

PENDER COUNTY, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2009

PENDER COUNTY, NORTH CAROLINA  
LIST OF PRINCIPAL OFFICERS  
June 30, 2009

BOARD OF COUNTY COMMISSIONERS

James David Williams, Jr. - Chairman  
Jimmy Tate - Vice-Chairman

Norward Blanchard  
George Brown  
F. D. Rivenbark

COUNTY MANAGER

Rick Benton

FINANCE OFFICER

David McCole

PENDER COUNTY, NORTH CAROLINA  
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# *Thompson, Price, Scott, Adams & Co., P.A.*

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## Independent Auditor's Report

To the Board of County Commissioners  
Pender County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pender County, North Carolina, as of and for the year ended June 30, 2009, which collectively comprise Pender County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Pender County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Pender County ABC Board. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for Pender County ABC Board, is based on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Pender County ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Pender County, North Carolina, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2009 on our consideration of Pender County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance and the Other Postemployment Benefits Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Pender County, North Carolina. The combining and individual nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the accompanying schedule of expenditures of federal and State awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. This audit does not provide a legal determination on Pender County's compliance with those requirements. In addition to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on them.

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

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November 20, 2009

PENDER COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Financial Highlights**

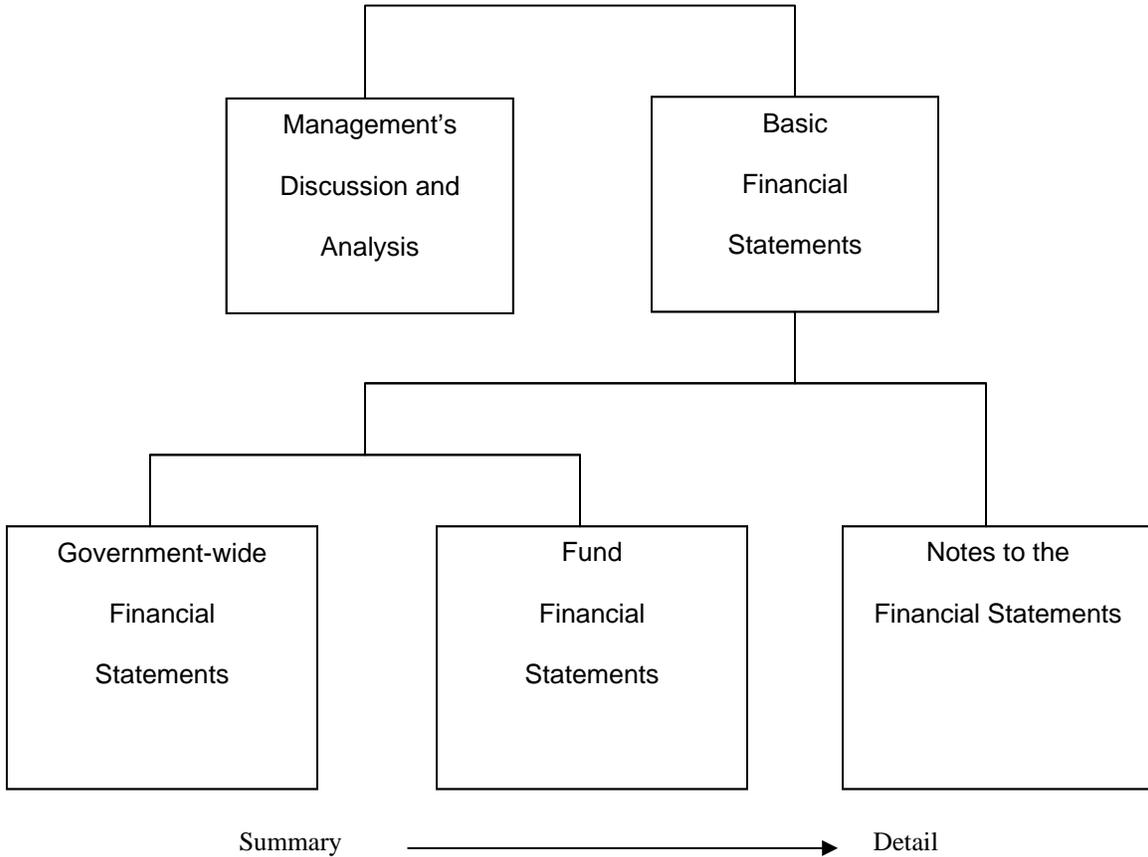
- The assets of Pender County exceeded its liabilities at the close of the fiscal year by \$24,750,496 (*net assets*). Net assets equals gross assets minus liabilities.
- The government's total net assets decreased by \$6,846,463, or 21.67%, primarily due to the construction of schools, for which the assets are not recorded on the County's books.
- As of the close of the current fiscal year, Pender County's governmental funds reported combined ending fund balances of \$51,323,875, an decrease of \$11,302,192 in comparison with the prior year. Approximately 36.96 percent of this total amount, or \$18,968,337, is not designated or reserved.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$18,968,337, or 45.13 percent of total general fund expenditures for the fiscal year.
- Pender County's total debt decreased by \$4,121,741 during the past fiscal year. The key factors in this decrease was debt retirement.
- Pender County maintained its A1 rating from Moody's Investors and its A rating from Standard and Poor's rating services.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Pender County's basic financial statements. The County'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 County 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 Pender County.

**Required Components of Annual Financial Report**

**Figure 1**



**Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

PENDER COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Government-wide Financial Statements**

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Pender County. The final category is the component units. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County.

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

**Fund Financial Statements**

The fund financial statements provide a more detailed look at the County'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. Pender County, like all other governmental entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Pender County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County'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 County'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.

Pender County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the

PENDER COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary Funds** – Pender County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Pender County uses enterprise funds to account for its water and sewer activity and for its landfill operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Pender County has three fiduciary funds, all of which are agency funds.

**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 after Exhibit 9.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Pender County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning at Exhibit A-1, directly after the notes.

**Government-Wide Financial Analysis**

**Pender County's Net Assets**

**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 56,852,744	\$ 68,589,681	\$ 5,744,809	\$ 6,324,745	\$ 62,597,553	\$ 74,914,426
Restricted Cash	-	-	3,034,484	3,166,326	3,034,484	3,166,326
Capital assets	26,408,514	24,998,693	31,146,502	30,768,788	57,555,016	55,767,481
Total assets	\$ 83,261,258	\$ 93,588,374	\$ 39,925,795	\$ 40,259,859	\$ 123,187,053	\$ 133,848,233
Long-term liabilities outstanding	\$ 68,223,465	\$ 70,991,303	\$ 21,520,471	\$ 21,792,374	\$ 89,743,936	\$ 92,783,677
Other liabilities	7,819,509	8,661,393	873,112	806,204	8,692,621	9,467,597
Total liabilities	\$ 76,042,974	\$ 79,652,696	\$ 22,393,583	\$ 22,598,578	\$ 98,436,557	\$ 102,251,274
Net assets:						
Invested in capital assets, net of related debt	\$ 24,413,058	\$ 22,643,036	\$ 12,427,660	\$ 11,918,030	\$ 36,840,718	\$ 34,561,066
Restricted	-	-	-	-	-	-
Unrestricted	(17,194,774)	(8,707,358)	5,104,552	5,743,251	(12,090,222)	(2,964,107)
Total net assets	\$ 7,218,284	\$ 13,935,678	\$ 17,532,212	\$ 17,661,281	\$ 24,750,496	\$ 31,596,959

PENDER COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Pender County exceeded liabilities by \$24,750,796 as of June 30, 2009. The County's net assets decreased by \$6,846,463 for the fiscal year ended June 30, 2009. Comparatively, the County's net assets decreased \$10,283,982 in 2008. Net assets are reported in two categories: Invested in capital assets, net of related debt of \$36,840,718 and unrestricted net assets (deficit) of (\$12,090,222).

The invested in capital assets, net of related debt, category is defined as the County's investment in County owned capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Pender County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Pender County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Another category of net assets is restricted net assets. This represents resources that are subject to external restrictions on how they may be used. Pender County had no restricted net assets.

The final category of net assets is unrestricted net assets. This balance may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets (deficit) totaled (\$12,090,222) at June 30, 2009.

Under North Carolina law, the County is responsible for providing capital funding for the schools. The County has chosen to meet its obligation to provide the schools capital funding by using a mixture of County funds and general obligation debt. The assets funded by the County, however, are owned and utilized by the schools. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$68.9 million of the outstanding debt on the County's financial statements was related to assets included in the public schools financial statements.

However, since the majority of this schools related debt is general obligation debt, it is collateralized by the full faith, credit, and taxing power of the County. Accordingly, the County is authorized and required by State law to levy ad valorem taxes, without limit as to rate and amount, as may be necessary to pay the debt service on its general obligation bonds.

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 95.87%, which is a slight decrease over the previous year's rate of 96.38%.
- Increased charges for services revenue due to growth in the use of County facilities.
- Continued low cost of debt due to the County's high bond rating

PENDER COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Pender County Changes in Net Assets (Figure 3)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 5,250,229	\$ 5,194,593	\$ 6,298,867	\$ 5,506,589	\$ 11,549,096	\$ 10,701,182
Operating grants and contributions	7,869,373	8,771,680	1,246,386	1,250,806	9,115,759	10,022,486
Capital grants and contributions	951,981	35,225	-	671,500	951,981	706,725
General revenues:						
Property taxes	30,839,587	29,246,951	-	-	30,839,587	29,246,951
Other taxes	14,975,302	16,179,106	-	-	14,975,302	16,179,106
Grants and contributions not restricted to specific programs	461,947	389,230	-	-	461,947	389,230
Other	1,183,514	3,052,750	(929,994)	145,299	253,520	3,198,049
<b>Total revenues</b>	<b>61,531,933</b>	<b>62,869,535</b>	<b>6,615,259</b>	<b>7,574,194</b>	<b>68,147,192</b>	<b>70,443,729</b>
<b>Expenses:</b>						
General government	8,400,509	7,331,141	-	-	8,400,509	7,331,141
Public safety	14,187,179	12,342,873	-	-	14,187,179	12,342,873
Economic and physical development	1,546,797	1,735,153	-	-	1,546,797	1,735,153
Human services	14,593,134	14,570,326	-	-	14,593,134	14,570,326
Cultural and recreation	1,120,779	929,897	-	-	1,120,779	929,897
Education	25,239,379	34,330,756	-	-	25,239,379	34,330,756
Interest on long-term debt	2,980,797	2,902,212	-	-	2,980,797	2,902,212
Water and sewer	-	-	6,925,081	6,469,907	6,925,081	6,469,907
<b>Total expenses</b>	<b>68,068,574</b>	<b>74,142,358</b>	<b>6,925,081</b>	<b>6,469,907</b>	<b>74,993,655</b>	<b>80,612,265</b>
Increase in net assets before transfers and special items	(6,536,641)	(11,272,823)	(309,822)	1,104,287	(6,846,463)	(10,168,536)
Transfers	(180,753)	(949,147)	180,753	949,147	-	-
<b>Change in net assets</b>	<b>(6,717,394)</b>	<b>(12,221,970)</b>	<b>(129,069)</b>	<b>2,053,434</b>	<b>(6,846,463)</b>	<b>(10,168,536)</b>
<b>Net assets, July 1</b>	<b>13,935,678</b>	<b>26,273,094</b>	<b>17,661,281</b>	<b>15,607,847</b>	<b>31,596,959</b>	<b>41,880,941</b>
Prior Period Adjustment	-	(115,446)	-	-	-	(115,446)
<b>Net assets, June 30</b>	<b>\$ 7,218,284</b>	<b>\$ 13,935,678</b>	<b>\$ 17,532,212</b>	<b>\$ 17,661,281</b>	<b>\$ 24,750,496</b>	<b>\$ 31,596,959</b>

PENDER COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Governmental activities.** Governmental activities decreased the County's net assets by \$6,717,394, thereby accounting for 98% of the total decline in the net assets of Pender County. Key elements of this decrease are as follows:

- Increase in expenditures for school construction

**Business-type activities:** Business-type activities decreased Pender County's net assets by \$129,069, accounting for 2% of the total decline in the government's net assets. Key elements of this decrease are as follows:

- Increase in interest expense on debt

### **Financial Analysis of the County's Funds**

As noted earlier, Pender County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The general fund is the chief operating fund of Pender County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$31,174,965, while total fund balance reached \$35,115,414. However, there are designations of \$12,206,628, leaving an unreserved/undesignated amount of \$18,968,337. 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. Unreserved fund balance represents 45.13 percent of total General Fund expenditures, while total fund balance represents 83.55 percent of that same amount.

At June 30, 2009, the governmental funds of Pender County reported a combined fund balance of \$51,323,875, a 18.05 percent decrease from last year. Of this amount, \$26,765,846 is either designated or reserved and \$5,589,692 is unreserved in Special Revenue funds, leaving an unreserved/undesignated amount of \$18,968,337. The primary reason for this decrease is the decrease in fund balance in the Special Revenue and Capital Project Funds.

**General Fund Budgetary Highlights:** During the fiscal year, the County 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. Total amendments to the General Fund increased revenues by \$712,527, a material amount. Of this amount, approximately 85% was due to additional intergovernmental revenues and grants.

PENDER COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary Funds.** Pender County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Resource Recovery Fund at the end of the fiscal year amounted to \$624,003, those for the Rocky Point / Topsail Water & Sewer District equaled \$983,787, those for the Water and Sewer Funds equaled \$4,260,915, those for the Section 8 Administration Fund equaled \$246,138, and those for the Country Court Apartments equaled \$43,102. The total growth (decline) in net assets for these funds was \$81,255, \$630,799, (\$559,060), (\$160,005), and \$4,842 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Pender County's business-type activities.

**Capital Asset and Debt Administration**

**Capital assets.** Pender County's capital assets for its governmental and business – type activities as of June 30, 2009, totals \$57,555,016 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, vehicles, and water lines.

**Pender County's Capital Assets (net of depreciation)**

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2007
Land	\$ 8,219,446	\$ 8,219,446	\$ 415,193	\$ 415,193	\$ 8,634,639	\$ 8,634,639
Buildings	11,273,666	11,710,584	8,171,353	8,429,617	19,445,019	20,140,201
Furniture, vehicles and equipment	1,550,692	1,460,894	109,628	116,042	1,660,320	1,576,936
Other	705,518	768,107	8,308	10,292	713,826	778,399
Construction in Progress	4,659,192	2,839,662	22,442,020	21,797,644	27,101,212	24,637,306
<b>Total</b>	<b>\$ 26,408,514</b>	<b>\$ 24,998,693</b>	<b>\$ 31,146,502</b>	<b>\$ 30,768,788</b>	<b>\$ 57,555,016</b>	<b>\$ 55,767,481</b>

Major capital asset transactions during the year include:

- Vehicles
- Water and Wastewater District Construction

Additional information on the County's capital assets can be found in notes to the Financial Statements.

PENDER COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term Debt.** As of June 30, 2009, Pender County had total bonded debt outstanding of \$90,734,082, all of which is debt backed by the full faith and credit of the County and installment obligations of \$634,326. \$21,599,000 of the general obligation debt is born by utility system revenues.

**Pender County's Outstanding Debt  
General Obligation and Installment Debt**

**Figure 5**

Governmental Activities		Business-type Activities		Total	
2009	2008	2009	2008	2009	2008
\$ 69,615,082	\$ 73,473,065	\$ 21,753,326	\$ 22,017,084	\$ 91,368,408	\$ 95,490,149

Pender County's total debt decreased by \$4,121,741 during the past fiscal year.

As mentioned in the financial highlights section of this document, Pender County maintained its A1 bond rating from Moody's Investor Service its A rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of Pender County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Pender County is \$285,961,924. The County has \$101,615,000 in General Obligation water & sewer bonds authorized but un-issued at June 30, 2009.

Additional information regarding Pender County's long-term debt can be found in the notes to the financial statements under Section B.

**Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators affect the growth and prosperity of the County:

- The unemployment rate for the County is now 10.8%, while the State average is 10.7%.
- The total assessed value of all property for FY 08-09 is \$4.761 billion, an increase of 2.55% over the prior year.
- The population of Pender County (currently estimated at 59,116) has grown approximately 39.6% since the 2000 census.

PENDER COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Budget Highlights for the Fiscal year Ending June 30, 2010**

**Governmental Activities:** The County Commissioners approved a \$49,261,230 General Fund Budget on June 22, 2009 which was included within a \$75,238,188 All Funds Budget Ordinance adopted on the same date.

The FY 09-10 General Fund Budget decreased about 1% compared to the FY 08-09 Adopted Budget. There was a combination of minor increases and major decreases over last year's budget that resulted in a net decrease of \$313,016 over FY 08-09 budget. The two major decreases were in capital funding and vehicle replacement in the amount of \$223,364 and \$375,101 respectively.

General Fund Departments shows a decrease in appropriations from FY 08-09 Adopted Budget due chiefly to the freezing of open positions and limited travel/training budgets.

The FY 09-10 General Fund Budget of \$49,261,230 is in balance with a tax rate of \$.65 per 100 of assessed valuation. The County-wide tax rate remains unchanged. Other funds are also in balance. The appropriation from the Fund Balance of the General Fund is \$2,786,136.

Recently (over the past several years), tax base growth has averaged \$100 Million annually. The tax base grew at a rate of 2.55% over last budget year.

Projected fund balances as of 6/30/10 in each of the major funds are adequate, but not excessive: General Fund (Undesignated)- \$19,300,000 est.; Emergency-911 - \$555,000 est.; Capital Improvements Program - \$413,000 est.; Solid Waste Management - \$500,000 est.; Public School Capital - \$4.5 Million est.; and Emergency Medical Services - \$338,000 est.

**Business Type Activities:** The bond referendum for the water treatment plant in the amount of \$17.5 Million was passed on November 7, 2006. Construction is slated to begin on the water treatment plant in the spring of 2010. The plant will be built on land that was purchased at the former BASF site off Highway 421. The bond referendum for Moore's Creek, Central and Scott's Hill Water and Sewer District also passed on November 7, 2006. See notes of the financials for the amount of general obligation bonds that were authorized as the result of the bond referendum. It should be noted that Columbia Union District bond referendum did not pass.

The County, along with New Hanover, is exploring a regional solution to bring sewer to the entire industrial corridor and have identified the benefits of partnering to co-locate a wastewater treatment plant on the same site as the water treatment plant. Studies are currently in the preliminary stages.

**Requests for Information**

This report is designed to provide an overview of the County'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 Pender County Finance Office, 805 S. Walker St., PO Box 1578, Burgaw, NC 28425, (910)259-1282.

## BASIC FINANCIAL STATEMENTS

**Pender County, North Carolina**  
**Statement of Net Assets**  
**June 30, 2009**

	<b>Primary Government</b>			<b>Component Unit</b>	<b>Total Reporting Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Pender County ABC Board</b>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 49,521,366	\$ 6,093,177	\$ 55,614,543	\$ 438,445	\$ 56,052,988
Receivables (net)	6,216,539	763,177	6,979,716	305	6,980,021
Internal Balances	1,111,604	(1,111,604)	-	-	-
Inventories	-	-	-	562,473	562,473
Prepaid items	3,235	59	3,294	12,039	15,333
Restricted cash and cash equivalents	-	3,034,484	3,034,484	-	3,034,484
Capital assets:					
Land, improvements, and construction in progress	12,878,638	22,785,513	35,664,151	6,500	35,670,651
Other capital assets, net of depreciation	13,529,876	8,360,989	21,890,865	121,906	22,012,771
Total capital assets	<u>26,408,514</u>	<u>31,146,502</u>	<u>57,555,016</u>	<u>128,406</u>	<u>57,683,422</u>
Total assets	<u>83,261,258</u>	<u>39,925,795</u>	<u>123,187,053</u>	<u>1,141,668</u>	<u>124,328,721</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	2,975,635	393,471	3,369,106	461,466	3,830,572
Unearned revenue	2,760	-	2,760	-	2,760
Accrued interest payable	878,131	80,629	958,760	-	958,760
Accrued landfill costs	-	65,816	65,816	-	65,816
Customer deposits	-	16,723	16,723	-	16,723
Long-term liabilities:					
Due within one year	3,962,983	276,822	4,239,805	-	4,239,805
Due in more than one year	68,223,465	21,560,122	89,783,587	-	89,783,587
Total liabilities	<u>76,042,974</u>	<u>22,393,583</u>	<u>98,436,557</u>	<u>461,466</u>	<u>98,898,023</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	24,413,058	12,427,660	36,840,718	128,406	36,969,124
Restricted	-	-	-	140,913	140,913
Unrestricted (deficit)	(17,194,774)	5,104,552	(12,090,222)	410,883	(11,679,339)
Total net assets	<u>\$ 7,218,284</u>	<u>\$ 17,532,212</u>	<u>\$ 24,750,496</u>	<u>\$ 680,202</u>	<u>\$ 25,430,698</u>

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

**Pender County, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2009**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Pender County ABC Board	Total Reporting Unit
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 8,400,509	\$ 3,135,615	\$ -	\$ -	\$ (5,264,894)	\$ -	\$ (5,264,894)	\$ -	\$ (5,264,894)
Public safety	14,187,179	869,630	296,973	-	(13,020,576)	-	(13,020,576)	-	(13,020,576)
Economic and physical development	1,546,797	-	93,236	951,981	(501,580)	-	(501,580)	-	(501,580)
Human services	14,593,134	880,851	6,802,314	-	(6,909,969)	-	(6,909,969)	-	(6,909,969)
Cultural and recreation	1,120,779	171,570	-	-	(949,209)	-	(949,209)	-	(949,209)
Education	25,239,379	192,563	676,850	-	(24,369,966)	-	(24,369,966)	-	(24,369,966)
Interest on long-term debt	2,980,797	-	-	-	(2,980,797)	-	(2,980,797)	-	(2,980,797)
Total governmental activities	<u>68,068,574</u>	<u>5,250,229</u>	<u>7,869,373</u>	<u>951,981</u>	<u>(53,996,991)</u>	<u>-</u>	<u>(53,996,991)</u>	<u>-</u>	<u>(53,996,991)</u>
Business-type activities:									
Maple Hill Water Fund	145,297	135,357	-	-	-	(9,940)	(9,940)	-	(9,940)
Sewer Fund	6,282	95,560	-	-	-	89,278	89,278	-	89,278
Resource Recovery Fund	4,003,029	3,595,475	308,056	-	-	(99,498)	(99,498)	-	(99,498)
Section 8 Housing	1,100,611	-	938,330	-	-	(162,281)	(162,281)	-	(162,281)
Country Court Apartments	33,764	38,332	-	-	-	4,568	4,568	-	4,568
Rocky Point Water & Sewer Fund	1,636,098	2,434,263	-	-	-	798,165	798,165	-	798,165
Scott's Hill Water & Sewer	-	(120)	-	-	-	(120)	(120)	-	(120)
Water Treatment Plant	-	-	-	-	-	-	-	-	-
Waste Water Treatment Plant	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>6,925,081</u>	<u>6,298,867</u>	<u>1,246,386</u>	<u>-</u>	<u>-</u>	<u>620,172</u>	<u>620,172</u>	<u>-</u>	<u>620,172</u>
Total primary government	<u>74,993,655</u>	<u>11,549,096</u>	<u>9,115,759</u>	<u>951,981</u>	<u>(53,996,991)</u>	<u>620,172</u>	<u>(53,376,819)</u>	<u>-</u>	<u>(53,376,819)</u>
Component units:									
Pender County ABC Board	<u>\$ 4,558,304</u>	<u>\$ 4,581,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,768</u>	<u>22,768</u>
General revenues:									
Taxes:									
Property taxes, levied for general purpose					30,839,587	-	30,839,587	-	30,839,587
Local option sales tax					8,284,918	-	8,284,918	-	8,284,918
Other taxes and licenses					6,690,384	-	6,690,384	-	6,690,384
Grants and contributions not restricted to specific programs					461,947	-	461,947	-	461,947
Investment earnings, unrestricted					1,113,560	(930,574)	182,986	1,558	184,544
Gain (loss) on retirement of assets					(14,490)	-	(14,490)	-	(14,490)
Miscellaneous, unrestricted					84,444	580	85,024	114	85,138
Transfers					(180,753)	180,753	-	-	-
Total general revenues, special items, and transfers					<u>47,279,597</u>	<u>(749,241)</u>	<u>46,530,356</u>	<u>1,672</u>	<u>46,532,028</u>
Change in net assets					<u>(6,717,394)</u>	<u>(129,069)</u>	<u>(6,846,463)</u>	<u>24,440</u>	<u>(6,822,023)</u>
Net assets-beginning					<u>13,935,678</u>	<u>17,661,281</u>	<u>31,596,959</u>	<u>655,762</u>	<u>32,252,721</u>
Net assets-ending					<u>\$ 7,218,284</u>	<u>\$ 17,532,212</u>	<u>\$ 24,750,496</u>	<u>\$ 680,202</u>	<u>\$ 25,430,698</u>

