Upper Coastal Plain Council
Of Governments

Wilson, North Carolina

Financial Statements

For The Year Ended June 30, 2012
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**Upper Coastal Plain Council of Governments**

June 30, 2012

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Financial Section
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Independent Auditor's Report

To the Board of Directors
Upper Coastal Plain Council of Governments
Wilson, North Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Upper Coastal Plain Council of Governments, (the "Council") as of and for the year ended June 30, 2012, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Upper Coastal Plain Council of Governments’ management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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, each major fund, and the aggregate remaining fund information of the Upper Coastal Plain Council of Governments as of June 30, 2012, and the respective changes in financial position, thereof and the respective budgetary comparison for the General, Aging, Workforce Development, EDA-RLF, and Planning & Development Services funds 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 February 14, 2013, on our consideration of the Upper Coastal Plain Council of Governments’ internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.
Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United State of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Council’s basic financial statements as a whole. The combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules, and the accompanying schedule of expenditures of federal and State awards are the responsibility of management, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the Unit States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Flowers & Stanley, LLP
Tarboro, North Carolina
February 14, 2013
Management Discussion and Analysis
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Management’s Discussion and Analysis

As management of Upper Coastal Plain Council of Governments, we offer readers of Upper Coastal Plain Council of Governments’ financial statements this narrative overview and analysis of the financial activities of Upper Coastal Plain Council of Governments for the fiscal year ended June 30, 2012. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Council’s financial statements, which follow this narrative.

Financial Highlights

- The assets of Upper Coastal Plain Council of Governments exceeded its liabilities at the close of the fiscal year by $771,418 (net assets).

- The government’s total net assets increased by $35,016 primarily due to Aging Fund operations.

- As of the close of the current fiscal year, Upper Coastal Plain Council of Governments’ governmental funds reported combined ending fund balances of $749,777, an increase of $54,929 in comparison with the prior year. This entire amount is restricted or non-spendable.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $150,243.

- Upper Coastal Plain Council of Governments’ total debt, which consists solely of accrued annual leave, increased by $4,330 during the current fiscal year.

- Expenditures in the Workforce Development Fund accounted for $4.4 million or 47.8% of the total expenditures of the council.

- Expenditures in the Aging Fund accounted for $4.2 million or 45.7% of the total expenditures of the council.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Upper Coastal Plain Council of Governments’ basic financial statements. The Council’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 Council 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 Upper Coastal Plain Council of Governments.
Required Components of Annual Financial Report

Figure 1

Management's Discussion and Analysis

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to the Financial Statements

Summary → Detail

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 Council's financial status.

The next statements (Exhibits 3 through 6) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Council's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison 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 Council's individual funds which are summarized in columns on the basic financial statements. 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 Council’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 Council’s financial status as a whole.

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

The government-wide statements present the governmental activities, which include most of the Council’s basic services such as public safety, economic and physical development, human services, workforce development, and general government. State and federal grant funds finance most of these activities.

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

Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the Council’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. Upper Coastal Plain Council of Governments, 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 Council’s budget ordinance. All of the funds of Upper Coastal Plain Council of Governments are governmental funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Council’s basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Council’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.
Management's Discussion and Analysis
Upper Coastal Plain Council of Governments

Upper Coastal Plain Council of Governments adopts an annual budget for its General Fund and each separate special revenue fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Council's member municipalities, the management of the Council, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Council to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund and each special revenue fund demonstrates how well the Council complied with the budget ordinance and whether or not the Council 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 each special revenue fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 20 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information concerning Upper Coastal Plain Council of Governments’ activities. This information can be found in Exhibits A-1 through B-6, which begins on page 34 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government’s financial condition. The assets of Upper Coastal Plain Council of Governments exceeded liabilities by $771,418 (net assets) as of June 30, 2012. The Council's net assets increased by $35,016 for the fiscal year ended June 30, 2012. One of the largest portions of net assets (76.2%) represents resources that are subject to external restrictions on how they may be used. An additional portion of Upper Coastal Plain Council of Governments' net assets (15.9%) reflects the Council's investment in capital assets (e.g. fixtures and equipment). Upper Coastal Plain Council of Governments uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Unrestricted net assets equals $49,104.
Upper Coastal Plain Council of Governments’ Net Assets

Figure 2

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current and other assets</td>
<td>$2,574,407</td>
<td>$1,566,673</td>
</tr>
<tr>
<td>Capital assets</td>
<td>122,780</td>
<td>138,363</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$2,697,187</td>
<td>$1,705,036</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$1,557,505</td>
<td>$954,643</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>368,264</td>
<td>13,991</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$1,925,769</td>
<td>$968,634</td>
</tr>
<tr>
<td><strong>Net Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>$122,780</td>
<td>$138,363</td>
</tr>
<tr>
<td>Restricted</td>
<td>599,534</td>
<td>744,139</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>49,104</td>
<td>(146,100)</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>$771,418</td>
<td>$736,402</td>
</tr>
</tbody>
</table>

Several particular aspects of the Council’s financial operations positively influenced the total unrestricted governmental net assets:

- Continued efforts in regional projects resulting in additional grants and additional resources to support expenses.
- Careful management of expenses.
Upper Coastal Plain Council of Governments Changes in Net Assets

**Figure 3**

<table>
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<th></th>
<th>Governmental Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Program Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$261,354</td>
<td>$355,182</td>
</tr>
<tr>
<td>Operating grants &amp; contributions</td>
<td>8,709,925</td>
<td>9,068,515</td>
</tr>
<tr>
<td>Capital grants &amp; contributions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local governmental dues</td>
<td>203,315</td>
<td>200,966</td>
</tr>
<tr>
<td>Investment earnings, unrestricted</td>
<td>171</td>
<td>287</td>
</tr>
<tr>
<td>Investment earnings, restricted</td>
<td>1,058</td>
<td>4,144</td>
</tr>
<tr>
<td>Miscellaneous, unrestricted</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$9,175,823</td>
<td>$9,629,094</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>$22,777</td>
<td>$28,026</td>
</tr>
<tr>
<td>Economic and Physical Development</td>
<td>561,812</td>
<td>515,010</td>
</tr>
<tr>
<td>Human Services</td>
<td>4,178,263</td>
<td>4,315,213</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>4,367,859</td>
<td>4,798,273</td>
</tr>
<tr>
<td>Non-major funds</td>
<td>10,096</td>
<td>792</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$9,140,807</td>
<td>$9,657,314</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (Decrease) in Net Assets</td>
<td>$35,016</td>
<td>$28,220</td>
</tr>
<tr>
<td>Net Assets, July 1</td>
<td>$736,402</td>
<td>$764,622</td>
</tr>
<tr>
<td>Net Assets, June 30</td>
<td>$771,418</td>
<td>$736,402</td>
</tr>
</tbody>
</table>
Financial Analysis of the Council’s Funds

As noted earlier, Upper Coastal Plain Council of Governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of Upper Coastal Plain Council of Governments’ governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Upper Coastal Plain Council of Governments’ 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 Upper Coastal Plain Council of Governments. At the end of the current fiscal year, the Council’s fund balance available in the General Fund was $150,243, while total fund balance reached $157,763. As a measure of the General Fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers.

At June 30, 2012, the governmental funds of Upper Coastal Plain Council of Governments reported a combined fund balance of $749,777, a 7.9% increase over last year. The primary reason for this increase is due to recovery of revenues in the fiscal year for prior year expenses.

General Fund Budgetary Highlights

During the fiscal year, the Council 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. There were no amendments to the General Fund during the fiscal year. Amendments to the Special Revenue Funds resulted in a 22.5% increase or $1,883,991.

Approximately 70.2% of the Council’s budget is for contracted services or pass-thru funds to other agencies. If these agencies do not provide the level of services that are included in their contracts and grants, they do not receive reimbursement from the Council. The unliquidated funds for Workforce Development carry forward and are available for expenditures in the next fiscal year.
Management’s Discussion and Analysis  
Upper Coastal Plain Council of Governments

Capital Asset and Debt Administration

Capital assets

Upper Coastal Plain Council of Governments’ capital assets for its governmental activities as of June 30, 2012 totals $122,780 (net of accumulated depreciation). These assets include primarily furniture and equipment.

There were no major capital asset transactions during the fiscal year.

Upper Coastal Plain Council of Governments’ Capital Assets

Figure 4

Capital Asset
(Net of depreciation)

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$102,281</td>
<td>$112,022</td>
</tr>
<tr>
<td>Desktop computers &amp; related equipment</td>
<td>19,631</td>
<td>25,417</td>
</tr>
<tr>
<td>Furniture</td>
<td>868</td>
<td>924</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>$122,780</td>
<td>$138,363</td>
</tr>
</tbody>
</table>

Additional information on the Council’s capital assets can be found in note 2 of the Basic Financial Statements.

Long-term Debt

As of June 30, 2012, Upper Coastal Plain Council of Governments’ only long-term liability was for accrued employee annual leave. This liability for accrued employee annual leave increased by $4,330 or 4.8% during the past fiscal year.

Additional information regarding Upper Coastal Plain Council of Governments’ liability for accrued annual leave can be found in the Notes to the Financial Statements.
Management's Discussion and Analysis
Upper Coastal Plain Council of Governments

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Council.

- The economic conditions that have occurred since June 30, 2012 have also impacted the region.

- Our region – Edgecombe, Halifax, Nash, Northampton, and Wilson counties, with a population estimate of 315,688, continues to experience high unemployment. The Upper Coastal Plain Area’s Unemployment Rate was 12.5%, which is above the state unemployment rate of 9.5%. Edgecombe County has the highest rate at 15.0%, slightly down from 15.7% a year ago, and Northampton County the lowest rate at 10.9% down from 11.9%.

