

**MID-EAST COMMISSION
Washington, North Carolina
Financial Statements
For the Year Ended June 30, 2010**



CERTIFIED PUBLIC ACCOUNTANTS

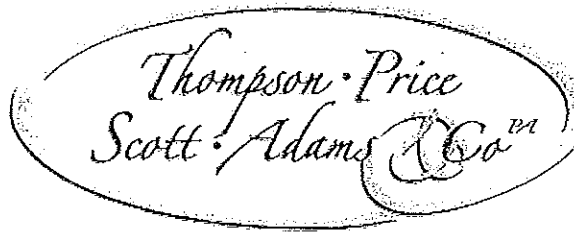
Mid-East Commission
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Financial Section



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Independent Auditor's Report

To the Board of the Mid-East Commissions
Washington, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mid-East Commission as of and for the year ended June 30, 2010, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Mid-East Commission's management. Our responsibility is to express an opinion on these basic 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mid-East Commission as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2010 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 and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the 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 Mid-East Commission. The combining and individual fund statements and schedules, budgetary schedules, and other schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules, 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. The introductory information has not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on them.

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

Thompson, Price, Scott, Adams & Co., P.A.
October 28, 2010

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, 2010. 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.

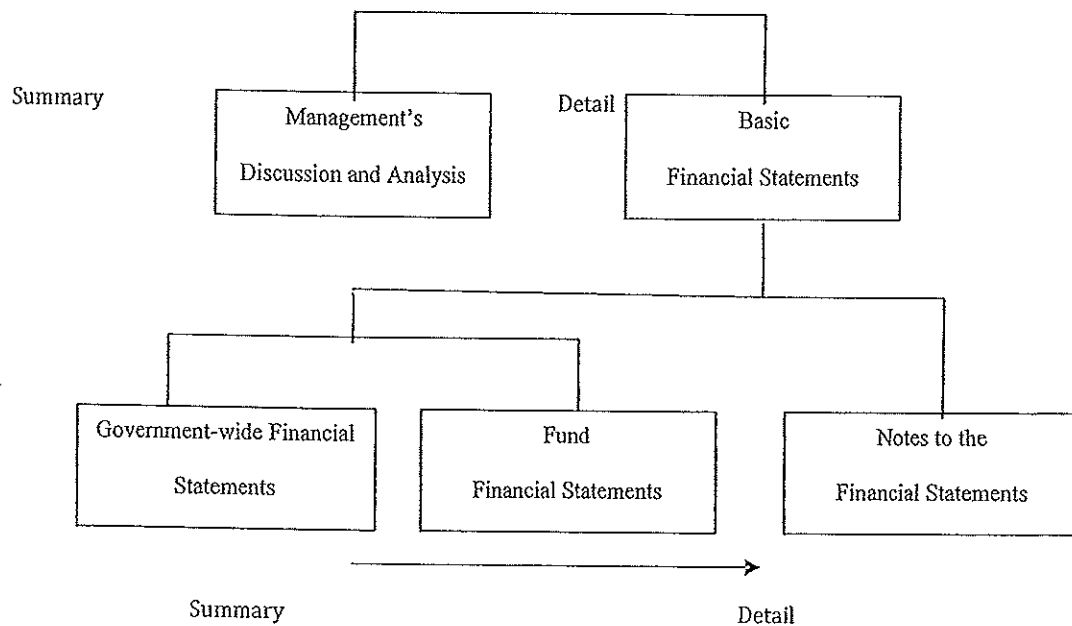
Financial Highlights

- The assets of Mid-East Commission exceeded its liabilities at the close of the fiscal year by \$618,498 (*net assets*).
- The government's total net assets increased over the prior year by \$25,417.
- At the close of the current fiscal year, Mid-East Commission's governmental funds reported combined ending fund balances of \$ 813,620, a increase of \$146,978 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the General Fund was \$ 235,385. This is an decrease of \$ 33,006 from the prior year.
- Mid-East Commission's total debt excluding compensated absences consists of the \$248,109 in the Intermediary Relending Program and the \$1,649,971 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.

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 \$618,498 as of June 30, 2010. As of June 30, 2009, the net assets of Mid-East Commission stood at \$593,081. The Commission's net assets increased by \$25,417. Mid-East Commission uses the Governmental Activities capital assets of \$23,366 to provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of \$800,908 for Governmental activities is unrestricted. In 2009, the amount of net assets invested in capital assets net of related debt was \$25,301 for Governmental activities, and the remaining \$739,627 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	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 2,050,286	\$ 1,589,303	\$ 231,156	\$ 244,081	\$ 2,281,442	\$ 1,833,384
Capital assets	23,366	25,301	1,231,120	1,274,638	1,254,486	1,299,939
Total assets	2,073,652	1,614,604	1,462,276	1,518,719	3,535,928	3,133,323
Long-term liabilities outstanding	278,408	258,290	1,624,398	1,638,118	1,902,806	1,896,408
Other liabilities	979,130	591,386	43,654	52,448	1,022,784	643,834
Total liabilities	1,257,538	849,676	1,668,052	1,690,566	2,925,590	2,540,242
Net assets:						
Invested in capital assets, net of related debt	23,366	25,301	(393,145)	(380,839)	(369,779)	(355,538)
Restricted	-	-	-	-	-	-
Unrestricted	800,908	739,627	187,369	208,992	988,277	948,619
Total net assets	\$ 824,274	\$ 764,928	\$ (205,776)	\$ (171,847)	\$ 618,498	\$ 593,081

Mid-East Commission Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 243,602	\$ 124,855	\$ 243,602	\$ 124,855
Operating grants and contributions	11,639,858	8,839,906	101,338	194,362	11,741,196	9,034,268
General revenues:						
Grants and contributions not restricted to specific programs	67,229	134,628	-	24,808	67,229	159,436
Investment earnings, unrestricted	25,057	37,547	189	252	25,246	37,799
Total revenues	11,732,144	9,012,081	345,129	344,277	12,077,273	9,358,358
Expenses:						
Economic & Physical Dev.	8,350,086	5,604,488	-	-	8,350,086	5,604,488
Human Services	3,322,712	2,827,459	-	-	3,322,712	2,827,459
Indirect costs	-	585,046	-	-	-	585,046
Business Type Activities	-	-	379,058	364,719	379,058	364,719
Total Expenses	11,672,798	9,016,993	379,058	364,719	12,051,856	9,381,712
Increase (decrease in net assets before transfers)	59,346	(4,912)	(33,929)	(20,442)	25,417	(25,354)
Transfers	-	-	-	-	-	-
Increase (decrease) in net assets	59,346	(4,912)	(33,929)	(20,442)	25,417	(25,354)
Net assets July 1	764,928	769,840	(171,847)	(151,405)	593,081	618,435
Net assets June 30	\$ 824,274	\$ 764,928	\$ (205,776)	\$ (171,847)	\$ 618,498	\$ 593,081

Governmental activities: Governmental activities depreciation decreased the Commission's net assets by \$9,086.

Business-type activities: Business-type activities depreciation decreased the Commission's net assets by \$48,257.

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 \$235,385.

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, 2010, totals \$23,366 (net of accumulated depreciation) and \$1,231,120 (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	2010	2009	2010	2009	2010
Land	\$ -	\$ -	\$ 98,750	\$ 98,750	\$ 98,750	\$ 98,750
Buildings	-	-	1,175,366	1,128,215	\$ 1,175,366	\$ 1,128,215
Equipment	25,301	23,366	522	4,155	\$ 25,823	\$ 27,521
Total	\$ 25,301	\$ 23,366	\$ 1,274,638	\$ 1,231,120	\$ 1,299,939	\$ 1,254,486

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, 2010, the Mid-East Commission's notes payable totaled \$248,109 for the Intermediary Relending Program and \$1,624,265 for the Mid-East Development Corporation.

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

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Compensated absences	\$ 107,499	\$ 102,325	\$ -	\$ -	\$ 107,499	\$ 102,325
OPEB payable	-	22,139	-	-	-	22,139
Installment purchases	258,290	248,109	1,637,228	1,649,971	1,895,518	1,898,080
Total	\$ 365,789	\$ 372,573	\$ 1,637,228	\$ 1,649,971	\$ 2,003,017	\$ 2,022,544

Figure 5

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, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,233,244	\$ 135,535	\$ 1,368,779
Security deposits	-	15,142	15,142
Escrow	-	3,342	3,342
Reserve	-	62,462	62,462
Grants receivable	-	12,986	12,986
Accounts receivable	815,842	-	815,842
Prepays	1,200	1,689	2,889
Total Current Assets	<u>2,050,286</u>	<u>231,156</u>	<u>2,281,442</u>
Capital assets:			
Land, improvements, and construction in progress	-	98,750	98,750
Other capital assets, net of depreciation	23,366	1,132,370	1,155,736
Total capital assets	<u>23,366</u>	<u>1,231,120</u>	<u>1,254,486</u>
Total assets	<u>\$ 2,073,652</u>	<u>\$ 1,462,276</u>	<u>\$ 3,535,928</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 979,130	\$ 28,861	\$ 1,007,991
OPEB payable	22,139	-	22,139
Security deposits	-	14,926	14,926
Long-term liabilities:			
Due within one year	10,281	23,033	33,314
Due in more than one year	237,828	1,601,232	1,839,060
Total liabilities	<u>1,249,378</u>	<u>1,668,052</u>	<u>2,917,430</u>
NET ASSETS			
Invested in capital assets, net of related debt	23,366	(393,145)	(369,779)
Unrestricted (deficit)	800,908	187,369	988,277
Total net assets	<u>\$ 824,274</u>	<u>\$ (205,776)</u>	<u>\$ 618,498</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, 2010

Functions/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	\$ 8,350,086	\$ -	\$ 8,641,038	\$ -	\$ 290,952	-	\$ 290,952
Human services	3,322,712	-	2,998,820	-	(323,892)	-	(323,892)
Indirect costs	-	-	-	-	-	-	-
Total governmental activities	\$ 11,672,798	\$ -	\$ 11,639,858	\$ -	\$ (32,940)	-	\$ (32,940)
Business-type activities:							
Mid-East Development Corporation	379,058	243,602	101,338	-	-	(34,118)	(34,118)
Total business-type activities	379,058	243,602	101,338	-	-	(34,118)	(34,118)
Total primary government	\$ 12,051,856	\$ 243,602	\$ 11,741,196	\$ -	\$ (32,940)	\$ (34,118)	\$ (67,058)
General revenues:							
Grants and contributions not restricted to specific programs					67,229	-	67,229
Unrestricted investment earnings					25,057	189	25,246
Total general revenues					92,286	189	92,475
Change in net assets					59,346	(33,929)	25,417
Net assets, beginning					764,928	(171,847)	593,081
Net assets, ending					\$ 824,274	\$ (205,776)	\$ 618,498