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

**Pender County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

	<u>Major Funds</u>			<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>School Capital Project</u>	<u>School Special Revenue Fund</u>	<u>Other Governmental Funds</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 33,255,106	\$ 10,208,827	\$ 3,701,074	\$ 1,896,318	\$ 49,061,325
Receivables, net	4,288,814	192,563	859,259	721,035	6,061,671
Advance funding of projects	61,678	-	-	-	61,678
Due from other funds	1,111,799	-	-	-	1,111,799
Prepaid expense	3,235	-	-	-	3,235
Total assets	<u>\$ 38,720,632</u>	<u>\$ 10,401,390</u>	<u>\$ 4,560,333</u>	<u>\$ 2,617,353</u>	<u>\$ 56,299,708</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,864,351	\$ 645,464	\$ 14,845	\$ 280,056	\$ 2,804,716
Advance funding of projects	-	-	-	61,678	61,678
Due to other funds	111,268	-	-	-	111,268
Unearned revenue	2,760	-	-	-	2,760
Deferred revenue	1,626,839	-	-	368,572	1,995,411
Total liabilities	<u>3,605,218</u>	<u>645,464</u>	<u>14,845</u>	<u>710,306</u>	<u>4,975,833</u>
Fund balances:					
Reserved for:					
State statute	3,806,222	-	-	-	3,806,222
Encumbrances	134,227	-	-	-	134,227
Unreserved:					
Designated for subsequent year's expenditures	2,786,136	9,755,926	-	862,843	13,404,905
Designated for Health Department Escrow	59,039	-	-	-	59,039
Designated for Capital Improvements	675,000	-	-	-	675,000
Designated for Automation Enhancement	283,877	-	-	-	283,877
Designated for Public School Capital Projects	2,714,286	-	-	-	2,714,286
Designated for Vehicle Replacement	125,150	-	-	-	125,150
Designated for Revaluation	110,000	-	-	-	110,000
Designated for Sheriff's Seizures	118,184	-	-	-	118,184
Designated for Water & Sewer Plant	4,909,589	-	-	-	4,909,589
Designated from Internal Service Fund	425,367	-	-	-	425,367
Undesignated	18,968,337	-	4,545,488	-	23,513,825
Unreserved, reported in:					
Special Revenue Funds	-	-	-	1,044,204	1,044,204
Capital Project Funds	-	-	-	-	-
Total fund balances	<u>35,115,414</u>	<u>9,755,926</u>	<u>4,545,488</u>	<u>1,907,047</u>	<u>51,323,875</u>
Total liabilities and fund balances	<u>\$ 38,720,632</u>	<u>\$ 10,401,390</u>	<u>\$ 4,560,333</u>	<u>\$ 2,617,353</u>	<u>\$ 56,299,708</u>

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

**Pender County, North Carolina**  
**Reconciliation of the Governmental Funds Balance**  
**Sheet to the Statement of Net Assets**  
**Year Ended June 30, 2009**

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

Ending fund balance - governmental funds	\$	51,323,875
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		40,635,504
Less accumulated depreciation		(14,226,990)
Net capital assets		<u>26,408,514</u>
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements		154,868
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.		400,195
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide.		1,995,411
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:		
Bonds, leases, and installment financing		(69,615,082)
Compensated absences		(1,321,240)
Separation allowance		(267,309)
Other Postemployment Benefits		(982,817)
Accrued interest payable		(878,131)
		<u>(73,064,579)</u>
Net assets of governmental activities:	\$	<u>7,218,284</u>

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

**Pender County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2009**

	Major Fund			Non-Major Funds	Total Governmental Funds
	General Fund	School Capital Project	School Special Revenue Fund	Other Governmental Funds	
<b>REVENUES</b>					
Ad valorem taxes	\$ 30,695,595	\$ -	\$ -	\$ 5,359,633	\$ 36,055,228
Other taxes and licenses	4,837,703	192,563	4,249,487	-	9,279,753
Unrestricted intergovernmental	282,958	-	-	437,699	720,657
Restricted intergovernmental	7,032,818	-	584,428	1,087,027	8,704,273
Permits and fees	1,703,828	-	-	-	1,703,828
Sales and services	1,098,862	-	-	-	1,098,862
Investment earnings	768,070	307,464	-	38,026	1,113,560
Miscellaneous	79,255	-	-	-	79,255
Total revenues	<u>46,499,089</u>	<u>500,027</u>	<u>4,833,915</u>	<u>6,922,385</u>	<u>58,755,416</u>
<b>EXPENDITURES</b>					
Current:					
General government	5,390,572	-	-	171,075	5,561,647
Public safety	7,125,353	-	-	5,695,042	12,820,395
Economic and physical development	1,403,882	-	-	69,335	1,473,217
Human services	13,700,253	-	-	-	13,700,253
Cultural and recreational	1,045,674	-	-	-	1,045,674
Education	12,757,336	9,696,810	215,658	-	22,669,804
Capital outlay	-	-	2,503,590	3,227,420	5,731,010
Debt service:					
Principal	540,000	-	3,305,000	-	3,845,000
Interest and other charges	67,880	-	2,961,975	-	3,029,855
Total expenditures	<u>42,030,950</u>	<u>9,696,810</u>	<u>8,986,223</u>	<u>9,162,872</u>	<u>69,876,855</u>
Excess (deficiency) of revenues over expenditures	<u>4,468,139</u>	<u>(9,196,783)</u>	<u>(4,152,308)</u>	<u>(2,240,487)</u>	<u>(11,121,439)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	-	-	2,688,424	1,327,861	4,016,285
Transfers to other funds	(4,197,038)	174,000	(174,000)	-	(4,197,038)
Proceeds from Refund of Bonds	-	-	-	-	-
Payment of Refunded Bonds	-	-	-	-	-
Premium on Refunded Bonds	-	-	-	-	-
Bond Issuance	-	-	-	-	-
Total other financing sources and uses	<u>(4,197,038)</u>	<u>174,000</u>	<u>2,514,424</u>	<u>1,327,861</u>	<u>(180,753)</u>
Net change in fund balance	271,101	(9,022,783)	(1,637,884)	(912,626)	(11,302,192)
Fund balances-beginning	<u>34,874,648</u>	<u>18,778,709</u>	<u>6,183,372</u>	<u>2,789,338</u>	<u>62,626,067</u>
Prior Period Adjustment	(30,335)	-	-	30,335	-
Fund balances-ending	<u>\$ 35,115,414</u>	<u>\$ 9,755,926</u>	<u>\$ 4,545,488</u>	<u>\$ 1,907,047</u>	<u>\$ 51,323,875</u>

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

**Pender County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2009**

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

Net change in fund balance - total governmental funds	\$	(11,302,192)
Capital Outlay Expenditures recorded in the fund statements but capitalized as assets in the statement of activities.		2,667,834
Cost of disposed capital asset not recorded in fund statements		(14,490)
Depreciation Expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.		(1,243,523)
New debt issued during the year is recorded as a source of funds on the fund statements; it has not effect on the statement of activities -- it affects only the government-wide statement of net assets.		-
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements.		3,845,000
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.		
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)		36,075
Amortization of refunding costs not recorded on fund statements		12,983
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources		(175,931)
Increase in Separation Allowance		(36,397)
Expenses for Other Postemployment Benefits are recorded on the government-wide statements but not recorded on the fund statements.		(982,817)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.		
Increase (decrease) in deferred revenue		154,098
Increase (decrease) in accrued taxes receivable		2,698
Net Revenue of Internal service funds determined to be governmental-type.		<u>319,268</u>
Change in net assets of governmental activities	\$	<u><u>(6,717,394)</u></u>

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

**Pender County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2009**

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Favorable (Unfavorable)
<b>Revenues:</b>				
Ad valorem taxes	\$ 29,958,596	\$ 29,958,596	\$ 30,695,595	\$ 736,999
Other taxes and licenses	4,867,347	4,867,347	4,837,703	(29,644)
Unrestricted intergovernmental	210,000	210,000	282,958	72,958
Restricted intergovernmental	8,015,442	8,623,116	7,032,818	(1,590,298)
Permits and fees	2,764,007	2,764,007	1,703,828	(1,060,179)
Sales and services	1,251,279	1,347,385	1,098,862	(248,523)
Investment earnings	675,000	675,000	768,070	93,070
Miscellaneous	45,000	53,747	79,255	25,508
Total revenues	<u>47,786,671</u>	<u>48,499,198</u>	<u>46,499,089</u>	<u>(2,000,109)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	6,753,052	6,634,904	5,390,572	1,244,332
Public safety	7,330,957	7,611,136	7,125,353	485,783
Economic and physical development	1,175,601	1,355,487	1,403,882	(48,395)
Human services	15,764,631	16,603,066	13,700,253	2,902,813
Cultural and recreational	1,051,205	1,128,217	1,045,674	82,543
<b>Intergovernmental:</b>				
Education	12,751,587	12,864,965	12,757,336	107,629
<b>Debt service:</b>				
Principal retirement	540,000	540,000	540,000	-
Interest and other charges	67,880	67,880	67,880	-
Total expenditures	<u>45,434,913</u>	<u>46,805,655</u>	<u>42,030,950</u>	<u>4,774,705</u>
Revenues over (under) expenditures	<u>2,351,758</u>	<u>1,693,543</u>	<u>4,468,139</u>	<u>2,774,596</u>
<b>Other financing sources (uses):</b>				
Transfers to other funds	(4,197,532)	(4,197,532)	(4,197,038)	494
Transfers from other funds	-	-	-	-
Fund balance appropriated	1,845,774	2,503,989	-	(2,503,989)
Total other financing sources (uses)	<u>(2,351,758)</u>	<u>(1,693,543)</u>	<u>(4,197,038)</u>	<u>(2,503,495)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,101</u>	<u>\$ 271,101</u>
<b>Fund balances:</b>				
Beginning of year, July 1			34,874,648	
Reclassification of Fund Balance (See NOTE 11)			(30,335)	
End of year, June 30			<u>\$ 35,115,414</u>	

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

**Pender County, North Carolina**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2009**

	<b>Enterprise Funds</b>										
	<b>MAJOR</b>			<b>NON-MAJOR</b>							
	<b>Resource Recovery Fund</b>	<b>Rocky Point Water Fund</b>	<b>Maple Hill Water Fund</b>	<b>Sewer Fund</b>	<b>Section 8 Admin. Fund</b>	<b>Country Court Apartments Fund</b>	<b>Scott's Hill Water &amp; Sewer</b>	<b>Water Treatment Plant</b>	<b>Waste Water Treatment Plant</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>											
Current assets:											
Cash and cash equivalents	\$ 718,732	\$ 865,416	\$ 118,674	\$ 4,453,655	\$ 265,082	\$ 48,882	\$ -	\$ -	\$ -	\$ 6,470,441	\$ 460,041
Receivables, net	372,331	333,809	18,890	37,377	770	-	-	-	-	763,177	-
Due from other funds	-	-	12,568	24,507	-	195	-	-	-	37,270	111,073
Prepaid expense	-	13	46	-	-	-	-	-	-	59	-
<b>Total current assets</b>	<b>1,091,063</b>	<b>1,199,238</b>	<b>150,178</b>	<b>4,515,539</b>	<b>265,852</b>	<b>49,077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,270,947</b>	<b>571,114</b>
Noncurrent assets:											
Restricted cash and cash equivalents	-	3,034,484	-	-	-	-	-	-	-	3,034,484	-
Capital assets:											
Land and Construction In Progress	609,303	20,655,663	318,795	151,106	-	-	124,153	545,906	380,587	22,785,513	-
Other Capital Assets (Net)	526,630	6,782,527	703,045	135,078	4,848	208,861	-	-	-	8,360,989	-
<b>Total Capital Assets</b>	<b>1,135,933</b>	<b>27,438,190</b>	<b>1,021,840</b>	<b>286,184</b>	<b>4,848</b>	<b>208,861</b>	<b>124,153</b>	<b>545,906</b>	<b>380,587</b>	<b>31,146,502</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>1,135,933</b>	<b>30,472,674</b>	<b>1,021,840</b>	<b>286,184</b>	<b>4,848</b>	<b>208,861</b>	<b>124,153</b>	<b>545,906</b>	<b>380,587</b>	<b>34,180,986</b>	<b>-</b>
<b>Total assets</b>	<b>2,226,996</b>	<b>31,671,912</b>	<b>1,172,018</b>	<b>4,801,723</b>	<b>270,700</b>	<b>257,938</b>	<b>124,153</b>	<b>545,906</b>	<b>380,587</b>	<b>41,451,933</b>	<b>571,114</b>
<b>LIABILITIES</b>											
Current liabilities:											
Advanced Funding of Projects	-	-	305,316	-	-	-	71,948	-	-	377,264	-
Accounts payable and accrued liabilities	328,042	45,491	14,513	-	4,630	795	-	-	-	393,471	170,919
Customer deposits	-	10,868	675	-	-	5,180	-	-	-	16,723	-
Accrued interest payable	-	79,393	1,236	-	-	-	-	-	-	80,629	-
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-
Accrued Landfill costs	65,816	-	-	-	-	-	-	-	-	65,816	-
Due to other funds	58,406	37,075	-	-	-	-	-	545,906	507,487	1,148,874	-
Notes payable	-	-	-	-	-	6,322	-	-	-	6,322	-
General obligation bonds payable	-	263,500	7,000	-	-	-	-	-	-	270,500	-
Bond anticipation notes payable	-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>452,264</b>	<b>436,327</b>	<b>328,740</b>	<b>-</b>	<b>4,630</b>	<b>12,297</b>	<b>71,948</b>	<b>545,906</b>	<b>507,487</b>	<b>2,359,599</b>	<b>170,919</b>
Noncurrent liabilities:											
Accrued landfill closure and postclosure care costs	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	5,263	21,865	8,353	-	8,486	-	-	-	-	43,967	-
OPEB Payable	9,533	20,759	2,761	-	6,598	-	-	-	-	39,651	-
Note payable	-	-	-	-	-	148,004	-	-	-	148,004	-
General obligation bonds payable	-	21,077,500	251,000	-	-	-	-	-	-	21,328,500	-
<b>Total noncurrent liabilities</b>	<b>14,796</b>	<b>21,120,124</b>	<b>262,114</b>	<b>-</b>	<b>15,084</b>	<b>148,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,560,122</b>	<b>-</b>
<b>Total liabilities</b>	<b>467,060</b>	<b>21,556,451</b>	<b>590,854</b>	<b>-</b>	<b>19,714</b>	<b>160,301</b>	<b>71,948</b>	<b>545,906</b>	<b>507,487</b>	<b>23,919,721</b>	<b>170,919</b>
<b>NET ASSETS</b>											
Invested in capital assets, net of related debt	1,135,933	9,131,674	763,840	286,184	4,848	54,535	124,153	545,906	380,587	12,427,660	-
Unrestricted	624,003	983,787	(182,676)	4,515,539	246,138	43,102	(71,948)	(545,906)	(507,487)	5,104,552	400,195
<b>Total net assets</b>	<b>1,759,936</b>	<b>10,115,461</b>	<b>581,164</b>	<b>4,801,723</b>	<b>250,986</b>	<b>97,637</b>	<b>52,205</b>	<b>-</b>	<b>(126,900)</b>	<b>17,532,212</b>	<b>400,195</b>

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

**Pender County, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2009**

	Enterprise Funds											
	MAJOR				NON-MAJOR							Internal Service Fund
	Resource Recovery Fund	Rocky Point Water Fund	Maple Hill Water Fund	Sewer Fund	Section 8 Admin. Fund	Country Court Apartments Fund	Scott's Hill Water & Sewer	Water Treatment Plant	Waste Water Treatment Plant	Total		
<b>OPERATING REVENUES</b>												
Charges for services	\$ 3,595,475	\$ 2,434,263	\$ 132,017	\$ 95,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,257,315	\$ -	
Dwelling rental	-	-	-	-	-	38,262	-	-	-	38,262	-	
Other operating revenue	-	-	3,340	-	-	70	(120)	-	-	3,290	-	
Sales tax refund	-	-	-	-	-	-	-	-	-	-	-	
Premiums received	-	-	-	-	-	-	-	-	-	-	2,634,211	
Total operating revenues	<u>3,595,475</u>	<u>2,434,263</u>	<u>135,357</u>	<u>95,560</u>	<u>-</u>	<u>38,332</u>	<u>(120)</u>	<u>-</u>	<u>-</u>	<u>6,298,867</u>	<u>2,634,211</u>	
<b>OPERATING EXPENSES</b>												
Personnel	153,341	339,986	50,984	-	100,831	-	-	-	-	645,142	-	
Contracted services	3,738,137	342,758	12,935	-	-	11,942	-	-	-	4,105,772	-	
Water purchases	-	368,890	32,208	-	-	-	-	-	-	401,098	-	
System maintenance	62,764	328,409	16,801	-	21,289	13,787	-	-	-	443,050	-	
Administration and housing assistance	-	-	-	-	970,954	-	-	-	-	970,954	-	
Depreciation	28,587	224,931	29,608	6,282	939	8,035	-	-	-	298,382	-	
OPEB Expense	9,533	20,759	2,761	-	6,598	-	-	-	-	39,651	-	
Other Equipment	10,667	10,365	-	-	-	-	-	-	-	21,032	2,314,943	
Total operating expenses	<u>4,003,029</u>	<u>1,636,098</u>	<u>145,297</u>	<u>6,282</u>	<u>1,100,611</u>	<u>33,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,925,081</u>	<u>2,314,943</u>	
Operating income (loss)	<u>(407,554)</u>	<u>798,165</u>	<u>(9,940)</u>	<u>89,278</u>	<u>(1,100,611)</u>	<u>4,568</u>	<u>(120)</u>	<u>-</u>	<u>-</u>	<u>(626,214)</u>	<u>319,268</u>	
<b>NONOPERATING REVENUES (EXPENSES)</b>												
Interest revenue (expense)	-	(917,366)	(15,178)	-	1,696	274	-	-	-	(930,574)	-	
Operating Subsidy - HUD	-	-	-	-	938,330	-	-	-	-	938,330	-	
Miscellaneous Revenue	-	-	-	-	580	-	-	-	-	580	-	
Total nonoperating revenue (expenses)	<u>-</u>	<u>(917,366)</u>	<u>(15,178)</u>	<u>-</u>	<u>940,606</u>	<u>274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,336</u>	<u>-</u>	
Income (loss) before contributions and transfers	<u>(407,554)</u>	<u>(119,201)</u>	<u>(25,118)</u>	<u>89,278</u>	<u>(160,005)</u>	<u>4,842</u>	<u>(120)</u>	<u>-</u>	<u>-</u>	<u>(617,878)</u>	<u>319,268</u>	
<b>Other Financing Sources (Uses)</b>												
Capital Contributions	70,653	-	-	-	-	-	-	-	-	70,653	-	
Reimbursements from school	230,008	-	-	-	-	-	-	-	-	230,008	-	
Other Reimbursements	7,395	-	-	-	-	-	-	-	-	7,395	-	
Transfers in (out)	180,753	750,000	-	(623,100)	-	-	-	-	(126,900)	180,753	-	
Total other financing sources (uses)	<u>488,809</u>	<u>750,000</u>	<u>-</u>	<u>(623,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(126,900)</u>	<u>488,809</u>	<u>-</u>	
Change in net assets	81,255	630,799	(25,118)	(533,822)	(160,005)	4,842	(120)	-	(126,900)	(129,069)	319,268	
Total net assets - beginning	<u>1,678,681</u>	<u>9,484,662</u>	<u>606,282</u>	<u>5,335,545</u>	<u>410,991</u>	<u>92,795</u>	<u>52,325</u>	<u>-</u>	<u>-</u>	<u>17,661,281</u>	<u>80,927</u>	
Total net assets - ending	<u>\$ 1,759,936</u>	<u>\$ 10,115,461</u>	<u>\$ 581,164</u>	<u>\$ 4,801,723</u>	<u>\$ 250,986</u>	<u>\$ 97,637</u>	<u>\$ 52,205</u>	<u>\$ -</u>	<u>\$ (126,900)</u>	<u>\$ 17,532,212</u>	<u>\$ 400,195</u>	

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

Pender County, North Carolina  
 Proprietary Funds  
 Statement of Cash Flows  
 For The Fiscal Year Ended June 30, 2009

	Enterprise Funds										
	MAJOR			NON-MAJOR							
	Resource Recovery Fund	Rocky Point Water Fund	Maple Hill Water Fund	Sewer Fund	Section 8 Admin. Fund	Country Court Apartments Fund	Scott's Hill Water & Sewer	Water Treatment Plant	Waste Water Treatment Plant	Total	Internal Service Fund
Cash flows from operating activities:											
Cash received from customers	\$ 3,647,633	\$ 2,345,522	\$ 134,345	\$ 95,480	\$ 1,306	\$ 38,262	\$ (120)	\$ -	\$ -	\$ 6,262,428	\$ 2,634,211
Cash paid for goods and services	(3,778,894)	(1,090,346)	(50,645)	(847)	(988,440)	(26,104)	-	-	-	(5,935,276)	(2,327,364)
Cash paid to employees for services	(154,598)	(340,333)	(46,057)	-	(99,236)	-	-	-	-	(640,224)	-
Customer deposits received	-	-	-	-	-	82	-	-	-	82	-
Customer deposits returned	-	-	-	-	-	-	-	-	-	-	-
Other operating revenue	-	-	3,340	-	-	70	-	-	-	3,410	-
Net cash provided (used) by operating activities	(285,859)	914,843	40,983	94,633	(1,086,370)	12,310	(120)	-	-	(309,580)	306,847
Cash flows from noncapital financing activities:											
Transfers in (out)	180,753	750,000	-	(623,100)	-	-	-	-	(126,900)	180,753	-
Temporary bank overdraft	-	-	-	-	-	-	-	-	-	-	-
Due to/from	-	-	-	-	-	569	-	187,535	175,900	364,004	(17,436)
General Fund Advance to cover expenses	-	-	305,316	-	-	-	180	-	-	305,496	-
Operating Subsidy	-	-	-	-	938,330	-	-	-	-	938,330	-
Miscellaneous Revenue	-	-	-	-	580	-	-	-	-	580	-
Net cash provided (used) by capital and related financing activities	180,753	750,000	305,316	(623,100)	938,910	569	180	187,535	49,000	1,789,163	(17,436)
Cash flows from capital and related financing activities:											
Proceeds of bond anticipation notes	-	-	-	-	-	-	-	-	-	-	-
Acquisition and construction of capital assets	(10,300)	(158,231)	(270,970)	-	-	-	(60)	(187,535)	(49,000)	(676,096)	-
Proceeds from sale of equipment	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Grants, Loans and Debt	308,056	-	-	-	-	-	-	-	-	308,056	-
Principal paid on bond maturities and equipment contracts	-	(251,000)	(6,500)	-	-	(6,259)	-	-	-	(263,759)	-
Interest paid on bond maturities and equipment contracts	-	(963,866)	(15,209)	-	-	-	-	-	-	(979,075)	-
Capital contributions - federal grant	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	297,756	(1,373,097)	(292,679)	-	-	(6,259)	(60)	(187,535)	(49,000)	(1,610,874)	-
Cash flows from investing activities:											
Interest on investments	-	45,571	-	-	1,696	274	-	-	-	47,541	-
Net increase (decrease) in cash and cash equivalents	192,650	337,317	53,620	(528,467)	(145,764)	6,894	-	-	-	(83,750)	289,411
Cash and cash equivalents, July 1	526,082	3,562,583	65,054	4,982,122	410,846	41,988	-	-	-	9,588,675	170,630
Cash and cash equivalents, June 30	\$ 718,732	\$ 3,899,900	\$ 118,674	\$ 4,453,655	\$ 265,082	\$ 48,882	\$ -	\$ -	\$ -	\$ 9,504,925	\$ 460,041

(continued)

Pender County, North Carolina  
 Proprietary Funds  
 Statement of Cash Flows  
 For The Fiscal Year Ended June 30, 2008

	MAJOR				NON-MAJOR					Total	Internal Service Fund
	Resource Recovery Fund	Rocky Point Water Fund	Maple Hill Water Fund	Sewer Fund	Section 8 Admin. Fund	Country Court Apartments Fund	Scott's Hill Water & Sewer	Water Treatment Plant	Waste Water Treatment Plant		
<b>Reconciliation of operating income to net cash provided by operating activities:</b>											
Operating income	\$ (407,554)	\$ 798,165	\$ (9,940)	\$ 89,278	\$ (1,100,611)	\$ 4,568	\$ (120)	\$ -	\$ -	\$ (626,214)	\$ 319,268
Adjustments to reconcile operating income to net cash provided by operating activities:											
Depreciation	28,587	224,931	29,608	6,282	939	8,035	-	-	-	298,382	-
Landfill closure and postclosure care costs	-	-	-	-	-	-	-	-	-	-	-
Changes in assets and liabilities:											
(Increase) Decrease in accounts receivable	52,158	(96,609)	1,753	(80)	1,306	-	-	-	-	(41,472)	-
Decrease in inventory	-	-	-	-	-	-	-	-	-	-	-
(Increase) in prepaid items	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in accounts payable and accrued liabilities	32,674	(39,924)	11,299	(847)	3,803	(375)	-	-	-	6,630	(12,421)
(Decrease) in deferred revenues	-	-	-	-	-	-	-	-	-	-	-
(Decrease) in customer deposits	-	7,868	575	-	-	82	-	-	-	8,525	-
Increase in OPEB Payable	9,533	20,759	2,761	-	6,598	-	-	-	-	39,651	-
Increase (decrease) in accrued vacation pay	(1,257)	(347)	4,927	-	1,595	-	-	-	-	4,918	-
Total adjustments	121,695	116,678	50,923	5,355	14,241	7,742	-	-	-	316,634	(12,421)
Net cash provided (used) by operating activities	\$ (285,859)	\$ 914,843	\$ 40,983	\$ 94,633	\$ (1,086,370)	\$ 12,310	\$ (120)	\$ -	\$ -	\$ (309,580)	\$ 306,847

(concluded)

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

**Pender County, North Carolina**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2009**

	Agency Funds
Assets	
Cash and investments	\$ 137,272
Total assets	137,272
Liabilities	
Accounts payable	137,272
Due to other funds	-
Total liabilities	137,272
Net assets	
Held in trust (Fiduciary net assets)	\$ -

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

PENDER COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2009

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of Pender County and its component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Description of the Reporting Entity

Pender County is located in the southeastern part of the State in the Coastal Region and has a population of approximately 48,630. The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153 A-10. As required by generally accepted accounting principles, these financial statements present the County and its component unit, a legally separate entity for which the County is financially accountable.

Blended Component Units – The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

The Pender County Housing Authority, a separate legal entity governed by the County Commissioners, exists to provide low and moderate income residents alternatives for affordable housing. Its primary revenues are rental payments and subsidies paid by the federal government. The Authority's operations are reported in two enterprise funds: the Section 8 Administration and County Court Apartments Fund. Separate financial statements are not issued for the Authority.

