

MID-EAST COMMISSION
Washington, North Carolina
Financial Statements
For the Year Ended June 30, 2009

Mid-East Commission
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June 30, 2009

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Financial Section



CERTIFIED PUBLIC ACCOUNTANTS
4024 Oleander Drive Suite 2
Wilmington, North Carolina 28403
Telephone (910) 799-4872 Fax (910) 395-4872

Independent Auditor's Report

To the Board of Directors
Mid-East Commission
Washington, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of the Mid-East Commission, as of and for the year ended June 30, 2009, which collectively comprises the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Mid-East Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mid-East Commission as of June 30, 2009, and the respective changes in financial position and cash flows, where appropriate, 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 December 31, 2009 on our consideration of Mid-East Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of the report is to describe the scope of our testing of internal control over financial and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Mid-East Commission. The combining and individual fund statements and schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
December 31, 2009

Management's Discussion and Analysis

As management of Mid-East Commission, we offer readers of Mid East Commission financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2009. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Commission's financial statements, which follow this narrative.

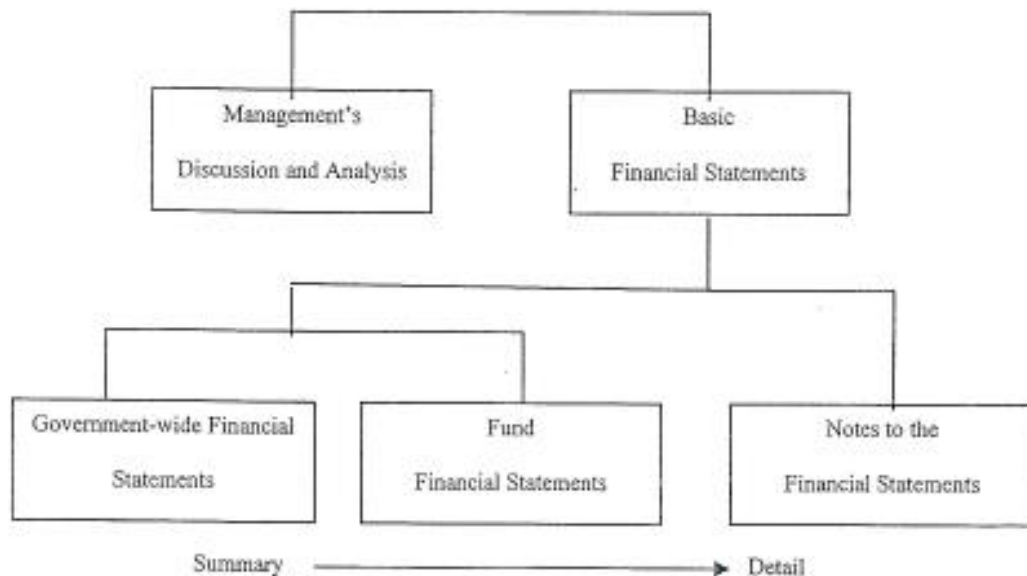
Financial Highlights

- The assets of Mid-East Commission exceeded its liabilities at the close of the fiscal year by \$593,081 (*net assets*).
- The government's total net assets decreased over the prior year by \$25,354.
- At the close of the current fiscal year, Mid-East Commission's governmental funds reported combined ending fund balances of \$ 666,642, a increase of \$286,683 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the General Fund was \$ 268,391. This is an increase of \$ 90,662 from the prior year.
- Mid-East Commission's total debt excluding compensated absences consists of the \$258,290 in the Intermediary Relending Program and the \$1,637,228 in the Mid-East Development Corporation.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Mid-East Commission's basic financial statements. The Commission'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 Commission 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 Mid-East Commission.

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 Commission's financial status.

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Commission's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary 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 Commission's activities. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Commission'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 Commission's financial status as a whole.

The two government-wide statements report the Commission's net assets and how they have changed. Net assets are the difference between the Commission's total assets and total liabilities. Measuring net assets is one way to gauge the Commission's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities present the activities, which include most of the Commission's basic services such as public safety, economic and physical development, human services, workforce development, and general government. State and federal grants funds finance most of the activities. The business-type activities are those Commission charges customers to provide. The primary purpose of these activities is to facilitate affordable housing for the populations of the counties in Region Q.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Commission'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. Mid-East Commission, 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 Commission's budget ordinance. All of the funds of Mid-East Commission are governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Commission'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*, which provides a short term spending focus. This method also has 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 Commission'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.

Mid-East Commission 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 Commission, the management of the Commission, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Commission to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Commission complied with the budget ordinance and whether or not the Commission 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 – The Commission has one kind of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Commission uses enterprise funds to account for the activities of blended component unit, the Mid-East Development Corporation, Inc.

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 pages of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information concerning Mid-East Commission's activities. This information can be found in Schedules A-D.

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 Mid-East Commission exceeded liabilities by \$593,081 as of June 30, 2009. As of June 30, 2008, the net assets of Mid-East Commission stood at \$618,435. The Commission's net assets decreased by \$25,354. Mid-East Commission uses the Governmental Activities capital assets of \$25,301 to provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of \$739,627 for Governmental activities is unrestricted. In 2008, the amount of net assets invested in capital assets net of related debt was \$15,872 for Governmental activities, and the remaining \$753,968 was unrestricted net assets for that year.

- Careful management of expenses of the Commission's financial operations positively influenced resources to support indirect expenses.

Mid-East Commission's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Current and other assets	\$ 1,935,917	\$ 1,589,303	\$ 225,627	\$ 244,081	\$ 2,161,544	\$ 1,833,384
Capital assets	15,872	25,301	1,322,691	1,274,638	1,338,563	1,299,939
Total assets	1,951,789	1,614,604	1,548,318	1,518,719	3,500,107	3,133,323
Long-term liabilities outstanding	372,875	258,290	1,649,373	1,638,118	2,022,248	1,896,408
Other liabilities	809,074	591,386	50,350	52,448	859,424	643,834
Total liabilities	1,181,949	849,676	1,699,723	1,690,566	2,881,672	2,540,242
Net assets:						
Invested in capital assets, net of related debt	15,872	25,301	(326,682)	(380,839)	(310,810)	(355,538)
Restricted	-	-	-	-	-	-
Unrestricted	753,968	739,627	175,277	208,992	929,245	948,619
Total net assets	\$ 769,840	\$ 764,928	\$ (151,405)	\$ (171,847)	\$ 618,435	\$ 593,081

Mid-East Commission Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 70,884	\$ 124,855	\$ 70,884	\$ 124,855
Operating grants and contribution	8,632,824	8,839,906	235,409	194,362	8,868,233	9,034,268
General revenues:						
Grants and contributions not restricted to specific programs	93,520	134,628	1,959	24,808	95,479	159,436
Investment earnings, unrestricted	51,705	37,547		252	51,705	37,799
Total revenues	8,778,049	9,012,081	308,252	344,277	9,086,301	9,356,358
Expenses:						
Economic & Physical Dev.	5,418,534	5,604,488	-	-	5,418,534	5,604,488
Human Services	2,784,114	2,827,459	-	-	2,784,114	2,827,459
Indirect costs	512,670	585,046	-	-	512,670	585,046
Business Type Activities			346,307	364,719	346,307	364,719
Total Expenses	8,715,318	9,016,993	346,307	364,719	9,061,625	9,381,712
Increase (decrease in net assets before transfers)	62,731	(4,912)	(38,055)	(20,442)	24,676	(25,354)
Transfers	-	-	-	-	-	-
Increase (decrease) in net assets	62,731	(4,912)	(38,055)	(20,442)	24,676	(25,354)
Net assets July 1 (restated)	707,109	769,840	(113,350)	(151,405)	593,759	618,435
Net assets June 30	\$ 769,840	\$ 764,928	\$ (151,405)	\$ (171,847)	\$ 618,435	\$ 593,081

Governmental activities: Governmental activities depreciation decreased the Commission's net assets by \$6,460.

Business-type activities: Business-type activities depreciation decreased the Commission's net assets by \$ 48,053.

Financial Analysis of the Commission's Funds

As noted earlier, Mid-East Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of Mid-East Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Mid-East Commission's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General fund is the chief operating fund of Mid-East Commission. At the end of the current fiscal year, the fund balance of the General Fund was \$268,391.

General Fund Budgetary Highlights: During the fiscal year, the Commission 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.

Capital Asset and Debt Administration

Capital assets: Mid-East Commission's capital assets for its governmental and business-type activities as of June 30, 2009, totals \$25,301 (net of accumulated depreciation) and \$1,274,638 (net of accumulated depreciation) respectively. These assets are primarily equipment for the governmental activities, and buildings and land for the business-type activities.

**Mid-East Commission's Capital Assets
(net of depreciation)**

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ -	\$ -	\$ 98,750	\$ 98,750	\$ 98,750	\$ 98,750
Buildings	-	-	1,175,366	1,223,062	\$ 1,175,366	\$ 1,223,062
Equipment	25,301	15,872	522	879	\$ 25,823	\$ 16,751
Total	\$ 25,301	\$ 15,872	\$ 1,274,638	\$ 1,322,691	\$ 1,299,939	\$ 1,338,563

Additional information on the Commission's capital assets can be found in the notes to the financial statements.

Long-term Debt. As of June 30, 2009, the Mid-East Commission's notes payable totaled \$258,290 for the Intermediary Relending Program and \$1,637,228 for the Mid-East Development Corporation.

**Mid-East Commission's Outstanding Debt
Compensated Absences and Installment Purchases**

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Compensated absences	\$ 107,499	\$ 107,499	\$ -	\$ -	\$ 107,499	\$ 107,499
Installment purchases	\$ 258,290	\$ 265,376	\$ 1,637,228	\$ 1,649,373	\$ 1,895,518	\$ 1,914,749
Total	\$ 365,789	\$ 372,875	\$ 1,637,228	\$ 1,649,373	\$ 2,003,017	\$ 2,022,248

Additional information regarding the Commission's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Mid-East Commission, Region Q, continues to experience high unemployment. However, federal funding for the Work Force Investment Act during the last several fiscal years was reduced. We anticipate this reduction to continue. This reductions have affected the Commission's funding level and staffing patterns. We anticipate the increase in program activity and funding for the Title V Program to continue.

Requests for Information

This report is designed to provide an overview of the Commission'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 Finance Officer, Mid-East Commission, 1385 John Small Avenue, Washington, NC 27889.