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

MID-EAST COMMISSION
Balance Sheet
Governmental Funds
June 30, 2010

	Major Funds		Governmental
	General Fund	Special Revenue	Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 1,233,244	\$ 1,233,244
Grants receivable	-	269,829	269,829
Accounts receivable	235,385	11,235	246,620
Other receivables	-	8,281	8,281
Loans receivable	-	291,112	291,112
Prepays	-	1,200	1,200
Due from other funds	-	-	-
Total assets	<u>235,385</u>	<u>1,814,901</u>	<u>2,050,286</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	-	979,130	979,130
Deferred revenues	-	257,536	257,536
Total liabilities	<u>-</u>	<u>1,236,666</u>	<u>1,236,666</u>
Fund balances:			
Reserved by State statute	235,385	324,121	559,506
Unreserved	-	254,114	254,114
Total fund balances	<u>235,385</u>	<u>578,235</u>	<u>813,620</u>
Total liabilities and fund balances	\$ <u>235,385</u>	\$ <u>1,814,901</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	23,366
Liabilities for earned but deferred revenues in fund statements	257,536
Some liabilities, including bonds payable and accrued interest, are not due and payable in current period and therefore are not reported in the funds	<u>(270,248)</u>
Total net assets of governmental activities	\$ <u>824,274</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, 2010

	Major Funds		
	General	Special Revenue	Total
REVENUES			
Federal awards	\$ -	\$ 9,401,711	\$ 9,401,711
State awards	-	1,597,773	1,597,773
Local in kind match	-	364,466	364,466
Other local revenue	67,229	341,265	408,494
Program income	-	36,610	36,610
Interest income	2,522	22,535	25,057
Total revenues	<u>69,751</u>	<u>11,764,360</u>	<u>11,834,111</u>
EXPENDITURES			
Economic and physical development	-	8,369,556	8,369,556
Human services	-	3,317,577	3,317,577
Total expenditures	<u>-</u>	<u>11,687,133</u>	<u>11,687,133</u>
Revenues over (under) expenditures	<u>69,751</u>	<u>77,227</u>	<u>146,978</u>
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	2,632	(2,632)	-
Transfer of local matching funds	<u>(105,389)</u>	<u>105,389</u>	<u>-</u>
Total other financing sources (uses)	<u>(102,757)</u>	<u>102,757</u>	<u>-</u>
Net change in fund balance	<u>(33,006)</u>	<u>179,984</u>	<u>146,978</u>
Fund balances, beginning	268,391	398,251	666,642
Fund balances, ending	<u>\$ 235,385</u>	<u>\$ 578,235</u>	<u>\$ 813,620</u>

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, 2010

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

Net changes in fund balances - total governmental funds	\$ 146,978
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.	(1,935)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
June 30, 2009	(331,275)
June 30, 2010	<u>257,536</u>
Change in deferred revenues	(73,739)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(22,139)
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.	<u>10,181</u>
Total changes in net assets of governmental activities	\$ <u><u>59,346</u></u>

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

MID-EAST COMMISSION
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Year Ended June 30, 2010

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other local revenue	\$ 105,528	\$ 105,528	\$ 67,229	\$ (38,299)
Interest Income	2,522	2,522	2,522	-
Total Revenues	<u>108,050</u>	<u>108,050</u>	<u>69,751</u>	<u>(38,299)</u>
Expenditures:				
General Government	5,293	5,293	-	5,293
Total Expenditures	<u>5,293</u>	<u>5,293</u>	<u>-</u>	<u>5,293</u>
Revenues Over (Under) Expenditures	<u>102,757</u>	<u>102,757</u>	<u>69,751</u>	<u>(33,006)</u>
Other Financing Sources (Uses):				
Transfers (to) from other funds	2,632	2,632	2,632	-
Transfer of local matching funds	(105,389)	(105,389)	(105,389)	-
Total Other Financing Sources (Uses)	<u>(102,757)</u>	<u>(102,757)</u>	<u>(102,757)</u>	<u>-</u>
Net Change in fund Balance	\$ <u>-</u>	\$ <u>-</u>	(33,006)	\$ <u>(33,006)</u>
Fund Balances, Beginning of Year			268,391	
Fund Balances, End of Year			<u>\$ 235,385</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, 2010

	<u>Major Enterprise Fund</u> <u>Mid-East Development</u> <u>Corporation</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 135,535
Cash - Security deposits	15,142
Cash - Escrow	3,342
Cash - Reserve	62,462
Accounts receivable	12,986
Prepaid expenses	1,689
Total current assets	<u>231,156</u>
Capital assets:	
Land	98,750
Other capital assets, net of depreciation	1,132,370
Total capital assets	<u>1,231,120</u>
Total Assets	<u>1,462,276</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	28,861
Security deposits	14,926
Notes payable - current	23,033
Total current liabilities	<u>66,820</u>
Noncurrent liabilities:	
Notes payable - noncurrent	1,601,232
Total noncurrent liabilities	<u>1,601,232</u>
Total liabilities	<u>1,668,052</u>
NET ASSETS	
Invested in Capital Assets, net of related debt	(393,145)
Unrestricted	187,369
Total Net Assets	<u>\$ (205,776)</u>

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

MID-EAST COMMISSION
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended June 30, 2010

	<u>Major Fund</u> <u>Mid-East Development</u> <u>Corporation</u>
OPERATING REVENUES:	
Rental income	\$ 173,735
Operation and management	22,739
Other revenue	47,128
Total operating revenues	<u>243,602</u>
OPERATING EXPENSES	
Management related	57,013
Operation of program services	170,202
Contractual services	50,500
Depreciation	48,257
Total operating expenditures	<u>325,972</u>
Operating income (loss)	<u>(82,370)</u>
NON-OPERATING REVENUES (EXPENSES):	
Rental assistance - RECD	77,200
Interest subsidies - RECD	24,138
Interest income	189
Contributions and local support	-
Interest expense	(53,086)
Total nonoperating revenues (expenses)	<u>48,441</u>
Income (loss) before capital contributions	(33,929)
Capital contributions	<u>-</u>
Change in net assets	<u>(33,929)</u>
Total net assets, beginning	<u>(171,847)</u>
Total net assets, ending	<u>\$ (205,776)</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, 2010

	Major Fund Mid-East Development
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from renters	\$ 173,735
Other cash received	69,867
Cash paid for goods and services	(221,632)
Cash paid to employees for services	(57,013)
Net cash provided (used) by operating activities	(35,043)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Rental assistance and interest subsidies	101,338
Contributions and local support	-
Net cash provided (used) by non-capital financing activities	101,338
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of fixed assets	\$ (7,285)
Principal paid on long-term debt	(12,853)
Interest paid on long-term debt	(53,086)
Net cash provided (used) by capital and related financing activities	(73,224)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	189
Net cash provided (used) by investing activities	189
Net increase (decrease) in cash and cash equivalents	(6,740)
Cash and cash equivalents, beginning	223,221
Cash and cash equivalents, ending	\$ 216,481

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, 2010

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Operating income (loss)	\$	(82,370)
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Adjustments to reconcile excess of revenues over (under) expenses to net cash used by operating activities

Depreciation		48,527
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Changes in current assets and current liabilities

(Increase) decrease in accounts receivable		6,366
--	--	-------

(Increase) decrease in prepaid expenses		(181)
---	--	-------

Increase (decrease) in accounts payable		(7,319)
---	--	---------

Increase (decrease) in security deposits		(66)
--	--	------

Total adjustments		<u>47,327</u>
-------------------	--	---------------

Net cash provided (used) by operating activities	\$	<u>(35,043)</u>
--	----	-----------------

Supplemental disclosure of cash flow information:

Rental assistance from the Rural Economic and Community Development Service was applied to cover note principal of \$77,200. Interest subsidies in the amount of \$24,128 were applied to the corporation's debt.

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

Notes to the Financial Statements

MID-EAST COMMISSION
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

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, 2010.

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 year end. 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 NCCMT'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

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, 2010. 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%

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.

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, 2010, the Commission's deposits had a carrying amount of \$1,300,058 and a bank balance of \$1,362,733. Of the bank balance, \$948,019 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

At June 30, 2010, the Commission had \$149,667 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.

3. Receivables

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

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

	<u>Accounts</u>	<u>Due from Other Governments</u>	<u>Loans Receivable</u>	<u>Total</u>
Governmental Activities				
General	\$ 235,385	\$ -	\$ -	\$ 235,385
Other Governmental	19,516	269,829	291,112	580,457
Total receivables	<u>\$ 254,901</u>	<u>\$ 269,829</u>	<u>\$ 291,112</u>	<u>\$ 815,842</u>
Business-type Activities:				
Mid-East Development Corp	<u>\$ 12,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,986</u>

Capital Assets

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

	<u>Beginning Balances 7/1/2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances 6/30/2010</u>
Governmental activities:				
Capital assets being depreciated				
Equipment	\$ 96,204	7,151	9,086	\$ 94,269
Less accumulated depreciation for				
Equipment	70,903	-	-	70,903
Governmental activity capital assets, net	<u>\$ 25,301</u>			<u>\$ 23,366</u>

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

General government	\$ 7,286
Environmental Protection	<u>\$ 1,800</u>
Total	<u>\$ 9,086</u>

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

	Beginning Balances 7/1/2009	Increases	Decreases	Ending Balances 6/30/2010
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	7,285	3,295	44,206
Total capital assets being depreciated	1,805,558	7,285	3,295	1,809,548
Less accumulated depreciation for				
Buildings	589,976	47,900	749	637,127
Furniture, fixtures, and equipment	39,694	357	-	40,051
Total accumulated depreciation	629,670	48,257	749	677,178
Total capital assets being depreciated, net	1,175,888			1,132,370
Business-type activities capital assets, net	\$ 1,274,638			1,231,120

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, 2010 loans receivable amounted to \$291,112 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 \$149,667 and the administrative expenses totaled \$5,432.

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, 2010 loans receivable amounted to \$-0-.

B. Liabilities

Payables

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

	Vendors	Other	Total
Governmental Activities			
Other Governmental	\$ 979,130	\$ -	\$ 979,130
Business-type Activities			
Mid East Development Corporation	\$ 28,861	\$ 14,926	\$ 43,787

Pension Plan and Post Employment Obligations

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 4.90%. 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, 2010, 2009, and 2008 were \$59,801, \$57,202, and \$33,717 respectively. The contributions made by the Council equaled the required contributions for each year.