The Maple Hill Water District (the District) was established by the Pender County Board of Commissioners on February 21, 1989. It includes a section of Northeast Pender County near the Onslow and Duplin County lines. Approximately 450 potential customers (households and businesses) are within the District. The District provides potable water to the customers in the District. Under State law [NCGS 162A-89], the Pender County Board of Commissioners also serve as the governing board of the District. This District is reported as an enterprise fund. Separate financial statements are not issued for the district.

The Rocky Point / Topsail Water / Sewer District was established by the Pender County Board of Commissioners. The District provides potable water and access to sewer services to the customers inside the District. Under State law [NCGS 162A-89], the Pender County Board of Commissioners also serve as the governing board of the District. The District is reported as an enterprise fund. Separate financial statements are not issued for the district.

Discretely Presented Component Units – Discretely presented component units are presented as if they are separate proprietary funds of the County.

The discretely presented component unit presented below is reported in a separate column in the County's combined financial statements in order to emphasize that it is legally separate from the County.

Pender County ABC Board

The members of the Alcoholic Beverage Control Board's governing board are appointed by the County Commissioners. The ABC Board is required by state statute to distribute its surpluses to the General Fund of the County. The Board, as provided by North Carolina Alcoholic Beverage Control Laws, operates four retail liquor stores. The Alcoholic Beverage Control Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

Complete financial statements for the discretely presented component units may be obtained at the administrative offices of those entities, which are as follows:

Pender County ABC Board  
207 US 117 Bypass  
Burgaw, North Carolina 28425

#### Other Component Unit

The County's Board of Commissioners are responsible for appointing the members of the board of the Industrial Facilities and Pollution Control Financing Authority (Industrial Authority), and the County can remove any member of the Board with or without cause. The Industrial Authority exists to issue and service revenue bond debt for private businesses to aid in the financing of the industrial manufacturing facilities for the purpose of providing employment and raising below average manufacturing wages and for established industries that are in need of modernization in order to meet the pollution control requirements of the federal government, state, county and city. The Industrial Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Industrial Authority does not issue separate financial statements.

#### B. Basis of Presentation – Basis of Accounting

*Government-wide Statements*: The statement of net assets and the statement of activities display information about the primary government (the County) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements*: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental funds:

*General Fund* - This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*School Bond Fund* – This fund is used to track revenue and expenditures for school projects financed with GO Bonds for school construction.

*School Special Revenue Fund* – This fund is used to track revenue and expenditures for school capital outlay.

The County reports the following major enterprise funds:

*Resource Recovery Fund* – This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

*Rocky Point – Topsail Water and Sewer Fund* – This fund is used to account for the operations of the water and sewer district within Rocky Point and Topsail.

The County reports the following fund type:

*Agency Funds* - Agency Funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains seven agency funds: the Tax Clearing Agency Fund; the 4 – H Fund; Extension Education Fund; the Sea Oats Travel Fund; a Pesticide Recycling Grant; the Tourism Development Authority Fund; and the 3% Motor Vehicle Tax Collection Fund, which includes the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles. The Tax-Clearing Fund accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities and special districts within the County.

C. Measurement Focus, Basis of Accounting

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements* – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Pender County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they became due. Therefore, taxes for vehicles registered from March 2008 through February 2009 apply to the fiscal year ended June 30, 2009. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

Sales taxes and certain intergovernmental revenues, such as utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

#### D. Budgets and Budgetary Accounting

##### General Budget Policies

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Emergency Telephone, Fire District, and Revaluation Special Revenue Funds, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for Capital Reserve Special Revenue Fund, the Capital Projects funds, and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several material amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

#### E. Assets, Liabilities, and Fund Equity

##### Deposits and Investments

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

State Law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County and the ABC Board's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

##### Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

##### Restricted Assets

The unexpended bond proceeds of the District's Bonds are classified as restricted assets within the Water and Sewer Districts because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

##### Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2008. As allowed by State law, the County has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

##### Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

##### Inventories and Prepaid Items

ABC Board inventories are valued at cost (first-in, first-out), which approximates market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines and other plant and distribution systems, \$5,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$10,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Pender County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Pender County Board of Education.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Improvements	25
Furniture and equipment	10
Vehicles	6
Computer equipment	3

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Years</u>
Property	15 - 50
Equipment	5-10
Vehicles	5

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

Compensated Absences

The vacation policy of the County generally provides for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. Effective July 1, 1994, the County has elected to pay, upon satisfactory separation of service from the County with over five years of service to the County, 25% of the accumulated sick leave value to the separating employee. Accumulated earned leave pay at June 30, 2009, amounted to \$1,365,207 in total, \$1,321,240 of which represents the liability of the governmental funds and is recorded in the government-wide statements and \$43,967 is recorded in the Enterprise Funds. The 75% remaining unused sick leave accumulated at the time of retirement may also be used in the determination of length of service for retirement benefit purposes. Since no termination payment is involved, no accrual for this part of the sick leave is provided by the County.

ABC Board employees may accumulate up to thirty days earned vacation, and such leave is fully vested when earned. Accumulated earned vacation amounted to approximately \$22,663 at June 30, 2009. Employees can accumulate an unlimited amount of sick leave. Sick leave does not vest, but 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 Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made. Accumulated sick leave amounted to approximately \$118,666 at June 30, 2009.

#### Net Assets/Fund Balances

##### Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

##### Fund Balances

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

The governmental fund types classify fund balances as follows:

##### Reserved:

Reserved by State Statute - Portions of fund balance of governmental funds not available for appropriations after remaining reserves not available for appropriations have been segregated. This amount is usually comprised of receivables and due from other funds less deferred revenues other than those arising from cash receipts.

Reserved for Encumbrances – Portions of fund balance available to pay for any commitments related to purchase orders and contracts that remain unperformed at year-end.

##### Unreserved:

Designated for subsequent year's expenditures - Portion of total fund balance available for appropriation that has been designated for the adopted 2009-2010 budget ordinance.

Designated for vehicle replacement - the County will implement a four (4) year plan for the scheduled replacement of vehicles and equipment. This program ensures that sufficient resources will be available to maintain a dependable fleet of vehicles.

Designated for capital improvements - The County will implement a four (4) year capital improvement and capital reserve plan to build and maintain structures necessary to accommodate the County's growth and capital infrastructure. This designation includes funds for jail additions and other necessary projects.

Designated for health department escrow - portion of unreserved fund balance that has been designated for escrow amounts.

Designated for automation enhancement - portion of unreserved fund balance that has been designated for automation enhancement projects.

Designated for public school capital projects - portion of unreserved fund balance that has been designated for projects within the public schools capital project fund.

Designated for revaluation - portion of unreserved fund balance that has been designated for revaluation expenditures

Designated for sheriff's seizures - portion of unreserved fund balance that has been designated for sheriff's seizure expenditures.

Designated for water & sewer plant - portion of unreserved fund balance that has been designated for projects.

Designated for internal service fund - portion of unreserved fund fund balance that has been designated for worker's compensation expenditures

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

NOTE 2: Stewardship, Compliance and Accountability

Noncompliance with North Carolina General Statutes

The County had several departments that violated General Statute 159-32, as there were instances tested where \$250 or more was collected but not deposited daily. This violation was noted at the Inspection's department, Recreation department, and Solid Waste department. This was discussed with the responsible staff and the Finance Officer, and all parties are aware of this issue. The County is to implement policies to ensure that this requirement is being adhered to.

Deficit Fund Balances of Individual Funds

The County reported deficit fund balances in the following accounts:

Domestic Violence Grant	\$	10,441
Waste Water Treatment Plan	\$	126,900

These deficit balances were primarily a result of timing differences between collecting the revenue and spending the money. The County will monitor these more closely in the future.

NOTE 3: Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's (including blended component units) and Pender County ABC Board'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 County's and Pender County ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and Pender County ABC Board, these deposits are considered to be held by their agents in the entities' name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposit 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 County or Pender County ABC Board, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County and Pender County ABC Board, Inc. under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and the ABC Board rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2009, the County's deposits had a carrying amount of \$11,522,324 and a bank balance of \$12,039,893. Of the bank balance, \$300,000 was covered by federal depository insurance and the remaining \$11,739,893 was covered by collateral held under the Pooling Method. Of this amount, \$1,751 was cash on hand.

At June 30, 2009, the carrying amount of deposits for Pender County ABC Board was \$437,445.47 and the bank balance was \$407,565.14.

2. Investments

As of June 30, 2009, the County's investments consisted of \$47,263,975 in the North Carolina Capital Management Trust's cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

### 3. Receivables

	Accounts	Taxes and Related Accrued		Due from Other Governments		Other	Total
		Interest	Sales Tax				
<b>Governmental Activities:</b>							
General	\$ 595,163	\$ 2,519,112	\$ 140,780	\$ 1,866,294	\$ 66,737	\$	5,188,086
Other Governmental	201,605	455,839	341,342	859,259	2,079		1,860,124
Total Receivables	796,768	2,974,951	482,122	2,725,553	68,816		7,048,210
Allowance for Doubtful Accounts	-	(831,671)	-	-	-		(831,671)
<b>Total Governmental Activities</b>	<b>\$ 796,768</b>	<b>\$ 2,143,280</b>	<b>\$ 482,122</b>	<b>\$ 2,725,553</b>	<b>\$ 68,816</b>	<b>\$</b>	<b>6,216,539</b>
<b>Business Type Activities:</b>							
Maple Hill Water Fund	\$ 18,890	\$ -	\$ -	\$ -	\$ -	\$	18,890
Sewer Fund	37,377	-	-	-	-		37,377
Resource Recovery	524,366	-	-	-	-		524,366
Section 8 Administration	770	-	-	-	-		770
Rocky Point Water & Sewer	384,419	-	-	-	-		384,419
Total Receivables	965,822	-	-	-	-		965,822
Allowance for doubtful accounts	(202,645)	-	-	-	-		(202,645)
<b>Total Business-Type Activities</b>	<b>\$ 763,177</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>763,177</b>

The due from other governments that is owed to the County consists of the following:

Local Option Sales Tax	\$2,064,203
ADM and Lottery	\$584,428
Sales Tax on Video Programming	76,922
Total	<u>\$2,725,553</u>

### 4. Receivables - Allowances for Doubtful Accounts:

The amounts reported for County receivables are net of the following allowances for doubtful accounts:

<b>General:</b>	
Ad Valorem Taxes	\$ 744,404
<b>Special Revenue:</b>	
Ad Valorem Taxes	\$ 87,267

### 5 Capital Assets

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

	Beginning Balances				Ending Balances
	July 1, 2008	Additions	Retirements	Transfers	
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	8,219,446	-	-	-	8,219,446
Construction in Progress	2,839,662	2,004,350	-	(184,820)	4,659,192
Total capital assets not being depreciated	11,059,108	2,004,350	-	(184,820)	12,878,638
Other capital assets:					
Buildings & Improvements	19,849,989	-	(20,548)	184,820	20,014,261
Intangibles	1,168,080	55,158	-	-	1,223,238
Equipment	2,116,223	144,120	(6,376)	-	2,253,967
Vehicles	3,806,594	464,206	(5,400)	-	4,265,400
Total other capital assets at historical cost	26,940,886	663,484	(32,324)	184,820	27,756,866
Less accumulated depreciation for:					
Buildings & Improvements	8,139,405	602,217	(1,027)	-	8,740,595
Intangibles	399,973	117,747	-	-	517,720
Equipment	1,775,460	135,770	(11,407)	-	1,899,823
Vehicles	2,686,463	387,789	(5,400)	-	3,068,852
Total other capital assets at historical cost	13,001,301	1,243,523	(17,834)	-	14,226,990
Other capital assets, net	13,939,585	(580,039)	(14,490)	184,820	13,529,876
<b>Governmental activities capital assets, net</b>	<b>\$ 24,998,693</b>	<b>\$ 1,424,311</b>	<b>\$ (14,490)</b>	<b>\$ -</b>	<b>\$ 26,408,514</b>

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

Governmental activities	
General governmental	335,895
Public Safety	450,205
Human Services	314,835
Education	58,396
Economic and physical development	69,849
Cultural and Recreational	14,343
Total depreciation expense	<u>\$ 1,243,523</u>

Business-type activities:

	Beginning			Ending
	Balances	Increases	Decreases	Balances
<b>SEWER FUND</b>				
<b>Public Utilities Fund</b>				
Capital assets not being depreciated:				
Land	-	-	-	-
Construction in progress	151,106	-	-	151,106
Total capital assets not being depreciated	<u>151,106</u>	<u>-</u>	<u>-</u>	<u>151,106</u>
Capital assets being depreciated:				
Buildings and improvements	256,544	-	-	256,544
Intangibles	-	-	-	-
Vehicles	-	-	-	-
Equipment	16,295	-	-	16,295
Total capital assets being depreciated	<u>272,839</u>	<u>-</u>	<u>-</u>	<u>272,839</u>
Less accumulated depreciation for:				
Buildings and improvements	115,184	6,282	-	121,466
Intangibles	-	-	-	-
Vehicles	-	-	-	-
Equipment	16,295	-	-	16,295
Total accumulated depreciation	<u>131,479</u>	<u>6,282</u>	<u>-</u>	<u>137,761</u>
Business type activities capital assets, net	<u>\$ 292,466</u>	<u>\$ (6,282)</u>	<u>\$ -</u>	<u>\$ 286,184</u>

	Beginning			Ending
	Balances	Increases	Decreases	Balances
<b>Maple Hill</b>				
<b>Public Utilities Fund</b>				
Capital assets not being depreciated:				
Land	4,930	-	-	4,930
Construction in progress	47,825	270,970	-	318,795
Total capital assets not being depreciated	<u>52,755</u>	<u>270,970</u>	<u>-</u>	<u>323,725</u>
Capital assets being depreciated:				
Buildings and improvements	1,202,031	-	-	1,202,031
Intangibles	-	-	-	-
Vehicles	-	-	-	-
Equipment	-	-	-	-
Total capital assets being depreciated	<u>1,202,031</u>	<u>-</u>	<u>-</u>	<u>1,202,031</u>
Less accumulated depreciation for:				
Buildings and improvements	474,308	29,608	-	503,916
Intangibles	-	-	-	-
Vehicles	-	-	-	-
Equipment	-	-	-	-
Total accumulated depreciation	<u>474,308</u>	<u>29,608</u>	<u>-</u>	<u>503,916</u>
Business type activities capital assets, net	<u>\$ 780,478</u>	<u>\$ 241,362</u>	<u>\$ -</u>	<u>\$ 1,021,840</u>

Business-type activities (continued):

	Balances	Increases	Decreases	Balances
<b>RP/T Water</b>				
<b>Public Utilities Fund</b>				
Capital assets not being depreciated:				
Land	343,493	-	-	343,493
Construction in progress	20,175,359	136,811	-	20,312,170
Total capital assets not being depreciated	20,518,852	136,811	-	20,655,663
Capital assets being depreciated:				
Buildings and improvements	7,884,454	-	-	7,884,454
Intangibles	9,485	-	-	9,485
Vehicles	158,656	21,420	-	180,076
Equipment	33,907	-	-	33,907
Total capital assets being depreciated	8,086,502	21,420	-	8,107,922
Less accumulated depreciation for:				
Buildings and improvements	999,389	194,506	-	1,193,895
Intangibles	5,720	925	-	6,645
Vehicles	82,468	28,737	-	111,205
Equipment	12,887	763	-	13,650
Total accumulated depreciation	1,100,464	224,931	-	1,325,395
Business type activities capital assets, net	\$ 27,504,890	\$ (66,700)	\$ -	\$ 27,438,190

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Section 8</b>				
<b>Public Utilities Fund</b>				
Capital assets not being depreciated:				
Land	-	-	-	-
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Buildings and improvements	-	-	-	-
Intangibles	9,383	-	-	9,383
Vehicles	5,100	-	-	5,100
Equipment	-	-	-	-
Total capital assets being depreciated	14,483	-	-	14,483
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Intangibles	3,596	939	-	4,535
Vehicles	5,100	-	-	5,100
Equipment	-	-	-	-
Total accumulated depreciation	8,696	939	-	9,635
Business type activities capital assets, net	\$ 5,787	\$ (939)	\$ -	\$ 4,848

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Country Court</b>				
<b>Public Utilities Fund</b>				
Capital assets not being depreciated:				
Land	-	-	-	-
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Buildings and improvements	333,617	-	-	333,617
Intangibles	1,200	-	-	1,200
Vehicles	-	-	-	-
Equipment	-	-	-	-
Total capital assets being depreciated	334,817	-	-	334,817
Less accumulated depreciation for:				
Buildings and improvements	117,461	7,915	-	125,376
Intangibles	460	120	-	580
Vehicles	-	-	-	-
Equipment	-	-	-	-
Total accumulated depreciation	117,921	8,035	-	125,956
Business type activities capital assets, net	\$ 216,896	\$ (8,035)	\$ -	\$ 208,861

Business-type activities (continued):

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Solid Waste</b>				
<b>Public Utilities Fund</b>				
Capital assets not being depreciated:				
Land	66,770	-	-	66,770
Construction in progress	609,303	-	-	609,303
Total capital assets not being depreciated	<u>676,073</u>	<u>-</u>	<u>-</u>	<u>676,073</u>
Capital assets being depreciated:				
Buildings and improvements	889,092	-	-	889,092
Intangibles	-	-	-	-
Vehicles	-	-	-	-
Equipment	37,495	10,300	-	47,795
Total capital assets being depreciated	<u>926,587</u>	<u>10,300</u>	<u>-</u>	<u>936,887</u>
Less accumulated depreciation for:				
Buildings and improvements	429,779	19,953	-	449,732
Intangibles	-	-	-	-
Vehicles	-	-	-	-
Equipment	18,661	8,634	-	27,295
Total accumulated depreciation	<u>448,440</u>	<u>28,587</u>	<u>-</u>	<u>477,027</u>
Business type activities capital assets, net	<u>\$ 1,154,220</u>	<u>\$ (18,287)</u>	<u>\$ -</u>	<u>\$ 1,135,933</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Scott's Hill Water &amp; Sewer</b>				
<b>Public Utilities Fund</b>				
Capital assets not being depreciated:				
Construction in progress	124,093	60	-	124,153
Total capital assets not being depreciated	<u>\$ 124,093</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 124,153</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water Treatment Plant</b>				
<b>Public Utilities Fund</b>				
Capital assets not being depreciated:				
Construction in progress	358,371	187,535	-	545,906
Total capital assets not being depreciated	<u>\$ 358,371</u>	<u>\$ 187,535</u>	<u>\$ -</u>	<u>\$ 545,906</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Waste Water Treatment Plant</b>				
<b>Public Utilities Fund</b>				
Capital assets not being depreciated:				
Construction in progress	331,587	49,000	-	380,587
Total capital assets not being depreciated	<u>\$ 331,587</u>	<u>\$ 49,000</u>	<u>\$ -</u>	<u>\$ 380,587</u>

**Total Business-type activities** \$ 30,768,788 \$ 377,714 \$ - \$ 31,146,502

Construction Commitments

The government has active construction projects as of June 30, 2009. The projects include various school construction projects, as well as water district projects. At June 30, 2009, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Rocky Point Water & Sewer Project	\$ 19,834,263	\$ 1,130,410
Topsail High School	37,508,796	211,456
Topsail Middle School	1,024,776	1,652,361
Rocky Point Primary	110,705	27,346
Trask Performing Arts	152,567	151,639
Total	<u>\$ 58,631,107</u>	<u>\$ 3,173,212</u>

Discretely presented component units

The following is a summary of proprietary fund type fixed assets for the ABC Board at June 30, 2009:

	<u>Useful Life</u>	<u>Cost</u> <u>June 30, 2009</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net</u> <u>Amount</u>
Property	15 - 50 yrs	\$ 143,406	\$ 90,318	\$ 53,088
Equipment	5 - 10 yrs	197,081	128,263	68,818
Vehicle	5 yrs	20,622	20,622	-
		<u>\$ 361,109</u>	<u>\$ 239,204</u>	<u>\$ 121,906</u>

B. Liabilities

1. Payables

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

	<u>Vendors</u>	<u>Salaries and</u> <u>Benefits</u>	<u>Accrued</u> <u>Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 953,688	\$ 910,655	\$ 124	\$ 8	\$ 1,864,475
Other Governmental	883,600	-	878,007	56,765	1,818,372
Internal Service	-	170,919	-	-	170,919
Total Governmental Activities	<u>\$ 1,837,288</u>	<u>\$ 1,081,574</u>	<u>\$ 878,131</u>	<u>\$ 56,773</u>	<u>\$ 3,853,766</u>
Business-type Activities					
Maple Hill Water Fund	\$ 14,513	\$ -	\$ 1,236	\$ -	\$ 15,749
Sewer Fund	-	-	-	-	-
Resource Recovery	328,042	-	-	-	328,042
Section 8 Administration	1,329	-	-	3,301	4,630
Country Court Apts	795	-	-	-	795
Rocky Point Water & Sewer	45,491	-	79,393	-	124,884
Total Business-Type Activities	<u>\$ 390,170</u>	<u>\$ -</u>	<u>\$ 80,629</u>	<u>\$ 3,301</u>	<u>\$ 474,100</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System of North Carolina

*Plan Description.* Pender County and the ABC Board contribute 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. The report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.92% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 4.80% of annual covered payroll. The contribution requirements of members and of Pender County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$599,132, \$554,452, and \$493,168, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$14,266.48, \$13,287.18, and \$12,156.85 respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

Plan Description:

Pender County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

The Separation Allowance covers all full-time County law enforcement officers. At December 31, 2002 the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>60</u>
<b>Total</b>	<u><u>62</u></u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies:

*Basis of Accounting* - Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments* - Investments are reported at fair value. Short-term debt, deposits, repurchase agreements, and the North Carolina Capital Management Trust investments are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

Contributions:

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contributions for the fiscal year ended June 30, 2009 was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions include (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5 – 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected pay on a closed basis. The remaining amortization period at December 31, 2008 was 22 years.

*Annual Pension Cost and Net Pension Obligation* - The County's annual pension cost and net pension obligation to the Separation Allowance for the current year was as follows

Annual Required Contribution	\$	46,811
Interest on Net Pension Obligation		16,741
Adjustments to Annual Required Contributions		<u>(14,594)</u>
Annual Pension Cost	\$	48,958
Contributions Made		<u>(12,561)</u>
Increase (Decrease) in Net Pension Obligation	\$	36,397
Net Pension Obligation Beginning of Year		<u>230,912</u>
Net Pension Obligation End of Year	\$	<u><u>267,309</u></u>

3-Year Trend Information

<u>Year Ended</u>	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Obligation</u>
6-30-07	40,206	28.12%	199,218
6-30-08	42,998	26.29%	230,912
6-30-09	48,958	25.66%	267,309

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$361,521, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$361,521. The covered payroll (annual payroll of active employees covered by the plan) was \$2,128,149, and the ration of the UAAL to the covered payroll was 16.99%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

*Plan Description* - The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of the State Treasurer and a Board of Trustees. The plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2009 were \$127,133, which consisted of \$100,360 from the County and \$26,773 from the law enforcement officers.

d. Deferred Compensation Plan

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

The County has complied with changes in the laws which govern the County's Deferred Compensation Plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts that had been deferred by the plan participants were required to be reported as assets of the County. Effective for the current fiscal year and in accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the County's Deferred Compensation Plan is no longer reported within the County's Agency Funds.

e. Register of Deeds' Supplemental Pension Fund

*Plan Description*. Pender County also contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Register of Deeds' Supplemental Pension Fund 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 the Register of Deeds' Supplemental Pension fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy*. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2009, the County's required and actual contributions were \$4,910.

f. Other Post-employment Benefits

*Plan Description*. According to a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This plan provides postemployment health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers. Also, retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan

Membership of the HCB Plan consisted of the following at December 31, 2008, the date of latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	6	1
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	310	60
Total	<u>316</u>	<u>61</u>

*Funding Policy.* The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the Board of Commissioners. The County's members can purchase coverage for their dependents at the County's group rates. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 8.23% of annual covered payroll. For the current year, the County contributed \$25,328 or .19% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a Board resolution, for employees not engaged in law enforcement and for law enforcement officers represented .23% and .09% of covered payroll, respectively. There were no contributions made by employees. The County's obligation to contribute to HCB Plan is established and may be amended by the Board of Commissioners.

*Summary of Significant Accounting Policies.* Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

Annual required contribution	1,047,796
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>1,047,796</u>
Contributions made	<u>(25,328)</u>
Increase (decrease) in net OPEB obligation	1,022,468
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u><u>1,022,468</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	1,047,796	2.47%	1,022,468

*Funded Status and Funding Progress.* As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial liability (UAAL) was \$9,250,385. The covered payroll (annual payroll of active employees covered by the plan) was \$12,737,378, and the ratio of UAAL to the covered payroll was 72.6 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2008, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.75 percent inflation assumption. The medical cost trend rate varied between 10.50 and 5.00 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected unit credit on a level percent of pay, open basis. The remaining amortization period at December 31, 2008, was 30 years.

g. Other Employment Benefits

In addition to providing pension benefits, the County 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. Lump sum death benefits are provided to employees 1) who die in active service after one year of contributing membership in the System, or 2) 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. The lump-sum death benefit payments to the beneficiaries are equal to the employee's twelve highest months' salary in a row during the twenty-four months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Annually, the State sets the County's monthly contribution rate for death benefits. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

3. Accrued for Estimated Landfill Post-Closure Care Costs

State laws and regulations require the Company to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for five years after closure. The County closed its landfill April, 1994. The \$65,816 reported as accrued landfill post-closure care costs at June 30, 2009, represents the total estimated cost to perform post-closure care subsequent to June 30, 2009. Actual costs may differ due to inflation, changes in technology or changes in regulations.

4. Deferred/Unearned Revenues:

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

	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Prepaid taxes not yet earned (General)	\$ 2,760	\$ 2,760
Taxes Receivable, net (General)	1,619,839	-
Taxes Receivable, net (Special Revenue)	368,572	-
Special assessments (General)	7,000	-
Total	<u>\$ 1,998,171</u>	<u>\$ 2,760</u>

5. Risk Management

The County 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 County is a participant in one insurance pool administered by the North Carolina Association of County Commissioners, which provides property and general liability coverage.

