

# PENDER COUNTY

Presentation of Audit Results

Fiscal Year Ended  
June 30, 2008

Presented by:



CERTIFIED PUBLIC ACCOUNTANTS

**Alan W. Thompson, CPA**  
**1626 S Madison Street**  
**PO Box 398**  
**Whiteville, NC 28472**  
**910.642.2109 phone**  
**910.642.5958 fax**  
**[www.fpsacpas.com](http://www.fpsacpas.com)**

### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Pender County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Pender County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimate(s) or assumptions noted during the audit.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. There were no significant disclosures noted.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Some of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representation*

We have requested certain representations from management that are included in the management representation letter dated October 10, 2008.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Pender County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Commissioners and management of Pender County and is not intended to be and should not be used by anyone other than these specified parties.

We will be pleased to respond to any questions you have about the foregoing. Our firm greatly appreciates the opportunity to continue to be of service to Pender County.

Very truly yours,

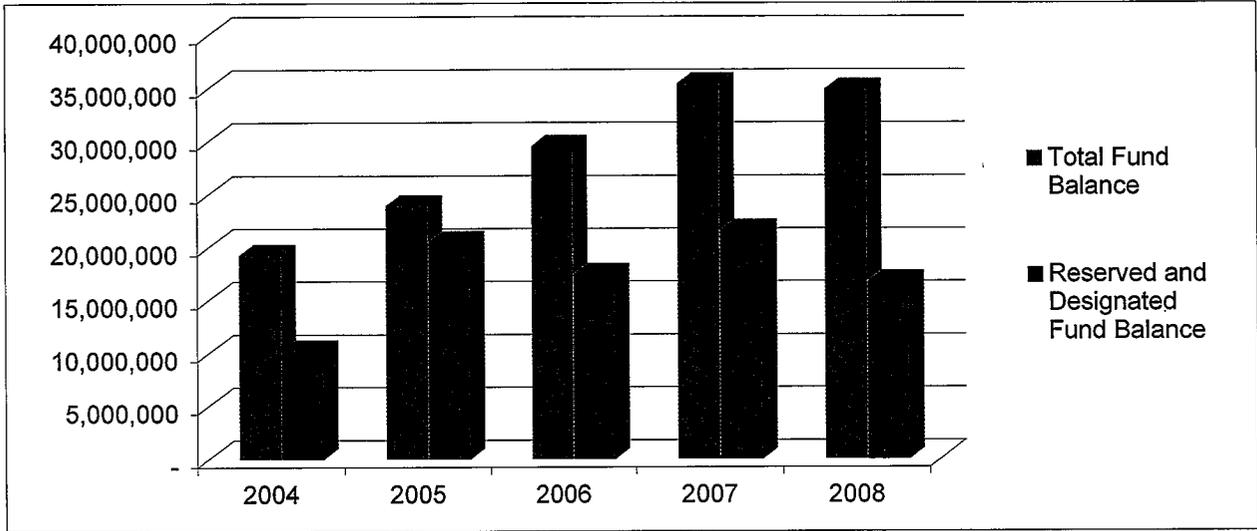
*Thompson, Price, Scott, Adams & Co. P.A.*  
Thompson, Price, Scott, Adams & Co, P.A.