- For our Region, initial unemployment claims have slightly increased from 2,793 in December 2011 to 2,979 in December 2012; with Benefits paid going from $3,500,059 in 2011 to $4,121,341 in 2012; with the average duration of unemployment insurance benefits decreasing as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 2011</th>
<th>December 2012</th>
<th>Duration Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edgecombe County</td>
<td>15.9</td>
<td>14.9</td>
<td>-1.0</td>
</tr>
<tr>
<td>Halifax County</td>
<td>15.7</td>
<td>14.3</td>
<td>-1.4</td>
</tr>
<tr>
<td>Nash County</td>
<td>17.1</td>
<td>15.5</td>
<td>-1.6</td>
</tr>
<tr>
<td>Northampton County</td>
<td>16.8</td>
<td>16.2</td>
<td>-0.6</td>
</tr>
<tr>
<td>Wilson County</td>
<td>16.6</td>
<td>16.6</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Our Region has a total of 6,774 Business Units with 116,831 employees, with average monthly wages of $664. Wilson County has highest regional average monthly wages at $714 and Halifax County the lowest at $583.

Below are the top six sectors with the highest units and number of employees.

- Trade, Transportation and Utilities with 1,813 units and 23,470 employees.
- Education with 886 units and with 26,664 employees.
- Manufacturing with 271 units and 20,332 employees.
- Professional and Business Services with 805 units and 9,932 employees.
- Leisure and Hospitality with 611 units and 10,687 employees.
- Construction with 620 units and 5,688 employees.
Management’s Discussion and Analysis
Upper Coastal Plain Council of Governments

The following commuter patterns have been noted:

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<tr>
<th></th>
<th>Commuting Out</th>
<th>Commuting In</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edgecombe County</td>
<td>14,468</td>
<td>11,945</td>
</tr>
<tr>
<td>Halifax County</td>
<td>10,964</td>
<td>6,114</td>
</tr>
<tr>
<td>Nash County</td>
<td>20,816</td>
<td>21,827</td>
</tr>
<tr>
<td>Northampton County</td>
<td>3,148</td>
<td>4,667</td>
</tr>
<tr>
<td>Wilson County</td>
<td>13,903</td>
<td>17,683</td>
</tr>
</tbody>
</table>

- The region continues to see growth in the Aging populations. Baby boomers are beginning to need more Aging services provided through the Home & Community Block Grant. Increases in funding have not been enough to add new people, or in some cases, been sufficient to maintain those enrolled. The waiting list continues to grow for services needed, but current funding cannot keep pace with the current needs.

- Planning and Development Services – Local Governments in the region are impacted as state budgets and federal funding impact the availability of infrastructure grant funding.

- The Upper Coastal Plain Business Development Center (Regional Incubator) is operational. The Council’s main office is located in the Center. The Economic downturn has produced a negative impact on the business incubation activity of the Center. The Center has experienced a slight increase in activity since June 30, 2010.

Budget Highlights for the Fiscal Year Ending June 30, 2013

Governmental Activities

Budgeted expenditures in the General Fund are expected to stay the same at $204,108. None of the General Fund Balance is expected to be spent this year.

The majority of funds received by the council are Federal and State funds. Both Federal and State governments are currently seeking ways to reduce expenditures. As unemployment remains a problem and the increased rate of retirements causes more of a demand for services for the senior population, it is hard to determine what kind of impact future or pending legislation will have on the council’s funding.

Requests for Information

This report is designed to provide an overview of the Council’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, Upper Coastal Plain Council of Governments, PO Box 9, Wilson, NC 27894-0009.
Basic Financial Statements
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Government-wide Financial Statements
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Upper Coastal Plain Council of Governments  
Statement of Net Assets  
June 30, 2012

<table>
<thead>
<tr>
<th>Exhibit 1</th>
</tr>
</thead>
</table>

**Assets**

Current Assets:
- Cash $1,530,372
- Accounts receivable 1,044,035

Total Current Assets $2,574,407

Capital Assets:
- Capital assets, net of depreciation 122,780

Total Assets $2,697,187

**Liabilities**

Current Liabilities:
- Accounts payable $1,456,366
- Unearned revenue 368,264
- Accrued vacation 101,139

Total Liabilities $1,925,769

**Net Assets**

Invested in capital assets, net of related debt $122,780

Restricted for:
- Special Revenue Funds 592,014
- Stabilization by State Statute 7,520
- Unrestricted 49,104

Total Net Assets $771,418

The notes to the financial statements are an integral part of this statement.
<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary government:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental Activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>$ 22,777</td>
<td>$ 273</td>
<td>$ -</td>
<td>$ -</td>
<td>$ (22,504)</td>
</tr>
<tr>
<td>Economic and Physical Development:</td>
<td>732</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(732)</td>
</tr>
<tr>
<td>Planning &amp; Development</td>
<td>561,080</td>
<td>257,851</td>
<td>207,116</td>
<td>-</td>
<td>(96,113)</td>
</tr>
<tr>
<td>Human Services</td>
<td>4,178,263</td>
<td>2,203</td>
<td>4,156,615</td>
<td>-</td>
<td>(19,445)</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>4,367,859</td>
<td>-</td>
<td>4,346,194</td>
<td>-</td>
<td>(21,665)</td>
</tr>
<tr>
<td>Non-major funds</td>
<td>10,096</td>
<td>1,027</td>
<td>-</td>
<td>-</td>
<td>(9,049)</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>$ 9,140,807</td>
<td>$ 261,354</td>
<td>$ 8,709,925</td>
<td>$ -</td>
<td>$ (169,528)</td>
</tr>
</tbody>
</table>

General Revenues:
- Local governmental dues | $ 203,315
- Investment earnings, unrestricted | 171
- Investment earnings, restricted | 1,058
- Miscellaneous, unrestricted | -

**Total General Revenues** | $ 204,544

Change in net assets | $ 35,016

**Net Assets,**
- Beginning of year | 736,402
- Ending of year | $ 771,418

The notes to the financial statements are an integral part of this statement.
Fund Financial Statements
Upper Coastal Plain Council of Governments  
Balance Sheet  
Governmental Funds  
June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>General</th>
<th>Aging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 1,070,015</td>
<td>$ -</td>
</tr>
<tr>
<td>Accounts receivables</td>
<td>7,520</td>
<td>913,699</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>(867,541)</td>
<td>(220,249)</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 209,994</td>
<td>$ 693,450</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Fund Balances</th>
<th>General</th>
<th>Aging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$ 52,231</td>
<td>$ 693,450</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$ 52,231</td>
<td>$ 693,450</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances:</th>
<th>General</th>
<th>Aging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stabilization by state statute</td>
<td>$ 7,520</td>
<td>$ -</td>
</tr>
<tr>
<td>Restricted for special revenue</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Unassigned</td>
<td>150,243</td>
<td>0</td>
</tr>
<tr>
<td>Total Fund Balances</td>
<td>$ 157,763</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Liabilities and Fund Balances</th>
<th>General</th>
<th>Aging</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 209,994</td>
<td>$ 693,450</td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of this statement.
## Exhibit 3

<table>
<thead>
<tr>
<th>Major Funds</th>
<th>Workforce Development</th>
<th>EDA-RLF</th>
<th>Planning &amp; Development Services</th>
<th>Non-Major Funds</th>
<th>Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ -</td>
<td>$ 460,357</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,530,372</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>8,311</td>
<td>-</td>
<td>114,505</td>
<td>-</td>
<td>$ 1,044,035</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>655,017</td>
<td>146,328</td>
<td>(118,079)</td>
<td>404,524</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$ 663,328</td>
<td>$ 606,685</td>
<td>$ (3,574)</td>
<td>$ 404,524</td>
<td></td>
<td>$ 2,574,407</td>
<td></td>
</tr>
</tbody>
</table>

|             | $ 298,246             | $ -     | $ 15,275                        | $ 397,164      | $ 1,456,366        | $ -   |
|             | -                     | -       | -                               | -              | -                  | -     |
|             | 365,022               | -       | -                               | 3,242          | 368,264            | -     |
| $ 665,268   | $ -                   | $ 15,275 | $ 400,406                       |                | $ 1,824,630        |       |

|             | $ -                   | $ -     | $ -                             | $ -            | $ 7,520            | $ -   |
|             | 60                    | 606,685 | (18,849)                        | 4,118          | 592,014            |       |
|             | -                     | -       | -                               | -              | 150,243            |       |
| $ 60        | $ 60 $ 606,685        | $ (18,849) | $ 4,118                        |                | $ 749,777          |       |

| $ 663,328   | $ 606,685             | $ (3,574) | $ 404,524                       |                | $ 2,574,407        |       |

(continued)
(continued)

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Ending fund balance $749,777

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 122,780

Accrued vacation is not considered due and payable in the current period and therefore is not reported in the funds. (101,139)

Net Assets $771,418

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

<table>
<thead>
<tr>
<th>Source</th>
<th>General</th>
<th>Aging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions - Federal</td>
<td>$</td>
<td>$ 2,533,765</td>
</tr>
<tr>
<td>Contributions - State</td>
<td>-</td>
<td>1,573,039</td>
</tr>
<tr>
<td>Contributions - Local</td>
<td>-</td>
<td>4,388</td>
</tr>
<tr>
<td>State AAA support</td>
<td>-</td>
<td>45,423</td>
</tr>
<tr>
<td>Per capita assessment</td>
<td>203,315</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>273</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>171</td>
<td>-</td>
</tr>
<tr>
<td>Program income</td>
<td>-</td>
<td>2,203</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 203,759</td>
<td>$ 4,158,818</td>
</tr>
</tbody>
</table>

