

**MID-EAST COMMISSION
Washington, North Carolina
Financial Statements
For the Year Ended June 30, 2011**

**Mid-East Commission
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June 30, 2011**

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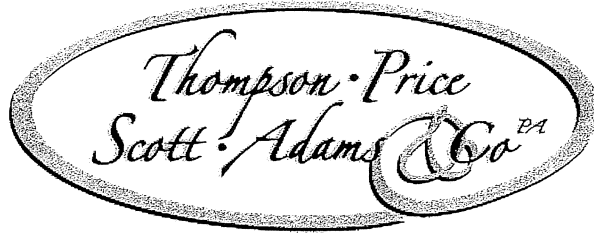
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Financial Section



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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, 2011, 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, 2011, 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 20, 2011 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 reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the 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, 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, 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 20, 2011

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, 2011. 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.

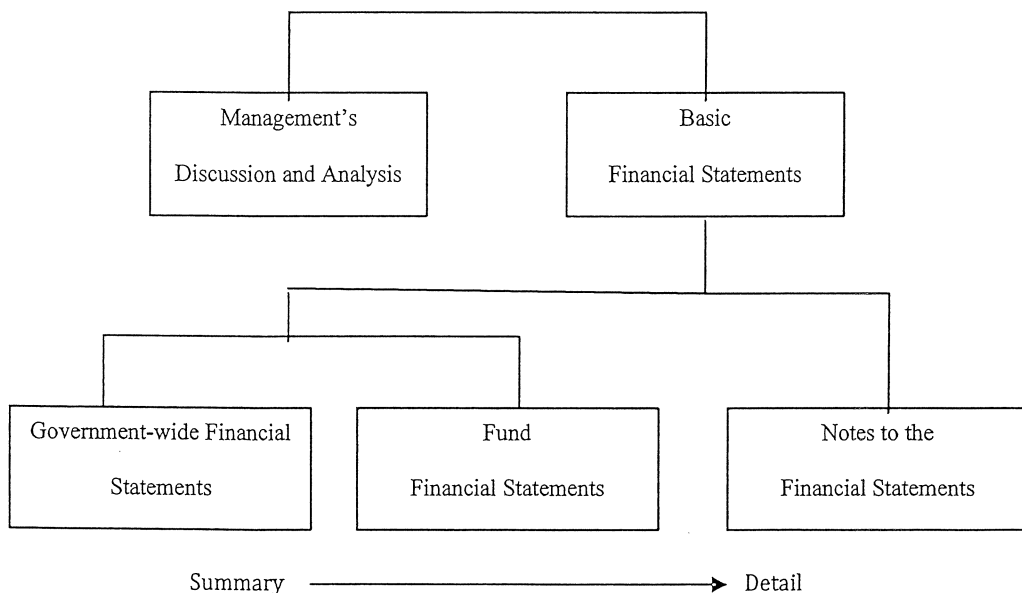
Financial Highlights

- The assets of Mid-East Commission exceeded its liabilities at the close of the fiscal year by \$767,942 (*net assets*).
- The government's total net assets increased over the prior year by \$149,444.
- At the close of the current fiscal year, Mid-East Commission's governmental funds reported combined ending fund balances of \$890,095, an increase of \$76,475 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the General Fund was \$240,842. This is an increase of \$5,457 from the prior year.
- Mid-East Commission's total debt excluding compensated absences consists of the \$1,848,574.

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 \$769,942 as of June 30, 2011. The Commission's net assets increased by \$14,944. Mid-East Commission uses the Governmental Activities capital assets of \$24,677 to provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of \$20,511 for Governmental activities is unrestricted.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 1,692,326	\$ 1,233,244	\$ 300,136	\$ 231,156	\$ 1,992,462	\$ 1,464,400
Capital assets	24,677	23,366	1,183,055	1,231,120	1,207,732	1,254,486
Total assets	1,717,003	1,256,610	1,483,191	1,462,276	3,200,194	2,718,886
Long-term liabilities outstanding	\$ 237,328	\$ 248,109	\$ 1,610,746	\$ 1,624,265	\$ 1,848,074	\$ 1,872,374
Other liabilities	543,892	1,001,269	39,786	43,787	583,678	1,045,056
Total liabilities	781,220	1,249,378	1,650,532	1,668,052	2,432,252	2,917,430
Net assets:						
Invested in capital assets, net of related debt	24,677	23,366	(427,691)	(393,145)	(403,014)	(369,779)
Restricted	890,095	559,506	-	-	890,095	559,506
Unrestricted	20,511	241,402	260,350	187,369	280,861	428,771
Total net assets	\$ 935,283	\$ 824,274	\$ (167,341)	\$ (205,776)	\$ 767,942	\$ 618,498

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

Mid-East Commission Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 208,416	\$ 243,602	\$ 208,416	\$ 243,602
Operating grants	7,370,623	11,639,858	259,890	101,338	7,630,713	11,741,196
General revenues:					-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Investment earnings, unrestricted	218,785	67,229	-	-	218,785	67,229
	23,834	25,057	274	189	24,108	25,246
Total revenues	7,613,442	11,732,144	468,580	345,129	8,082,022	12,077,273
Expenses:						
Economic & Physical Dev.	3,642,188	7,991,200	-	-	3,642,188	7,991,200
Human Services	3,272,236	3,200,024	-	-	3,272,236	3,200,024
Indirect costs	588,009	481,574	-	-	588,009	481,574
Business-type Activities			430,145	379,058	430,145	379,058
Total Expense	7,502,433	11,672,798	430,145	379,058	7,932,578	12,051,856
Increase (decrease) in net assets before transfers	111,009	59,346	38,435	(33,929)	149,444	25,417
Transfers	-	-	-	-	-	-
Increase (decrease) in net assets	111,009	59,346	38,435	(33,929)	149,444	25,417
Net assets July 1	824,274	764,928	(205,776)	(171,847)	618,498	593,081
Net assets June 30	\$ 935,283	\$ 824,274	\$ (167,341)	\$ (205,776)	\$ 767,942	\$ 618,498

Governmental activities: Governmental activities depreciation decreased the Commission's net assets by \$11,553.

Business-type activities: Business-type activities depreciation decreased the Commission's net assets by \$ 48,064.

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, fund balance available for appropriation 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 \$240,842.

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, 2011, totals \$24,677 (net of accumulated depreciation) and \$1,183,055 (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	
	2011	2010	2011	2010	2011	2010
Land	\$ -	\$ -	\$ 98,750	\$ 98,750	\$ 98,750	\$ 98,750
Buildings	-	-	1,080,356	1,128,215	\$ 1,080,356	\$ 1,128,215
Equipment	24,677	23,366	3,949	4,154	\$ 28,626	\$ 27,520
Total	\$ 24,677	\$ 23,366	\$ 1,183,055	\$ 1,231,119	\$ 1,207,732	\$ 1,254,485

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, 2011, the Mid-East Commission's notes payable totaled \$237,828 for the Intermediary Relending Program and \$1,610,746 for the Mid-East Development Corporation.

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

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Compensated absences	\$ 108,711	\$ 102,325	\$ -	\$ -	\$ 108,711	\$ 102,325
OPEB Liability	22,287	22,139	-	-	22,287	22,139
Installment purchases	237,828	248,109	1,610,746	1,624,265	1,848,574	1,872,374
Total	\$ 368,826	\$ 372,573	\$ 1,610,746	\$ 1,624,265	\$ 1,979,572	\$ 1,996,838

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, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 656,456	\$ 178,893	\$ 835,349
Cash - Security deposits	-	15,935	15,935
Cash - Escrow	-	3,236	3,236
Cash - Reserve	-	81,883	81,883
Restricted Cash	522,259	-	522,259
Grants receivable	255,873	-	255,873
Accounts receivable	256,538	18,293	274,831
Prepays	1,200	1,896	3,096
Total Current Assets	<u>1,692,326</u>	<u>300,136</u>	<u>1,992,462</u>
Capital assets:			
Land, improvements, and construction in progress	-	98,750	98,750
Other capital assets, net of depreciation	24,677	1,084,305	1,108,982
Total capital assets	<u>24,677</u>	<u>1,183,055</u>	<u>1,207,732</u>
Total assets	<u>\$ 1,717,003</u>	<u>\$ 1,483,191</u>	<u>\$ 3,200,194</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 521,605	\$ 23,902	\$ 545,507
OPEB payable	22,287	-	22,287
Security deposits	-	15,884	15,884
Long-term liabilities:			
Due within one year	10,383	24,364	34,747
Due in more than one year	227,445	1,586,382	1,813,827
Total liabilities	<u>781,720</u>	<u>1,650,532</u>	<u>2,432,252</u>
NET ASSETS			
Invested in capital assets, net of related debt	24,677	(427,691)	(403,014)
Restricted			
Stabilization by State Statute	240,842	-	240,842
Economic development	649,253	-	649,253
Unrestricted (deficit)	20,511	260,350	280,861
Total net assets	<u>\$ 935,283</u>	<u>\$ (167,341)</u>	<u>\$ 767,942</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, 2011

		Program Revenues	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental Activities:			
Economic and physical development	\$ 3,642,188	\$ -	\$ 4,244,370
Human services	3,272,236	-	3,126,453
Indirect costs	588,009	-	-
Total governmental activities	<u>\$ 7,502,433</u>	<u>\$ -</u>	<u>\$ 7,370,823</u>
Business-type activities:			
Mid-East Development Corporation	430,145	208,416	207,345
Total business-type activities	<u>430,145</u>	<u>208,416</u>	<u>207,345</u>
Total primary government	<u>\$ 7,932,578</u>	<u>\$ 208,416</u>	<u>\$ 7,578,168</u>

General revenues:

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Total general revenues

Change in net assets

Net assets, beginning

Net assets, ending

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

	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ 602,182	-	602,182
-	(145,783)	-	(145,783)
-	(588,009)	-	(588,009)
\$ -	(131,610)	-	(131,610)
52,545	-	38,161	38,161
52,545	-	38,161	38,161
\$ 52,545	\$ (131,610)	\$ 38,161	\$ (93,449)
	218,785	-	218,785
	23,834	274	24,108
	242,619	274	242,893
	111,009	38,435	149,444
	824,274	(205,776)	618,498
	\$ 935,283	\$ (167,341)	\$ 767,942

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

MID-EAST COMMISSION
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds		Governmental Funds
	<u>General Fund</u>	<u>Special Revenue</u>	
ASSETS			
Cash and cash equivalents	\$ -	\$ 656,456	\$ 656,456
Grants receivable	-	255,873	255,873
Restricted cash	-	522,259	522,259
Accounts receivable	18,690	15,944	34,634
Other receivables	-	-	-
Loans receivable	-	221,904	221,904
Prepays	-	1,200	1,200
Due from other funds	222,152	(222,152)	-
Total assets	<u>240,842</u>	<u>1,451,484</u>	<u>1,692,326</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	-	521,605	521,605
Deferred revenues	-	280,626	280,626
Total liabilities	<u>-</u>	<u>802,231</u>	<u>802,231</u>
Fund balances:			
Restricted			
Stabilization by State Statute	240,842	-	240,842
Economic development	-	522,259	522,259
Committed			
Economic development	-	126,994	126,994
Total fund balances	<u>240,842</u>	<u>649,253</u>	<u>890,095</u>
Total liabilities and fund balances	\$ <u>240,842</u>	\$ <u>1,451,484</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:	24,677
Liabilities for earned but deferred revenues in fund statements	280,626
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>(260,115)</u>
Total net assets of governmental activities	\$ <u>935,283</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, 2011

	Major Funds		
	General	Special Revenue	Total
REVENUES			
Federal awards	\$ -	\$ 5,185,085	\$ 5,185,085
State awards	-	1,622,948	1,622,948
Local in kind match	-	311,743	311,743
Other local revenue	218,785	160,697	379,482
Program income	-	69,208	69,208
Interest income	2,000	21,834	23,834
Total revenues	220,785	7,371,515	7,592,300
EXPENDITURES			
Economic and physical development	104,905	3,946,957	4,051,862
Human services	-	3,463,963	3,463,963
Total expenditures	104,905	7,410,920	7,515,825
Revenues over (under) expenditures	115,880	(39,405)	76,475
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	-	-	-
Transfer of local matching funds	(110,423)	110,423	-
Total other financing sources (uses)	(110,423)	110,423	-
Net change in fund balance	5,457	71,018	76,475
Fund balances, beginning	235,385	578,235	813,620
Fund balances, ending	\$ 240,842	\$ 649,253	\$ 890,095

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, 2011

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

Net changes in fund balances - total governmental funds	\$	76,475
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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.

1,311

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

June 30, 2010		(257,536)
June 30, 2011		<u>280,626</u>
Change in deferred revenues		<u>23,090</u>

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.

(148)

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.

10,281

Total changes in net assets of governmental activities	\$	<u><u>111,009</u></u>
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MID-EAST COMMISSION
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Year Ended June 30, 2011

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other local revenue	\$ 213,328	\$ 213,328	\$ 218,785	\$ 5,457
Interest Income	2,000	2,000	2,000	-
Total Revenues	<u>215,328</u>	<u>215,328</u>	<u>220,785</u>	<u>5,457</u>
Expenditures:				
General Government	<u>104,905</u>	<u>104,905</u>	<u>104,905</u>	<u>-</u>
Total Expenditures	<u>104,905</u>	<u>104,905</u>	<u>104,905</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>110,423</u>	<u>110,423</u>	<u>115,880</u>	<u>5,457</u>
Other Financing Sources (Uses):				
Transfers (to) from other funds	-	-	-	-
Transfer of local matching funds	<u>(110,423)</u>	<u>(110,423)</u>	<u>(110,423)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(110,423)</u>	<u>(110,423)</u>	<u>(110,423)</u>	<u>-</u>
Net Change in fund Balance	\$ <u>-</u>	\$ <u>-</u>	5,457	\$ <u>5,457</u>
Fund Balances, Beginning of Year			235,385	
Fund Balances, End of Year			<u>\$ 240,842</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, 2011

	<u>Major Enterprise Fund</u> <u>Mid-East Development</u> <u>Corporation</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 178,893
Cash - Security deposits	15,935
Cash - Escrow	3,236
Cash - Reserve	81,883
Accounts receivable	18,293
Prepaid expenses	1,896
Total current assets	<u>300,136</u>
Capital assets:	
Land	98,750
Other capital assets, net of depreciation	1,084,305
Total capital assets	<u>1,183,055</u>
Total Assets	<u>1,483,191</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	23,902
Security deposits	15,884
Notes payable - current	24,364
Total current liabilities	<u>64,150</u>
Noncurrent liabilities:	
Notes payable - noncurrent	1,586,382
Total noncurrent liabilities	<u>1,586,382</u>
Total liabilities	<u>1,650,532</u>
NET ASSETS	
Invested in Capital Assets, net of related debt	(427,691)
Unrestricted	260,350
Total Net Assets	<u>\$ (167,341)</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, 2011

	<u>Major Fund</u> <u>Mid-East Development</u> <u>Corporation</u>
OPERATING REVENUES:	
Rental income	\$ 183,640
Operation and management	513
Other revenue	24,263
Total operating revenues	<u>208,416</u>
OPERATING EXPENSES	
Management related	50,239
Operation of program services	231,251
Contractual services	48,200
Depreciation	48,064
Total operating expenditures	<u>377,754</u>
Operating income (loss)	<u>(169,338)</u>
NON-OPERATING REVENUES (EXPENSES):	
Rental assistance - RECD	99,201
Interest subsidies - RECD	24,138
Interest income	274
Contributions and local support	84,006
Interest expense	(52,391)
Total nonoperating revenues (expenses)	<u>155,228</u>
Income (loss) before capital contributions	(14,110)
Capital contributions	<u>52,545</u>
Change in net assets	<u>38,435</u>
Total net assets, beginning	<u>(205,776)</u>
Total net assets, ending	<u>\$ (167,341)</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, 2011

	Major Fund Development Corporation
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from renters	\$ 183,640
Other cash received	24,776
Cash paid for goods and services	(288,966)
Cash paid to employees for services	(50,239)
Net cash provided (used) by operating activities	<u>(130,789)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Rental assistance and interest subsidies	123,339
Contributions and local support	84,006
Net cash provided (used) by non-capital financing activities	<u>207,345</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	\$ 52,545
Principal paid on long-term debt	(13,518)
Interest paid on long-term debt	(52,391)
Net cash provided (used) by capital and related financing activities	<u>(13,364)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	274
Net cash provided (used) by investing activities	<u>274</u>
Net increase (decrease) in cash and cash equivalents	<u>63,466</u>
Cash and cash equivalents, beginning	<u>216,481</u>
Cash and cash equivalents, ending	<u><u>\$ 279,947</u></u>

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

MID-EAST COMMISSION
Reconciliation of the Statement of Cash Flows of Proprietary Fund
For the Year Ended June 30, 2011

Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$	(169,338)
Adjustments to reconcile excess of revenues over (under) expenses to net cash used by operating activities		
Depreciation		48,064
Changes in current assets and current liabilities		
(Increase) decrease in accounts receivable		(5,307)
(Increase) decrease in prepaid expenses		(207)
Increase (decrease) in accounts payable		(4,959)
Increase (decrease) in security deposits		958
Total adjustments		<u>38,549</u>
Net cash provided (used) by operating activities	\$	<u>(130,789)</u>

Supplemental disclosure of cash flow information:

Rental assistance from the Rural Economic and Community Development Service was applied to cover note principal of \$99,201. Interest subsidies in the amount of \$24,138 were applied to the corporation's debt.

Notes to the Financial Statements

MID-EAST COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

I. 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, 2011.

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, including all taxes, 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 nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies 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, State Technical Assistance, Hispanic ESL Program, ARRA, Roanoke-Chowan DTF.

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, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Commission are maintained during the year on 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission enterprise funds 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 nonoperating revenues and expenses.

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, 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 the 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-registers (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. Restricted Assets

Special Revenue funds are also classified as restricted cash because it can be expended only for the purposes for which the monies were granted.

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 expenses 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 the 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 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 and equipment	6-10 years

6. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. In the fund financial statements for governmental fund types, the face amount of any debt issued is reported as a other financing source.

7. Compensated Absences

The vacation policies of the Commission and Mid-East Development Corporation generally provides 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 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 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 fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either 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, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nondispensable Fund Balance - This classification includes amounts that cannot be spent because they are wither (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of total unexpended Powell Bill funds.

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

Committed for Economic Development - portion of fund balance assigned by the board for economic development.

Assigned Fund Balance - portion of fund balance that the Commission intends to use for specific purposes.

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

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$100,000.

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

F. Revenues, Expenditures and ExpensesCost 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, 2011. 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.