Basic Financial Statements

Mid-East Commission
Statement of Net Assets
June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 964,237	\$ 136,023	\$ 1,100,260
Security deposits	-	15,044	15,044
Escrow	-	9,249	9,249
Reserve	-	62,905	62,905
Grants receivable	-	19,352	19,352
Accounts receivable	622,727	-	622,727
Prepays	2,339	1,508	3,847
Total Current Assets	<u>1,589,303</u>	<u>244,081</u>	<u>1,833,384</u>
Capital assets:			
Land, improvements, and construction in progress	-	98,750	98,750
Other capital assets, net of depreciation	25,301	1,175,888	1,201,189
Total capital assets	<u>25,301</u>	<u>1,274,638</u>	<u>1,299,939</u>
Total assets	<u>\$ 1,614,604</u>	<u>\$ 1,518,719</u>	<u>\$ 3,133,323</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 591,386	\$ 37,456	\$ 628,842
Security deposits	-	14,992	14,992
Long-term liabilities:			
Due within one year	10,181	21,539	31,720
Due in more than one year	248,109	1,616,579	1,864,688
Total liabilities	<u>849,676</u>	<u>1,690,566</u>	<u>2,540,242</u>
NET ASSETS			
Invested in capital assets, net of related debt	25,301	(380,839)	(355,538)
Unrestricted (deficit)	739,627	208,992	948,619
Total net assets	<u>\$ 764,928</u>	<u>\$ (171,847)</u>	<u>\$ 593,081</u>

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

MID-EAST COMMISSION
Statement of Activities
For the Year Ended June 30, 2009

Functional/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
Economic and physical development	\$ 5,682,124	\$ -	\$ 5,974,723	\$ -	\$ 372,599	-	\$ 372,599
Human services	2,846,985	-	2,872,970	-	31,985	-	31,985
Indirect costs	581,671	-	-	-	(581,671)	-	(581,671)
Total governmental activities	\$ 9,034,780	\$ -	\$ 8,847,693	\$ -	\$ (177,087)	-	\$ (177,087)
Business-type activities:							
Mid-East Development Corporation	364,719	124,855	194,362	24,808	-	(20,694)	(20,694)
Total business-type activities	364,719	124,855	194,362	24,808	-	(20,694)	(20,694)
Total primary government	\$ 9,399,499	\$ 124,855	\$ 9,042,055	\$ 24,808	\$ (177,087)	\$ (20,694)	\$ (197,781)
General revenues:							
Grants and contributions not restricted to specific programs					134,628	-	134,628
Unrestricted investment earnings					37,547	232	37,799
Total general revenues					172,175	232	172,427
Change in net assets					(6,913)	(20,442)	(25,356)
Net assets, beginning					766,840	(151,405)	615,435
Net assets, ending					\$ 764,928	\$ (171,847)	\$ 593,081

MID-EAST COMMISSION
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds		Total Governmental
	General Fund	Special Revenue	Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 964,237	\$ 964,237
Grants receivable	-	272,720	272,720
Accounts receivable	16,174	-	16,174
Other receivables	-	6,112	6,112
Loans receivable	-	327,721	327,721
Prepays	-	2,339	2,339
Due from other funds	307,640	(307,640)	-
Total assets	<u>323,814</u>	<u>1,265,489</u>	<u>1,589,303</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	55,423	535,963	591,386
Deferred revenues	-	331,275	331,275
Total liabilities	<u>55,423</u>	<u>867,238</u>	<u>922,661</u>
Fund balances:			
Reserved by State statute	323,814	277,617	601,431
Unreserved	(55,423)	120,634	65,211
Total fund balances	<u>268,391</u>	<u>398,251</u>	<u>666,642</u>
Total liabilities and fund balances	\$ 323,814	\$ 1,265,489	

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:	25,301
Liabilities for earned but deferred revenues in fund statements	331,275
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds	(258,290)
Total net assets of governmental activities	\$ <u>764,928</u>

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

MID-EAST COMMISSION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	Major Funds		
	General	Special Revenue	Total
REVENUES			
Federal awards	\$ -	\$ 6,669,411	\$ 6,669,411
State awards	-	1,575,052	1,575,052
Local in kind match	-	475,750	475,750
Other local revenue	159,060	225,409	384,469
Program income	-	188,113	188,113
Interest income	5,730	31,817	37,547
Total revenues	164,790	9,165,552	9,330,342
EXPENDITURES			
Economic and physical development	16,358	6,044,125	6,060,483
Human services	-	2,983,176	2,983,176
Total expenditures	16,358	9,027,301	9,043,659
Revenues over (under) expenditures	148,432	138,251	286,683
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	40,507	(40,507)	-
Transfer of local matching funds	(98,277)	98,277	-
Total other financing sources (uses)	(57,770)	57,770	-
Net change in fund balance	90,662	196,021	286,683
Fund balances, beginning	177,729	202,230	379,959
Fund balances, ending	\$ 268,391	\$ 398,251	\$ 666,642

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

MID-EAST COMMISSION
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2009

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

Net changes in fund balances - total governmental funds	\$	286,683
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		9,429
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
June 30, 2008		(639,385)
June 30, 2009		331,275
Change in deferred revenues		(308,110)
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		7,086
Total changes in net assets of governmental activities	\$	<u>(4,912)</u>

MID-EAST COMMISSION
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other local revenue	\$ 106,124	\$ 106,124	\$ 159,060	\$ 52,936
Interest Income	5,730	5,730	5,730	-
Total Revenues	<u>111,854</u>	<u>111,854</u>	<u>164,790</u>	<u>52,936</u>
Expenditures:				
General Government	107,020	107,020	16,358	90,662
Total Expenditures	<u>107,020</u>	<u>107,020</u>	<u>16,358</u>	<u>90,662</u>
Revenues Over (Under) Expenditures	<u>4,834</u>	<u>4,834</u>	<u>148,432</u>	<u>143,598</u>
Other Financing Sources (Uses):				
Transfers (to) from other funds	98,220	98,220	40,507	(57,713)
Transfer of local matching funds	(103,054)	(103,054)	(98,277)	4,777
Total Other Financing Sources (Uses)	<u>(4,834)</u>	<u>(4,834)</u>	<u>(57,770)</u>	<u>(52,936)</u>
Net Change in fund Balance	\$ <u>-</u>	\$ <u>-</u>	90,662	\$ <u>90,662</u>
Fund Balances, Beginning of Year			177,729	
Fund Balances, End of Year			<u>\$ 268,391</u>	

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

MID-EAST COMMISSION
Statement of Net Assets
Proprietary Fund
June 30, 2009

		<u>Major Enterprise Fund</u> <u>Mid-East Development</u> <u>Corporation</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	136,023
Security deposits		15,044
Escrow		9,249
Reserve		62,905
Accounts receivable		19,352
Prepaid expenses		1,508
Total current assets		<u>244,081</u>
Capital assets:		
Land		98,750
Other capital assets, net of depreciation		1,175,888
Total capital assets		<u>1,274,638</u>
Total Assets		<u>1,518,719</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities		37,456
Security deposits		14,992
Notes payable - current		21,539
Total current liabilities		<u>73,987</u>
Noncurrent liabilities:		
Notes payable - noncurrent		1,616,579
Total noncurrent liabilities		<u>1,616,579</u>
Total liabilities		<u>1,690,566</u>
NET ASSETS		
Invested in Capital Assets, net of related debt		(380,839)
Unrestricted		208,992
Total Net Assets	\$	<u>(171,847)</u>

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

MID-EAST COMMISSION
Statement of Revenues, Expenditures, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended June 30, 2009

	<u>Major Enterprise Fund</u> <u>Mid-East Development</u> <u>Corporation</u>
OPERATING REVENUES:	
Rental income	\$ 78,079
Operation and management	14,487
Other revenue	<u>32,289</u>
Total operating revenues	<u>124,855</u>
OPERATING EXPENDITURES	
Management related	23,115
Operation of program services	198,756
Contractual services	40,762
Depreciation	<u>48,053</u>
Total operating expenditures	<u>310,686</u>
Operating income (loss)	<u>(185,831)</u>
NON-OPERATING REVENUES (EXPENSES):	
Rental assistance - RECD	122,241
Interest subsidies - RECD	72,121
Interest income	252
Contributions and local support	-
Interest expense	<u>(54,033)</u>
Total nonoperating revenues (expenses)	<u>140,581</u>
Income (loss) before capital contributions	(45,250)
Capital contributions	<u>24,808</u>
Change in net assets	<u>(20,442)</u>
Total net assets, beginning	<u>(151,405)</u>
Total net assets, ending	<u>\$ (171,847)</u>

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

MID-EAST COMMISSION
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2009

	<u>Major Enterprise Fund</u> <u>Mid-East</u> <u>Development</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from renters	\$ 78,079
Other cash received	46,776
Cash paid for goods and services	(223,488)
Cash paid to employees for services	(45,882)
Net cash provided (used) by operating activities	<u>(144,515)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Rental assistance and interest subsidies	194,362
Contributions and local support	-
Net cash provided (used) by non-capital financing activities	<u>194,362</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Contributions	\$ 24,808
Principal paid on long-term debt	(11,255)
Interest paid on long-term debt	(54,033)
Net cash provided (used) by capital and related financing activities	<u>(40,480)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	252
Net cash provided (used) by investing activities	<u>252</u>
Net increase (decrease) in cash and cash equivalents	<u>9,619</u>
Cash and cash equivalents, beginning	<u>213,602</u>
Cash and cash equivalents, ending	<u>\$ 223,221</u>

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

MID-EAST COMMISSION
 Reconciliation of the Statement of Cash Flows of Proprietary Fund
 For the Year Ended June 30, 2009

Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$	(185,831)
Adjustments to reconcile excess of revenues over (under) expenses to net cash used by operating activities		
Depreciation		48,053
Changes in current assets and current liabilities		
(Increase) decrease in accounts receivable		(9,223)
(Increase) decrease in prepaid expenses		388
Increase (decrease) in accounts payable		1,837
Increase (decrease) in security deposits		261
Total adjustments		<u>41,316</u>
Net cash provided (used) by operating activities	\$	<u>(144,515)</u>

Supplemental disclosure of cash flow information:

Rental assistance from the Rural Economic and Community Development Service was applied to cover note principal of \$122,241. Interest subsidies in the amount of \$72,121 were applied to the corporation's debt.

Notes to the Financial Statements

MID-EAST COMMISSION
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 1. Summary of Significant Accounting Policies

The accounting policies of Mid-East Commission conform to generally accepted accounting principles as applicable to Councils of Government. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Mid-East Commission, a Council of Government for Region Q, was established to coordinate various funding received from Federal and State agencies. Currently, there are 5 county governments and 40 municipal governments participating as members in the Mid-East Commission. As required by generally accepted accounting principles, these financial statements present the Commission and its component unit, a legally-separate entity for which the Commission is financially accountable. The blended component unit, although it is a legally separate entity, is, in substance, part of the Commission's operations.

Blended Component Unit

Mid-East Development Corporation

The Mid-East Development Corporation, a non-profit corporation, was formed in February 1990, for the primary purpose of facilitating affordable housing for the populations of the Counties in Region Q. The by-laws signed on March 15, 1990, state that the Board of Directors shall consist of the chairman of the Mid-East Commission Board, the five county commissioner representatives and five of the municipal representatives, no two of whom shall be from the same county, as elected from the Mid-East Commission Board. On February 28, 1991, Mid-East Commission entered into a contract with Mid-East Development Corporation by which Mid-East Commission will provide administrative services for the Corporation. Therefore, the Corporation is reported as an enterprise fund in the Commission's financial statements.

Mid-East Development Corporation did not issue separate financial statements for the year ended June 30, 2009.

B. Basis of Presentation – Fund Accounting

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the Commission. Governmental activities generally are financed through 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 Commission and for each function of the Commission'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 operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Commission's funds. Separate statements for each fund category - *governmental and proprietary* - 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 non-major 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. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions. Other non-operating items, such as investment earnings, are ancillary activities.

The Commission reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Commission. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue source is membership dues of the participating local governmental units.

Special Revenue Funds – The Special Revenue Fund accounts for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Commission reports all Special Revenue Funds within Aging, Workforce Development Region Q, Economic Development, Mid-East Revolving Loan Fund, Mid-East IRP Fund, Planning, CDBG, Boys and Girls Club, State Technical Assistance, Hispanic ESL Program, ARRA, Roanoke-Chowan DTF and the Scholarship Program.

The Commission reports the following major enterprise fund:

Mid-East Development Corporation - This fund is used to account for the Commission's facilitation of affordable housing in Region Q.

C. Measurement Focus and Basis of Accounting

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

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary 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 Commission gives (or receives) value without directly receiving (or giving) equal value in

exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Commission enterprise fund are charges to customers for rent. Operating expenses for enterprise funds include the cost of rentals, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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, and claims and judgments, 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 Commission considers all revenues available if they are collected within 90 days after yearend. 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 Commission 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 Commission'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 of the Commission 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.

D. Budgetary Data

The Commission's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general fund. Project ordinances are adopted for the special revenue fund. All annual appropriations lapse at fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Some special revenue fund projects are budgeted on the period of the corresponding grant, which does not follow the same fiscal year as the Commission. Expenditures may not legally exceed appropriations at the functional level for the general fund and at the departmental level for the special revenue fund. The Budget Officer is authorized by the budget

ordinance to transfer appropriations within a fund; however, any revisions that alter total expenditures of any fund must be approved by the governing board. 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.