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.

Other Postemployment Benefit

Healthcare Benefits

Plan Description. Under the terms of a Board resolution, the Board administers a single employer defined benefit healthcare plan ("the Retiree Health Plan").

Funding Policy. 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%. 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. The Commission has chosen to fund the healthcare benefits on a pay as you go basis. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due. In fiscal year ended, June 30, 2010, the Commission made no contributions.

IVAD-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

Annual OPEB Cost and Net OPEB Obligation. The Commission's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC).

The Commission has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Commission's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the Commission's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 22,139
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>22,139</u>
Contributions made	-
Increase (decrease) in net OPEB obligation	<u>22,139</u>
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u><u>\$ 22,139</u></u>

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2010 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 22,139	0.0%	\$ 12,104

Funded Status and Funding Progress. As of June 30, 2010, the actuarial accrued liability for benefits was \$171,128, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$297,814, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 57 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

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

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

Marital status – Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality – Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2005 United States Life Tables for Males and for Females were used.

Turnover – Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for development of an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 8.00 percent initially, reduced to an ultimate rate of 5.60 percent after six years, was used.

Health insurance premiums – 2009 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate – The expected long-term inflation assumption of 3.8 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in *The 2007 Annual Report of the Board of Trustees of Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

Payroll growth rate – The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the Town's short-term investment portfolio, a discount rate of 4.00 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010, was thirty years.

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:

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

Year Ending	
6/30	Payment
2011	\$ 155,526
2012	23,676
2013	23,676
2014	17,748
2015	-
	<u>\$ 220,626</u>

Long-Term Obligations

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			Interest
6/30	Payment	Principal	Expense
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
2015	12,735	10,695	2,040
2016-2020	63,675	55,083	8,592
2021-2025	63,675	57,865	5,810
2026-2030	63,675	60,787	2,888
2031-2035	22,243	21,939	304
	<u>\$ 276,943</u>	<u>\$ 248,109</u>	<u>\$ 28,834</u>

Mid-East Development Corporation Debt

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

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

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%)	218,265
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%)	243,096
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%)	24,235
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%)	1,023,681
	\$ <u>1,624,265</u>

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

Annual debt service requirements to maturity are as follows:

Year Ending 6/30	Payment	Total Interest	Interest Subsidy	Interest Expense	Principal
2011	\$ 124,309	\$ 101,276	\$ 72,015	\$ 29,261	\$ 23,033
2012	124,121	100,174	71,997	28,177	23,947
2013	124,955	100,021	71,988	28,033	24,934
2014	123,427	97,439	71,977	25,462	25,988
2015	123,436	96,394	71,820	24,574	27,042
2016-2020	576,220	464,611	352,763	111,848	111,609
2021-2025	580,955	433,082	355,828	77,254	147,873
2026-2030	461,504	263,088	352,377	(89,289)	198,416
2031-2035	567,176	308,025	353,778	(45,753)	259,151
2036-2040	554,461	209,812	355,820	(146,008)	344,649
2041-2045	445,490	105,745	159,854	(54,109)	339,745
2046-2050	95,871	21,561	60,536	(38,975)	74,310
2051-2055	24,511	943	11,586	(10,643)	23,568
	<u>\$ 3,926,436</u>	<u>\$ 2,302,171</u>	<u>\$ 2,362,339</u>	<u>\$ (60,168)</u>	<u>\$ 1,624,265</u>

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

Changes in Long-Term Liabilities

	Beginning Balance 7/1/2009	Increases	Decreases	Ending Balance 6/30/2010	Current Portion of Balance
Governmental activities:					
Installment purchase	\$ 258,290	\$ -	\$ (10,181)	\$ 248,109	\$ 10,281
OPEB liability	-	22,139	-	22,139	-
Compensated absences	107,499	-	5,174	102,325	-
Governmental activity Totals	<u>\$ 358,703</u>	<u>\$ 22,139</u>	<u>\$ (5,007)</u>	<u>\$ 372,573</u>	<u>\$ 10,281</u>
Business-type activities:					
Installment purchase	\$ 1,637,118	\$ -	\$ (12,853)	\$ 1,624,265	\$ 23,033
Totals	<u>\$ 1,637,118</u>	<u>\$ -</u>	<u>\$ (12,853)</u>	<u>\$ 1,624,265</u>	<u>\$ 23,033</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

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

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 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.

Deferred Revenues

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

	Special Revenue
Revolving Loan Program	\$ 257,536
Other	-
	\$ 257,536

Mid-East Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

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.

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

From the STA Fund to General Fund	\$ 2,632
	<u>\$ 2,632</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.

Required
Supplementary Financial Data

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

Schedule of Funding Progress for the Other Postemployment Benefits.

Schedule of Employer Contributions for the Other Postemployment Benefits.

MID EAST COMMISSION
Other Post Employment Benefits
Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
31-Dec-09	-	\$ 171,128	\$ 171,128	0.0%	\$ 297,814	57.00%

MID EAST COMMISSION
Other Post Employment Benefits
Required Supplementary Information
Schedule of Employer Contributions

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2010	22,139	0.00%

Supplementary Statements

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

MID-EAST COMMISSION
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Other local revenue	\$ 105,528	\$ 67,229	\$ (38,299)
Interest income	2,522	2,522	-
TOTAL REVENUES	108,050	69,751	(38,299)
EXPENDITURES			
General government	5,293	-	5,293
Human services	-	-	-
TOTAL EXPENDITURES	5,293	-	5,293
Revenues over (under) expenditures	102,757	69,751	(33,006)
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds:	2,632	2,632	-
Transfer out of local matching funds	(105,389)	(105,389)	-
TOTAL OTHER FINANCING SOURCES (USES)	(102,757)	(102,757)	-
Change in fund balance	\$ -	\$ (33,006)	\$ (33,006)
Fund Balances:			
Beginning of Year, July 1, 2008		268,391	
End of Year, June 30, 2009		\$ 235,385	

MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Fund
For the Year Ended June 30, 2010

	Aging	Workforce Development Region Q	Economic Development	Mid-East Revolving Loan Fund	Planning	CDBG
Revenues:						
Federal awards	\$ 1,568,111	\$ 5,667,274	\$ 67,150	\$ -	\$ -	\$ 55,321
State awards	1,430,709	-	-	-	101,881	-
Local match	251,672	-	-	-	22,048	-
Other local revenue	4,859	-	41,669	66,280	137,303	-
Program income	-	-	-	36,610	-	-
Interest Income	-	-	-	22,207	-	-
Total Revenues	<u>3,255,351</u>	<u>5,667,274</u>	<u>108,819</u>	<u>125,097</u>	<u>261,232</u>	<u>55,321</u>
Expenditures:						
Personnel	316,550	590,989	86,282	-	144,436	14,183
Participant wages and fringes	-	1,877,791	-	-	-	-
Travel	54,126	129,200	8,295	-	8,344	617
Contractual services	2,728,291	1,901,609	63	5,432	896	33,396
Capital outlay	-	17,507	50	-	-	-
Other direct expenses	95,922	926,127	18,737	-	76,593	1,628
Indirect costs	122,688	224,051	33,442	-	55,980	5,497
Total Expenditures	<u>3,317,577</u>	<u>5,667,274</u>	<u>146,869</u>	<u>5,432</u>	<u>286,249</u>	<u>55,321</u>
Revenues over(under) expenditures	<u>(62,226)</u>	<u>-</u>	<u>(38,050)</u>	<u>119,665</u>	<u>(25,017)</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfers (to) from Special Projects	-	-	-	-	20,018	-
Transfer (to) from Special Projects	-	-	-	-	-	-
Transfer of local matching funds	62,226	-	38,050	-	4,999	-
Total other financing sources (uses)	<u>62,226</u>	<u>-</u>	<u>38,050</u>	<u>-</u>	<u>25,017</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,665</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,892</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252,557</u>	<u>\$ -</u>	<u>\$ -</u>

State Technical Assistance	Mid-East IRP Fund	RLF Sequester	Hispanic ESL	MIPPA Grant	ARRA	Roanoke-Chowan DTF	Total June 30, 2009
\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 2,039,855	\$ -	\$ 9,401,711
23,750	-	-	-	-	41,433	-	1,597,773
-	-	-	-	-	90,746	-	364,466
-	72,726	17	1,731	-	-	16,680	341,265
-	-	-	-	-	-	-	36,610
-	328	-	-	-	-	-	22,535
<u>23,750</u>	<u>73,054</u>	<u>17</u>	<u>1,731</u>	<u>4,000</u>	<u>2,172,034</u>	<u>16,680</u>	<u>11,764,360</u>
-	-	-	-	2,932	168,534	-	1,323,906
-	-	-	-	-	547,541	-	2,425,332
-	-	-	-	-	58,358	-	258,940
-	-	-	1,717	-	1,200,795	-	5,872,199
-	-	-	-	-	-	-	17,557
1,100	12,735	17	14	260	157,812	16,680	1,307,625
-	-	-	-	808	39,108	-	481,574
<u>1,100</u>	<u>12,735</u>	<u>17</u>	<u>1,731</u>	<u>4,000</u>	<u>2,172,148</u>	<u>16,680</u>	<u>11,687,133</u>
<u>22,650</u>	<u>60,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(114)</u>	<u>-</u>	<u>77,227</u>
(2,632)	-	-	-	-	-	-	17,386
(20,018)	-	-	-	-	-	-	(20,018)
-	-	-	-	-	114	-	105,389
<u>(22,650)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114</u>	<u>-</u>	<u>102,757</u>
-	60,319	-	-	-	-	-	179,984
-	265,359	-	-	-	-	-	398,251
<u>\$ -</u>	<u>\$ 325,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 578,235</u>

MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Aging Programs
For the Year Ended June 30, 2010