II. Detail Notes on All FundsA. Assets1. Deposits

All of 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 exceeding the federal depository insurance coverage level are collateralized with securities held by the Commission's and the Development Corporation's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Commission and Development Corporation, these deposits are considered to be held by their agent 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 Development Corporation, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Commission or Development Corporation under the Pooling Method, the potential exists for the 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, 2011, the Commission's deposits had a carrying amount of \$1,249,660 and a bank balance of \$1,547,567. Of the bank balance, \$900,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

At June 30, 2011, the Commission had \$209,002 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, 2011 were as follows:

	Accounts	Due From Other Governments	Loans Receivable	Total
Governmental Activities:				
General	\$ 34,634	\$ 255,873	\$ 221,904	\$ 512,411
Other Governmental	-	-	-	-
Total Receivables	<u>\$ 34,634</u>	<u>\$ 255,873</u>	<u>\$ 221,904</u>	<u>\$ 512,411</u>
Business-Type Activities:				
Mid-East Development Corp	\$ 18,293	-	-	\$ 18,293

4. Capital Assets

Capital asset activity for the Primary Government year ended June 30, 2011, was as follows:

	Beginning Balances July 1, 2010	Increases	Decreases	Ending Balances June 30, 2011
Governmental Activities:				
Capital assets not being depreciated:				
Equipment	\$ 94,269	\$ 12,870	\$ -	\$ 107,139
Less accumulated depreciation for Equipment	70,903	-	11,559	82,462
Governmental activity capital assets, net	<u>23,366</u>			<u>24,677</u>

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

General government	\$ 9,307
Economic Development	<u>2,252</u>
Total Depreciation Expense	<u>\$ 11,559</u>

	Beginning Balances July 1, 2010	Increases	Decreases	Ending Balances June 30, 2011
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, equipment	44,206	-	-	44,206
Total capital assets being depreciated	<u>1,809,548</u>	<u>-</u>	<u>-</u>	<u>1,809,548</u>
Less accumulated depreciation for:				
Buildings	637,127	47,859	-	684,986
Furniture, fixtures, equipment	40,052	205	-	40,257
Total accumulated depreciation	<u>677,179</u>	<u>48,064</u>	<u>-</u>	<u>725,243</u>
Total capital assets being depreciated, net	<u>1,132,369</u>			<u>1,084,305</u>
Business-type activities capital assets, net	<u>\$ 1,231,119</u>			<u>\$ 1,183,055</u>

Loans Receivable

The Revolving Loan Fund, established by Mid-East Commission with Economic Development Administration grant funds, provides loans eligible to small businesses to boost economic development in the area. At June 30, 2011 loans receivable amounted to \$221,904 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 \$49,222. The balance in cash and investments totaled \$209,002 and administrative expenses totaled \$8,044.

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, 2011 loans receivable amounted to \$-0-

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2011, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities			
Other Governmental	\$ 521,605	\$ -	\$ 521,605
Business-type Activities			
Mid-East Development Corporation	\$ 21,736	\$ 2,166	\$ 23,902

2. Pension Plan and Other Post Employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description - The Mid-East Commission contributes to the statewide Local Government Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined pension plan administered by the State of North Carolina. LGERS's 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 to the System. 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 6.35%. The contribution requirements of members and of the Mid-East Commission are established and may be amended by the North Carolina General Assembly. The Council's contributions to LGERS for the years ended June 30, 2011, 2010, and 2009 were \$73,062, \$59,801, and \$57,202, respectively. The contributions made by the Council equaled the required contributions for each year.

b. Deferred Compensation Plan

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

c. Other Post Employment Benefits

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, 2011, the Commission made no contributions.

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	\$ -
Interest on net OPEB obligation	-
Adjustment to annual required contribution	148
Annual OPEB cost (expense)	148
Contributions made	-
Increase (decrease) in net OPEB obligation	148
Net OPEB obligation, beginning of year	22,139
Net OPEB obligation, end of year	\$ 22,287

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, 2011 were as follows:

For Year Ended 30-Jun	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 22,139	0.0%	\$ 12,104
2011	\$ 22,287	0.0%	\$ 12,242

Funded Status and Funding Progress - As of June 30, 2011, the actuarial accrued liability for benefits was \$173,031, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$291,951, 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.

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 unexpected future working lifetime assumption for purposes of allocating to periods the present value of total benefits 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 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 Commission'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, 2011, was thirty years.

3. Operating Lease Commitments

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

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

Year Ending 30-Jun	Payment
2012	\$ 138,676
2013	23,676
2014	17,748
2015	17,748
2016	-
Total	<u>\$ 197,848</u>

4. 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 30-Jun	Payment	Principal	Interest Expense
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
2106	12,735	10,801	1,934
2017-2021	63,675	55,628	8,047
2022-2026	63,675	58,438	5,237
2027-2031	63,675	61,389	2,286
2032-2036	9,508	9,418	90
Total	<u>\$ 264,208</u>	<u>\$ 237,828</u>	<u>\$ 26,380</u>

Mid-East Development Corporation Debt

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

3% restricted construction loan with North Carolina Housing Finance Agency, to be written off over a period of 5 years, beginning 2007, after a 14 year compliance period, secured by a deed of trust	\$	28,118
0% restricted construction loan with North Carolina Housing Finance Agency, secured by a real estate deed of trust, due in monthly installments of \$322.		87,194
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 subsidies of 6.25%).		216,606
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%).		241,727
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%).		24,120
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%).		1,012,981
Total	\$	1,610,746

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Payment	Total Interest	Interest Subsidy	Interest Expense	Principal
2012	\$ 123,004	\$ 98,640	\$ 70,692	\$ 27,948	\$ 24,364
2013	122,817	97,424	70,692	26,732	25,393
2014	123,660	97,190	70,692	26,498	26,470
2015	122,142	94,522	70,692	23,830	27,620
2016	122,140	93,860	70,692	23,168	28,280
2017-2021	582,588	459,363	353,461	105,902	123,225
2022-2026	582,589	418,950	353,461	65,489	163,639
2027-2031	582,588	362,774	353,461	9,313	219,814
2032-2036	572,858	284,672	353,461	(68,789)	288,186
2037-2041	563,269	175,244	353,461	(178,217)	388,025
2042-2046	279,208	47,989	197,340	(149,351)	231,219
2047-2051	72,977	8,466	41,477	(33,011)	64,511
Total	\$ 3,849,840	\$ 2,239,094	\$ 2,359,582	\$ (120,488)	\$ 1,610,746

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 6/30/2010	Increases	Decreases	Ending Balance 6/30/2011	Current Portion of Balance
Governmental Activities:					
Installment Purchases	\$ 248,109	\$ -	\$ (10,281)	\$ 237,828	\$ 10,383
OPEB Liability	22,139	148	-	22,287	-
Compensated absences	102,325	6,386	-	108,711	-
Total governmental activities	\$ 372,573	\$ 6,534	\$ (10,281)	\$ 368,826	\$ 10,383
Business Type Activities:					
Installment purchase	\$ 1,624,265		\$ (13,519)	\$ 1,610,746	\$ 24,364
Total business type activities	\$ 1,624,265	\$ -	\$ (13,519)	\$ 1,610,746	\$ 24,364

5. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission participates in two self-funded risk financing pools administered by the Risk Management Agency of the North Carolina Association of County Commissioners. Through these pools, the Commission obtains property coverage equal to replacement cost values of owned 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 annual 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 reduction 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; error and omission; injuries to employees; and natural disasters. The Corporation carries commercial insurance for these risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

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

6. Deferred Revenues

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

	Special Revenue
Revolving Loan Program	\$ 280,626
Other	-
	<u>\$ 280,626</u>

C. Interfund Balances and Activity

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

Fund Balance

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

Total fund balance - General Fund	\$ 240,842
Less:	
Stabilization by State Statute	240,842
Remaining Fund Balance	\$ -

III. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

Notes to the Required Schedules 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)
30-Jun-10	-	\$ 171,128	\$ 171,128	0.0%	\$ 297,814	57.46%
30-Jun-11	-	\$ 173,031	\$ 173,031	0.0%	\$ 291,951	59.27%

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%
2011	22,287	0.00%

GENERAL FUND

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

MID-EAST COMMISSION
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	2011		Variance
	Budget	Actual	Positive (Negative)
REVENUES:			
Other local revenue	\$ 213,328	\$ 218,785	\$ 5,457
Interest income	2,000	2,000	-
TOTAL REVENUES	215,328	220,785	5,457
EXPENDITURES			
General government	92,035	92,035	-
Capital outlay	12,870	12,870	-
TOTAL EXPENDITURES	104,905	104,905	-
Revenues over (under) expenditures	110,423	115,880	5,457
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds:	-	-	-
Transfer out of local matching funds	(110,423)	(110,423)	-
TOTAL OTHER FINANCING SOURCES (USES)	(110,423)	(110,423)	-
Change in fund balance	\$ -	\$ 5,457	\$ 5,457
Fund Balances:			
Beginning of Year		235,385	
End of Year		\$ 240,842	

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Fund
For the Year Ended June 30, 2011

	Aging	Workforce Development Region Q	Economic Development	Mid-East Revolving Loan Fund	Planning
Revenues:					
Federal awards	\$ 1,591,554	\$ 2,938,222	\$ 64,180	\$ -	\$ -
State awards	1,534,899	-	-	-	65,113
Local match	267,090	19,500	-	-	22,048
Other local revenue	3,278	-	59,570	755	93,813
Program income	-	-	-	69,208	-
Interest income	-	-	-	21,519	-
Total Revenues	<u>3,396,821</u>	<u>2,957,722</u>	<u>123,750</u>	<u>91,482</u>	<u>180,974</u>
Expenditures:					
Personnel	328,282	713,497	83,091	-	92,690
Participant wages and fringes	-	387,218	-	-	-
Travel	54,977	127,429	11,231	-	6,277
Contractual services	2,797,622	1,143,076	344	-	1,122
Capital outlay	-	-	-	-	-
Other direct expenses	106,173	300,079	11,584	8,044	53,804
Indirect costs	176,909	286,423	55,550	-	40,080
Total Expenditures	<u>3,463,963</u>	<u>2,957,722</u>	<u>161,800</u>	<u>8,044</u>	<u>193,973</u>
Revenues over(under) expenditures	<u>(67,142)</u>	<u>-</u>	<u>(38,050)</u>	<u>83,438</u>	<u>(12,999)</u>
Other Financing Sources (Uses)					
Transfers (to) from Special Projects	-	-	-	-	7,768
Transfer (to) from Special Projects	-	-	-	-	-
Transfer of local matching funds	67,142	-	38,050	-	5,231
Total other financing sources (uses)	<u>67,142</u>	<u>-</u>	<u>38,050</u>	<u>-</u>	<u>12,999</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,438</u>	<u>-</u>
Fund Balances:					
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,557</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,995</u>	<u>\$ -</u>

