,207	253,975	1,324,182
2011	1,082,638	159,542	1,242,180
2012	1,085,273	62,344	1,147,617
Total	\$ 4,301,883	\$ 824,074	\$ 5,125,957

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**4. Receivables**

Receivables at the government-wide level at June 30, 2012, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Other	Total
<b>Governmental Activities:</b>					
General	\$ 623,152	\$ 641,787	\$ 454,334	\$ 6,543,488	\$ 8,262,761
Other Governmental	10,329	-	-	-	10,329
Internal Service Fund	1,704	-	-	-	1,704
<b>Total receivables</b>	<b>635,185</b>	<b>641,787</b>	<b>454,334</b>	<b>6,543,488</b>	<b>8,274,794</b>
Allowance for doubtful accounts	-	(94,544)	-	-	(94,544)
<b>Total-governmental activities</b>	<b>\$ 635,185</b>	<b>\$ 547,243</b>	<b>\$ 454,334</b>	<b>\$ 6,543,488</b>	<b>\$ 8,180,250</b>
<b>Business-type Activities</b>					
Water Districts	\$ 144,702	-	-	-	\$ 144,702
<b>Total receivables</b>	<b>144,702</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144,702</b>
Allowance for doubtful accounts	(6,790)	-	-	-	(6,790)
<b>Total - business-type activities</b>	<b>\$ 137,912</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,912</b>

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

Local option sales tax	\$ 404,367
Sales tax receivable	49,967
<b>Total</b>	<b>\$ 454,334</b>

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

**Governmental Activities:**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 678,397	\$ -	\$ -	\$ 678,397
Construction in progress	-	47,650	-	47,650
<b>Total capital assets not being depreciated</b>	<b>678,397</b>	<b>47,650</b>	<b>-</b>	<b>726,047</b>
<b>Capital assets being depreciated:</b>				
Buildings	8,968,678	-	-	8,968,678
Improvements	1,008,951	-	-	1,008,951
Equipment	1,676,643	29,875	-	1,706,518
Vehicles and motor equipment	1,074,489	233,517	-	1,308,006
<b>Total capital assets being depreciated</b>	<b>12,728,761</b>	<b>263,392</b>	<b>-</b>	<b>12,992,153</b>
<b>Less accumulated depreciation for:</b>				
Buildings	2,748,457	173,258	-	2,921,715
Improvements	168,093	50,447	-	218,540
Equipment	620,102	146,931	-	767,033
Vehicles and motor equipment	792,160	126,449	-	918,609
<b>Total accumulated depreciation</b>	<b>4,328,812</b>	<b>\$ 497,085</b>	<b>\$ -</b>	<b>4,825,897</b>
<b>Total capital assets being depreciated, net</b>	<b>8,399,949</b>	<b>-</b>	<b>-</b>	<b>8,166,256</b>
<b>Governmental activity capital assets, net</b>	<b>\$ 9,078,346</b>	<b>-</b>	<b>-</b>	<b>\$ 8,892,303</b>

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**Primary Government**

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

General government	\$ 90,300
Public safety	173,805
Human services	107,513
Parks and Recreation	125,467
Total depreciation expense	<u>\$ 497,085</u>

**Business-type Activities:**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water Districts</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 129,994	\$ -	\$ -	\$ 129,994
Construction in progress	515,519	216,496	-	732,015
Total capital assets not being depreciated	<u>645,513</u>	<u>216,496</u>	<u>-</u>	<u>862,009</u>
<b>Capital assets being depreciated:</b>				
Plant and distribution systems	34,979,000	-	-	34,979,000
Vehicles	29,883	-	-	29,883
Total capital assets being depreciated	<u>35,008,883</u>	<u>-</u>	<u>-</u>	<u>35,008,883</u>
<b>Less accumulated depreciation for:</b>				
Plant and distribution systems	6,256,700	699,289	-	6,955,989
Vehicles	21,053	1,394	-	22,447
Total accumulated depreciation	<u>6,277,753</u>	<u>\$ 700,683</u>	<u>\$ -</u>	<u>6,978,436</u>
Total capital assets being depreciated, net	<u>28,731,130</u>			<u>28,030,447</u>
<b>Water Districts capital assets, net</b>	<u>\$ 29,376,643</u>			<u>\$ 28,892,456</u>

**Construction commitments**

The government has active construction projects as of June 30, 2012. The projects include the water district projects. At June 30, 2012, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Rural Center Grant - Water District IV	\$ 323,087	\$ 16,713
2008 CDBG - Water District IV	408,928	500,572
	<u>\$ 732,015</u>	<u>\$ 517,285</u>

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**Discretely presented component units**

Activity for the ABC Board for the year ended June 30, 2012, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 5,346	\$ -	\$ 1,557	\$ 3,789
Capital assets being depreciated:				
Furniture and equipment	104,203	-	-	104,203
Leasehold improvements	17,711	-	-	17,711
Vehicles	1,470	-	-	1,470
Total capital assets being depreciated	123,384	-	-	123,384
Less accumulated depreciation for:				
Furniture and equipment	86,610	2,981	-	89,591
Leasehold improvements	17,711	-	-	17,711
Vehicles	1,470	-	-	1,470
Total accumulated depreciation	105,791	\$ 2,981	\$ -	108,772
ABC capital assets, net	<u>\$ 22,939</u>			<u>\$ 18,401</u>

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2012, were as follows:

	Vendors	Total
Governmental Activities:		
General	\$ 605,405	\$ 605,405
Other Governmental	13,843	13,843
Internal Service Fund	540	540
Total governmental funds	<u>\$ 619,788</u>	<u>\$ 619,788</u>
Business-type Activities		
Water Districts	\$ 71,867	\$ 71,867
Total business-type activities	<u>\$ 71,867</u>	<u>\$ 71,867</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 6.88% and 7.04%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 7.25% 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, 2012, 2011, and 2010 were \$333,756, \$298,750, and \$217,162, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$2,022, \$3,430, and \$2,654, 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**  
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**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, 2011, the Separation Allowance's membership consisted of:

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

A separate report was not issued for the plan.

**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 \$726, or 0.077% 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, 2011 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 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. 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, 2011 was 19 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	\$ 29,289
Interest on net pension obligation	8,541
Adjustment to annual required contribution	<u>(10,190)</u>
Annual pension cost	27,640
Contributions made	<u>726</u>
Increase (decrease) in net pension obligation	26,914
Net pension obligation beginning of year	<u>170,819</u>
Net pension obligation end of year	<u>\$ 197,733</u>

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3 Year Trend Information			
For Year Ended June 30	Annual Pension		Net Pension Obligation
	Cost (APC)	Percentage of APC Contributed	
2010	\$ 25,740	33.83%	\$ 151,969
2011	\$ 27,559	31.60%	\$ 170,819
2012	\$ 27,640	2.63%	\$ 197,733

**4. Funded Status and Funding Progress**

As of December 31, 2011, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$217,109, and the actuarial value of assets was 0, resulting in an unfunded actuarial accrued liability (UAAL) of \$217,109.

The covered payroll (annual payroll of active employees covered by the plan) was \$938,152 and the ratio of the UAAL to the covered payroll was 23.14 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, 2012 were \$55,599 which consisted of \$46,629 from the County and \$8,970 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, 2012, the County's required and actual contributions were \$1,087.

**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

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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	29	5
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	117	22
Total	146	27

*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 \$21.32 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 15.11% of annual covered payroll. For the current year, the County contributed \$184,149 or 4.67% 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	\$	744,719
Interest on net OPEB obligation		72,657
Adjustment to annual required contribution		(62,685)
Annual OPEB cost (expense)		754,691
Contributions made		(184,149)
Increase (decrease) in net OPEB obligation		570,542
Net OPEB obligation, beginning of year		1,816,456
Net OPEB obligation, end of year	\$	2,386,998

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 737,964	17.30%	\$ 1,230,061
2011	\$ 744,719	21.26%	\$ 1,816,454
2012	\$ 754,692	24.40%	\$ 2,386,998

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*Funded Status and Funding Progress.* As of December 31, 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)	\$ -	\$ 68,140
Taxes receivable, net (General )	547,243	-
Special assessments receivable, net (General)	6,543,488	-
	\$ 7,090,731	\$ 68,140

**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

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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. Operating Leases**

At June 30, 2012 the County had an operating lease for various copiers. The following is a schedule of the minimum rental payments under the lease agreement as of June 30, 2012.

Year	Amount
2013	\$ 11,544
2014	11,544
2015	2,886
Total	<u>\$ 25,974</u>

**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 Vidant Medical Center. 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, 2012

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.

In March 2011, the County entered into an installment purchase contract for \$23,744 to finance a Dictaphone machine for use in Bertie Telephone Fund. The financing contract requires five payments of \$5,881, including principal and interest.

For Bertie County, the future minimum payments of these installment purchases as of June 30, 2012, including \$2,846,553 of interest, are:

Year ending June 30	Governmental Funds					
	Hospital		Health Department		DSS County Building	
	Principal	Interest	Principal	Interest	Principal	Interest
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	587,387	239,263	66,667	7,657	220,000	60,522
2017	621,637	205,014	66,667	5,258	220,000	51,876
2018-2022	3,336,220	452,513	111,109	3,475	1,100,000	129,690
2023-2024	-	-	-	-	-	-
Principal and interest payment totals	<u>\$ 6,125,204</u>	<u>\$ 1,796,780</u>	<u>\$ 444,444</u>	<u>\$ 53,584</u>	<u>\$ 2,200,000</u>	<u>\$ 475,530</u>

Year ending June 30	QZAB School Project	QZAB Bertie High	Middle School		Dictaphone	
	Principal	Principal	Principal	Interest	Principal	Interest
	2013	212,181	109,460	400,000	111,540	4,186
2014	212,181	109,460	400,000	98,020	4,688	1,193
2015	212,181	109,460	400,000	84,500	5,252	630
2016	212,181	109,460	400,000	70,980	-	-
2017	212,181	109,460	400,000	57,460	-	-
2018-2022	1,060,905	547,300	1,400,000	94,640	-	-
2023-2024	151,030	467,560	-	-	-	-
Principal and interest payment totals	<u>\$ 2,272,840</u>	<u>\$ 1,562,160</u>	<u>\$ 3,400,000</u>	<u>\$ 517,140</u>	<u>\$ 14,126</u>	<u>\$ 3,519</u>

Year ending June 30	Totals	
	Principal	Interest
2013	\$ 1,510,134	\$ 543,484
2014	1,539,106	489,965
2015	1,569,770	434,756
2016	1,595,695	378,422
2017	1,629,945	319,608
2018-2022	7,555,534	680,318
2023	618,590	-
Principal and interest payment totals	<u>\$ 16,018,774</u>	<u>\$ 2,846,553</u>

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2012

**b. General Obligation Indebtedness**

*Serviced by the County's Water District Funds:*

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

The County's general obligation bonds payable at June 30, 2012 are comprised of the following individual issues:

<i>General obligation bonds serviced by the Districts:</i>	
\$3,082,000 1995 Water Serial Bonds of Water District I due in annual installments of \$31,500 to \$126,000 through 2035; interest at 5.25%	\$ 2,648,500
\$3,300,000 1996 Water Serial Bonds of Water District II due in annual installments of \$33,500 to \$134,000 through 2036; interest at 5.125%	3,689,500
\$4,500,000 1997 Water Serial Bonds of Water District III due in annual installments of \$47,000 to \$188,000 through 2037; interest at 4.875%	2,419,500
\$4,030,600 2000 Water Serial Bonds Series A and Series B of Water District IV due in annual installments of \$43,000 to \$172,000 through 2040; interest at 4.75% and 5.125%	3,509,600
Total	\$ 12,267,100

At June 30, 2012, Bertie County had a legal debt margin of \$72,632,170.

**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
2013	\$ 283,000	\$ 614,999
2014	296,000	600,760
2015	313,000	585,921
2016	327,000	570,153
2017	343,500	553,710
2018-2022	1,993,500	2,491,328
2023-2027	2,533,500	1,940,528
2028-2032	2,958,000	1,251,524
2033-2037	2,703,500	498,352
2038-2041	516,100	50,640
Principal and interest payment totals	\$ 12,267,100	\$ 9,157,915

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2012

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2012:

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012	Current Portion of Balance
<b>Governmental activities:</b>					
Installment purchase	\$ 17,500,607	\$ -	\$ 1,481,833	\$ 16,018,774	\$ 1,510,134
Compensated absences	319,528	-	7,889	311,639	77,910
Net pension obligation	170,819	26,914	-	197,733	26,914
Other postemployment benefits	1,748,952	547,694	-	2,296,646	-
<b>Total governmental activities</b>	<b>\$ 19,739,906</b>	<b>\$ 574,608</b>	<b>\$ 1,489,722</b>	<b>\$ 18,824,792</b>	<b>\$ 1,614,958</b>
<b>Business-type activities:</b>					
General obligation debt	\$ 12,537,100	\$ -	\$ 270,000	\$ 12,267,100	\$ 283,000
Compensated absences	15,998	-	194	15,804	3,951
Other postemployment benefits	67,503	22,849	-	90,352	-
<b>Total business-type activities</b>	<b>\$ 12,620,601</b>	<b>\$ 22,849</b>	<b>\$ 270,194</b>	<b>\$ 12,373,256</b>	<b>\$ 286,951</b>
<b>Discretely presented component unit:</b>					
Compensated absences	12,304	1,000	-	13,304	13,304
<b>Total discretely presented component unit</b>	<b>\$ 12,304</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 13,304</b>	<b>\$ 13,304</b>

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, 2012, there were no industrial revenue bonds outstanding.

