

North Carolina Financial Condition Analysis

Key: PENDER COUNTY

■ Benchmark —

Benchmark peers selected:
COLUMBUS COUNTY, DUPLIN COUNTY,
SAMPSON COUNTY

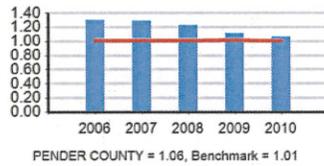
Report Generation: 1/3/2012 2:20:53 PM

General Fund

Resource Flow

Service Obligation

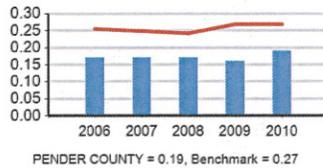
Operations ratio



Service obligation measures whether or not a government's annual revenues were sufficient to pay for annual operations. The operations ratio is calculated as total revenues divided by total expenditures (plus transfers to debt service fund).

Dependency

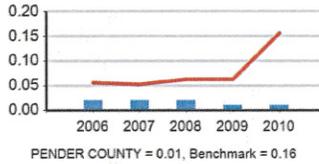
Intergovernmental ratio



Dependency measures the extent to which a government relies on other governments for resources. The intergovernmental ratio is calculated as total intergovernmental revenue divided by total revenue.

Financing Obligation

Debt service ratio

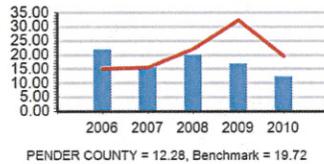


Financing obligation addresses service flexibility or the amount of expenditures committed to annual debt service. The debt service ratio is calculated as debt service divided by total expenditures (plus transfers to debt service fund).

Resource Stock

Liquidity

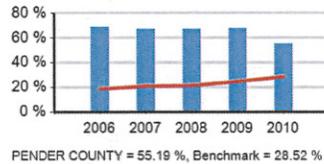
Quick ratio



Liquidity measures a government's ability to meet its short-term obligations. The quick ratio is calculated as cash & investments divided by current liabilities.

Solvency

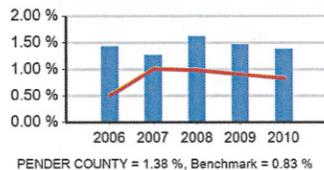
Fund balance available as percentage of expenditures



Solvency measures a government's ability to meet long-term obligations. Fund balance as a percentage of expenditures is calculated as available fund balance divided by expenditures plus transfers out.

Leverage

Debt as percentage of assessed value



Leverage measures the extent to which a government relies on tax-supported debt. The ratio of debt as a percentage of assessed value is calculated as tax-supported, long-term debt divided by assessed value.

[Selected Unit]

| PENDER COUNTY | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------|--|--|---------------|---------------|---------------|---------------|---------------|
| Dimension | Indicator | Elements | | | | | |
| Service Obligation | Operations Ratio | | 1.30 | 1.29 | 1.23 | 1.11 | 1.06 |
| | | Total Revenues | 43,803,076 | 47,196,938 | 48,072,336 | 46,499,089 | 45,606,882 |
| | | Total Expenditures | 33,613,203 | 36,658,588 | 39,094,264 | 42,030,950 | 43,030,036 |
| Dependency | Intergovernmental Ratio | | 0.17 | 0.17 | 0.17 | 0.16 | 0.19 |
| | | Total Intergovernmental Revenue | 7,308,167 | 7,895,252 | 8,081,693 | 7,315,776 | 8,692,917 |
| | | Total Revenue | 43,803,076 | 47,196,938 | 48,072,336 | 46,499,089 | 45,606,882 |
| Financing Obligation | Debt Service Ratio | | 0.02 | 0.02 | 0.02 | 0.01 | 0.01 |
| | | Debt Service | 617,475 | 616,485 | 607,245 | 607,880 | 605,840 |
| | | Total Expenditures | 33,613,203 | 36,658,588 | 39,094,264 | 42,030,950 | 43,030,036 |
| Liquidity | Quick Ratio | | 21.79 | 15.51 | 19.89 | 16.83 | 12.28 |
| | | Cash & Investments | 28,158,883 | 29,761,033 | 32,306,110 | 33,255,106 | 29,234,342 |
| | | Current Liabilities (not including Deferred Revenue) | 1,292,167 | 1,918,958 | 1,624,529 | 1,975,619 | 2,381,253 |
| Solvency | Fund Balance Available as a Percentage of Expenditures | Dept. of State Treasurer Calculation | 68.64 | 67.20 | 66.92 | 67.37 | 55.19 |
| Leverage | Debt as a Percentage of Assessed Value | | 1.42 | 1.26 | 1.61 | 1.46 | 1.38 |
| | | Tax-Supported, Long-Term Debt | 55,366,077 | 53,561,219 | 72,715,672 | 68,943,908 | 65,070,926 |
| | | Assessed Value | 3,906,215,041 | 4,257,572,889 | 4,503,389,963 | 4,716,801,000 | 4,713,278,664 |