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the Commission and Mid-East Development Corporation are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Commission and Mid-East Development Corporation may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Commission and Mid-East Development Corporation 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 Commission and Mid-East Development Corporation 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 securities of the NCCMT Cash Portfolio, an SEC-registered (2a7) money market mutual fund are valued at fair value, which is the NCMMT's share price.

2. Cash and Cash Equivalents

Mid-East Commission pools money 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. Mid-East Development Corporation 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. In accordance with Rural Economic & Community Development (RECD) service regulations, the Corporation maintains all RECD project funds separate and distinct from other projects, and tenant security deposits are maintained in an account separate from other project funds.

3. Allowance 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. Mid-East Commission did not have an allowance for doubtful accounts for the current year.

4. Prepaid Items

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 and expensed as the items are used.

5. 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. Donated assets are listed at the market value at the date of donation. Certain items acquired before July 1, 1970 are recorded at an estimated original cost. The total of such estimates is not considered large enough that errors would be material when the fixed assets are considered as a whole. 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.

Capital assets are depreciated over their estimated useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	40 years
Furniture/Equipment	6-10 years

6. Long-Term Obligations

In the government-wide financial statements, and 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 any debt issued is reported as a other financing source.

7. Compensated Absences

The vacation policies of the Commission and Mid-East Development Corporation provide for the accumulation of up to thirty (30) days of earned vacation leave with such leave being fully vested when earned. The Commission adopted a policy of recognizing an expenditure for the current portion of the accumulated vacation pay. The corresponding liability is being reported in the Commission's special revenue fund. For the Commission's proprietary fund, Mid-East Development Corporation, an expense and a liability for compensated absences and the salary-related payments are recorded within the fund as the leave is earned.

The sick leave policies of the Commission and Mid-East Development Corporation 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 entity has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

8. Net Assets/Fund Balances

Net Assets – Net assets in government-wide and proprietary 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 externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances – In the governmental fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved

Reserved by State statute - portion of fund balance, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

Unreserved

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

F. Revenues, Expenditures and Expenses

1. Cost Allocation Plan

Mid-East Commission institutes an annual cost allocation plan, based on estimates of the current year, in which indirect costs are pro-rated to the various grants based on an indirect rate that is determined in accordance with federal guidelines. The indirect costs shown in this report for the various grants have been adjusted to the actual amount of indirect expenditures for the year ended June 30, 2009. The rates, estimated and actual, that were used to allocate indirect costs and fringe benefits are as follows:

	<u>Estimated</u>	<u>Actual</u>
Indirect cost rate	42.999%	33.92%
Fringe benefit rate	52.977%	53.649%

2. Other Resources

The general fund provides the basis of local resources for the special revenue funds. These transactions are recorded as "Transfers to other funds" or "Transfer of local matching funds" in the General Fund and "Transfers from General Fund" or "Transfer of local matching funds" in the receiving fund.

3. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the

reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

G. Tax Exempt Status

Mid-East Development Corporation is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code.

NOTE 2. Detail Notes on All Funds.

A. Assets

1. Deposits

All the deposits of the Commission and the Development Corporation are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Commission's and the Development Corporation's agents in these unit's 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 Commission and Development Corporation, 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 Commission or the Development Corporation, or with the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Commission or the Development Corporation under the Pooling Method, the potential exists for under-collateralization, 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 Commission has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Commission complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Development Corporation has no formal policy regarding custodial credit risk for deposits.

At June 30, 2009, the Commission's deposits had a carrying amount of \$890,951 and a bank balance of \$961,680. Of the bank balance, \$376,933 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

At June 30, 2009, the Commission had \$209,309 invested with the North Carolina Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Commission has no policy regarding credit risk.

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

The Mid-East Development Corporation had no investments at June 30, 2009.

3. Receivables

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

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Loans Receivable	Total
Governmental Activities					
General	\$ 16,174	\$ -	\$ -	\$ -	\$ 16,174
Other Governmental	-	6,112	272,720	327,721	606,553
Total receivables	<u>\$ 16,174</u>	<u>\$ 6,112</u>	<u>\$ 272,720</u>	<u>\$ 327,721</u>	<u>\$ 622,727</u>
Business-type Activities:					
Mid-East Development Corp	<u>\$ 19,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,352</u>

4. Capital Assets

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

	Beginning Balances 7/1/2008	Increases	Decreases	Ending Balances 6/30/2009
Governmental activities:				
Capital assets being depreciated				
Equipment	\$ 80,315	15,889	-	\$ 96,204
Less accumulated depreciation for Equipment	64,443	6,460	-	70,903
Governmental activity capital assets, net	<u>\$ 15,872</u>			<u>\$ 25,301</u>

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

General government	\$ 4,660
Environmental Protection	<u>\$ 1,800</u>
Total	<u>\$ 6,460</u>

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

	Beginning Balances 7/1/2008	Increases	Decreases	Ending Balances 6/30/2009
Business-type activities				
Mid-East Development Corporation				
Capital assets not being depreciated				
Land	\$ 98,750	-	-	98,750
Capital assets being depreciated				
Buildings	1,765,342	-	-	1,765,342
Furniture, fixtures, and equipment	40,216	-	-	40,216
Total capital assets being depreciated	1,805,558	-	-	1,805,558
Less accumulated depreciation for				
Buildings	542,280	47,696	-	589,976
Furniture, fixtures, and equipment	39,337	357	-	39,694
Total accumulated depreciation	581,617	48,053	-	629,670
Total capital assets being depreciated, net	1,223,941			1,175,888
Business-type activities capital assets, net	\$ 1,322,691			1,274,638

5. Loans Receivable

The Revolving Loan Fund, established by Mid-East Commission with Economic Development Administration grant funds, provides loans to eligible small businesses to boost economic development in the area. At June 30, 2009 loans receivable amounted to \$327,721 and consisted of several separate loans varying in amounts from \$3,780 to \$148,568 with varying repayment schedules. One loan is in default in the amount of \$49,922. The balance in cash and investments totaled \$209,309 and the administrative expenses totaled \$11,952.

The Intermediary Re-lending Program Fund, established by the Mid-East Commission with the U.S. Department of Agriculture - Rural Development loan funds, provides loans to eligible small businesses to boost economic development in the area. At June 30, 2009 loans receivable amounted to \$0-.

B. Liabilities

1. Payables

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

	Vendors	Other	Total
Governmental Activities			
Other Governmental	\$ 591,386	\$ -	\$ 591,386
Business-type Activities			
Mid East Development Corporation	\$ 37,456	\$ 14,992	\$ 52,448

2. Pension Plan and Post Employment Obligations

a. Local Government Employee's Retirement System

Plan Description. The Mid-East Commission contributes 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 Commission is required to contribute at an actuarially determined rate. For the Commission, the current rate for employees not engaged in law enforcement as a percentage of annual covered payroll was 4.94%. The contribution requirements of members and of the Mid-East Commission are established by and may be amended by the North Carolina General Assembly. The Council's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$57,202, \$33,717, and \$36,766, respectively. The contributions made by the Council equaled the required contributions for each year.

b. Deferred Compensation Plan

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all Commission employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

c. Other Postemployment Benefit

According to board resolution, Mid-East Commission provides healthcare benefits to retirees of the Commission who worked at least 1,000 hours per year, and have at least twenty (20) years of creditable service with the Commission at age 60, or who retire in any category of unreduced service retirement benefit under Local Governmental Employees Retirement System. The Commission provides full coverage for full-time employees and pro rata coverage for part-time employees in accordance with the following schedule: 20 years creditable service - 60%; 25 years creditable service - 80%; and 30 years creditable service - 100%. Currently, one retiree is eligible for post-retirement health benefits. The Commission participates in the Municipal Insurance Trust (MIT) of North Carolina. MIT is a self-funded health benefits insurance pool sponsored by the North Carolina League of Municipalities for its members.

3. Operating Lease Commitments

The Commission conducts its operations in leased facilities under a non-cancelable operating lease, which expires in 2011. The Commission also has operating leases for copiers and a telephone system, which expire through 2013.

The minimum rental commitments with initial or remaining terms in excess of one year under operating leases are as follows:

Year Ending	
6/30	Payment
2010	\$ 186,453
2011	155,526
2012	23,676
2013	23,676
2014	17,748
	<u>\$ 407,079</u>

4. Long-Term Obligations

a. Loans Payable

In July 2003, the Commission entered into a loan agreement with the U.S. Department of Agriculture - Rural Development for the purpose of providing loans to small businesses to boost economic development. On April 29, 2003, the loan was funded in the amount of \$300,000 at an annual interest rate of 1%. Annual payments of principal and interest are due through August 2032.

Aggregate maturities of long-term debt for the next five fiscal years and thereafter are as follows:

Year Ending				
6/30	Payment	Principal	Interest	Expense
2010	\$ 12,735	\$ 10,181	\$ 2,554	
2011	12,735	10,281	2,454	
2012	12,735	10,383	2,352	
2013	12,735	10,486	2,249	
2014	12,735	10,590	2,145	
2014-2018	63,675	54,543	9,132	
2019-2023	63,975	57,597	6,378	
2024-2028	63,675	60,191	3,484	
2029-2032	34,679	34,038	641	
	<u>\$ 289,679</u>	<u>\$ 258,290</u>	<u>\$ 31,389</u>	

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

b. Mid-East Development Corporation Debt

Long-term debt consists of the following at year-end.

3% restricted construction loan with North Carolina Housing Finance Agency, to be written off over a period of 5 years, beginning 2007, after a 14 year compliance period, secured by a deed of trust.	\$ 28,118
0% restricted construction loan with North Carolina Housing Finance Agency, secured by a real estate deed of trust, due in monthly installments of \$322.	86,870
7.25% note payable to Rural Economic and Community Development, secured by real estate deed of trust, due in monthly installments of \$496 including interest, maturing in June 2043 (RECD provides interest subsidies of 6.25%)	219,808
6.25% note payable to USDA Rural Housing Service, secured by real estate, due in monthly installments of \$1,377 including interest, maturing in 2051 (RHS provides interest subsidies of 4.6%)	244,382
6.875% note payable to USDA Rural Housing Service, secured by real estate, due in monthly installments of \$148 including interest, maturing in 2015 (RHS provides interest subsidies of 4.6%)	24,342
6.5% note payable to Rural Economic and Community Development, secured by real estate deed of trust, due in monthly installments of \$2,412 including interest, maturing in February 2044 (RECD provides interest subsidies of 5.5%)	1,033,708
	\$ <u>1,637,228</u>

Annual debt service requirements to maturity are as follows:

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Year Ending 6/30	Payment	Total Interest	Interest Subsidy	Interest Expense	Principal
2010	\$ 122,122	\$ 100,583	\$ 70,692	\$ 29,891	\$ 21,539
2011	121,964	99,544	70,692	28,852	22,420
2012	122,795	99,438	70,692	28,746	23,357
2013	123,572	98,503	70,692	27,811	25,069
2014	123,570	97,439	70,692	26,747	26,131
2014-2018	574,066	462,456	360,607	101,849	111,610
2019-2023	575,735	427,863	360,607	67,256	147,872
2024-2028	459,733	261,317	360,607	(99,290)	198,416
2029-2033	564,006	304,854	360,607	(55,753)	259,152
2034-2038	552,413	204,598	340,607	(136,009)	347,815
2039-2043	457,499	105,501	195,180	(89,679)	351,998
2044-2048	97,540	21,532	54,036	(32,504)	76,008
2049-2051	26,813	972	11,722	(10,750)	25,841
	<u>\$ 3,921,828</u>	<u>\$ 2,284,600</u>	<u>\$ 2,397,433</u>	<u>\$ (112,833)</u>	<u>\$ 1,637,228</u>

Note: Interest expense becomes negative in the last years of the mortgage when the interest subsidy is greater than the total interest calculated.

c. Changes in Long-Term Liabilities

	Beginning Balance 7/1/2008	Increases	Decreases	Ending Balance 6/30/2009	Current Portion of Balance
Governmental activities:					
Installment purchase	\$ 265,376	\$ -	\$ (7,086)	\$ 258,290	\$ 10,181
Compensated absences	107,499	-	-	107,499	-
Governmental activity long term liabilities	<u>\$ 372,875</u>	<u>\$ -</u>	<u>\$ (7,086)</u>	<u>\$ 365,789</u>	<u>\$ 10,181</u>
Business-type activities:					
Installment purchase	<u>\$ 1,649,373</u>	<u>\$ -</u>	<u>\$ (11,255)</u>	<u>\$ 1,638,118</u>	<u>\$ 21,539</u>

5. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission participates in two self-funded risk financing pools administered by the Risk Management Agency of the North Carolina Association of County Commissioners. Through these pools, the Commission obtains property coverage equal to replacement cost values of owned

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

property subject to a limit of \$125.5 million for any one occurrence, general and professional liability coverage of \$2 million per occurrence, crime coverage of \$250,000 per occurrence, and worker's compensation coverage up to the statutory limits. The pools are reinsured through a multi-state public entity carrier 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 and crime coverage, and single occurrence losses of \$350,000 for worker's compensation.