State Technical Assistance	Mid-East IRP Fund	RLF Sequester	IPT	ARRA	Roanoke-Chowan DTF	Total June 30, 2011
\$ -	\$ -	\$ -	\$ 40	\$ 591,089	\$ -	\$ 5,185,085
22,918	-	-	-	18	-	1,622,948
-	-	-	-	3,105	-	311,743
-	-	42	-	-	3,239	160,697
-	-	-	-	-	-	69,208
-	315	-	-	-	-	21,834
<u>22,918</u>	<u>315</u>	<u>42</u>	<u>40</u>	<u>594,212</u>	<u>3,239</u>	<u>7,371,515</u>
-	-	-	-	100,417	-	1,317,977
-	-	-	-	136,073	-	523,291
-	-	-	-	15,465	-	215,379
-	-	-	-	265,230	-	4,207,394
-	-	-	-	-	-	-
15,150	12,735	42	40	47,980	3,239	558,870
-	-	-	-	29,047	-	588,009
<u>15,150</u>	<u>12,735</u>	<u>42</u>	<u>40</u>	<u>594,212</u>	<u>3,239</u>	<u>7,410,920</u>
<u>7,768</u>	<u>(12,420)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,405)</u>
-	-	-	-	-	-	7,768
(7,768)	-	-	-	-	-	(7,768)
-	-	-	-	-	-	110,423
<u>(7,768)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,423</u>
-	-	-	-	-	-	71,018
-	(12,420)	-	-	-	-	-
-	325,678	-	-	-	-	578,235
\$ <u>-</u>	\$ <u>313,258</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>649,253</u>

MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Aging Programs
For the Year Ended June 30, 2011

	Aging Planning and Administration Title III	Home and Community Care Block Grant	Legal	Reach II	Aging Management Information Services	Title III Elder Abuse
Revenues:						
Federal awards	\$ 145,896	\$ 1,052,785	\$ 18,060	\$ 43,215	\$ -	\$ 5,667
State awards	13,675	1,235,444	1,063	31,088	-	334
Local match	-	245,130	-	9,914	-	-
Other local revenue	-	-	-	-	2,153	-
Total Revenues	<u>159,571</u>	<u>2,533,359</u>	<u>19,123</u>	<u>84,217</u>	<u>2,153</u>	<u>6,001</u>
Expenditures:						
Personnel	93,548	-	-	20,036	-	1,412
Travel	24,461	-	-	1,784	-	664
Contractual services	3,639	2,533,359	-	49,751	-	-
Capital outlay	-	-	-	-	-	-
Other direct expenses	27,393	-	19,123	1,566	2,153	3,820
Indirect costs	52,667	-	-	11,080	-	772
Total Expenditures	<u>201,708</u>	<u>2,533,359</u>	<u>19,123</u>	<u>84,217</u>	<u>2,153</u>	<u>6,668</u>
Revenues over(under) expenditures	<u>(42,137)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(667)</u>
Other Financing Sources (Uses)						
Transfer of local matching funds	42,137	-	-	-	-	667
Total other financing sources (uses)	<u>42,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>667</u>
Change in fund balance	<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>
End of Year, June 30	<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, 2011

Ombudsman Program	Home and Community Care Block Grant Martin & Beaufort	NC CareLink	AAA Administration Support	Title III-F, Disease Prevention, Health Promotion and Senior Center Outreach	HUD Housing and Home Equity Counseling	Family Caregiver Support
\$ 67,510	\$ -	\$ -	\$ -	\$ 25,723	\$ -	\$ 161,335
27,830	18,994	7,500	45,423	53,055	2,375	12,948
-	2,110	-	-	-	-	-
-	-	-	-	-	1,125	-
<u>95,340</u>	<u>21,104</u>	<u>7,500</u>	<u>45,423</u>	<u>78,778</u>	<u>3,500</u>	<u>174,283</u>
59,077	12,035	4,734	28,993	-	1,746	43,276
6,216	1,502	69	115	-	112	4,905
181	-	-	-	78,778	206	71,998
-	-	-	-	-	-	-
7,815	569	141	36	-	480	35,257
32,644	6,998	2,556	16,279	-	956	18,847
<u>105,933</u>	<u>21,104</u>	<u>7,500</u>	<u>45,423</u>	<u>78,778</u>	<u>3,500</u>	<u>174,283</u>
(10,593)	-	-	-	-	-	-
<u>10,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10,593	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Department of Insurance	Project Care	Special Project	MIPPA Grant	Linkage UNC	Total June 30, 2011
\$ -	\$ 71,363	\$ -	\$ -	\$ -	\$ 1,591,554
7,000	39,496	-	23,535	15,139	1,534,899
-	7,462	1,948	-	526	267,090
-	-	-	-	-	3,278
<u>7,000</u>	<u>118,321</u>	<u>1,948</u>	<u>23,535</u>	<u>15,665</u>	<u>3,396,821</u>
4,709	46,091	-	12,625	-	328,282
2,166	11,095	-	1,888	-	54,977
300	44,935	-	-	14,475	2,797,622
-	-	-	-	-	-
27	2,653	1,948	2,002	1,190	106,173
<u>2,098</u>	<u>24,992</u>	<u>-</u>	<u>7,020</u>	<u>-</u>	<u>176,909</u>
<u>9,300</u>	<u>129,766</u>	<u>1,948</u>	<u>23,535</u>	<u>15,665</u>	<u>3,463,963</u>
<u>(2,300)</u>	<u>(11,445)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,142)</u>
2,300	11,445	-	-	-	67,142
<u>2,300</u>	<u>11,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,142</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Postive (Negative)
Revenues			
Federal awards	\$ 145,896	\$ 145,896	\$ -
State awards	13,675	13,675	-
Local match	-	-	-
Other local revenue	-	-	-
Total revenues	<u>159,571</u>	<u>159,571</u>	<u>-</u>
Expenditures			
Personnel	93,548	93,548	-
Travel	24,461	24,461	-
Contractual services	3,639	3,639	-
Capital outlay	-	-	-
Other direct expenses	27,393	27,393	-
Indirect costs	52,667	52,667	-
Total expenditures	<u>201,708</u>	<u>201,708</u>	<u>-</u>
Revenues over (under) expenditures	<u>(42,137)</u>	<u>(42,137)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>42,137</u>	<u>42,137</u>	<u>-</u>
Total other financing sources (uses)	<u>42,137</u>	<u>42,137</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, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	\$ 1,052,785	\$ 1,052,785	\$ -
State awards	1,235,444	1,235,444	-
Other local revenue	245,130	245,130	-
Total revenues	<u>2,533,359</u>	<u>2,533,359</u>	<u>-</u>
Expenditures			
Contractual services	<u>2,533,359</u>	<u>2,533,359</u>	<u>-</u>
Total expenditures	<u>2,533,359</u>	<u>2,533,359</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 - Legal
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Postive (Negative)</u>
Revenues			
Federal awards	\$ 18,060	\$ 18,060	\$
State awards	1,063	1,063	
Other local revenue	-	-	
Total revenues	<u>19,123</u>	<u>19,123</u>	<u>-</u>
Expenditures			
Other direct expenses	19,123	19,123	-
Indirect costs	-	-	-
Total expenditures	<u>19,123</u>	<u>19,123</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 - Reach II
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	\$ 43,215	\$ 43,215	\$ -
State awards	31,088	31,088	-
Other local revenue	9,914	9,914	-
Total revenues	<u>84,217</u>	<u>84,217</u>	<u>-</u>
Expenditures			
Personnel	20,036	20,036	
Travel	1,784	1,784	
Other direct expenses	1,566	1,566	
Indirect costs	11,080	11,080	
Contractual services	49,751	49,751	-
Total expenditures	<u>84,217</u>	<u>84,217</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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Other local revenue	\$ 2,484	\$ 2,153	\$ (331)
Total revenues	<u>2,484</u>	<u>2,153</u>	<u>(331)</u>
Expenditures			
Other direct expenses	<u>2,484</u>	<u>2,153</u>	<u>331</u>
Total expenditures	<u>2,484</u>	<u>2,153</u>	<u>331</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 - Title III Elder Abuse
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	\$ 7,561	\$ 5,667	\$ (1,894)
State awards	329	334	5
Local match	-	-	-
Total revenues	<u>7,890</u>	<u>6,001</u>	<u>(1,889)</u>
Expenditures			
Personnel	3,257	1,412	1,845
Travel	872	664	208
Other direct expenses	3,156	3,820	(664)
Indirect costs	<u>1,262</u>	<u>772</u>	<u>490</u>
Total expenditures	<u>8,547</u>	<u>6,668</u>	<u>1,879</u>
Revenues over (under) expenditures	<u>(657)</u>	<u>(667)</u>	<u>(10)</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>657</u>	<u>667</u>	<u>10</u>
Total other financing sources (uses)	<u>657</u>	<u>667</u>	<u>10</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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Postive (Negative)
Revenues			
Federal awards	\$ 67,510	\$ 67,510	\$ -
State awards	27,830	27,830	-
Local revenue	-	-	-
Total revenues	<u>95,340</u>	<u>95,340</u>	<u>-</u>
Expenditures			
Personnel	59,077	59,077	-
Travel	6,216	6,216	-
Contractual services	181	181	-
Capital outlay	-	-	-
Other direct expenses	7,815	7,815	-
Indirect costs	32,644	32,644	-
Total expenditures	<u>105,933</u>	<u>105,933</u>	<u>-</u>
Revenues over (under) expenditures	<u>(10,593)</u>	<u>(10,593)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>10,593</u>	<u>10,593</u>	<u>-</u>
Total other financing sources (uses)	<u>10,593</u>	<u>10,593</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, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	18,994	18,994	-
Local revenue	2,110	2,110	-
Total revenues	<u>21,104</u>	<u>21,104</u>	<u>-</u>
Expenditures			
Personnel	12,035	12,035	-
Travel	1,502	1,502	-
Contractual services	-	-	-
Capital outlay	-	-	-
Other direct expenses	569	569	-
Indirect costs	6,998	6,998	-
Total expenditures	<u>21,104</u>	<u>21,104</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 - NC Care Link
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Postive (Negative)
Revenues			
State awards	\$ 7,500	\$ 7,500	\$ -
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Expenditures			
Personnel	4,734	4,734	-
Travel	69	69	-
Contractual services	-	-	-
Capital outlay	-	-	-
Other direct expenses	141	141	-
Indirect costs	<u>2,556</u>	<u>2,556</u>	<u>-</u>
Total expenditures	<u>7,500</u>	<u>7,500</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 - AAA Administration Support
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues			
State awards	\$ 45,423	\$ 45,423	\$ -
Total revenues	<u>45,423</u>	<u>45,423</u>	<u>-</u>
Expenditures			
Personnel	29,213	28,993	220
Travel	459	115	344
Contractual services	95	-	95
Capital outlay	-	-	-
Other direct expenses	4,334	36	4,298
Indirect costs	<u>11,322</u>	<u>16,279</u>	<u>(4,957)</u>
Total expenditures	<u>45,423</u>	<u>45,423</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 - 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, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ 25,723	\$ 25,723	\$ -
State awards	53,055	53,055	-
Total revenues	<u>78,778</u>	<u>78,778</u>	<u>-</u>
Expenditures			
Contractual services	78,778	78,778	-
Other direct expenses	-	-	-
Total expenditures	<u>78,778</u>	<u>78,778</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, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
State awards	\$ 2,375	\$ 2,375	\$ -
Other local	<u>1,125</u>	<u>1,125</u>	<u>-</u>
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Expenditures			
Personnel	1,746	1,746	-
Travel	112	112	-
Contractual services	206	206	-
Other direct expenses	480	480	-
Indirect costs	<u>956</u>	<u>956</u>	<u>-</u>
Total expenditures	<u>3,500</u>	<u>3,500</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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Postive (Negative)
Revenues			
Federal awards	\$ 161,335	\$ 161,335	\$ -
Other local revenues	-	-	-
State awards	<u>12,948</u>	<u>12,948</u>	-
Total revenues	<u>174,283</u>	<u>174,283</u>	<u>-</u>
Expenditures			
Personnel	43,276	43,276	-
Travel	4,905	4,905	-
Contractual services	71,998	71,998	-
Capital outlay	-	-	-
Other direct expenses	35,257	35,257	-
Indirect costs	<u>18,847</u>	<u>18,847</u>	-
Total expenditures	<u>174,283</u>	<u>174,283</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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Postive (Negative)
Revenues			
State awards	\$ 7,000	\$ 7,000	\$ -
Local match	-	-	-
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Expenditures			
Personnel	4,709	4,709	-
Travel	2,166	2,166	-
Contractual services	300	300	-
Other direct expenses	27	27	-
Indirect costs	<u>2,098</u>	<u>2,098</u>	<u>-</u>
Total expenditures	<u>9,300</u>	<u>9,300</u>	<u>-</u>
Revenues over (under) expenditures	<u>(2,300)</u>	<u>(2,300)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>2,300</u>	<u>2,300</u>	<u>-</u>
Total other financing sources (uses)	<u>2,300</u>	<u>2,300</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, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	\$ 71,363	\$ 71,363	\$ -
State awards	39,496	39,496	-
Other local revenue	-	-	-
Local match	7,462	7,462	-
Total revenues	<u>118,321</u>	<u>118,321</u>	<u>-</u>
Expenditures			
Personnel	46,091	46,091	-
Travel	11,095	11,095	-
Contractual services	44,935	44,935	-
Capital outlay	-	-	-
Other direct expenses	2,653	2,653	-
Indirect costs	24,992	24,992	-
Total expenditures	<u>129,766</u>	<u>129,766</u>	<u>-</u>
Revenues over (under) expenditures	<u>(11,445)</u>	<u>(11,445)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	11,445	11,445	-
Total other financing sources (uses)	<u>11,445</u>	<u>11,445</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 - Special Project
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Other local revenue	-	-	-
Local match	1,948	1,948	-
Total revenues	<u>1,948</u>	<u>1,948</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Travel	-	-	-
Contractual services	-	-	-
Capital outlay	-	-	-
Other direct expenses	1,948	1,948	-
Indirect costs	-	-	-
Total expenditures	<u>1,948</u>	<u>1,948</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	-	-	-
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 - MIPPA Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Postive (Negative)</u>
Revenues			
State revenues	\$ 23,535	\$ 23,535	\$ -
Total revenues	<u>23,535</u>	<u>23,535</u>	<u>-</u>
Expenditures			
Personnel	12,625	12,625	-
Travel	1,888	1,888	-
Contractual services	-	-	-
Other direct expenses	2,002	2,002	-
Indirect costs	<u>7,020</u>	<u>7,020</u>	<u>-</u>
Total expenditures	<u>23,535</u>	<u>23,535</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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Postive (Negative)
Revenues			
Local Match	\$ 526	\$ 526	\$ -
State awards	<u>15,139</u>	<u>15,139</u>	<u>-</u>
Total revenues	<u>15,665</u>	<u>15,665</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Travel	-	-	-
Contractual services	14,475	14,475	-
Other direct expenses	1,190	1,190	-
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>15,665</u>	<u>15,665</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
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Workforce Development Region Q
For the Year Ended June 30, 2011