## PENDER COUNTY

### FINANCIAL INFORMATION FOR 5 YEARS

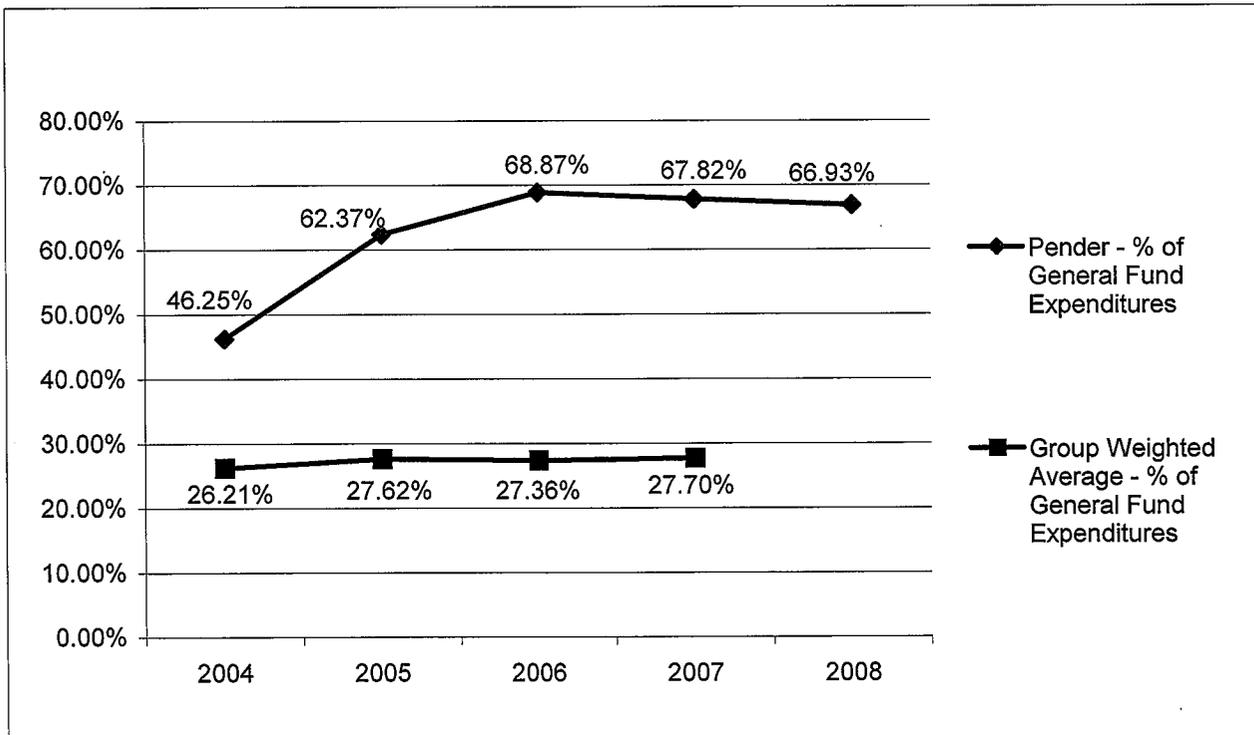
	2008	2007	2006	2005	2004
Total Fund Balance - General Fund	34,874,648	35,441,700	29,551,774	23,938,143	19,277,468
Unavailable Fund Balance - GF (Reserve for Inventories, State Statute, Encumbrances)	4,814,446	7,425,604	2,626,652	2,732,326	3,165,564
Designated and Reserved Fund Balance	16,795,264	21,617,158	17,492,246	20,554,908	10,293,749
General Fund Expenditures (including transfers)	44,916,154	41,307,012	39,092,770	33,998,630	34,838,595
Fund Balance Available as % of General Fund	66.93%	67.82%	68.87%	62.37%	46.25%
Unreserved and Undesignated Fund Balance	18,079,384	13,824,542	12,059,528	3,383,235	8,983,719
Unreserved and Undesignated Fund Balance as % of General Fund Expenditures	40.25%	33.47%	30.85%	9.95%	25.79%
Revenues over (under) expenditures before transfers					
General Fund	8,978,072	10,538,350	10,189,873	6,916,227	2,633,871
Water & Sewer Funds	344,001	690,705	(134,298)	(68,963)	200,813
Resource Recovery Fund	(207,782)	(274,347)	71,891	442,259	524,193
Cash vs. Accumulated Depreciation - Water & Sewer					
Total Fixed Assets	30,408,178	28,106,026	18,692,221	16,338,818	11,975,107
Accumulated Depreciation	1,706,251	1,435,234	1,165,555	921,103	635,913
Cash	8,609,759	8,424,894	15,587,811	2,654,997	4,391,849
6/30/08 Cash vs. Fund Balance					
Cash - General	32,306,110	29,761,033	28,158,883	22,835,976	18,083,346
Cash - Water & Sewer Funds	8,609,759	8,424,894	15,587,811	2,654,997	4,391,849
Cash - Resource Recovery	526,082	763,210	1,422,920	1,455,438	1,022,821
Cash - Other Governmental	29,279,620	26,842,511	35,752,885	9,021,109	8,405,858
Fund Balance - General	34,874,648	35,441,700	29,551,774	23,938,143	19,277,468
Fund Balance - Water & Sewer Funds	15,478,814	13,473,313	10,869,808	7,960,606	6,659,963
Fund Balance - Resource Recovery	1,678,681	1,687,546	2,119,459	2,024,568	1,582,309
Fund Balance - Other Governmental Funds	27,751,419	24,545,312	35,945,315	9,084,126	8,389,326
Property Tax Rates	0.650	0.650	0.650	0.590	0.590
Collection Percentages	96.38%	97.06%	96.59%	96.79%	95.52%
Collection Percentages (excluding Motor Vehicle)	97.87%	98.23%	97.81%	97.99%	96.57%
Total Property Valuation	4,485,885,384	4,376,354,154	3,960,588,769	3,680,689,152	3,505,212,035
Total Levy Amount	29,180,752	28,466,104	25,529,999	21,716,066	21,071,969
Breakdown of General Fund Revenues - 2008					
Ad Valorem Taxes	28,940,235	28,131,772	25,662,669	22,028,786	20,938,940
Other Taxes & License	591,430	5,675,979	5,564,007	4,924,281	4,276,341
Intergovernment Revenue	8,081,693	7,895,252	7,308,167	6,954,312	6,347,118
Permits, Sales & Services	3,101,399	3,441,260	3,912,210	3,933,504	2,700,026
Investment Earnings	1,977,398	1,982,051	1,304,661	574,800	209,941
Miscellaneous	57,304	70,624	51,362	243,622	622,641
Total	42,749,459	47,196,938	43,803,076	38,659,305	35,095,007
Breakdown of General Fund Expenditures - 2008					
General Government	4,493,685	4,539,275	4,710,020	3,932,871	3,325,301
Public Safety	6,473,091	5,701,637	4,956,918	4,643,938	4,224,094
Economic and Physical Development	772,867	1,269,025	846,203	1,184,357	897,234
Human Services	14,721,079	14,383,297	13,062,223	12,094,090	11,096,209
Cultural & Recreational	919,644	798,638	717,852	733,303	673,103
Education	11,106,653	9,350,231	8,702,512	8,533,969	8,223,478
Debt Service	607,245	616,485	617,475	620,550	4,021,717
Total	39,094,264	36,658,588	33,613,203	31,743,078	32,461,136