Mid-East Commission 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 last three fiscal years.

Mid-East Development Corporation is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The Corporation carries commercial insurance for these 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.

In accordance with G.S. 159-29, the Commission's employees that have access to \$200 or more at any given time of the Commission's funds are performance bonded through a commercial surety bond. The finance director is individually bonded for \$50,000.

6. Deferred Revenues

The balance in deferred revenues at the year-end is composed of the following elements:

	Special Revenue
Revolving Loan Program	\$ 327,721
Other	3,554
	<u>\$ 331,275</u>

C. Interfund Balances and Activity

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for compensated absences, services, and other miscellaneous receivables/payables between funds.

The following schedule reports receivables and payables within the reporting entity at fiscal year-end:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 307,640	
Special Revenue Fund		307,640

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

From the STA Fund to Economic Development	\$ 3,592
To the General Fund from State Technical Assistance Fund	40,507
	<u>\$ 44,099</u>

For operating needs.

NOTE 3. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Commission 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 monies 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 moneys.

Supplementary Statements

The section contains additional statements required by the Local Government Commission
in North Carolina.

MID-EAST COMMISSION
Certifying Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Fund
For the Year Ended June 30, 2009

	Adopted	Worldwide Development Project Q	Business Development	Mid-East Revolving Loan Fund	Planning	COBG	State Technical Assistance	Mid-East RRP Fund	Days and Skills Club	Hempstead CSJ	Scholarship	APRIS	Brooklyn-Chelsea DIT	Total
Revenues:														
Federal awards	\$ 1,480,347	\$ 4,118,684	\$ 88,831	\$ -	\$ -	\$ 41,179	\$ -	\$ -	\$ -	\$ -	\$ 1,831	\$ 518,008	\$ -	\$ 6,669,411
State awards	1,490,773	-	-	-	138,238	-	44,889	-	-	-	-	-	-	1,515,812
Local match	1,819	440,363	-	-	72,048	-	-	-	-	-	-	13,380	-	431,750
Other local revenues	45,182	-	25,787	1,800	193,117	-	-	-	28,224	5,788	-	-	18,280	221,469
Program income	-	-	-	62,189	-	-	-	121,924	-	-	-	-	-	188,113
Interest income	-	-	-	30,885	-	-	-	5,794	-	-	-	-	-	31,679
Total Revenues	1,830,211	4,959,447	88,619	95,271	353,435	41,179	44,889	127,658	28,224	5,788	1,831	531,378	18,280	8,185,551
Expenditures:														
Personnel	226,855	611,816	75,113	-	146,941	34,312	-	-	15,382	-	-	47,843	-	1,173,723
Participant wages and fringe	-	1,281,675	-	-	-	-	-	-	-	-	-	29,375	-	1,429,091
Travel	86,988	131,817	12,190	884	10,392	3,899	-	-	-	-	-	4,815	-	196,393
Contractual services	2,861,896	1,521,413	1,219	6,749	311	2,155	-	212	-	732	-	380,369	-	4,322,398
Capital outlay	8,588	1,809	-	-	-	-	-	-	-	-	-	-	-	10,397
Other direct expenses	123,527	697,169	8,412	4,369	11,893	2,278	-	12,755	6,382	1,360	1,630	41,247	16,735	1,117,644
Indirect costs	142,151	291,688	35,282	-	76,299	11,819	-	-	7,890	-	-	17,418	-	381,677
Total Expenditures	3,983,126	4,398,497	132,344	11,252	265,413	63,719	-	11,817	29,214	1,788	1,831	542,218	35,280	9,617,358
Revenues over (under) expenditures	(1,152,915)	-	(118,815)	(16,981)	-	-	44,892	114,761	-	-	-	-	-	(118,211)
Other Financing Sources (Uses)														
Transfers (in) from Special Projects	-	-	3,393	-	-	-	(3,393)	-	-	-	-	-	-	-
Transfers (in) from general fund	-	-	-	-	-	-	(40,587)	-	-	-	-	-	-	(40,587)
Transfer of local matching funds	62,646	-	31,333	-	-	-	-	-	-	-	-	-	-	93,979
Total other financing sources (uses)	62,646	-	34,726	-	-	-	(44,000)	-	-	-	-	-	-	53,979
Change in fund balance	-	-	-	(16,981)	-	-	-	114,761	-	-	-	-	-	196,001
Fund Balances:														
Beginning of Year, July 1, 2008	-	-	-	11,272	-	-	-	138,638	-	-	-	-	-	307,218
End of Year, June 30, 2009	\$ -	\$ -	\$ -	\$ (16,981)	\$ -	\$ -	\$ -	\$ 253,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 493,219

MID-EAST COMMISSION
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	2009		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Other local revenue	\$ 106,124	\$ 159,060	\$ 52,936
Interest income	5,730	5,730	-
TOTAL REVENUES	<u>111,854</u>	<u>164,790</u>	<u>52,936</u>
EXPENDITURES			
General government	107,020	16,358	90,662
Human services	-	-	-
TOTAL EXPENDITURES	<u>107,020</u>	<u>16,358</u>	<u>90,662</u>
Revenues over (under) expenditures	<u>4,834</u>	<u>148,432</u>	<u>(37,726)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds	98,220	40,307	(57,913)
Transfer out of local matching funds	(103,054)	(98,277)	4,777
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,834)</u>	<u>(57,970)</u>	<u>(52,936)</u>
Change in fund balance	\$ <u>-</u>	\$ 90,662	\$ <u>(90,662)</u>
Fund Balances:			
Beginning of Year, July 1, 2008		<u>177,729</u>	
End of Year, June 30, 2009		\$ <u>268,391</u>	

Mid-East Commission
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MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Aging Programs
For the Year Ended June 30, 2009

	Aging Planning and Administration Title III	Home and Community Care Block Grant	Aging Special Projects	Title III Legal Services	Aging Management Information Services	Title III Elder Abuse	Ombudsman Program	HWIFC
Revenues:								
Federal awards	\$ 130,285	\$ 1,003,322	\$ -	\$ 16,747	\$ -	\$ 5,732	\$ 67,563	\$ -
State awards	12,471	1,194,329	-	1,662	-	328	27,305	10,151
Local match	-	-	-	-	-	-	-	-
Other local revenue	895	31,286	4,348	1,316	2,585	-	-	-
Total Revenues	<u>143,651</u>	<u>2,228,937</u>	<u>4,348</u>	<u>19,125</u>	<u>2,585</u>	<u>6,060</u>	<u>94,868</u>	<u>10,151</u>
Expenditures:								
Personnel	99,881	-	-	-	-	3,325	59,933	3,252
Travel	14,459	-	-	-	-	431	6,042	309
Contractual services	6,166	2,228,937	-	19,125	-	-	4,976	-
Capital outlay	2,000	-	-	-	-	-	2,000	-
Other direct expenses	15,879	-	4,348	-	2,586	1,340	3,120	5,015
Indirect costs	43,691	-	-	-	-	1,619	29,191	1,584
Total Expenditures	<u>182,976</u>	<u>2,228,937</u>	<u>4,348</u>	<u>19,125</u>	<u>2,586</u>	<u>6,715</u>	<u>105,262</u>	<u>10,151</u>
Revenues over(under) expenditures	<u>(38,425)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(655)</u>	<u>(10,394)</u>	<u>-</u>
Other Financing Sources (Uses)								
Transfer of local matching funds	38,425	-	-	-	-	655	10,394	-
Total other financing sources (uses)	<u>38,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655</u>	<u>10,394</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Beginning of Year, July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Aging Programs
For the Year Ended June 30, 2009

SEEMP Grant	AAA Administration Support	Title III-F, Disease Prevention, Health Promotion and Senior Center Outreach	HUD Housing and Home Equity Counseling	Family Caregiver Support	Department of Insurance	Project Care	Health Promotion	Linkage UNC	Total June 30, 2009
\$ -	\$ -	\$ 24,309	\$ 1,925	\$ 192,668	\$ -	\$ 37,696	\$ -	\$ -	\$ 1,480,247
10,000	44,548	62,591	-	11,505	4,663	11,193	-	3,177	1,392,723
-	-	-	-	-	-	1,079	-	-	1,079
-	-	-	-	-	-	-	5,752	-	46,183
10,000	44,548	86,900	1,925	204,173	4,663	49,968	5,752	3,177	2,920,232
-	24,957	-	854	33,233	4,271	23,698	3,252	-	256,656
290	1,632	-	491	8,201	-	4,842	300	-	36,988
744	2,668	86,900	95	52,165	-	543	-	3,177	2,405,496
-	254	-	-	2,254	2,000	-	-	-	8,508
8,966	2,881	-	69	71,702	379	16,436	616	-	133,337
-	12,156	-	416	38,327	2,080	11,543	1,584	-	142,191
10,000	44,548	86,900	1,925	205,882	8,730	57,662	5,752	3,177	2,983,176
-	-	-	-	(1,709)	(4,667)	(7,094)	-	-	(63,944)
-	-	-	-	1,709	4,667	7,094	-	-	62,944
-	-	-	-	1,709	4,667	7,094	-	-	62,944
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MID-EAST COMMISSION
Aging Programs - Aging Planning and Administration Title III
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Federal awards	\$ 130,285	\$ 130,285	\$ -
State awards	12,471	12,471	-
Local match	-	-	-
Other local revenue	895	895	-
Total revenues	<u>143,651</u>	<u>143,651</u>	<u>-</u>
Expenditures			
Personnel	99,881	99,881	-
Travel	14,459	14,459	-
Contractual services	1,207	6,166	(4,959)
Capital outlay	2,000	2,000	-
Other direct expenses	15,879	15,879	-
Indirect costs	48,650	43,691	4,959
Total expenditures	<u>182,076</u>	<u>182,076</u>	<u>-</u>
Revenues over (under) expenditures	<u>(38,425)</u>	<u>(38,425)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	38,425	38,425	-
Total other financing sources (uses)	<u>38,425</u>	<u>38,425</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - Home and Community Care Block Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ 1,003,322	\$ 1,003,322	\$ -
State awards	1,194,329	1,194,329	-
Other local revenue	31,286	31,286	-
Total revenues	<u>2,228,937</u>	<u>2,228,937</u>	<u>-</u>
Expenditures			
Contractual services	<u>2,228,937</u>	<u>2,228,937</u>	<u>-</u>
Total expenditures	<u>2,228,937</u>	<u>2,228,937</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		<u>\$ -</u>	