[Benchmark Peer]

| COLUMBUS COUNTY | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------|--|--|---------------|---------------|---------------|---------------|---------------|
| Dimension | Indicator | Elements | | | | | |
| Service Obligation | Operations Ratio | | 1.00 | 1.00 | 1.05 | 1.09 | 1.08 |
| | | Total Revenues | 55,412,171 | 57,122,645 | 59,099,195 | 55,256,521 | 53,958,141 |
| | | Total Expenditures | 55,258,749 | 57,261,557 | 56,162,725 | 50,635,763 | 49,980,396 |
| Dependency | Intergovernmental Ratio | | 0.35 | 0.33 | 0.33 | 0.34 | 0.35 |
| | | Total Intergovernmental Revenue | 19,342,012 | 18,755,188 | 19,781,580 | 18,863,500 | 18,931,713 |
| | | Total Revenue | 55,412,171 | 57,122,645 | 59,099,195 | 55,256,521 | 53,958,141 |
| Financing Obligation | Debt Service Ratio | | 0.04 | 0.03 | 0.03 | 0.03 | 0.02 |
| | | Debt Service | 1,953,827 | 1,780,437 | 1,524,824 | 1,278,286 | 1,159,066 |
| | | Total Expenditures | 55,258,749 | 57,261,557 | 56,162,725 | 50,635,763 | 49,980,396 |
| Liquidity | Quick Ratio | | 3.28 | 3.26 | 3.53 | 5.82 | 7.86 |
| | | Cash & Investments | 10,469,555 | 10,113,930 | 13,105,474 | 19,392,836 | 23,643,574 |
| | | Current Liabilities (not including Deferred Revenue) | 3,190,689 | 3,100,026 | 3,714,755 | 3,334,963 | 3,006,941 |
| Solvency | Fund Balance Available as a Percentage of Expenditures | Dept. of State Treasurer Calculation | 13.04 | 12.20 | 14.79 | 31.14 | 41.54 |
| Leverage | Debt as a Percentage of Assessed Value | | 0.47 | 0.39 | 0.47 | 0.32 | 0.28 |
| | | Tax-Supported, Long-Term Debt | 14,453,762 | 12,478,570 | 15,160,113 | 10,812,431 | 9,438,401 |
| | | Assessed Value | 3,100,421,878 | 3,185,066,468 | 3,246,740,707 | 3,335,354,363 | 3,314,301,603 |

[Benchmark Peer]

| DUPLIN COUNTY | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------|--|--|---------------|---------------|---------------|---------------|---------------|
| Dimension | Indicator | Elements | | | | | |
| Service Obligation | Operations Ratio | | 1.03 | 1.00 | 1.00 | 0.99 | 0.99 |
| | | Total Revenues | 45,537,207 | 47,390,651 | 48,759,921 | 48,108,366 | 47,806,178 |
| | | Total Expenditures | 44,123,468 | 47,319,944 | 48,543,648 | 48,797,102 | 48,086,955 |
| Dependency | Intergovernmental Ratio | | 0.21 | 0.19 | 0.20 | 0.22 | 0.22 |
| | | Total Intergovernmental Revenue | 9,537,784 | 8,924,237 | 9,831,044 | 10,428,906 | 10,750,627 |
| | | Total Revenue | 45,537,207 | 47,390,651 | 48,759,921 | 48,108,366 | 47,806,178 |
| Financing Obligation | Debt Service Ratio | | 0.06 | 0.04 | 0.04 | 0.04 | 0.04 |
| | | Debt Service | 2,454,191 | 1,933,912 | 1,980,911 | 1,988,983 | 1,855,584 |
| | | Total Expenditures | 44,123,468 | 47,319,944 | 48,543,648 | 48,797,102 | 48,086,955 |
| Liquidity | Quick Ratio | | 34.12 | 29.78 | 49.36 | 80.68 | 39.20 |
| | | Cash & Investments | 14,188,460 | 13,078,154 | 12,438,129 | 11,752,314 | 9,746,182 |
| | | Current Liabilities (not including Deferred Revenue) | 415,814 | 439,203 | 251,982 | 145,665 | 248,635 |
| Solvency | Fund Balance Available as a Percentage of Expenditures | Dept. of State Treasurer Calculation | 29.56 | 24.36 | 23.42 | 22.55 | 18.43 |
| Leverage | Debt as a Percentage of Assessed Value | | 0.44 | 0.38 | 0.31 | 0.25 | 0.17 |
| | | Tax-Supported, Long-Term Debt | 12,310,550 | 11,042,095 | 9,498,714 | 7,923,353 | 6,415,000 |
| | | Assessed Value | 2,781,926,141 | 2,934,645,658 | 3,033,211,308 | 3,154,222,432 | 3,699,978,301 |

[Benchmark Peer]

| SAMPSON COUNTY | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------|--|--|---------------|---------------|---------------|---------------|---------------|
| Dimension | Indicator | Elements | | | | | |
| Service Obligation | Operations Ratio | | 1.01 | 1.04 | 0.99 | 0.98 | 0.95 |
| | | Total Revenues | 50,695,440 | 56,367,883 | 58,037,704 | 62,355,288 | 59,294,819 |
| | | Total Expenditures | 50,085,856 | 54,254,448 | 58,515,167 | 63,354,830 | 62,199,533 |
| Dependency | Intergovernmental Ratio | | 0.21 | 0.23 | 0.20 | 0.25 | 0.24 |
| | | Total Intergovernmental Revenue | 10,666,398 | 12,931,889 | 11,453,717 | 15,899,266 | 13,947,721 |
| | | Total Revenue | 50,695,440 | 56,367,883 | 58,037,704 | 62,355,288 | 59,294,819 |
| Financing Obligation | Debt Service Ratio | | 0.07 | 0.09 | 0.12 | 0.12 | 0.41 |
| | | Debt Service | 3,284,269 | 4,862,745 | 6,873,029 | 7,608,278 | 25,195,275 |
| | | Total Expenditures | 50,085,856 | 54,254,448 | 58,515,167 | 63,354,830 | 62,199,533 |
| Liquidity | Quick Ratio | | 8.24 | 13.89 | 13.90 | 10.99 | 12.09 |
| | | Cash & Investments | 8,136,447 | 15,831,210 | 18,509,984 | 15,143,860 | 17,689,450 |
| | | Current Liabilities (not including Deferred Revenue) | 987,643 | 1,139,428 | 1,331,241 | 1,378,300 | 1,463,497 |
| Solvency | Fund Balance Available as a Percentage of Expenditures | Dept. of State Treasurer Calculation | 13.60 | 26.58 | 26.28 | 20.72 | 25.60 |
| Leverage | Debt as a Percentage of Assessed Value | | 0.62 | 2.25 | 2.18 | 2.15 | 2.05 |
| | | Tax-Supported, Long-Term Debt | 19,920,258 | 75,622,972 | 74,151,313 | 74,595,835 | 71,314,283 |
| | | Assessed Value | 3,205,160,867 | 3,355,052,922 | 3,405,104,208 | 3,466,882,739 | 3,480,598,736 |