### Expenditures:

<table>
<thead>
<tr>
<th>Category</th>
<th>General</th>
<th>Aging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$</td>
<td>$ 374,033</td>
</tr>
<tr>
<td>Travel and training</td>
<td>8,230</td>
<td>44,369</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>-</td>
<td>40,187</td>
</tr>
<tr>
<td>Subcontractors</td>
<td>-</td>
<td>3,487,833</td>
</tr>
<tr>
<td>Program operation</td>
<td>-</td>
<td>50,163</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indirect cost</td>
<td>-</td>
<td>178,005</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$ 8,230</td>
<td>$ 4,174,590</td>
</tr>
</tbody>
</table>

### Revenues Over (Under Expenditures

<table>
<thead>
<tr>
<th>Source</th>
<th>General</th>
<th>Aging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues Over (Under Expenditures</td>
<td>$ 195,529</td>
<td>$ (15,772)</td>
</tr>
</tbody>
</table>

### Other Financing Sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>General</th>
<th>Aging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers (to) from other funds</td>
<td>(187,308)</td>
<td>49,076</td>
</tr>
</tbody>
</table>

### Revenues and Other Financing Sources

<table>
<thead>
<tr>
<th>Category</th>
<th>General</th>
<th>Aging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over (Under) Expenditures</td>
<td>$ 5,221</td>
<td>$ 33,304</td>
</tr>
</tbody>
</table>

### Fund Balances:

- **Beginning of year**
  - General: 149,542
  - Aging: (33,304)

- **End of year**
  - General: $ 157,763
  - Aging: -

The notes to the financial statements are an integral part of this statement.
<table>
<thead>
<tr>
<th>Major Funds</th>
<th>Planning &amp; Development Services</th>
<th>Non-Major Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Workforce Development</strong></td>
<td><strong>EDA-RLF</strong></td>
<td><strong>Services</strong></td>
<td><strong>Funds</strong></td>
</tr>
<tr>
<td>$ 4,346,194</td>
<td>$ -</td>
<td>$ 185,667</td>
<td>$ -</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>21,449</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>1,058</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>257,851</td>
<td>1,027</td>
</tr>
<tr>
<td><strong>$ 4,346,194</strong></td>
<td><strong>$ 1,058</strong></td>
<td><strong>$ 464,967</strong></td>
<td><strong>$ 1,027</strong></td>
</tr>
<tr>
<td>$ 104,269</td>
<td>$ -</td>
<td>$ 233,422</td>
<td>$ -</td>
</tr>
<tr>
<td>32,451</td>
<td>-</td>
<td>26,196</td>
<td>-</td>
</tr>
<tr>
<td>514,532</td>
<td>-</td>
<td>15,772</td>
<td>96</td>
</tr>
<tr>
<td>3,435,369</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>279,030</td>
<td>732</td>
<td>174,324</td>
<td>10,000</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>111,881</td>
<td>-</td>
</tr>
<tr>
<td><strong>$ 4,365,651</strong></td>
<td><strong>$ 732</strong></td>
<td><strong>$ 561,595</strong></td>
<td><strong>$ 10,096</strong></td>
</tr>
<tr>
<td>$ (19,457)</td>
<td>$ 326</td>
<td>$ (96,628)</td>
<td>$ (9,069)</td>
</tr>
<tr>
<td>19,457</td>
<td>-</td>
<td>108,510</td>
<td>10,255</td>
</tr>
<tr>
<td>$ -</td>
<td>$ 326</td>
<td>$ 11,882</td>
<td>$ 1,196</td>
</tr>
<tr>
<td>60</td>
<td>606,359</td>
<td>(30,731)</td>
<td>2,922</td>
</tr>
<tr>
<td><strong>$ 60</strong></td>
<td><strong>$ 606,685</strong></td>
<td><strong>$ (18,849)</strong></td>
<td><strong>$ 4,118</strong></td>
</tr>
</tbody>
</table>
Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balance - Total Governmental Funds $54,929

Governmental funds report capital outlay as expenditures, however in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (15,583)

Change in deferred revenues reported in fund previously reported in Statement of Activities.

Some expenses reported in the Statement of Activities do not require the use of current financial resource and, therefore, are not reported as expenditures in governmental funds.

Compensated absences (4,330)

Total Change in Net Assets of Governmental Activities $35,016
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Upper Coastal Plain Council of Governments  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual -  
General Fund and Major Special Revenue Funds  
For the Year Ended June 30, 2012

Exhibit 6

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - Federal</td>
<td>$</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Contributions - State</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - Local</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State AAA support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per capita assessments</td>
<td>203,315</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
<td>273</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>171</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 204,108</td>
<td>$ 204,108</td>
<td>$ 203,759</td>
</tr>
</tbody>
</table>

| **Expenditures:**      |              |           |                                        |
| Personnel              | $            | -         |                                        |
| Travel and training    | 8,230        |           |                                        |
| Operating expenses     |              |           |                                        |
| Subcontractors         |              |           |                                        |
| Program operation      |              |           |                                        |
| Capital outlay         |              |           |                                        |
| Indirect cost          |              |           |                                        |
| **Total Expenditures** | $ 17,500     | $ 17,500  | $ 8,230                                | $ 9,270                  |

| Revenues Over (Under) Expenditures | $ 186,608 | $ 186,608 | $ 195,529 | $ 8,921 |

| Other Financing Sources (Uses): | $ - | $ - | $ - | $ - |
| Fund balance appropriated (reserved) | (186,608) | (186,608) | (187,308) | (700) |
| Transfers (to) from other funds     | (186,608) | (186,608) | (187,308) | (700) |
| **Total Other Financing Sources (Uses):** | $ (186,608) | $ (186,608) | $ (187,308) | $ (700) |

| Revenues and Other Financing Sources Over (Under) Expenditures | $ - | $ - | $ 8,221 | $ 8,221 |

| **Fund Balances:** |              |           |                                        |
| Beginning of year, July 1 | 149,542 |           |                                        |
| End of year, June 30    | $ 157,763 |           |                                        |

The notes to the financial statements are an integral part of this statement.
Upper Coastal Plain Council of Governments
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -
General Fund and Major Special Revenue Funds
For the Year Ended June 30, 2012

(continued)

Aging

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - Federal</td>
<td>$ 2,543,450</td>
<td>$ 2,533,765</td>
<td>$</td>
<td>($9,685)</td>
</tr>
<tr>
<td>Contributions - State</td>
<td>1,605,734</td>
<td>1,573,039</td>
<td>(32,695)</td>
<td></td>
</tr>
<tr>
<td>Contributions - Local</td>
<td>5,197</td>
<td>4,388</td>
<td>(809)</td>
<td></td>
</tr>
<tr>
<td>State AAA support</td>
<td>45,424</td>
<td>45,423</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Per capita assessments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Program income</td>
<td>48,317</td>
<td>2,203</td>
<td>(45,114)</td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$ 4,217,054</td>
<td>$ 4,248,122</td>
<td>$ 4,158,818</td>
<td>($9,304)</td>
</tr>
</tbody>
</table>

Expenditures:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$ 360,812</td>
<td>$ 374,033</td>
<td>$</td>
<td>($13,221)</td>
</tr>
<tr>
<td>Travel and training</td>
<td>45,885</td>
<td>44,369</td>
<td>1,516</td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>64,262</td>
<td>40,187</td>
<td>24,075</td>
<td></td>
</tr>
<tr>
<td>Subcontractors</td>
<td>3,558,331</td>
<td>3,487,833</td>
<td>70,498</td>
<td></td>
</tr>
<tr>
<td>Program operation</td>
<td>95,253</td>
<td>50,163</td>
<td>45,090</td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Indirect cost</td>
<td>185,646</td>
<td>178,005</td>
<td>7,641</td>
<td></td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$ 4,279,137</td>
<td>$ 4,310,189</td>
<td>$ 4,174,590</td>
<td>$135,599</td>
</tr>
</tbody>
</table>

Revenues Over (Under) Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (62,083)</td>
<td>$ (62,067)</td>
<td>$ (15,772)</td>
<td>$</td>
<td>$46,295</td>
</tr>
</tbody>
</table>

Other Financing Sources (Uses):

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance appropriated (reserved)</td>
<td>$ -</td>
<td>$ -</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Transfers (to) from other funds</td>
<td>62,083</td>
<td>62,067</td>
<td>49,076</td>
<td>(12,991)</td>
</tr>
<tr>
<td>Total Other Financing Sources (Uses):</td>
<td>$ 62,083</td>
<td>$ 62,067</td>
<td>$ 49,076</td>
<td>(12,991)</td>
</tr>
</tbody>
</table>

Revenues and Other Financing Sources Over (Under) Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ 33,304</td>
<td>$</td>
<td>$33,304</td>
</tr>
</tbody>
</table>

Fund Balances:

Beginning of year, July 1

End of year, June 30

(33,304)

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

(continued)
### Workforce Development

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - Federal</td>
<td>$5,173,128</td>
<td>$4,346,194</td>
<td></td>
<td>$(826,934)</td>
</tr>
<tr>
<td>Contributions - State</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Contributions - Local</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>State AAA support</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Per capita assessments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Program income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$3,403,689</td>
<td>$5,173,128</td>
<td>$4,346,194</td>
<td>$(826,934)</td>
</tr>
</tbody>
</table>

| Expenditures:        |                |              |        |                                        |
| Personnel            | $105,512       | $104,269     | $1,243 |                                        |
| Travel and training  | 61,032         | 32,451       | 28,581 |                                        |
| Operating expenses   | 394,956        | 514,532      | (119,576) |                                        |
| Subcontractors       | 4,237,558      | 3,435,369    | 802,189 |                                        |
| Program operation    | 200,295        | 279,030      | (78,735) |                                        |
| Capital outlay       | -              | -            | -      |                                        |
| Indirect cost        | 206,979        | -            | 206,979 |                                        |
| Total Expenditures   | $3,436,893     | $5,206,332   | $4,365,651 | $840,681                       |

| Revenues Over (Under) Expenditures | $(33,204) | $(33,204) | $(19,457) | $13,747 |