MID-EAST COMMISSION
Aging Programs - Aging Special Projects
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other local revenue	<u>4,348</u>	<u>4,348</u>	<u>-</u>
Total revenues	<u>4,348</u>	<u>4,348</u>	<u>-</u>
Expenditures			
Other direct expenses	<u>4,348</u>	<u>4,348</u>	<u>-</u>
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,348</u>	<u>4,348</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$ <u>-</u>	
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - Title III Legal Services
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	16,747	16,747	-
State awards	1,062	1,062	-
Other local revenue	1,316	1,316	-
Total revenues	<u>19,125</u>	<u>19,125</u>	<u>-</u>
Expenditures			
Contractual services	19,125	19,125	-
Total expenditures	<u>19,125</u>	<u>19,125</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		<u>\$ -</u>	

MID-EAST COMMISSION
Aging Programs - Aging Management Information Services
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Other local revenue	2,586	2,586	-
Total revenues	2,586	2,586	-
Expenditures			
Other direct expenses	2,586	2,586	-
Total expenditures	2,586	2,586	-
Revenues over (under) expenditures	-	-	-
Other Financing Source (Uses)			
Transfer of local matching funds	-	-	-
Total other financing sources (uses)	-	-	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year, July 1, 2008		-	
End of year, June 30, 2009		\$ -	

MID-EAST COMMISSION
Aging Programs - Title III Elder Abuse
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ 5,732	\$ 5,732	\$ -
State awards	328	328	-
Local awards	-	-	-
Total revenues	<u>6,060</u>	<u>6,060</u>	<u>-</u>
Expenditures			
Personnel	3,325	3,325	-
Travel	431	431	-
Other direct expenses	1,340	1,340	-
Indirect costs	1,619	1,619	-
Total expenditures	<u>6,715</u>	<u>6,715</u>	<u>-</u>
Revenues over (under) expenditures	<u>(655)</u>	<u>(655)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	655	655	-
Total other financing sources (uses)	<u>655</u>	<u>655</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - Ombudsman Program
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ 67,563	\$ 67,563	\$ -
State awards	27,305	27,305	-
Local revenue	-	-	-
Total revenues	<u>94,868</u>	<u>94,868</u>	<u>-</u>
Expenditures			
Personnel	59,933	59,933	-
Travel	6,042	6,042	-
Contractual services	4,976	4,976	-
Capital outlay	2,000	2,000	-
Other direct expenses	3,120	3,120	-
Indirect costs	29,191	29,191	-
Total expenditures	<u>105,262</u>	<u>105,262</u>	<u>-</u>
Revenues over (under) expenditures	<u>(10,394)</u>	<u>(10,394)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	10,394	10,394	-
Total other financing sources (uses)	<u>10,394</u>	<u>10,394</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - HWTEC
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
State awards	\$ 91,037	\$ 80,886	\$ 10,151	\$ 91,037	\$ -
Local match	10,315	10,315	-	10,315	-
Total revenues	<u>101,352</u>	<u>91,201</u>	<u>10,151</u>	<u>101,352</u>	<u>-</u>
Expenditures					
Personnel	49,775	46,523	3,252	49,775	-
Travel	7,910	7,610	300	7,910	-
Contractual services	8,542	8,542	-	8,542	-
Capital outlay	1,500	1,500	-	1,500	-
Other direct expenses	11,822	6,807	5,015	11,822	-
Indirect costs	21,803	20,219	1,584	21,803	-
Total expenditures	<u>101,352</u>	<u>91,201</u>	<u>10,151</u>	<u>101,352</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>	\$ <u>-</u>
Fund Balances:					
Beginning of year, July 1, 2008			-		
End of year, June 30, 2009			\$ <u>-</u>		

MID-EAST COMMISSION
Aging Programs - SHIP Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
State awards	10,000	-	10,000	10,000	-
Total revenues	10,000	-	10,000	10,000	-
Expenditures					
Other direct expenses	10,000	-	10,000	10,000	-
Total expenditures	10,000	-	10,000	10,000	-
Revenues over (under) expenditures	-	-	-	-	-
Change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balances:					
Beginning of year, July 1, 2008			-		
End of year, June 30, 2009			\$ -		

MID-EAST COMMISSION
Aging Programs - AAA Administration Support
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
State awards	44,548	44,548	-
Total revenues	44,548	44,548	-
Expenditures			
Personnel	24,957	24,957	-
Travel	1,632	1,632	-
Contractual services	2,668	2,668	-
Capital outlay	254	254	-
Other direct expenses	2,881	2,881	-
Indirect costs	12,156	12,156	-
Total expenditures	44,548	44,548	-
Revenues over (under) expenditures	-	-	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year, July 1, 2008		-	
End of year, June 30, 2009		\$ -	

MID-EAST COMMISSION
Aging Programs - Title III-F Disease Prevention, Health Promotion, and Senior Center Outreach
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	24,309	24,309	-
State awards	62,591	62,591	-
Total revenues	<u>86,900</u>	<u>86,900</u>	<u>-</u>
Expenditures			
Contractual services	86,900	86,900	-
Other direct expenses	-	-	-
Total expenditures	<u>86,900</u>	<u>86,900</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$ <u>-</u>	
Fund Balances:			
Beginning of year, July 1, 2008		-	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - HUD Housing and Home Equity Counseling
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	1,925	1,925	-
State awards	-	-	-
Total revenues	<u>1,925</u>	<u>1,925</u>	<u>-</u>
Expenditures			
Personnel	854	854	-
Travel	491	491	-
Contractual services	95	95	-
Other direct expenses	69	69	-
Indirect costs	416	416	-
Total expenditures	<u>1,925</u>	<u>1,925</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$ <u>-</u>	
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - Family Caregiver Support
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	192,668	192,668	-
State awards	11,505	11,505	-
Total revenues	<u>204,173</u>	<u>204,173</u>	-
Expenditures			
Personnel	33,233	33,233	-
Travel	8,201	8,201	-
Contractual services	52,165	52,165	-
Capital outlay	2,254	2,254	-
Other direct expenses	71,702	71,702	-
Indirect costs	38,327	38,327	-
Total expenditures	<u>205,882</u>	<u>205,882</u>	-
Revenues over (under) expenditures	<u>(1,709)</u>	<u>(1,709)</u>	-
Other Financing Source (Uses)			
Transfer of local matching funds	1,709	1,709	-
Total other financing sources (uses)	<u>1,709</u>	<u>1,709</u>	-
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		-	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - Department of Insurance
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
State awards	4,063	4,063	-
Local match	-	-	-
Total revenues	<u>4,063</u>	<u>4,063</u>	<u>-</u>
Expenditures			
Personnel	4,271	4,271	-
Capital outlay	2,000	2,000	-
Other direct expenses	379	379	-
Indirect costs	2,080	2,080	-
Total expenditures	<u>8,730</u>	<u>8,730</u>	<u>-</u>
Revenues over (under) expenditures	<u>(4,667)</u>	<u>(4,667)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	4,667	4,667	-
Total other financing sources (uses)	<u>4,667</u>	<u>4,667</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - Project Care
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	37,696	37,696	-
State awards	11,193	11,193	-
Local match	1,079	1,079	-
Total revenues	<u>49,968</u>	<u>49,968</u>	<u>-</u>
Expenditures			
Personnel	23,698	23,698	-
Travel	4,842	4,842	-
Contractual services	543	543	-
Capital outlay	-	-	-
Other direct expenses	17,066	16,436	630
Indirect costs	11,543	11,543	-
Total expenditures	<u>57,692</u>	<u>57,062</u>	<u>630</u>
Revenues over (under) expenditures	<u>(7,724)</u>	<u>(7,094)</u>	<u>630</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>7,724</u>	<u>7,094</u>	<u>(630)</u>
Total other financing sources (uses)	<u>7,724</u>	<u>7,094</u>	<u>(630)</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - Health Promotion
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Other local revenues	5,752	5,752	-
Total revenues	<u>5,752</u>	<u>5,752</u>	<u>-</u>
Expenditures			
Personnel	3,252	3,252	-
Travel	300	300	-
Contractual services	-	-	-
Other direct expenses	616	616	-
Indirect costs	1,584	1,584	-
Total expenditures	<u>5,752</u>	<u>5,752</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - Linkage UNC
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State awards	<u>3,177</u>	<u>3,177</u>	<u>-</u>
Total revenues	<u>3,177</u>	<u>3,177</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Travel	-	-	-
Contractual services	3,177	3,177	-
Other direct expenses	-	-	-
Indirect costs	-	-	-
Total expenditures	<u>3,177</u>	<u>3,177</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Workforce Development Region Q
For the Year Ended June 30, 2009

	Administration WIA 2010	Adult WIA 2020	Dislocated Worker WIA 2030	Youth WIA 2040	Incentive WIA 2050	Title V Senior Employment	Total June 30, 2009
Revenues:							
Federal awards	\$ 221,881	\$ 954,062	\$ 597,403	\$ 616,348	\$ 444,579	\$ 1,723,811	\$ 4,558,084
Local match	-	-	-	-	-	440,363	440,363
Total Revenues	<u>221,881</u>	<u>954,062</u>	<u>597,403</u>	<u>616,348</u>	<u>444,579</u>	<u>2,164,174</u>	<u>4,998,447</u>
Expenditures:							
Personnel	124,384	87,254	104,050	66,719	123,768	105,681	611,856
Participant wages and fringes	-	100,071	22,104	23,189	-	1,438,311	1,583,675
Travel	17,126	3,135	23,398	5,056	48,320	31,792	128,827
Contractual services	572	624,157	349,498	465,846	48,321	35,029	1,523,423
Capital outlay	-	-	-	-	1,809	-	1,809
Other direct expenses	20,518	96,942	46,183	29,166	162,472	501,888	857,169
Indirect costs	59,281	42,503	52,170	26,372	59,889	51,473	291,688
Total Expenditures	<u>221,881</u>	<u>954,062</u>	<u>597,403</u>	<u>616,348</u>	<u>444,579</u>	<u>2,164,174</u>	<u>4,998,447</u>
Revenues over(under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Beginning of Year, July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION
 Workforce Development Region Q - Administration - WIA 2010
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	221,881	221,881	-
Total revenues	<u>221,881</u>	<u>221,881</u>	<u>-</u>
Expenditures			
Administration:			
Personnel	124,384	124,384	-
Travel	17,126	17,126	-
Contractual services	572	572	-
Capital outlay	-	-	-
Other direct expenses	20,518	20,518	-
Indirect costs	59,281	59,281	-
Total expenditures (admin)	<u>221,881</u>	<u>221,881</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$ <u>-</u>	
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Workforce Development Region Q - Adult - WIA 2020
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	954,062	954,062	-
Total revenues	954,062	954,062	-
Expenditures			
Program:			
Personnel	87,254	87,254	-
Participant wages and fringes	100,071	100,071	-
Travel	3,135	3,135	-
Contractual services	624,157	624,157	-
Other direct expenses	96,942	96,942	-
Indirect costs	42,503	42,503	-
Total expenditures (program)	954,062	954,062	-
Revenues over (under) expenditures	-	-	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year, July 1, 2008		-	
End of year, June 30, 2009		\$ -	