	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
Revenues:							
Federal awards	\$ 148,781	\$ 1,027,257	\$ -	\$ 18,059	\$ -	\$ 7,561	\$ 63,697
State awards	12,790	1,195,823	-	1,063	-	329	27,588
Local match	-	236,122	-	-	-	-	-
Other local revenue	-	-	1,948	-	2,484	-	-
Total Revenues	<u>161,571</u>	<u>2,459,202</u>	<u>1,948</u>	<u>19,122</u>	<u>2,484</u>	<u>7,890</u>	<u>91,285</u>
Expenditures:							
Personnel	107,198	-	-	-	-	3,257	60,591
Travel	24,616	-	-	-	-	872	6,236
Contractual services	2,824	2,459,202	-	19,122	-	-	426
Capital outlay	-	-	-	-	-	-	-
Other direct expenses	24,793	-	1,948	-	2,484	3,156	11,049
Indirect costs	41,548	-	-	-	-	1,262	23,484
Total Expenditures	<u>200,979</u>	<u>2,459,202</u>	<u>1,948</u>	<u>19,122</u>	<u>2,484</u>	<u>8,547</u>	<u>101,786</u>
Revenues over(under) expenditures	<u>(39,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(657)</u>	<u>(10,501)</u>
Other Financing Sources (Uses)							
Transfer of local matching funds	39,408	-	-	-	-	657	10,501
Total other financing sources (uses)	<u>39,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>657</u>	<u>10,501</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year, June 30	<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, 2010

Home and Community Care Block Grant Martin & Beaufort	SHHP 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
\$ 19,107	\$ 5,662	\$ -	\$ 25,214	\$ 375	\$ 149,290	\$ -	\$ 103,108
-	-	45,423	54,823	-	12,825	9,937	-
807	-	-	-	-	-	-	10,933
-	-	-	-	-	295	-	132
<u>19,914</u>	<u>5,662</u>	<u>45,423</u>	<u>80,037</u>	<u>375</u>	<u>162,410</u>	<u>9,937</u>	<u>114,173</u>
9,267	171	29,213	-	194	47,637	8,455	45,762
4,793	1,257	459	-	66	6,731	1,553	6,764
-	4,110	95	80,037	-	56,134	-	42,166
-	-	-	-	-	-	-	-
2,262	58	4,334	-	40	33,445	1,319	8,737
3,592	66	11,322	-	75	18,463	3,277	17,737
<u>19,914</u>	<u>5,662</u>	<u>45,423</u>	<u>80,037</u>	<u>375</u>	<u>162,410</u>	<u>14,604</u>	<u>121,166</u>
-	-	-	-	-	-	(4,667)	(6,993)
-	-	-	-	-	-	4,667	6,993
-	-	-	-	-	-	4,667	6,993
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>MIPPA</u> <u>Grant</u>	<u>Linkage</u> <u>UNC</u>	<u>Total</u> <u>June 30, 2010</u>
\$ -	\$ -	\$ 1,568,111
7,393	62,715	1,430,709
-	3,810	251,672
-	-	4,859
<u>7,393</u>	<u>66,525</u>	<u>3,255,351</u>
4,805	-	316,550
122	657	54,126
-	64,175	2,728,291
-	-	-
604	1,693	95,922
<u>1,862</u>	<u>-</u>	<u>122,688</u>
<u>7,393</u>	<u>66,525</u>	<u>3,317,577</u>
-	-	(62,226)
-	-	62,226
-	-	62,226
-	-	-
-	-	-
\$ -	\$ -	\$ -

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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Postive (Negative)</u>
Revenues			
Federal awards	\$ 148,781	\$ 148,781	\$ -
State awards	12,790	12,790	-
Local match	-	-	-
Other local revenue	-	-	-
Total revenues	<u>161,571</u>	<u>161,571</u>	<u>-</u>
Expenditures			
Personnel	107,198	107,198	-
Travel	24,616	24,616	-
Contractual services	2,824	2,824	-
Capital outlay	-	-	-
Other direct expenses	24,793	24,793	-
Indirect costs	<u>41,548</u>	<u>41,548</u>	<u>-</u>
Total expenditures	<u>200,979</u>	<u>200,979</u>	<u>-</u>
Revenues over (under) expenditures	<u>(39,408)</u>	<u>(39,408)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>39,408</u>	<u>39,408</u>	<u>-</u>
Total other financing sources (uses)	<u>39,408</u>	<u>39,408</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ 1,027,257	\$ 1,027,257	\$ -
State awards	1,195,823	1,195,823	-
Other local revenue	236,122	236,122	-
Total revenues	<u>2,459,202</u>	<u>2,459,202</u>	<u>-</u>
Expenditures			
Contractual services	<u>2,459,202</u>	<u>2,459,202</u>	<u>-</u>
Total expenditures	<u>2,459,202</u>	<u>2,459,202</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>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <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, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
Other local revenue	1,948	1,948	-
Total revenues	1,948	1,948	-
Expenditures			
Other direct expenses	1,948	1,948	-
Indirect costs	-	-	-
Total expenditures	1,948	1,948	-
Revenues over (under) expenditures	-	-	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year		-	
End of year		\$ -	

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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	18,059	18,059	-
State awards	1,063	1,063	-
Other local revenue	-	-	-
Total revenues	<u>19,122</u>	<u>19,122</u>	<u>-</u>
Expenditures			
Contractual services	<u>19,122</u>	<u>19,122</u>	<u>-</u>
Total expenditures	<u>19,122</u>	<u>19,122</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		<u>-</u>	
End of year		<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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Other local revenue	2,484	2,484	-
Total revenues	2,484	2,484	-
Expenditures			
Other direct expenses	2,484	2,484	-
Total expenditures	2,484	2,484	-
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		-	
End of year		\$ -	

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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ 7,561	\$ 7,561	\$ -
State awards	329	329	-
Local awards	-	-	-
Total revenues	<u>7,890</u>	<u>7,890</u>	<u>-</u>
Expenditures			
Personnel	3,257	3,257	-
Travel	872	872	-
Other direct expenses	3,156	3,156	-
Indirect costs	<u>1,262</u>	<u>1,262</u>	<u>-</u>
Total expenditures	<u>8,547</u>	<u>8,547</u>	<u>-</u>
Revenues over (under) expenditures	<u>(657)</u>	<u>(657)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>657</u>	<u>657</u>	<u>-</u>
Total other financing sources (uses)	<u>657</u>	<u>657</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <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, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	\$ 63,697	\$ 63,697	\$ -
State awards	27,588	27,588	-
Local revenue	-	-	-
Total revenues	<u>91,285</u>	<u>91,285</u>	<u>-</u>
Expenditures			
Personnel	60,591	60,591	-
Travel	6,236	6,236	-
Contractual services	426	426	-
Capital outlay	-	-	-
Other direct expenses	11,049	11,049	-
Indirect costs	23,484	23,484	-
Total expenditures	<u>101,786</u>	<u>101,786</u>	<u>-</u>
Revenues over (under) expenditures	<u>(10,501)</u>	<u>(10,501)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>10,501</u>	<u>10,501</u>	<u>-</u>
Total other financing sources (uses)	<u>10,501</u>	<u>10,501</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - HCCBG Martin and Beaufort Counties
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	\$ 19,107	\$ 19,107	\$ -
State awards	-	-	-
Local revenue	807	807	-
Total revenues	<u>19,914</u>	<u>19,914</u>	<u>-</u>
Expenditures			
Personnel	9,267	9,267	-
Travel	4,793	4,793	-
Contractual services	-	-	-
Capital outlay	-	-	-
Other direct expenses	2,262	2,262	-
Indirect costs	3,592	3,592	-
Total expenditures	<u>19,914</u>	<u>19,914</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>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - SHIP Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	10,000	-	5,662	5,662	(4,338)
Total revenues	10,000	-	5,662	5,662	(4,338)
Expenditures					
Other direct expenses	10,000	-	5,662	5,662	(4,338)
Total expenditures	10,000	-	5,662	5,662	(4,338)
Revenues over (under) expenditures	-	-	-	-	-
Change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balances:					
Beginning of year			-		
End of year			\$ -		

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, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Postive (Negative)
Revenues			
State awards	<u>45,423</u>	<u>45,423</u>	-
Total revenues	<u>45,423</u>	<u>45,423</u>	-
Expenditures			
Personnel	29,213	29,213	-
Travel	459	459	-
Contractual services	95	95	-
Capital outlay	-	-	-
Other direct expenses	4,334	4,334	-
Indirect costs	<u>11,322</u>	<u>11,322</u>	-
Total expenditures	<u>45,423</u>	<u>45,423</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		<u>-</u>	
End of year		<u>\$ -</u>	

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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	25,214	25,214	-
State awards	54,823	54,823	-
Total revenues	<u>80,037</u>	<u>80,037</u>	<u>-</u>
Expenditures			
Contractual services	80,037	80,037	-
Other direct expenses	-	-	-
Total expenditures	<u>80,037</u>	<u>80,037</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		<u>-</u>	
End of year		<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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	375	375	-
State awards	-	-	-
Total revenues	<u>375</u>	<u>375</u>	<u>-</u>
Expenditures			
Personnel	194	194	-
Travel	66	66	-
Contractual services	-	-	-
Other direct expenses	40	40	-
Indirect costs	75	75	-
Total expenditures	<u>375</u>	<u>375</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		<u>-</u>	
End of year		\$ <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, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	149,290	149,290	-
Other local revenues	295	295	-
State awards	12,825	12,825	-
Total revenues	<u>162,410</u>	<u>162,410</u>	<u>-</u>
Expenditures			
Personnel	47,637	47,637	-
Travel	6,731	6,731	-
Contractual services	56,134	56,134	-
Capital outlay	-	-	-
Other direct expenses	33,445	33,445	-
Indirect costs	18,463	18,463	-
Total expenditures	<u>162,410</u>	<u>162,410</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>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <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, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
State awards	9,937	9,937	-
Local match	-	-	-
Total revenues	<u>9,937</u>	<u>9,937</u>	<u>-</u>
Expenditures			
Personnel	8,455	8,455	-
Travel	1,553	1,553	-
Capital outlay	-	-	-
Other direct expenses	1,319	1,319	-
Indirect costs	<u>3,277</u>	<u>3,277</u>	<u>-</u>
Total expenditures	<u>14,604</u>	<u>14,604</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	<u>4,667</u>	<u>4,667</u>	<u>-</u>
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		<u>-</u>	
End of year		\$ <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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	103,108	103,108	-
State awards	-	-	-
Other local revenue	132	132	-
Local match	10,933	10,933	-
Total revenues	<u>114,173</u>	<u>114,173</u>	<u>-</u>
Expenditures			
Personnel	45,762	45,762	-
Travel	6,764	6,764	-
Contractual services	42,166	42,166	-
Capital outlay	-	-	-
Other direct expenses	8,737	8,737	-
Indirect costs	17,737	17,737	-
Total expenditures	<u>121,166</u>	<u>121,166</u>	<u>-</u>
Revenues over (under) expenditures	<u>(6,993)</u>	<u>(6,993)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>6,993</u>	<u>6,993</u>	<u>-</u>
Total other financing sources (uses)	<u>6,993</u>	<u>6,993</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - MIPPA Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
State revenues	7,393	7,393	-
Total revenues	<u>7,393</u>	<u>7,393</u>	<u>-</u>
Expenditures			
Personnel	4,805	4,805	-
Travel	122	122	-
Contractual services	-	-	-
Other direct expenses	604	604	-
Indirect costs	1,862	1,862	-
Total expenditures	<u>7,393</u>	<u>7,393</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		<u>-</u>	
End of year		<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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Local Match	\$ 3,810	\$ 3,810	\$ -
State awards	<u>62,715</u>	<u>62,715</u>	<u>-</u>
Total revenues	<u>66,525</u>	<u>66,525</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Travel	657	657	-
Contractual services	64,175	64,175	-
Other direct expenses	1,693	1,693	-
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>66,525</u>	<u>66,525</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		<u>-</u>	
End of year		<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, 2010