### Other Financing Sources (Uses):

| Fund balance appropriated (reserved) | $ - | $ - | $ - | $ - |
| Transfers (to) from other funds     | 33,204 | 33,204 | 19,457 | (13,747) |

| Total Other Financing Sources (Uses): | $33,204 | $33,204 | $19,457 | $(13,747) |

### Fund Balances:

| Beginning of year, July 1 | 60 |
| End of year, June 30       | $ 60 |

The notes to the financial statements are an integral part of this statement.
Upper Coastal Plain Council of Governments  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual -  
General Fund and Major Special Revenue Funds  
For the Year Ended June 30, 2012

Exhibit 6

(continued)

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - Federal</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Contributions - State</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Contributions - Local</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>State AAA support</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Per capita assessments</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other revenues</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Interest income</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Program income</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 16,500</td>
<td>$ 10,000</td>
<td>$ 1,058</td>
<td>$ (8,942)</td>
</tr>
</tbody>
</table>

| **Expenditures:**    |                 |              |        |                                        |
| Personnel            | $               | $            | $      | $                                      |
| Travel and training  | $               | $            | $      | $                                      |
| Operating expenses   | $               | $            | $      | $                                      |
| Subcontractors       | $               | $            | $      | $                                      |
| Program operation    | $               | $            | $      | $                                      |
| Capital outlay       | $               | $            | $      | $                                      |
| Indirect cost        | $               | $            | $      | $                                      |
| **Total Expenditures** | $ 160,000     | $ 153,500   | $ 732  | $ 152,768                              |

| **Revenues Over (Under) Expenditures** | $ (143,500) | $ (143,500) | $ 326  | $ 143,826 |

| **Other Financing Sources (Uses):** | $ (143,500) | $ (143,500) | $ 326  | $ 326 |
| Fund balance appropriated (reserved) | $ 143,500   | $ 143,500   | $ 326  | $ 326 |
| Transfers (to) from other funds | $ 143,500   | $ 143,500   | $ 326  | $ 326 |
| **Total Other Financing Sources (Uses):** | $ 143,500   | $ 143,500   | $ 326  | $ 326 |

| **Fund Balances:** | $ (143,500) | $ (143,500) | $ 326  | $ 326 |
| Beginning of year, July 1 | 606,359 | $ 606,685 |
| End of year, June 30 | $ 606,685 |

The notes to the financial statements are an integral part of this statement. (continued)
Upper Coastal Plain Council of Governments
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual -
General Fund and Major Special Revenue Funds
For the Year Ended June 30, 2012

Exhibit 6

(continued)

<table>
<thead>
<tr>
<th>Planning &amp; Development Services</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - Federal</td>
<td>$ 143,000</td>
<td>$ 185,667</td>
<td>$ 42,667</td>
<td></td>
</tr>
<tr>
<td>Contributions - State</td>
<td>20,000</td>
<td>21,449</td>
<td>1,449</td>
<td></td>
</tr>
<tr>
<td>Contributions - Local</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>State AAA support</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Per capita assessments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Program income</td>
<td>319,234</td>
<td>257,851</td>
<td>(61,383)</td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$ 392,234</td>
<td>$ 482,234</td>
<td>$ 464,967</td>
<td>$ (17,267)</td>
</tr>
</tbody>
</table>

| Expenditures:                   |                |             |        |                                        |
| Personnel                       | $ 367,910      | $ 233,422   | $ 134,488 |
| Travel and training             | 7,170          | 26,196      | (19,026) |
| Operating expenses              | 4,754          | 15,772      | (11,018) |
| Subcontractors                  | -              | -           | -       |                                        |
| Program operation               | 86,543         | 174,324     | (87,781) |
| Capital outlay                  | -              | -           | -       |                                        |
| Indirect cost                   | 104,678        | 111,881     | (7,203)  |
| Total Expenditures              | $ 481,055      | $ 571,055   | $ 561,595 | $ 9,460                               |

| Revenues Over (Under) Expenditures | $ (88,821) | $ (88,821) | $ (96,628) | $ (7,807) |

| Other Financing Sources (Uses):  |                |             |        |                                        |
| Fund balance appropriated (reserved) | $ -        | $ -        | -       | -                                      |
| Transfers (to) from other funds   | 88,821        | 108,510     | 19,689  |
| Total Other Financing Sources (Uses): | $ -        | $ 88,821   | $ 108,510 | $ 19,689 |

| Revenues and Other Financing Sources Over (Under) Expenditures | $ (88,821) | $ -        | $ 11,882 | $ 11,882 |

| Fund Balances:               |                |             |        |                                        |
| Beginning of year, July 1    |                |             | (30,731)|                                        |
| End of year, June 30         |                |             | $ (18,849)|                                      |

The notes to the financial statements are an integral part of this statement.
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1. **Summary of Significant Accounting Policies**

The accounting policies of Upper Coastal Plain Council of Governments conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. **Reporting Entity**

Upper Coastal Plain Council of Governments (Council) is a multi-county planning and development organization.

The Council was established to perform and carry out such powers, duties, and responsibilities as authorized by North Carolina General Statute 160A-470.

The membership of the Council is composed of local governmental units who have:

1. Made application to the Council by resolution and adoption of the Charter and Bylaws.
2. Received membership acceptance and approval by the Board of Directors.
3. Appropriated in their annual budgets the pro-rata assessment for the support of the Council’s operation.
4. Paid their annual pro-rata membership dues and are otherwise members in good standing.

The Board is constituted in a two-part governance:

1. The Executive Committee, which meets monthly and is comprised of the following:
   - One county commissioner appointed by each member county.
   - One city/town alderman or councilman representing a member municipality elected by caucus of the member municipalities in that county.
   - Officers of the Board are elected from those serving on the Executive Committee.
2. The general membership board is comprised of the following:

- The Executive Committee.

- Additional members appointed as necessary to satisfy Federal requirements for Board composition. The Boards of county commissioners of the appropriate counties select these additional members.

Dues and administrative fees received from the related local governments amounted to $204,058 for the year ended June 30, 2012.

Accounting principles generally accepted in the United States of America require that the reporting entity include: 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement No. 14 have been considered and the Council has no component units, and is not a component unit of any other entity.

The financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the Council. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements ordinarily distinguish between the governmental and business-type activities of the governmental entity. 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. However, the Council does not have any business-type activities.
The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Council’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 have been made in the funds. Program revenues include: 1) fees and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Council’s funds, all of which are governmental since the Council has no proprietary or fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Board reports the following major governmental funds:

**General Fund** – This is the Council’s primary operating fund. It accounts for all financial resources of the Council except those that are required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes. These funds have been combined in the accompanying financial statements.

- Aging Fund
- Workforce Development Fund
- EDA – RLF
- Planning and Development Services

**C. Measurement Focus and Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the Council are maintained during the year using the modified accrual basis of accounting.
Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide 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 Council 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. Internally dedicated resources are reported as general revenues rather than as program revenues.

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. The Council considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on capital leases, claims and judgments, and compensated absence, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital lease are reported as other financing sources.

Under the terms of grant agreements, the Council 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 Council’s policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

The Council considers all revenues available if they are collected within 90 days after year-end.
D. Budgetary Data

The Council's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds. All appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the program level for all annually budgeted funds. Amendments are required for any revisions that alter total expenditures of any program within a fund and all amendments must be approved by the governing board. However, transfers from one appropriation to another within the same fund and program in any amount may be made by the finance officer. The finance officer is also permitted to authorize expenditures from the contingency account, if any, provided that such expenditures are transferred to an existing appropriation on a budget line item before the expenditure is made. All such transfers must be reported to the Board at its next meeting and duly recorded in the minutes. During the year, several amendments were necessary due to increased or decreased federal and State funding for various programs.

E. Assets, Liabilities, and Fund Equity

Cash

A cash pool is maintained and used by all funds. All cash is in demand deposits.

Deposits

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

Allowance for Doubtful Accounts

Accounts receivable are considered to be fully collectible. Accordingly, no allowance for doubtful accounts is required.
Notes Receivable

The Council has no notes receivable at June 30, 2012.

Capital Assets

The Council’s capital assets are recorded at cost or estimated historical cost. Donated assets are listed at their estimated fair value at the date of donation. It is the policy of the Council to capitalize all capital assets costing more than $1,000 with an estimated useful life of two or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Compensated Absences

The vacation policy of the Council provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. Accumulated earned vacation at June 30, 2012 amounted to $101,139. The Council has assumed a first-in, first-out method of using accumulated compensated time. Compensated absences are designated as a current liability in the governmental-wide financial statements.

The Council’s sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Council has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Assets/Fund Balances

Net Assets

Net assets in the government-wide 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 the 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 three 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:

**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 Special Revenue Funds - portion of fund balance that is restricted by revenue source for use for Human Services, Workforce Development, and Economic & Physical Development purposes.

**Unassigned Fund Balance:**

The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Council has no formal revenue spending policy for programs with multiple revenue resources. The Finance Officer has authority to make spending decisions in the order that best serves the interest of the Council.

The Council has not adopted a formal fund balance policy for the General Fund.
Stewardship, Compliance, and Accountability

Deficit in Fund balance or Net Assets of Individual Funds

For the fiscal year ended June 30, 2012, the following Special Revenue Funds have a deficit in fund balance: Planning and Development Services.