North Carolina Financial Condition Analysis

Key: **PENDER COUNTY**

■ Benchmark —

Benchmark peers selected:

COLUMBUS COUNTY, DUPLIN COUNTY, SAMPSON COUNTY

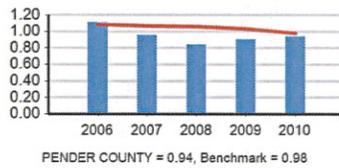
Report Generation: 1/3/2012 2:19:36 PM

Governmental Activities

Resource Flow

Interperiod Equity

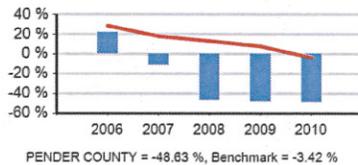
Total margin ratio



Interperiod equity measures whether or not a local government lived within its financial means. The total margin ratio - total financial resources divided by total financial obligations - is used to analyze this dimension of resource flow.

Financial Performance

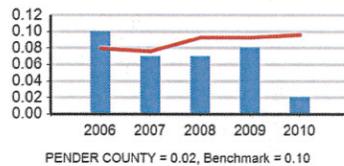
Percent change in net assets



Financial performance shows how much a government's financial position improved or deteriorated as a result of resource flow. The percent change in net assets is calculated as the change in net assets divided by net assets, beginning.

Self-Sufficiency

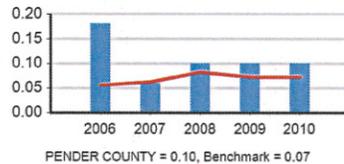
Charge-to-expense ratio



Self-sufficiency addresses the extent to which charges for services covered total expenses. The charge-to-expense ratio is calculated as charges for services divided by total expenses.

Financing Obligation

Debt service ratio

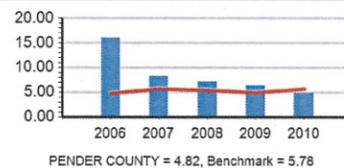


Financing obligation looks at service flexibility by determining the amount of total expenses committed to annual debt service. The debt service ratio is calculated as annual debt service divided by total expenses.

Resource Stock

Liquidity

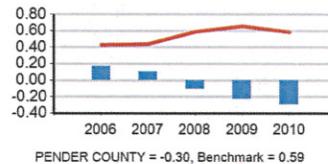
Quick ratio



Liquidity measures a government's ability to meet its short-term obligations. The quick ratio—cash & investments divided by current liabilities—is used to analyze this dimension of resource stock.

Solvency

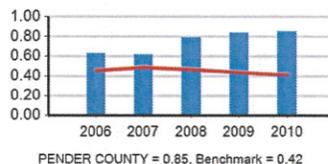
Net assets ratio



Solvency measures a government's ability to meet long-term obligations. The net assets ratio is calculated as unrestricted net assets divided by total liabilities.

Leverage

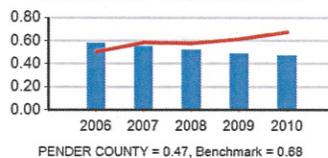
Debt-to-assets ratio



Leverage measures the extent to which total assets are financed with long-term debt. The debt-to-assets ratio is calculated as long-term debt divided by total assets.

Capital

Capital-assets-condition ratio



Capital is the condition of capital assets as defined by their remaining useful life. The capital assets condition ratio is calculated as accumulated depreciation divided by capital assets being depreciated. This result is then subtracted from one.

[Selected Unit]