MID-EAST COMMISSION
 Workforce Development Region Q - Dislocated Worker - WIA 2030
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	597,403	597,403	-
Total revenues	<u>597,403</u>	<u>597,403</u>	<u>-</u>
Expenditures			
Program:			
Personnel	104,050	104,050	-
Participant wages and fringes	22,104	22,104	-
Travel	23,398	23,398	-
Contractual services	349,498	349,498	-
Other direct expenses	46,183	46,183	-
Indirect costs	52,170	52,170	-
Total expenditures (program)	<u>597,403</u>	<u>597,403</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$ <u>-</u>	
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
 Workforce Development Region Q - Youth - WIA 2040
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	616,348	616,348	-
Total revenues	<u>616,348</u>	<u>616,348</u>	<u>-</u>
Expenditures			
Program:			
Personnel	66,719	66,719	-
Participant wages and fringes	23,189	23,189	-
Travel	5,056	5,056	-
Contractual services	465,846	465,846	-
Capital outlay	-	-	-
Other direct expenses	29,166	29,166	-
Indirect costs	26,372	26,372	-
Total expenditures (program)	<u>616,348</u>	<u>616,348</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Workforce Development Region Q - Incentive - WIA 2050
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	<u>444,579</u>	<u>444,579</u>	<u>-</u>
Total revenues	<u>444,579</u>	<u>444,579</u>	<u>-</u>
 Program:			
Personnel	123,768	123,768	-
Participant wages and fringes	-	-	-
Travel	48,320	48,320	-
Contractual services	48,321	48,321	-
Capital outlay	1,809	1,809	-
Other direct expenses	162,472	162,472	-
Indirect costs	<u>59,889</u>	<u>59,889</u>	<u>-</u>
Total expenditures	<u>444,579</u>	<u>444,579</u>	<u>-</u>
 Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
 Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
 Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		<u>\$ -</u>	

MID-EAST COMMISSION
Workforce Development Region Q - Title V Senior Employment
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	1,723,811	1,723,811	-
Local match	440,363	440,363	-
Total revenues	<u>2,164,174</u>	<u>2,164,174</u>	<u>-</u>
Expenditures			
Program:			
Personnel	105,681	105,681	-
Participant wages and fringes	1,438,311	1,438,311	-
Travel	31,792	31,792	-
Contractual services	35,029	35,029	-
Capital outlay	-	-	-
Other direct expenses	501,888	501,888	-
Indirect costs	51,473	51,473	-
Total expenditures (program)	<u>2,164,174</u>	<u>2,164,174</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Economic Development Programs
For the Year Ended June 30, 2009

	Economic Development Administration	GUC ASR RC	Beaufort County CDBG	Brooks Boatworks Beaufort County	Chocowinity Southtech
Revenues:					
Federal awards	\$ 53,000	\$ -	\$ 2,693	\$ 5,250	\$ -
Other local revenue	-	4,854	-	-	1,890
Total Revenues	<u>53,000</u>	<u>4,854</u>	<u>2,693</u>	<u>5,250</u>	<u>1,890</u>
Expenditures:					
Personnel	52,908	2,830	1,665	939	1,180
Travel	8,223	539	158	263	93
Contractual services	1,223	-	-	-	-
Capital outlay	-	-	-	-	-
Other direct expenses	3,801	107	59	3,591	42
Indirect costs	25,770	1,378	811	457	575
Total Expenditures	<u>91,925</u>	<u>4,854</u>	<u>2,693</u>	<u>5,250</u>	<u>1,890</u>
Revenues over(under) expenditures	<u>(38,925)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer (to) from special projects	3,592	-	-	-	-
Transfer (to) from general fund	-	-	-	-	-
Transfer of local matching funds	35,333	-	-	-	-
Total other financing sources (uses)	<u>38,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Beginning of Year, July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Economic Development Programs
For the Year Ended June 30, 2009

Flanders RC Washington	Flanders CDBG/ED Washington	Town of Farmville	Washington EDA Jack's Creek	Beaufort County CMW	Penn/Havens CDBG	Bethel IDF	Total June 30, 2009
\$ 453	\$ 4,995	\$ -	\$ 1,050	\$ -	\$ -	\$ 1,411	\$ 68,852
-	-	16,388	-	745	1,890	-	25,767
<u>453</u>	<u>4,995</u>	<u>16,388</u>	<u>1,050</u>	<u>745</u>	<u>1,890</u>	<u>1,411</u>	<u>94,619</u>
291	3,018	9,211	692	485	1,122	772	75,113
9	393	2,091	-	7	179	235	12,190
-	-	-	-	-	-	-	1,223
-	-	-	-	-	-	-	-
10	114	600	21	16	43	28	8,432
<u>143</u>	<u>1,470</u>	<u>4,486</u>	<u>337</u>	<u>237</u>	<u>546</u>	<u>376</u>	<u>36,586</u>
<u>453</u>	<u>4,995</u>	<u>16,388</u>	<u>1,050</u>	<u>745</u>	<u>1,890</u>	<u>1,411</u>	<u>133,544</u>
-	-	-	-	-	-	-	(38,925)
-	-	-	-	-	-	-	3,592
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,333</u>
-	-	-	-	-	-	-	38,925
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION
Economic Development Programs - Economic Development Administration
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	53,000	53,000	-
Total revenues	<u>53,000</u>	<u>53,000</u>	<u>-</u>
Expenditures			
Personnel	52,908	52,908	-
Travel	8,223	8,223	-
Contractual services	1,223	1,223	-
Other direct expenses	3,801	3,801	-
Indirect costs	25,770	25,770	-
Total expenditures	<u>91,925</u>	<u>91,925</u>	<u>-</u>
Revenues over (under) expenditures	<u>(38,925)</u>	<u>(38,925)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer from ED special projects	3,592	3,592	-
Transfer of local matching funds	35,333	35,333	-
Total other financing sources (uses)	<u>38,925</u>	<u>38,925</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Economic Development Programs - GUC ASR RC
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	-
State awards	-	-	-
Local match	4,854	4,854	-
Total revenues	<u>4,854</u>	<u>4,854</u>	<u>-</u>
Expenditures			
Personnel	2,830	2,830	-
Travel	539	539	-
Other direct expenses	107	107	-
Indirect costs	1,378	1,378	-
Total expenditures	<u>4,854</u>	<u>4,854</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		-	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Economic Development Programs - Beaufort County CDBG
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ 14,328	\$ 915	\$ 2,693	\$ 3,608	\$ (10,720)
Total revenues	<u>14,328</u>	<u>915</u>	<u>2,693</u>	<u>3,608</u>	<u>(10,720)</u>
Expenditures					
Personnel	2,028	519	1,665	2,184	158
Travel	158	-	158	158	-
Other direct expenses	11,111	174	59	233	10,878
Indirect costs	1,033	222	811	1,033	-
Total expenditures	<u>14,328</u>	<u>915</u>	<u>2,693</u>	<u>3,608</u>	<u>11,036</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>316</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 316</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Brooks Boatworks Beaufort County
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ 23,587	\$ 5,250	\$ 5,250	\$ 10,500	\$ (13,087)
Other local revenue	1,413	12,256	-	12,256	10,843
Total revenues	<u>25,000</u>	<u>17,506</u>	<u>5,250</u>	<u>22,756</u>	<u>(2,244)</u>
Expenditures					
Personnel	12,337	11,398	939	12,337	-
Travel	1,050	787	263	1,050	-
Contractual services	500	-	-	-	500
Other direct expenses	5,193	492	3,591	4,083	1,110
Indirect costs	5,920	4,829	457	5,286	634
Total expenditures	<u>25,000</u>	<u>17,506</u>	<u>5,250</u>	<u>22,756</u>	<u>2,244</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Chocowinity Southtech
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Other local revenue	5,235	3,345	1,890	5,235	-
Total revenues	<u>5,235</u>	<u>3,345</u>	<u>1,890</u>	<u>5,235</u>	<u>-</u>
Expenditures					
Personnel	2,936	1,756	1,160	2,936	-
Other direct expenses	982	847	135	982	-
Indirect costs	1,317	742	575	1,317	-
Total expenditures	<u>5,235</u>	<u>3,345</u>	<u>1,890</u>	<u>5,235</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>	\$ <u>-</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			\$ <u>-</u>		

MID-EAST COMMISSION
Economic Development Programs - Flanders RC Washington
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ 29,230	\$ -	\$ 453	\$ 453	\$ (28,777)
Other local revenue	770	-	-	-	(770)
Total revenues	<u>30,000</u>	<u>-</u>	<u>453</u>	<u>453</u>	<u>(29,547)</u>
Expenditures					
Personnel	18,357	-	291	291	18,066
Travel	1,400	-	9	9	1,391
Other direct expenses	2,349	-	10	10	2,339
Indirect costs	7,894	-	143	143	7,751
Total expenditures	<u>30,000</u>	<u>-</u>	<u>453</u>	<u>453</u>	<u>29,547</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Flanders CDBG/ED Washington
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ 29,230	\$ -	\$ 4,995	\$ 4,995	\$ (24,235)
Other local revenue	770	9,354	-	9,354	8,584
Total revenues	<u>30,000</u>	<u>9,354</u>	<u>4,995</u>	<u>14,349</u>	<u>(15,651)</u>
Expenditures					
Personnel	18,357	6,372	3,018	9,390	8,967
Travel	1,400	164	393	557	843
Other direct expenses	2,349	240	114	354	1,995
Indirect costs	7,894	2,578	1,470	4,048	3,846
Total expenditures	<u>30,000</u>	<u>9,354</u>	<u>4,995</u>	<u>14,349</u>	<u>15,651</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>	\$ <u>-</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			\$ <u>-</u>		

MID-EAST COMMISSION
Economic Development Programs - Town of Farmville
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Other local revenue	35,000	924	16,388	17,312	(17,688)
Total revenues	<u>35,000</u>	<u>924</u>	<u>16,388</u>	<u>17,312</u>	<u>(17,688)</u>
Expenditures					
Personnel	21,298	608	9,211	9,819	11,479
Travel	2,151	37	2,091	2,128	23
Contractual services	400	-	-	-	400
Other direct expenses	2,604	15	600	615	1,989
Indirect costs	8,547	264	4,486	4,750	3,797
Total expenditures	<u>35,000</u>	<u>924</u>	<u>16,388</u>	<u>17,312</u>	<u>17,688</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Washington EDA Jack's Creek
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ 29,449	\$ 31,618	\$ 1,050	\$ 32,668	\$ 3,219
Other local revenue	2,170	4,487	-	4,487	2,317
Total revenues	<u>31,619</u>	<u>36,105</u>	<u>1,050</u>	<u>37,155</u>	<u>5,536</u>
Expenditures					
Personnel	19,326	15,889	692	16,581	2,745
Travel	601	173	-	173	428
Equipment	1,169	1,169	-	1,169	-
Other direct expenses	2,667	1,029	21	1,050	1,617
Indirect costs	7,856	6,303	337	6,640	1,216
Total expenditures	<u>31,619</u>	<u>24,563</u>	<u>1,050</u>	<u>25,613</u>	<u>6,006</u>
Revenues over (under) expenditures	<u>-</u>	<u>11,542</u>	<u>-</u>	<u>11,542</u>	<u>11,542</u>
Other Financing Sources (Uses)					
Transfer to other ED funds	<u>-</u>	<u>(11,542)</u>	<u>-</u>	<u>(11,542)</u>	<u>(11,542)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Beaufort County CMW
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	745	-	745	745	-
Total revenues	<u>745</u>	<u>-</u>	<u>745</u>	<u>745</u>	<u>-</u>
Expenditures					
Personnel	485	-	485	485	-
Travel	7	-	7	7	-
Equipment	-	-	-	-	-
Other direct expenses	16	-	16	16	-
Indirect costs	237	-	237	237	-
Total expenditures	<u>745</u>	<u>-</u>	<u>745</u>	<u>745</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer to other ED funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Penn/Havmens CDBG
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	1,890	-	1,890	1,890	-
Total revenues	<u>1,890</u>	<u>-</u>	<u>1,890</u>	<u>1,890</u>	<u>-</u>
Expenditures					
Personnel	1,122	-	1,122	1,122	-
Travel	179	-	179	179	-
Equipment	-	-	-	-	-
Other direct expenses	43	-	43	43	-
Indirect costs	546	-	546	546	-
Total expenditures	<u>1,890</u>	<u>-</u>	<u>1,890</u>	<u>1,890</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer to other ED funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Bethel IDF
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ 1,411	\$ -	\$ 1,411	\$ 1,411	\$ -
Other local revenue	-	-	-	-	-
Total revenues	<u>1,411</u>	<u>-</u>	<u>1,411</u>	<u>1,411</u>	<u>-</u>
Expenditures					
Personnel	772	-	772	772	-
Travel	235	-	235	235	-
Equipment	-	-	-	-	-
Other direct expenses	28	-	28	28	-
Indirect costs	376	-	376	376	-
Total expenditures	<u>1,411</u>	<u>-</u>	<u>1,411</u>	<u>1,411</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer to other ED funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			<u>\$ -</u>		