Corrective Action Plan

Efforts are being made to reduce expenditures in the funds. Timing of several projects requires certain percentages of completion before draws can be made. We are working to increase collections of contract revenues.

F. Revenues and Expenditures

Cost Allocation Plan

Upper Coastal Plain Council of Governments instituted a cost allocation plan 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 rates that were used to allocate indirect costs to individual programs were based on the percentage of indirect cost to direct salaries and direct fringe benefits.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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 revenue and expenses during the period. Actual results could differ from those estimates.
2. **Detail Notes on all Funds and Account Groups**

A. **Assets**

**Deposits**

All of the Council's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Council's agent in the Council's name. 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 Council, these deposits are considered to be held by the agent in the entity’s name. 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 Council or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Council under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Council has no policy regarding custodial credit risk for deposits.

At June 30, 2012, the Council’s deposits has a carrying amount of $1,530,272 and a bank balance $1,648,482. Of the bank balance, $710,357 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2012, the Council’s petty cash fund totaled $100.

**Receivables**

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

<table>
<thead>
<tr>
<th>Accounts Receivable:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 7,520</td>
</tr>
<tr>
<td>Special Revenue - due from other governmental units</td>
<td>1,036,390</td>
</tr>
<tr>
<td>Non-Major Funds</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,043,910</strong></td>
</tr>
</tbody>
</table>

34
Capital Assets

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

<table>
<thead>
<tr>
<th>Capital Assets Being Depreciated:</th>
<th>Beginning Balances</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$146,116</td>
<td>$-</td>
<td>$-</td>
<td>$146,116</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>535,679</td>
<td>8,786</td>
<td>-</td>
<td>544,465</td>
</tr>
<tr>
<td>Total</td>
<td>$681,795</td>
<td>$8,786</td>
<td>$-</td>
<td>$690,581</td>
</tr>
</tbody>
</table>

Less Accumulated Depreciation for:

<table>
<thead>
<tr>
<th>Capital Assets Being Depreciated:</th>
<th>Beginning Balances</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$34,094</td>
<td>$9,741</td>
<td>$-</td>
<td>$43,835</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>509,338</td>
<td>14,628</td>
<td>-</td>
<td>523,966</td>
</tr>
<tr>
<td>Total</td>
<td>$543,432</td>
<td>$24,369</td>
<td>$-</td>
<td>$567,801</td>
</tr>
</tbody>
</table>

Total Capital Assets Being Depreciated, Net $138,363 $122,780

Depreciation expense was charged to programs as follows:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$10,217</td>
</tr>
<tr>
<td>Special Revenues:</td>
<td></td>
</tr>
<tr>
<td>Aging</td>
<td>$3,673</td>
</tr>
<tr>
<td>Planning and Development</td>
<td>$1,525</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>$8,954</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$24,369</strong></td>
</tr>
</tbody>
</table>
B. Liabilities

Pension Plan Obligations

Local Governmental Employees’ Retirement System

Plan Description

The Upper Coastal Plain Council of Governments contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27690-1410, or by calling (919) 981-5454.

Funding Policy

Plan members are required to contribute 6.00% of their annual covered salary. The Council is required to contribute at an actuarially determined rate. For the Council, the current rate for employees is 6.98%, of annual covered payroll. The contribution requirements of members and of the Council are established and may be amended by the North Carolina General Assembly. The Council's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were $75,961, $74,511, and $52,037, respectively. The contributions made by the Council equaled the required contributions for each year.

NC 401(k)

The Council offers employees to participate in the NC 401(k) plan. The council currently contributes 2% of employee’s annual salary to their plan. This is a non-matching required contribution. Current year contributions were $22,097 from employer and $24,030 employee voluntary contributions.
Postemployment Benefits

The Council offers no postemployment benefits to employees.

Other Employment Benefits

The Council has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees’ Retirement system (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee’s 12 highest months salary in a row during the 24 months prior to the employee’s death, but the benefit may not exceed $50,000 or be less than $25,000. All death benefit payments are made from the Death Benefit Plan. The Council has no liability beyond the payment of monthly contributions. The Council considers these contributions to be immaterial.

Deferred/Unearned Revenues

The balance in deferred revenue on the fund statements and unearned revenues of the government-wide statements at year-end is composed of the following elements:

<table>
<thead>
<tr>
<th></th>
<th>Deferred Revenue</th>
<th>Unearned Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Revenue - COG Projects - advanced and not earned at 6-30-12</td>
<td>$ -</td>
<td>$ 3,242</td>
</tr>
<tr>
<td>WFD - Fund withdrawn in advance of needs per N.C. Department of Commerce notification</td>
<td>-</td>
<td>365,022</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 368,264</strong></td>
</tr>
</tbody>
</table>

Commitments

At June 30, 2012, the Council had no material commitments outstanding that in the opinion of management or Council attorney will have a material adverse effect on the Council's financial position.
Risk Management

The Council 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 Council has Commercial Coverage in the following amounts: property coverage of $1,000,000 per occurrence and worker's compensation coverage up to the statutory limits. The finance officer is covered under a blanket fidelity bond during the year. The Council’s Finance Officer is covered under a separate fidelity bond in the amount of $50,000.

Claims and Judgments

At June 30, 2012, the Council had no claims or judgments outstanding that in the opinion of management or Council attorney will have a material adverse effect on the Council's financial position.

Lease Obligations

The Council has an annual lease agreement with the Upper Coastal Plain Development Corp. for office space for $70,000 through June 30, 2014. See Related Organization Note 4.

Long-Term Debt

The Council had no long-term debt at June 30, 2012.

Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2012 is as follows:

Due to/from other fund balances:

<table>
<thead>
<tr>
<th>Payable Funds</th>
<th>Receivable Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 867,541</td>
</tr>
<tr>
<td>Special Revenue Funds:</td>
<td>COG - Projects $22,355</td>
</tr>
<tr>
<td>Planning &amp; Development</td>
<td>Loan Administration 382,169</td>
</tr>
<tr>
<td>Aging</td>
<td>EDA - RLF 146,328</td>
</tr>
<tr>
<td></td>
<td>WFD 655,017</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,205,869</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,205,869</td>
</tr>
</tbody>
</table>

38
3. **Summary Disclosure of Significant Contingencies**

**Federal, State, and Local Assisted Programs**

The Council receives substantially all of its support from federal, State, and local governments. A reduction in the level of this support, if this were to occur, would have a significant effect on the Council’s programs and activities. 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.

4. **Related Organization**

The Executive committee of the Upper Coastal Plain Council of Governments is also the Board of Directors for the Upper Coastal Plains Development Corporation (a non-profit organization). The Council is accountable for the Development Corp. because of the related governing boards; however, the Council is not financially accountable for the Development Corp. The Council is also disclosed as a related organization in the notes to the financial statements for the Upper Coastal Plains Development Corporation.

The Council leases office space from the Development Corp. and provided employees to staff the Development Center. The office lease paid the Development Corp. for the year equaled $70,000.

**Operating Lease** – The Council is obligated under the above lease agreement to make monthly payments of $5,833 through June 30, 2014.

Accounts Payable of $382,169 reported in the Loan Administration Fund reflects an advance from the Development Corp. to pay off USDA loans.
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Individual Fund Statements and Schedules
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Upper Coastal Plain Council of Governments
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2012

Exhibit A-1

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per capita assessments</td>
<td>$ 204,058</td>
<td>$ 203,315</td>
<td>$ (743)</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>273</td>
<td>273</td>
</tr>
<tr>
<td>Interest income</td>
<td>50</td>
<td>171</td>
<td>121</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 204,108</td>
<td>$ 203,759</td>
<td>$ (349)</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel and training</td>
<td>$ 12,500</td>
<td>$ 8,230</td>
<td>$ 4,270</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>5,000</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$ 17,500</td>
<td>$ 8,230</td>
<td>$ 9,270</td>
</tr>
<tr>
<td><strong>Revenues Over (Under) Expenditures</strong></td>
<td>$ 186,608</td>
<td>$ 195,529</td>
<td>$ 8,921</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance appropriated</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers (to) from other funds</td>
<td>(186,608)</td>
<td>(187,308)</td>
<td>(700)</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>$ (186,608)</td>
<td>$ (187,308)</td>
<td>$ (700)</td>
</tr>
<tr>
<td><strong>Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</strong></td>
<td>$ -</td>
<td>$ 8,221</td>
<td>$ 8,221</td>
</tr>
<tr>
<td><strong>Fund Balance:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year, July 1</td>
<td>149,542</td>
<td></td>
<td></td>
</tr>
<tr>
<td>End of year, June 30</td>
<td></td>
<td>$ 157,763</td>
<td></td>
</tr>
</tbody>
</table>
### Upper Coastal Plain Council of Governments

#### Aging

**Combining Statement of Revenues and Expenditures**

**For the Year Ended June 30, 2012**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Administration</th>
<th>Program Services</th>
<th>Ombudsman</th>
<th>Elder Abuse</th>
<th>Title V</th>
<th>MIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions - Federal</td>
<td>$173,160</td>
<td>$1,518,149</td>
<td>$50,211</td>
<td>$6,608</td>
<td>$508,085</td>
<td>$ -</td>
</tr>
<tr>
<td>Contributions - State</td>
<td>9,489</td>
<td>1,472,527</td>
<td>64,023</td>
<td>389</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contributions - Local</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State AAA support</td>
<td>45,423</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Program income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,203</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Revenues**