	Administration WIA 2010	Adult WIA 2020	Dislocated Worker WIA 2030	Youth WIA 2040	Incentive WIA 2050	Total June 30, 2011
Revenues:						
Federal awards	\$ 267,948	\$ 693,268	\$ 586,899	\$ 828,787	\$ 561,320	\$ 2,938,222
Local match	-	-	-	-	19,500	19,500
Total Revenues	<u>267,948</u>	<u>693,268</u>	<u>586,899</u>	<u>828,787</u>	<u>580,820</u>	<u>2,957,722</u>
Expenditures:						
Personnel	152,016	135,965	138,873	184,794	101,849	713,497
Participant wages and fringes	-	87,054	87,777	181,088	31,299	387,218
Travel	14,452	25,602	38,514	5,589	43,272	127,429
Contractual services	2,087	332,444	217,890	366,702	223,953	1,143,076
Capital outlay	-	-	-	-	-	-
Other direct expenses	29,870	53,519	44,432	33,693	138,565	300,079
Indirect costs	69,523	58,684	59,413	56,921	41,882	286,423
Total Expenditures	<u>267,948</u>	<u>693,268</u>	<u>586,899</u>	<u>828,787</u>	<u>580,820</u>	<u>2,957,722</u>
Revenues over(under) expenditures	<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>
Fund Balances:						
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION
Workforce Development Region Q - Administration - WIA 2010
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	267,948	267,948	-
Total revenues	<u>267,948</u>	<u>267,948</u>	<u>-</u>
Expenditures			
Administration:			
Personnel	152,016	152,016	-
Travel	14,452	14,452	-
Contractual services	2,087	2,087	-
Capital outlay	-	-	-
Other direct expenses	29,870	29,870	-
Indirect costs	69,523	69,523	-
Total expenditures (admin)	<u>267,948</u>	<u>267,948</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 - Adult - WIA 2020
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	693,268	693,268	-
Total revenues	693,268	693,268	-
Expenditures			
Program:			
Personnel	135,965	135,965	-
Participant wages and fringes	87,054	87,054	-
Travel	25,602	25,602	-
Contractual services	332,444	332,444	-
Other direct expenses	53,519	53,519	-
Indirect costs	58,684	58,684	-
Total expenditures (program)	693,268	693,268	-
Revenues over (under) expenditures	-	-	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year		-	
End of year		\$ -	

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, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	586,899	586,899	-
Total revenues	<u>586,899</u>	<u>586,899</u>	<u>-</u>
Expenditures			
Program:			
Personnel	138,873	138,873	-
Participant wages and fringes	87,777	87,777	-
Travel	38,514	38,514	-
Contractual services	217,890	217,890	-
Other direct expenses	44,432	44,432	-
Indirect costs	59,413	59,413	-
Total expenditures (program)	<u>586,899</u>	<u>586,899</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
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, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	828,787	828,787	-
Total revenues	828,787	828,787	-
Expenditures			
Program:			
Personnel	184,794	184,794	-
Participant wages and fringes	181,088	181,088	-
Travel	5,589	5,589	-
Contractual services	366,702	366,702	-
Capital outlay	-	-	-
Other direct expenses	33,693	33,693	-
Indirect costs	56,921	56,921	-
Total expenditures (program)	828,787	828,787	-
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, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	561,320	561,320	-
Local match	19,500	19,500	-
Total revenues	<u>580,820</u>	<u>580,820</u>	<u>-</u>
Program:			
Personnel	101,849	101,849	-
Participant wages and fringes	31,299	31,299	-
Travel	43,272	43,272	-
Contractual services	223,953	223,953	-
Capital outlay	-	-	-
Other direct expenses	138,565	138,565	-
Indirect costs	41,882	41,882	-
Total expenditures	<u>580,820</u>	<u>580,820</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>	

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MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Economic Development Programs
For the Year Ended June 30, 2011