MID-EAST COMMISSION
Mid-East Revolving Loan Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	30,083	30,083	-
Processing fees	1,000	1,000	-
Program income	62,189	62,189	-
Total revenues	<u>93,272</u>	<u>93,272</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Travel	884	884	-
Contractual services	6,749	6,749	-
Other direct expenses	4,319	4,319	-
Indirect costs	-	-	-
Total expenditures	<u>11,952</u>	<u>11,952</u>	<u>-</u>
Revenues over (under) expenditures	<u>81,320</u>	<u>81,320</u>	<u>-</u>
Change in fund balance	\$ <u>81,320</u>	81,320	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>51,572</u>	
End of year, June 30, 2009		<u>\$ 132,892</u>	

Mid-East Commission
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MID-EAST COMMISSION
Planning Programs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Aurora Planning & Zoning Administration	Bath Zoning Ordinance	Bertie County Planning Brownsfield	Beaufort County	Bath Planning & Zoning	Cotfield Planning & Zoning Admin	Colrain Planning & Zoning Admin
Revenues:							
State awards	\$ -	\$ -	\$ -	\$ 49,623	\$ -	\$ -	\$ -
Other local awards	5,332	10,093	-	-	18,249	1,363	952
Total Revenues	<u>5,332</u>	<u>10,093</u>	<u>-</u>	<u>49,623</u>	<u>18,249</u>	<u>1,363</u>	<u>952</u>
Expenditures:							
Personnel	3,157	6,024	-	31,619	9,261	778	493
Travel	295	208	-	818	166	142	175
Contractual services	-	-	-	356	-	-	-
Other direct expenses	342	927	-	1,960	1,102	65	44
Indirect costs	1,538	2,934	-	14,870	7,720	378	240
Total Expenditures	<u>5,332</u>	<u>10,093</u>	<u>-</u>	<u>49,623</u>	<u>18,249</u>	<u>1,363</u>	<u>952</u>
Revenues over/(under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)							
Transfer (to) from special projects	-	-	-	-	-	-	-
Transfer of local matching funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Beginning of Year, July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MID-EAST COMMISSION
CDBG
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

			Totals
	Cofield CDBG	Hertford CDBG	June 30, 2009
Revenues:			
Federal awards	\$ 267	\$ 42,912	\$ 43,179
Total Revenues	<u>267</u>	<u>42,912</u>	<u>43,179</u>
Expenditures:			
Personnel	171	24,341	24,512
Travel	-	1,899	1,899
Contractual services	-	2,555	2,555
Other direct expenses	13	2,261	2,274
Indirect costs	83	11,856	11,939
Total Expenditures	<u>267</u>	<u>42,912</u>	<u>43,179</u>
Revenues over(under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Beginning of Year, July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>
End of Year, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION
CDBG Programs - Cofield CDBG
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	90,176	89,001	267	89,268	(908)
Total revenues	<u>90,176</u>	<u>89,001</u>	<u>267</u>	<u>89,268</u>	<u>(908)</u>
Expenditures					
Personnel	18,886	981	171	1,152	(17,734)
Travel	135	387	-	387	252
Contractual services	59,667	88,196	-	88,196	28,529
Other direct expenses	2,253	220	13	233	(2,020)
Indirect costs	9,235	392	83	475	(8,760)
Total expenditures	<u>90,176</u>	<u>90,176</u>	<u>267</u>	<u>90,443</u>	<u>267</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,175)</u>	<u>-</u>	<u>(1,175)</u>	<u>(1,175)</u>
Other Financing Sources (Uses)					
Transfer (to) from general fund	<u>-</u>	<u>1,175</u>	<u>-</u>	<u>1,175</u>	<u>1,175</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			<u>\$ -</u>		

MID-EAST COMMISSION
CDBG Programs - Hartford
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	106,426	6,207	42,912	49,119	(57,307)
Total revenues	<u>106,426</u>	<u>6,207</u>	<u>42,912</u>	<u>49,119</u>	<u>(57,307)</u>
Expenditures					
Personnel	29,306	3,866	24,341	28,207	(1,099)
Travel	346	347	1,899	2,246	1,900
Contractual services	61,140	-	2,555	2,555	(58,585)
Other direct expenses	3,033	339	2,261	2,600	(433)
Indirect costs	12,601	1,855	11,856	13,511	910
Total expenditures	<u>106,426</u>	<u>6,207</u>	<u>42,912</u>	<u>49,119</u>	<u>(57,307)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>	\$ <u>-</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>-</u>		
End of year, June 30, 2009			\$ <u>-</u>		

MID-EAST COMMISSION
State Technical Assistance
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
State awards	44,099	44,099	-
Total revenues	<u>44,099</u>	<u>44,099</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfer (to) other funds	(3,592)	(3,592)	-
Transfer (to) general fund	(40,507)	(40,507)	-
Total other financing sources (uses)	<u>(44,099)</u>	<u>(44,099)</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$ <u>-</u>	
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Mid-East Intermediary Re-Lending Program Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest	7,633	62,587	1,734	64,321	56,688
Program income	26,681	174,003	125,924	299,927	273,246
Other local revenue	63	7,070	-	7,070	7,007
Total revenues	<u>34,377</u>	<u>243,660</u>	<u>127,658</u>	<u>371,318</u>	<u>336,941</u>
Expenditures					
Personnel	8,825	-	-	-	(8,825)
Travel	-	33	-	33	33
Contractual services	7,228	40,053	222	40,275	33,047
Other direct expenses	372,980	346,617	12,735	359,352	(13,628)
Indirect costs	3,970	6,300	-	6,300	2,330
Total expenditures	<u>393,003</u>	<u>393,003</u>	<u>12,957</u>	<u>405,960</u>	<u>12,957</u>
Revenues over (under) expenditures	<u>(358,626)</u>	<u>(149,343)</u>	<u>114,701</u>	<u>(34,642)</u>	<u>323,984</u>
Other Financing Sources (Uses)					
Loan proceeds	358,626	300,000	-	300,000	(58,626)
Total other financing sources (uses)	<u>358,626</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>(58,626)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ 150,657</u>	<u>114,701</u>	<u>\$ 265,358</u>	<u>\$ 265,358</u>
Fund Balances:					
Beginning of year, July 1, 2008			<u>150,658</u>		
End of year, June 30, 2009			<u>\$ 265,359</u>		

MID-EAST COMMISSION
Boys and Girls Club
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Other local revenue	29,234	29,234	-
Total revenues	<u>29,234</u>	<u>29,234</u>	<u>-</u>
Expenditures			
Personnel	15,582	15,582	-
Other direct expenses	6,062	6,062	-
Indirect costs	7,590	7,590	-
Total expenditures	<u>29,234</u>	<u>29,234</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Hispanic - English as a Second Language
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Other local revenue	1,788	1,788	-
Total revenues	<u>1,788</u>	<u>1,788</u>	<u>-</u>
Expenditures			
Travel	-	-	-
Contractual services	722	722	-
Other direct expenses	<u>1,066</u>	<u>1,066</u>	<u>-</u>
Total expenditures	<u>1,788</u>	<u>1,788</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$ <u>-</u>	
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Scholarship
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	<u>1,031</u>	<u>1,031</u>	<u>-</u>
Total revenues	<u>1,031</u>	<u>1,031</u>	<u>-</u>
Expenditures			
Other direct expenses	<u>1,031</u>	<u>1,031</u>	<u>-</u>
Total expenditures	<u>1,031</u>	<u>1,031</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
ARRA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Title V ARRA	WIA Admin ARRA	WIA Adult ARRA	Dislocated Worker ARRA
Revenues:				
Federal awards	41,572	60,857	48,170	60,521
Local match	12,260	-	-	-
Total Revenues	<u>53,832</u>	<u>60,857</u>	<u>48,170</u>	<u>60,521</u>
Expenditures:				
Personnel	590	35,169	3,084	3,084
Travel	369	4,005	-	-
Contractual services	3,036	100	36,938	52,945
Participant wages and fringes	36,446	-	1,753	1,177
Other direct expenses	13,103	4,453	6,395	3,315
Indirect costs	288	17,130	-	-
Total Expenditures	<u>53,832</u>	<u>60,857</u>	<u>48,170</u>	<u>60,521</u>
Revenues over(under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Beginning of Year, July 1, 2008	-	-	-	-
End of Year, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION
ARRA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

Youth ARRA	Totals		Variance Positive (Negative)
	June 30, 2009	Budget	
306,898	518,018	518,018	-
-	12,260	12,260	-
306,898	530,278	530,278	-
5,116	47,043	47,043	-
451	4,825	4,825	-
287,350	380,369	380,369	-
-	39,376	39,376	-
13,981	41,247	41,247	-
-	17,418	17,418	-
306,898	530,278	530,278	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

MID-EAST COMMISSION
Scholarship
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Local revenues	<u>16,280</u>	<u>16,280</u>	<u>-</u>
Total revenues	<u>16,280</u>	<u>16,280</u>	<u>-</u>
Expenditures			
Other direct expenses	<u>16,280</u>	<u>16,280</u>	<u>-</u>
Total expenditures	<u>16,280</u>	<u>16,280</u>	<u>-</u>
 Change in fund balance	 \$ <u>-</u>	 -	 \$ <u>-</u>
Fund Balances:			
Beginning of year, July 1, 2008		<u>-</u>	
End of year, June 30, 2009		\$ <u>-</u>	

MID-EAST COMMISSION
Combining Statement of Net Assets - Proprietary Fund
Mid-East Development Corporation
June 30, 2009

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 8,251	\$ 3,734	\$ 2,552	\$ 1,541	\$ 119,945	\$ 136,023
Security deposits	3,842	-	1,515	9,687	-	15,044
Escrow	1,447	-	1,447	6,355	-	9,249
Reserve	13,664	-	3,154	46,087	-	62,905
Accounts receivable	-	9,895	-	8,618	839	19,352
Prepaid expenses	132	-	132	1,244	-	1,508
Total current assets	27,336	13,629	8,800	73,532	120,784	244,081
Capital assets:						
Building	251,014	-	360,669	1,153,699	-	1,765,342
Land	10,000	-	20,000	68,750	-	98,750
Furniture	4,263	-	3,460	11,814	20,680	40,217
Accumulated Depreciation	(104,617)	-	(80,530)	(423,844)	(20,680)	(629,671)
Total capital assets, net	160,660	-	303,599	810,379	-	1,274,638
Total Assets	187,996	13,629	312,399	883,911	120,784	1,518,719
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	1,411	-	3,148	8,648	24,249	37,456
Security deposits	3,842	-	1,515	9,635	-	14,992
Notes payable - current	7,060	-	5,080	9,399	-	21,539
Total current liabilities	12,313	-	9,743	27,682	24,249	73,987
Non-current liabilities						
Notes payable - non-current						
NC Housing	28,118	-	83,870	-	-	111,988
FMHA	212,740	-	266,780	1,025,071	-	1,504,591
Total non-current liabilities	240,858	-	350,650	1,025,071	-	1,616,579
Total Liabilities	253,171	-	360,393	1,052,753	24,249	1,690,566
NET ASSETS						
Invested in Capital Assets, net of related debt	(104,617)	-	(52,131)	(224,091)	-	(380,839)
Unrestricted	39,442	13,629	4,137	55,249	96,535	208,992
Total Net Assets	\$ (65,175)	\$ 13,629	\$ (47,994)	\$ (168,842)	\$ 96,535	\$ (171,847)