## PENDER COUNTY Analysis of Fund Balance



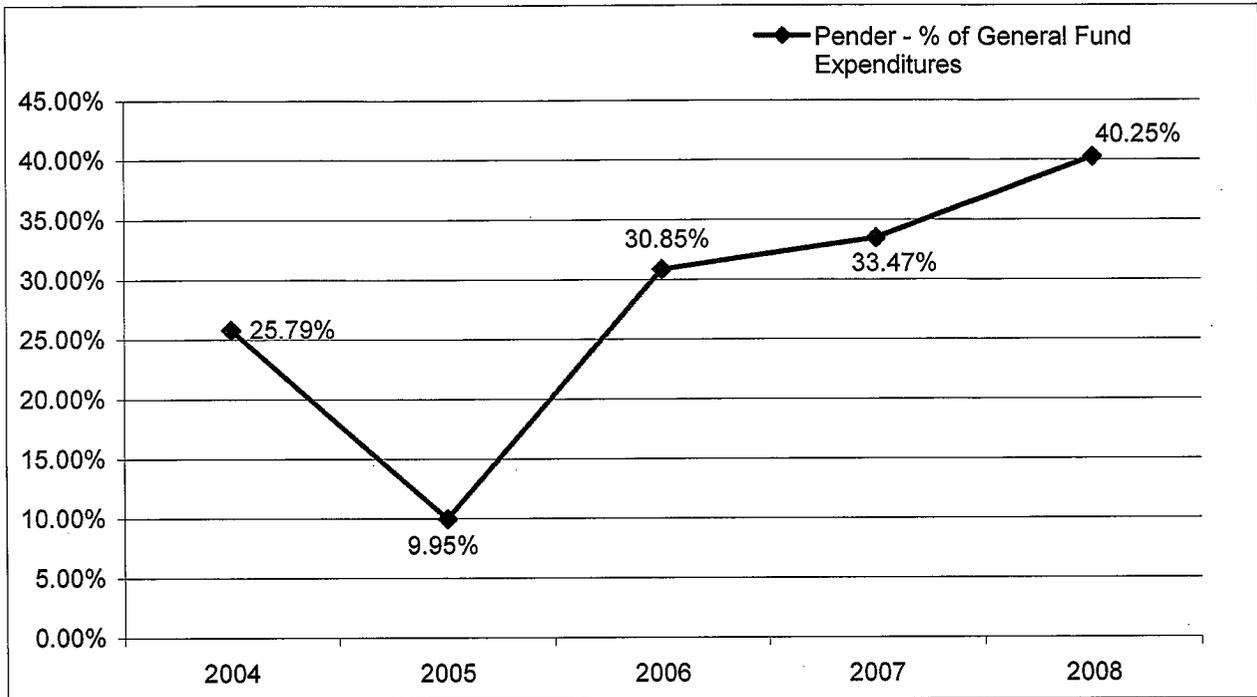
## PENDER COUNTY Analysis of Fund Balance Available