	Economic Development Administration	GUC ASR RC	Auroa TEDG	Chocowinity Southtech
Revenues:				
Federal awards	\$ 57,076	\$ -	\$ -	\$ -
Other local revenue	-	27,041	6,622	7,169
Total Revenues	<u>57,076</u>	<u>27,041</u>	<u>6,622</u>	<u>7,169</u>
Expenditures:				
Personnel	50,580	9,495	3,772	4,231
Travel	7,599	942	624	727
Contractual services	97	-	-	-
Capital outlay	-	-	-	-
Other direct expenses	9,409	1,113	2	1
Indirect costs	27,441	15,491	2,224	2,210
Total Expenditures	<u>95,126</u>	<u>27,041</u>	<u>6,622</u>	<u>7,169</u>
Revenues over(under) expenditures	<u>(38,050)</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>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

	Town of Farmville	Beaufort County CMW	Penn/Havens CDBG	Total June 30, 2011
\$	-	\$ -	\$ 7,104	\$ 64,180
	<u>7,020</u>	<u>11,718</u>	<u>-</u>	<u>59,570</u>
	<u>7,020</u>	<u>11,718</u>	<u>7,104</u>	<u>123,750</u>
	4,097	7,365	3,551	83,091
	660	370	309	11,231
	-	-	247	344
	-	-	-	-
	2	-	1,057	11,584
	<u>2,261</u>	<u>3,983</u>	<u>1,940</u>	<u>55,550</u>
	<u>7,020</u>	<u>11,718</u>	<u>7,104</u>	<u>161,800</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,050)</u>
	-	-	-	-
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,050</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,050</u>
-	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<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, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	57,076	57,076	-
Total revenues	57,076	57,076	-
Expenditures			
Personnel	50,580	50,580	-
Travel	7,599	7,599	-
Contractual services	97	97	-
Other direct expenses	9,409	9,409	-
Indirect costs	27,441	27,441	-
Total expenditures	95,126	95,126	-
Revenues over (under) expenditures	(38,050)	(38,050)	-
Other Financing Source (Uses)			
Transfer from ED special projects	-	-	-
Transfer of local matching funds	38,050	38,050	-
Total other financing sources (uses)	38,050	38,050	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year		-	
End of year		\$ -	

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, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	27,041	27,041	-
Total revenues	<u>27,041</u>	<u>27,041</u>	<u>-</u>
Expenditures			
Personnel	9,495	9,495	-
Travel	942	942	-
Other direct expenses	1,113	1,113	-
Indirect costs	15,491	15,491	-
Total expenditures	<u>27,041</u>	<u>27,041</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<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, 2011

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	6,622	-	6,622	6,622	-
Total revenues	<u>6,622</u>	<u>-</u>	<u>6,622</u>	<u>6,622</u>	<u>-</u>
Expenditures					
Personnel	3,772	-	3,772	3,772	-
Travel	624	-	624	624	-
Contractual services	-	-	-	-	-
Other direct expenses	2	-	2	2	-
Indirect costs	<u>2,224</u>	<u>-</u>	<u>2,224</u>	<u>2,224</u>	<u>-</u>
Total expenditures	<u>6,622</u>	<u>-</u>	<u>6,622</u>	<u>6,622</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year			<u>-</u>		
End of year			<u>\$ -</u>		

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, 2011

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Other local revenue	12,500	5,235	7,169	12,404	(96)
Total revenues	12,500	5,235	7,169	12,404	(96)
Expenditures					
Personnel	7,167	2,936	4,231	7,167	-
Travel	727	-	727	727	-
Other direct expenses	983	982	1	983	-
Indirect costs	3,623	1,317	2,210	3,527	96
Total expenditures	12,500	5,235	7,169	12,404	96
Revenues over (under) expenditures	-	-	-	-	-
Change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balances:					
Beginning of year			-		
End of year			\$ -		

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, 2011

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	\$ 10,250	\$ 10,057	\$ -	\$ 10,057	\$ (193)
Other local revenue	35,000	22,673	7,020	29,693	(5,307)
Total revenues	<u>45,250</u>	<u>32,730</u>	<u>7,020</u>	<u>39,750</u>	<u>(5,500)</u>
Expenditures					
Personnel	25,000	18,937	4,097	23,034	1,966
Travel	4,000	3,884	660	4,544	(544)
Contractual services	-	-	-	-	-
Other direct expenses	1,639	1,639	2	1,641	(2)
Indirect costs	14,611	8,270	2,261	10,531	4,080
Total expenditures	<u>45,250</u>	<u>32,730</u>	<u>7,020</u>	<u>39,750</u>	<u>5,500</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 - 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, 2011

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	3,090	3,090	11,718	14,808	11,718
Total revenues	<u>3,090</u>	<u>3,090</u>	<u>11,718</u>	<u>14,808</u>	<u>11,718</u>
Expenditures					
Personnel	2,030	2,030	7,365	9,395	7,365
Travel	33	33	370	403	370
Equipment	-	-	-	-	-
Other direct expenses	191	171	-	171	(20)
Indirect costs	836	856	3,983	4,839	4,003
Total expenditures	<u>3,090</u>	<u>3,090</u>	<u>11,718</u>	<u>14,808</u>	<u>11,718</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, 2011

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Postive (Negative)
Revenues					
Federal awards	\$ 7,104	\$ -	\$ 7,104	\$ 7,104	\$ -
Other local revenue	7,683	7,683	-	7,683	-
Total revenues	<u>14,787</u>	<u>7,683</u>	<u>7,104</u>	<u>14,787</u>	<u>-</u>
Expenditures					
Personnel	8,426	4,875	3,551	8,426	-
Travel	650	341	309	650	-
Contractual services	247	-	247	247	-
Other direct expenses	1,523	466	1,057	1,523	-
Indirect costs	3,941	2,001	1,940	3,941	-
Total expenditures	<u>14,787</u>	<u>7,683</u>	<u>7,104</u>	<u>14,787</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, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
Interest	21,519	21,519	-
Processing fees	755	755	-
Other local revenue	-	-	-
Program income	69,208	69,208	-
Total revenues	<u>91,482</u>	<u>91,482</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Travel	-	-	-
Contractual services	-	-	-
Other direct expenses	91,482	8,044	83,438
Indirect costs	-	-	-
Total expenditures	<u>91,482</u>	<u>8,044</u>	<u>83,438</u>
Revenues over (under) expenditures	<u>-</u>	<u>83,438</u>	<u>83,438</u>
Change in fund balance	\$ <u>-</u>	83,438	\$ <u>83,438</u>
Fund Balances:			
Beginning of year		<u>252,557</u>	
End of year		\$ <u>335,995</u>	

MID-EAST COMMISSION
Planning Programs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Aurora Planning & Zoning Administration	Aulander Planning & Zoning Administration	Beaufort County	Bath Planning & Zoning	Plymouth Planning & Zoning Admin	Colrain Planning & Zoning Admin	Chocowinity Planning & Zoning Admin
Revenues:							
State awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local awards	134	1,618	31,876	880	2,902	820	14,990
Total Revenues	<u>134</u>	<u>1,618</u>	<u>31,876</u>	<u>880</u>	<u>2,902</u>	<u>820</u>	<u>14,990</u>
Expenditures:							
Personnel	69	1,048	19,960	563	1,850	523	9,461
Travel	15	152	51	-	39	-	56
Contractual services	-	-	798	-	-	-	64
Other direct expenses	20	90	2,345	65	98	62	1,315
Indirect costs	30	328	8,722	252	915	235	4,094
Total Expenditures	<u>134</u>	<u>1,618</u>	<u>31,876</u>	<u>880</u>	<u>2,902</u>	<u>820</u>	<u>14,990</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, 2011

Mufreesboro Planning & Zoning Admin	Planning Special Projects	Rural Transportation Planning	Hertford County LUP	Totals		Variance Positive (Negative)
				June 30, 2011	Budget	
\$ -	\$ -	\$ 65,113	\$ -	\$ 65,113	\$ 65,113	-
3,537	38,869	15,694	4,541	115,861	115,861	-
<u>3,537</u>	<u>38,869</u>	<u>80,807</u>	<u>4,541</u>	<u>180,974</u>	<u>180,974</u>	<u>-</u>
2,091	3,770	51,322	2,033	92,690	92,690	-
264	711	4,708	281	6,277	6,277	-
-	-	260	-	1,122	1,122	-
285	40,635	7,532	1,357	53,804	53,804	-
897	1,521	22,216	870	40,080	40,080	-
<u>3,537</u>	<u>46,637</u>	<u>86,038</u>	<u>4,541</u>	<u>193,973</u>	<u>193,973</u>	<u>-</u>
-	(7,768)	(5,231)	-	(12,999)	(12,999)	-
-	7,768	-	-	7,768	7,768	-
-	-	5,231	-	5,231	5,231	-
-	7,768	5,231	-	12,999	12,999	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

MID-EAST COMMISSION
State Technical Assistance
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
State awards	\$ 22,918	\$ 22,918	\$ -
Total revenues	<u>22,918</u>	<u>22,918</u>	<u>-</u>
Expenditures			
Other direct expenses	15,150	15,150	
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>15,150</u>	<u>15,150</u>	<u>-</u>
Revenues over(under) expenditures	7,768	7,768	-
Other Financing Sources (Uses)			
Transfer (to) other funds	-	-	-
Transfer (to) Special Project Planning	<u>(7,768)</u>	<u>(7,768)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,768)</u>	<u>(7,768)</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, 2011