| PENDER COUNTY | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------|--------------------------------|--|------------|-------------|--------------|--------------|--------------|
| Dimension | Indicator | Elements | | | | | |
| Interperiod Equity | Margin Ratio | | 1.11 | 0.95 | 0.84 | 0.90 | 0.94 |
| | | Total Resource Inflow | 55,002,034 | 59,873,870 | 61,920,389 | 61,351,180 | 57,779,909 |
| | | Total Resource Outflow | 49,708,752 | 63,179,656 | 74,142,359 | 68,068,574 | 61,289,847 |
| Financial Performance | Percent Change in Net Assets | | 21.80 | (11.18) | (46.72) | (48.20) | (48.63) |
| | | Change in Net Assets | 5,293,282 | (3,305,786) | (12,221,970) | (6,717,394) | (3,509,938) |
| | | Net Assets, Beginning | 24,285,598 | 29,578,880 | 26,157,648 | 13,935,678 | 7,218,284 |
| Self-Sufficiency | Charge-to-Expense Ratio | | 0.10 | 0.07 | 0.07 | 0.08 | 0.02 |
| | | Charges for Services | 4,813,301 | 4,721,906 | 5,194,593 | 5,250,229 | 1,284,204 |
| | | Total Expenses | 49,708,752 | 63,179,656 | 74,142,359 | 68,068,574 | 61,289,847 |
| Financing Obligation | Debt Service Ratio | | 0.18 | 0.06 | 0.10 | 0.10 | 0.10 |
| | | Debt Service | 10,374,943 | 4,176,250 | 8,137,834 | 6,838,780 | 6,793,735 |
| | | Total Expenses plus Principal | 57,663,752 | 65,075,972 | 79,377,981 | 71,926,557 | 65,252,830 |
| Liquidity | Quick Ratio | | 16.04 | 8.20 | 7.16 | 6.34 | 4.82 |
| | | Cash & Investments | 64,226,998 | 57,000,854 | 61,756,360 | 49,521,366 | 41,172,436 |
| | | Current Liabilities (not including Deferred Revenue) | 4,003,326 | 6,954,295 | 8,626,485 | 7,816,749 | 8,545,771 |
| Solvency | Net Assets Ratio | | 0.17 | 0.10 | (0.11) | (0.23) | (0.30) |
| | | Unrestricted Net Assets | 10,269,844 | 6,095,824 | (8,707,358) | (17,194,774) | (21,919,092) |
| | | Total Liabilities | 59,708,288 | 60,938,813 | 79,652,696 | 76,042,974 | 73,868,966 |
| Leverage | Debt-to-Assets Ratio | | 0.63 | 0.62 | 0.79 | 0.84 | 0.85 |
| | | Long-Term Debt | 56,380,003 | 54,483,687 | 73,473,065 | 69,615,082 | 65,652,099 |
| | | Total Assets | 89,287,168 | 87,211,907 | 93,588,374 | 83,261,258 | 77,577,312 |
| Capital | Capital-Assets-Condition Ratio | | 0.58 | 0.55 | 0.52 | 0.49 | 0.47 |
| | | Accumulated Depreciation | 10,585,679 | 11,292,616 | 13,001,301 | 14,226,990 | 14,128,636 |
| | | Capital Assets being Depreciated | 24,928,771 | 25,106,613 | 26,940,886 | 27,756,866 | 26,851,881 |

[Benchmark Peer]

| COLUMBUS COUNTY | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------|--------------------------------|--|------------|------------|------------|------------|------------|
| Dimension | Indicator | Elements | | | | | |
| Interperiod Equity | Margin Ratio | | 1.06 | 1.02 | 1.06 | 1.10 | 1.06 |
| | | Total Resource Inflow | 51,337,830 | 61,300,039 | 62,922,689 | 63,969,724 | 60,307,793 |
| | | Total Resource Outflow | 48,652,686 | 59,967,190 | 59,088,330 | 58,100,100 | 56,726,002 |
| Financial Performance | Percent Change in Net Assets | | 11.39 | 5.05 | 14.05 | 19.98 | 9.83 |
| | | Change in Net Assets | 2,685,144 | 1,332,849 | 3,834,359 | 5,869,624 | 3,465,724 |
| | | Net Assets, Beginning | 23,565,014 | 26,367,379 | 27,300,228 | 29,378,203 | 35,247,827 |
| Self-Sufficiency | Charge-to-Expense Ratio | | 0.05 | 0.04 | 0.05 | 0.06 | 0.04 |
| | | Charges for Services | 2,486,417 | 2,290,523 | 3,062,140 | 3,442,996 | 2,357,902 |
| | | Total Expenses | 48,652,686 | 59,967,190 | 59,088,330 | 58,100,100 | 56,726,002 |
| Financing Obligation | Debt Service Ratio | | 0.06 | 0.05 | 0.05 | 0.04 | 0.04 |
| | | Debt Service | 3,242,834 | 3,001,561 | 3,048,440 | 2,668,775 | 2,496,160 |
| | | Total Expenses plus Principal | 51,392,875 | 62,468,534 | 61,639,206 | 60,325,352 | 58,844,991 |
| Liquidity | Quick Ratio | | 1.60 | 2.99 | 4.24 | 4.61 | 6.26 |
| | | Cash & Investments | 11,452,491 | 11,347,900 | 15,367,259 | 21,723,789 | 26,573,046 |
| | | Current Liabilities (not including Deferred Revenue) | 7,165,381 | 3,797,149 | 3,628,632 | 4,709,521 | 4,244,746 |
| Solvency | Net Assets Ratio | | 0.64 | 0.57 | 0.84 | 1.14 | 1.22 |
| | | Unrestricted Net Assets | 13,785,335 | 10,283,643 | 15,268,059 | 20,649,337 | 23,463,868 |
| | | Total Liabilities | 21,393,113 | 18,187,184 | 18,097,404 | 18,175,965 | 19,203,149 |
| Leverage | Debt-to-Assets Ratio | | 0.32 | 0.28 | 0.26 | 0.20 | 0.16 |
| | | Long-Term Debt | 15,321,209 | 12,909,639 | 12,963,990 | 10,881,732 | 9,499,676 |
| | | Total Assets | 47,760,492 | 45,887,412 | 49,231,991 | 53,423,792 | 57,916,700 |
| Capital | Capital-Assets-Condition Ratio | | 0.53 | 0.52 | 0.48 | 0.63 | 0.61 |
| | | Accumulated Depreciation | 9,387,398 | 10,415,803 | 11,506,531 | 12,409,311 | 13,170,554 |
| | | Capital Assets being Depreciated | 19,876,458 | 21,731,154 | 22,120,813 | 33,693,295 | 34,015,362 |

[Benchmark Peer]