	Administration WIA 2010	Adult WIA 2020	Dislocated Worker WIA 2030	Youth WIA 2040	Incentive WIA 2050	Title V Senior Employment Special Approp.	Title V Senior Employment	Total June 30, 2010
Revenues:								
Federal awards	\$ 257,338	\$ 1,000,200	\$ 761,227	\$ 677,208	\$ 563,570	\$ 23,173	\$ 2,384,558	\$ 5,667,274
Local match	-	-	-	-	-	-	-	-
Total Revenues	257,338	1,000,200	761,227	677,208	563,570	23,173	2,384,558	5,667,274
Expenditures:								
Personnel	137,566	85,274	98,174	70,977	92,321	-	106,677	590,989
Participant wages and fringes	-	137,029	61,654	38,548	3,212	22,712	1,614,636	1,877,791
Travel	22,407	2,368	38,510	2,207	24,883	21	38,804	129,200
Contractual services	5,032	684,256	466,580	508,971	200,355	-	36,415	1,901,609
Capital outlay	8,336	-	-	-	9,171	-	-	17,507
Other direct expenses	30,479	58,230	58,309	34,022	197,967	440	546,680	926,127
Indirect costs	53,518	33,043	38,000	22,483	35,661	-	41,346	224,051
Total Expenditures	257,338	1,000,200	761,227	677,208	563,570	23,173	2,384,558	5,667,274
Revenues over(under) expenditures	-	-	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-	-	-
Fund Balances:								
Beginning of Year	-	-	-	-	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	257,338	257,338	-
Total revenues	257,338	257,338	-
Expenditures			
Administration:			
Personnel	137,566	137,566	-
Travel	22,407	22,407	-
Contractual services	5,032	5,032	-
Capital outlay	8,336	8,336	-
Other direct expenses	30,479	30,479	-
Indirect costs	53,518	53,518	-
Total expenditures (admin)	257,338	257,338	-
Revenues over (under) expenditures	-	-	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year		-	
End of year		\$ -	

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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	1,000,200	1,000,200	-
Total revenues	<u>1,000,200</u>	<u>1,000,200</u>	<u>-</u>
Expenditures			
Program:			
Personnel	85,274	85,274	-
Participant wages and fringes	137,029	137,029	-
Travel	2,368	2,368	-
Contractual services	684,256	684,256	-
Other direct expenses	58,230	58,230	-
Indirect costs	33,043	33,043	-
Total expenditures (program)	<u>1,000,200</u>	<u>1,000,200</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		<u>-</u>	
End of year		\$ <u>-</u>	

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, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	761,227	761,227	-
Total revenues	761,227	761,227	-
Expenditures			
Program:			
Personnel	98,174	98,174	-
Participant wages and fringes	61,654	61,654	-
Travel	38,510	38,510	-
Contractual services	466,580	466,580	-
Other direct expenses	58,309	58,309	-
Indirect costs	38,000	38,000	-
Total expenditures (program)	761,227	761,227	-
Revenues over (under) expenditures	-	-	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year		-	
End of year		\$ -	

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, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	677,208	677,208	-
Total revenues	677,208	677,208	-
Expenditures			
Program:			
Personnel	70,977	70,977	-
Participant wages and fringes	38,548	38,548	-
Travel	2,207	2,207	-
Contractual services	508,971	508,971	-
Capital outlay	-	-	-
Other direct expenses	34,022	34,022	-
Indirect costs	22,483	22,483	-
Total expenditures (program)	677,208	677,208	-
Revenues over (under) expenditures	-	-	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year		-	
End of year		\$ -	

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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues	-		
Federal awards	647,243	563,570	(83,673)
Total revenues	647,243	563,570	(83,673)
Program:			
Personnel	94,019	92,321	1,698
Participant wages and fringes	3,307	3,212	95
Travel	24,883	24,883	-
Contractual services	200,355	200,355	-
Capital outlay	9,171	9,171	-
Other direct expenses	279,847	197,967	81,880
Indirect costs	35,661	35,661	-
Total expenditures	647,243	563,570	83,673
Revenues over (under) expenditures	-	-	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year		-	
End of year		\$ -	

MID-EAST COMMISSION
Workforce Development Region Q - Title V Senior Employment Special Approp.
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	23,173	23,173	-
Local match	-	-	-
Total revenues	<u>23,173</u>	<u>23,173</u>	<u>-</u>
Expenditures			
Program:			
Personnel	-	-	-
Participant wages and fringes	22,712	22,712	-
Travel	21	21	-
Contractual services	-	-	-
Capital outlay	-	-	-
Other direct expenses	440	440	-
Indirect costs	-	-	-
Total expenditures (program)	<u>23,173</u>	<u>23,173</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		-	
End of year		\$ <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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	2,546,465	2,384,558	(161,907)
Local match	-	-	-
Total revenues	<u>2,546,465</u>	<u>2,384,558</u>	<u>(161,907)</u>
Expenditures			
Program:			
Personnel	144,089	106,677	37,412
Participant wages and fringes	1,619,067	1,614,636	4,431
Travel	38,804	38,804	-
Contractual services	36,415	36,415	-
Capital outlay	-	-	-
Other direct expenses	646,834	546,680	100,154
Indirect costs	61,256	41,346	19,910
Total expenditures (program)	<u>2,546,465</u>	<u>2,384,558</u>	<u>161,907</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Economic Development Programs
For the Year Ended June 30, 2010

	Economic Development Administration	GUC ASR RC	Beaufort County CDBG	Auroa TEDG	Chocowinity Southtech
Revenues:					
Federal awards	\$ 57,076	\$ -	\$ 54	\$ -	\$ -
Other local revenue	-	11,359	-	843	670
Total Revenues	<u>57,076</u>	<u>11,359</u>	<u>54</u>	<u>843</u>	<u>670</u>
Expenditures:					
Personnel	54,655	7,073	-	430	441
Travel	4,103	747	54	197	8
Contractual services	63	-	-	-	-
Capital outlay	-	-	-	-	50
Other direct expenses	15,122	797	-	49	-
Indirect costs	21,183	2,742	-	167	171
Total Expenditures	<u>95,126</u>	<u>11,359</u>	<u>54</u>	<u>843</u>	<u>670</u>
Revenues over(under) expenditures	<u>(38,050)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer (to) from special projects	-	-	-	-	-
Transfer (to) from general fund	-	-	-	-	-
Transfer of local matching funds	38,050	-	-	-	-
Total other financing sources (uses)	<u>38,050</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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<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, 2010

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, 2010
\$ -	\$ -	\$ 10,020	\$ -	\$ -	\$ -	\$ -	\$ 67,150
2,830	6,607	5,361	-	2,345	5,793	5,861	41,669
<u>2,830</u>	<u>6,607</u>	<u>15,381</u>	<u>-</u>	<u>2,345</u>	<u>5,793</u>	<u>5,861</u>	<u>108,819</u>
1,716	4,052	9,081	-	1,545	3,753	3,536	86,282
157	528	1,756	-	26	162	557	8,295
-	-	-	-	-	-	-	63
-	-	-	-	-	-	-	50
292	457	1,024	-	175	423	398	18,737
665	1,570	3,520	-	599	1,455	1,370	33,442
<u>2,830</u>	<u>6,607</u>	<u>15,381</u>	<u>-</u>	<u>2,345</u>	<u>5,793</u>	<u>5,861</u>	<u>146,869</u>
-	-	-	-	-	-	-	(38,050)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	38,050
-	-	-	-	-	-	-	38,050
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	<u>57,076</u>	<u>57,076</u>	<u>-</u>
Total revenues	<u>57,076</u>	<u>57,076</u>	<u>-</u>
Expenditures			
Personnel	54,655	54,655	-
Travel	4,103	4,103	-
Contractual services	63	63	-
Other direct expenses	15,122	15,122	-
Indirect costs	<u>21,183</u>	<u>21,183</u>	<u>-</u>
Total expenditures	<u>95,126</u>	<u>95,126</u>	<u>-</u>
Revenues over (under) expenditures	<u>(38,050)</u>	<u>(38,050)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer from ED special projects	-	-	-
Transfer of local matching funds	<u>38,050</u>	<u>38,050</u>	<u>-</u>
Total other financing sources (uses)	<u>38,050</u>	<u>38,050</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$ <u>-</u>	
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <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, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	11,359	11,359	-
Total revenues	11,359	11,359	-
Expenditures			
Personnel	7,073	7,073	-
Travel	747	747	-
Other direct expenses	797	797	-
Indirect costs	2,742	2,742	-
Total expenditures	11,359	11,359	-
Revenues over (under) expenditures	-	-	-
Other Financing Source (Uses)			
Transfer (to) from general fund	-	-	-
Total other financing sources (uses)	-	-	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year		-	
End of year		\$ -	

MID-EAST COMMISSION
Economic Development Programs - Beaufort County CDBG
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	\$ 14,328	\$ 915	\$ 54	\$ 969	\$ (13,359)
Total revenues	<u>14,328</u>	<u>915</u>	<u>54</u>	<u>969</u>	<u>(13,359)</u>
Expenditures					
Personnel	2,026	519	-	519	1,507
Travel	158	-	54	54	104
Other direct expenses	11,111	174	-	174	10,937
Indirect costs	<u>1,033</u>	<u>222</u>	<u>-</u>	<u>222</u>	<u>811</u>
Total expenditures	<u>14,328</u>	<u>915</u>	<u>54</u>	<u>969</u>	<u>13,359</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			<u>-</u>		
End of year			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Auroa TEDG
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	843	-	843	843	-
Total revenues	843	-	843	843	-
Expenditures					
Personnel	430	-	430	430	-
Travel	197	-	197	197	-
Contractual services	-	-	-	-	-
Other direct expenses	49	-	49	49	-
Indirect costs	167	-	167	167	-
Total expenditures	843	-	843	843	-
Revenues over (under) expenditures	-	-	-	-	-
Change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balances:					
Beginning of year			-		
End of year			\$ -		