(Note - 2008 Group Weighted Average Not Available at Date of Presentation)



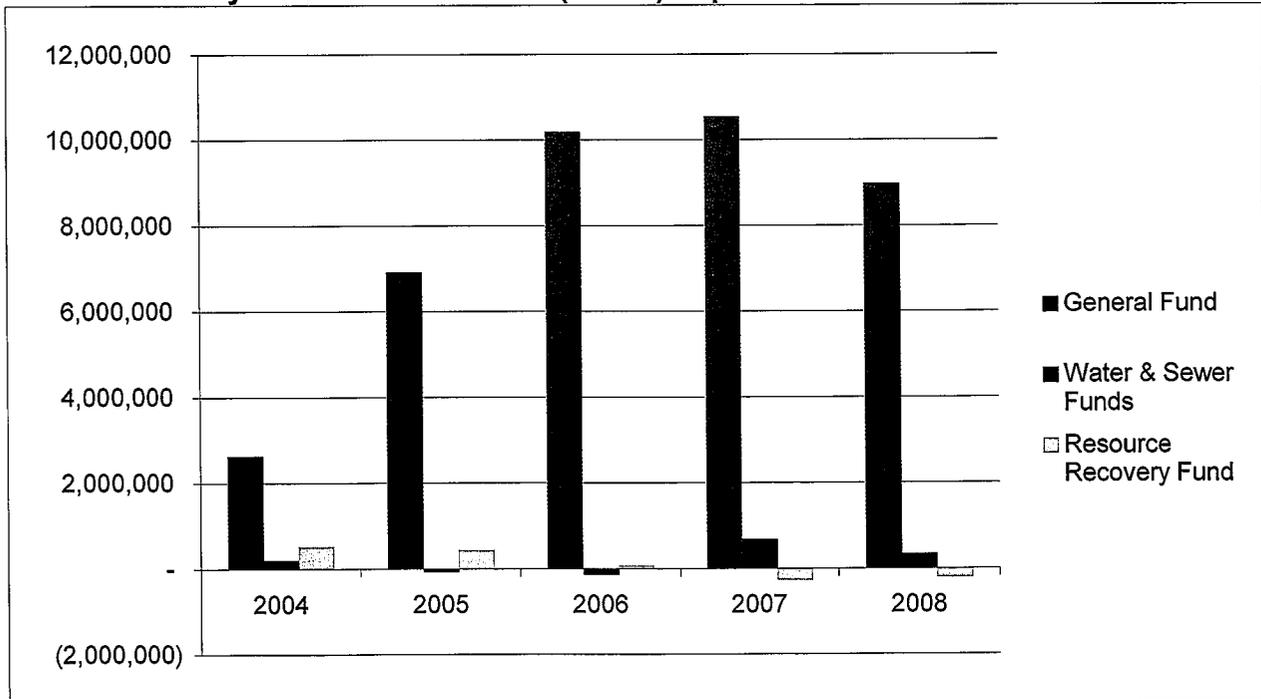
## PENDER COUNTY

### Analysis of Unreserved and Undesignated Fund Balance as a % of General Fund Expenditures



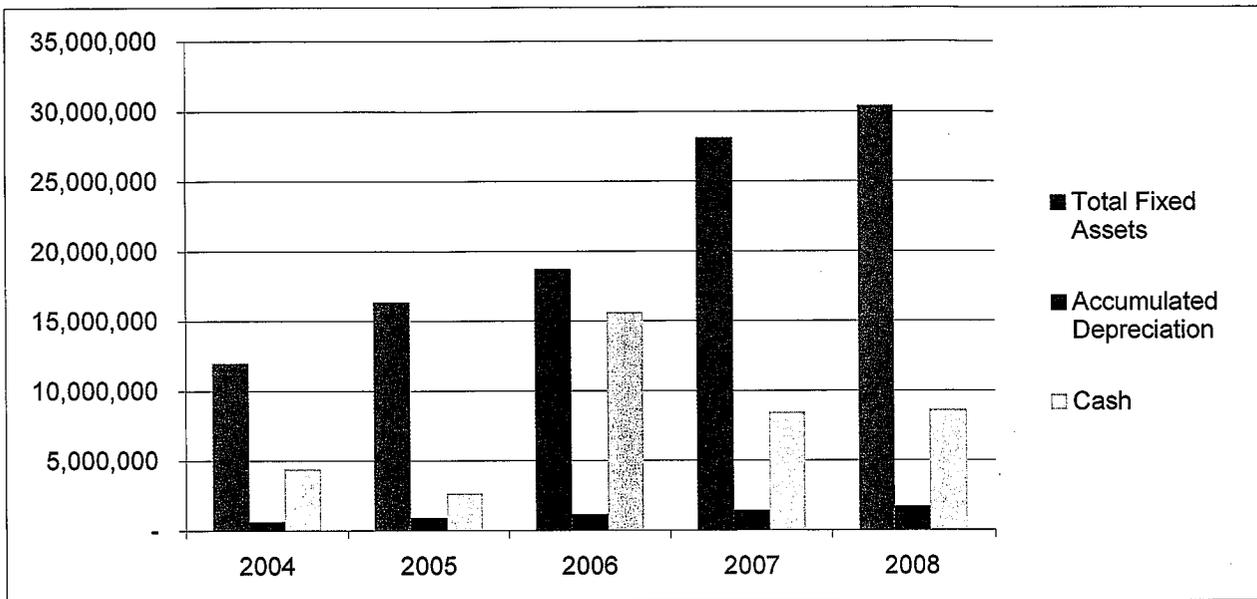
## PENDER COUNTY

### Analysis of Revenues Over (Under) Expenditures