DUPLIN COUNTY

| | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------|--------------------------------|--|------------|------------|------------|------------|-------------|
| <u>Dimension</u> | <u>Indicator</u> | <u>Elements</u> | | | | | |
| Interperiod Equity | Margin Ratio | | 1.05 | 1.05 | 1.05 | 0.98 | 0.90 |
| | | Total Resource Inflow | 51,257,830 | 53,293,777 | 56,096,625 | 54,450,838 | 53,915,033 |
| | | Total Resource Outflow | 48,992,493 | 50,677,540 | 53,173,887 | 55,288,372 | 60,089,544 |
| Financial Performance | Percent Change in Net Assets | | 9.13 | 9.66 | 9.84 | (2.57) | (18.14) |
| | | Change in Net Assets | 2,265,337 | 2,616,237 | 2,922,738 | (837,534) | (5,764,879) |
| | | Net Assets, Beginning | 24,818,433 | 27,083,770 | 29,700,007 | 32,622,745 | 31,785,211 |
| Self-Sufficiency | Charge-to-Expense Ratio | | 0.10 | 0.10 | 0.11 | 0.09 | 0.10 |
| | | Charges for Services | 4,989,191 | 5,019,931 | 5,805,201 | 5,031,062 | 5,750,414 |
| | | Total Expenses | 48,992,493 | 50,677,540 | 53,173,887 | 55,288,372 | 60,089,544 |
| Financing Obligation | Debt Service Ratio | | 0.05 | 0.06 | 0.06 | 0.06 | 0.05 |
| | | Debt Service | 2,491,509 | 2,991,236 | 3,257,763 | 3,261,912 | 3,126,634 |
| | | Total Expenses plus Principal | 50,932,878 | 52,679,534 | 55,477,043 | 57,655,219 | 62,389,350 |
| Liquidity | Quick Ratio | | 8.54 | 11.06 | 9.11 | 7.33 | 7.30 |
| | | Cash & Investments | 22,097,017 | 23,213,951 | 23,618,359 | 23,191,945 | 20,510,739 |
| | | Current Liabilities (not including Deferred Revenue) | 2,587,019 | 2,098,999 | 2,593,504 | 3,164,851 | 2,811,142 |
| Solvency | Net Assets Ratio | | 0.59 | 0.67 | 0.86 | 0.78 | 0.51 |
| | | Unrestricted Net Assets | 17,196,345 | 18,582,516 | 21,701,648 | 19,993,963 | 15,312,312 |
| | | Total Liabilities | 29,172,460 | 27,812,741 | 25,250,133 | 25,572,772 | 29,738,876 |
| Leverage | Debt-to-Assets Ratio | | 0.49 | 0.45 | 0.41 | 0.37 | 0.34 |
| | | Long-Term Debt | 27,389,548 | 26,007,519 | 23,704,363 | 21,337,516 | 19,037,710 |
| | | Total Assets | 56,256,230 | 57,512,748 | 57,872,878 | 57,357,983 | 55,759,209 |
| Capital | Capital-Assets-Condition Ratio | | 0.68 | 0.68 | 0.65 | 0.62 | 0.60 |
| | | Accumulated Depreciation | 10,349,162 | 10,957,245 | 12,137,186 | 13,290,412 | 14,346,004 |
| | | Capital Assets being Depreciated | 32,233,831 | 33,977,714 | 34,619,810 | 35,290,056 | 36,184,592 |

[Benchmark Peer]

| SAMPSON COUNTY | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------|--------------------------------|--|------------|-------------|-------------|-------------|-------------|
| Dimension | Indicator | Elements | | | | | |
| Interperiod Equity | Margin Ratio | | 1.16 | 1.14 | 1.08 | 1.03 | 0.99 |
| | | Total Resource Inflow | 61,919,739 | 67,351,115 | 69,325,425 | 73,853,916 | 69,475,375 |
| | | Total Resource Outflow | 53,591,749 | 58,973,202 | 64,477,467 | 71,458,028 | 70,267,366 |
| Financial Performance | Percent Change in Net Assets | | 66.07 | 40.02 | 16.54 | 7.01 | (1.95) |
| | | Change in Net Assets | 8,327,990 | 8,377,913 | 4,847,958 | 2,395,888 | (765,391) |
| | | Net Assets, Beginning | 12,605,094 | 20,933,084 | 29,310,997 | 34,158,955 | 39,170,301 |
| Self-Sufficiency | Charge-to-Expense Ratio | | 0.09 | 0.09 | 0.12 | 0.13 | 0.15 |
| | | Charges for Services | 4,680,309 | 5,120,551 | 7,912,912 | 9,024,983 | 10,287,466 |
| | | Total Expenses | 53,591,749 | 58,973,202 | 64,477,467 | 71,458,028 | 70,267,366 |
| Financing Obligation | Debt Service Ratio | | 0.06 | 0.08 | 0.14 | 0.12 | 0.13 |
| | | Debt Service | 3,390,128 | 5,163,357 | 10,110,099 | 8,839,764 | 9,641,623 |
| | | Total Expenses plus Principal | 55,846,188 | 61,136,366 | 70,119,366 | 73,780,504 | 74,728,098 |
| Liquidity | Quick Ratio | | 4.41 | 3.17 | 3.14 | 3.03 | 3.77 |
| | | Cash & Investments | 18,708,222 | 34,042,187 | 37,963,478 | 28,237,720 | 32,976,800 |
| | | Current Liabilities (not including Deferred Revenue) | 4,237,777 | 10,728,070 | 12,083,389 | 9,313,275 | 8,758,355 |
| Solvency | Net Assets Ratio | | 0.07 | 0.09 | 0.08 | 0.06 | 0.04 |
| | | Unrestricted Net Assets | 2,574,694 | 10,656,352 | 11,475,465 | 7,772,831 | 5,838,316 |
| | | Total Liabilities | 36,178,737 | 119,161,400 | 137,646,612 | 139,979,689 | 144,587,160 |
| Leverage | Debt-to-Assets Ratio | | 0.57 | 0.74 | 0.74 | 0.75 | 0.75 |
| | | Long-Term Debt | 32,730,433 | 109,551,396 | 126,799,141 | 131,892,797 | 136,416,437 |
| | | Total Assets | 57,111,821 | 148,472,397 | 171,805,567 | 176,534,532 | 182,992,070 |
| Capital | Capital-Assets-Condition Ratio | | 0.31 | 0.56 | 0.61 | 0.60 | 0.82 |
| | | Accumulated Depreciation | 15,630,633 | 16,244,715 | 16,145,560 | 17,769,990 | 22,065,110 |
| | | Capital Assets being Depreciated | 22,674,696 | 37,158,457 | 41,889,594 | 44,035,695 | 122,982,643 |