- $228,072
- $2,990,676
- $114,234
- $6,997
- $508,085
- $2,203

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Administration</th>
<th>Program Services</th>
<th>Ombudsman</th>
<th>Elder Abuse</th>
<th>Title V</th>
<th>MIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$144,122</td>
<td>$693</td>
<td>$67,672</td>
<td>$2,696</td>
<td>$60,771</td>
<td>$ -</td>
</tr>
<tr>
<td>Travel and training</td>
<td>20,738</td>
<td>139</td>
<td>7,551</td>
<td>89</td>
<td>4,395</td>
<td>-</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>18,523</td>
<td>2,503</td>
<td>5,141</td>
<td>279</td>
<td>5,526</td>
<td>-</td>
</tr>
<tr>
<td>Subcontractors</td>
<td>-</td>
<td>2,980,109</td>
<td>-</td>
<td>-</td>
<td>401,134</td>
<td>-</td>
</tr>
<tr>
<td>Program operation</td>
<td>8,575</td>
<td>6,926</td>
<td>1,664</td>
<td>3,429</td>
<td>7,400</td>
<td>2,438</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indirect cost</td>
<td>84,343</td>
<td>-</td>
<td>32,206</td>
<td>1,283</td>
<td>28,922</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Expenditures**

- $276,301
- $2,990,370
- $114,234
- $7,776
- $508,148
- $2,438

**Revenues**

**Over (Under)**

**Expenditures**

- $48,229
- 306
- -
- $779
- (63)
- (235)

**Other Financing Sources:**

| Transfers from other funds | 48,232 | - | 65 | 779 | - | - |

**Revenues and Other Financing Sources**

**Over (Under)**

**Expenditures**

- 3
- 306
- 65
- -
- (63)
- (235)
<table>
<thead>
<tr>
<th>Health Promotion</th>
<th>Fan Relief</th>
<th>Senior Medicare Patrol</th>
<th>Caregiver Support</th>
<th>Chronic Disease Education</th>
<th>SHIP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$27,002</td>
<td>$1,588</td>
<td>$7,000</td>
<td>$202,232</td>
<td>$21,181</td>
<td>$27,137</td>
<td>$2,533,765</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>13,482</td>
<td>-</td>
<td>4,541</td>
<td>1,573,039</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,388</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>45,423</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,203</td>
</tr>
<tr>
<td><strong>$28,590</strong></td>
<td><strong>$4,388</strong></td>
<td><strong>$7,000</strong></td>
<td><strong>$215,714</strong></td>
<td><strong>$21,181</strong></td>
<td><strong>$31,678</strong></td>
<td><strong>$4,158,818</strong></td>
</tr>
</tbody>
</table>

| $17,684          | $3,512    | $22                    | $64,633           | $9,467                   | -     | $374,033 |
|                  | 136       | 463                    | 5,571             | 2,352                    | -     | 44,369  |
| 2,257            | 4,388     | -                      | 7,102             | 514                      | -     | 40,187  |
| 4,509            | -         | 220                    | 97,263            | 2,682                    | -     | 3,487,833 |
| -                | -         | -                      | 10,386            | 75                       | 4,541  | 50,163  |
| 492              | -         | -                      | 30,759            | -                        | -     | 178,005 |
| **$28,590**      | **$4,388**| **$7,000**             | **$215,714**      | **$15,090**              | **$4,541** | **$4,174,590** |

| $ -              | $ -       | $ -                    | $ -               | $ -                      | $6,091 | $27,137 | $(15,772) |
| -                | -         | -                      | -                 | -                        | -     | -      | 49,076  |

| $ -              | $ -       | $ -                    | $ -               | $ -                      | $6,091 | $27,137 | $33,304  |

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### Upper Coastal Plain Council of Governments
### Workforce Development
### Combining Statement of Revenues and Expenditures
### For the Year Ended June 30, 2012

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>WIA Administration</th>
<th>WIA Adult</th>
<th>WIA Youth</th>
<th>WIA Dislocated Worker</th>
<th>WIA Capacity T/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions - Federal</td>
<td>$399,653</td>
<td>$1,155,470</td>
<td>$1,399,990</td>
<td>$1,150,677</td>
<td>$60,606</td>
</tr>
<tr>
<td>Contributions - State</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contributions - Local</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State AAA support</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Program income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$399,653</strong></td>
<td><strong>$1,155,470</strong></td>
<td><strong>$1,399,990</strong></td>
<td><strong>$1,150,677</strong></td>
<td><strong>$60,606</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>WIA Administration</th>
<th>WIA Adult</th>
<th>WIA Youth</th>
<th>WIA Dislocated Worker</th>
<th>WIA Capacity T/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$104,269</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Travel and training</td>
<td>28,835</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,454</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>56,894</td>
<td>100,000</td>
<td>123,500</td>
<td>196,057</td>
<td>11,268</td>
</tr>
<tr>
<td>Subcontractors</td>
<td>3,500</td>
<td>1,055,470</td>
<td>1,274,110</td>
<td>954,620</td>
<td>-</td>
</tr>
<tr>
<td>Program operation</td>
<td>225,612</td>
<td>-</td>
<td>2,380</td>
<td>-</td>
<td>45,884</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indirect cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$419,110</strong></td>
<td><strong>$1,155,470</strong></td>
<td><strong>$1,399,990</strong></td>
<td><strong>$1,150,677</strong></td>
<td><strong>$60,606</strong></td>
</tr>
</tbody>
</table>

| Revenues Over (Under) Expenditures | $ (19,457) |
| Other Financing Sources: | |
| Transfers from other funds | 19,457 |

| Revenues and Other Financing Sources Over (Under) Expenditures | $ | $ | $ | $ | $ | $ | $ |

43
<table>
<thead>
<tr>
<th>WIA Incumbent Worker</th>
<th>WIA Joblink Enhancement</th>
<th>WIA Performance &amp; Accountability</th>
<th>WIA Other Projects</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 9,100</td>
<td>$ 5,154</td>
<td>$ 122,500</td>
<td>$ 43,044</td>
<td>$ 4,346,194</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
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</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$ 9,100</td>
<td>$ 5,154</td>
<td>$ 122,500</td>
<td>$ 43,044</td>
<td>$ 4,346,194</td>
</tr>
<tr>
<td>$ 700</td>
<td>-</td>
<td>10,000</td>
<td>16,113</td>
<td>514,532</td>
</tr>
<tr>
<td>8,400</td>
<td>-</td>
<td>112,500</td>
<td>26,769</td>
<td>3,435,369</td>
</tr>
<tr>
<td>-</td>
<td>5,154</td>
<td>-</td>
<td>-</td>
<td>279,030</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$ 9,100</td>
<td>$ 5,154</td>
<td>$ 122,500</td>
<td>$ 43,044</td>
<td>$ 4,365,651</td>
</tr>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ (19,457)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,457</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assets:</td>
<td>COG - Projects</td>
<td>Loan Administration</td>
<td>Totals June 30, 2012</td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------</td>
<td>---------------------</td>
<td>----------------------</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Contractor advances</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenditures</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Due from other funds</td>
<td>22,355</td>
<td>382,169</td>
<td>404,524</td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 22,355</td>
<td>$ 382,169</td>
<td>$ 404,524</td>
<td></td>
</tr>
</tbody>
</table>

**Liabilities and Fund Equity**

**Current Liabilities:**

<table>
<thead>
<tr>
<th></th>
<th>COG - Projects</th>
<th>Loan Administration</th>
<th>Totals June 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ 14,995</td>
<td>$ 382,169</td>
<td>$ 397,154</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>3,242</td>
<td>-</td>
<td>3,242</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$ 18,237</td>
<td>$ 382,169</td>
<td>$ 400,406</td>
</tr>
</tbody>
</table>

**Fund Equity:**

| Fund balance         | 4,118          | -                   | 4,118                |

**Total Liabilities and Fund Equity**

<table>
<thead>
<tr>
<th></th>
<th>COG - Projects</th>
<th>Loan Administration</th>
<th>Totals June 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 22,355</td>
<td>$ 382,169</td>
<td>$ 404,524</td>
<td></td>
</tr>
</tbody>
</table>
# Upper Coastal Plain Council of Governments
## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
### Non-Major Special Revenue Funds
#### For the Year Ended June 30, 2012

### Exhibit B-2

<table>
<thead>
<tr>
<th></th>
<th>COG - Projects</th>
<th>Loan Administration</th>
<th></th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td>June 30, 2012</td>
</tr>
<tr>
<td>Contributions - Federal</td>
<td>$</td>
<td>$</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>Contributions - State</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contributions - Local</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State AAA support</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Program income</td>
<td>1,027</td>
<td>-</td>
<td>-</td>
<td>1,027</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 1,027</td>
<td>$</td>
<td>-</td>
<td>$ 1,027</td>
</tr>
</tbody>
</table>

| **Expenditures:**      |                |                     |     |              |
| Personnel              | $              | $                   | -   | $            |
| Travel and training    | -              | -                   | -   | -            |
| Operating expenses     | 30             | 66                  | 96  |              |
| Subcontractors         | -              | -                   | -   | -            |
| Program operation      | 10,000         | -                   | 10,000 |              |
| Capital outlay         | -              | -                   | -   | -            |
| Indirect cost          | -              | -                   | -   | -            |
| **Total Expenditures** | $ 10,030       | $ 66                | $ 10,096 | |

| Revenues Over (Under) Expenditures | $ (9,003) | $ (66) | $ (9,069) |

| Other Financing Sources:                      |          |       |          |
| Transfers from other funds                   | 9,598    | 667   | 10,265   |

| Revenues and Other Financing Sources Over (Under) Expenditures | $ 595 | $ 601 | $ 1,196 |