MID-EAST COMMISSION
Statement of Revenues, Expenditures, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended June 30, 2009

	Twin Gables	Bellhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
OPERATING REVENUES:						
Rental income	\$ 39,564	\$ -	\$ 33,670	\$ 24,845	\$ -	\$ 78,079
Operation and management	523	-	764	1,618	11,582	14,487
Other local revenue	-	32,289	-	-	-	32,289
Total operating revenues	20,087	32,289	34,434	26,463	11,582	124,855
OPERATING EXPENDITURES						
Management related	4,747	-	4,141	14,227	-	23,115
Operation of program services	38,940	55,918	44,557	95,305	12,189	246,809
Contractual services	17,327	1,179	-	22,256	-	40,762
Total operating expenditures	61,014	57,097	48,698	131,688	12,189	310,686
Operating income (loss)	(40,927)	(24,808)	(14,264)	(105,225)	(607)	(185,831)
NON-OPERATING REVENUES (EXPENSES):						
Rental assistance received	41,930	-	16,075	64,236	-	122,241
Interest subsidies received	11,475	-	12,663	47,983	-	72,121
Interest income	60	-	7	128	57	252
Contributions and local support	-	-	-	-	-	-
Grant funds - Aging	-	24,808	-	-	-	24,808
Interest expense	(15,984)	-	(18,558)	(19,491)	-	(54,033)
Total nonoperating revenues(expenses)	37,481	24,808	10,187	92,856	57	165,389
Change in net assets	(3,446)	-	(4,077)	(12,369)	(550)	(20,442)
Net assets, beginning	(61,729)	13,629	(43,917)	(156,473)	97,085	(151,405)
Net assets, ending	\$ (65,175)	\$ 13,629	\$ (47,994)	\$ (168,842)	\$ 96,535	\$ (171,847)

Mid-East Commission
Schedule of Indirect Costs
For the Year Ended June 30, 2009

Salaries	\$	256,892
Fringe benefits		131,141
Supplies		3,190
Postage and telephone		25,278
Staff travel		20,607
Other travel		3,719
Printing, publishing and dues		30,127
Legal service		311
Contractual services		29,448
Audit and bookkeeping		28,500
Insurance and bonding		19,812
Equipment lease and repair		8,774
Occupancy costs		<u>23,872</u>
Total Indirect Costs	\$	<u>581,671</u>

Compliance Section



CERTIFIED PUBLIC ACCOUNTANTS

4024 Oleander Drive Suite 2

Wilmington, North Carolina 28403

Telephone (910) 799-4872

Fax (910) 395-4872

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

To the Board of Directors
Washington, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of Mid-East Commission, as of and for the year ended June 30, 2009, which collectively comprises Mid-East Commission's basic financial statements and have issued our report thereon dated December 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mid-East Commission'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 the Mid-East Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the Commission's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mid-East Commission'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 Mid-East Commission, in a separate letter dated December 31, 2009.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of Board, 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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
December 31, 2009



CERTIFIED PUBLIC ACCOUNTANTS
4024 Oleander Drive Suite 2
Wilmington, North Carolina 28403
Telephone (910) 799-4872 Fax (910) 395-4872

**Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal
Control Over Compliance In Accordance With OMB Circular A-133 and the State Single Audit
Implementation Act**

To the Board of Directors
Washington, North Carolina

Compliance

We have audited the compliance of the Mid-East Commission, North Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2009. Mid-East Commission'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 Mid-East Commission's management. Our responsibility is to express an opinion on the Mid-East Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mid-East Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Mid-East Commission's compliance with those requirements.

In our opinion, Mid-East Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Mid-East Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Mid-East Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Commission's internal control.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of Board of Directors, 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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.

December 31, 2009



CERTIFIED PUBLIC ACCOUNTANTS

4024 Oleander Drive Suite 2

Wilmington, North Carolina 28403

Telephone (910) 799-4872

Fax (910) 395-4872

**Report On Compliance With Requirements Applicable To Each Major State Program And Internal
Control Over Compliance In Accordance With OMB Circular A-133 and the State Single Audit
Implementation Act**

To the Board of Directors
Washington, North Carolina

Compliance

We have audited the compliance of Mid-East Commission, with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2009. Mid-East Commission'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 Mid-East Commission's management. Our responsibility is to express an opinion on Mid-East Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Mid-East Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Mid-East Commission's compliance with those requirements.

In our opinion, Mid-East Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the Commission's internal control.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board of Directors, 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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
December 31, 2009

Mid-East Commission
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses ☐ yes ☒ no

Noncompliance material to financial
statements noted ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses ☐ yes ☒ 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 ☒ no

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
93.044	Special Programs for the Aging – Title III B
93.045	Special Programs for the Aging – Title III C
17.235	Title V – Senior Employment
17.258	WIA Adult Programs
17.259	WIA Youth Programs
17.260	WIA Dislocated Workers
11.307	Revolving Loan Fund

Mid-East Commission
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee? yes X no

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

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 State Single Audit Implementation
Act yes X no

Identification of major state programs:

Name of State Program or Cluster

In Home Services
In Home Services – Care Giver Match

Mid-East Commission
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

Mid-East Commission
Corrective Action Plan
For the Fiscal Year Ended June 30, 2009

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2009

Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Federal Direct and Pass Through Expenditures	State Expenditures
Federal Programs			
<u>U.S. Dept. of Agriculture</u>			
Direct Program			
Rural Rental Assistance Payments (MEDC)			
Interest subsidies	10.427	\$ 72,121	\$ -
Rental subsidies	10.427	122,241	-
		194,362	-
Passed through State Dept. of Health and Human Services			
USDA Supplement	10.570	96,206	-
Total U. S. Dept. of Agriculture		<u>\$ 290,568</u>	<u>\$ -</u>
<u>U.S. Dept. of Health and Human Services</u>			
Administration on Aging			
Passed through State Dept. of Health and Human Services			
Division on Aging and Adult Services			
Aging Cluster:			
Grants for Supportive Services and Support Center:			
Special Programs for the Aging - Title III B			
Planning and Administration	93.044	\$ 67,624	\$ 3,706
In-Home Services	93.044	220,187	12,952
Ombudsman Program	93.044	42,977	2,528
Legal Services	93.044	18,063	1,061
Access	93.044	280,614	16,507
		629,465	36,754
Special Programs for the Aging - Title III C			
Nutrition Services:			
Congregate Nutrition	93.045	258,511	15,207
Home Delivered Meals	93.045	194,411	11,436
Planning and Administration	93.045	53,788	2,948
Total Aging Cluster		506,710	29,591
Title VII - B - Elder Abuse	93.041	5,566	327
Title VII - E - Ombudsman Program	93.042	22,135	1,302
Preventive Health	93.043	23,906	1,406
Family Caregiver Support	93.052	178,248	11,883
Project Care	93.051	40,200	-
AAAs Planning	93.048	905	-
Title III-E Planning and Administration	93.052	16,541	906
		287,501	15,824
Passed through State Dept. of Insurance			
SHIP-Lookout	93.048	7,000	-
Total U. S. Health and Human Services		<u>\$ 1,430,676</u>	<u>\$ 82,169</u>
<u>U.S. Dept. of Commerce and Economic Development Administration</u>			
Direct Program			
Economic Development Administration-Revolving Loan Fund	11.307	411,737	
Economic Development Administration	11.300	\$ 53,000	\$ 35,333
Total U. S. Dept. of Commerce		<u>\$ 464,737</u>	<u>\$ 35,333</u>

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2009

U.S. Dept. of Labor			
Employment and Training Administration:			
Passed through North Carolina Department of Health and Human Services:			
Division of Aging and Adult Service:			
Title V Senior Employment	17.235	\$ 1,723,811	\$ -
Title V ARRA Senior Employment	17.235	\$ 41,572	\$ -
Total Title V		<u>\$ 1,765,383</u>	<u>\$ -</u>
Passed through North Carolina Department of Commerce:			
Division of Employment and Training:			
Workforce Investment Act Cluster:			
WIA 2010	17.258	221,881	-
WIA 2020	17.259	954,062	-
WIA 2030	17.260	397,404	-
WIA 2031	17.260	254,382	-
WIA 2040	17.259	616,348	-
WIA 2050	17.259	390,017	-
		<u>2,834,094</u>	<u>-</u>
WIA ARRA 4010	17.258	60,857	-
WIA ARRA 4020	17.259	48,171	-
WIA ARRA 4030	17.260	60,521	-
WIA ARRA 4040	17.259	306,898	-
		<u>476,447</u>	<u>-</u>
Total Workforce Investment Act Cluster		<u>3,310,541</u>	<u>-</u>
Total U. S. Dept. of Labor		<u>\$ 5,075,924</u>	<u>\$ -</u>
Total Federal Assistance		<u>\$ 7,261,905</u>	

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2009

State Programs

Department of Health and Human Services

AAA Administration	N/A	39,190
Access	N/A	77,606
Congregate nutrition	N/A	53,682
Fans Program	N/A	4,348
Home delivered meals	N/A	120,226
In-Home Services	N/A	604,755
In-Home Services-Caregiver Match	N/A	266,661
Ombudsman	N/A	24,602
Planning & Administration	N/A	4,927
Senior Center Development	N/A	56,718
Senior Center Outreach	N/A	5,877
SHIP	N/A	10,000
Project Care	N/A	15,377

Total Department of Health and Human Services		<u>\$ 1,283,969</u>
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Department of Transportation

Rural Transportation Planning	N/A	\$ 88,124
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Total State programs		<u>\$ 1,372,093</u>
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Total State Assistance		<u>\$ 1,489,595</u>
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Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2009

1. Basis of Presentation - The accompanying schedule of expenditures of Federal and State awards includes the Federal and State grant activity of Mid-East Commission and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB A-133 Audit of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.
2. Subrecipients - Of the Federal and State expenditures presented in the schedule, Mid-East Commission provided federal and state awards to subrecipients as follows:

Program Title	CFDA Number	Federal Expenditures	State Expenditures
Title V	17.235	\$ 1,723,811	\$ -
Title V	17.235	41,572	-
USDA Supplement	10.570	96,206	-
WIA 2010	17.258	221,881	-
WIA 2020	17.259	954,062	-
WIA 2030	17.260	651,786	-
WIA 2040	17.259	616,348	-
WIA 2050	17.259	390,017	-
WIA ARRA 4010	17.258	60,857	-
WIA ARRA 4020	17.259	48,171	-
WIA ARRA 4030	17.260	60,521	-
WIA ARRA 4040	17.259	306,898	-
Preventive Health	93.043	23,906	1,406
Access Services	93.044	280,614	16,507
In-home Services	93.044	220,187	12,952
Legal Services	93.044	18,063	1,061
Congregate Nutrition	93.045	258,511	15,207
Home Delivered Meals	93.045	194,411	11,436
Access	N/A	-	77,606
Congregate nutrition	N/A	-	53,682
Home delivered meals	N/A	-	120,226
In-Home Services	N/A	-	604,755
Senior Center Development	N/A	-	56,718
Senior Center Outreach	N/A	-	5,877
Totals		<u>\$ 6,167,822</u>	<u>\$ 977,433</u>

Management Letter



CERTIFIED PUBLIC ACCOUNTANTS

4024 Oleander Drive Suite 2

Wilmington, North Carolina 28403

Telephone (910) 799-4872

Fax (910) 395-4872

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mid-East Commission for the year ended June 30, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *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 July 1, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Mid-East Commission 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 year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

There are no financial statement disclosures that are particularly sensitive because of their significance to financial statement users.

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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 31, 2009.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

This information is intended solely for the use of members of Board and management of Mid-East Commission and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.

December 31, 2009