North Carolina Financial Condition Analysis

Key: **PENDER COUNTY**

■ Benchmark —

Benchmark peers selected:

COLUMBUS COUNTY, DUPLIN COUNTY, SAMPSON COUNTY

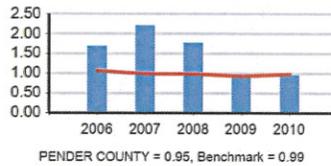
Report Generation: 1/3/2012 2:22:04 PM

Water and Sewer Fund

Resource Flow

Interperiod Equity

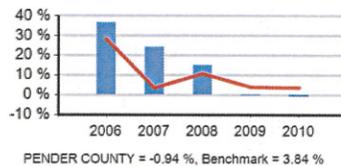
Total margin ratio



Interperiod equity measures whether or not a local government lived within its financial means. The total margin ratio - total financial resources divided by total financial obligations - is used to analyze this dimension of resource flow.

Financial Performance

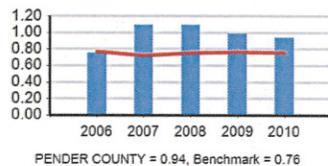
Percent change in net assets



Financial performance shows how much a government's financial position improved or deteriorated as a result of resource flow. The percent change in net assets is calculated as the change in net assets divided by net assets, beginning.

Self-Sufficiency

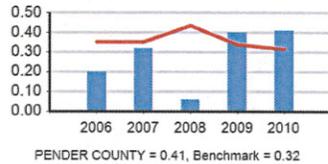
Charge-to-expense ratio



Self-sufficiency addresses the extent to which charges for services covered total expenses. The charge-to-expense ratio is calculated as charges for services divided by total expenses.

Financing Obligation

Debt service ratio

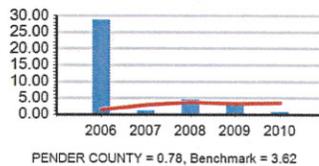


Financing obligation looks at service flexibility by determining the amount of total expenses committed to annual debt service. The debt service ratio is calculated as annual debt service divided by total expenses.

Resource Stock

Liquidity

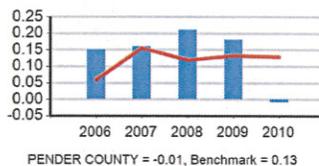
Quick ratio



Liquidity measures a government's ability to meet its short-term obligations. The quick ratio—cash & investments divided by current liabilities—is used to analyze this dimension of resource stock.

Solvency

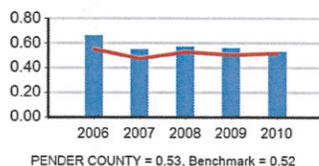
Net assets ratio



Solvency measures a government's ability to meet long-term obligations. The net assets ratio is calculated as unrestricted net assets divided by total liabilities.

Leverage

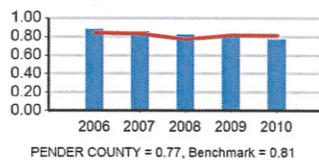
Debt-to-assets ratio



Leverage measures the extent to which total assets are financed with long-term debt. The debt-to-assets ratio is calculated as long-term debt divided by total assets.

Capital

Capital-assets-condition ratio



Capital is the condition of capital assets as defined by their remaining useful life. The capital assets condition ratio is calculated as accumulated depreciation divided by capital assets being depreciated. This result is then subtracted from one.

[Selected Unit]

PENDER COUNTY

| | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------|--------------------------------|--|------------|------------|------------|------------|------------|
| Dimension | Indicator | Elements | | | | | |
| Interperiod Equity | Margin Ratio | | 1.69 | 2.21 | 1.77 | 0.98 | 0.95 |
| | | Total Resource Inflow | 2,164,362 | 3,071,406 | 3,064,327 | 3,415,060 | 2,629,200 |
| | | Total Resource Outflow | 1,283,660 | 1,390,701 | 1,730,326 | 3,470,221 | 2,774,690 |
| Financial Performance | Percent Change in Net Assets | | 36.54 | 23.95 | 14.88 | (0.36) | (0.94) |
| | | Change in Net Assets | 2,909,202 | 2,603,505 | 2,005,501 | (55,161) | (145,490) |
| | | Net Assets, Beginning | 7,960,606 | 10,869,808 | 13,473,313 | 15,478,814 | 15,423,653 |
| Self-Sufficiency | Charge-to-Expense Ratio | | 0.75 | 1.09 | 1.09 | 0.98 | 0.94 |
| | | Charges for Services | 959,411 | 1,509,743 | 1,891,611 | 2,661,840 | 2,620,535 |
| | | Total Expenses | 1,283,660 | 1,390,701 | 1,730,326 | 2,720,221 | 2,774,690 |
| Financing Obligation | Debt Service Ratio | | 0.20 | 0.32 | 0.06 | 0.40 | 0.41 |
| | | Debt Service | 267,619 | 460,441 | 118,000 | 1,190,044 | 1,233,351 |
| | | Total Expenses plus Principal | 1,335,160 | 1,444,701 | 1,848,326 | 2,977,721 | 3,045,190 |
| Liquidity | Quick Ratio | | 28.69 | 1.03 | 4.42 | 2.88 | 0.78 |
| | | Cash & Investments | 15,587,811 | 4,822,782 | 5,443,433 | 5,437,745 | 2,993,837 |
| | | Current Liabilities (not including Deferred Revenue) | 543,381 | 0 | 1,230,466 | 1,890,408 | 3,818,876 |
| Solvency | Net Assets Ratio | | 0.15 | 0.16 | 0.21 | 0.18 | (0.01) |
| | | Unrestricted Net Assets | 3,484,517 | 4,317,156 | 4,777,103 | 4,191,309 | (170,651) |
| | | Total Liabilities | 22,517,881 | 26,542,088 | 22,855,104 | 23,272,646 | 24,946,395 |
| Leverage | Debt-to-Assets Ratio | | 0.66 | 0.55 | 0.57 | 0.56 | 0.53 |
| | | Long-Term Debt | 22,028,500 | 22,135,075 | 21,856,500 | 21,599,000 | 21,328,500 |
| | | Total Assets | 33,387,689 | 40,015,401 | 38,333,918 | 38,696,299 | 40,224,558 |
| Capital | Capital-Assets-Condition Ratio | | 0.88 | 0.85 | 0.82 | 0.81 | 0.77 |
| | | Accumulated Depreciation | 1,165,555 | 1,435,234 | 1,706,251 | 1,967,072 | 2,234,188 |
| | | Capital Assets being Depreciated | 9,345,610 | 9,504,258 | 9,561,372 | 10,519,679 | 9,615,249 |