**C. Interfund Balances and Activity**

Balances due to/from other funds at June 30, 2012, consist of the following:

Due to the General Fund for the payment of expenses from:	
Emergency Telephone System Fund	\$ 51,095
Golden Leaf Grant Fund	204

Transfers to/from other funds at June 30, 2012, consist of the following:

Transfer from the Capital Reserves Schools to the General Fund for debt services.	\$ 732,041
Transfer from the General Fund to the Capital Reserves Schools for operating uses.	(316,706)
Transfer from the General Fund to the CDBG Fund to provide for the County's share of local commitment for the CDBG grant.	(15,000)
Transfer from the General Fund to the Revaluation Fund to accumulated resources for the revaluation of real property.	(25,000)
Transfer from the General Fund to the Maintenance Building Fund for construction.	(55,000)
	\$ 320,335

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2012

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**D. Fund Balance**

Bertie County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Director has the authority to deviate from this policy if it's in the best interest of the County.

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriations.

Total fund balance - General Fund	\$ 7,188,086
Less:	
Drug	29,083
Stabilization by State Statute	1,128,785
Tax Revaluation	(94,694)
Education	770,241
Working Capital/Fund Balance Policy	2,071,319
Remainaing Fund Balance	\$ 3,283,352

Bertie County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 10% of budgeted expenditures.

**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, 2012. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$126,764 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, 2012. 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 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, 2012. In accordance with the governmental agreement between the participating governments, the County appropriated \$814,364 to the Jail to supplement its activities. This amount represents 46.50% 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, 2012. 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

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the Fiscal Year Ended June 30, 2012

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, 2012.

**V. Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
Medicaid	\$ 25,411,092	\$ 15,004,900
Food stamp program	9,236,438	-
Energy assistance	64,200	-
Title IV-E	59,144	15,289
Foster Care	7,426	1,987
Foster Home	-	32,183
SC/SA Domiciliary Care	-	347,988
Total	\$ 34,778,300	\$ 15,402,347

**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. 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, 2012, 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.

**VIII. Public School Building Bond Act of 1996**

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

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

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

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

**IX. 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

Bertie County, North Carolina  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2012

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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, 2012, the balance of the County's ADM allocation account was \$2,581. 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, 2012, the balance of the County's Lottery Fund account was \$174,707. 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, 2012, 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.

**X. Notes Receivable**

General Fund

In December 1999, the County entered into a capital lease agreement with Vidant Medical Center (formerly Pitt County Memorial Hospital). 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 Vidant. The title to the facilities transfers to Vidant at the end of the lease term, thus creating a note receivable from Vidant. At June 30, 2012, the fair market value of the lease was \$6,125,205.

In December 1993, the County accepted a note receivable from Landmark Asset Services, Inc., in exchange for 6.78 acres of land. The face value of the note is \$90,000, due in one single principal payment on 2044 and is non-interest bearing. The note is valued on the financial statements at the fair market value of the land of \$39,163 and is recorded as deferred revenue because the revenue is measurable, but not available.

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

In July 2004, the County accepted a note receivable from Bertie Memorial Limited Partnership in consideration for environmental clean-up and site improvement expenditures incurred by the County. The face value of the note is \$129,600, due in eighteen payments beginning in 2037 and is non-interest bearing. The note is valued on the financial statements at face value and is recorded as a deferred revenue because the revenue is measurable, but not available.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

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

Actuarial Valuation Date	Actuarial value of Assets (a)	Actuarial Accrued Liability (AAL)- Proj Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Val Date (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
12/31/2002	\$ -	\$ 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%
12/31/2010	\$ -	\$ 209,354	\$ 209,354	0.00%	\$ 907,223	23.08%
12/31/2011	\$ -	\$ 217,109	\$ 217,109	0.00%	\$ 938,152	23.14%

Bertie County, North Carolina  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
 June 30, 2012

Year Ended June 30	Annual Required Contribution	Percentage Contributed
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%
2012	\$ 29,289	2.48%

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	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	19 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 - 7.85%
* Includes inflation of	3.00%
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, 2012

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	\$ 737,964	17.30%
2011	\$ 744,719	21.26%
2012	\$ 754,692	24.40%

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, 2012

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Current year		\$ 8,302,742	
Prior years		311,467	
Penalties and interest		105,159	
Total	\$ 8,651,979	8,719,368	\$ 67,389
Other taxes:			
Local government sales tax		294,158	
Scrap tire disposal tax		26,127	
N.C. excise tax		37,341	
Lease vehicle tax		506	
Total	393,200	358,132	(35,068)
<b>Intergovernmental revenues:</b>			
Wine and beer		65,039	
Emergency Management		31,218	
Local 1/2¢ sales tax-art 40		903,097	
Local 1/2¢ sales tax-art 42		365,123	
Local 1/2¢ sales tax-art 44		42	
State DWI reimbursement		2,241	
Payment in lieu of taxes		28,326	
Veteran services		1,452	
Aging office		220,481	
CAMA		275	
Soil conservation		23,197	
Juvenile Crime Prevention Council		90,451	
Court facility fees		49,148	
Officer fees		55,060	
Criminal Justice Partnership		94,115	
Restricted drug money		695	
School Resource Officer – Board of Ed.		106,022	
Rural General Public Transportation		26,215	
Aging - Senior outreach		4,491	
EDTAP Supplement		(12,970)	
Social services - general administration		2,174,396	
Day Care		739,131	
Domestic violence		101,126	
Work First		8,231	
Child support		37,584	
Foster care		62,344	
Elderly/Handicapped transportation		42,725	
Hold Harmless - Article 44		51,829	
Title I HAVA elections		4,009	

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, 2012

	Final Budget	Actual	Variance Positive (Negative)
Shiip Grant		3,902	
R-U-OK Grant		1,250	
Operation Round Up		1,400	
4-H Cooking Camp		2,000	
2 Hot 2 Trot Grant		844	
Solid Waste Disposal		12,298	
Drug Task Force		1,094	
Medicaid EMS Cost		15,115	
Eat Smart - Move More Grant		15,500	
Seniors on the Move		6,500	
Caregivers Grant		659	
EFNEP Program Assistance		37,200	
Low Income Home Energy		64,200	
Mid East		34,326	
Total	5,883,224	5,471,381	(411,843)
Licenses and permits:			
Recording fees		48,213	
Vital record fees		13,133	
Concealed weapons		7,255	
Recreation fees		8,141	
Peddlers license		50	
Other fees		80,556	
Inspection fees and building permits		53,520	
Cultural resources		2,516	
Floodplain mapping fee		4,803	
Concession profits		543	
Total	191,400	218,730	27,330
Sales and services:			
Rents and concessions		41,051	
Jail fees		11,030	
Refuse collection fees		2,028,881	
Aging Program income		18,039	
Registration fees		735	
Total	1,922,262	2,099,736	177,474
Investment earnings	50,000	11,136	(38,864)
Miscellaneous:			
Fuel tax		36,468	
Miscellaneous		218,212	
5¢ per bottle tax		2,478	
Sale of assets		1,304	
Sale of land		4,340	
Other department revenue		121,769	
Insurance proceeds		30,609	

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, 2012

	Final Budget	Actual	Variance Positive (Negative)
Hospital lease revenue		826,650	
Tornado reimbursement FEMA		72,202	
5% water gross receipts		9,761	
5% electric gross receipts		35,438	
5% sewer gross receipts		5,891	
Reimbursement Cooperative Extension Program Income		3,228	
Total	1,187,350	1,368,350	181,000
Total revenues	18,279,415	18,246,833	(32,582)
<b>Expenditures:</b>			
<u>General Government</u>			
Governing body:			
Salaries and benefits		88,577	
Travel		35,359	
Telephone and postage		4,802	
Dues and subscriptions		5,907	
Advertising		63	
Insurance and bonds		43,246	
Miscellaneous		3,778	
Total	186,281	181,732	4,549
Administration:			
Salaries and benefits		466,177	
Telephone and postage		6,448	
Travel		5,307	
Supplies and materials		5,468	
Contracted services		2,500	
Dues and subscriptions		1,060	
Advertising		100	
Total	520,249	487,060	33,189
Finance:			
Salaries and benefits		172,060	
Supplies and materials		7,569	
Travel		1,698	
Telephone and postage		4,039	
Contracted services		33,587	
Dues and subscriptions		25	
Maintenance and repairs		3,189	
Insurance and bonds		175	
Total	228,191	222,342	5,849
Elections:			
Salaries and benefits		78,043	
Telephone and postage		4,837	
Travel		7,545	

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, 2012

	Final Budget	Actual	Variance Positive (Negative)
Buildings and equipment rents		621	
Advertising		1,199	
Supplies and materials		2,333	
Maintenance and repairs		3,781	
Contracted services		13,018	
Dues and subscriptions		100	
Insurance and bonds		256	
Total	112,135	111,733	402
Tax Collections:			
Salaries and benefits		371,864	
Telephone and postage		31,292	
Travel		5,245	
Insurance and bonds		450	
Advertising		4,760	
Office supplies		11,118	
Contracted services		37,015	
Maintenance and repairs		3,212	
Dues and subscriptions		395	
Miscellaneous		20,705	
Total	537,714	486,056	51,658
Legal:			
Contracted services		39,429	
Tax foreclosures		118,054	
Total	157,485	157,483	2
Register of Deeds:			
Salaries and benefits		192,422	
Telephone and postage		3,400	
Travel		4,984	
Supplies and materials		11,102	
Fees		1,876	
Contracted services		16,650	
Dues and subscriptions		640	
Insurance and bonds		976	
Maintenance and repairs		39,974	
Conveyance tax		18,296	
Domestic violence		2,870	
Floodplain mapping plan		4,803	
Total	306,845	297,993	8,852
Data Center:			
Salaries and benefits		128,031	
Advertising		439	
Telephone and postage		10,743	
Travel		1,011	
Supplies and materials		10,378	

Bertie County, North Carolina  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Contracted services		8,680	
Maintenance and repairs		28,098	
Capital Outlay		5,975	
Total	236,997	193,355	43,642
Public Buildings:			
Salaries and benefits		202,151	
Telephone and postage		1,373	
Utilities		56,353	
Maintenance and repairs - buildings		130,046	
Maintenance and repairs - vehicles and equipment		6,349	
Automotive supplies		7,580	
Supplies and materials		10,214	
Contracted services		12,219	
Insurance and bonds		15,061	
Uniforms		1,504	
	469,362	442,850	26,512
Allocated to court facilities	(46,000)	(46,000)	-
Total	423,362	396,850	26,512
Court Facilities:			
Utilities and telephone		22,143	
Buildings and equipment rents		372	
Miscellaneous		3,125	
Total	37,372	25,640	11,732
Allocated from public buildings	46,000	46,000	-
Total	83,372	71,640	11,732
Parks and Recreation:			
Salaries and benefits		116,910	
Supplies and materials		20,060	
Travel		310	
Telephone and postage		2,248	
Maintenance and repairs – vehicles and equipment		1,394	
Insurance and bonds		4,426	
Advertising		106	
Supplemental grants		17,530	
Contracted services		5,465	
Dues and subscriptions		110	
Utilities		13,170	
Capital outlay		13,900	
	237,993	195,629	42,364
<u>Total General Government</u>	3,030,624	2,801,873	228,751

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, 2012

	Final Budget	Actual	Variance Positive (Negative)
<u>Public Safety</u>			
Sheriff:			
Salaries and benefits		1,494,526	
Separation allowance		726	
Employee training		2,680	
Telephone and postage		12,923	
Travel		2,369	
Maintenance and repairs - equipment		17,110	
Maintenance and repairs - vehicles		42,322	
Maintenance and repairs - building		4,711	
Automotive supplies		172,034	
Supplies and materials		16,394	
Dues and subscriptions		402	
Insurance and bonds		21,014	
Uniforms		12,427	
Utilities		9,325	
Restricted drug money		16,071	
Employee physical		110	
Total	1,874,630	1,825,144	49,486
Emergency Management:			
Salaries and benefits		41,102	
Telephone and postage		10,521	
Travel		413	
Insurance and bonds		1,957	
Advertising		151	
Supplies and materials		655	
Maintenance and repairs		4,604	
Fire department		240,000	
Rescue squad		149,667	
Rescue squad grant		2,500	
Fire department grant		3,240	
Supplemental grant		1,372	
EMS Grant		17,546	
Miscellaneous		204	
Uniforms		211	
Medical transports		4,800	
Total	510,120	478,943	31,177
Tropical Storm Nicole:			
Public assistance		49,855	
Total	55,647	49,855	5,792
Tornado Relief:			
Salaries and benefits		27,096	
Total	27,096	27,096	-