MID-EAST COMMISSION
Economic Development Programs - Chocowinity Southtech
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Other local revenue	12,500	5,235	670	5,905	(6,595)
Total revenues	12,500	5,235	670	5,905	(6,595)
Expenditures					
Personnel	2,936	2,936	441	3,377	(441)
Travel	-	-	8	8	(8)
Other direct expenses	982	982	50	1,032	(50)
Indirect costs	8,582	1,317	171	1,488	7,094
Total expenditures	12,500	5,235	670	5,905	6,595
Revenues over (under) expenditures	-	-	-	-	-
Change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balances:					
Beginning of year			-		
End of year			\$ -		

MID-EAST COMMISSION
Economic Development Programs - Flanders RC Washington
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ 29,230	\$ 453	\$ -	\$ 453	\$ (28,777)
Other local revenue	770	-	2,830	2,830	2,060
Total revenues	<u>30,000</u>	<u>453</u>	<u>2,830</u>	<u>3,283</u>	<u>(26,717)</u>
Expenditures					
Personnel	18,357	291	1,716	2,007	16,350
Travel	1,400	9	157	166	1,234
Other direct expenses	2,349	10	292	302	2,047
Indirect costs	7,894	143	665	808	7,086
Total expenditures	<u>30,000</u>	<u>453</u>	<u>2,830</u>	<u>3,283</u>	<u>26,717</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			<u>-</u>		
End of year			\$ <u>-</u>		

MID-EAST COMMISSION
Economic Development Programs - Flanders CDBG/ED Washington
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	\$ 29,230	\$ -	\$ -	\$ -	\$ (29,230)
Other local revenue	770	9,354	6,607	15,961	15,191
Total revenues	<u>30,000</u>	<u>9,354</u>	<u>6,607</u>	<u>15,961</u>	<u>(14,039)</u>
Expenditures					
Personnel	18,357	6,372	4,052	10,424	7,933
Travel	1,400	164	528	692	708
Other direct expenses	2,349	240	457	697	1,652
Indirect costs	<u>7,894</u>	<u>2,578</u>	<u>1,570</u>	<u>4,148</u>	<u>3,746</u>
Total expenditures	<u>30,000</u>	<u>9,354</u>	<u>6,607</u>	<u>15,961</u>	<u>14,039</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			<u>-</u>		
End of year			\$ <u>-</u>		

MID-EAST COMMISSION
Economic Development Programs - Town of Farmville
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	\$ 10,250	\$ 37	\$ 10,020	\$ 10,057	\$ (193)
Other local revenue	35,000	17,312	5,361	22,673	(12,327)
Total revenues	<u>45,250</u>	<u>17,349</u>	<u>15,381</u>	<u>32,730</u>	<u>(12,520)</u>
Expenditures					
Personnel	25,000	9,856	9,081	18,937	6,063
Travel	4,000	2,128	1,756	3,884	116
Contractual services	-	-	-	-	-
Other direct expenses	1,639	615	1,024	1,639	-
Indirect costs	14,611	4,750	3,520	8,270	6,341
Total expenditures	<u>45,250</u>	<u>17,349</u>	<u>15,381</u>	<u>32,730</u>	<u>12,520</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			<u>-</u>		
End of year			<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
From Incpetion and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	\$ 29,449	\$ 32,668	\$ -	\$ 32,668	\$ 3,219
Other local revenue	2,170	4,487	-	4,487	2,317
Total revenues	<u>31,619</u>	<u>37,155</u>	<u>-</u>	<u>37,155</u>	<u>5,536</u>
Expenditures					
Personnel	19,326	16,581	-	16,581	2,745
Travel	601	173	-	173	428
Equipment	1,169	1,169	-	1,169	-
Other direct expenses	2,667	1,050	-	1,050	1,617
Indirect costs	7,856	6,640	-	6,640	1,216
Total expenditures	<u>31,619</u>	<u>25,613</u>	<u>-</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			<u>-</u>		
End of year			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Beaufort County CMW
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	3,090	745	2,345	3,090	-
Total revenues	<u>3,090</u>	<u>745</u>	<u>2,345</u>	<u>3,090</u>	<u>-</u>
Expenditures					
Personnel	2,030	485	1,545	2,030	-
Travel	33	7	26	33	-
Equipment	-	-	-	-	-
Other direct expenses	191	16	175	191	-
Indirect costs	836	237	599	836	-
Total expenditures	<u>3,090</u>	<u>745</u>	<u>2,345</u>	<u>3,090</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			<u>-</u>		
End of year			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Penn/Havens CDBG
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	7,683	1,890	5,793	7,683	-
Total revenues	<u>7,683</u>	<u>1,890</u>	<u>5,793</u>	<u>7,683</u>	<u>-</u>
Expenditures					
Personnel	4,875	1,122	3,753	4,875	-
Travel	341	179	162	341	-
Equipment	-	-	-	-	-
Other direct expenses	466	43	423	466	-
Indirect costs	2,001	546	1,455	2,001	-
Total expenditures	<u>7,683</u>	<u>1,890</u>	<u>5,793</u>	<u>7,683</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			<u>-</u>		
End of year			<u>\$ -</u>		

MID-EAST COMMISSION
Economic Development Programs - Bethel IDF
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ 1,411	\$ 1,411	\$ -	\$ 1,411	\$ -
Other local revenue	5,861	-	5,861	5,861	-
Total revenues	<u>7,272</u>	<u>1,411</u>	<u>5,861</u>	<u>7,272</u>	<u>-</u>
Expenditures					
Personnel	4,308	772	3,536	4,308	-
Travel	792	235	557	792	-
Equipment	-	-	-	-	-
Other direct expenses	426	28	398	426	-
Indirect costs	1,746	376	1,370	1,746	-
Total expenditures	<u>7,272</u>	<u>1,411</u>	<u>5,861</u>	<u>7,272</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			<u>-</u>		
End of year			<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, 2010

	Budget	Actual	Variance Postive (Negative)
Revenues			
Interest	22,207	22,207	-
Processing fees	869	869	-
Other local revenue	65,411	65,411	-
Program income	36,610	36,610	-
Total revenues	<u>125,097</u>	<u>125,097</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Travel	-	-	-
Contractual services	125,097	5,432	119,665
Other direct expenses	-	-	-
Indirect costs	-	-	-
Total expenditures	<u>125,097</u>	<u>5,432</u>	<u>119,665</u>
Revenues over (under) expenditures	<u>-</u>	<u>119,665</u>	<u>119,665</u>
Change in fund balance	<u>\$ -</u>	119,665	<u>\$ 119,665</u>
Fund Balances:			
Beginning of year		<u>132,892</u>	
End of year		<u>\$ 252,557</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, 2010

	Aurora Planning & Zoning Administration	Bath Zoning Ordinance	Beaufort County	Bath Planning & Zoning	Plymouth Planning & Zoning Admin	Colrain Planning & Zoning Admin	Chocowinity Planning & Zoning Admin
Revenues:							
State awards	\$ -	\$ -	\$ -	\$ -	\$ 26,964	\$ -	\$ -
Other local awards	3,242	19,909	38,774	1,207	-	636	32,072
Total Revenues	<u>3,242</u>	<u>19,909</u>	<u>38,774</u>	<u>1,207</u>	<u>26,964</u>	<u>636</u>	<u>32,072</u>
Expenditures:							
Personnel	2,016	12,458	25,158	708	17,513	418	20,875
Travel	204	812	601	22	10	-	556
Contractual services	-	-	356	-	-	-	-
Other direct expenses	241	1,811	2,908	203	2,653	56	2,550
Indirect costs	781	4,828	9,751	274	6,788	162	8,091
Total Expenditures	<u>3,242</u>	<u>19,909</u>	<u>38,774</u>	<u>1,207</u>	<u>26,964</u>	<u>636</u>	<u>32,072</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	-	-	-	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION
Planning Programs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2010

Como Planning & Zoning Admin	Mufreesboro Planning & Zoning Admin	Planning Special Projects	Rural Transportation Planning	Hertford County LUP	Totals		Variance Positive (Negative)
					June 30, 2010	Budget	
\$ -	\$ -	\$ -	\$ 74,917	\$ -	\$ 101,881	\$ 101,881	-
-	6,440	41,786	15,226	59	159,351	159,351	-
-	6,440	41,786	90,143	59	261,232	261,232	-
-	3,593	4,771	56,908	18	144,436	144,436	-
-	1,049	-	5,090	-	8,344	8,344	-
-	-	-	540	-	896	896	-
-	405	55,184	10,548	34	76,593	76,593	-
-	1,393	1,849	22,056	7	55,980	55,980	-
-	6,440	61,804	95,142	59	286,249	286,249	-
-	-	(20,018)	(4,999)	-	(25,017)	(25,017)	-
-	-	20,018	-	-	20,018	20,018	-
-	-	-	4,999	-	4,999	4,999	-
-	-	20,018	4,999	-	25,017	25,017	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MID-EAST COMMISSION
CDBG
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2010

				Totals
	Cofield CDBG	Mufreesboro CDBG	Hertford CDBG	June 30, 2010
Revenues:				
Federal awards	\$ 605	\$ 5,285	\$ 49,431	\$ 55,321
Total Revenues	<u>605</u>	<u>5,285</u>	<u>49,431</u>	<u>55,321</u>
Expenditures:				
Personnel	403	-	13,780	14,183
Travel	-	-	617	617
Contractual services	-	5,285	28,111	33,396
Other direct expenses	46	-	1,582	1,628
Indirect costs	156	-	5,341	5,497
Total Expenditures	<u>605</u>	<u>5,285</u>	<u>49,431</u>	<u>55,321</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
CDBG Programs - Coffield CDBG
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	91,048	89,268	605	89,873	(1,175)
Total revenues	91,048	89,268	605	89,873	(1,175)
Expenditures					
Personnel	1,555	1,152	403	1,555	-
Travel	387	387	-	387	-
Contractual services	88,196	88,196	-	88,196	-
Other direct expenses	279	233	46	279	-
Indirect costs	631	475	156	631	-
Total expenditures	91,048	90,443	605	91,048	-
Revenues over (under) expenditures	-	(1,175)	-	(1,175)	(1,175)
Other Financing Sources (Uses)					
Transfer (to) from general fund	-	1,175	-	1,175	1,175
Change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balances:					
Beginning of year			-		
End of year			\$ -		