The County obtains general, auto, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and property coverage equal to replacement cost values of owned property. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request.

Beginning July 1, 2005, the County became self-insured for group medical insurance. The County contracts with Employers Direct Health to administer the program. The contract provides for stop loss -aggregate stop-loss charges of claims above a specified amount. During any one contract period the total accumulated claims expense paid for any one participant above \$75,000 will not be charged to the group; during the remainder of that contract period for that participant.

The County is also self-insured for workers compensation claims. The County contracts with Discovery Insurance Services to administer the program. The stop-loss is \$500,000 per occurrence. The maximum loss to the County for the entire plan is \$2 million.

The liability of unpaid claims of the County as of June 30, 2009 is as follows:

	Fiscal Year Ended June 30,	
	2009	2008
Unpaid claims at July 1	\$ 183,340	\$ 115,446
Incurred claims and judgements for current and prior year events where the County has retained risk of loss	2,112,394	1,979,200
Payments on claims for current and prior year events where the County has retained risk of loss	<u>2,124,815</u>	<u>1,911,306</u>
Unpaid claims at June 30	<u>\$ 170,919</u>	<u>\$ 183,340</u>

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance, Deputy Finance Officer, Chairman of the Board of Commissioners, and County Manager are each individually bonded for \$100,000. The Tax Collector, Assistant Tax Collector, Deputy County Manager, and Director of Utilities are each individually bonded for \$30,000. The Housing Director is bonded for \$25,000.

The County carries flood insurance through the North Carolina Association of County Commissioners, with a deductible of \$25,000 per occurrence. Flood coverage is excluded on property located in the 100 year flood zone as designated by the Federal Emergency Management Agency.

The County continues to carry commercial insurance for all other risks of loss. Settled claims from these risks have not exceeded commercial insurance coverage in any of the last three fiscal years

6. Contingent Liabilities

The County is a defendant in various lawsuits. Management of the County and its respective legal counsel feels that these claims can be successfully defended and intend to resist the allegations of these matters in every way and do not plan to seek out-of-court settlements. In the event that judgments adverse to the interest of the County should be rendered, management and its legal counsel feel any liability will be covered by existing insurance policies.

7. Long Term Debt

Mortgage Notes

Pender County Housing Authority (Country Court Enterprise Fund) has outstanding two notes aggregating \$154,326 due to the Farmer's Home Administration. The notes are collateralized by an apartment complex with a carrying value of \$156,326 and bear interest at 1%.

General Obligation Bonds

The general obligation bonds serviced by the General Fund are collateralized by the full faith, credit and taxing power of the County. The general obligation bonds serviced by the Water Fund, and Sewer Fund are collateralized by the full faith, credit and taxing power of the Maple Hill Water District and the Rocky Point – Topsail Water and Sewer District. The following individual issues are outstanding at June 30, 2009:

Serviced by the General Fund:

Refunded - General Obligation School Bonds, Series 1997 \$3,425,000 due in annual payments ranging from \$300,000 to \$465,000, plus interest at 3.36% through 2017m serviced by the Special Revenue Fund	\$ 3,125,000
General Obligation School Bonds, Series 2001 \$10,000,000 due in annual payments of \$500,000, plus interest ranging from 4.40% to 4.70% through 2021, serviced by the Special Revenue Fund.	6,000,000
General Obligation Refunding Bonds, Series 2004 \$9,815,000 due in annual payments ranging from \$460,000 to \$1,125,000, plus interest ranging from 2.50% to 4.00% through 2016, serviced by the General Fund and the Special Revenue Fund.	5,760,000

Serviced by the Capital Projects Fund:

General Obligation School Bonds, Series 2005 \$35,000,000 due in annual payments ranging from \$1,000,000 to \$3,000,000, plus interest ranging from 3.00% to 4.75% through 2025, serviced by the School Capital Project Fund.	34,000,000
General Obligation School Bonds, Series 2007 \$20,875,000 due in annual payments ranging from \$900,000 to \$1,875,000, plus interest ranging from 4.00% to 6.00% through 2028, serviced by the School Capital Project Fund.	<u>19,975,000</u>

Total General Obligation Bonds (Governmental Activities)	<u>\$ 68,860,000</u>
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Serviced by Water Fund, and Sewer Fund:

Maple Hill Water District Bond R-1 \$330,000 to USDA Rural Development, due in annual payments ranging from \$3,500 to \$14,000, plus interest at 5.75%, through June 2031	\$ 258,000
Rocky Point - Topsail Water & Sewer District Bonds, Series 2001 to USDA Rural Development, due in annual payments ranging from \$39,000 to \$156,000, plus interest at 4.75% on \$2,783,000, and 4.875% on \$850,000 through June 2041.	\$ 3,375,000
Rocky Point - Topsail Water & Sewer District Bonds, Series 2002 to USDA Rural Development, due in annual payments ranging from \$4,000 to \$16,000, plus interest at 4.75% on \$375,000, through June 2041.	\$ 349,000
Rocky Point - Topsail Water & Sewer District Bonds, Series 2006 to USDA Rural Development, due in annual payments ranging from \$196,000 to \$784,000, plus interest at 4.50% on \$4,823,000; 4.375% on \$900,000; 4.25% on \$1,529,000; 4.375% on \$8,000,000; and 4.375% on \$2,625,000, through June 2046.	<u>\$ 17,617,000</u>
Total Serviced by the Enterprise Funds	<u>\$ 21,599,000</u>

Other Indebtedness

Serviced by the General Fund:

Installment Purchase

\$960,000 note to BB&T Governmental Finance, due in annual installments of \$80,000 through June 29, 2015; interest at 4.05% fixed.	<u>\$ 480,000</u>
Total Installment Purchases	<u>\$ 480,000</u>
Total Long-Term Debt	<u>\$ 90,939,000</u>

Long-Term Obligation Activity:

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2009:

	Balance 7/1/2008	Additions	Retirements	Balance 6/30/2009	Current Portion of Balance
Governmental Activities:					
General Obligation Bonds	72,625,000		3,765,000	68,860,000	3,870,000
Bond Premium	362,371		21,316	341,055	21,316
Less: Loss on Defeasance	74,306		8,333	65,973	8,333
Total General Obligation Bonds	72,913,065	-	3,777,983	69,135,082	3,882,983
Installment Note	560,000		80,000	480,000	80,000
Unfunded Pension Obligation	230,912	48,958	12,561	267,309	-
Other Postemployment Benefits	-	982,817		982,817	-
Compensated Absences	1,145,309	175,931	-	1,321,240	-
Total	<u>\$ 74,849,286</u>	<u>\$ 1,207,706</u>	<u>\$ 3,870,544</u>	<u>\$ 72,186,448</u>	<u>\$ 3,962,983</u>
Business-type Activities:					
General Obligation Debt	21,856,500		257,500	21,599,000	270,500
Mortgage Note	160,584		6,258	154,326	6,322
Other Postemployment Benefits	-	39,651		39,651	-
Compensated Absences	39,049	4,918	-	43,967	-
Total	<u>\$ 22,056,133</u>	<u>\$ 44,569</u>	<u>\$ 263,758</u>	<u>\$ 21,836,944</u>	<u>276,822</u>

Annual maturity requirements on all long-term debt (except accrued compensated absences and unfunded pension obligations, which have no definite maturities, and capital lease obligations, which are presented elsewhere) with no related interest as of June 30, 2009, are as follows:

Year Ending June 30	General Obligation Bonds		Installment Note		Mortgage Notes		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 4,140,500	3,825,789	\$ 80,000	19,440	6,322	1,514	\$ 8,073,565
2011	4,152,000	3,676,852	80,000	16,200	6,385	1,451	7,932,888
2012	4,160,500	3,514,035	80,000	12,960	6,449	1,387	7,775,331
2013	4,163,000	3,352,092	80,000	9,720	6,514	1,322	7,612,648
2014	4,267,500	3,188,199	80,000	6,480	6,580	1,256	7,550,015
2015-2019	21,522,500	13,175,395	80,000	3,240	33,903	5,277	34,820,315
2020-2024	21,791,500	8,302,709	-	-	35,640	3,540	30,133,389
2025-2029	13,114,000	4,232,609	-	-	37,467	1,713	17,385,789
2030-2034	3,476,000	2,627,746	-	-	15,066	113	6,118,925
2035-2039	4,178,000	1,786,450	-	-	-	-	5,964,450
2040-2044	4,173,500	824,274	-	-	-	-	4,997,774
2045-2049	1,320,000	81,205	-	-	-	-	1,401,205
Total	\$ 90,459,000	\$ 48,587,355	\$ 480,000	\$ 68,040	\$ 154,326	\$ 17,573	\$ 139,766,294

#### Conduit Debt Obligations

The Industrial Authority has issued industrial revenue bonds to provide financial assistance to private business for economics development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$7 million.

#### Other

The County's legal debt margin at June 30, 2009, approximates \$285,961,924. Bonds authorized but unissued at June 30, 2009, are as follows:

Rocky Point - Topsail Water and Sewer General Obligation Bonds	\$ 8,115,000
Water Plant	17,500,000
Scott's Hill Water & Sewer District General Obligation Bonds	4,000,000
Moore's Creek Water & Sewer General Obligation Bonds	45,000,000
Central Water & Sewer District General Obligation Bonds	27,000,000
Total Bonds Authorized but unissued	<u>\$ 101,615,000</u>

#### C. Interfund Balances and Activity

##### Interfund Receivables and Payables

Amounts classified on the balance sheet as "Due from other funds" and "Due to other funds" at June 30, 2009, include the following interfund gross receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 1,111,799	\$ 111,268
Internal Service Fund	111,073	-
Country Court	195	-
Maple Hill Water Fund	12,568	-
Sewer Fund	24,507	-
Solid Waste	-	58,406
Rocky Point / Topsail Water & Sewer	-	37,075
Scott's Hill Water & Sewer	-	-
Water Treatment Plant	-	545,906
Waste Water Treatment Plant	-	507,487
Total	<u>\$ 1,260,142</u>	<u>\$ 1,260,142</u>

All interfund receivables and payables resulted from transfers used to supplement other funding sources.

Interfund Transfers

Interfund transfers and transfers from component unit during the year ended June 30, 2009, can be summarized as follows:

From the General fund to the Revaluation fund to accumulate resources for octennial revaluation of real property	\$ 110,000
From the General fund to the Public School Capital fund to fund School Capital Projects	2,688,424
From the General fund to the Vehicle Replacement Capital fund to accumulate resources for vehicle purchases.	500,250
From the School fund to the Public School Capital fund to fund School Capital Projects	174,000
From the General Fund to Capital Improvements Capital Project Fund to provide funds for various projects	898,364
From the Solid Waste Fund to Capital Improvements Capital Project Fund to provide funds for various projects.	180,753
	<hr/> <hr/> <u>\$ 4,551,791</u>

NOTE 4: Joint Venture

The County, in conjunction with the State of North Carolina, New Hanover County and the Pender County and New Hanover County Boards of Education, participates in a joint venture to operate Cape Fear Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the Community College. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$254,449 to the Community College operating purposes during the fiscal year ended June 30, 2009. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2009. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 321 North Front Street, Wilmington, North Carolina 28401.

The County, in conjunction with New Hanover and Brunswick Counties, participates in a joint venture to operate Southeastern Center for Mental Health Development Disabilities, and Substance Abuse Services (Center). Each of the Counties appoints three Board members. The Center is not considered a component unit of any other government. The County has ongoing responsibility for the Center or would otherwise have to provide mental health services itself. The County contributed \$243,140 to the Center during the year ended June 30, 2009, and provides the Center use of space at its government complex center in Burgaw. The County has no equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2009. Complete copies of the Center's financial statements may be obtained at the Center's administrative offices on South 17th Street in Wilmington, North Carolina.

NOTE 5: Related Organizations

The County commissioners are responsible for appointing the members of the Industrial Pollution Control and Financing Authority, but the County's accountability for this organization does not extend beyond making these appointments. The Authority exists to aid in the financing of industrial and manufacturing facilities in the area for the general economic benefit of the area. As of June 30, 2009, the Authority has no debt issues outstanding.

NOTE 6: Jointly Governed Organizations

The County, in conjunction with other counties and municipalities, established the Cape Fear Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$21,203 to the Council during the fiscal year ended June 30, 2009.

The County, along with the City of Wilmington and four other counties in southeastern North Carolina established the Lower Cape Fear Water and Sewer Authority (Authority). The Authority was formed to help facilitate water and sewer services in southeastern North Carolina. Pender County Commissioners appoint two of thirteen members of the Authority's Board of Directors. The County had no transactions with the Authority during the year ended June 30, 2009, and no balance due to or from the Authority at June 30, 2009.

NOTE 7: Supplemental and Additional Supplemental One-Half of One Percent Local Government Sales and Use Tax

State law (Chapter 105, Article 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales tax, or local option sales taxes, for the public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2009, the County reported these local option sales taxes with its General Fund. The County expended the restricted portion of these taxes for public school capital outlays.

NOTE 8: Public School Building Capital Fund

This program is funded by a one percent increase (from 6% to 7%) in the corporate income tax rate which the Department of Revenue collects and deposits into the fund. The Department made monthly deposits into the fund from October 1, 1987 through July 31, 1988, of 100% of the revenues it collected from the additional 1% tax through June 30, 1991. Beginning July 1, 1988, the Department makes quarterly deposits into the fund of 50% of the revenues it collects from the additional 1% tax less \$2.5 million which it deposits into the Critical School Facilities Needs Fund (see below).

The corporate income taxes deposited into the fund are allocated to Pender County on the basis of its average daily membership (ADM) determined by the State Board of Education. The Office of State Budget and Management establishes and maintains an ADM allocation account for the County. At June 30, 2009, the balance of the County's ADM allocation account was \$930,574.

After approving a school capital project authorization by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. At June 30, 2009, the County's disbursing account had a balance of \$1,288,168. The County must match these funds on the basis of one dollar for every three dollars of State funds.

NOTE 9: Benefit Payments Issued by the State

The following amounts were paid by the state and federal governments from federal and state moneys on behalf of the County and its citizens. These amounts disclose additional aid to the County that does not appear in the preceding financial statements.

	<u>Federal</u>	<u>State</u>
WIC Vouchers	814,950	-
Food Stamps	7,527,457	-
Medical Assistance	36,135,324	14,056,250
Adoption Subsidy	215,700	41,001
Energy Assistance	209,557	-
TANF	401,442	(113)

NOTE 10: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

NOTE 11: Prior Period Adjustments

A prior period adjustment was posted between the General Fund and the Emergency Telephone Special Revenue Fund in the amount of \$30,335 due to disallowed expenses recorded in the Emergency Telephone Fund during the fiscal year ended 06/30/08.

**REQUIRED  
SUPPLEMENTAL FINANCIAL DATA**

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

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- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Employer Contributions for the Law Enforcement Officers' Schedule of Employer Contributions
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Funding Progress for Other Postemployment Benefits
- Schedule of Employer Contributions for Other Postemployment Benefits
- Notes to the Required Schedules for Other Postemployment Benefits

**Pender County, North Carolina**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**June 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/1999	-	104,414	104,414	0.00%	859,167	12.15%
12/31/2000	-	176,671	176,671	0.00%	911,739	19.38%
12/31/2001	-	211,635	211,635	0.00%	1,160,155	18.24%
12/31/2002	-	282,470	282,470	0.00%	1,274,867	22.16%
12/31/2003	-	309,394	309,394	0.00%	1,173,072	26.37%
12/31/2004	-	311,554	311,554	0.00%	1,161,060	26.83%
12/31/2005	-	297,699	297,699	0.00%	1,488,838	20.00%
12/31/2006	-	292,912	292,912	0.00%	1,545,765	18.95%
12/31/2007	-	347,378	347,378	0.00%	1,643,950	21.13%
12/31/2008	-	361,521	361,521	0.00%	2,128,149	16.99%

**Pender County, North Carolina**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplementary Information**  
**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution	Percentage of APC Contributed	Net Pension Obligation End of Year
1998	13,214	50.81%	48,219
1999	13,444	21.01%	58,839
2000	14,610	15.85%	71,133
2001	17,009	13.62%	85,825
2002	26,503	5.71%	110,814
2003	31,747	48.93%	127,027
2004	39,385	66.61%	140,176
2005	39,227	66.88%	153,166
2006	40,514	57.67%	170,316
2007	40,206	28.12%	199,218
2008	42,998	28.12%	230,912
2009	48,958	25.66%	267,309

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level % of pay closed
Remaining amortization period	22 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25
Projected salary increases*	4.5 to 12.3 %
*Includes inflation at	3.75%
Cost-of living adjustments	N/A

**Pender County, North Carolina  
Other Postemployment Benefits  
Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2009**

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2008	-	9,250,385	9,250,385	0.00%	12,737,378	72.62%

**Pender County, North Carolina  
Other Postemployment Benefits  
Required Supplementary Information  
Schedule of Employer Contributions**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation End of Year</u>
2009	1,047,796	2.47%	1,022,468

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level % of pay open
Remaining amortization period	30 years
Asset valuation method	Market value of Assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases*	10.50% to 5.00 %
*Includes inflation at	3.75%
Cost-of living adjustments	N/A

## GENERAL FUND

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

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**Pender County, North Carolina**  
**General Fund**  
**Comparative Balance Sheet**  
**June 30, 2009**

	June 30, 2009	June 30, 2008
<b>Assets</b>		
Cash and cash equivalents	\$ 33,255,106	\$ 32,306,110
Receivables (net):		
Taxes	1,619,840	1,478,545
Interest	66,737	118,019
Sales Tax	140,780	122,483
Accounts	2,461,457	3,111,628
Advance funding of projects	61,678	65,478
Prepaid Expense	3,235	3,232
Due From Other Funds	1,111,799	820,132
	<u>\$ 38,720,632</u>	<u>\$ 38,025,627</u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,864,351	\$ 1,530,128
Due to other funds	111,268	94,401
Unearned Revenues	2,760	34,908
Deferred revenues	1,626,839	1,491,545
	<u>\$ 3,605,218</u>	<u>\$ 3,150,982</u>
Fund balances:		
Reserved by State statute	\$ 3,806,222	\$ 4,224,740
Reserved for Encumbrances	134,227	589,706
Unreserved:		
Designated for subsequent year's expenditures	2,786,136	1,845,775
Designated for Health Department Escrow	59,039	2,744
Designated for Capital Improvements	675,000	898,364
Designated for Automation Enhancement and Preservation	283,877	276,562
Designated for Public School Capital Projects	2,714,286	2,688,424
Designated for Vehicle Replacement	125,150	500,251
Designated for Reevaluation	110,000	110,000
Designated for Sheriff's Seizures	118,184	123,418
Designated for Water & Sewer Plant	4,909,589	5,273,024
Designated for Wireline	-	262,256
Designated from Internal Service Fund	425,367	-
Undesignated	18,968,337	18,079,384
	<u>\$ 35,115,414</u>	<u>\$ 34,874,648</u>
Total liabilities and fund balances	<u>\$ 38,720,632</u>	<u>\$ 38,025,630</u>

**Pender County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues</b>			
Ad valorem Taxes	\$ 29,958,596	\$ 30,695,595	\$ 736,999
Other Taxes and Licenses	4,867,347	4,837,703	(29,644)
Unrestricted Intergovernmental Revenues	210,000	282,958	72,958
Restricted Intergovernmental Revenues	8,623,116	7,032,818	(1,590,298)
Permits and Fees	2,764,007	1,703,828	(1,060,179)
Sales and Services	1,347,385	1,098,862	(248,523)
Investment Earnings	675,000	768,070	93,070
Reimbursements to General Fund	-	-	-
Miscellaneous	53,747	79,255	25,508
Total Revenues	<u>\$ 48,499,198</u>	<u>\$ 46,499,089</u>	<u>\$ (2,000,109)</u>
<b>Expenditures</b>			
General Government:			
Governing Body	\$ 177,813	\$ 153,929	\$ 23,884
County Manager	293,842	286,012	7,830
Personnel	85,488	52,017	33,471
Board of Elections	247,174	192,684	54,490
Finance	309,169	257,882	51,287
Information Systems	731,870	711,180	20,690
Tax Administrator	1,183,264	1,118,578	64,686
AE&P Fund	58,200	47,223	10,977
Register of Deeds	331,549	301,823	29,726
Public Buildings	1,204,233	1,098,334	105,899
Court Facilities	30,000	27,927	2,073
Nondepartmental	1,574,656	838,706	735,950
County Attorney	76,400	59,296	17,104
Outside Agencies	3,000	-	3,000
Vehicle Maintenance	308,709	244,981	63,728
Contingency	19,537	-	19,537
Total General Government	<u>\$ 6,634,904</u>	<u>\$ 5,390,572</u>	<u>\$ 1,244,332</u>
Public safety:			
Sheriff	\$ 4,182,658	\$ 4,088,458	\$ 94,200
DHS - Interoperability Comm	-	-	-
Jail	1,495,302	1,372,998	122,304
CJPP - Pretrial Release Program	77,608	63,654	13,954
Emergency Management	196,803	192,130	4,673
Inspections and Planning	1,320,445	1,173,168	147,277
Forest Resources	214,320	176,837	37,483
Sheriff Seizure	49,000	22,003	26,997
SHSG Program 2004	-	-	-
Medical Examiner	75,000	36,105	38,895
Total Public Safety	<u>\$ 7,611,136</u>	<u>\$ 7,125,353</u>	<u>\$ 485,783</u>
Economic and Physical Development:			
Extension Service	\$ 150,828	\$ 137,840	\$ 12,988
Planning	-	-	-
Tourism Office	115,132	105,632	9,500
Option 4 Payments	633,885	714,116	(80,231)
Outside Agencies	455,642	446,294	9,348
Total Economic and Physical Develop	<u>\$ 1,355,487</u>	<u>\$ 1,403,882</u>	<u>\$ (48,395)</u>

**Pender County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Human services:			
Health Department	\$ 4,699,399	\$ 3,895,040	\$ 804,359
Mosquito Control	267,469	236,388	31,081
Public Assistance	10,712,397	9,146,786	1,565,611
Veterans Services	80,064	76,501	3,563
Mental Health	20,000	16,233	3,767
Hurricanes - 2005/06	62,800	-	62,800
Tropical Storm Hanna	12,200	10,237	1,963
Hurricane Contingency	-	-	-
Home and Community Care	429,669	-	429,669
Outside Agencies	319,068	319,068	-
Total Human Services	<u>\$ 16,603,066</u>	<u>\$ 13,700,253</u>	<u>\$ 2,902,813</u>
Cultural and recreational:			
Library	\$ 772,644	\$ 752,136	\$ 20,508
Recreational	349,524	287,489	62,035
Outside Agencies	6,049	6,049	-
Total Cultural and Recreational	<u>\$ 1,128,217</u>	<u>\$ 1,045,674</u>	<u>\$ 82,543</u>
Education:			
Cape Fear Community College	\$ 254,449	\$ 254,450	\$ (1)
Pender County Schools:			
Current Operating - County	12,234,651	12,185,063	49,588
Youth Alternatives	121,416	63,373	58,043
Outside Agencies	254,449	254,450	(1)
Total Education	<u>\$ 12,864,965</u>	<u>\$ 12,757,336</u>	<u>\$ 107,629</u>
Debt service:			
Principal	\$ 540,000	\$ 540,000	\$ -
Interest	67,880	67,880	-
Total Debt Service	<u>\$ 607,880</u>	<u>\$ 607,880</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 46,805,655</u>	<u>\$ 42,030,950</u>	<u>\$ 4,774,705</u>
Revenue Over Expenditures	<u>\$ 1,693,543</u>	<u>\$ 4,468,139</u>	<u>\$ 2,774,596</u>
Other Financing Sources (Uses):			
Transfer from other funds:			
Emergency Telephone	\$ -	\$ -	\$ -
Capital Improvements	-	-	-
Transfer to other funds:			
Social Services	(494)	-	494
Capital Project Fund	(898,364)	(898,364)	-
Public School Capital	(2,688,424)	(2,688,424)	-
Revaluation	(110,000)	(110,000)	-
Vehicle Replacement	(500,250)	(500,250)	-
Appropriated Fund Balance	2,503,989	-	(2,503,989)
Total Other Financing (Uses)	<u>\$ (1,693,543)</u>	<u>\$ (4,197,038)</u>	<u>\$ (2,503,495)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 271,101</u>	<u>\$ 271,101</u>
Fund Balance:			
Beginning of year, July 1		34,874,648	
Prior Period Adjustment (See NOTE 11)		<u>(30,335)</u>	
End of year, June 30		<u>\$ 35,115,414</u>	

## OTHER MAJOR GOVERNMENTAL FUNDS

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Major Governmental Funds - School Capital Projects Fund  
Major Governmental Funds - School Special Revenue Fund

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**Pender County, North Carolina**  
**School Capital Project Fund - Capital Projects Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2009**