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, 2012

	Final Budget	Actual	Variance Positive (Negative)
<b>Planning and Inspection:</b>			
Salaries and benefits		250,109	
Telephone and postage		3,014	
Travel		4,500	
Maintenance and repairs		246	
Automotive supplies		11,932	
Supplies and materials		1,011	
Dues and subscriptions		565	
Insurance and bonds		1,647	
Advertising		122	
Miscellaneous		90	
Total	316,595	273,236	43,359
<b>Animal Control:</b>			
Salaries and benefits		49,310	
Utilities		1,579	
Maintenance and repairs		3,101	
Telephone and postage		764	
Automotive supplies		7,244	
Supplies and materials		5,635	
Insurance and bonds		1,393	
Special shelter needs		500	
Capital outlay		23,000	
Contracted services		2,526	
Uniforms		403	
Total	95,458	95,455	3
<b>Medical Examiner:</b>			
Professional services	9,000	4,300	4,700
<b>Communications:</b>			
Salaries and benefits		249,432	
Telephone and postage		5,382	
Utilities		6,946	
Travel		186	
Supplies and materials		2,987	
Insurance and bonds		477	
Maintenance and repairs equipment		517	
Maintenance contracts		10,369	
Total	287,902	276,296	11,606
<b>Criminal Justice Partnership:</b>			
Salaries and benefits		68,310	
Telephone and postage		1,317	
Insurance and bonds		2,264	
Supplies and materials		6,160	
Maintenance and repairs		2,387	

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, 2012

	Final Budget	Actual	Variance Positive (Negative)
Utilities		7,697	
Contracted services		23,089	
Total	111,229	111,224	5
Domestic Violence Task Force:			
Salaries and benefits		70,852	
Supplies and materials		1,133	
Travel		8,857	
Telephone and postage		3,153	
Contracted services		10,274	
Rent expense		6,119	
Administration		5,000	
Total	217,141	105,388	111,753
Appropriations:			
Bertie-Martin Regional Jail	814,364	814,364	-
<u>Total Public Safety</u>	4,319,182	4,061,301	257,881
<u>Environmental Protection</u>			
Sanitation:			
Tire disposal		21,987	
Convenience centers		469,526	
Contracted services		1,700	
Total	500,527	493,213	7,314
<u>Total Environmental Protection</u>	500,527	493,213	7,314
<u>Economic and Physical Development</u>			
Agricultural Extension:			
Salaries and benefits		110,495	
Maintenance and repairs - equipment		2,051	
Telephone and postage		5,187	
Programs		7,084	
Eat Smart Move More		7,505	
Master Gardeners		673	
Travel		3,729	
Supplies and materials		11,417	
Dues and subscriptions		543	
Contracted services		1,450	
Total	184,412	150,134	34,278
Economic Development:			
Salaries and benefits		69,129	
Telephone and postage		1,307	
Travel		3,495	
Advertising		1,809	

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, 2012

	Final Budget	Actual	Variance Positive (Negative)
Supplies and materials		40	
Peanut Belt Rural Planning		5,232	
Total	82,955	81,012	1,943
Hurricane Irene:			
Salaries and benefits		36,775	
Supplies and materials		23,563	
Total	60,342	60,338	4
Soil Conservation:			
Salaries and benefits		61,304	
Transportation		1,600	
Total	67,499	62,904	4,595
<u>Total Economic &amp; Physical Development</u>	395,208	354,388	40,820
<u>Human Services</u>			
Health:			
Administration:			
Insurance and bonds		936	
Management fee yearly appropriation		96,000	
Management fee fund balance buy-in		40,116	
Total	137,316	137,052	264
Total Health	137,316	137,052	264
Social Services:			
Administration:			
Salaries and benefits		2,313,322	
Telephone and postage		37,904	
Utilities		28,546	
Travel		11,043	
Maintenance and repairs		13,228	
Food stamp – EBT		13,020	
Maintenance contracts		6,009	
Buildings and equipment rents		551	
Vehicle supplies		6,832	
Supplies and materials		27,706	
Contracted services		9,290	
Dues and subscriptions		272	
Insurance		5,588	
Bertie Hospital - indigent		120,000	
Miscellaneous expense		1,895	
Total	2,668,921	2,595,206	73,715

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, 2012

	Final Budget	Actual	Variance Positive (Negative)
General Assistance:			
Public assistance		1,011	
S.A.A.		375,557	
State foster care		69,025	
Day Care		739,098	
Medicaid		216	
Legal services		30,491	
Chore services		40,379	
Adoption assistance		18,955	
Foster Child Adoption Incentive		1,766	
Transport of patients and other		87,331	
AFDC -- Local		27	
Work First		39,066	
AFDC -- Foster Care		34,392	
Crisis intervention		275,882	
Jobs program		18,159	
Aid to blind		84	
Low Income Home Energy		64,200	
DNA Testing		1,295	
Child Support		411,600	
Total	2,647,594	2,208,534	439,060
Aid to Aged and Disabled:			
Salaries and benefits		177,849	
Advertising		137	
Telephone and postage		2,573	
Travel		4,560	
Maintenance and repairs		2,616	
Building and equipment rent		3,000	
Respite		45,768	
Transportation of patients		57,374	
Utilities		11,492	
Home delivered meals		34,881	
Food and provisions		58,431	
Insurance and bonds		1,297	
Janitor		723	
Senior Center		5,219	
Classes		3,768	
SHIP Grant		4,540	
2 Hot 2 Trot Grant		240	
Caregivers Grant		656	
Spice for Life		8,918	
Supplies and materials		3,678	
Dues and subscriptions		180	
Total	438,985	427,900	11,085
Total social services	5,755,500	5,231,640	523,860

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, 2012

	Final Budget	Actual	Variance Positive (Negative)
<b>Veterans Service Office:</b>			
Salaries and benefits		21,728	
Telephone and postage		531	
Travel		1,130	
Supplies and materials		348	
Dues and subscriptions		75	
Total	24,194	23,812	382
<b>Appropriations:</b>			
Mental health		44,590	
Mental health - ABC 5¢		4,800	
Community Based Alternatives		74,219	
Choanoke Public Transit Authority		10,000	
Total	133,609	133,609	-
<u>Total Human Services</u>	6,050,619	5,526,113	524,506
<b>Education:</b>			
Public schools current expense		3,003,000	
Public schools capital outlay		375,000	
Community Colleges		95,000	
Total	3,473,000	3,473,000	-
<u>Total Education</u>	3,473,000	3,473,000	-
<b>Special Appropriations</b>			
<b>Other Agencies:</b>			
Arts Council		5,000	
Airport		12,500	
Mideast Commission		5,032	
Roanoke River Partners		1,500	
Forest service		75,848	
Historical group		15,000	
Library		126,764	
Juvenile detention		19,764	
Juvenile probation		2,600	
Mideast RC&D Commission		250	
CADA		4,800	
CBA task force		4,232	
Windsor Area Chamber		2,000	
Food Bank of Albemarle		2,400	
Partnership for the Sounds		3,000	
Roanoke-Chowan Safe		1,000	
Rural general public transportation		46,205	
RC Domestic Violence Task Force		2,000	
Three Rivers Healthy Carolina		2,000	
Family Resource Center		25,000	

Bertie County, North Carolina  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Highway 17 Association		4,000	
Resolutions Teen Court		13,872	
Colerain Drainage		11,000	
Total	468,240	385,767	82,473
<u>Total Special Appropriations</u>	468,240	385,767	82,473
<u>Debt Service:</u>			
Principal retirement	1,478,098	1,478,097	
Interest and fees	594,575	594,573	
	<u>2,072,673</u>	<u>2,072,670</u>	<u>3</u>
<u>Total Debt Service</u>	2,072,673	2,072,670	3
Total expenditures	20,310,073	19,168,325	1,141,748
Revenues over (under) expenditures	(2,030,658)	(921,492)	1,109,166
Other financing sources (uses):			
Transfers from other funds:			
Capital Reserve Schools Fund	813,751	732,041	(81,710)
Transfers to other funds:			
Tax Revaluation Fund	(25,000)	(25,000)	-
Capital Reserve Schools Fund	(308,115)	(316,706)	(8,591)
Maintenance Building Fund	(55,000)	(55,000)	-
2008 CDBG CN	(15,000)	(15,000)	-
Total other financing sources (uses)	<u>410,636</u>	<u>320,335</u>	<u>(90,301)</u>
Revenues and other sources over (under) expenditures and other uses	(1,620,022)	(601,157)	1,018,865
Appropriated fund balance	<u>1,620,022</u>	<u>-</u>	<u>(1,620,022)</u>
Net change in fund balance	<u>\$ -</u>	<u>(601,157)</u>	<u>\$ (601,157)</u>
Fund balance, beginning		7,113,696	
Fund balance, end		<u>\$ 6,512,539</u>	

Bertie County, North Carolina  
**REVALUATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2012

	2012		Variance Positive (Negative)
	Final Budget	Actual	
<b>EXPENDITURES</b>			
Current:			
Revaluation	\$ 275,216	\$ 308,916	\$ (33,700)
Total expenditures	<u>275,216</u>	<u>308,916</u>	<u>(33,700)</u>
Revenues over (under) expenditures	(275,216)	(308,916)	(33,700)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>25,000</u>	<u>25,000</u>	-
Revenues and other uses over (under) expenditures	(250,216)	(283,916)	(33,700)
Appropriated fund balance	<u>250,216</u>	<u>-</u>	<u>(250,216)</u>
Revenues, other uses and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(283,916)</u>	<u>\$ (283,916)</u>
Fund balance, beginning		<u>189,222</u>	
Fund balance, ending		<u>\$ (94,694)</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, 2012

	2012		Variance Positive (Negative)
	Final Budget	Actual	
<b>REVENUES</b>			
Investment earnings	\$ 5,000	\$ 2,098	\$ (2,902)
Total revenue	<u>5,000</u>	<u>2,098</u>	<u>(2,902)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from General Fund	285,000	316,706	31,706
Transfers out to General Fund	(813,751)	(732,041)	81,710
Transfers out to Bertie High School Fund	(300,000)	(300,000)	-
Total transfers	<u>(828,751)</u>	<u>(715,335)</u>	<u>113,416</u>
Revenues and other uses over (under) expenditures	(823,751)	(713,237)	110,514
Appropriated fund balance	<u>823,751</u>	<u>-</u>	<u>(823,751)</u>
Revenues, other uses and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(713,237)</u>	<u>\$ (713,237)</u>
Fund balance, beginning		<u>1,483,478</u>	
Fund balance, ending		<u>\$ 770,241</u>	

Bertie County, North Carolina  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2012

	Special Revenue Funds				Total Nonmajor Special Revenue Funds
	Emergency Telephone System	2006 CN Community Development Block Grant	2008 SS Community Development Block Grant	Tornado Donations	
<b>ASSETS</b>					
Cash and investments	\$ 370,494	\$ 9,568	\$ 16,616	\$ 29,714	\$ 426,392
Accounts receivable (net)	10,329	-	-	-	10,329
Total assets	<u>\$ 380,823</u>	<u>\$ 9,568</u>	<u>\$ 16,616</u>	<u>\$ 29,714</u>	<u>\$ 436,721</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 4,114	\$ 4,114
Due to other funds	51,095	-	-	-	51,095
Total liabilities	<u>51,095</u>	<u>-</u>	<u>-</u>	<u>4,114</u>	<u>55,209</u>
<b>FUND BALANCES</b>					
Restricted:					
Stabilization by State Statute	10,329	-	-	-	10,329
Unassigned	319,399	9,568	16,616	25,600	371,183
Total fund balances	<u>329,728</u>	<u>9,568</u>	<u>16,616</u>	<u>25,600</u>	<u>381,512</u>
Total liabilities and fund balances	<u>\$ 380,823</u>	<u>\$ 9,568</u>	<u>\$ 16,616</u>	<u>\$ 29,714</u>	<u>\$ 436,721</u>