<p>| <strong>Fund Balance:</strong>                        |          |       |          |
| Beginning of year, July 1                 | 3,523    | (601) | 2,922    |
| End of year, June 30                      | $ 4,118  | -     | $ 4,118  |</p>
<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions - Federal</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Contributions - State</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contributions - Local</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State AAA support</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Program income</td>
<td>7,500</td>
<td>1,027</td>
<td>(6,473)</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$ 7,500</td>
<td>$ 1,027</td>
<td>$ (6,473)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$ 5,192</td>
<td>$</td>
<td>$ 5,192</td>
</tr>
<tr>
<td>Travel and training</td>
<td>104</td>
<td>-</td>
<td>104</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>-</td>
<td>30</td>
<td>(30)</td>
</tr>
<tr>
<td>Subcontractors</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Program operation</td>
<td>19,950</td>
<td>10,000</td>
<td>9,950</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indirect cost</td>
<td>2,204</td>
<td>-</td>
<td>2,204</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$ 27,450</td>
<td>$ 10,030</td>
<td>$ 17,420</td>
</tr>
</tbody>
</table>

| Revenues Over (Under) Expenditures | $ (19,950)| $ (9,003)| $ 10,947 |

<table>
<thead>
<tr>
<th>Other Financing Sources:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance appropriated</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from other funds</td>
<td>19,950</td>
<td>9,598</td>
<td>(10,352)</td>
</tr>
</tbody>
</table>

| Revenues and Other Financing      |        |        |         |
| Sources Over (Under) Expenditures | $       | $ 595  | $ 595   |

<table>
<thead>
<tr>
<th>Fund Balance:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year, July 1</td>
<td></td>
<td>3,523</td>
<td></td>
</tr>
<tr>
<td>End of year, June 30</td>
<td></td>
<td>$ 4,118</td>
<td></td>
</tr>
</tbody>
</table>
## Upper Coastal Plain Council of Governments
### Loan Administration
### Statement of Revenues and Expenditures - Budget and Actual
### For the Year Ended June 30, 2012

### Exhibit B-4

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - Federal</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Contributions - State</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contributions - Local</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State AAA support</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Program income</td>
<td>2,000</td>
<td>-</td>
<td>(2,000)</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$ 2,000</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

| **Expenditures:**    |        |        |                                  |
| Personnel            | $      | $      | $      | $      |
| Travel and training  | -      | -      | -      | -      |
| Operating expenses   | 500    | 66     | 434    | 434    |
| Subcontractors       | -      | -      | -      | -      |
| Program operation    | 4,000  | -      | 4,000  | 4,000  |
| Capital outlay       | -      | -      | -      | -      |
| Indirect cost        | -      | -      | -      | -      |
| Total Expenditures   | $ 4,500 | $ 66   | $ 4,434 | $ 4,434 |

| Revenues Over (Under) Expenditures | $ (2,500) | $ (66) | $ 2,434 |

| Other Financing Sources: |        |        |                                  |
| Transfer from other funds | 2,500  | 667    | (1,833) |
| Fund balance reserved     | -      | -      | -      |

| Revenues and Other Financing Sources Over (Under) Expenditures | $       | $ 601  | $ 601 |

| **Fund Balance:**       |        |        |                                  |
| Beginning of year, July 1 | (601)  | (601)  | (601)  |
| End of year, June 30    | $      | -      | -      |
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Other Schedules
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## Upper Coastal Plain Council of Governments
### Schedule of Fringe Benefits
#### For the Year Ended June 30, 2012

<table>
<thead>
<tr>
<th>Exhibit C-1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fiscal Year Actual Cost</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Annual Salaries</strong></td>
<td>$ 1,124,910</td>
</tr>
</tbody>
</table>

**Fringe Benefits:**
- FICA: $86,338
- LGERS Retirement: $75,961
- Supplemental Retirement: $22,097
- Group Insurance: $213,980
- Workers Comp: $11,885
- Unemployment Insurance: $9,136

**Total Fringe Benefits**

$419,397

### Fringe Benefit Rate Calculation

\[
\text{Total Fringe Benefits} = \frac{\$419,397}{\text{Total Annual Salaries} \times 37.28\%} = 37.28\%
\]

### Personnel Cost:

<table>
<thead>
<tr>
<th>Personnel Cost:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Annual Salaries</strong></td>
<td>$1,124,910</td>
</tr>
<tr>
<td><strong>Total Fringe Benefits</strong></td>
<td>$419,397</td>
</tr>
</tbody>
</table>

**Total Personnel Cost**

$1,544,307
### Total Indirect Expenditures:
- Total indirect annual salaries: $251,626
- Total indirect fringe benefits at 37.28% of salary: $93,813
- Professional services: $8,660
- Travel: $10,624
- Operating expenses: $37,591

**Total Indirect Expenditures**

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total indirect annual salaries</td>
<td>$251,626</td>
</tr>
<tr>
<td>Total indirect fringe benefits</td>
<td>$93,813</td>
</tr>
<tr>
<td>Professional services</td>
<td>$8,660</td>
</tr>
<tr>
<td>Travel</td>
<td>$10,624</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$37,591</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$402,314</strong></td>
</tr>
</tbody>
</table>

### Direct Salaries and Direct Fringe Benefits:
- Total personnel costs: $1,544,307

**Less:**
- Total indirect salaries: $(251,626)
- Total indirect fringe benefits: $(93,813)

**Total Direct Salaries and Total Direct Fringe Benefits**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total personnel costs</td>
<td>$1,544,307</td>
</tr>
<tr>
<td>Total indirect salaries</td>
<td>$(251,626)</td>
</tr>
<tr>
<td>Total indirect fringe benefits</td>
<td>$(93,813)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,198,868</strong></td>
</tr>
</tbody>
</table>

### Indirect Rate Calculation

\[
\text{Total Indirect Expenditures} = \frac{\$402,314}{\$1,198,868} = 33.56\%
\]
Compliance Section
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors
Upper Coastal Plain Council of Governments
Wilson, North Carolina

We have audited the financial statements of the governmental activities, each major fund, and the aggregated remaining fund information of the Upper Coastal Plain Council of Governments (Council) as of and for the year ended June 30, 2012, which collectively comprise the Upper Coastal Plain Council of Governments' basic financial statements, and have issued our report thereon dated February 14, 2013. 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 Upper Coastal Plain Council of Governments is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Upper Coastal Plain Council of Governments' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Upper Coastal Plain Council of Governments' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Upper Coastal Plain Council of Governments’ 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.

Flowers & Stanley, L.L.P.

Tarboro, North Carolina
February 14, 2013
Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of Directors
Upper Coastal Plain Council of Governments
Wilson, North Carolina

Compliance

We have audited the Upper Coastal Plain Council of Governments 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 the Upper Coastal Plain Council of Governments' major federal programs for the year ended June 30, 2012. The Upper Coastal Plain Council of Governments' 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 program is the responsibility of the Upper Coastal Plain Council of Governments' management. Our responsibility is to express an opinion on the Upper Coastal Plain Council of Governments' 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 the Upper Coastal Plain Council of Governments' 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 Upper Coastal Plain Council of Governments' compliance with those requirements.
In our opinion, the Upper Coastal Plain Council of Governments 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 program for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Upper Coastal Plain Council of Governments 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 the Upper Coastal Plain Council of Governments' 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 Council'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, others within the entity, members of the Board of Directors, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Flowers & Stanley, LLP

Tarboro, North Carolina
February 14, 2013
Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of Directors
Upper Coastal Plain Council of Governments
Wilson, North Carolina

Compliance

We have audited the Upper Coastal Plain Council of Governments 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 its major State program for the year ended June 30, 2012. The Upper Coastal Plain Council of Governments' major State program is 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 its major State program is the responsibility of the Upper Coastal Plain Council of Governments' management. Our responsibility is to express an opinion on the Upper Coastal Plain Council of Governments' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Council'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 Council's compliance with those requirements.

In our opinion, Upper Coastal Plain Council of Governments complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major State program for the year ended June 30, 2012.
Internal Control Over Compliance

Management of the Upper Coastal Plain Council of Governments 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 the Council’s internal control over compliance with the requirements that could have a direct and material effect on a major State program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council’s internal control over compliance.

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

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

This report is intended solely for the information and use of management, others within the entity, members of the Board of Directors, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Flowers & Stanley, LLP

Tarboro, North Carolina
February 14, 2013
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 deficiencies identified that are not considered to be material weaknesses ___yes  X none reported

Noncompliance material to financial statements noted ___yes  X no

Federal Awards
Internal control over major federal programs:
- Material weakness(es) identified? ___yes  X no
- Significant deficiencies 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
Section I - Summary of Auditor's Results

Identification of major federal programs:

<table>
<thead>
<tr>
<th>CFDA#</th>
<th>Program Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>93.044, 93.045, 93.053</td>
<td>Aging Cluster</td>
</tr>
<tr>
<td>17.258, 17.278, and 17.259</td>
<td>Workforce Investment Act Cluster</td>
</tr>
<tr>
<td>17.235</td>
<td>Title V Senior Community Services Employment Program</td>
</tr>
<tr>
<td>11.307</td>
<td>Revolving Loan Fund</td>
</tr>
</tbody>
</table>

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

Auditee qualified as low-risk auditee _yes ___no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? _yes _no
- Significant deficiencies identified that are not considered to be material weaknesses _yes _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 the State Single Audit Implementation Act _yes _no

Identification of major State programs:

<table>
<thead>
<tr>
<th>CFDA#</th>
<th>Program Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>HCCBG - 90% State Funds</td>
</tr>
<tr>
<td></td>
<td>- In-Home Service - 90% State Funds</td>
</tr>
</tbody>
</table>
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
Section II - Financial Statement Findings