Exhibit B-3

	Project Author- ization	Actual			
		Prior Years	Current Year	Closed Projects	Total to Date
<b>Revenues</b>					
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax Refund	500,000	388,764	192,563	-	581,327
Lottery Funds	134,040	-	-	-	-
PSBCF - State Revenue	903,740	-	-	-	-
Interest Income	2,062,220	1,212,143	307,464	-	1,519,607
Total revenues	<u>\$ 3,600,000</u>	<u>\$ 1,600,907</u>	<u>\$ 500,027</u>	<u>\$ -</u>	<u>\$ 2,100,934</u>
<b>Expenditures</b>					
Intergovernmental:					
Schools:					
Burgaw Middle	\$ 227,516	\$ 679,785	\$ 9,732	\$ -	\$ 689,517
Topsail Middle	3,093,945	185,279	1,632,345	-	1,817,624
Pender High School	2,821,446	-	-	-	-
Burgaw Elementary Land	100,721	-	-	-	-
Burgaw Elementary Sch Add	5,977,888	5,972,342	-	-	5,972,342
Topsail High Land	1,718,037	1,510,017	-	-	1,510,017
Topsail High School	36,430,447	29,905,058	5,794,576	-	35,699,634
Central Topsail Elementary	750,000	-	12,231	-	12,231
Penderlea School	500,000	259,268	20,717	-	279,985
Rocky Point Primary School	1,929,000	113,819	13,260	-	127,079
West Pender Middle School	500,000	170,277	-	-	170,277
Topsail Performing Arts Center	2,200,000	-	2,200,000	-	2,200,000
Trask Performing Arts Center	2,200,000	149,178	13,949	-	163,127
Bond Closing Costs	160,000	178,494	-	-	178,494
Interest Expenditures	724,000	-	-	-	-
Total Expenditures	<u>\$ 59,333,000</u>	<u>\$ 39,123,517</u>	<u>\$ 9,696,810</u>	<u>\$ -</u>	<u>\$ 48,820,327</u>
Revenues under expenditures	<u>\$ (55,733,000)</u>	<u>\$ (37,522,610)</u>	<u>\$ (9,196,783)</u>	<u>\$ -</u>	<u>\$ (46,719,393)</u>
Other financing sources:					
Public School Capital Fd	\$ (426,319)	\$ -	\$ -	\$ -	\$ -
Premium on Debt Issued	426,319	426,319	-	-	426,319
Bond Proceeds	55,875,000	55,875,000	-	-	55,875,000
Reserve for Arbitrage	(316,000)	-	-	-	-
Public School Capital Fd	174,000	-	174,000	-	174,000
Fund Balance Appropriated	-	-	-	-	-
	<u>\$ 55,733,000</u>	<u>\$ 56,301,319</u>	<u>\$ 174,000</u>	<u>\$ -</u>	<u>\$ 56,475,319</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 18,778,709</u>	<u>\$ (9,022,783)</u>	<u>\$ -</u>	<u>\$ 9,755,926</u>
Fund balances:					
Beginning of year, July 1			<u>18,778,709</u>		
End of year, June 30			<u>\$ 9,755,926</u>		

**Pender County, North Carolina**  
**School Special Revenue Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Other Taxes - Sales	\$ 4,639,378	\$ 4,249,487	\$ (389,891)
Public School Building Capital Fund	384,428	384,428	-
Interest Earned	-	-	-
Lottery Funds	200,000	200,000	-
Total Revenues	<u>\$ 5,223,806</u>	<u>\$ 4,833,915</u>	<u>\$ (389,891)</u>
<b>Expenditures</b>			
General Government	\$ -	\$ -	\$ -
Education	-	-	-
Water Project	-	-	-
Capital Outlay	2,677,590	2,503,590	174,000
Option 4 Redistribution	260,965	215,658	45,307
Debt Service Payment	3,305,000	3,305,000	-
Premium Payment on Debt Issue	-	-	-
Interest Expense	2,985,725	2,961,975	23,750
Reserve	-	-	-
Total Expenditures	<u>\$ 9,229,280</u>	<u>\$ 8,986,223</u>	<u>\$ 243,057</u>
Excess Revenue Over (Under) Expenditures	\$ (4,005,474)	\$ (4,152,308)	\$ (146,834)
<b>Other financing sources (uses)</b>			
Transfers from (to):			
General Fund	\$ 2,688,424	\$ 2,688,424	\$ -
School Capital Project	-	(174,000)	(174,000)
Fund Balance Appropriated	1,317,050	-	(1,317,050)
Total other financing sources (uses)	<u>\$ 4,005,474</u>	<u>\$ 2,514,424</u>	<u>\$ (1,491,050)</u>
Revenues and other financing sources over uses	<u>\$ -</u>	<u>\$ (1,637,884)</u>	<u>\$ (1,637,884)</u>
Fund balance:			
Beginning of year, July 1		<u>6,183,372</u>	
End of Year, June 30		<u>\$ 4,545,488</u>	

## SPECIAL REVENUE FUNDS

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

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**Pender County, North Carolina  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2009**

<b>Assets</b>	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
Cash and cash equivalents	\$ 1,469,175	\$ 427,143	\$ 1,896,318
Taxes receivable (net)	368,572	-	368,572
Other Receivables	87,962	264,501	352,463
Total assets	<u>\$ 1,925,709</u>	<u>\$ 691,644</u>	<u>\$ 2,617,353</u>
 <b>Liabilities and Fund Balances</b>			
Liabilities:			
Advance funding of projects	\$ 61,678	\$ -	\$ 61,678
Accounts payable and accrued liabilities	129,500	150,556	280,056
Due to other funds	-	-	-
Deferred revenue	368,572	-	368,572
Total liabilities	<u>559,750</u>	<u>150,556</u>	<u>710,306</u>
Fund balances:			
Designated for subsequent year's expenditures	\$ 321,755	\$ 541,088	\$ 862,843
Undesignated	1,044,204	-	1,044,204
Total fund balances	<u>1,365,959</u>	<u>541,088</u>	<u>1,907,047</u>
Total liabilities and fund balances	<u>\$ 1,925,709</u>	<u>\$ 691,644</u>	<u>\$ 2,617,353</u>

**Pender County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2009**

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
<b>Revenues</b>			
Ad valorem taxes	\$ 5,359,633	\$ -	\$ 5,359,633
Other taxes	-	-	-
Investment earnings	38,026	-	38,026
Sales tax refund	-	7,760	7,760
Unrestricted intergovernmental	429,939	-	429,939
Restricted Intergovernmental	135,046	951,981	1,087,027
Total revenues	<u>5,962,644</u>	<u>959,741</u>	<u>6,922,385</u>
<b>Expenditures</b>			
Current:			
General government	\$ 171,075	\$ -	\$ 171,075
Public safety	5,670,036	-	5,670,036
Economic and physical development	69,335	-	69,335
Education	-	-	-
Capital outlay	468,582	2,758,838	3,227,420
Other equipment	-	8,946	8,946
Titles/Tags/Tax	-	16,060	16,060
Option 4 redistribution	-	-	-
Debt service	-	-	-
Total expenditures	<u>6,379,028</u>	<u>2,783,844</u>	<u>9,162,872</u>
Revenues over (under) expenditures	<u>\$ (416,384)</u>	<u>\$ (1,824,103)</u>	<u>\$ (2,240,487)</u>
Other financing sources:			
Transfers in (out)	\$ 110,000	\$ 1,217,861	\$ 1,327,861
Proceeds from Refund of Bonds	-	-	-
Payment on Refunded Bonds	-	-	-
Premium on Refunded Bonds	-	-	-
Total other financing sources uses	<u>\$ 110,000</u>	<u>\$ 1,217,861</u>	<u>\$ 1,327,861</u>
Revenues and other financing sources over (under) expenditures	\$ (306,384)	\$ (606,242)	\$ (912,626)
Fund balances:			
Beginning of year, July 1	1,642,008	1,147,330	2,789,338
Prior Period Adjustment (See NOTE 11)	30,335	-	30,335
End of year, June 30	<u>\$ 1,365,959</u>	<u>\$ 541,088</u>	<u>\$ 1,907,047</u>

**Pender County, North Carolina  
Special Revenue Funds  
Combining Balance Sheets  
June 30, 2009**

<b>Assets</b>	Revaluation Fund	Fire Service District Fund	Rescue Districts Fund	911 Emergency Telephone Fund	Community Development Block Grant Fund	Seven Oaks	CDBG 2002-Scattered Sites	HWY 421 Industrial Park
Cash and cash equivalents	\$ 416,945	\$ 92,206	\$ 338,235	\$ 567,079	\$ -	\$ 17,056	\$ 2,767	\$ -
Taxes receivable (net)	-	158,906	209,666	-	-	-	-	-
Other Receivables	-	-	-	35,030	-	-	-	-
Total assets	<u>\$ 416,945</u>	<u>\$ 251,112</u>	<u>\$ 547,901</u>	<u>\$ 602,109</u>	<u>\$ -</u>	<u>\$ 17,056</u>	<u>\$ 2,767</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>								
Liabilities:								
Advance funding of projects	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
Accounts payable	-	72,921	-	45,085	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred revenue	-	158,906	209,666	-	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 231,827</u>	<u>\$ 209,666</u>	<u>\$ 45,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Equity:								
Fund balances:								
Reserved by state statute	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:								
Designated for subsequent year's expenditure	-	21,755	300,000	-	-	-	-	-
Undesignated	416,945	(2,470)	38,235	557,024	-	17,056	2,767	-
Total fund balances	<u>\$ 416,945</u>	<u>\$ 19,285</u>	<u>\$ 338,235</u>	<u>\$ 557,024</u>	<u>\$ -</u>	<u>\$ 17,056</u>	<u>\$ 2,767</u>	<u>\$ -</u>
Total liabilities and fund balances	<u>\$ 416,945</u>	<u>\$ 251,112</u>	<u>\$ 547,901</u>	<u>\$ 602,109</u>	<u>\$ -</u>	<u>\$ 17,056</u>	<u>\$ 2,767</u>	<u>\$ -</u>

(continued)

**Pender County, North Carolina**  
**Special Revenue Funds**  
**Combining Balance Sheets**  
**June 30, 2009**

<b>Assets</b>	CDBG 2004 Concentrated Needs	Domestic Violence Grant	Giant Salvinia Eradication	CDBG Scattered Sites	2005 CHAF #071-0-04	Totals June 30, 2008
Cash and cash equivalents	\$ 4,940	\$ -	\$ 29,947	\$ -	\$ -	\$ 1,469,175
Taxes receivable (net)	-	-	-	-	-	368,572
Other Receivables	-	13,951	-	38,981	-	87,962
Total assets	<u>\$ 4,940</u>	<u>\$ 13,951</u>	<u>\$ 29,947</u>	<u>\$ 38,981</u>	<u>\$ -</u>	<u>\$ 1,925,709</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Advance funding of projects	\$ -	\$ 24,392	\$ -	\$ 37,286	-	\$ 61,678
Accounts payable	-	104	11,390	-	-	129,500
Due to Other Funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	368,572
Total liabilities	<u>\$ -</u>	<u>\$ 24,496</u>	<u>\$ 11,390</u>	<u>\$ 37,286</u>	<u>\$ -</u>	<u>\$ 559,750</u>
Equity:						
Fund balances:						
Reserved by state statute	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:						
Designated for subsequent year's expenditure	-	-	-	-	-	321,755
Undesignated	4,940	(10,545)	18,557	1,695	-	1,044,204
Total fund balances	<u>\$ 4,940</u>	<u>\$ (10,545)</u>	<u>\$ 18,557</u>	<u>\$ 1,695</u>	<u>\$ -</u>	<u>\$ 1,365,959</u>
Total liabilities and fund balances	<u>\$ 4,940</u>	<u>\$ 13,951</u>	<u>\$ 29,947</u>	<u>\$ 38,981</u>	<u>\$ -</u>	<u>\$ 1,925,709</u>

**Pender County, North Carolina  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2009**

	Revaluation Fund	Fire Service District Fund	Rescue Districts Fund	911 Emergency Telephone Fund	Community Development Block Grant Fund	Seven Oaks	CDBG 2002-Scattered Sites	HWY 421 Industrial Park
<b>Revenues</b>								
Ad valorem taxes	\$ -	\$ 2,053,585	\$ 3,306,048	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-	-	-	-
Unrestricted intergovernmental	-	-	-	429,939	-	-	-	-
Investment earnings	-	-	-	9,018	13,093	-	-	7,762
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ 2,053,585	\$ 3,306,048	\$ 438,957	\$ 13,093	\$ -	\$ -	\$ 7,762
<b>Expenditures</b>								
Current:								
General Government	\$ 171,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	2,083,007	3,136,005	391,994	-	-	-	-
Economic and Physical Develop	-	-	-	-	-	-	-	-
Capital Outlay	10,782	-	475,000	(17,200)	-	-	-	-
Option 4 Redistribution	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Total expenditures	\$ 181,857	\$ 2,083,007	\$ 3,611,005	\$ 374,794	\$ -	\$ -	\$ -	\$ -
Revenues over (under) expenditures	\$ (181,857)	\$ (29,422)	\$ (304,957)	\$ 64,163	\$ 13,093	\$ -	\$ -	\$ 7,762
Other financing sources:								
Transfers from:								
General Fund	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to:								
General Fund	-	-	-	-	-	-	-	-
Highway 117 Sewer Project	-	-	-	-	-	-	-	-
School Capital Project	-	-	-	-	-	-	-	-
Proceeds from Refund of Bonds	-	-	-	-	-	-	-	-
Payment on Refunded Bonds	-	-	-	-	-	-	-	-
Premium on Refunded Bonds	-	-	-	-	-	-	-	-
Total other fin. sources uses	110,000	-	-	-	-	-	-	-
Revenues and other financing sources over (under) expenditures	\$ (71,857)	\$ (29,422)	\$ (304,957)	\$ 64,163	\$ 13,093	\$ -	\$ -	\$ 7,762
Fund Balance, Beginning of Year	488,802	48,707	643,192	462,526	(13,093)	17,056	2,767	(7,762)
Prior Period Adjustment (See NOTE 11)	-	-	-	30,335	-	-	-	-
Fund Balance, End of Year	\$ 416,945	\$ 19,285	\$ 338,235	\$ 557,024	\$ -	\$ 17,056	\$ 2,767	\$ -

(continued)

**Pender County, North Carolina**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2009**

	CDBG 2004 Concentrated Needs	Domestic Violence Grant	Giant Salvinia Eradication	CDBG Scattered Sites	2005 CHAF #71-0-04	Totals June 30, 2008
<b>Revenues</b>						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,359,633
Other Taxes	-	-	-	-	-	-
Restricted intergovernmental	-	44,410	-	51,611	39,025	135,046
Unrestricted intergovernmental	-	-	-	-	-	429,939
Investment earnings	-	-	-	-	8,153	38,026
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>\$ -</u>	<u>\$ 44,410</u>	<u>\$ -</u>	<u>\$ 51,611</u>	<u>\$ 47,178</u>	<u>\$ 5,962,644</u>
<b>Expenditures</b>						
Current:						
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,075
Public Safety	-	59,030	-	-	-	5,670,036
Economic and Physical Develop	-	-	16,664	50,116	2,555	69,335
Capital Outlay	-	-	-	-	-	468,582
Option 4 Redistribution	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ 59,030</u>	<u>\$ 16,664</u>	<u>\$ 50,116</u>	<u>\$ 2,555</u>	<u>\$ 6,379,028</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (14,620)</u>	<u>\$ (16,664)</u>	<u>\$ 1,495</u>	<u>\$ 44,623</u>	<u>\$ (416,384)</u>
Other financing sources:						
Transfers from:						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,000
Transfers to:						
General Fund	-	-	-	-	-	-
Highway 117 Sewer Project	-	-	-	-	-	-
School Capital Project	-	-	-	-	-	-
Proceeds from Refund of Bonds	-	-	-	-	-	-
Payment on Refunded Bonds	-	-	-	-	-	-
Premium on Refunded Bonds	-	-	-	-	-	-
Total other fin. sources uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ (14,620)</u>	<u>\$ (16,664)</u>	<u>\$ 1,495</u>	<u>\$ 44,623</u>	<u>\$ (306,384)</u>
Fund Balance, Beginning of Year	<u>4,940</u>	<u>4,075</u>	<u>35,221</u>	<u>200</u>	<u>(44,623)</u>	<u>1,642,008</u>
Prior Period Adjustment (See NOTE 11)	-	-	-	-	-	30,335
Fund Balance, End of Year	<u>\$ 4,940</u>	<u>\$ (10,545)</u>	<u>\$ 18,557</u>	<u>\$ 1,695</u>	<u>\$ -</u>	<u>\$ 1,365,959</u>

**Pender County, North Carolina**  
**Revaluation Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Interest Income	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>			
General Government	\$ 60,000	\$ 60,000	\$ -
Capital Outlay	50,000	10,782	39,218
Reserves	190,080	111,075	79,005
Total expenditures	<u>\$ 300,080</u>	<u>\$ 181,857</u>	<u>\$ 118,223</u>
Revenues over expenditures	<u>\$ (300,080)</u>	<u>\$ (181,857)</u>	<u>\$ (118,223)</u>
Other financing sources (uses):			
Appropriated fund balance	\$ 190,080	\$ -	\$ (190,080)
Transfer from:			
General Fund	110,000	110,000	-
Total Other Financing Sources (Uses)	<u>\$ 300,080</u>	<u>\$ 110,000</u>	<u>\$ (190,080)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (71,857)</u>	<u>\$ (71,857)</u>
Fund balances:			
Beginning of year, July 1		<u>488,802</u>	
End of year, June 30		<u>\$ 416,945</u>	

**Pender County, North Carolina**  
**County-Wide Fire Service District Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Ad Valorem Taxes - Fire District Taxes	\$ 2,038,241	\$ 2,053,585	\$ 15,344
Total revenues	<u>\$ 2,038,241</u>	<u>\$ 2,053,585</u>	<u>\$ 15,344</u>
<b>Expenditures</b>			
Public safety:			
Pender Central	\$ 204,665	\$ 184,061	\$ 20,604
Sloop Point	362,203	391,978	(29,775)
Maple Hill	70,000	70,000	-
Rocky Point	297,800	326,673	(28,873)
Long Creek	155,235	153,375	1,860
Shiloh	79,466	76,580	2,886
Penderlea	124,126	116,802	7,324
Atkinson	105,949	98,133	7,816
Hampstead	445,792	443,408	2,384
Scotts Hill	86,560	86,940	(380)
Northeast Pender	112,976	116,046	(3,070)
Penderlea - Dublin Area	14,438	12,411	2,027
Contracted Services	7,800	6,600	1,200
Total Expenditures	<u>\$ 2,067,010</u>	<u>\$ 2,083,007</u>	<u>\$ (15,997)</u>
Revenues over expenditures	<u>\$ (28,769)</u>	<u>\$ (29,422)</u>	<u>\$ (653)</u>
Other financing sources (uses):			
Fund Balance Appropriated	\$ 28,769	\$ -	\$ (28,769)
Total Other financing sources (uses)	<u>\$ 28,769</u>	<u>\$ -</u>	<u>\$ (28,769)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (29,422)</u>	<u>\$ (29,422)</u>
Fund balances:			
Beginning of year, July 1		<u>                    </u>	
End of year, June 30		<u>\$ (29,422)</u>	

**Pender County, North Carolina**  
**Rescue District Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Ad valorem taxes:			
Rescue District Taxes:			
Pender County EMS Taxes	\$ 3,136,497	\$ 3,302,380	\$ 165,883
Pender East Rescue	-	708	708
Pender County Rescue	-	2,233	2,233
Union	-	471	471
Surf City	-	118	118
Topsail Beach	-	138	138
Total revenues	<u>\$ 3,136,497</u>	<u>\$ 3,306,048</u>	<u>\$ 169,551</u>
<b>Expenditures</b>			
Current:			
Public safety:			
Pender Volunteer EMS & Rescue	\$ 3,136,497	\$ 3,136,005	\$ 492
Capital Outlay	475,000	475,000	-
Total Expenditures	<u>\$ 3,611,497</u>	<u>\$ 3,611,005</u>	<u>\$ 492</u>
Revenues over expenditures	<u>\$ (475,000)</u>	<u>\$ (304,957)</u>	<u>\$ 170,043</u>
Other financing sources (uses):			
Transfer from:			
General Fund	\$ -	\$ -	\$ -
Fund Balance Appropriated	475,000	-	(475,000)
Total Other financing sources (uses)	<u>\$ 475,000</u>	<u>\$ -</u>	<u>\$ (475,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (304,957)</u>	<u>\$ (304,957)</u>
Fund balances:			
Beginning of year, July 1		<u>643,192</u>	
End of year, June 30		<u>\$ 338,235</u>	

**Pender County, North Carolina**  
**911 Emergency Telephone Systems**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Annual Budget	Actual	
<b>Revenues</b>			
Investment Earnings	\$ -	\$ 9,018	\$ 9,018
Unrestricted Intergovernmental	355,292	429,939	74,647
Total	<u>\$ 355,292</u>	<u>\$ 438,957</u>	<u>\$ 83,665</u>
<b>Expenditures</b>			
Salaries	\$ 79,561	\$ 80,290	\$ (729)
Fringe Benefits	17,714	17,679	35
Repairs & Maintenance	-	-	-
Gas & Diesel Fuel	-	-	-
Supplies & Materials	20,000	7,354	12,646
Contracted Services	93,674	113,476	(19,802)
Telecommunication Service	150,000	136,199	13,801
Other Equipment	43,718	36,996	6,722
Capital Outlay	5,000	(17,200)	22,200
Total Expenditures	<u>\$ 409,667</u>	<u>\$ 374,794</u>	<u>\$ 34,873</u>
Revenues over expenditures	<u>\$ (54,375)</u>	<u>\$ 64,163</u>	<u>\$ 118,538</u>
Other Financing Sources:			
Appropriated Fund Balance	\$ 54,375	\$ -	\$ (54,375)
Transfer from (to) general fund	-	-	-
	<u>\$ 54,375</u>	<u>\$ -</u>	<u>\$ (54,375)</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 64,163</u>	<u>\$ 64,163</u>
Fund balances:			
Beginning of year, July 1		<u>462,526</u>	
End of year, June 30		<u>\$ 526,689</u>	

**Pender County, North Carolina**  
**Community Development Block Grant Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
<b>Revenue</b>				
Restricted Intergovernmental	\$ 1,821,760	\$ 525,904	\$ -	\$ 525,904
Project Revenues	176,142	7,041	-	7,041
Program Revenues	-	5,647	-	5,647
Investment Income	-	-	13,093	13,093
Total Revenue	<u>\$ 1,997,902</u>	<u>\$ 538,592</u>	<u>\$ 13,093</u>	<u>\$ 551,685</u>
<b>Expenditures</b>				
Economic and Physical Development	<u>\$ 1,997,902</u>	<u>\$ 587,064</u>	<u>\$ -</u>	<u>\$ 587,064</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (48,472)</u>	<u>\$ 13,093</u>	<u>\$ (35,379)</u>
Other financing sources (uses):				
Transfers from (to):				
General Fund	<u>\$ -</u>	<u>\$ 35,379</u>	<u>\$ -</u>	<u>\$ 35,379</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 35,379</u>	<u>\$ -</u>	<u>\$ 35,379</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (13,093)</u>	<u>\$ 13,093</u>	<u>\$ -</u>
Fund Balances:				
Beginning of year, July 1			<u>(13,093)</u>	
End of year, June 30			<u>\$ -</u>	

**Pender County, North Carolina**  
**Seven Oaks**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues</b>				
Restricted Intergovernmental Revenues	\$ 1,500,000	\$ 750,000	\$ -	\$ 750,000
Loan Proceeds	987,908	-	-	-
Equity form CAHEC	3,625,956	424,619	-	424,619
Total Revenues	<u>\$ 6,113,864</u>	<u>\$ 1,174,619</u>	<u>\$ -</u>	<u>\$ 1,174,619</u>
<b>Expenditures</b>				
Utilities	\$ 162,372	\$ 100	\$ -	\$ 100
Contracted Services	491,219	77,261	-	77,261
Reserves	241,730	-	-	-
Tax Credit Fees	53,108	-	-	-
Loan Closing Costs	206,902	2,137	-	2,137
Contingency	51,222	-	-	-
Capital Outlay	10,000	-	-	-
Construction	4,804,330	1,078,065	-	1,078,065
Land Purchase	125,000	-	-	-
Total Expenditures	<u>\$ 6,145,883</u>	<u>\$ 1,157,563</u>	<u>\$ -</u>	<u>\$ 1,157,563</u>
Excess Revenue Over (Under) Expenditures	\$ (32,019)	\$ 17,056	\$ -	\$ 17,056
<b>Other financing sources (uses)</b>				
Transfers from (to):				
General Fund	\$ -	\$ -	\$ -	\$ -
Fund Balance Appropriated	32,019	-	-	-
Total other financing sources (uses)	<u>\$ 32,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and other financing sources over uses	<u>\$ -</u>	<u>\$ 17,056</u>	<u>\$ -</u>	<u>\$ 17,056</u>
Fund balance:				
Beginning of year, July 1			<u>17,056</u>	
End of Year, June 30			<u>\$ 17,056</u>	

**Pender County, North Carolina**  
**CDBG 2002 Scattered Sites**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Actual	
			Actual	Total to Date
<b>Revenues</b>				
Community Development Block Grant	\$ 600,000	\$ 600,000	\$ -	\$ 600,000
Program Income	42,281	42,282	-	42,282
Total	<u>\$ 642,281</u>	<u>\$ 642,282</u>	<u>\$ -</u>	<u>\$ 642,282</u>
<b>Expenditures</b>				
Current:				
Clearance/Demolition	\$ 59,287	\$ 59,287	\$ -	\$ 59,287
Relocation	403,932	401,915	-	401,915
Rehabilitation	135,520	134,771	-	134,771
Administration	43,542	43,542	-	43,542
Total Expenditures	<u>\$ 642,281</u>	<u>\$ 639,515</u>	<u>\$ -</u>	<u>\$ 639,515</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 2,767</u>	<u>\$ -</u>	<u>\$ 2,767</u>
Other Financing Sources:				
Appropriated Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 2,767</u>	<u>\$ -</u>	<u>\$ 2,767</u>
Fund balances:				
Beginning of year, July 1			<u>2,767</u>	
End of year, June 30			<u>\$ 2,767</u>	

**Pender County, North Carolina**  
**HWY 421 Industrial Park Study**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Actual	
			Actual	Total to Date
<b>Revenues</b>				
Rural Center Capacity Bldg	\$ 40,000	\$ -	\$ -	\$ -
Investment Earnings	\$ -	\$ -	\$ 7,762	7,762
Unrestricted Intergovernmental	-	-	-	-
Total	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 7,762</u>	<u>\$ 7,762</u>
<b>Expenditures</b>				
Current:				
Supplies and Materials	\$ 5,000	\$ -	\$ -	\$ -
Contracted Services - Attorneys	5,000	-	-	-
Contracted Services - Engineers	19,500	12,262	-	12,262
Contracted Services - Planning	15,000	-	-	-
Total Expenditures	<u>\$ 44,500</u>	<u>\$ 12,262</u>	<u>\$ -</u>	<u>\$ 12,262</u>
Revenues over expenditures	<u>\$ (4,500)</u>	<u>\$ (12,262)</u>	<u>\$ 7,762</u>	<u>\$ (4,500)</u>
Other Financing Sources:				
Transfers from (to):				
Capital Improvement Project Fund	\$ 4,500	\$ 4,500	\$ -	\$ 4,500
Appropriated Fund Balance	-	-	-	-
Total other financing sources (uses)	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ 4,500</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (7,762)</u>	<u>\$ 7,762</u>	<u>\$ -</u>
Fund balances:				
Beginning of year, July 1			<u>(7,762)</u>	
End of year, June 30			<u>\$ -</u>	