Capital Project Funds					
Pilot Extraction Facility	Golden Leaf Grant	Maintenance Building	Bertie High School	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 11,951	\$ 130,759	\$ 10,150	\$ 286,113	\$ 438,973	\$ 865,365
-	-	-	-	-	10,329
<u>\$ 11,951</u>	<u>\$ 130,759</u>	<u>\$ 10,150</u>	<u>\$ 286,113</u>	<u>\$ 438,973</u>	<u>\$ 875,694</u>
\$ -	\$ 5,396	\$ 2,800	\$ 1,533	\$ 9,729	\$ 13,843
-	204	-	-	204	51,299
-	5,600	2,800	1,533	9,933	65,142
-	-	-	-	-	10,329
11,951	125,159	7,350	284,580	429,040	800,223
<u>11,951</u>	<u>125,159</u>	<u>7,350</u>	<u>284,580</u>	<u>429,040</u>	<u>810,552</u>
<u>\$ 11,951</u>	<u>\$ 130,759</u>	<u>\$ 10,150</u>	<u>\$ 286,113</u>	<u>\$ 438,973</u>	<u>\$ 875,694</u>

Bertie County, North Carolina  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 For The Fiscal Year Ended June 30, 2012

	Special Revenue Funds				Total Nonmajor Special Revenue Funds
	Emergency Telephone System	2006 CN Community Development Block Grant	2008 SS Community Development Block Grant	Tornado Donations	
<b>REVENUES</b>					
Investment earnings	\$ 485	\$ -	\$ -	\$ -	\$ 485
Federal and State grants	-	-	80,212	8,000	88,212
Intergovernmental revenues	123,952	-	-	-	123,952
Miscellaneous	-	-	-	29,380	29,380
<b>Total revenues</b>	<b>124,437</b>	<b>-</b>	<b>80,212</b>	<b>37,380</b>	<b>242,029</b>
<b>EXPENDITURES</b>					
Current:					
Public safety	325,311	-	-	-	325,311
Economic and physical development	-	(875)	80,212	98,820	178,157
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b>325,311</b>	<b>(875)</b>	<b>80,212</b>	<b>98,820</b>	<b>503,468</b>
Excess (deficiency) of revenues over (under) expenditures	(200,874)	875	-	(61,440)	(261,439)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
<b>Net change in fund balance</b>	<b>(200,874)</b>	<b>875</b>	<b>-</b>	<b>(61,440)</b>	<b>(261,439)</b>
Fund balance, beginning	530,602	8,693	16,616	87,040	642,951
Fund balance, ending	<u>\$ 329,728</u>	<u>\$ 9,568</u>	<u>\$ 16,616</u>	<u>\$ 25,600</u>	<u>\$ 381,512</u>

Capital Project Funds					
Pilot Extraction Facility	Golden Leaf Grant	Maintenance Building	Bertie High School	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 485
-	159,759	-	-	159,759	247,971
-	-	-	-	-	123,952
-	-	-	-	-	29,380
-	159,759	-	-	159,759	401,788
-	-	-	-	-	325,311
900	103,651	-	-	104,551	282,708
-	-	47,650	15,420	63,070	63,070
900	103,651	47,650	15,420	167,621	671,089
(900)	56,108	(47,650)	(15,420)	(7,862)	(269,301)
-	-	55,000	300,000	355,000	355,000
-	-	55,000	300,000	355,000	355,000
(900)	56,108	7,350	284,580	347,138	85,699
12,851	69,051	-	-	81,902	724,853
<u>\$ 11,951</u>	<u>\$ 125,159</u>	<u>\$ 7,350</u>	<u>\$ 284,580</u>	<u>\$ 429,040</u>	<u>\$ 810,552</u>

Bertie County, North Carolina  
**EMERGENCY TELEPHONE SYSTEM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2012

	2012		Variance Positive (Negative)
	Final Budget	Actual	
<b>REVENUES</b>			
Restricted intergovernmental	\$ 123,952	\$ 123,952	\$ -
Investment earnings	1,000	485	(515)
Total revenue	<u>124,952</u>	<u>124,437</u>	<u>(515)</u>
<b>EXPENDITURES</b>			
Implemental functions	-	51,095	(51,095)
Telephone	40,360	27,780	12,580
Furniture	1,500	1,401	99
Software maintenance	15,000	-	15,000
Hardware maintenance	66,092	30,492	35,600
Training	2,000	70	1,930
S.L. 2010-158 Expenditures	214,913	214,473	440
Total expenditures	<u>339,865</u>	<u>325,311</u>	<u>14,554</u>
Revenues over (under) expenditures	<u>(214,913)</u>	<u>(200,874)</u>	<u>14,039</u>
Appropriated fund balance	<u>214,913</u>	<u>-</u>	<u>(214,913)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>(200,874)</u>	<u>\$ (200,874)</u>
Fund balance, beginning		<u>530,602</u>	
Fund balance, ending		<u>\$ 329,728</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, 2012

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Federal grants	\$ 700,000	\$ 689,407	\$ -	\$ 689,407	\$ (10,593)
<b>EXPENDITURES</b>					
Current:					
Economic and physical development	750,000	730,714	(875)	729,839	20,161
Revenues over (under) expenditures	(50,000)	(41,307)	875	(40,432)	9,568
<b>OTHER FINANCING SOURCES</b>					
Transfers in	50,000	50,000	-	50,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,693</u>	875	<u>\$ 9,568</u>	<u>\$ 9,568</u>
Fund balance, beginning			8,693		
Fund balance, ending			<u>\$ 9,568</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, 2012

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>REVENUES</b>					
Federal grants	\$ 500,000	\$ 420,429	\$ 80,212	\$ 500,641	\$ 641
Program income	-	10,750	-	10,750	10,750
Total revenues	500,000	431,179	80,212	511,391	11,391
<b>EXPENDITURES</b>					
Current:					
Economic and physical development	500,000	414,563	80,212	494,775	5,225
Net change in fund balance	\$ -	\$ 16,616	-	\$ 16,616	\$ 16,616
Fund balance, beginning			16,616		
Fund balance, ending			\$ 16,616		

Bertie County, North Carolina  
**TORNADO DONATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
<b>REVENUES</b>			
Donations	\$ 29,381	\$ 29,380	\$ (1)
State grants	8,000	8,000	-
Total revenue	<u>37,381</u>	<u>37,380</u>	<u>(1)</u>
<b>EXPENDITURES</b>			
Economic and physical development	<u>124,422</u>	<u>98,820</u>	<u>25,602</u>
Total expenditures	<u>124,422</u>	<u>98,820</u>	<u>25,602</u>
Revenues over (under) expenditures	<u>(87,041)</u>	<u>(61,440)</u>	<u>25,601</u>
Appropriated fund balance	<u>87,041</u>	<u>-</u>	<u>(87,041)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(61,440)</u>	<u>\$ (61,440)</u>
Fund balance, beginning		<u>87,040</u>	
Fund balance, ending		<u>\$ 25,600</u>	

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, 2012

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>REVENUES</b>					
Donations	\$ 15,000	\$ 15,000	\$ -	\$ 15,000	\$ -
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
<b>EXPENDITURES</b>					
General construction	15,000	2,089	900	2,989	12,011
Legal	-	60	-	60	(60)
Total expenditures	<u>15,000</u>	<u>2,149</u>	<u>900</u>	<u>3,049</u>	<u>11,951</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,851</u>	<u>(900)</u>	<u>\$ 11,951</u>	<u>\$ 11,951</u>
Fund balance, beginning			<u>12,851</u>		
Fund balance, ending			<u>\$ 11,951</u>		

Bertie County, North Carolina  
**GOLDEN LEAF GRANT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
 From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>REVENUES</b>					
State grant	\$ 500,000	\$ 163,714	\$ 159,759	\$ 323,473	(176,527)
Total revenues	500,000	163,714	159,759	323,473	(176,527)
<b>EXPENDITURES</b>					
Salaries and wages	152,000	61,007	21,294	82,301	69,699
Youth program	16,000	4,656	5,515	10,171	5,829
Senior program	9,000	-	-	-	9,000
Maintenance and repair	3,157	-	-	-	3,157
Upgrades	36,000	25,000	-	25,000	11,000
Capital outlay	283,843	4,000	76,842	80,842	203,001
Total expenditures	500,000	94,663	103,651	198,314	301,686
Net change in fund balance	\$ -	\$ 69,051	56,108	\$ 125,159	\$ 125,159
Fund balance, beginning			69,051		
Fund balance, ending			\$ 125,159		

Bertie County, North Carolina  
**MAINTENANCE BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Prior Years	Actual		Total to Date	Variance Positive (Negative)
			Current Year			
<b>EXPENDITURES</b>						
Capital outlay:						
Landscaping	\$ 8,473	\$ -	\$ 8,473	\$ 8,473	\$ -	
Contracted services	12,900	-	7,905	7,905	4,995	
Capital outlay - building	31,272	-	31,272	31,272	-	
Contingency	2,355	-	-	-	2,355	
Total expenditures	<u>55,000</u>	<u>-</u>	<u>47,650</u>	<u>47,650</u>	<u>7,350</u>	
Revenues under expenditures	(55,000)	-	(47,650)	(47,650)	7,350	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from General Fund	55,000	-	55,000	55,000	-	
	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>	
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>7,350</u>	<u>\$ 7,350</u>	<u>\$ 7,350</u>	
Fund balance, beginning			-			
Fund balance, ending			<u>\$ 7,350</u>			

Bertie County, North Carolina  
**BERTIE HIGH SCHOOL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>EXPENDITURES:</b>					
Professional services	\$ 30,000	\$ -	\$ 478	\$ 478	\$ 29,522
Permits	10,000	-	1,250	1,250	8,750
Surveys	25,000	-	10,934	10,934	14,066
Legal	15,000	-	2,758	2,758	12,242
Contingency	220,000	-	-	-	220,000
Total	<u>300,000</u>	<u>-</u>	<u>15,420</u>	<u>15,420</u>	<u>284,580</u>
Revenues over (under) expenditures	(300,000)	-	(15,420)	(15,420)	284,580
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from General Fund	300,000	-	300,000	300,000	-
Total other financing sources (uses)	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	284,580	<u>\$ 284,580</u>	<u>\$ 284,580</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ 284,580</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, 2012

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues:</b>			
Charges for services		\$ 329,973	
Water taps		7,158	
Other operating revenues		23,102	
Total operating revenues	\$ 372,056	360,233	\$ (11,823)
<b>Nonoperating revenues:</b>			
Investment earnings		322	
Miscellaneous revenue		260	
Total nonoperating revenues	2,700	582	(2,118)
Total revenues	374,756	360,815	(13,941)
<b>Expenditures:</b>			
<b>Water administration:</b>			
Salaries and benefits		68,975	
Telephone and postage		13,461	
Travel		31	
Repairs and maintenance		3,988	
Advertising		10	
Supplies		13,051	
Uniforms		313	
Contracted services		19,115	
Professional fees		2,644	
Dues and subscriptions		705	
Chemicals		1,195	
Employee training		154	
Insurance		2,543	
Utilities		21,728	
Water testing		4,484	
Other expenses		28,961	
Total	172,791	181,358	(8,567)
<b>Debt service:</b>			
Principal		63,000	
Interest and fees		138,707	
Total	201,965	201,707	258
Total expenditures	374,756	383,065	(8,309)
Revenues over (under) expenditures	\$ -	(22,250)	\$ (22,250)

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	<u>Actual</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>	
Revenues over (under) expenditures	<u>(22,250)</u>
Reconciling Items:	
Depreciation	(161,907)
Debt principal	63,000
(Increase) decrease in accrued vacation payable	519
(Increase) decrease in other postemployment benefits	<u>(4,576)</u>
Change in net assets	<u>\$ (125,214)</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, 2012

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues:</b>			
Charges for services		\$ 645,626	
Water taps		12,882	
Other operating revenue		13,316	
Total operating revenues	\$ 533,800	671,824	\$ 138,024
<b>Nonoperating revenues:</b>			
Investment earnings		485	
Miscellaneous revenue		49,491	
Total nonoperating revenues	800	49,976	49,176
Total revenues	534,600	721,800	187,200
<b>Expenditures:</b>			
<b>Water administration:</b>			
Salaries and benefits		85,886	
Telephone and postage		16,731	
Travel		39	
Repairs and maintenance		62,701	
Advertising		12	
Supplies		16,289	
Uniforms		390	
Contracted services		40,657	
Professional fees		4,223	
Dues and subscriptions		830	
Chemicals		1,493	
Employee training		193	
Insurance		3,903	
Utilities		27,162	
Water testing		5,605	
Other expenses		26,590	
Total	269,263	292,704	(23,441)
<b>Debt service:</b>			
Principal		81,500	
Interest and fees		183,521	
Total	265,337	265,021	316
Total expenditures	534,600	557,725	(23,125)
Revenues over (under) expenditures	\$ -	164,075	\$ 164,075

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	<u>Actual</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>	
Revenues over (under) expenditures	<u>164,075</u>
Reconciling items:	
Depreciation	(233,362)
Debt principal	81,500
(Increase) decrease in accrued vacation payable	(911)
(Increase) decrease in other postemployment benefits	<u>(5,698)</u>
Change in net assets	<u>\$ 5,604</u>