[Benchmark Peer]

| COLUMBUS COUNTY | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------|--------------------------------|--|------------|------------|------------|------------|------------|
| Dimension | Indicator | Elements | | | | | |
| Interperiod Equity | Margin Ratio | | 1.11 | 1.10 | 0.91 | 0.88 | 1.05 |
| | | Total Resource Inflow | 2,278,055 | 2,380,038 | 2,319,406 | 2,388,492 | 3,173,428 |
| | | Total Resource Outflow | 2,057,345 | 2,165,092 | 2,546,610 | 2,721,803 | 3,021,124 |
| Financial Performance | Percent Change in Net Assets | | 30.89 | 3.14 | 23.75 | 11.86 | 9.30 |
| | | Change in Net Assets | 1,516,272 | 642,088 | 1,646,084 | 1,016,947 | 916,643 |
| | | Net Assets, Beginning | 4,908,638 | 20,478,575 | 6,931,866 | 8,577,950 | 9,858,436 |
| Self-Sufficiency | Charge-to-Expense Ratio | | 0.59 | 0.69 | 0.61 | 0.64 | 0.61 |
| | | Charges for Services | 1,200,828 | 1,490,491 | 1,555,832 | 1,636,917 | 1,740,863 |
| | | Total Expenses | 2,050,621 | 2,165,092 | 2,546,610 | 2,546,329 | 2,834,668 |
| Financing Obligation | Debt Service Ratio | | 0.37 | 0.36 | 0.74 | 0.37 | 0.35 |
| | | Debt Service | 829,261 | 850,348 | 5,432,192 | 1,028,608 | 1,082,768 |
| | | Total Expenses plus Principal | 2,225,081 | 2,342,727 | 7,340,682 | 2,745,904 | 3,096,300 |
| Liquidity | Quick Ratio | | 1.51 | 4.55 | 5.70 | 3.47 | 5.18 |
| | | Cash & Investments | 1,059,004 | 1,403,887 | 1,677,501 | 1,758,124 | 2,641,490 |
| | | Current Liabilities (not including Deferred Revenue) | 701,650 | 308,883 | 294,274 | 507,360 | 509,689 |
| Solvency | Net Assets Ratio | | 0.07 | 0.28 | 0.11 | 0.11 | 0.11 |
| | | Unrestricted Net Assets | 1,029,167 | 5,177,537 | 2,038,510 | 1,922,036 | 2,458,976 |
| | | Total Liabilities | 14,214,895 | 18,191,370 | 17,992,076 | 18,022,694 | 21,942,826 |
| Leverage | Debt-to-Assets Ratio | | 0.66 | 0.46 | 0.67 | 0.64 | 0.66 |
| | | Long-Term Debt | 13,552,319 | 17,938,684 | 17,752,500 | 17,579,753 | 21,434,036 |
| | | Total Assets | 20,639,805 | 39,312,033 | 26,570,026 | 27,617,591 | 32,717,905 |
| Capital | Capital-Assets-Condition Ratio | | 0.87 | 0.84 | 0.80 | 0.84 | 0.82 |
| | | Accumulated Depreciation | 2,654,028 | 3,299,480 | 3,981,006 | 4,646,723 | 5,230,876 |
| | | Capital Assets being Depreciated | 19,694,728 | 20,155,445 | 20,155,445 | 29,437,959 | 29,408,950 |

[Benchmark Peer]