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest	7,633	64,649	315	64,964	57,331
Program income	73,932	299,927	-	299,927	225,995
Other local revenue	63	79,796	-	79,796	79,733
Total revenues	<u>81,628</u>	<u>444,372</u>	<u>315</u>	<u>444,687</u>	<u>363,059</u>
Expenditures					
Personnel	8,825	-	-	-	8,825
Travel	32	32	-	32	-
Contractual services	40,275	40,275	-	40,275	-
Other direct expenses	372,087	372,087	-	372,087	-
Principal	10,281	-	10,281	10,281	-
Interest	2,454	-	2,454	2,454	-
Indirect costs	6,300	6,300	-	6,300	-
Total expenditures	<u>440,254</u>	<u>418,694</u>	<u>12,735</u>	<u>431,429</u>	<u>8,825</u>
Revenues over (under) expenditures	<u>(358,626)</u>	<u>25,678</u>	<u>(12,420)</u>	<u>13,258</u>	<u>371,884</u>
Other Financing Sources (Uses)					
Loan proceeds	<u>358,626</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>(58,626)</u>
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>325,678</u>	(12,420)	\$ <u>313,258</u>	\$ <u>313,258</u>
Fund Balances:					
Beginning of year			<u>325,678</u>		
End of year			\$ <u>313,258</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, 2011

	Budget	Actual	Variance Postive (Negative)
Revenues			
Interest income	42	42	-
Total revenues	42	42	-
Expenditures			
Personnel	-	-	-
Other direct expenses	42	42	-
Indirect costs	-	-	-
Total expenditures	42	42	-
Change in fund balance	\$ -	-	\$ -
Fund Balances:			
Beginning of year		-	
End of year		\$ -	

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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Postive (Negative)
Revenues			
Federal awards	<u>40</u>	<u>40</u>	<u>-</u>
Total revenues	<u>40</u>	<u>40</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Other direct expenses	40	40	-
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>40</u>	<u>40</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
ARRA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Chronic Disease Mgmt ARRA	WIA Admin ARRA	WIA Adult ARRA	Congregate Meals ARRA	Home Delivered Meals ARRA	Greenville Utilities ARRA
Revenues:						
Federal awards	\$ 23,689	\$ 44,565	\$ 49,128	\$ 1,599	\$ 928	\$ 6,230
State awards	-	-	-	11	7	-
Local match	260	-	-	176	103	2,566
Total Revenues	<u>23,949</u>	<u>44,565</u>	<u>49,128</u>	<u>1,786</u>	<u>1,038</u>	<u>8,796</u>
Expenditures:						
Personnel	12,342	28,418	2,205	922	569	5,426
Travel	2,714	446	5,313	107	-	457
Contractual services	-	-	5,944	-	-	-
Participant wages and fringes	-	-	23,287	-	-	-
Other direct expenses	4,303	3,656	12,379	344	208	639
Indirect costs	4,590	12,045	-	413	261	2,274
Total Expenditures	<u>23,949</u>	<u>44,565</u>	<u>49,128</u>	<u>1,786</u>	<u>1,038</u>	<u>8,796</u>
Revenues over(under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (uses):						
Transfers of local matching funds	-	-	-	-	-	-
Change in fund balance	<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>

MID-EAST COMMISSION
ARRA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

			Totals		Variance Positive (Negative)
Dislocated Worker ARRA	Energy Sector Partnership ARRA	Youth ARRA	June 30, 2011	Budget	
\$ 117,036	\$ 250,163	\$ 97,751	\$ 591,089	\$ 591,089	\$ -
-	-	-	18	18	-
-	-	-	3,105	3,105	-
117,036	250,163	97,751	594,212	594,212	-
30,089	20,446	-	100,417	100,417	-
5,970	314	144	15,465	15,465	-
2,500	218,298	38,488	265,230	265,230	-
54,136	-	58,650	136,073	136,073	-
23,795	2,187	469	47,980	47,980	-
546	8,918	-	29,047	29,047	-
117,036	250,163	97,751	594,212	594,212	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Postive (Negative)
Revenues			
Local revenues	<u>3,239</u>	<u>3,239</u>	<u>-</u>
Total revenues	<u>3,239</u>	<u>3,239</u>	<u>-</u>
Expenditures			
Other direct expenses	<u>3,239</u>	<u>3,239</u>	<u>-</u>
Total expenditures	<u>3,239</u>	<u>3,239</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

PROPRIETARY FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

MID-EAST COMMISSION
Combining Statement of Net Assets - Proprietary Fund
Mid-East Development Corporation
6/30/2011

	Twin Gables	Belhaven Senior Center	Veranda
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,494	\$ 4,117	\$ 3,070
Security deposits	4,222	-	1,300
Escrow	1,618	-	1,618
Reserve	16,109	-	2,604
Accounts receivable	-	9,512	-
Prepaid expenses	147	-	147
Total current assets	<u>24,590</u>	<u>13,629</u>	<u>8,739</u>
Capital assets:			
Building	251,014	-	360,538
Land	10,000	-	20,000
Improvements	4,120	-	-
Furniture	4,263	-	3,460
Accumulated Depreciation	<u>(117,628)</u>	<u>-</u>	<u>(98,283)</u>
Total capital assets, net	<u>151,769</u>	<u>-</u>	<u>285,715</u>
Total Assets	<u>176,359</u>	<u>13,629</u>	<u>294,454</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,211	-	3,148
Security deposits	4,222	-	1,300
Notes payable - current	5,052	-	4,218
Total current liabilities	<u>10,485</u>	<u>-</u>	<u>8,666</u>
Non-current liabilities			
Notes payable - non-current			
NC Housing	28,118	-	-
FMHA	211,493	-	348,884
Total non-current liabilities	<u>239,611</u>	<u>-</u>	<u>348,884</u>
Total Liabilities	<u>250,096</u>	<u>-</u>	<u>357,550</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	(92,894)	-	(67,387)
Unrestricted	<u>19,157</u>	<u>13,629</u>	<u>4,291</u>
Total Net Assets	<u>\$ (73,737)</u>	<u>\$ 13,629</u>	<u>\$ (63,096)</u>

<u>Dogwoods</u>	<u>Management & Operations</u>	<u>Total</u>
\$ 13,010	\$ 156,202	\$ 178,893
10,413	-	15,935
-	-	3,236
63,170	-	81,883
8,404	377	18,293
1,602	-	1,896
<u>96,599</u>	<u>156,579</u>	<u>300,136</u>
1,153,659	-	1,765,211
68,750	-	98,750
-	-	4,120
11,814	20,680	40,217
<u>(488,652)</u>	<u>(20,680)</u>	<u>(725,243)</u>
<u>745,571</u>	<u>-</u>	<u>1,183,055</u>
<u>842,170</u>	<u>156,579</u>	<u>1,483,191</u>
6,933	12,610	23,902
10,362	-	15,884
15,094	-	24,364
<u>32,389</u>	<u>12,610</u>	<u>64,150</u>
-	-	28,118
<u>997,887</u>	<u>-</u>	<u>1,558,264</u>
<u>997,887</u>	<u>-</u>	<u>1,586,382</u>
<u>1,030,276</u>	<u>12,610</u>	<u>1,650,532</u>
(267,410)	-	(427,691)
<u>79,304</u>	<u>143,969</u>	<u>260,350</u>
<u>\$ (188,106)</u>	<u>\$ 143,969</u>	<u>\$ (167,341)</u>

MID-EAST COMMISSION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended June 30, 2011

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
OPERATING REVENUES:						
Rental income	\$ 20,755	\$ -	\$ 17,082	\$ 145,803	\$ -	\$ 183,640
Operation and management	296	-	217	-	-	513
Other local revenue	476	20,080	659	1,905	1,143	24,263
Total operating revenues	<u>21,527</u>	<u>20,080</u>	<u>17,958</u>	<u>147,708</u>	<u>1,143</u>	<u>208,416</u>
OPERATING EXPENSES						
Management related	14,961	-	12,038	23,240	-	50,239
Operation of program services	22,204	72,625	32,220	68,796	35,406	231,251
Depreciation	6,502	-	9,158	32,404	-	48,064
Contractual services	17,388	-	15,643	15,169	-	48,200
Total operating expenditures	<u>61,055</u>	<u>72,625</u>	<u>69,059</u>	<u>139,609</u>	<u>35,406</u>	<u>377,754</u>
Operating income (loss)	<u>(39,528)</u>	<u>(52,545)</u>	<u>(51,101)</u>	<u>8,099</u>	<u>(34,263)</u>	<u>(169,338)</u>
NON-OPERATING REVENUES (EXPENSES):						
Rental assistance received	48,867	-	50,334	-	-	99,201
Interest subsidies received	11,475	-	12,663	-	-	24,138
Interest income	47	-	15	156	56	274
Contributions and local support	-	-	-	-	84,006	84,006
Grant funds - Aging	-	52,545	-	-	-	52,545
Interest expense	(15,760)	-	(18,448)	(18,183)	-	(52,391)
Total nonoperating revenues(expenses)	<u>44,629</u>	<u>52,545</u>	<u>44,564</u>	<u>(18,027)</u>	<u>84,062</u>	<u>207,773</u>
Change in net assets	5,101	-	(6,537)	(9,928)	49,799	38,435
Net assets, beginning	<u>(78,838)</u>	<u>\$ 13,629</u>	<u>\$ (56,559)</u>	<u>\$ (178,178)</u>	<u>\$ 94,170</u>	<u>\$ (205,776)</u>
Net assets, ending	<u>\$ (73,737)</u>	<u>\$ 13,629</u>	<u>\$ (63,096)</u>	<u>\$ (188,106)</u>	<u>\$ 143,969</u>	<u>\$ (167,341)</u>

MID-EAST COMMISSION
Combining Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2011