Bertie County, North Carolina  
**WATER DISTRICT III**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
For The Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues:</b>			
Charges for services		\$ 463,777	
Water taps		11,555	
Other operating revenues		32,416	
Total operating revenues	\$ 509,800	507,748	\$ (2,052)
<b>Nonoperating revenues:</b>			
Investment earnings		1,291	
Miscellaneous revenue		875	
Total nonoperating revenues	2,700	2,166	(534)
Total revenues	512,500	509,914	(2,586)
<b>Expenditures:</b>			
<b>Water administration:</b>			
Salaries and benefits		103,382	
Telephone and postage		20,135	
Travel		47	
Repairs and maintenance		3,199	
Advertising		14	
Supplies		19,514	
Uniforms		469	
Contracted services		26,862	
Professional fees		3,966	
Dues and subscriptions		1,044	
Chemicals		1,792	
Employee training		231	
Insurance		2,960	
Utilities		32,594	
Water testing		6,726	
Other expenses		35,906	
Total	320,747	258,841	61,906
<b>Debt service:</b>			
Principal		61,500	
Interest and fees		129,996	
Total	191,753	191,496	257
Total expenditures	512,500	450,337	62,163
Revenues over (under) expenditures	\$ -	59,577	\$ 59,577

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	<u>Actual</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>	
Revenues over (under) expenditures	<u>59,577</u>
Reconciling items:	
Depreciation	(160,455)
Debt principal	61,500
(Increase) decrease in accrued vacation payable	378
(Increase) decrease in other postemployment benefits	(6,859)
Change in net assets	<u>\$ (45,859)</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, 2012

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues:</b>			
Charges for services		\$ 432,216	
Water taps		6,600	
Other operating revenue		22,782	
Total operating revenues	\$ 476,000	461,598	\$ (14,402)
<b>Nonoperating revenues:</b>			
Investment earnings		322	
Miscellaneous revenue		240	
Total nonoperating revenues	1,400	562	(838)
Total revenues	477,400	462,160	(15,240)
<b>Other financing sources:</b>			
Transfers from General Fund	-	15,000	15,000
<b>Expenditures:</b>			
<b>Water administration:</b>			
Salaries and benefits		86,141	
Telephone and postage		16,727	
Travel		39	
Repairs and maintenance		2,434	
Advertising		12	
Supplies		17,602	
Uniforms		390	
Contracted services		21,135	
Professional fees		3,305	
Dues and subscriptions		864	
Chemicals		1,493	
Employee training		193	
Maintenance contracts		397	
Insurance		1,982	
Utilities		26,716	
Water testing		5,605	
Other expenses		31,185	
Total	237,882	216,220	21,662
<b>Debt service:</b>			
Principal		64,000	
Interest and fees		175,269	
Total	239,518	239,269	249
Total expenditures	477,400	455,489	21,911
Revenues and other financing sources over (under) expenditures	\$ -	21,671	\$ 21,671

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	<u>Actual</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>	
Revenues over (under) expenditures	<u>21,671</u>
Reconciling items:	
Depreciation	(144,959)
Debt principal	64,000
(Increase) decrease in accrued vacation payable	208
Capital Contributions	179,831
Sales tax refund from Rural Center Grant	3,110
(Increase) decrease in other postemployment benefits	<u>(5,715)</u>
Change in net assets	<u>\$ 118,146</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, 2012

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES:</b>					
Restricted intergovernmental:					
State grants	\$ 339,800	\$ 267,538	\$ -	\$ 267,538	\$ (72,262)
Tax refund	-	8,102	3,110	11,212	11,212
Total revenues	<u>339,800</u>	<u>275,640</u>	<u>3,110</u>	<u>278,750</u>	<u>(61,050)</u>
<b>EXPENDITURES:</b>					
Construction	<u>339,800</u>	<u>301,422</u>	<u>21,665</u>	<u>323,087</u>	<u>16,713</u>
Total expenditures	<u>339,800</u>	<u>301,422</u>	<u>21,665</u>	<u>323,087</u>	<u>16,713</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (25,782)</u>	<u>\$ (18,555)</u>	<u>\$ (44,337)</u>	<u>\$ (44,337)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (25,782)</u>	<u>\$ (18,555)</u>	<u>\$ (44,337)</u>	<u>\$ (44,337)</u>

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, 2012

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES:</b>					
Restricted intergovernmental:					
Federal grants	\$ 850,000	\$ 214,097	\$ 179,831	\$ 393,928	\$ (456,072)
Miscellaneous revenues	59,500	-	-	-	(59,500)
Total revenues	<u>909,500</u>	<u>214,097</u>	<u>179,831</u>	<u>393,928</u>	<u>(515,572)</u>
<b>EXPENDITURES:</b>					
C-1 Acquisition	72,000	-	15,000	15,000	57,000
C-1 Water Improvement	40,000	-	-	-	40,000
C-1 Street Improvement	314,000	1,750	110,630	112,380	201,620
C-1 Clearance	26,500	1,590	17,564	19,154	7,346
C-1 Relocation	105,000	-	9,600	9,600	95,400
C-1 Rehabilitation	140,000	56,650	11,390	68,040	71,960
C-1 Administration	84,500	26,607	30,647	57,254	27,246
L-1 Water	127,500	127,500	-	127,500	-
Total expenditures	<u>909,500</u>	<u>214,097</u>	<u>194,831</u>	<u>408,928</u>	<u>500,572</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)					
General Fund	-	-	15,000	15,000	15,000
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bertie County, North Carolina  
**INTERNAL SERVICE FUNDS**  
**BERTIE TELEPHONE**  
**STATEMENT OF NET ASSETS**  
 June 30, 2012

	2012
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 122,582
Accounts receivable (net) – billed	1,704
Total assets	124,286
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and accrued liabilities	540
Total current liabilities	540
Total liabilities	540
 <b>NET ASSETS</b>	
Unrestricted	123,746
Total net assets	\$ 123,746

Bertie County, North Carolina  
**INTERNAL SERVICE FUNDS**  
**BERTIE TELEPHONE**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
For the Fiscal Year Ended June 30, 2012

	2012		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Operating revenues:			
User charges	\$ 70,000	\$ 71,438	\$ 1,438
Total	<u>70,000</u>	<u>71,438</u>	<u>1,438</u>
<b>Expenditures:</b>			
Operating:			
Telephone		40,558	
Maintenance contracts		999	
Capital outlay		2,126	
Total	<u>70,000</u>	<u>43,683</u>	<u>26,317</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>27,755</u>	<u>\$ 27,755</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Change in net assets		<u>\$ 27,755</u>	

Bertie County, North Carolina  
**INTERNAL SERVICE FUNDS**  
**BERTIE TELEPHONE**  
**STATEMENT OF CASH FLOWS**  
For the Fiscal Year Ended June 30, 2012

	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from users	\$ 73,669
Cash paid for goods and services	(43,701)
Net cash provided (used) by operating activities	29,968
<b>Net increase (decrease) in cash and cash equivalents</b>	29,968
Cash and cash equivalents, beginning of year	92,614
Cash and cash equivalents, end of year	\$ 122,582
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ 27,755
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	2,231
Increase (decrease) in accounts payable and accrued liabilities	(18)
Total adjustments	2,213
Net cash provided (used) by operating activities	\$ 29,968

Bertie County, North Carolina  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b>Social Services</b>				
Assets:				
Cash and cash equivalents	\$ 1,192	\$ 25	\$ 651	\$ 566
Liabilities:				
Miscellaneous liabilities	\$ 1,125	\$ 25	\$ 584	\$ 566
<b>Fines and Forfeitures</b>				
Assets:				
Cash and investments	\$ -	\$ 17,160	\$ 17,160	\$ -
Intergovernmental payable - State of North Carolina				
Total liabilities	\$ -	\$ 17,160	\$ 17,160	\$ -
<b>Motor Vehicle Tax</b>				
Assets:				
Cash and investments	\$ 165	\$ 668,996	\$ 666,670	\$ 2,491
Liabilities:				
Intergovernmental payable	\$ 165	\$ 668,996	\$ 666,670	\$ 2,491
<b>Pest Management</b>				
Assets:				
Cash and investments	\$ 2,832	\$ 7,362	\$ 7,712	\$ 2,482
Liabilities:				
Miscellaneous liabilities	\$ 2,832	\$ 7,362	\$ 7,712	\$ 2,482
<b>Deed of Trust</b>				
Assets:				
Cash and investments	\$ -	\$ 475	\$ 475	\$ -
Liabilities:				
Miscellaneous liabilities	\$ -	\$ 475	\$ 475	\$ -
<b>Total - All Agency Funds</b>				
Assets:				
Cash and investments	\$ 4,189	\$ 694,018	\$ 692,668	\$ 5,539
Liabilities:				
Miscellaneous liabilities	\$ 4,122	\$ 694,018	\$ 692,601	\$ 5,539

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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

Bertie County, North Carolina  
**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
 June 30, 2012

Fiscal Year	Uncollected Balance June 30, 2011	Additions	Collections and Credits	Uncollected Balance June 30, 2012
2011 - 2012	\$ -	\$ 8,643,467	\$ 8,297,321	\$ 346,146
2010 - 2011	313,782	-	228,868	84,914
2009 - 2010	83,998	-	35,422	48,576
2008 - 2009	57,883	-	16,482	41,401
2007 - 2008	41,659	-	10,949	30,710
2006 - 2007	25,779	-	5,744	20,035
2005 - 2006	24,404	-	4,436	19,968
2004 - 2005	20,151	-	2,203	17,948
2003 - 2004	19,700	-	2,650	17,050
2002 - 2003	16,829	-	1,790	15,039
2001 - 2002	16,592	-	16,592	-
	<u>620,777</u>	<u>8,643,467</u>	<u>8,622,457</u>	<u>641,787</u>
Less: Allowance for uncollectible accounts: General Fund				<u>94,544</u>
Ad valorem taxes receivable - net: General Fund				<u>\$ 547,243</u>
<u>Reconciliation with revenues</u> Ad valorem taxes - General Fund				\$ 8,719,368
Reconciling items:				
Interest collected				(105,159)
Taxes written off				<u>8,248</u>
Total collections and credits				<u>\$ 8,622,457</u>

Bertie County, North Carolina  
**ANALYSIS OF CURRENT TAX LEVY**  
**COUNTY-WIDE LEVY**  
For the Fiscal Year Ended June 30, 2012

	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	\$ 1,109,238,096	0.0078	\$ 8,652,057	\$ 7,618,874	\$ 1,033,183
Total	1,109,238,096		8,652,057	7,618,874	1,033,183
<b>Discoveries;</b>					
Current year taxes	2,825,377	0.0078	22,038	11,838	10,200
Abatements	(3,926,674)	0.0078	(30,628)	(7,417)	(23,211)
Total property valuation	\$ 1,108,136,799				
Net Levy			8,643,467	7,623,295	1,020,172
Current year's taxes collected			8,297,321	7,457,322	839,999
Uncollected taxes at June 30, 2012			\$ 346,146	\$ 165,973	\$ 180,173
Current levy collection percentage			96.00%	97.82%	82.34%

## 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***

**Independent Auditors' Report**

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 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, 2012, which collectively comprises Bertie County's basic financial statements, and have issued our report thereon dated November 29, 2012. Our audit 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. The financial statements of Bertie County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of Bertie County is responsible for establishing and maintaining effective 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.

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 over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, we did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting, which are described as items 12-1 through 12-2. 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*.

We noted certain matters that we reported to management of Bertie County, in a separate letter dated November 29, 2012.

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

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 specified parties.

*Pittard Perry & Crone, Inc.*

Belhaven, North Carolina  
November 29, 2012

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

Independent Auditors' Report

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 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, 2012. 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; 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, 2012.

Internal Control Over Compliance

Management of Bertie County is responsible for establishing and maintaining effective internal control over compliance with the 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 specified parties.

*Pittard Perry & Crone, Inc.*

Belhaven, North Carolina  
November 29, 2012

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

Independent Auditors' Report

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 Bertie County's major State programs for the year ended June 30, 2012. 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, 2012.

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 specified parties.

*Pittard Perry & Crone, Inc.*

Belhaven, North Carolina  
November 29, 2012

Bertie County, North Carolina  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 For The Fiscal Year Ended June 30, 2012

**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	_____ <u>X</u> _____	No
Significant deficiency(s) identified that are not considered to be material weaknesses	_____ <u>X</u> _____	Yes	_____	None Reported
Noncompliance material to financial statements noted	_____	Yes	_____ <u>X</u> _____	No

*Federal Awards*

Internal control over major federal programs:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(s) identified that are not considered to be material weaknesses	_____	Yes	_____ <u>X</u> _____	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	_____ <u>X</u> _____	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	SNAP Cluster
10.561	

Dollar threshold used to distinguish between type A and type B programs \$ 1,150,003

Auditee qualified as low-risk Auditee?