MID-EAST COMMISSION
CDBG Programs - Hartford
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	106,426	49,119	49,431	98,550	(7,876)
Total revenues	<u>106,426</u>	<u>49,119</u>	<u>49,431</u>	<u>98,550</u>	<u>(7,876)</u>
Expenditures					
Personnel	41,987	28,207	13,780	41,987	-
Travel	2,863	2,246	617	2,863	-
Contractual services	30,666	2,555	28,111	30,666	-
Other direct expenses	12,058	2,600	1,582	4,182	7,876
Indirect costs	18,852	13,511	5,341	18,852	-
Total expenditures	<u>106,426</u>	<u>49,119</u>	<u>49,431</u>	<u>98,550</u>	<u>7,876</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			-		
End of year			\$ <u>-</u>		

MID-EAST COMMISSION
CDBG Programs - Mufreesboro
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	5,285	-	5,285	5,285	-
Total revenues	5,285	-	5,285	5,285	-
Expenditures					
Personnel	-	-	-	-	-
Travel	-	-	-	-	-
Contractual services	5,285	-	5,285	5,285	-
Other direct expenses	-	-	-	-	-
Indirect costs	-	-	-	-	-
Total expenditures	5,285	-	5,285	5,285	-
Revenues over (under) expenditures	-	-	-	-	-
Change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balances:					
Beginning of year			-		
End of year			\$ -		

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, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
State awards	\$ <u>23,750</u>	\$ <u>23,750</u>	\$ <u>-</u>
Total revenues	<u>23,750</u>	<u>23,750</u>	<u>-</u>
Expenditures			
Other direct expenses	1,100	1,100	
Indirect costs	<u>-</u>	<u>-</u>	
Total expenditures	<u>1,100</u>	<u>1,100</u>	<u>-</u>
Revenues over(under) expenditures	22,650	22,650	-
Other Financing Sources (Uses)			
Transfer (to) other funds	(2,632)	(2,632)	-
Transfer (to) Special Project Planning	<u>(20,018)</u>	<u>(20,018)</u>	<u>-</u>
Total other financing sources (uses)	<u>(22,650)</u>	<u>(22,650)</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$ <u>-</u>	
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION
Mid-East Intermediary Re-Lending Program Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Interest	7,633	64,321	328	64,649	57,016
Program income	26,681	299,927	-	299,927	273,246
Other local revenue	63	7,070	72,726	79,796	79,733
Total revenues	<u>34,377</u>	<u>371,318</u>	<u>73,054</u>	<u>444,372</u>	<u>409,995</u>
Expenditures					
Personnel	8,825	-	-	-	8,825
Travel	-	32	-	32	(32)
Contractual services	7,228	40,275	-	40,275	(33,047)
Other direct expenses	372,980	359,352	12,735	372,087	893
Indirect costs	3,970	6,300	-	6,300	(2,330)
Total expenditures	<u>393,003</u>	<u>405,959</u>	<u>12,735</u>	<u>418,694</u>	<u>(25,691)</u>
Revenues over (under) expenditures	<u>(358,626)</u>	<u>(34,641)</u>	<u>60,319</u>	<u>25,678</u>	<u>384,304</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>265,359</u>	60,319	\$ <u>325,678</u>	\$ <u>325,678</u>
Fund Balances:					
Beginning of year			<u>265,359</u>		
End of year			\$ <u>325,678</u>		

MID-EAST COMMISSION
 RLF Sequester
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest income	<u>17</u>	<u>17</u>	<u>-</u>
Total revenues	<u>17</u>	<u>17</u>	<u>-</u>
Expenditures			
Personnel	<u>-</u>	<u>-</u>	<u>-</u>
Other direct expenses	<u>17</u>	<u>17</u>	<u>-</u>
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>17</u>	<u>17</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			-
Beginning of year		<u>-</u>	
End of year		\$ <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, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Other local revenue	1,731	1,731	-
Total revenues	<u>1,731</u>	<u>1,731</u>	<u>-</u>
Expenditures			
Travel	-	-	-
Contractual services	1,717	1,717	-
Other direct expenses	14	14	-
Total expenditures	<u>1,731</u>	<u>1,731</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		-	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION
Inter Program Training
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Federal awards	<u>4,000</u>	<u>4,000</u>	-
Total revenues	<u>4,000</u>	<u>4,000</u>	-
Expenditures			
Personnel	<u>2,932</u>	<u>2,932</u>	-
Other direct expenses	<u>260</u>	<u>260</u>	-
Indirect costs	<u>808</u>	<u>808</u>	-
Total expenditures	<u>4,000</u>	<u>4,000</u>	-
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

Mid-East Commission
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MID-EAST COMMISSION
ARRA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2010

	Title V ARRA	WIA Admin ARRA	WIA Adult ARRA	Congregate Meals ARRA	Home Delivered Meals ARRA	Greenville Utilities ARRA
Revenues:						
Federal awards	349,671	134,065	431,577	50,565	21,365	7,167
State awards	-	-	-	24,946	16,487	-
Local match	78,911	-	-	7,923	3,912	-
Total Revenues	<u>428,582</u>	<u>134,065</u>	<u>431,577</u>	<u>83,434</u>	<u>41,764</u>	<u>7,167</u>
Expenditures:						
Personnel	10,773	85,416	10,898	2,653	1,963	4,500
Travel	2,387	4,920	28,448	95	69	416
Contractual services	10,515	613	314,183	71,592	34,928	-
Participant wages and fringes	310,202	-	76,410	-	-	-
Other direct expenses	92,563	10,010	1,638	8,066	4,043	507
Indirect costs	2,142	33,106	-	1,028	761	1,744
Total Expenditures	<u>428,582</u>	<u>134,065</u>	<u>431,577</u>	<u>83,434</u>	<u>41,764</u>	<u>7,167</u>
Revenues over(under) expenditures	-	-	-	-	-	-
Other Financing Sources (uses):						
Transfers of local matching funds	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-
Fund Balances:						
Beginning of Year	-	-	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<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, 2010

Dislocated Worker ARRA	Energy Sector Partnership ARRA	Youth ARRA	Totals		Variance Positive (Negative)
			June 30, 2010	Budget	
561,442	1,264	482,739	2,039,855	2,104,250	(64,395)
-	-	-	41,433	41,433	-
-	-	-	90,746	90,746	-
561,442	1,264	482,739	2,172,034	2,236,429	(64,395)
32,015	843	19,473	168,534	168,534	-
21,052	-	971	58,358	58,358	-
437,263	-	331,701	1,200,795	1,265,190	64,395
41,902	-	119,027	547,541	547,541	-
29,210	94	11,681	157,812	157,812	-
-	327	-	39,108	39,108	-
561,442	1,264	482,853	2,172,148	2,236,543	64,395
-	-	(114)	(114)	(114)	-
-	-	114	114	114	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MID-EAST COMMISSION
RC DTF Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local revenues	16,680	16,680	-
Total revenues	16,680	16,680	-
Expenditures			
Other direct expenses	16,680	16,680	-
Total expenditures	16,680	16,680	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year		-	
End of year		\$ -	

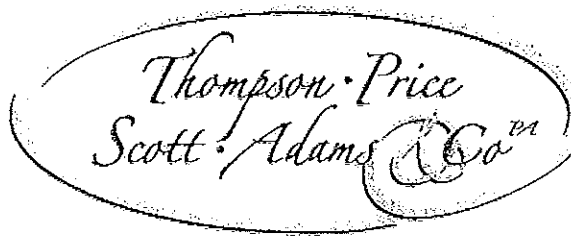
MID-EAST COMMISSION
Combining Statement of Net Assets - Proprietary Fund
Mid-East Development Corporation
June 30, 2010

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 373	\$ 18,409	\$ 1,753	\$ 18,893	\$ 96,107	\$ 135,535
Security deposits	3,633	-	1,970	9,539	-	15,142
Escrow	1,671	-	1,671	-	-	3,342
Reserve	8,238	-	2,524	51,700	-	62,462
Accounts receivable	-	-	-	8,038	4,948	12,986
Prepaid expenses	152	-	152	1,385	-	1,689
Total current assets	<u>14,067</u>	<u>18,409</u>	<u>8,070</u>	<u>89,555</u>	<u>101,055</u>	<u>231,156</u>
Capital assets:						
Building	251,014	-	357,373	1,153,659	-	1,762,046
Land	10,000	-	20,000	68,750	-	98,750
Improvements	4,120	-	3,165	-	-	7,285
Furniture	4,263	-	3,460	11,814	20,680	40,217
Accumulated Depreciation	(111,126)	-	(89,124)	(456,248)	(20,680)	(677,178)
Total capital assets, net	<u>158,271</u>	<u>-</u>	<u>294,874</u>	<u>777,975</u>	<u>-</u>	<u>1,231,120</u>
Total Assets	<u>172,338</u>	<u>18,409</u>	<u>302,944</u>	<u>867,530</u>	<u>101,055</u>	<u>1,462,276</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	1,211	4,780	3,281	12,704	6,885	28,861
Security deposits	3,633	-	1,970	9,323	-	14,926
Notes payable - current	9,318	-	4,316	9,399	-	23,033
Total current liabilities	<u>14,162</u>	<u>4,780</u>	<u>9,567</u>	<u>31,426</u>	<u>6,885</u>	<u>66,820</u>
Non-current liabilities						
Notes payable - non-current						
NC Housing	28,118	-	83,870	-	-	111,988
FMHA	208,896	-	266,066	1,014,282	-	1,489,244
Total non-current liabilities	<u>237,014</u>	<u>-</u>	<u>349,936</u>	<u>1,014,282</u>	<u>-</u>	<u>1,601,232</u>
Total Liabilities	<u>251,176</u>	<u>4,780</u>	<u>359,503</u>	<u>1,045,708</u>	<u>6,885</u>	<u>1,668,052</u>
NET ASSETS						
Invested in Capital Assets, net of related debt	(88,061)	-	(59,378)	(245,706)	-	(393,145)
Unrestricted	9,223	13,629	2,819	67,528	94,170	187,369
Total Net Assets	<u>\$ (78,838)</u>	<u>\$ 13,629</u>	<u>\$ (56,559)</u>	<u>\$ (178,178)</u>	<u>\$ 94,170</u>	<u>\$ (205,776)</u>

MID-EAST COMMISSION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended June 30, 2010