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Totals June 30, 2011
Cash Flows From Operating Activities:						
Cash Received from Customers/others	\$ 21,527	\$ 20,080	\$ 17,958	\$ 147,708	\$ 1,143	\$ 208,416
Cash Paid for Goods, Services, & Employees	(53,959)	(86,917)	(60,698)	(112,520)	(25,110)	(339,204)
Net Cash Provided by (Used for) Operating Activities	(32,432)	(66,837)	(42,740)	35,187	(23,967)	(130,788)
Cash Flows from Noncapital Financing Activities:						
Rental assistance and interest subs	60,342	-	62,997	-	-	123,339
Contributions and local support	-	-	-	-	84,006	84,006
Transfers In/(Out)	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	60,342	-	62,997	-	84,006	207,345
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	-	-	-	-	-	-
Principal Paid on Bond Maturities and Capital Leases	(1,669)	-	(1,150)	(10,699)	-	(13,518)
Interest Paid on Bond\Note Maturities and Capital Leases	(15,760)	-	(18,448)	(18,183)	-	(52,391)
Capital contributions	-	52,545	-	-	-	52,545
Net Cash Provided (Used for) Capital and Related Financing Activities	(17,429)	52,545	(19,598)	(28,882)	-	(13,364)
Cash Flows from Investing Activities:						
Interest on investments	47	-	15	156	56	274
Net Increase (Decrease) in Cash and Cash Equivalents	10,528	(14,292)	674	6,461	60,095	63,466
Cash and cash equivalents, July 1	13,915	18,409	7,918	80,132	96,107	216,481
Cash and cash equivalents, June 30	\$ 24,443	\$ 4,117	\$ 8,592	\$ 86,593	\$ 156,202	\$ 279,947
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating Activities:						
Operating Income (Loss)	\$ (39,528)	\$ (52,545)	\$ (51,101)	\$ 8,099	\$ (34,263)	\$ (169,338)
Adjustments to Reconcile Operating Income to Net Cash Provided Operating Activities:						
Depreciation	6,502	-	9,158	32,404	-	48,064
Changes in Assets and Liabilities:						
(Increase) Decrease						
in Accounts Receivable	-	(9,512)	-	(366)	4,571	(5,307)
in Prepaids	5	-	5	(217)	-	(207)
Increase (Decrease)						
in Accounts Payable & accrued liabilities	-	(4,780)	(132)	(5,771)	5,725	(4,958)
in Customer Deposits	589	-	(670)	1,038	-	957
in Compensated absences payable	-	-	-	-	-	-
Total Adjustments	7,096	(14,292)	8,361	27,088	10,296	38,549
Net Cash Provided by Operating Activities	\$ (32,432)	\$ (66,837)	\$ (42,740)	\$ 35,187	\$ (23,967)	\$ (130,789)

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

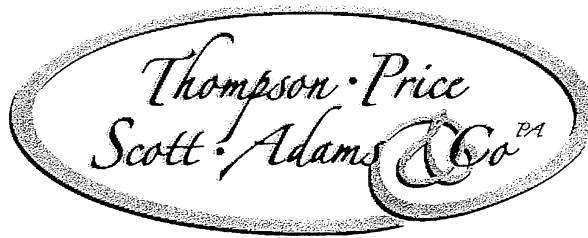
OTHER SCHEDULES

This section includes additional information on indirect costs.

Mid-East Commission
Schedule of Indirect Costs
For the Year Ended June 30, 2011

Salaries	\$	250,980
Fringe benefits		132,288
Supplies		4,714
Postage and telephone		24,703
Staff travel		22,611
Other travel		861
Printing, publishing and dues		25,566
Legal service		1,347
Contractual services		28,224
Audit and bookkeeping		25,500
Insurance and bonding		21,974
Equipment lease and repair		4,664
Occupancy costs		<u>44,577</u>
Total Indirect Costs	\$	<u><u>588,009</u></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, 2011, which collectively comprises the Commission's basic financial statements, and have issued our report thereon dated October 20, 2011. 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

Management of the Commission is responsible for establishing and maintaining effective 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 20, 2011



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**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, 2011. 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, 2011.

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 20, 2011



CERTIFIED PUBLIC ACCOUNTANTS

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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, 2011. 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, 2011.

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 20, 2011

Mid-East Commission
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial
statements noted yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses yes X none reported

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

Any audit findings disclosed that are
required to be reported in accordance
with Section 510(a) of Circular A-133 yes X no

Identification of major federal programs:

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
17.258	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, 2011

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 – Caregiver Match
Rural Transportation Planning
Special Programs for the Aging – Title III B
Special Programs for the Aging – Title III C

The Title IIIB and IIIC Programs are a State match on federal programs.

Mid-East Commission
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

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, 2011

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, 2011

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	99,201	-
		123,339	-
Passed through State Dept. of Health and Human Services			
USDA Supplement	10.570	82,106	
Total U. S. Dept. of Agriculture		\$ 205,445	\$ -
<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	\$ 65,764	\$ 3,604
In-Home Services	93.044	288,267	16,957
Ombudsman Program	93.044	46,348	2,726
Legal Services	93.044	18,061	1,062
Access	93.044	114,417	6,730
		532,857	31,079
Special Programs for the Aging - Title III C			
Congregate Nutrition	93.045	282,053	16,591
Home Delivered Meals	93.045	152,428	8,966
Planning and Administration	93.045	69,043	3,784
		503,524	29,341
Special Programs for the Aging - Title III C-ARRA			
Congregate Nutrition-ARRA	93.707	178	10
Planning and Administration-Congregate-ARRA	93.707	1,324	78
		1,502	88
Home Delivered Meals-ARRA			
Planning and Administration-Home Delivered Meals-ARRA	93.705	111	7
	93.705	764	45
		875	52
Special Programs for the Aging			
Title VII - B - Elder Abuse	93.041	5,667	333
Title VII - E - Ombudsman Program	93.042	9,302	547
Preventive Health	93.043	24,296	1,429
AAAs Planning	93.048	-	
Project Care	93.051	95,498	
Family Caregiver Support	93.052	174,660	11,644
Title III-E Planning and Administration	93.052	16,475	903
MIPPA Medicare Enrollment Assistance Program	93.071	6,236	
MIPPA Medicare Enrollment Assistance Program	93.518	13,717	
MIPPA Medicare Enrollment Assistance Program	93.779	1,687	
SSBG	93.667	43,446	1,241
		390,984	16,097
Special Programs for the Aging - ARRA			
Chronic Disease Self Management Program-ARRA	93.723	23,689	-
Passed through State Dept. of Insurance			
SHIIP-Lookout	93.048	-	
Total U. S. Health and Human Services		\$ 1,453,431	\$ 76,657
<u>U.S. Dept. of Commerce</u>			
Direct Program			
Economic Development Administration-Revolving Loan Fund	11.307	424,457	
Economic Development Administration	11.300	\$ 57,076	\$ 38,050
Total U. S. Dept. of Commerce		\$ 481,532	\$ 38,050

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2011

<u>U.S. Dept. of Labor</u>			
<u>Passed through State Dept. of Commerce</u>			
WIA 2010	17.258	267,948	
WIA 2020	17.259	693,268	
WIA 2030	17.260	586,899	
WIA 2031	17.260	227,556	
WIA 2040	17.259	788,502	
WIA 2050	17.259	393,547	
WIA 3808	17.259	-	
WIA 5015	17.275	250,163	
		<u>3,207,884</u>	<u>-</u>
WIA ARRA 4010	17.258	44,565	
WIA ARRA 4020	17.259	49,128	
WIA ARRA 4030	17.260	117,037	
WIA ARRA 4040	17.259	97,751	
		<u>308,482</u>	<u>-</u>
Total WIA		<u>3,516,366</u>	<u>-</u>
Total U. S. Dept. of Labor		<u>\$ 3,516,366</u>	<u>\$ -</u>
<u>U.S. Dept. of Transportation</u>			
<u>Passed through State Dept. of Transportation</u>			
Rural Transportation Planning	20.205-8	\$ 28,880	
Total Federal Assistance		<u>\$ 5,685,655</u>	

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2011

State Programs

<u>Department of Administration (OSBM)</u>		
State Technical Assistance	N/A	\$ 22,918
<u>Department of Health and Human Services</u>		
AAA Administration	N/A	45,423
Access	N/A	213,239
Congregate nutrition	N/A	24,202
Fans Program	N/A	1,948
Home delivered meals	N/A	177,605
In-Home Services	N/A	427,840
In-Home Services-Caregiver Match	N/A	230,069
Ombudsman	N/A	36,415
Planning & Administration	N/A	-
Senior Center Development	N/A	53,060
Senior Center Outreach	N/A	-
SHIIP	N/A	-
Project Care 100%	N/A	46,087
Project Care 90%	N/A	39,497
Total Department of Health and Human Services		<u>\$ 1,295,385</u>
<u>Department of Insurance</u>		
SHIIP	N/A	\$ 7,000
<u>Department of Transportation</u>		
Rural Transportation Planning	N/A	\$ 74,064
Total State programs		<u>\$ 1,399,367</u>
Total State Assistance		<u>\$ 1,514,074</u>

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2011

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 sched

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
USDA Supplement	10.570	82,106	-
WIA 2010	17.258	267,948	-
WIA 2020	17.259	693,268	-
WIA 2030	17.260	586,899	-
WIA 2031	17.260	227,556	-
WIA 2040	17.259	788,502	-
WIA 2050	17.259	393,547	-
WIA 5015	17.275	250,163	-
WIA ARRA 4010	17.258	44,565	-
WIA ARRA 4020	17.259	49,128	-
WIA ARRA 4030	17.260	117,037	-
WIA ARRA 4040	17.259	97,751	-
Preventive Health	93.043	24,296	1,429
Access Services	93.044	114,417	6,730
In-home Services	93.044	288,267	16,957
Legal Services	93.044	18,061	1,062
Congregate Nutrition	93.045	282,053	16,591
Home Delivered Meals	93.045	152,428	8,966
SSBG	93.667	95,498	-
Access	N/A	-	213,239
Congregate Nutrition	N/A	-	24,202
Congregate Nutrition-ARRA	N/A	178	10
Home delivered meals	N/A	-	177,605
Home delivered meals-ARRA	N/A	111	7
In-Home Services	N/A	-	427,840
Senior Center Development	N/A	-	53,060
Senior Center Outreach	N/A	-	-
Totals		<u>\$ 4,573,781</u>	<u>\$ 947,698</u>