	_____	Yes	_____ <u>X</u> _____	No
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Bertie County, North Carolina  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Fiscal Year Ended June 30, 2012

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*State Awards*

Internal control over major State programs:

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

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

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

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

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

Identification of major State programs:

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

Bertie County, North Carolina  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Fiscal Year Ended June 30, 2012

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**Section II - Financial Statement Findings**

**Significant Deficiency**

**12-1 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.

**Significant Deficiency**

**12-2 Excess of Expenditures over Appropriations**

<u>Criteria:</u>	G.S. 159-8(a) states that all monies received and expended by a local government or public authority should be included in the budget ordinance.
<u>Condition:</u>	The County violated State law [G.S. 115C-44] because they exceeded the amounts appropriated in the budget ordinance within the Revaluation Fund by \$33,700, the Water District I Fund by \$8,567, and the Water District II Fund by \$23,441.
<u>Effect:</u>	Monies were spent that had not been appropriated.
<u>Cause:</u>	Budget amendments were not made to account for these over-expenditures.
<u>Recommendation:</u>	Budget amendments should be made periodically to ensure that all expenditures are properly appropriated. Disbursements should be periodically reviewed and budget amendments adopted to account for all expenditures.
<u>Views of responsible officials and planned corrective action</u>	The County agrees with this finding. Budget amendments will be adopted prior to making expenditures that exceed budget amounts.

**Section III - Federal Award Findings and Questioned Costs**

None reported.

**Section IV - State Award Findings and Questioned Costs**

None reported.

Bertie County, North Carolina  
**CORRECTIVE ACTION PLAN**  
For The Fiscal Year Ended June 30, 2012

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**Section II – Financial Statement Findings**

Significant Deficiency and Finding 12-1

Name of Contact Person:	Morris Rascoe, Interim County Manager
Corrective Action:	The County will implement the proposed recommendation.
Proposed Completion Date:	December 31, 2012

Significant Deficiency and Finding 12-2

Name of Contact Person:	Morris Rascoe, Interim County Manager
Corrective Action:	The County will implement the proposed recommendation.
Proposed Completion Date:	December 31, 2012

**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, 2012

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**Findings:**

**11-1 Reconciliation of Accounts**

Status: See 12-1

**11-2 Accounts Payable**

Status: Corrected

Bertie County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass- Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
<u>U.S. Dept. of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed –through the N.C. Dept. of Health and Services:					
Division of Social Services:					
Administration:					
<u>SNAP Cluster:</u>					
Supplemental Nutrition Assistance Program	10.551	XXXX	\$ 9,236,438	\$ -	\$ -
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	XXXX	432,147	-	432,147
Total Food Stamp Cluster			9,668,585	-	432,147
Total U.S. Dept. of Agriculture			9,668,585	-	432,147
<u>U.S. Dept. of Housing and Urban Development</u>					
Passed-through N.C. Dept of Commerce:					
2008 Community Development Block Grant	14.228	XXXX	80,212	-	-
2008 Community Development Block Grant	14.228	XXXX	179,831	-	-
Total U.S. Dept. Housing and Urban			260,043	-	-
<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	93.044	XXXX	114,791	83,475	16,715
Special Programs for the Aging – Title III C Nutrition Services	93.045	XXXX	20,257	15,900	3,669
Caregiver's Grant	93.052	XXXX	659	-	-
Total Aging Cluster			135,707	99,375	20,384
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	18,585	2,163	16,422
Title IV-E Foster Care	93.658	XXXX	7,426	1,987	1,987
Title IV-E Foster Care/Off Trn	93.658	XXXX	7,880	-	7,880
Title IV-E Admin County Paid to CCI	93.658	XXXX	11,017	5,509	5,509
Title IV-E Adopt Subsidy and Vendor	93.659	XXXX	59,144	15,829	15,829
Family Preservation	93.556	XXXX	1,456	-	-
Total Foster Care and Adoption Cluster			105,508	25,488	47,627

Bertie County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass- Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
<u>Administration for Children and Families</u>					
Passed-through the N.C. Dept. of Health and Human					
<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 –	93.575	XXXX	344,347	-	-
Child Care and Development Fund – Mandatory	93.596	XXXX	130,151	-	-
Child Care and Development Fund – Match	93.596	XXXX	46,195	-	-
Total Child Care Fund Cluster			600,693	-	-
Temporary Assistance for Needy Families	93.558	XXXX	152,831	-	-
ARRA - Emergency Contingency Fund for TANF	93.714	XXXX	14,046	-	-
Foster Care Title IV-E	93.658	XXXX	4,714	-	-
State Appropriations		XXXX	-	22,541	-
TANF-MOE		XXXX	-	24,306	-
Total Subsidized Child Care Cluster			772,284	46,847	-
Division of Social Services:					
TANF - Work First Services	93.558	XXXX	196,863	-	268,997
TANF - Work First Administration	93.558	XXXX	28,120	-	45,934
TANF - Payments & Penalties	93.558	XXXX	201,816	(103)	27
TANF - Domestic Violence	93.558	XXXX	4,556	-	-
Low-Income Home Energy Assistance Block					
Low-Income Home Energy Assistance (LIHEAP)	93.568	XXXX	275,882	-	-
Administration	93.568	XXXX	30,342	-	-
Energy Assistance Payments - Direct Benefit	93.568	XXXX	64,200	-	-
Child Welfare Services - Adoption/Foster Care	93.645	XXXX	7,523	-	12,295
Child Welfare Services - Permanency Planning –	93.645	XXXX	5,386	-	1,795
SSBG – Other Service and Training	93.667	XXXX	173,145	17,270	63,471
SSBG – In Home Service Fund	93.667	XXXX	10,147	-	1,450
SSBG - Adult Protective Services	93.667	XXXX	11,081	-	3,694
AFDC Payments & Penalties	93.560	XXXX	(317)	(87)	(87)
IV-D Administration	93.563	XXXX	311,972	-	160,713
IV-D Offset Fees	93.563	XXXX	1,817	-	936
			1,322,533	17,080	559,225
<u>Health Care Financing Administration</u>					
Direct Benefit Payments:					
Medical Assistance Program	93.778	XXXX	25,411,092	15,004,900	216
			25,411,092	15,004,900	216

Bertie County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass- Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
<u>Division of Facility Services</u>					
Division of Social Services:					
Administration:					
Children's Health Insurance Program (CHIP)	93.767	XXXX	19,743	891	5,485
Medical Assistance Program	93.778	XXXX	553,246	22,413	530,832
Medical Assistance Program	93.778	XXXX	15,115	-	-
			588,104	23,304	536,317
Total U.S. Dept. of Health and Human Services			28,335,228	15,216,994	1,163,769
 <u>U.S. Department of Homeland Security</u>					
Federal Emergency Management Assistance –					
Tornado	97.036	XXXX	2,627	875	-
Hurricane Irene Storm Cleanup	97.036	XXXX	36,563	12,188	-
Passed from Division of Emergency Management					
Emergency Management Performance Grant	97.042	XXXX	30,383	-	-
Total Dept of Homeland Security			69,573	13,063	-
Total Federal Awards			38,333,429	15,230,057	1,595,916
 <b>State Awards:</b>					
<u>N.C. Dept. of Environment and Natural Resources</u>					
Soil and Water Conservation – S&W		XXXX	-	23,197	-
Soil and Water Conservation – Administration		XXXX	-	4,000	-
Minor Permit County Aid	11.419	XXXX	-	275	-
Total Dept. of Environment and Natural			-	27,472	-
 <u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
State/County Special Assistance for Adults –					
benefit payments		XXXX	-	347,988	347,988
State Foster Care Benefits Program		XXXX	-	32,183	32,183
SFHF Maximization		XXXX	-	94	94
Foster Care At Risk Maximization		XXXX	-	3,475	1,858
Foster Care At Risk		XXXX	-	467	99
Foster Care Special Provision		XXXX	-	2,874	-
CWS Adopt Subsidy & Vendor		XXXX	-	12,678	1,743
AFDC/TANF Incent/Program Integrity		XXXX	-	521	-
Total Dept. of Health and Human Services			-	400,280	383,965
 <u>N.C. Dept. of Administration</u>					
Veterans Service		XXXX	-	1,452	-

Bertie County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass- Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>State Awards:</b>					
<u>N.C. Dept. of Juvenile Justice and Delinquency</u>					
Juvenile Crime Prevention Program		XXXX	-	90,451	-
<u>N.C. Dept. of Transportation</u>					
Elderly and Disabled Transportation Assistance		XXXX	-	53,854	-
Work First/Transitional Employment		XXXX	-	13,863	-
Rural General Public Transportation		XXXX	-	46,205	-
Total N.C. Dept. of Transportation			-	113,922	-
<u>N.C. Dept. of Corrections</u>					
Criminal Justice Partnership Program		XXXX	-	79,864	-
<u>NC Dept. of Commerce</u>					
Passed-through from Mid East Commission:					
Senior Health Insurance Information Program		XXXX	-	3,902	-
<u>NC State Board of Elections</u>					
Title I - HAVA	90.401	XXXX	-	4,009	-
Total State Awards			-	721,352	383,965
Total Federal and State Awards			\$ 38,333,429	\$ 15,951,409	\$ 1,979,881

Bertie County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
 For the Year Ended June 30, 2012

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 Expenditure</u>	<u>State Expenditures</u>
N.C. Dept. of Juvenile Justice and Delinquency Prevention Juvenile Crime Prevention Program	XXXXX	XXXX	\$ -	\$ 79,864

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 Adoptior	\$ 772,284	\$ 46,847
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To the Board of Commissioners  
Bertie County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County, North Carolina, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 29, 2012.

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.

Accounts Payable

The County should review the year end invoices closely to ensure that all accounts payable are properly recorded.

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 29, 2012

November 29, 2012

To the Board of Commissioners  
Bertie County

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bertie County for the year ended June 30, 2012. 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 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 June 6, 2012. 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 ending June 30, 2012. 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 depreciable lives of its capital assets and thus the depreciation expense 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.

Management's estimate of compensated absences is based on current year rates of pay. These rates may change in the future depending on employees' pay increases or decreases.

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, describes the components of this conversion.

The financial statements are neutral, consistent, and clear.

##### *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. 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, a disagreement with management is 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 29, 2012.

*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.

*Other Matters*

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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.

Prepared by \_\_\_\_\_

**Bertie County**  
**Adjusting Journal Entries**

5660002760

Page 1

Reviewed by \_\_\_\_\_

Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
AJE01	Adjusting	06/30/12					
		120025-453102	SOCIAL SERVICES GENERAL /	reclass per William	64,200.00		[Wm]
		120025-458618	LOW-INCOME HOME ENERGY	reclass per William		64,200.00	[Wm]
			reclass per William				[Wm]
AJE02	Adjusting	06/30/12					
		100000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted		4,966.00	[Wm]
		100060-483101	INTEREST EARNED ON INVES'	Wm has already posted	4,966.00		[Wm]
		170000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	481.00		[Wm]
		170060-483101	INTEREST EARNED ON INVES'	Wm has already posted		481.00	[Wm]
		200000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	2,083.00		[Wm]
		200060-483101	INTEREST EARNED ON INVES'	Wm has already posted		2,083.00	[Wm]
		610000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	320.00		[Wm]
		610060-483101	INTEREST EARNED ON INVES'	Wm has already posted		320.00	[Wm]
		620000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	481.00		[Wm]
		620060-483101	INTEREST EARNED ON INVES'	Wm has already posted		481.00	[Wm]
		630000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	1,282.00		[Wm]
		630060-483101	INTEREST EARNED ON INVES'	Wm has already posted		1,282.00	[Wm]
		640000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	320.00		[Wm]
		640060-483101	INTEREST EARNED ON INVES'	Wm has already posted		320.00	[Wm]
			Wm has already posted				[Wm]
AJE03	Adjusting	06/30/12					
		100000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted		36.00	[Wm]
		100060-483101	INTEREST EARNED ON INVES'	Wm has already posted	36.00		[Wm]
		170000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	4.00		[Wm]
		170060-483101	INTEREST EARNED ON INVES'	Wm has already posted		4.00	[Wm]
		200000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	15.00		[Wm]
		200060-483101	INTEREST EARNED ON INVES'	Wm has already posted		15.00	[Wm]
		610000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	2.00		[Wm]
		610060-483101	INTEREST EARNED ON INVES'	Wm has already posted		2.00	[Wm]
		620000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	4.00		[Wm]
		620060-483101	INTEREST EARNED ON INVES'	Wm has already posted		4.00	[Wm]
		630000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	9.00		[Wm]
		630060-483101	INTEREST EARNED ON INVES'	Wm has already posted		9.00	[Wm]
		640000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	2.00		[Wm]
		640060-483101	INTEREST EARNED ON INVES'	Wm has already posted		2.00	[Wm]