**Pender County, North Carolina**  
**CDBG 2004 Concentrated Needs**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Actual	
			Actual	Total to Date
<b>Revenues</b>				
Community Development Fund	\$ 700,000	\$ 657,726	\$ -	\$ 657,726
Unrestricted Intergovernmental	4,950	2,637	-	2,637
Total	<u>\$ 704,950</u>	<u>\$ 660,363</u>	<u>\$ -</u>	<u>\$ 660,363</u>
<b>Expenditures</b>				
Current:				
Clearance/Demolition	\$ 48,000	\$ 39,419	\$ -	\$ 39,419
Relocation	434,000	397,283	-	397,283
Rehabilitation	68,950	63,101	-	63,101
Administration	59,000	54,787	-	54,787
L1 Administration	-	352	-	352
L1 Clearance	10,000	9,900	-	9,900
L1 Relocation	85,000	89,285	-	89,285
L1 Acquisition	-	1,296	-	1,296
Total Expenditures	<u>\$ 704,950</u>	<u>\$ 655,423</u>	<u>\$ -</u>	<u>\$ 655,423</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 4,940</u>	<u>\$ -</u>	<u>\$ 4,940</u>
Other Financing Sources:				
Appropriated Fund Balance	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 4,940</u>	<u>\$ -</u>	<u>\$ 4,940</u>
Fund balances:				
Beginning of year, July 1			<u>4,940</u>	
End of year, June 30			<u>\$ 4,940</u>	

**Pender County, North Carolina**  
**Domestic Violence Grant**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Restricted Intergovernmental Revenues	\$ 78,811	\$ 41,623	\$ 44,410	\$ 86,033
Total Revenues	<u>\$ 78,811</u>	<u>\$ 41,623</u>	<u>\$ 44,410</u>	<u>\$ 86,033</u>
<b>Expenditures</b>				
Salaries	\$ 38,184	\$ 27,168	\$ 41,688	\$ 68,856
Fringe Benefits	10,334	45	10,221	10,266
Telephone	1,000	386	-	386
Postage	93	-	-	-
Travel	500	-	2,137	2,137
Maintenance & Repairs	1,000	-	405	405
Gas & Diesel Fuel	8,000	2,034	-	2,034
Supplies and Materials	8,975	2,817	3,115	5,932
Uniforms	1,025	870	459	1,329
Contracted Services	1,700	-	-	-
Training	1,500	1,432	-	1,432
Computer Expense	1,300	1,234	-	1,234
Other Equipment	5,200	1,562	1,005	2,567
Total Expenditures	<u>\$ 78,811</u>	<u>\$ 37,548</u>	<u>\$ 59,030</u>	<u>\$ 96,578</u>
Excess Revenue Over (Under) Expenditures	\$ -	\$ 4,075	\$ (14,620)	\$ (10,545)
<b>Other financing sources (uses)</b>				
Transfers from (to):				
General Fund	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and other financing sources over uses	<u>\$ -</u>	<u>\$ 4,075</u>	<u>\$ (14,620)</u>	<u>\$ (10,545)</u>
Fund balance:				
Beginning of year, July 1			<u>4,075</u>	
End of Year, June 30			<u>\$ (10,545)</u>	

**Pender County, North Carolina**  
**Giant Salvinia Eradication**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Actual	
			Actual	Total to Date
<b>Revenues</b>				
NFWF - Giant Salvinia Education	\$ 201,080	\$ 161,080	\$ -	\$ 161,080
Total	<u>\$ 201,080</u>	<u>\$ 161,080</u>	<u>\$ -</u>	<u>\$ 161,080</u>
<b>Expenditures</b>				
Current:				
Salaries	\$ 85,412	\$ 63,205		\$ 63,205
FICA	6,698	4,836		4,836
Postage	561	299	28	327
Travel	20,726	12,041		12,041
Vehicle Repairs and Maintenance	2,800	186		186
Supplies and Materials	19,594	12,437	5,168	17,605
Supplies - Chemicals	29,331	15,524	12,990	28,514
Contracted Services	11,385	7,460	(1,779)	5,681
Training	7,350	2,415	257	2,672
Other Equipment	20,223	10,456		10,456
Total Expenditures	<u>\$ 204,080</u>	<u>\$ 128,859</u>	<u>\$ 16,664</u>	<u>\$ 145,523</u>
Revenues over expenditures	<u>\$ (3,000)</u>	<u>\$ 32,221</u>	<u>\$ (16,664)</u>	<u>\$ 15,557</u>
<b>Other Financing Sources:</b>				
Transfers from (to):				
General Fund	\$ 3,000	\$ 3,000	\$ -	\$ 3,000
Appropriated Fund Balance	-	-	-	-
Total other financing sources (uses)	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 35,221</u>	<u>\$ (16,664)</u>	<u>\$ 18,557</u>
<b>Fund balances:</b>				
Beginning of year, July 1			<u>35,221</u>	
End of year, June 30			<u>\$ 18,557</u>	

**Pender County, North Carolina**  
**CDBG Scattered Sites**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Actual	
			Actual	Total to Date
<b>Revenues</b>				
Community Development Fund	\$ 800,000	\$ 398,647	\$ 51,611	\$ 450,258
Total	\$ 800,000	\$ 398,647	\$ 51,611	\$ 450,258
<b>Expenditures</b>				
Current:				
Clearance/Demolition	\$ 61,000	\$ 40,413	\$ -	\$ 40,413
Relocation	525,000	267,064	3,910	270,974
Rehabilitation	134,000	51,266	28,571	79,837
Administration	76,500	36,204	17,635	53,839
Planning	3,500	3,500	-	3,500
Total Expenditures	\$ 800,000	\$ 398,447	\$ 50,116	\$ 448,563
Revenues over expenditures	\$ -	\$ 200	\$ 1,495	\$ 1,695
Other Financing Sources:				
Appropriated Fund Balance	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 200	\$ 1,495	\$ 1,695
Fund balances:				
Beginning of year, July 1			200	
End of year, June 30			\$ 1,695	

**Pender County, North Carolina**  
**2005 CHAF #071-0-04**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Actual	
			Actual	Total to Date
<b>Revenues</b>				
Crisis Housing Assistance	\$ 995,200	\$ 292,218	\$ 39,025	\$ 331,243
Investment Income	-	-	8,153	8,153
Total	<u>\$ 995,200</u>	<u>\$ 292,218</u>	<u>\$ 47,178</u>	<u>\$ 339,396</u>
<b>Expenditures</b>				
Current:				
Repair	\$ 114,400	\$ 101,687	\$ 1,250	\$ 102,937
Replacements	805,300	160,163	1,305	161,468
Service Delivery	75,500	74,991	-	74,991
Total Expenditures	<u>\$ 995,200</u>	<u>\$ 336,841</u>	<u>\$ 2,555</u>	<u>\$ 339,396</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ (44,623)</u>	<u>\$ 44,623</u>	<u>\$ -</u>
Other Financing Sources:				
Appropriated Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (44,623)</u>	<u>\$ 44,623</u>	<u>\$ -</u>
Fund balances:				
Beginning of year, July 1			<u>(44,623)</u>	
End of year, June 30			<u>\$ -</u>	

## CAPITAL PROJECTS FUNDS

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Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds

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**Pender County, North Carolina**  
**Capital Projects Funds**  
**Combining Balance Sheets**  
**June 30, 2009**

	NON-MAJOR			Combining Totals June 30, 2009
	Vehicle Replacement Fund	Capital Improvements Fund	Capital Facilities Reserve Fund	
<b>Assets</b>				
Current Assets:				
Cash and Investments	\$ 28,649	\$ 299,346	\$ 99,148	\$ 427,143
Accounts Receivable (Net)	-	264,501	-	264,501
Total assets	<u>\$ 28,649</u>	<u>\$ 563,847</u>	<u>\$ 99,148</u>	<u>\$ 691,644</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Temporary Bank Overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	151	150,405	-	150,556
Due to other funds	-	-	-	-
Total liabilities	<u>\$ 151</u>	<u>\$ 150,405</u>	<u>\$ -</u>	<u>\$ 150,556</u>
Fund balances:				
Reserved by bond ordinance	\$ -	\$ -	\$ -	\$ -
Reserved by state statute	-	-	-	-
Unreserved:				
Designated for subsequent years' expenditures	28,498	413,442	99,148	541,088
Total fund balances	<u>\$ 28,498</u>	<u>\$ 413,442</u>	<u>\$ 99,148</u>	<u>\$ 541,088</u>
Total liabilities and fund balances	<u>\$ 28,649</u>	<u>\$ 563,847</u>	<u>\$ 99,148</u>	<u>\$ 691,644</u>

**Pender County, North Carolina**  
**Capital Projects Fund**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Year Ended June 30, 2009**

	NON-MAJOR			Combining Totals June 30, 2009
	Vehicle Replacement Fund	Capital Improvements Fund	Capital Facilities Reserve Fund	
<b>Revenues</b>				
Interest Income	\$ -	\$ -	\$ -	\$ -
Sales Tax Refund	-	7,760	-	7,760
Restricted intergovernmental	-	951,981	-	951,981
Total Revenue	<u>\$ -</u>	<u>\$ 959,741</u>	<u>\$ -</u>	<u>\$ 959,741</u>
<b>Expenditures</b>				
Capital Outlay	\$ 511,704	\$ 2,247,134	\$ -	\$ 2,758,838
Other Equipment	8,946	-	-	8,946
Titles/Tags/Tax	16,060	-	-	16,060
Education	-	-	-	-
Total Expenditures	<u>\$ 536,710</u>	<u>\$ 2,247,134</u>	<u>\$ -</u>	<u>\$ 2,783,844</u>
Revenues over (under) expenditures	<u>\$ (536,710)</u>	<u>\$ (1,287,393)</u>	<u>\$ -</u>	<u>\$ (1,824,103)</u>
Other financing sources (uses)				
Transfers from (to):				
General Fund	\$ 500,250	\$ 898,364	\$ -	\$ 1,398,614
Solid Waste	-	(180,753)	-	(180,753)
Sewer Fund	-	-	-	-
Premium on Debt Issued	-	-	-	-
Bond Proceeds	-	-	-	-
Local Match	-	-	-	-
Total other financing sources (uses)	<u>\$ 500,250</u>	<u>\$ 717,611</u>	<u>\$ -</u>	<u>\$ 1,217,861</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (36,460)</u>	<u>\$ (569,782)</u>	<u>\$ -</u>	<u>\$ (606,242)</u>
Fund Balances:				
Beginning of Year - July 1	64,958	983,224	99,148	1,147,330
End of Year - June 30	<u>\$ 28,498</u>	<u>\$ 413,442</u>	<u>\$ 99,148</u>	<u>\$ 541,088</u>

**Pender County, North Carolina**  
**Vehicle Replacement Fund - Capital Project Fund**  
**Statement of Revenue, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Proceeds From Vehicle Disposals	\$ -	\$ -	\$ -
Other Income	-	-	-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>			
Capital Outlay - Vehicle	\$ 515,250	\$ 511,704	\$ 3,546
Other Equipment	13,000	8,946	4,054
Titles/tags/tax	22,000	16,060	5,940
Total Expenditures	<u>550,250</u>	<u>536,710</u>	<u>13,540</u>
Revenues under expenditures	<u>\$ (550,250)</u>	<u>\$ (536,710)</u>	<u>\$ 13,540</u>
Other financing sources (uses):			
Transfers from (to):			
General Fund	\$ 500,250	\$ 500,250	\$ -
Fund Balance Appropriated	50,000	-	(50,000)
Total financing sources (uses)	<u>\$ 550,250</u>	<u>\$ 500,250</u>	<u>\$ (50,000)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (36,460)</u>	<u>\$ (36,460)</u>
Fund balances:			
Beginning of year, July 1		<u>64,958</u>	
End of year, June 30		<u>\$ 28,498</u>	

**Pender County, North Carolina**  
**Capital Improvements Fund - Capital Project Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Restricted Intergovernmental	\$ 3,886,057	\$ 951,981	\$ (2,934,076)
Miscellaneous	-	7,760	7,760
Total revenues	<u>\$ 3,886,057</u>	<u>\$ 959,741</u>	<u>\$ (2,926,316)</u>
<b>Expenditures</b>			
Capital Outlay:			
Jail Annex	\$ 151,427	\$ -	\$ 151,427
Hwy 421 Industrial Park	40,000	10,050	29,950
Hampstead Library Expansion	18,633	-	18,633
Hampstead Library Annex	250,000	19,000	231,000
Courthouse Improvements	726,138	20,743	705,395
Wilmington Street Jail	10,000	-	10,000
Capital Study Plan	10,000	-	10,000
Central District Park	67,516	-	67,516
CAMA Land Use Plan 02-03	50,692	-	50,692
Space Plan Development	7,090	-	7,090
Hampstead District Park Phase II	414,237	133,729	280,508
Parks	291,364	29,697	261,667
Industrial Infrastructure	255,352	-	255,352
Intercoastal Dredging Maintenance	225,000	-	225,000
6037 Mallard Bay Dredging	93,154	-	93,154
Dogwood Lane Dredging	31,242	3,124	28,118
Millcreek Dredging	20,548	2,055	18,493
Millcreek Dredging Ph II	399,360	512,059	(112,699)
Agriculture Building Expan	402,758	-	402,758
Industrial Infrastructure Development	549,466	265,037	284,429
Industrial Incentive-Prestige Label	40,000	14,000	26,000
Industrial Incentive-Del Labs	325,000	65,000	260,000
CDBG Grants Match	75,557	-	75,557
Kitchen Incubator	398,978	7,058	391,920
Beach Protection	400,000	-	400,000
Beach Renourishment	1,225,000	404,966	820,034
Pender Memorial Park	727,483	150,991	576,492
Mallard Bay Dredging - Phase II	438,960	-	438,960
Hampstead District Park-Contract Services	14,612	-	14,612
Hampstead District Park-Capital Outlay	608,324	-	608,324
Nixon Creek Dredging	86,000	-	86,000
Water Treatment Plant	1,994,009	-	1,994,009
Wastewater Treatment Plant	1,994,009	-	1,994,009
Reroofing/HVAC	232,900	-	232,900
Reroofing/HVAC/Paving	457,303	137,114	320,189
Paving	131,023	-	131,023
Space Plan Development	1,290,957	306,242	984,715
Stormwater Management	107,250	28,984	78,266
Radio Tower	1,145,323	38,100	1,107,223
Burgaw Sewer Project	1,100,000	-	1,100,000
Pender Packing Sewer	431,000	4,145	426,855
Black River Restoration	124,520	95,040	29,480
Miller's Pond Park	25,000	-	25,000
Drainage Management	52,000	-	52,000
Total Expenditures	<u>\$ 17,439,185</u>	<u>\$ 2,247,134</u>	<u>\$ 15,085,571</u>
Revenues under expenditures	<u>\$ (13,553,128)</u>	<u>\$ (1,287,393)</u>	<u>\$ 12,265,735</u>
Other financing sources:			
Operating Transfer In (Out)			
General Fund	\$ 10,222,882	\$ 898,364	\$ (9,324,518)
Solid Waste	(17,534)	(180,753)	(163,219)
HWY 421	(4,500)	-	4,500
Public Sch Capital Fund	(10,000)	-	10,000
Donations	203,047	-	(203,047)
Local Match	137,546	-	(137,546)
Appropriated Fund Balance	3,021,687	-	(3,021,687)
Total Other Financing Sources (Uses)	<u>\$ 13,553,128</u>	<u>\$ 717,611</u>	<u>\$ (12,835,517)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (569,782)</u>	<u>\$ (569,782)</u>
Fund balances:			
Beginning of year, July 1		983,224	
End of year, June 30		<u>\$ 413,442</u>	

**Pender County, North Carolina**  
**Capital Facilities Reserve Fund - Capital Projects Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2009**

	Project Author- ization	Actual		Total to Date
		Prior Years	Current Year	
Other financing sources:				
Operating Transfer In (Out)				
General Fund	\$ (139,668)	\$ 1,999,148	\$ -	\$ 1,999,148
Capital Improvements Fund	139,668	(1,900,000)	-	(1,900,000)
Total Other Fin. Sources (Uses)	<u>\$ -</u>	<u>\$ 99,148</u>	<u>\$ -</u>	<u>\$ 99,148</u>
Fund balances:				
Beginning of year, July 1			<u>99,148</u>	
End of year, June 30			<u>\$ 99,148</u>	

## PROPRIETARY FUNDS

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

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**Pender County, North Carolina**  
**Proprietary Fund**  
**Combining Balance Sheets**  
**June 30, 2009**

Exhibit E-1

	MAJOR		NON-MAJOR							Totals June 30, 2009
	Resource Recovery Fund	Rocky Point Water Fund	Maple Hill Water Fund	Sewer Fund	Section 8 Admin. Fund	Country Court Apartments Fund	Scott's Hill Water & Sewer	Water Treatment Plant	Waste Water Treatment Plant	
<b>Assets</b>										
Current assets:										
Cash and cash equivalents	\$ 718,732	\$ 865,416	\$ 118,674	\$ 4,453,655	\$ 265,082	\$ 48,882	\$ -	\$ -	\$ -	\$ 6,470,441
Due from other funds	-	-	12,568	24,507	-	195	-	-	-	37,270
Accounts receivable (net)	372,331	333,809	18,890	37,377	770	-	-	-	-	763,177
Prepaid expense	-	13	46	-	-	-	-	-	-	59
Total current assets	<u>\$ 1,091,063</u>	<u>\$ 1,199,238</u>	<u>\$ 150,178</u>	<u>\$ 4,515,539</u>	<u>\$ 265,852</u>	<u>\$ 49,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,270,947</u>
Restricted Cash	-	3,034,484	-	-	-	-	-	-	-	3,034,484
Temporary Construction	609,303	20,312,170	318,795	151,106	-	-	124,153	545,906	380,587	22,442,020
Capital assets (net)	526,630	7,126,020	703,045	135,078	4,848	208,861	-	-	-	8,704,482
Total assets	<u>\$ 2,226,996</u>	<u>\$ 31,671,912</u>	<u>\$ 1,172,018</u>	<u>\$ 4,801,723</u>	<u>\$ 270,700</u>	<u>\$ 257,938</u>	<u>\$ 124,153</u>	<u>\$ 545,906</u>	<u>\$ 380,587</u>	<u>\$ 41,451,933</u>
<b>Liabilities and Fund Equities</b>										
Current liabilities:										
Advance Funding of Projects	\$ -	\$ -	\$ 305,316	\$ -	\$ -	\$ -	\$ 71,948	\$ -	\$ -	\$ 377,264
Accounts payable and accrued liabilities	328,042	45,491	14,513	-	4,630	795	-	-	-	393,471
Accrued interest	-	79,393	1,236	-	-	-	-	-	-	80,629
Customer deposits	-	10,868	675	-	-	5,180	-	-	-	16,723
Deferred Revenue	-	-	-	-	-	-	-	-	-	-
General Obligation bonds payable	-	263,500	7,000	-	-	-	-	-	-	270,500
Notes payable	-	-	-	-	-	6,322	-	-	-	6,322
Accrued landfill closure and post closure care cost	65,816	-	-	-	-	-	-	-	-	65,816
Due to other funds	58,406	37,075	-	-	-	-	-	545,906	507,487	1,148,874
Total current liabilities	<u>\$ 452,264</u>	<u>\$ 436,327</u>	<u>\$ 328,740</u>	<u>\$ -</u>	<u>\$ 4,630</u>	<u>\$ 12,297</u>	<u>\$ 71,948</u>	<u>\$ 545,906</u>	<u>\$ 507,487</u>	<u>\$ 2,359,599</u>
Noncurrent liabilities:										
Compensated absences payable	\$ 5,263	\$ 21,865	\$ 8,353	\$ -	\$ 8,486	\$ -	\$ -	\$ -	\$ -	\$ 43,967
OPEB payable	9,533	20,759	2,761	-	6,598	-	-	-	-	39,651
Accrued landfill closure and postclosure care cost	-	-	-	-	-	-	-	-	-	-
General obligation bond payable	-	-	251,000	-	-	-	-	-	-	251,000
Note payable	-	21,077,500	-	-	-	148,004	-	-	-	21,225,504
Total noncurrent liabilities	<u>\$ 14,796</u>	<u>\$ 21,120,124</u>	<u>\$ 262,114</u>	<u>\$ -</u>	<u>\$ 15,084</u>	<u>\$ 148,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,560,122</u>
Total liabilities	<u>\$ 467,060</u>	<u>\$ 21,556,451</u>	<u>\$ 590,854</u>	<u>\$ -</u>	<u>\$ 19,714</u>	<u>\$ 160,301</u>	<u>\$ 71,948</u>	<u>\$ 545,906</u>	<u>\$ 507,487</u>	<u>\$ 23,919,721</u>
Net Assets										
Capital assets net of related debt	\$ 1,135,933	\$ 9,131,674	\$ 763,840	\$ 286,184	\$ 4,848	\$ 54,535	\$ 124,153	\$ 545,906	\$ 380,587	\$ 12,427,660
Unrestricted	624,003	983,787	(182,676)	4,515,539	246,138	43,102	(71,948)	(545,906)	(507,487)	5,104,552
Total net assets	<u>\$ 1,759,936</u>	<u>\$ 10,115,461</u>	<u>\$ 581,164</u>	<u>\$ 4,801,723</u>	<u>\$ 250,986</u>	<u>\$ 97,637</u>	<u>\$ 52,205</u>	<u>\$ -</u>	<u>\$ (126,900)</u>	<u>\$ 17,532,212</u>

**Pender County, North Carolina**  
**Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Retained Earnings (Deficit)**  
**For The Fiscal Year Ended June 30, 2009**

Exhibit E-2

	MAJOR				NON-MAJOR				Totals June 30, 2009
	Resource Recovery Fund	Rocky Point Water Fund	Maple Hill Water Fund	Sewer Fund	Section 8 Admin. Fund	Country Court Apartments Fund	Scott's Hill Water & Sewer	Water Treatment Plant	
<b>Operating revenues:</b>									
Charges for services	\$ 3,595,475	\$ 2,434,263	\$ 132,017	\$ 95,560	\$ -	\$ -	\$ -	\$ -	\$ 6,257,315
Del-lab fees	-	-	-	-	-	-	-	-	-
Dwelling Rental	-	-	-	-	-	38,262	-	-	38,262
Sales tax refund	-	-	-	-	-	-	-	-	-
Other operating revenues	-	-	3,340	-	-	70	(120)	-	3,290
<b>Total operating revenues</b>	<b>\$ 3,595,475</b>	<b>\$ 2,434,263</b>	<b>\$ 135,357</b>	<b>\$ 95,560</b>	<b>\$ -</b>	<b>\$ 38,332</b>	<b>\$ (120)</b>	<b>\$ -</b>	<b>\$ 6,298,867</b>
<b>Operating expenses:</b>									
Personnel	\$ 153,341	\$ 339,986	\$ 50,984	\$ -	\$ 100,831	\$ -	\$ -	\$ -	\$ 645,142
Contracted Services	3,738,137	342,758	12,935	-	-	11,942	-	-	4,105,772
Water Purchases	-	368,890	32,208	-	-	-	-	-	401,098
System Maintenance / Other Operating Costs	62,764	328,409	16,801	-	21,289	13,787	-	-	443,050
Administration and Housing Assistance	-	-	-	-	970,954	-	-	-	970,954
Other Equipment	10,667	10,365	-	-	-	-	-	-	21,032
OPEB Expense	9,533	20,759	2,761	-	6,598	-	-	-	39,651
Depreciation	28,587	224,931	29,608	6,282	939	8,035	-	-	298,382
<b>Total operating expenses</b>	<b>\$ 4,003,029</b>	<b>\$ 1,636,098</b>	<b>\$ 145,297</b>	<b>\$ 6,282</b>	<b>\$ 1,100,611</b>	<b>\$ 33,764</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,925,081</b>
<b>Operating income</b>	<b>\$ (407,554)</b>	<b>\$ 798,165</b>	<b>\$ (9,940)</b>	<b>\$ 89,278</b>	<b>\$ (1,100,611)</b>	<b>\$ 4,568</b>	<b>\$ (120)</b>	<b>\$ -</b>	<b>\$ (626,214)</b>
<b>Nonoperating revenues (expenses):</b>									
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest revenue	-	45,571	-	-	1,696	274	-	-	47,541
Fraud recovery	-	-	-	-	580	-	-	-	580
White Goods - DEHNR Grant	16,505	-	-	-	-	-	-	-	16,505
Scrap Tire - DEHNR Grant	54,148	-	-	-	-	-	-	-	54,148
Reimbursements from School	230,008	-	-	-	-	-	-	-	230,008
STDA reimbursement	7,395	-	-	-	-	-	-	-	7,395
Operating Subsidy - HUD	-	-	-	-	938,330	-	-	-	938,330
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
Interest expense	-	(962,937)	(15,178)	-	-	-	-	-	(978,115)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 308,056</b>	<b>\$ (917,366)</b>	<b>\$ (15,178)</b>	<b>\$ -</b>	<b>\$ 940,606</b>	<b>\$ 274</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 316,392</b>
<b>Revenues over (under) expenditures</b>	<b>\$ (99,498)</b>	<b>\$ (119,201)</b>	<b>\$ (25,118)</b>	<b>\$ 89,278</b>	<b>\$ (160,005)</b>	<b>\$ 4,842</b>	<b>\$ (120)</b>	<b>\$ -</b>	<b>\$ (309,822)</b>
<b>Other financing sources (uses):</b>									
Transfers from (to):									
General Fund	\$ 180,753	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,753
Rocky Point Water Fund	-	-	-	(750,000)	-	-	-	-	(750,000)
Waste Water Treatment Plant	-	-	-	126,900	-	-	-	-	126,900
Sewer Fund	-	750,000	-	-	-	-	-	-	750,000
St Helena Wasterwater Project	-	-	-	-	-	-	-	(126,900)	(126,900)
Capital Improvement Fund	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ 180,753</b>	<b>\$ 750,000</b>	<b>\$ -</b>	<b>\$ (623,100)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (126,900)</b>	<b>\$ 180,753</b>
<b>Net Income (Loss)</b>	<b>\$ 81,255</b>	<b>\$ 630,799</b>	<b>\$ (25,118)</b>	<b>\$ (533,822)</b>	<b>\$ (160,005)</b>	<b>\$ 4,842</b>	<b>\$ (120)</b>	<b>\$ (126,900)</b>	<b>\$ (129,069)</b>
<b>Net Assets - 7/1/08</b>	<b>1,678,681</b>	<b>9,484,662</b>	<b>606,282</b>	<b>5,335,545</b>	<b>410,991</b>	<b>92,795</b>	<b>52,325</b>	<b>-</b>	<b>17,661,281</b>
<b>Restatement of Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets - 6/30/09</b>	<b>\$ 1,759,936</b>	<b>\$ 10,115,461</b>	<b>\$ 581,164</b>	<b>\$ 4,801,723</b>	<b>\$ 250,986</b>	<b>\$ 97,637</b>	<b>\$ 52,205</b>	<b>\$ (126,900)</b>	<b>\$ 17,532,212</b>