N/A

Section III - Federal Award Findings and Questioned Costs

N/A

Section IV - State Award Findings and Questioned Costs

N/A
Finding:  11-1 - Auditor Prepared Financial Statements

Status:  Corrected
<table>
<thead>
<tr>
<th>Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Federal (Direct and Pass-through Expenditures)</th>
<th>State Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEDERAL GRANTS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. Department of Labor:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed-through N.C. Department of Commerce:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workforce Investment Act Cluster:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WIA Adult</td>
<td>17.258</td>
<td>$1,342,272</td>
<td>$1,342,272</td>
</tr>
<tr>
<td>WIA Dislocated Worker</td>
<td>17.278</td>
<td>$1,336,704</td>
<td>$1,336,704</td>
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<tr>
<td>WIA Youth</td>
<td>17.259</td>
<td>$1,544,718</td>
<td>$1,544,718</td>
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<tr>
<td><strong>Total Workforce Investment Act Cluster</strong></td>
<td></td>
<td>$4,223,694</td>
<td>$4,223,694</td>
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<tr>
<td>WIA national Emergency Grants</td>
<td>17.277</td>
<td>122,500</td>
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<tr>
<td><strong>Total Workforce Investment Act</strong></td>
<td></td>
<td>$4,346,194</td>
<td>$4,346,194</td>
</tr>
<tr>
<td>Passed-through N.C. Department of Health and Human Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title V Senior Community Service Employment Program</td>
<td>17.235</td>
<td>$508,085</td>
<td>$508,085</td>
</tr>
<tr>
<td><strong>Total U.S. Department of Labor</strong></td>
<td></td>
<td>$4,854,279</td>
<td>$4,854,279</td>
</tr>
<tr>
<td><strong>U.S. Department of Commerce:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Program:</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Economic Development Administration:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Planning Grant</td>
<td>11.302</td>
<td>$86,635</td>
<td>$86,635</td>
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<tr>
<td>Revolving Loan Fund</td>
<td>11.307</td>
<td>420,649</td>
<td></td>
</tr>
<tr>
<td><strong>Total U.S. Department of Commerce</strong></td>
<td></td>
<td>$507,284</td>
<td>$507,284</td>
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<tr>
<td><strong>U.S. Department of Health and Human Services:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed-through N.C. Department of Health and Human Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aging Cluster:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title III - C1/Congregate Nutrition</td>
<td>93.045</td>
<td>$251,838</td>
<td>$11,517</td>
</tr>
<tr>
<td>Title III - C2/Home Delivered Meals</td>
<td>93.045</td>
<td>$344,780</td>
<td>$266,289</td>
</tr>
<tr>
<td>Title III - C1/Planning and Administrative</td>
<td>93.045</td>
<td>$88,641</td>
<td>$9,489</td>
</tr>
<tr>
<td>Title III - B/Planning and Administrative</td>
<td>93.044</td>
<td>$65,662</td>
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<tr>
<td>Title III - B/Legal Services</td>
<td>93.044</td>
<td>$16,647</td>
<td>$978</td>
</tr>
<tr>
<td>Title III - B/Ombudsman</td>
<td>93.044</td>
<td>$44,071</td>
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</tr>
<tr>
<td>Title III - B/Access</td>
<td>93.044</td>
<td>$129,401</td>
<td>$116,453</td>
</tr>
<tr>
<td>Title III - B/In Home Services</td>
<td>93.044</td>
<td>$493,158</td>
<td>$15,888</td>
</tr>
<tr>
<td>Title III - Health Promotions</td>
<td>93.053</td>
<td>$27,002</td>
<td></td>
</tr>
<tr>
<td><strong>Total Aging Cluster</strong></td>
<td></td>
<td>$1,461,200</td>
<td>$436,314</td>
</tr>
</tbody>
</table>
### Upper Coastal Plain Council of Governments

**Schedule of Expenditures of Federal and State Awards**

**For the Year Ended June 30, 2012**

<table>
<thead>
<tr>
<th>Grantor/Pass-Through</th>
<th>Federal CFDA Number</th>
<th>Federal Pass-through (Direct and Expenditures)</th>
<th>State Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEDERAL GRANTS:</strong> (continued)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. Department of Health and Human Services:</strong> (continued)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed-through N.C. Department of Health and Human Services: (continued)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title III - E</td>
<td>93.052</td>
<td>18,857</td>
<td>-</td>
</tr>
<tr>
<td>Title VII - E</td>
<td>93.042</td>
<td>6,140</td>
<td>-</td>
</tr>
<tr>
<td>Title VII - B/Elder Abuse</td>
<td>93.041</td>
<td>6,608</td>
<td>389</td>
</tr>
<tr>
<td>In-Home Services</td>
<td>93.667</td>
<td>154,934</td>
<td>-</td>
</tr>
<tr>
<td>Title III - E Family Caregiver</td>
<td>93.052</td>
<td>202,232</td>
<td>13,482</td>
</tr>
<tr>
<td>Chronic Disease</td>
<td>93.725</td>
<td>21,180</td>
<td>-</td>
</tr>
<tr>
<td>Medicare Improvements - Patients &amp; Providers Account</td>
<td>93.518</td>
<td>37,398</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total U.S. Health and Human Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,908,549</td>
<td>$450,185</td>
</tr>
<tr>
<td><strong>U.S. Department of Agriculture</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed-through N.C. Department of Health and Human Services: NSIP Supplenment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.570</td>
<td>$117,131</td>
<td>$5 -</td>
</tr>
<tr>
<td><strong>U.S. Environmental Protection Agency</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Program: Brownfields Assessment &amp; Cleanup Cooperative Agreement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>66.818</td>
<td>$99,032</td>
<td>$5 -</td>
</tr>
<tr>
<td><strong>STATE GRANTS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>N.C. Department of Health and Human Services:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Center Development</td>
<td>N/A</td>
<td>$-</td>
<td>$69,162</td>
</tr>
<tr>
<td>Ombudsman - 90% State Funds</td>
<td>N/A</td>
<td>-</td>
<td>$64,023</td>
</tr>
<tr>
<td>In-Home Service - 90% State funds</td>
<td>N/A</td>
<td>-</td>
<td>$935,183</td>
</tr>
<tr>
<td>Respite Services</td>
<td>N/A</td>
<td>-</td>
<td>$42,945</td>
</tr>
<tr>
<td>Ship</td>
<td>N/A</td>
<td>-</td>
<td>$11,541</td>
</tr>
<tr>
<td><strong>Total N.C. Department of Human and Health Services:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$-</td>
<td>$1,122,854</td>
</tr>
<tr>
<td><strong>N.C. Department of Commerce:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>N/A</td>
<td>$-</td>
<td>$21,449</td>
</tr>
<tr>
<td><strong>Total Federal Assistance</strong></td>
<td></td>
<td></td>
<td>$7,486,275</td>
</tr>
<tr>
<td><strong>Total State Assistance</strong></td>
<td></td>
<td></td>
<td>$1,594,488</td>
</tr>
</tbody>
</table>

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Note 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 the Upper Coastal Plain Council of Governments and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. Subrecipients

Of the federal and State expenditures presented in the schedule, Upper Coastal Plain Council of Governments provided federal and State awards to subrecipients as follows:

<table>
<thead>
<tr>
<th>Program Title</th>
<th>CFDA Number</th>
<th>Federal Expenditures</th>
<th>State Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Family Caregiver Support Program</td>
<td>93.052</td>
<td>$91,184</td>
<td>$6,079</td>
</tr>
<tr>
<td>Workforce Cluster:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WIA - Adult Programs</td>
<td>17.258</td>
<td>961,119</td>
<td>-</td>
</tr>
<tr>
<td>WIA - Youth Activities</td>
<td>17.259</td>
<td>1,274,110</td>
<td>-</td>
</tr>
<tr>
<td>WIA - Dislocated Worker</td>
<td>17.278</td>
<td>963,020</td>
<td>-</td>
</tr>
<tr>
<td>WIA - national Emergency Grants</td>
<td>17.277</td>
<td>112,500</td>
<td>-</td>
</tr>
<tr>
<td>90% State Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>N/A</td>
<td>-</td>
<td>108,845</td>
</tr>
<tr>
<td>In Home Services</td>
<td>N/A</td>
<td>-</td>
<td>901,752</td>
</tr>
<tr>
<td>Ub-Home - Caregiver Match</td>
<td>N/A</td>
<td>-</td>
<td>42,948</td>
</tr>
<tr>
<td>Home Delivered Meals</td>
<td>N/A</td>
<td>-</td>
<td>246,009</td>
</tr>
<tr>
<td>Congregate Nutrition</td>
<td>N/A</td>
<td>-</td>
<td>26,703</td>
</tr>
<tr>
<td>Title III - B - Access</td>
<td>93.044</td>
<td>129,406</td>
<td>7,612</td>
</tr>
<tr>
<td>Title III - B - In Home</td>
<td>93.044</td>
<td>493,162</td>
<td>29,010</td>
</tr>
<tr>
<td>Social Services Block Grant</td>
<td>93.667</td>
<td>154,935</td>
<td>4,427</td>
</tr>
<tr>
<td>Title III - C1 - Congregate Nutrition</td>
<td>93.045</td>
<td>251,847</td>
<td>1,518</td>
</tr>
<tr>
<td>Title III - C2 - Home Delivered Nutrition</td>
<td>93.045</td>
<td>344,781</td>
<td>20,281</td>
</tr>
<tr>
<td>Title III - B - Legal</td>
<td>93.044</td>
<td>16,647</td>
<td>978</td>
</tr>
<tr>
<td>NSIP - Supplement</td>
<td>10.570</td>
<td>117,131</td>
<td>-</td>
</tr>
<tr>
<td>Senior Center Development</td>
<td>N/A</td>
<td>-</td>
<td>69,162</td>
</tr>
<tr>
<td>Fan Heat Program</td>
<td>N/A</td>
<td>-</td>
<td>4,388</td>
</tr>
</tbody>
</table>

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