Prepared by \_\_\_\_\_

**Bertie County**  
**Adjusting Journal Entries**

5660002760

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Reviewed by \_\_\_\_\_

Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
			Wm has already posted				[Wm]
AJE04	Adjusting	06/30/12					
		490025-432804	CO SHARE LOTTERY FUND	reverse py entry made by Lydia	349,946.00		[1502.05]
		499800-588002	LOTTERY FUNDS-DEBT SVC	reverse py entry made by Lydia		349,946.00	[1502.05]
			reverse py entry made by Lydia				[1502.05]
AJE05	Adjusting	06/30/12					
		617111-571000	G.O. BOND PRINCIPAL	reclass debt payment		63,000.00	[4002.02]
		610000-271903	BONDS PAYALBE-WATER BOI	reclass debt payment	63,000.00		[4002.02]
			reclass debt payment				[4002.02]
AJE06	Adjusting	06/30/12					
		627112-571000	G.O. BOND PRINCIPAL	reclass debt payment		81,500.00	[4002.02]
		620000-271905	ANTICIPATION NOTES PAYAB	reclass debt payment	81,500.00		[4002.02]
			reclass debt payment				[4002.02]
AJE07	Adjusting	06/30/12					
		637113-571000	G.O. BOND PRINCIPAL	reclass debt payment		61,500.00	[4002.02]
		630000-271903	BONDS PAYALBE-WATER BOI	reclass debt payment	61,500.00		[4002.02]
			reclass debt payment				[4002.02]
AJE08	Adjusting	06/30/12					
		647114-571000	G.O. BOND PRINCIPAL	reclass debt payment		64,000.00	[4002.02]
		640000-271905	ANTICIPATION NOTES PAYAB	reclass debt payment	64,000.00		[4002.02]
			reclass debt payment				[4002.02]

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**Bertie County**  
**Adjusting Journal Entries**

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Reviewed by \_\_\_\_\_

Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
AJE09	Adjusting	06/30/12					
		920000-271913	LEASE PAYABLE-DICTAPHON	adjust note balance to actual	3,737.00		[4003.07]
		920000-192000	PROVISION TO PAY LONG TEF	adjust note balance to actual		3,737.00	[4003.07]
			adjust note balance to actual				[4003.07]
AJE10	Adjusting	06/30/12					
		100000-125111	N/R LANDMARK ASSETS SER\	correct beginning balances		129,600.00	
		100000-125112	BERTIE MEM LTD P'SHIP	correct beginning balances	129,600.00		
		100000-263001	DEFERRED REVENUE-LANDM	correct beginning balances	129,600.00		
		100000-263002	DEFERRED REVENUE-BERTIE	correct beginning balances		129,600.00	
			correct beginning balances				
AJE11	Adjusting	06/30/12					
		920000-277000	ACCRUED VACATION	adjust comp abs	7,889.00		[4306.01]
		920000-192000	PROVISION TO PAY LONG TEF	adjust comp abs		7,889.00	[4306.01]
		610000-213100	ACCRUED VACATION PAY	adjust comp abs	519.00		[4306.01]
		617111-512100	SALARIES & WAGES - REGUL/	adjust comp abs		519.00	[4306.01]
		620000-213100	ACCRUED VACATION PAY	adjust comp abs		911.00	[4306.01]
		627112-512100	SALARIES & WAGES - REGUL/	adjust comp abs	911.00		[4306.01]
		630000-213100	ACCRUED VACATION PAY	adjust comp abs	378.00		[4306.01]
		637113-512100	SALARIES & WAGES - REGUL/	adjust comp abs		378.00	[4306.01]
		640000-213100	ACCRUED VACATION PAY	adjust comp abs	208.00		[4306.01]
		647114-512100	SALARIES & WAGES - REGUL/	adjust comp abs		208.00	[4306.01]
			adjust comp abs				[4306.01]
AJE12	Adjusting	06/30/12					
		210000-211000	ACCOUNTS PAYABLE	to correct-py aje not made		35,994.00	[5401.01]
		210000-392900	FUND BALANCE	to correct-py aje not made	35,994.00		[5401.01]
			to correct-py aje not made				[5401.01]

Prepared by \_\_\_\_\_

**Bertie County**  
**Adjusting Journal Entries**

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Reviewed by \_\_\_\_\_

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Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
AJE13	Adjusting	06/30/12					
		620000-271905	ANTICIPATION NOTES PAYAB	to correct note balance	3,000.00		[4002.01]
		620000-396000	RETAINED EARNINGS	to correct note balance		3,000.00	[4002.01]
			to correct note balance				[4002.01]
AJE14	Adjusting	06/30/12					
		100000-121100	TAX RECEIVABLE	To Adj Taxes rec.	22,192.00		[2301.02]
		100000-262001	TAX RECEIVABLE	To Adj Taxes rec.		22,192.00	[2301.02]
			To Adj Taxes rec.				[2301.02]
AJE15	Adjusting	06/30/12					
		100000-261005	TAXES COLLECTED IN ADVAN	Adj ad val Taxes		10,920.00	[2301.02]
		100011-411139	AD VALOREM TAXES 12	Adj ad val Taxes	12,195.00		[2301.02]
		104140-549900	MISC EXPENSE TAX REFUNDS	Adj ad val Taxes		24,728.00	[2301.02]
		100011-411140	AD VALOREM TAXES 11	Adj ad val Taxes	23,453.00		[2301.02]
			Adj ad val Taxes				[2301.02]
AJE16	Adjusting	06/30/12					
		610000-124100	CUSTOMERS ACCOUNTS REC.	To adj A/R to actual		9,298.00	[2404.01]
		610040-471001	SALE OF WATER	To adj A/R to actual	9,298.00		[2404.01]
		620000-124100	CUSTOMERS ACCOUNTS REC.	To adj A/R to actual		10,514.00	[2404.01]
		620040-471001	SALE OF WATER	To adj A/R to actual	10,514.00		[2404.01]
		630000-124100	CUSTOMERS ACCOUNTS REC.	To adj A/R to actual		10,479.00	[2404.01]
		630040-471001	SALE OF WATER	To adj A/R to actual	10,479.00		[2404.01]
		640000-124100	CUSTOMERS ACCOUNTS REC.	To adj A/R to actual		3,292.00	[2404.01]
		640040-471001	SALE OF WATER	To adj A/R to actual	3,292.00		[2404.01]
			To adj A/R to actual				[2404.01]

Prepared by \_\_\_\_\_

**Bertie County**  
**Adjusting Journal Entries**

5660002760

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Reviewed by \_\_\_\_\_

Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
AJE17	Adjusting	06/30/12					
		610000-124900	ALLOWANCE FOR DOUBTFUL	To adj Allowance Acct. to actual	5,083.00		[2406.01]
		610040-471001	SALE OF WATER	To adj Allowance Acct. to actual		5,083.00	[2406.01]
		620000-124900	ALLOWANCE FOR DOUBTFUL	To adj Allowance Acct. to actual	926.00		[2406.01]
		620040-471001	SALE OF WATER	To adj Allowance Acct. to actual		926.00	[2406.01]
		630000-124900	ALLOWANCE FOR DOUBTFUL	To adj Allowance Acct. to actual	5,497.00		[2406.01]
		630040-471001	SALE OF WATER	To adj Allowance Acct. to actual		5,497.00	[2406.01]
		640000-124900	ALLOWANCE FOR DOUBTFUL	To adj Allowance Acct. to actual	3,650.00		[2406.01]
		640040-471001	SALE OF WATER	To adj Allowance Acct. to actual		3,650.00	[2406.01]
			To adj Allowance Acct. to actual				[2406.01]
AJE18	Adjusting	06/30/12					
		100000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		13.00	[2003.01]
		120000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		109,045.00	[2003.01]
		100000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		237,527.00	[2003.01]
		120000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		480.00	[2003.01]
		270000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		2,057.00	[2003.01]
		310000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		300.00	[2003.01]
		510000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		1,098.00	[2003.01]
		610000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		1,180.00	[2003.01]
		620000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		1,475.00	[2003.01]
		630000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		1,770.00	[2003.01]
		640000-211000	ACCOUNTS PAYABLE	To adj cash & AP per FO		1,541.00	[2003.01]
		100000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	13.00		[2003.01]
		120000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	109,045.00		[2003.01]
		100000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	237,527.00		[2003.01]
		120000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	480.00		[2003.01]
		270000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	2,057.00		[2003.01]
		310000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	300.00		[2003.01]
		510000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	1,098.00		[2003.01]
		610000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	1,180.00		[2003.01]
		620000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	1,475.00		[2003.01]
		630000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	1,770.00		[2003.01]
		640000-110100	CASH ON DEPOSIT IN C/D	To adj cash & AP per FO	1,541.00		[2003.01]
			To adj cash & AP per FO				[2003.01]

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Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
AJE19	Adjusting	06/30/12					
		620050-483901	MISCELLANEOUS REVENUES	To record income/exp per William		46,770.00	[Wm]
		627112-535201	MAINTENANCE/REPAIRS SYS	To record income/exp per William	46,770.00		[Wm]
			To record income/exp per William				[Wm]
AJE20	Adjusting	06/30/12					
		100000-125100	ACCOUNTS RECEIVABLE MIS	To reclass Per William	4,290.00		[Wm]
		100000-125100	ACCOUNTS RECEIVABLE MIS	To reclass Per William	16,510.00		[Wm]
		100050-483901	MISC REVENUES & REFUNDS	To reclass Per William		20,800.00	[Wm]
			To reclass Per William				[Wm]
AJE21	Adjusting	06/30/12					
		100000-125100	ACCOUNTS RECEIVABLE MIS	To remove fro AR & Reclass Per		13,887.00	[Wm]
		100000-110100	CASH ON DEPOSIT IN C/D	To remove fro AR & Reclass Per	13,887.00		[Wm]
			To remove fro AR & Reclass Per William				[Wm]
AJE22	Adjusting	06/30/12					
		510000-110100	CASH ON DEPOSIT IN C/D	To remove from AR & rec in (51)		13,887.00	[Wm]
		515430-539918	SURVEYING/WETLANDS DE	To remove from AR & rec in (51)	10,934.00		[Wm]
		515430-539962	LEGAL SERVICES	To remove from AR & rec in (51)	1,660.00		[Wm]
		515430-539629	PERMITS REIMBURSABLE	To remove from AR & rec in (51)	1,250.00		[Wm]
		515430-519300	PROFESSIONAL SERVICES	To remove from AR & rec in (51)	43.00		[Wm]
			To remove from AR & rec in (51) per william				[Wm]
AJE23	Adjusting	06/30/12					
		100000-125100	ACCOUNTS RECEIVABLE MIS	to rec AR Per William	28,326.00		[Wm]
		100018-431101	PMT IN LIEU OF TAXES-FED	to rec AR Per William		28,326.00	[Wm]

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Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
			to rec AR Per William				[Wm]
AJE24	Adjusting	06/30/12					
		205912-549930	Transfer to Bertie HS	Transfer from (20) to (51) per wil	300,000.00		[Wm]
		200000-110100	CASH ON DEPOSIT IN C/D	Transfer from (20) to (51) per wil		300,000.00	[Wm]
		510070-498105	TRANSFERS FROM SCHOOL	Transfer from (20) to (51) per wil		300,000.00	[Wm]
		510000-110100	CASH ON DEPOSIT IN C/D	Transfer from (20) to (51) per wil	300,000.00		[Wm]
			Transfer from (20) to (51) per william				[Wm]
AJE25	Adjusting	06/30/12					
		610000-212000	ACCRUED INTEREST PAYABL	Adj Accr Int to actual	257.00		[4003.08]
		617111-572001	G.O.BOND INTEREST	Adj Accr Int to actual		257.00	[4003.08]
			Adj Accr Int to actual				[4003.08]
AJE26	Adjusting	06/30/12					
		620000-212000	ACCRUED INTEREST PAYABL	Adj Accr Int to actual	315.00		[4003.09]
		627112-572001	G.O.BOND INTEREST	Adj Accr Int to actual		315.00	[4003.09]
			Adj Accr Int to actual				[4003.09]
AJE27	Adjusting	06/30/12					
		630000-212000	ACCRUED INTEREST PAYABL	Adj Accr Int to actual	257.00		[4003.10]
		637113-572000	G.O.BOND INTEREST	Adj Accr Int to actual		257.00	[4003.10]
			Adj Accr Int to actual				[4003.10]
AJE28	Adjusting	06/30/12					
		640000-212000	ACCRUED INTEREST PAYABL	Adj Accr Int to actual	249.00		[4003.11]
		647114-572000	G.O.BOND INTEREST	Adj Accr Int to actual		249.00	[4003.11]