**Pender County, North Carolina**  
**Resource Recovery Operating Fund - Enterprise Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Landfill Fees	\$ 1,235,000	\$ 954,045	\$ (280,955)
User Fees	2,520,000	2,625,826	105,826
Disposal Tax	-	15,519	15,519
Miscellaneous Revenues	-	85	85
Total Revenues	<u>\$ 3,755,000</u>	<u>\$ 3,595,475</u>	<u>\$ (159,525)</u>
<b>Expenditures</b>			
Salaries & Employee Benefits	\$ 153,542	\$ 153,341	\$ 201
Contracted Services	3,827,922	3,738,137	89,785
Other Operating Expenditures	77,990	62,764	15,226
Capital Outlay	289,600	20,967	268,633
Total Expenditures	<u>\$ 4,349,054</u>	<u>\$ 3,975,209</u>	<u>\$ 373,845</u>
Revenues over (under) expenditures	<u>\$ (594,054)</u>	<u>\$ (379,734)</u>	<u>\$ 214,320</u>
Other financing sources (uses):			
Transfers from (to):			
Capital Improvement Fund	\$ -	\$ -	\$ -
General Fund	180,199	180,753	(554)
White Goods - DEHNR Grant	15,000	16,505	(1,505)
Scrap Tire - DEHNR Grant	40,000	54,148	(14,148)
STDA Reimbursement	-	7,395	(7,395)
Reimbursement from Schools	165,000	230,008	(65,008)
Fund Balance Appropriated	193,855	-	193,855
Total other financing sources (uses)	<u>\$ 594,054</u>	<u>\$ 488,809</u>	<u>\$ 105,245</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 109,075</u>	<u>\$ 109,075</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over expenditures and other uses		<u>\$ 109,075</u>	
Reconciling items:			
Capital Outlay Expenditures		\$ 10,300	
Capital Contributions		-	
OPEB Expense		(9,533)	
Depreciation Expense		(28,587)	
Total reconciling items		<u>\$ (27,820)</u>	
Net income		<u>\$ 81,255</u>	

**Pender County, North Carolina**  
**Rocky Point / Topsail Water & Sewer Fund - Enterprise Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Del Lab Fees - Sewer	\$ 34,658	\$ -	\$ (34,658)
School Fees - Sewer	22,524	26,170	3,646
Commercial Sewer Fees	33,000	99,695	66,695
Connections Fees - Sewer	-	-	-
Water Fees	1,641,059	2,090,435	449,376
Connections Fees - Water	153,000	189,332	36,332
Other Fees	29,500	28,631	(869)
Total Revenues	<u>\$ 1,913,741</u>	<u>\$ 2,434,263</u>	<u>\$ 520,522</u>
<b>Expenditures</b>			
Sewer Operations			
Salaries & Benefits	\$ 24,221	\$ 15,351	\$ 8,870
Contracted Services	56,361	52,146	4,215
Other Operating Expenditures	9,600	9,686	(86)
Capital Outlay	-	-	-
	<u>\$ 90,182</u>	<u>\$ 77,183</u>	<u>\$ 12,999</u>
Water Operations			
Salaries & Benefits	\$ 346,790	\$ 324,635	\$ 22,155
Contracted Services	346,245	290,612	55,633
Water Purchases	340,875	368,890	(28,015)
Other Operating Expenditures	289,380	318,723	(29,343)
Capital Outlay	36,000	31,785	4,215
Debt Service Payments:			
Principal	251,000	251,000	-
Interest	963,869	962,937	932
Total Expenditures	<u>\$ 2,574,159</u>	<u>\$ 2,548,582</u>	<u>\$ 25,577</u>
Revenues over (under) expenditures	<u>\$ (750,600)</u>	<u>\$ (191,502)</u>	<u>\$ 559,098</u>
Other financing sources (uses):			
Transfer from general fund	\$ -	\$ -	\$ -
Transfer from sewer fund	750,000	750,000	
Fund Balance Appropriated	600	-	(600)
Total Other Financing Sources	<u>\$ 750,600</u>	<u>\$ 750,000</u>	<u>\$ (600)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 558,498</u>	<u>\$ 558,498</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over expenditures and other uses		\$ 558,498	
Reconciling items:			
Depreciation		(224,931)	
Long Term Debt Repayments		251,000	
Capital Outlay		21,420	
OPEB Expense		(20,759)	
USDA Rural Development Grant (Exhibit E-4a, E-4b)		-	
Investment Income (Exhibit E-4a, E-4b, E-4c)		45,571	
Sales Tax Refund (Exhibit E-4a)		-	
Net income		<u>\$ 630,799</u>	

**Pender County, North Carolina**  
**Rocky Point Water Fund Phase III - Enterprise Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Current Year	Total to date
<b>Revenues</b>				
USDA Rural Development - Loan	\$ 5,723,000	\$ 5,723,000	\$ -	\$ 5,723,000
USDA Rural Development - Grant	3,680,500	3,680,500	-	3,680,500
Investment Income	-	44,905	1,629	46,534
Premium on Debt Issued	-	57,876	-	57,876
Sales Tax Refund	-	168,212	-	168,212
Total Revenues	<u>\$ 9,403,500</u>	<u>\$ 9,674,493</u>	<u>\$ 1,629</u>	<u>\$ 9,676,122</u>
<b>Expenditures</b>				
Contracted Services	\$ 845,107	\$ 421,175		\$ 421,175
Construction	8,123,949	5,464,244		5,464,244
Interest During Construction	527,702	842,694		842,694
Contingency	33,492	350		350
Other	12,750	1,004		1,004
Total Expenditures	<u>\$ 9,543,000</u>	<u>\$ 6,729,467</u>	<u>\$ -</u>	<u>\$ 6,729,467</u>
Revenues over (under) expenditures	<u>\$ (139,500)</u>	<u>\$ 2,945,026</u>	<u>\$ 1,629</u>	<u>\$ 2,946,655</u>
Other financing sources (uses):				
Donations	\$ 53,000	\$ 53,000	\$ -	53,000
Transfer from (to):				
Rocky Point Water & Sewer	<u>86,500</u>	<u>86,500</u>	<u>-</u>	<u>86,500</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 3,084,526</u>	<u>\$ 1,629</u>	<u>\$ 3,086,155</u>

**Pender County, North Carolina**  
**Rocky Point Water Fund - Phase IV - Enterprise Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Current Year	Total to date
<b>Revenues</b>				
USDA Rural Development - Loan	\$ 1,529,000	\$ 1,529,000	\$ -	\$ 1,529,000
USDA Rural Development - Grant	1,094,000	174,900	-	174,900
Connection Fees	30,000	-	-	-
Premium on Debt Issued	-	2,150	-	2,150
Investment Income	-	72,735	5,528	78,263
Total Revenues	<u>\$ 2,653,000</u>	<u>\$ 1,778,785</u>	<u>\$ 5,528</u>	<u>\$ 1,784,313</u>
<b>Expenditures</b>				
Postage	\$ 4,000	\$ 1,168	\$ -	\$ 1,168
Supplies and Materials	1,650	1,309	-	1,309
Contracted Services	371,296	225,851	-	225,851
Capital Outlay	2,162,000	1,869,960	19,307	1,889,267
Bond Interest	-	3,936	-	3,936
Interest During Construction	140,000	90,076	-	90,076
Contingency	92,804	2,550	-	2,550
Total Expenditures	<u>\$ 2,771,750</u>	<u>\$ 2,194,850</u>	<u>\$ 19,307</u>	<u>\$ 2,214,157</u>
Revenues over (under) expenditures	<u>\$ (118,750)</u>	<u>\$ (416,065)</u>	<u>\$ (13,779)</u>	<u>\$ (429,844)</u>
Other financing sources (uses):				
Transfer from (to):				
Rocky Point Water & Sewer	<u>\$ 118,750</u>	<u>\$ 90,850</u>	<u>                    </u>	<u>\$ 90,850</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (325,215)</u>	<u>\$ (13,779)</u>	<u>\$ (338,994)</u>

**Pender County, North Carolina**  
**Rocky Point Water Fund - Phase V - Enterprise Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Current Year	Total to date
<b>Revenues</b>				
USDA RD Loan	\$ 10,625,000	\$ 10,625,000	\$ -	\$ 10,625,000
Premium on Debt Issued	-	14,944	-	14,944
Investment Income	-	505,445	38,414	543,859
Total Revenues	<u>\$ 10,625,000</u>	<u>\$ 11,145,389</u>	<u>\$ 38,414</u>	<u>\$ 11,183,803</u>
<b>Expenditures</b>				
Capital Outlay	\$ 9,095,341	\$ 7,684,913	\$ 109,443	\$ 7,794,356
Contracted Services	602,561	560,556	8,061	568,617
Bond Interest	667,678	202,510		202,510
Interest During Constuction	252,870	718,039		718,039
Contingency	6,550	6,550		6,550
Total Expenditures	<u>\$ 10,625,000</u>	<u>\$ 9,172,568</u>	<u>\$ 117,504</u>	<u>\$ 9,290,072</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,972,821</u>	<u>\$ (79,090)</u>	<u>\$ 1,893,731</u>
Other financing sources (uses):				
Transfer from (to):				
Rocky Point Water & Sewer	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues Over (Under) Expenditures	<u><u>\$ -</u></u>	<u><u>\$ 1,972,821</u></u>	<u><u>\$ (79,090)</u></u>	<u><u>\$ 1,893,731</u></u>

**Pender County, North Carolina**  
**Maple Hill Water Operating Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Water Fees	\$ 133,023	\$ 130,277	\$ (2,746)
Connection Fees	-	1,740	1,740
Other Fees	2,500	3,340	840
Total Operating Revenues	<u>\$ 135,523</u>	<u>\$ 135,357</u>	<u>\$ (166)</u>
<b>Expenditures</b>			
Salaries and Employee Benefits	45,649	50,984	(5,335)
Contract Services	14,115	12,935	1,180
Water Purchases	40,629	32,208	8,421
Other Operating Expenditures	14,400	16,801	(2,401)
Debt Service:			
Principal	6,500	6,500	-
Interest	15,250	15,178	72
Total Expenditures	<u>\$ 136,543</u>	<u>\$ 134,606</u>	<u>\$ 1,937</u>
Revenues over (under) expenditures	<u>\$ (1,020)</u>	<u>\$ 751</u>	<u>\$ 1,771</u>
Other financing sources (uses):			
Operating Transfers From:			
General Fund	\$ -	\$ -	\$ -
Fund Balance Appropriated	1,020	-	(1,020)
Total other financing sources (uses)	<u>\$ 1,020</u>	<u>\$ -</u>	<u>\$ (1,020)</u>
Revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ 751</u>	<u>\$ 751</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over expenditures and other uses		<u>\$ 751</u>	
Reconciling items:			
Long Term Debt Repayments		\$ 6,500	
OPEB Expense		(2,761)	
Depreciation Expense		(29,608)	
Total reconciling items		<u>\$ (25,869)</u>	
Net income		<u>\$ (25,118)</u>	

**Pender County, North Carolina**  
**Maple Hill Sewer Project**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	Project Author- ization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Connection Fees	\$ 42,750	\$ -	\$ -	\$ -
Cape Fear RC&D Match	2,000	-	-	-
NC DOJ Env Enhancement	-	-	-	-
NC Rural Center Grant	2,774,614	-	-	-
Clean Water Trust Fund	1,463,000	-	-	-
Total revenues	<u>\$ 4,282,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>				
Supplies / Sampling	\$ 203,500	\$ 3,919		\$ 3,919
Contracted Services	318,864	43,906	95,343	139,249
Capital Outlay	3,565,000	-	175,627	175,627
Contingency	195,000	-	-	-
Total Expenditures	<u>\$ 4,282,364</u>	<u>\$ 47,825</u>	<u>270,970</u>	<u>\$ 318,795</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ (47,825)</u>	<u>\$ (270,970)</u>	<u>\$ (318,795)</u>
Other financing sources:				
Transfer - General Fund	-	-	-	-
HWY 210 Sewer Project	-	-	-	-
Fund Balance Appropriated	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (47,825)</u>	<u>\$ (270,970)</u>	<u>\$ (318,795)</u>

**Pender County, North Carolina**  
**Sewer Operating Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Del Lab Fees	\$ -	\$ -	\$ -
Other	-	-	-
Total Operating Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>			
Sewer Operations	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financing sources (uses):			
Operating Transfers From:			
General Fund	\$ -	\$ -	\$ -
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over expenditures and other uses		<u>\$ -</u>	
Reconciling items:			
Transfer from Waste Water Treatment Plant to St Helena Wastewater (Ex E-6b)		\$ 126,900	
Transfer to Rock Point/Topsail W&S from Wallace WWTP Capacity (Ex E-6a)		\$ (750,000)	
Water and Wastewater Capacity Fees (Ex E-6c)		95,560	
Depreciation Expense		(6,282)	
Total reconciling items		<u>\$ (533,822)</u>	
Net income		<u>\$ (533,822)</u>	

## Wallace WWTP Capacity

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

## Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2009

	Project Author- ization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Other Taxes	\$ -	\$ -	\$ -	\$ -
Sales Tax Refund	-	-	-	-
Interest Income	-	-	-	-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>				
Contracted Services - Engineers	\$ 25,000	\$ 24,206	\$ -	\$ 24,206
Treatment Capacity Acquisition	4,230,000	-	-	-
Total Expenditures	<u>\$ 4,255,000</u>	<u>\$ 24,206</u>	<u>-</u>	<u>\$ 24,206</u>
Revenues under expenditures	<u>\$ (4,255,000)</u>	<u>\$ (24,206)</u>	<u>-</u>	<u>\$ (24,206)</u>
Other financing sources:				
Transfer from (to):				
General Fund	\$ 4,980,000	\$ 4,860,000	\$ -	\$ 4,860,000
Rocky Point/Topsail W&S	\$ (750,000)	-	(750,000)	(750,000)
HWY 210 Sewer Project	25,000	25,000	-	25,000
Fund Balance Appropriated	-	-	-	-
	<u>\$ 4,255,000</u>	<u>\$ 4,885,000</u>	<u>\$ (750,000)</u>	<u>\$ 4,135,000</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 4,860,794</u>	<u>\$ (750,000)</u>	<u>\$ 4,110,794</u>

## St. Helena Wastewater Project

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

## Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2009

	Project Author- ization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Connection Fees	\$ 193,000	\$ -	\$ -	\$ -
USDA RD Loan Loan	432,386	-	-	-
NC Rural Center Grant	2,774,614	-	-	-
Total revenues	<u>\$ 3,400,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>				
Contract Services - Attorney	\$ 15,000	\$ -	\$ -	\$ -
Contract Services - Administration	15,000	-	-	-
Contract Services - Engineers	210,000	126,900	-	126,900
Contract Services - Inspections	95,000	-	-	-
Impact Fees	112,500	-	-	-
Capital Outlay - Land	15,500	-	-	-
Capital Outlay/C&D	2,670,000	-	-	-
Contingency	267,000	-	-	-
Total Expenditures	<u>\$ 3,400,000</u>	<u>\$ 126,900</u>	<u>\$ -</u>	<u>\$ 126,900</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ (126,900)</u>	<u>\$ -</u>	<u>\$ (126,900)</u>
Other financing sources:				
Transfer from (to):				
Waste Water Treatment Plant	\$ -	\$ -	\$ 126,900	\$ 126,900
Fund Balance Appropriated	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,900</u>	<u>\$ 126,900</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (126,900)</u>	<u>\$ 126,900</u>	<u>\$ -</u>
Fund balances:				
Beginning of year, July 1			<u>(126,900)</u>	
End of year, June 30			<u>\$ -</u>	

**Pender County, North Carolina  
Water / WasteWater Capacity Fees**

Exhibit E-6c

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2009**

	Project Author- ization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Water Capacity Fees	\$ 57,600	\$ 103,992	\$ 88,360	\$ 192,352
Wastewater Capacity Fees	100,000	145,662	7,200	152,862
Interest	-	-	-	-
Total revenues	<u>\$ 157,600</u>	<u>\$ 249,654</u>	<u>\$ 95,560</u>	<u>\$ 345,214</u>
<b>Expenditures</b>				
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Reserves	157,600	-	-	-
Total Expenditures	<u>\$ 157,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ 249,654</u>	<u>\$ 95,560</u>	<u>\$ 345,214</u>
Other financing sources:				
Fund Balance Appropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 249,654</u>	<u>\$ 95,560</u>	<u>\$ 345,214</u>
Fund balances:				
Beginning of year, July 1			<u>249,654</u>	
End of year, June 30			<u>\$ 345,214</u>	

**Pender County, North Carolina**  
**Section 8 Administration - Enterprise Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Nonoperating revenues			
Investment earnings	\$ -	\$ 1,696	\$ 1,696
Fraud recovery	850	580	(270)
Total Revenues	<u>\$ 850</u>	<u>\$ 2,276</u>	<u>\$ 1,426</u>
<b>Expenditures</b>			
Salaries and Benefits	\$ 101,941	\$ 100,831	\$ 1,110
Housing Assistance Payments	774,239	970,954	(196,715)
Other Operating Expenditures	20,784	21,289	(505)
Total Expenditures	<u>\$ 896,964</u>	<u>\$ 1,093,074</u>	<u>\$ (196,110)</u>
Revenues over (under) expenditures	<u>\$ (896,114)</u>	<u>\$ (1,090,798)</u>	<u>\$ (194,684)</u>
Other financing sources (uses):			
Operating Subsidy - HUD	\$ 883,967	\$ 938,330	\$ 54,363
Developer's Fee - Seven Oaks			-
Transfer from General Fund			-
Fund Balance Appropriated	12,147		(12,147)
	<u>\$ 896,114</u>	<u>\$ 938,330</u>	<u>\$ 42,216</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (152,468)</u>	<u>\$ (152,468)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over expenditures and other uses		<u>\$ (152,468)</u>	
Reconciling items:			
OPEB Expense		(6,598)	
Depreciation Expense		<u>(939)</u>	
Net income		<u>\$ (160,005)</u>	

**Pender County, North Carolina**  
**Country Court Apartments - Enterprise Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Operating Revenues:			
Dwelling Rental	\$ 45,000	\$ 38,262	\$ (6,738)
Miscellaneous	150	70	(80)
Total Operating Revenues	<u>\$ 45,150</u>	<u>\$ 38,332</u>	<u>\$ (6,818)</u>
Nonoperating Revenues:			
Interest Income	\$ 500	\$ 274	\$ (226)
Total Nonoperating Revenues	<u>\$ 500</u>	<u>\$ 274</u>	<u>\$ (226)</u>
<b>Expenditures</b>			
Administration and Tenant Services	\$ 20,814	\$ 11,557	\$ 9,257
Contracted Services	14,000	11,942	2,058
FMHA Debt Service Payments	7,836	8,489	(653)
Total Expenditures	<u>\$ 42,650</u>	<u>\$ 31,988</u>	<u>\$ 10,662</u>
Revenues over (under) expenditures	<u>\$ 3,000</u>	<u>\$ 6,618</u>	<u>\$ (17,706)</u>
Other financing sources (uses):			
Transfers from (to):			
Country Court	\$ -	\$ 3,000	\$ 3,000
Country Court Reserve	(3,000)	(3,000)	-
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	<u>\$ (3,000)</u>	<u>\$ -</u>	<u>\$ 3,000</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Uses	<u><u>\$ -</u></u>	<u><u>\$ 6,618</u></u>	<u><u>\$ (14,706)</u></u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over expenditures and other uses		<u>\$ 6,618</u>	
Reconciling items:			
Mortgage Principal Payment		\$ 6,259	
Depreciation Expense		(8,035)	
Total reconciling items		<u>\$ (1,776)</u>	
Net income		<u><u>\$ 4,842</u></u>	

**Pender County, North Carolina**  
**Scott's Hill Water & Sewer Capital Project - Enterprise Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Current Year	Total to date
<b>Revenues</b>				
Connection Fees	\$ 84,000	\$ 52,325	\$ (120)	\$ 52,205
Investment Income	-	-	-	-
Total Revenues	<u>\$ 84,000</u>	<u>\$ 52,325</u>	<u>\$ (120)</u>	<u>\$ 52,205</u>
<b>Expenditures</b>				
Capital Outlay	\$ 2,370,000	\$ 4,641		\$ 4,641
Contracted Services	272,000	119,452	60	119,512
Interest During Constuction	131,000	-	-	-
Contingency	227,000	-	-	-
Total Expenditures	<u>\$ 3,000,000</u>	<u>\$ 124,093</u>	<u>\$ 60</u>	<u>\$ 124,153</u>
Revenues over (under) expenditures	<u>\$ (2,916,000)</u>	<u>\$ (71,768)</u>	<u>\$ (180)</u>	<u>\$ (71,948)</u>
Other financing sources (uses):				
USDA Rd Loan	<u>\$ 2,916,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues Over (Under) Expenditures	<u><u>\$ -</u></u>	<u><u>\$ (71,768)</u></u>	<u><u>\$ (180)</u></u>	<u><u>\$ (71,948)</u></u>

**Pender County, North Carolina**  
**Water Treatment Plant Capital Project - Enterprise Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Current Year	Total to date
<b>Revenues</b>				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>				
Contracted Services	\$ 1,333,784	\$ -	\$ 61,865	\$ 61,865
Capital Outlay	1,671,207	358,371	125,670	484,041
Total Expenditures	<u>\$ 3,004,991</u>	<u>\$ 358,371</u>	<u>\$ 187,535</u>	<u>\$ 545,906</u>
Revenues over (under) expenditures	<u>\$ (3,004,991)</u>	<u>\$ (358,371)</u>	<u>\$ (187,535)</u>	<u>\$ (545,906)</u>
Other financing sources (uses):				
Loan from General Fund	<u>\$ 3,004,991</u>	<u>\$ 358,371</u>	<u>\$ 187,535</u>	<u>\$ 545,906</u>
Revenues Over (Under) Expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Pender County, North Carolina**  
**Waste Water Treatment Plant Capital Project - Enterprise Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Current Year	Total to date
<b>Revenues</b>				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>				
Contracted Services	\$ 192,510	\$ -	\$ 49,000	\$ 49,000
Capital Outlay	2,811,953	331,587	-	331,587
Total Expenditures	<u>\$ 3,004,463</u>	<u>\$ 331,587</u>	<u>\$ 49,000</u>	<u>\$ 380,587</u>
Revenues over (under) expenditures	<u>\$ (3,004,463)</u>	<u>\$ (331,587)</u>	<u>\$ (49,000)</u>	<u>\$ (380,587)</u>
Other financing sources (uses):				
Transfer to St Helena Wastewater Project	\$ -	\$ -	\$ (126,900)	\$ (126,900)
Loan from General Fund	3,004,463	331,587	175,900	507,487
	<u>\$ 3,004,463</u>	<u>\$ 331,587</u>	<u>\$ 49,000</u>	<u>\$ 380,587</u>
Revenues Over (Under) Expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Pender County, North Carolina**  
**Self Insured Internal Service Fund**  
**Schedule of Revenues and Expenditures**  
**Financial Plan and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2009**

	2009		Variance Favorable (Unfavorable)
	Financial Plan	Actual	
<b>Revenues</b>			
Operating Revenues			
Premiums Received	\$ 2,461,000	\$ 2,634,211	\$ 173,211
Total Operating Revenues	<u>2,461,000</u>	<u>2,634,211</u>	<u>173,211</u>
Nonoperating Revenues			
Interest on Investments	-	-	-
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>\$ 2,461,000</u>	<u>\$ 2,634,211</u>	<u>\$ 173,211</u>
<b>Expenditures</b>			
Claims	\$ 2,461,000	\$ 2,314,943	\$ 146,057
Total Expenditures	<u>\$ 2,461,000</u>	<u>\$ 2,314,943</u>	<u>\$ 146,057</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 319,268</u>	<u>\$ 319,268</u>
Other financing sources (uses):			
Fund Balance Appropriated	\$ -	\$ -	\$ -
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 319,268</u>	<u>\$ 319,268</u>
<b>Reconciliation from Financial Plan basis (modified accrual) to full accrual:</b>			
Revenues and Other Sources Over (Under) Expenditures and Other Uses		\$ 319,268	
Reconciling items:			
Capital Outlay		-	
Total Reconciling Items		<u>-</u>	
Net income		<u>\$ 319,268</u>	

## AGENCY FUNDS

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Agency funds are used to account for assets the County holds on behalf of others.