| DUPLIN COUNTY | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------|--------------------------------|--|------------|------------|------------|------------|------------|
| Dimension | Indicator | Elements | | | | | |
| Interperiod Equity | Margin Ratio | | 1.03 | 0.86 | 0.98 | 0.95 | 1.00 |
| | | Total Resource Inflow | 3,891,385 | 3,522,559 | 3,986,273 | 3,920,763 | 4,291,346 |
| | | Total Resource Outflow | 3,764,561 | 4,081,610 | 4,085,026 | 4,117,169 | 4,293,461 |
| Financial Performance | Percent Change in Net Assets | | 8.35 | 0.19 | 1.80 | (0.33) | 4.12 |
| | | Change in Net Assets | 2,013,539 | 49,536 | 471,395 | (88,378) | 1,093,522 |
| | | Net Assets, Beginning | 24,116,246 | 26,120,404 | 26,169,940 | 26,641,335 | 26,552,962 |
| Self-Sufficiency | Charge-to-Expense Ratio | | 0.80 | 0.65 | 0.75 | 0.75 | 0.82 |
| | | Charges for Services | 3,011,842 | 2,670,333 | 3,071,450 | 3,099,488 | 3,541,969 |
| | | Total Expenses | 3,764,561 | 4,081,610 | 4,083,008 | 4,117,169 | 4,293,461 |
| Financing Obligation | Debt Service Ratio | | 0.32 | 0.29 | 0.29 | 0.28 | 0.27 |
| | | Debt Service | 1,342,463 | 1,277,205 | 1,281,618 | 1,273,780 | 1,281,772 |
| | | Total Expenses plus Principal | 4,137,977 | 4,416,726 | 4,435,124 | 4,481,785 | 4,673,076 |
| Liquidity | Quick Ratio | | 1.97 | 2.53 | 2.78 | 3.24 | 1.86 |
| | | Cash & Investments | 2,011,801 | 2,437,905 | 2,841,608 | 3,281,335 | 2,553,945 |
| | | Current Liabilities (not including Deferred Revenue) | 1,018,789 | 962,570 | 1,021,986 | 1,013,644 | 1,369,599 |
| Solvency | Net Assets Ratio | | 0.11 | 0.12 | 0.14 | 0.16 | 0.14 |
| | | Unrestricted Net Assets | 2,154,537 | 2,274,844 | 2,627,644 | 3,096,501 | 2,644,954 |
| | | Total Liabilities | 19,987,397 | 19,581,116 | 19,277,911 | 18,891,713 | 19,042,464 |
| Leverage | Debt-to-Assets Ratio | | 0.41 | 0.42 | 0.40 | 0.40 | 0.39 |
| | | Long-Term Debt | 18,945,718 | 19,407,091 | 18,594,602 | 18,229,986 | 18,314,872 |
| | | Total Assets | 46,117,182 | 45,751,056 | 45,919,246 | 45,444,670 | 46,688,948 |
| Capital | Capital-Assets-Condition Ratio | | 0.78 | 0.76 | 0.64 | 0.76 | 0.79 |
| | | Accumulated Depreciation | 12,150,161 | 13,572,341 | 14,977,302 | 15,794,095 | 11,373,856 |
| | | Capital Assets being Depreciated | 55,067,291 | 56,065,589 | 42,052,402 | 67,188,578 | 53,291,750 |

[Benchmark Peer]

| SAMPSON COUNTY | | | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------|--------------------------------|--|------------|------------|------------|------------|------------|
| Dimension | Indicator | Elements | | | | | |
| Interperiod Equity | Margin Ratio | | 1.08 | 1.04 | 1.09 | 0.98 | 0.91 |
| | | Total Resource Inflow | 2,218,755 | 2,578,004 | 2,747,956 | 2,533,916 | 2,576,721 |
| | | Total Resource Outflow | 2,058,329 | 2,487,727 | 2,520,444 | 2,583,049 | 2,842,128 |
| Financial Performance | Percent Change in Net Assets | | 46.04 | 7.82 | 7.14 | 0.83 | (1.89) |
| | | Change in Net Assets | 3,801,584 | 943,175 | 928,338 | 116,150 | (265,407) |
| | | Net Assets, Beginning | 8,257,755 | 12,059,339 | 13,002,514 | 13,930,852 | 14,047,002 |
| Self-Sufficiency | Charge-to-Expense Ratio | | 0.93 | 0.84 | 0.91 | 0.91 | 0.85 |
| | | Charges for Services | 1,913,062 | 2,100,788 | 2,282,177 | 2,347,402 | 2,406,123 |
| | | Total Expenses | 2,058,329 | 2,487,727 | 2,520,444 | 2,583,049 | 2,842,128 |
| Financing Obligation | Debt Service Ratio | | 0.37 | 0.41 | 0.28 | 0.37 | 0.33 |
| | | Debt Service | 837,830 | 1,167,462 | 712,058 | 1,086,745 | 1,054,808 |
| | | Total Expenses plus Principal | 2,250,175 | 2,867,267 | 2,520,444 | 2,973,337 | 3,225,973 |
| Liquidity | Quick Ratio | | 1.13 | 1.95 | 2.96 | 3.33 | 3.81 |
| | | Cash & Investments | 648,015 | 979,435 | 1,511,659 | 1,916,881 | 2,006,300 |
| | | Current Liabilities (not including Deferred Revenue) | 575,957 | 0 | 510,914 | 576,004 | 525,998 |
| Solvency | Net Assets Ratio | | 0.00 | 0.07 | 0.11 | 0.13 | 0.14 |
| | | Unrestricted Net Assets | (12,549) | 1,112,076 | 1,674,174 | 1,998,546 | 2,075,541 |
| | | Total Liabilities | 15,251,000 | 15,985,904 | 15,601,347 | 15,308,942 | 14,907,889 |
| Leverage | Debt-to-Assets Ratio | | 0.59 | 0.55 | 0.52 | 0.48 | 0.51 |
| | | Long-Term Debt | 16,225,975 | 15,846,435 | 15,466,537 | 14,011,598 | 14,692,404 |
| | | Total Assets | 27,310,339 | 28,988,418 | 29,532,199 | 29,355,944 | 28,689,484 |
| Capital | Capital-Assets-Condition Ratio | | 0.88 | 0.90 | 0.88 | 0.85 | 0.83 |
| | | Accumulated Depreciation | 2,367,405 | 3,126,883 | 3,881,470 | 4,674,173 | 5,476,223 |
| | | Capital Assets being Depreciated | 19,440,337 | 30,023,315 | 31,416,012 | 31,579,751 | 31,592,241 |