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
OPERATING REVENUES:						
Rental income	\$ 17,433	\$ -	\$ 14,352	\$ 141,950	\$ -	\$ 173,735
Operation and management	814	-	631	1,249	20,045	22,739
Other local revenue	-	47,128	-	-	-	47,128
Total operating revenues	<u>18,247</u>	<u>47,128</u>	<u>14,983</u>	<u>143,199</u>	<u>20,045</u>	<u>243,602</u>
OPERATING EXPENSES						
Management related	16,877	-	8,476	31,660	-	57,013
Operation of program services	26,508	46,120	43,043	80,324	22,464	218,459
Contractual services	17,646	1,008	10,086	21,760	-	50,500
Total operating expenditures	<u>61,031</u>	<u>47,128</u>	<u>61,605</u>	<u>133,744</u>	<u>22,464</u>	<u>325,972</u>
Operating income (loss)	<u>(42,784)</u>	<u>-</u>	<u>(46,622)</u>	<u>9,455</u>	<u>(2,419)</u>	<u>(82,370)</u>
NON-OPERATING REVENUES (EXPENSES):						
Rental assistance received	33,421	-	43,779	-	-	77,200
Interest subsidies received	11,475	-	12,663	-	-	24,138
Interest income	68	-	-	67	54	189
Contributions and local support	-	-	-	-	-	-
Grant funds - Aging	-	-	-	-	-	-
Interest expense	(15,843)	-	(18,385)	(18,858)	-	(53,086)
Total nonoperating revenues(expenses)	<u>29,121</u>	<u>-</u>	<u>38,057</u>	<u>(18,791)</u>	<u>54</u>	<u>48,441</u>
Change in net assets	(13,663)	-	(8,565)	(9,336)	(2,365)	(33,929)
Net assets, beginning	(65,175)	13,629	(47,994)	(168,842)	96,535	(171,847)
Net assets, ending	\$ <u>(78,838)</u>	\$ <u>13,629</u>	\$ <u>(56,559)</u>	\$ <u>(178,178)</u>	\$ <u>94,170</u>	\$ <u>(205,776)</u>

Compliance Section



CERTIFIED PUBLIC ACCOUNTANTS

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**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 the 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 aggregate remaining fund information of Mid East Commission as of and for the year ended June 30, 2010, which collectively comprises the Commission's basic financial statements, and have issued our report thereon dated October 28, 2010. 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 the 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 Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

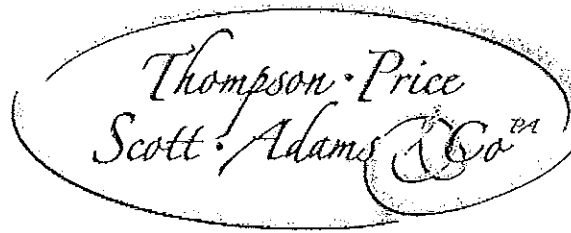
Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

This report is intended solely for the information and use of management, others within the entity, members of the 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.
October 28, 2010



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 the Mid-East Commission
Washington, North Carolina

Compliance

We have audited the Mid-East Commission compliance 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 could have a direct and material effect on each of Mid-East Commission's major federal programs for the year ended June 30, 2010. 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 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 of the Mid-East Commission's compliance with those requirements.

In our opinion, Mid-East Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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 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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

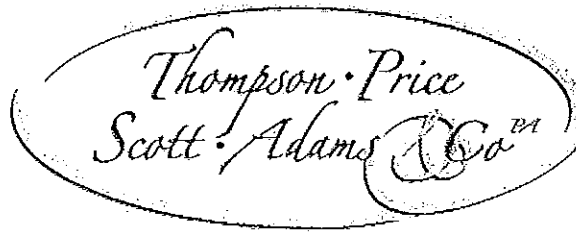
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the management, others within the entity, members of the 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.
October 28, 2010



CERTIFIED PUBLIC ACCOUNTANTS
4024 Oleander Drive Suite 2
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**Report On Compliance With Requirements Applicable To Each Major State Program And Internal
Control Over Compliance In Accordance With Applicable Sections Of OMB Circular A-133 and the State
Single Audit Implementation Act**

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

Compliance

We have audited Mid-east Commission's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Mid-East Commission's major State programs for the year ended June 30, 2010. 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 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 of the Mid-East Commission's compliance with those requirements.

In our opinion, Mid-East Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of 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 the requirements that could have a direct and material effect on a major State program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with applicable section of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control

over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the management, others within the entity, 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.
October 28, 2010

Mid-East Commission
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ 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, 2010

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, 2010

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, 2010

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, 2010

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	\$ 24,138	\$ -
Rental subsidies	10.427	77,200	-
		101,338	-
Passed through State Dept. of Health and Human Services			
USDA Supplement	10.570	87,680	
USDA Supplement-Home Delivered-ARRA	10.570	4,475	
USDA Supplement-Congregate-ARRA	10.570	8,035	
		12,511	-
Total U. S. Dept. of Agriculture		\$ 201,528	\$ -
<u>U.S. Dept. of Health and Human Services</u>			
Passed through State Dept. of Health and Human Services			
Special Programs for the Aging - Title III B			
Planning and Administration	93.044	\$ 66,590	\$ 3,649
In-Home Services	93.044	275,652	16,215
Ombudsman Program	93.044	53,188	3,129
Legal Services	93.044	18,062	1,062
Access	93.044	91,290	5,370
		504,782	29,425
Special Programs for the Aging - Title III C			
Congregate Nutrition	93.045	286,310	16,842
Home Delivered Meals	93.045	273,696	16,100
Planning and Administration	93.045	47,226	2,588
		607,232	35,530
Special Programs for the Aging - Title III C-ARRA			
Congregate Nutrition-ARRA	93.707	66,024	3,884
Planning and Administration-Congregate-ARRA	93.707	1,325	78
		67,349	3,962
Home Delivered Meals-ARRA	93.705	32,485	1,911
Planning and Administration-Home Delivered Meals-ARRA	93.705	765	45
		33,250	1,956
Special Programs for the Aging			
Title VII - B - Elder Abuse	93.041	5,582	328
Title VII - E - Ombudsman Program	93.042	20,036	1,179
Preventive Health	93.043	23,813	1,401
Family Caregiver Support	93.052	172,994	11,533
SSBG	93.667	132,764	3,793
Project Care	93.051	68,015	
MIPPA Medicare Enrollment Assistance Program	93.071	7,942	
AAAs Planning	93.048	-	
Title III-B Planning and Administration	93.052	13,897	762
		445,043	18,996
Passed through State Dept. of Insurance			
SHIP-Lookout	93.048	7,000	
Total U. S. Health and Human Services		\$ 1,664,656	\$ 89,869
<u>U.S. Dept. of Commerce</u>			
Direct Program			
Economic Development Administration-Revolving Loan Fund	11.307	411,737	
Economic Development Administration	11.300	\$ 57,076	\$ 38,050
Total U. S. Dept. of Commerce		\$ 468,812	\$ 38,050

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2010

U.S. Dept. of Labor			
Passed through State Dept. of Commerce			
Title V Senior Employment	17.235	\$ 1,992,924	
Title V ARRA Senior Employment	17.235	\$ 357,504	
Total Title V		<u>\$ 2,350,428</u>	<u>\$ -</u>
WIA 2010	17.258	257,672	
WIA 2020	17.259	1,000,181	
WIA 2030	17.260	761,227	
WIA 2031	17.260	78,673	
WIA 2040	17.259	672,291	
WIA 2050	17.259	441,652	
WIA 3808	17.259	48,162	
WIA 5015	17.275	1,264	
		<u>3,261,122</u>	<u>-</u>
WIA ARRA 4010	17.258	134,065	
WIA ARRA 4020	17.259	431,577	
WIA ARRA 4030	17.260	561,442	
WIA ARRA 4040	17.259	482,853	
		<u>1,609,937</u>	<u>-</u>
Total WIA		<u>4,871,060</u>	<u>-</u>
Total U. S. Dept. of Labor		<u>\$ 7,221,488</u>	<u>\$ -</u>
Total Federal Assistance		<u>\$ 9,556,484</u>	

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2010

State Programs

Department of Administration (OSBM)

State Technical Assistance	N/A	\$ 23,750
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Department of Health and Human Services

AAA Administration	N/A	45,423
Access	N/A	277,626
Congregate nutrition	N/A	-
Fans Program	N/A	2,948
Home delivered meals	N/A	54,481
In-Home Services	N/A	414,614
In-Home Services-Caregiver Match	N/A	260,397
Ombudsman	N/A	16,981
Planning & Administration	N/A	14,524
Senior Center Development	N/A	54,828
Senior Center Outreach	N/A	-
SHHP	N/A	-
Project Care	N/A	39,510

Total Department of Health and Human Services		\$ 1,181,332
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Department of Insurance

SHHP	N/A	\$ -
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Department of Transportation

Rural Transportation Planning	N/A	\$ 74,917
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Total State programs		\$ 1,279,999
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Total State Assistance		\$ 1,407,918
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Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2010

Notes to the Schedule of Expenditures of Federal and State Awards:

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	\$ 1,992,924	\$ -
Title V ARRA	17.235	357,504	-
USDA Supplement	10.570	87,680	-
USDA Supplement ARRA	10.570	12,511	-
WIA 2010	17.258	257,672	-
WIA 2020	17.259	1,000,181	-
WIA 2030	17.260	761,227	-
WIA 2031	17.260	78,673	-
WIA 2040	17.259	672,291	-
WIA 2050	17.259	441,652	-
WIA 3808	17.259	48,162	-
WIA 5015	17.275	1,264	-
WIA ARRA 4010	17.258	134,065	-
WIA ARRA 4020	17.259	431,577	-
WIA ARRA 4030	17.260	561,442	-
WIA ARRA 4040	17.259	482,853	-
Preventive Health	93.043	23,813	1,401
Access Services	93.044	91,290	5,370
In-home Services	93.044	275,652	16,215
Legal Services	93.044	18,062	1,062
Congregate Nutrition	93.045	286,310	16,842
Home Delivered Meals	93.045	273,696	16,100
SSBG	93.667	132,764	3,793
Access	N/A	-	277,626
Congregate Nutrition	N/A	-	-
Congregate Nutrition-ARRA	N/A	66,024	3,884
Home delivered meals	N/A	-	54,481
Home delivered meals-ARRA	N/A	32,485	1,911
In-Home Services	N/A	-	414,614
Senior Center Development	N/A	-	54,828
Senior Center Outreach	N/A	-	-
Totals		\$ 8,521,774	\$ 868,127