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**Pender County, North Carolina  
Agency Funds  
Combining Balance Sheet  
June 30, 2009**

	Agency							Totals
	Tax Clearing Fund	Four H Fund	Extension Education	Sea Oats Travel	Pesticide Recycling Grant	Tourism Development Authority	DMV 3% Collections	June 30, 2009
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ 1,279	\$ 9,150	\$ 349	\$ 1,612	\$ 120,537	\$ 4,345	\$ 137,272
<b>Liabilities and Fund Balances</b>								
Liabilities:								
Miscellaneous liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental payable	-	1,279	9,150	349	1,612	120,537	4,345	137,272
Total liabilities	\$ -	\$ 1,279	\$ 9,150	\$ 349	\$ 1,612	\$ 120,537	\$ 4,345	\$ 137,272

**Pender County, North Carolina**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2009**

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<b>Tax Clearing Fund:</b>				
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Intergovernmental payable	\$ -	\$ -	\$ -	\$ -
<b>Four H Fund:</b>				
Assets:				
Cash and cash equivalents	\$ 1,339	\$ 40	\$ 100	\$ 1,279
Liabilities:				
Intergovernmental payable	\$ 1,339	\$ 100	\$ 40	\$ 1,279
<b>Extension Education:</b>				
Assets:				
Cash and cash equivalents	\$ 8,903	\$ 3,489	\$ 3,242	\$ 9,150
Liabilities:				
Intergovernmental payable	\$ 8,903	\$ 3,242	\$ 3,489	\$ 9,150
<b>Sea Oats Travel:</b>				
Assets:				
Cash and cash equivalents	\$ 349	\$ -	\$ -	\$ 349
Liabilities:				
Intergovernmental payable	\$ 349	\$ -	\$ -	\$ 349
<b>Pesticide Recycling Grant:</b>				
Assets:				
Cash and cash equivalents	\$ 2,134	\$ -	\$ 522	\$ 1,612
Liabilities:				
Intergovernmental payable	\$ 2,134	\$ 522	\$ -	\$ 1,612
<b>Tourism Development Authority:</b>				
Assets:				
Cash and cash equivalents	\$ 69,727	\$ 65,576	\$ 14,766	\$ 120,537
Liabilities:				
Intergovernmental payable	\$ 69,727	\$ 14,766	\$ 65,576	\$ 120,537
<b>DMV 3% Collections:</b>				
Assets:				
Cash and cash equivalents	\$ 4,210	\$ 34,643	\$ 34,508	\$ 4,345
Liabilities:				
Intergovernmental payable	\$ 4,210	\$ 34,508	\$ 34,643	\$ 4,345
<b>Total - All Agency Funds:</b>				
Assets:				
Cash and cash equivalents	\$ 86,662	\$ 103,748	\$ 53,138	\$ 137,272
Liabilities:				
Intergovernmental payable	\$ 86,662	\$ 53,138	\$ 103,748	\$ 137,272

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Ten Largest Taxpayers

**Pender County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2009**

Exhibit G-1

Year	Uncollected Balance June 30, 2008	Additions	Collections And Credits	Uncollected Balance June 30, 2009
2009	\$ -	\$ 30,589,788	\$ 29,325,665	\$ 1,264,123
2008	1,057,248	1,714	770,608	288,354
2007	352,985	91	115,694	237,382
2006	153,313	330	46,671	106,972
2005	117,985	44	22,313	95,716
2004	88,791	75	14,930	73,936
2003	105,807	-	17,214	88,593
2002	77,717	-	9,243	68,474
2001	99,244	44	9,769	89,519
2000	57,183	-	6,008	51,175
1999	31,272		31,272	-
Totals	<u>\$ 2,141,545</u>	<u>\$ 30,592,086</u>	<u>\$ 30,369,387</u>	<u>\$ 2,364,244</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>744,404</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 1,619,840</u>
 <u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 30,695,595
Reconciling items:				
Penalties and Interest				(295,794)
Discounts, Releases, Refunds				<u>(30,414)</u>
Total Collections and Credits				<u>\$ 30,369,387</u>

**Pender County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - Wide Levy**  
**For the Fiscal Year Ended June 30, 2009**

Exhibit G-2

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 4,635,456,615	0.65	\$ 30,130,468	\$ 27,315,911	\$ 2,814,557
Penalties	-		22,419	22,419	-
Total	<u>\$ 4,635,456,615</u>		<u>\$ 30,152,887</u>	<u>\$ 27,338,330</u>	<u>\$ 2,814,557</u>
Discoveries:					
Current year taxes	\$ 112,787,230	0.65	\$ 733,117	\$ 716,302	\$ 16,815
Penalties	-		159,596	159,596	-
Total	<u>\$ 112,787,230</u>		<u>\$ 892,713</u>	<u>\$ 875,898</u>	<u>\$ 16,815</u>
Abatements					
Current year taxes	\$ (70,124,923)	0.65	\$ (455,812)	\$ (413,236)	\$ (42,576)
Penalties	-		-	-	-
Total	<u>\$ (70,124,923)</u>		<u>\$ (455,812)</u>	<u>\$ (413,236)</u>	<u>\$ (42,576)</u>
Total For Year	<u>\$ 4,678,118,922</u>		<u>\$ 30,589,788</u>	<u>\$ 27,800,992</u>	<u>\$ 2,788,796</u>
Net levy			30,589,788	27,800,992	2,788,796
Less Uncollected taxes at June 30, 2009			<u>1,264,123</u>	<u>809,790</u>	<u>454,333</u>
Current year's taxes collected			<u>\$ 29,325,665</u>	<u>\$ 26,991,202</u>	<u>\$ 2,334,463</u>
Current levy collection percentage			<u>95.87%</u>	<u>97.09%</u>	<u>83.71%</u>

**Pender County, North Carolina  
 Analysis of Current Tax Levy  
 County - wide Levy  
 For the Fiscal Year Ended June 30, 2009**

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**Secondary Market Disclosures:**

Assessed Valuation		
Assessment Ratio		100 %
Real Property	\$	4,431,680,880
Personal Property		191,432,666
Public Service Companies		<u>55,005,376</u>
Total Assessed Valuation	\$	<u>4,678,118,922</u>
Tax Rate per \$100		<u>0.65</u>
Levy (includes discoveries, releases and abatements)	\$	<u><u>30,589,788</u></u>

In addition to the County - wide rate, the following table lists the levies by the County on behalf of the Fire and Rescue districts for the fiscal year ended June 30:

Fire and Rescue Districts	\$	<u>2,038,241</u>
Total	\$	<u><u>2,038,241</u></u>

**Pender County, North Carolina**  
**Ten Largest Taxpayers**  
**June 30, 2009**

<u>Taxpayers</u>	<u>Type of Business</u>	2009 Assessed <u>Valuation</u>	% of Total <u>Valuation</u>
Del Laboratories Inc	Manufacturing	\$ 24,631,921	0.53%
Four County EMC	Utilites	19,311,534	0.41%
Red Mountain Timber Co I, LLC	Timber Production	18,943,109	0.40%
Progress Energy Carolinas	Utilites	16,972,540	0.36%
LL Building Products	Manufacturing	14,813,785	0.32%
Grandview LLC	Land Development	14,447,125	0.31%
Bellsouth Telephone	Utilites	10,205,256	0.22%
TP Inc A North Carolina Corp	Real Estate Holdings	8,946,763	0.19%
Hamstead Investors LLC	Real Estate Holdings	4,345,807	0.09%
Plantation Creek LP	Real Estate Holdings	2,656,025	0.06%
Totals		\$ <u>135,273,865</u>	<u>2.89%</u>

## COMPLIANCE SECTION

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

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

To the Board of County Commissioners  
Pender County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregated remaining fund information of Pender County, North Carolina, as of and for the year ended June 30, 2009, which collectively comprises Pender County's basic financial statements, and have issued our report thereon dated November 20, 2009. We did not audit the financial statements of the Pender County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pender County ABC Board is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pender County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pender County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting [09-01].

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Report On Internal Control Over Financial Reporting  
And On Compliance and Other Matters Based On An  
Audit Of Financial Statements Performed In Accordance With  
*Government Auditing Standards*  
Page 2

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

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pender County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's response and, accordingly, we express no opinion on it.

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

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

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November 20, 2009

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

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

To the Board of County Commissioners  
Pender County, North Carolina

Compliance

We have audited the compliance of Pender County, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2009. Pender County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Pender County's management. Our responsibility is to express an opinion on Pender County's compliance based on our audit.

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

In our opinion, Pender County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act and which are described in the accompanying schedule of findings and questioned costs as items 09-02, 09-03, and 09-04.

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Internal Control Over Compliance

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

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-02, 09-03, and 09-04 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

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

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

---

November 20, 2009

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

To the Board of County Commissioners  
Pender County, North Carolina

### Compliance

We have audited the compliance of Pender County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2009. Pender County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Pender County's management. Our responsibility is to express an opinion on Pender County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Pender County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Pender County's compliance with those requirements.

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

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Internal Control Over Compliance

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

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

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

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

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

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

---

November 20, 2009





PENDER COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009

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Section II. Financial Statement Findings

---

**Finding 09-01**

SIGNIFICANT DEFICIENCY

Criteria: In accordance with North Carolina General Statute 159-32, the County is to make daily deposits of amounts over \$250.

Condition: In reviewing procedures, it was noted that cash in excess of \$250 was kept on hand in some departments until the responsible persons 'had time' to make the deposit or to take the money to the finance department to make the deposit.

Effect: While it may be inconvenient to make a deposit daily, general statutes require all cash in excess of \$250 to be deposited daily.

Recommendation: Any cash in excess of \$250 should be deposited daily.

---

Section III. Federal Award Findings and Questioned Costs

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**Finding 09-02**

SIGNIFICANT DEFICIENCY

CROSS CUTTING - N. C. Department of Health and Human Services □ Division of Social Services

Criteria: A Computer Equipment Acquisition Plan must be filed with the Division of Social Services prior to the acquisition of computer equipment.

Condition: In reviewing procedures, it was noted that proper approval was not requested for the purchase of computer equipment. While it may be considered immaterial, there is a requirement that must be adhered to.

Questioned Costs: \$3,201. This was the amount of equipment without prior approval

Effect: Computer equipment was purchased without proper State approval.

Recommendation: Any purchases of computer equipment should obtain proper approval.

**Finding 09-03**

SIGNIFICANT DEFICIENCY

CHILD CARE CLUSTER - N. C. Department of Health and Human Services □ Division of Social Services

Criteria: Case files must contain income verification.

Condition: In reviewing case files, it was noted that one file was missing a pay stub.

Questioned Costs: \$0. Amounts were calculated from other payment stubs.

Effect: A over or underpayment could be made

Recommendation: Income verification is to be obtained for all case files.

---

Section III. Federal Award Findings and Questioned Costs (Continued)

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**Finding 09-04**

SIGNIFICANT DEFICIENCY

FOOD AND NUTRITION SERVICES CLUSTER - N. C. Department of Health and Human Services  
Division of Social Services

Criteria: Food stamp clients are required to have incomes within certain levels as detailed in the income requirements tables in the caseworkers eligibility manual.

Condition: In reviewing case files, it was noted that one case file income was understated.

Questioned Costs: \$162. Amount of benefits derived from the understatement of income.

Effect: An ineligible payment can be made

Recommendation: Income verification is to be obtained for all case files.

---

Section IV. State Award Findings and Questioned Costs

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None Reported.

PENDER COUNTY, NORTH CAROLINA  
Corrective Action Plan  
For the Year Ended June 30, 2009

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Section II - Financial Statement Findings

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Finding 09-01

Name of contact person: David McCole, Finance Officer

Corrective Action: All departments will make valid efforts to adhere to this requirement.

Proposed Completion Date: Immediately.

---

Section III - Federal Award Findings and Question Costs

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Finding 09-02

Name of contact persons: Jacquelyn Jordan-McLeod, Administrative Officer  
Dr. Reta Shiver, Director of Social Services

Corrective Action: The County will start complying with this requirement.

Proposed Completion Date: Immediately

Finding 09-03

Name of contact persons: Jacquelyn Jordan-McLeod, Administrative Officer  
Dr. Reta Shiver, Director of Social Services

Corrective Action: The County will start complying with this requirement.

Proposed Completion Date: Immediately

Finding 09-04

Name of contact persons: Jacquelyn Jordan-McLeod, Administrative Officer  
Dr. Reta Shiver, Director of Social Services

Corrective Action: The County will start complying with this requirement.

Proposed Completion Date: Immediately

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Section IV - State Award Findings and Question Costs

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None Reported

PENDER COUNTY, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2009

Finding: 08-1  
Status Similar error found this year. See finding 09-01

Finding: 08-2  
Status Similar error found this year. See finding 09-02

Finding: 04-1  
Status The County had hired additional personnel and this should be corrected

Finding: 03-1  
Status The County had hired additional personnel and this should be corrected

Finding: 02-1  
Status The County had hired additional personnel and this should be corrected

Finding: 01-1  
Status The County had hired additional personnel and this should be corrected.

Finding: 00-1  
Status The County purchased new software which has assisted management in better managing budget line items.

**Pender County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2009**

<b><u>Grantor/Pass-through</u></b> <b><u>Grantor/Program Title</u></b>	<b>Federal</b> <b>CFDA</b> <b>Number</b>	<b>State/ Pass-through</b> <b>Grantor's</b> <b>Number</b>	<b>Fed (Direct &amp; Pass-through</b> <b>Expenditures</b>	<b>State</b> <b>Expenditures</b>	<b>Local</b> <b>Expenditures</b>
Federal Awards:					
U.S. Department of Agriculture					
Emergency Food Assistance Program - Administrative Cost	10.568		\$	\$	-
Emergency Food Assistance Program - Commodities	10.569			-	-
Passed-through N.C. Dept of Health and Human Services:					
Division of Social Services:					
Administration:					
Food Stamp Cluster:					
Food Stamp Program - Direct Benefits	10.551		\$ 7,527,457	\$ -	\$ -
Food Stamp Administration	10.561		278,492	-	278,492
Total Food Stamps			\$ 7,805,949	\$ -	\$ 278,492
Passed-through N.C. Dept of Health and Human Services:					
Division of Woman and Children:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		\$ 202,240	\$ -	\$ -
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		814,950	-	-
Rural Utilities Service					
Water and Waste Disposal Systems for Rural Communities	10.760		\$ -	\$ -	\$ -
Total			\$ -	\$ -	\$ -
Total U.S. Dept. of Agriculture			\$ 8,823,139	\$ -	\$ 278,492
U.S. Dept. of Health and Human Services					
Passed-through N.C. Department of Health and Human Services Division of Public Health:					
Temporary assistance for Needy Families	93.558		\$ 4,494	\$ -	\$ -
Maternal and Child Health Services Block Grant	93.994		155,790	-	-
Immunization	93.268		15,750	-	-
Prevention Investigations and Tech Asst	93.283		22,318	-	-
Harmful Algal Blooms Program	93.283		-	-	-
Family Planning Services	93.217		36,443	-	-
Statewide Health Promotion Program	93.991		33,968	-	-
Diabetes Control Program Project Direct	93.945		-	-	-
CDC - Tuberculosis	93.116		32,202	-	-

**Pender County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2009**

<b><u>Grantor/Pass-through</u></b> <b><u>Grantor/Program Title</u></b>	<b>Federal</b> <b>CFDA</b> <b>Number</b>	<b>State/ Pass-through</b> <b>Grantor's</b> <b>Number</b>	<b>Fed (Direct &amp; Pass-through</b> <b>Expenditures</b>	<b>State</b> <b>Expenditures</b>	<b>Local</b> <b>Expenditures</b>
Passed-through N.C. Dept of Health and Human Services:					
Administration on Aging:					
Passed-through Cape Fear Council of Governments					
Special Programs for the Aging Title IIIB					
Grants for Supportive Services and Senior Ctr.	93.044		\$ 251,129	\$ 14,826	\$ -
Title IIIB DSS	93.044		14,882	2,626	
Social Services Block Grant	93.667		-	-	-
Nutrition Service	93.045		157,594	9,278	-
Special Program for the Aging Title IIIB	93.043		3,660	193	-
Nutrition Service Incentive Program	93.053		17,118	-	-
Family Caregiver Services	93.052		26,718	1,781	-
Total Aging Cluster			<u>\$ 471,101</u>	<u>\$ 28,704</u>	<u>\$ -</u>
Division of Social Services:					
Administration:					
Adult Care Home Case Management	93.778		\$ 32,876	\$ 23,951	\$ 8,925
TANF Domestic Violence	93.558		12,889	-	-
Family Preservation	93.556		1,394	-	-
Low Income Energy Asst.	93.568		23,552	-	-
Social Services Block Grant	93.667		116,337	12,508	42,948
Adoption/Foster Care	N/A		100,025	30,800	14,051
Work First Administration	93.558		40,920	-	60,839
Work First Service	93.558		397,815	-	477,881
AFDC Payment & Penalties	93.560		(234)	(64)	(64)
TANF EA Maximization	93.558		-	-	-
TANF TEA Foster Care	93.558		2,854	-	-
Direct Benefit Payments					
Temporary Assistance Needy Families	93.558		401,442	(113)	-
Rufugee Assistance Payment	93.566		-	-	-
Low Income Energy Assistance	93.568		209,557	-	-
Crisis Intervention					
Low Income Energy Assistance	93.568		98,225	-	-
Foster Care					
Foster Care - Title IV-E	93.658		40,237	-	36,056
Foster Care - IV-E CPS	93.658		84,307	22,063	62,243
Foster Care - In Excess	93.658		23,385	2,467	7,513
Foster Care - IV-E	93.658		142,201	35,178	45,804
Foster Care Title IV E - Optimal	93.659		113	-	113
Child Welfare Services					
Adoption Subsidy - Direct Benefit Payments	93.659		215,700	41,001	56,033
Permanency Planning	93.645		14,583	3,749	1,112
Independent Living Initiative	93.674		14,440	3,610	-
Total Division of Social Services			<u>\$ 1,972,618</u>	<u>\$ 175,150</u>	<u>\$ 813,454</u>

**Pender County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2009**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
Subsidized Child Care					
Child Care Development Fund Cluster					
Division of Social Services					
Child Care Development Fund - Administration	93.596		\$ 80,000	\$ -	\$ -
Division of Child Development					
Child Care and Development Fund - Discretionary	93.575		727,560	-	-
Child Care and Development Fund - Mandatory	93.596		285,203	-	-
Child Care and Development Fund - Match	93.596		183,754	101,365	-
Total Child Care Fund Cluster			<u>1,276,517</u>	<u>101,365</u>	<u>-</u>
Social Services Block Grant	93.667		11,392	-	-
Temporary Assistance for Needy Families	93.558		276,606	-	-
Smart Start			-	25,813	-
State Appropriations			-	94,722	-
TANF - MOE			-	118,259	-
Total Subsidized Child Care Cluster			<u>\$ 1,564,515</u>	<u>\$ 340,159</u>	<u>\$ -</u>
Division of Medical Assistance					
Administration					
Medical Assistance Program	93.778		\$ 577,561	-	577,561
NC Health Choice	93.767		43,693	2,977	11,500
Direct Benefit Payments					
Title XIX - Medicaid	93.778		36,135,324	14,056,250	961,797
Transportation Services					
Medical Assistance Program	93.778		57,519	4,941	48,128
Division of Medical Assistance					
In-Home Services	93.667		6,771	-	967
Family Preservation	93.556		-	-	-
Adult Day Care	93.667		3,787	1,389	740
Total U.S. Dept. of Health and Human Services			<u>\$ 41,133,854</u>	<u>\$ 14,609,570</u>	<u>\$ 2,414,147</u>
U.S. Dept. of Housing and Urban Development					
Direct Program					
Lower Income Housing Assistance Program -					
Section 8 Housing Voucher Program	14.871		\$ 970,954	\$ -	\$ -
Passed-through N.C. Dept. of Economic and Community Development:					
Community Development Block Grant -					
Community Development - Concentrated Needs	14.228	04-C-1255	-	-	-
Scattered Sites CDBG	14.228	05-C-1415	50,116	-	-
Total U.S. Dept. of Housing and Urban Development			<u>\$ 1,021,070</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Dept. of Justice					
Domestic Violence Grant	16.589		\$ 44,410	\$ -	\$ 14,620
Local Law Enforcement Block Grant	16.592		-	-	-
Total U.S. Dept. of Justice			<u>\$ 44,410</u>	<u>\$ -</u>	<u>\$ 14,620</u>

**Pender County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2009**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
U.S. Election Association Commission Passed-through N.C. State Board of Election Total U.S. Election Association Commission	90.401		\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
U.S. Dept. of Homeland Security Passed through NC Dept. of Crime & Public Safety Homeland Security Emergency Management Performance Grant Total of U.S. Dept. of Homeland Security	97.074 97.042		\$ - -	\$ - -	\$ - -
			\$ -	\$ -	\$ -
Total Federal Programs			\$ 51,022,473	\$ 14,609,570	\$ 2,707,259
State Awards:					
N.C. Dept. of Health and Human Services					
General Health			\$ -	\$ 152,085	
Minority Health			-	23,168	
Public Health Nurse Training			-	1,200	
TB Medical Services			-	1,034	
Preparedness and Respons			-	36,466	
Aids - State			-	500	
Communicable Diseases			-	9,999	
Risk Reduction/Health Promotion			-	423	
Women's Preventive Health			-	9,476	
Tuberculosis			-	5,459	
Breast and Cervical Cancer Control			-	8,415	
Healthy Carolinas Partnership Support			-	5,727	
Division of Child Development					
Non-Allocating County Cost			-	-	214,146
SC/SA			-	-	7,182
DCD Smart Start			-	56,393	-
Division of Social Services:					
CP&L Energy Assistance			-	3,135	-
State Aid to Counties			-	33,966	-
SC/SA Domiciliary Care			-	289,816	292,445
F/C at Risk Maximization			-	8,897	4,876
County Fund Programs			-	-	908,707
CWS - Adoption			-	80,359	3,030
AFDC Inctenive Program Integrity			-	32	-
Work First Non Reimbursable			-	-	238,175
Foster Care Special Provisions			-	29,060	-
Adult Protective Services			-	29,385	-
Foster Home			-	71,175	71,175
SFHF Maximization			-	35,441	35,441
TANF Incentive Program Integrity			-	516	-

**Pender County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2009**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
<b>Cape Fear Council of Governments</b>					
Division of Aging					
90% Senior Outreach Center			-	1,467	-
Senior Center General Purpose			-	26,178	-
90% Medication Management			-	2,105	-
Fans			-	1,645	-
<b>Total N.C. Dept. of Health and Human Services</b>			<b>\$ -</b>	<b>\$ 923,522</b>	<b>\$ 1,775,177</b>
<b>N.C. Dept. of Veterans Affairs</b>					
Veteran Grant			-	2,000	-
<b>N.C. Dept. of Transportation</b>					
Elderly and Handicapped Transportation Assistance		36228.20.1.1	-	68,797	-
Roap EDTAP		36220.9.1.1	-	79,639	-
Work First Transportation Non-Recipient		36236.6.1.1	-	13,216	-
Work First Transportation		36236.7.1.1	-	-	-
<b>Total of N.C. Dept. of Transportation</b>			<b>\$ -</b>	<b>\$ 161,652</b>	<b>\$ -</b>
<b>N.C. Dept. of Environment and Natural Resources</b>					
Division of Waste Management					
White Goods Management Program			-	16,505	-
Scrap Tire Program			-	54,148	-
Parks and Recreation Trust					
Hampstead District Park			-	86,285	-
<b>Total of N.C. Dept. of Environment and Natural Resources</b>			<b>\$ -</b>	<b>\$ 156,938</b>	<b>\$ -</b>
<b>N.C. Dept. of Cultural Resources</b>					
State Aid to Libraries			-	110,502	-
LSTA Grant			-	-	-
<b>Total of N.C. Dept. of Cultural Resources</b>			<b>\$ -</b>	<b>\$ 110,502</b>	<b>\$ -</b>
<b>N.C. Dept. of Emergency Management</b>					
Emergency Management Grant			-	24,119	-
<b>Total of N.C. Dept. of Emergency Management</b>			<b>\$ -</b>	<b>\$ 24,119</b>	<b>\$ -</b>
<b>Office of the Governor</b>					
Teen Court			-	11,839	1,084
Counseling Service			-	14,392	-
Positive Action			-	9,236	-
Restitution			-	18,397	-
Task Force			-	8,178	-
<b>Total of Office of the Governor</b>			<b>\$ -</b>	<b>\$ 62,042</b>	<b>\$ 1,084</b>

**Pender County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2009**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
N.C. Dept. of Corrections Office of Juvenile Justice Criminal Justice Partnership Grant		71-0705-1-A	\$ -	\$ 63,654	\$ -
<b>Total of N.C. Dept. of Corrections</b>			<b>\$ -</b>	<b>\$ 63,654</b>	<b>\$ -</b>
N.C. Department of Crime Control & Public Safety CHAF		071-0-04	\$ -	\$ 2,555	\$ -
N.C. Department of Administration HAVA Grant		011409-704	\$ -	\$ 10,900	\$ -
N.C. Department of Public Instruction Public School Building Capital Fund			\$ -	\$ 584,428	\$ -
N.C. Rural Center Industrial Park Study		02-63-31	\$ -	\$ 10,050	\$ -
<b>Total State Awards</b>			<b>\$ -</b>	<b>\$ 2,112,362</b>	<b>\$ 1,776,261</b>
<b>Total Federal and State Awards</b>			<b>\$ 51,022,473</b>	<b>\$ 16,721,932</b>	<b>\$ 4,483,520</b>

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

**1 Basis of Presentation**

The schedule of expenditures of federal and State awards includes the federal and State grant activity of Pender County 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 preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included on this schedule.

**2 Loans Outstanding**

Pender County had the following balances outstanding at June 30, 2009. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

Loan Balance \$ 21,599,000

**3 The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:**

Subsidized Child Care, Foster Care and Adoption