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Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
			Adj Accr Int to actual				[4003.11]
AJE29	Adjusting	06/30/12					
		100000-125100	ACCOUNTS RECEIVABLE MIS	Wm has already posted	16,553.00		[Wm]
		100000-125100	ACCOUNTS RECEIVABLE MIS	Wm has already posted	86,763.00		[Wm]
		100000-125100	ACCOUNTS RECEIVABLE MIS	Wm has already posted	29,651.00		[Wm]
		100018-423304	1/2 CENT SALES TAX-ART 44	Wm has already posted	100.00		[Wm]
		100018-423100	1 CENT SALES TAX-PT OF CO	Wm has already posted		16,553.00	[Wm]
		100018-423301	1/2 CENT SALES TAX-ART 40	Wm has already posted		86,763.00	[Wm]
		100018-423302	1/2 CENT SALES TAX-ART 42	Wm has already posted		29,651.00	[Wm]
		100000-125100	ACCOUNTS RECEIVABLE MIS	Wm has already posted		100.00	[Wm]
		109800-598049	TRANSFER TO CAP RESERVE	Wm has already posted	8,591.00		[Wm]
		100000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted		8,591.00	[Wm]
		200070-498130	TRANSFER FROM GENERAL F	Wm has already posted		8,591.00	[Wm]
		200000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	8,591.00		[Wm]
		100000-125100	ACCOUNTS RECEIVABLE MIS	Wm has already posted	249.00		[Wm]
		100040-483404	RENT-SOIL CONSERVATION	Wm has already posted		249.00	[Wm]
		100000-125100	ACCOUNTS RECEIVABLE MIS	Wm has already posted	200.00		[Wm]
		100025-434310	CAMA	Wm has already posted		200.00	[Wm]
		100000-125100	ACCOUNTS RECEIVABLE MIS	Wm has already posted	9,356.00		[Wm]
		100030-426001	BEER & WINE LICENSES	Wm has already posted		9,356.00	[Wm]
		205912-549910	TRANSFERS TO GENERAL FUT	Wm has already posted	113.00		[Wm]
		200000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted		113.00	[Wm]
		100070-498105	TRANSFER FROM SCHOOL CA	Wm has already posted		114.00	[Wm]
		100000-110100	CASH ON DEPOSIT IN C/D	Wm has already posted	114.00		[Wm]
			Wm has already posted				[Wm]
AJE30	Adjusting	06/30/12					
		910000-290005	DEPRECIATION - PARKS AND	Remove py numbers		124,482.00	[3202.01]
		910000-290001	DEPRECIATION - GENERAL	Remove py numbers		94,823.00	[3202.01]
		910000-290002	DEPRECIATION - HUMAN SER	Remove py numbers		93,687.00	[3202.01]
		910000-290003	DEPRECIATION - PUBLIC SAFE	Remove py numbers		149,204.00	[3202.01]
		910000-282000	INVESTMENT FIXED ASSETS	Remove py numbers	462,196.00		[3202.01]
			Remove py numbers				[3202.01]

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Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
AJE31	Adjusting	06/30/12					
		640000-179000	CONSTRUCTION IN PROGRESS	Add to CIP	515,519.00		[5402.01]
		640000-396000	RETAINED EARNINGS	Add to CIP		515,519.00	[5402.01]
			Add to CIP				[5402.01]
AJE32	Adjusting	06/30/12					
		610000-125101	ACCOUNTS RECEIVABLE-REV	To reclass	1,053.00		[2404.02]
		610000-260000	DEFERRED REVENUE	To reclass		1,053.00	[2404.02]
		620000-125101	ACCOUNTS RECEIVABLE-REV	To reclass	6,921.00		[2404.02]
		620000-260000	DEFERRED REVENUE	To reclass		6,921.00	[2404.02]
		630000-125101	ACCOUNTS RECEIVABLE-REV	To reclass		4,213.00	[2404.02]
		630000-260000	DEFERRED REVENUES	To reclass	4,213.00		[2404.02]
		640000-125101	ACCOUNTS RECEIVABLE-REV	To reclass		9,732.00	[2404.02]
		640000-260000	DEFERRED REVENUE	To reclass	9,732.00		[2404.02]
			To reclass				[2404.02]
AJE33	Adjusting	06/30/12					
		104190-558000	CAPITAL OUTLAY-BUILDING	Reclass to Repairs		117,660.00	[3203.03]
		104190-535100	MAINTENANCE & REPAIRS BL	Reclass to Repairs	117,660.00		[3203.03]
			Reclass to Repairs				[3203.03]
AJE34	Adjusting	06/30/12					
		210000-211000	ACCOUNTS PAYABLE	Remove PY A/P and record CY	35,994.00		[4106.01]
		214145-519300	PROFESSIONAL SERVICES	Remove PY A/P and record CY		35,994.00	[4106.01]
		210000-211000	ACCOUNTS PAYABLE	Remove PY A/P and record CY		23,966.00	[4106.01]
		214145-519300	PROFESSIONAL SERVICES	Remove PY A/P and record CY	23,966.00		[4106.01]
		100000-211000	ACCOUNTS PAYABLE	Remove PY A/P and record CY		604.00	[4106.01]
		104140-539900	CONTRACTED SERVICES	Remove PY A/P and record CY	204.00		[4106.01]
		104140-539900	CONTRACTED SERVICES	Remove PY A/P and record CY	400.00		[4106.01]
		100000-211000	ACCOUNTS PAYABLE	Remove PY A/P and record CY		8,736.00	[4106.01]
		104310-535200	MAINTENANCE & REPAIRS EC	Remove PY A/P and record CY	8,736.00		[4106.01]
			Remove PY A/P and record CY				[4106.01]

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Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
AJE35	Adjusting	06/30/12					
		640000-271912	OPEB LIABILITY	Adj due to PY aje not made		11,515.00	[5402.01]
		640000-396000	RETAINED EARNINGS	Adj due to PY aje not made	11,515.00		[5402.01]
		630000-271912	OPEB LIABILITY	Adj due to PY aje not made		14,381.00	[5402.01]
		630000-396000	RETAINED EARNINGS	Adj due to PY aje not made	14,381.00		[5402.01]
		620000-271912	OPEB LIABILITY	Adj due to PY aje not made		8,415.00	[5402.01]
		620000-396000	RETAINED EARNINGS	Adj due to PY aje not made	8,415.00		[5402.01]
		610000-271912	OPEB LIABILITY	Adj due to PY aje not made		10,187.00	[5402.01]
		610000-396000	RETAINED EARNINGS	Adj due to PY aje not made	10,187.00		[5402.01]
			Adj due to PY aje not made				[5402.01]
AJE36	Adjusting	06/30/12					
		627112-546000	DEPRECIATION EXPENSE	Record PropFund Depreciation	233,362.00		[3211.01]
		620000-180000	ACCUMULATED DEPRECIATION	Record PropFund Depreciation		233,362.00	[3211.01]
		647114-546000	DEPRECIATION EXPENSE	Record PropFund Depreciation	144,959.00		[3211.01]
		640000-180000	ACCUMULATED DEPRECIATION	Record PropFund Depreciation		144,959.00	[3211.01]
		637113-546000	DEPRECIATION EXPENSE	Record PropFund Depreciation	160,455.00		[3211.01]
		630000-180000	ACCUMULATED DEPRECIATION	Record PropFund Depreciation		160,455.00	[3211.01]
		617111-546000	DEPRECIATION EXPENSE	Record PropFund Depreciation	161,907.00		[3211.01]
		610000-180000	ACCUMULATED DEPRECIATION	Record PropFund Depreciation		161,907.00	[3211.01]
			Record PropFund Depreciation				[3211.01]
AJE37	Adjusting	06/30/12					
		320000-213002	DUE TO GENERAL FUND	Prior year entry not made		204.00	[5402.01]
		320000-392900	FUND BALANCE	Prior year entry not made	204.00		[5402.01]
		100000-125122	DUE FROM LOTTERY FUND	Prior year entry not made	204.00		[5402.01]
		100000-392900	FUND BALANCE	Prior year entry not made		204.00	[5402.01]
			Prior year entry not made				[5402.01]

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Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
AJE38	Adjusting	06/30/12					
		910000-290001	DEPRECIATION - GENERAL	Record GenFund Depreciation	90,300.00		[3202.03]
		910000-290003	DEPRECIATION - PUBLIC SAFI	Record GenFund Depreciation	173,805.00		[3202.03]
		910000-290002	DEPRECIATION - HUMAN SER	Record GenFund Depreciation	107,513.00		[3202.03]
		910000-290005	DEPRECIATION - PARKS AND	Record GenFund Depreciation	125,467.00		[3202.03]
		910000-190001	ACCUMULATED DEPRECIATI	Record GenFund Depreciation		497,085.00	[3202.03]
			Record GenFund Depreciation				[3202.03]
AJE39	Adjusting	06/30/12					
		910000-172000	CAPITAL ASSETS-CIP	Record asset additions	47,650.00		[3203.02]
		910000-175000	FIXED ASSETS-EQUIPMENT	Record asset additions	29,875.00		[3203.02]
		910000-176000	FIXED ASSETS-VEHICLES	Record asset additions	233,517.00		[3203.02]
		910000-282000	INVESTMENT FIXED ASSETS	Record asset additions		311,042.00	[3203.02]
			Record asset additions				[3203.02]
AJE40	Adjusting	06/30/12					
		910000-190001	ACCUMULATED DEPRECIATI	Adj to actual-PY entry not made	60,393.00		[3202.03]
		910000-282000	INVESTMENT FIXED ASSETS	Adj to actual-PY entry not made		60,393.00	[3202.03]
			Adj to actual-PY entry not made				[3202.03]
AJE41	Adjusting	06/30/12					
		610000-271912	OPEB LIABILITY	Adjust for OPEB		4,576.00	[1316.03]
		617111-512100	SALARIES & WAGES - REGUL/	Adjust for OPEB	4,576.00		[1316.03]
		620000-271912	OPEB LIABILITY	Adjust for OPEB		5,698.00	[1316.03]
		627112-512100	SALARIES & WAGES - REGUL/	Adjust for OPEB	5,698.00		[1316.03]
		630000-271912	OPEB LIABILITY	Adjust for OPEB		6,859.00	[1316.03]
		637113-512100	SALARIES & WAGES - REGUL/	Adjust for OPEB	6,859.00		[1316.03]
		640000-271912	OPEB LIABILITY	Adjust for OPEB		5,715.00	[1316.03]
		647114-512100	SALARIES & WAGES - REGUL/	Adjust for OPEB	5,715.00		[1316.03]
			Adjust for OPEB				[1316.03]

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Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
AJE42	Adjusting	06/30/12					
		500000-110101	CHECKING-SOUTHERN BANK	Adjust Fund Balance	1.00		[5401.01]
		500000-392900	FUND BALANCE	Adjust Fund Balance		1.00	[5401.01]
			Adjust Fund Balance				[5401.01]
AJE43	Adjusting	06/30/12					
		100000-392900	FUND BALANCE	Adjust fund balance to actual	1,818.00		[5401.01]
		100050-483901	MISC REVENUES & REFUNDS	Adjust fund balance to actual		1,818.00	[5401.01]
			Adjust fund balance to actual				[5401.01]
AJE44	Adjusting	06/30/12					
		610000-396000	RETAINED EARNINGS	Adjust fund balance to actual		1.00	[5401.01]
		617111-537000	ADVERTISING	Adjust fund balance to actual	1.00		[5401.01]
		620000-396000	RETAINED EARNINGS	Adjust fund balance to actual	1.00		[5401.01]
		627112-532000	TELEPHONE & POSTAGE	Adjust fund balance to actual		1.00	[5401.01]
		630000-396000	RETAINED EARNINGS	Adjust fund balance to actual	54.00		[5401.01]
		637113-525000	VEH SUPPLIES-GAS/OIL/TIRE	Adjust fund balance to actual		54.00	[5401.01]
		640000-396000	RETAINED EARNINGS	Adjust fund balance to actual		1.00	[5401.01]
		647114-532000	TELEPHONE & POSTAGE	Adjust fund balance to actual	1.00		[5401.01]
			Adjust fund balance to actual				[5401.01]
AJE45	Adjusting	06/30/12					
		334941-539922	RURAL CENTER ADMIN FEE	Reclass per William		14,165.00	[Wm]
		334941-539914	CONSTRUCTION MANAGEME	Reclass per William	14,165.00		[Wm]
			Reclass per William				[Wm]

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Reference	Type	Date Account Number	Description	Detailed Description	Debit	Credit	Workpaper
AJE46	Adjusting	06/30/12					
		100000-125123	DUE FROM EMERG TELE FUNI	Per Wm-to reconcile to PSAP	51,095.00		[1319.01]
		100050-483901	MISC REVENUES & REFUNDS	Per Wm-to reconcile to PSAP		51,095.00	[1319.01]
		170000-244001	DUE TO GENERAL FUND	Per Wm-to reconcile to PSAP		51,095.00	[1319.01]
		174327-532001	IMPLEMENTAL FUNCTIONS	Per Wm-to reconcile to PSAP	51,095.00		[1319.01]
			Per Wm-to reconcile to PSAP				[1319.01]
		TOTAL			<u>5,295,863.00</u>	<u>5,295,863.00</u>	