before Transfers



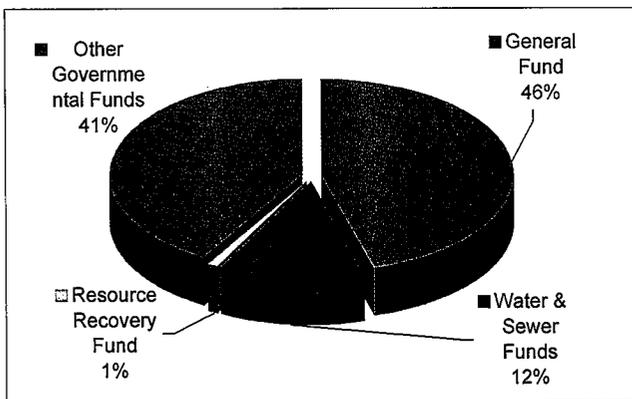
**PENDER COUNTY**  
**Cash vs. Accumulated Depreciation**  
**(Funded Depreciation)**

**Water & Sewer Funds**

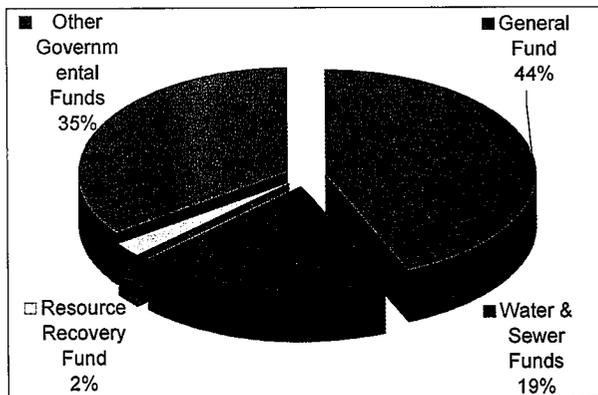


**PENDER COUNTY**  
**Analysis of Cash and Fund Balances**  
**at June 30, 2008**

**CASH BALANCES**



**FUND BALANCES**

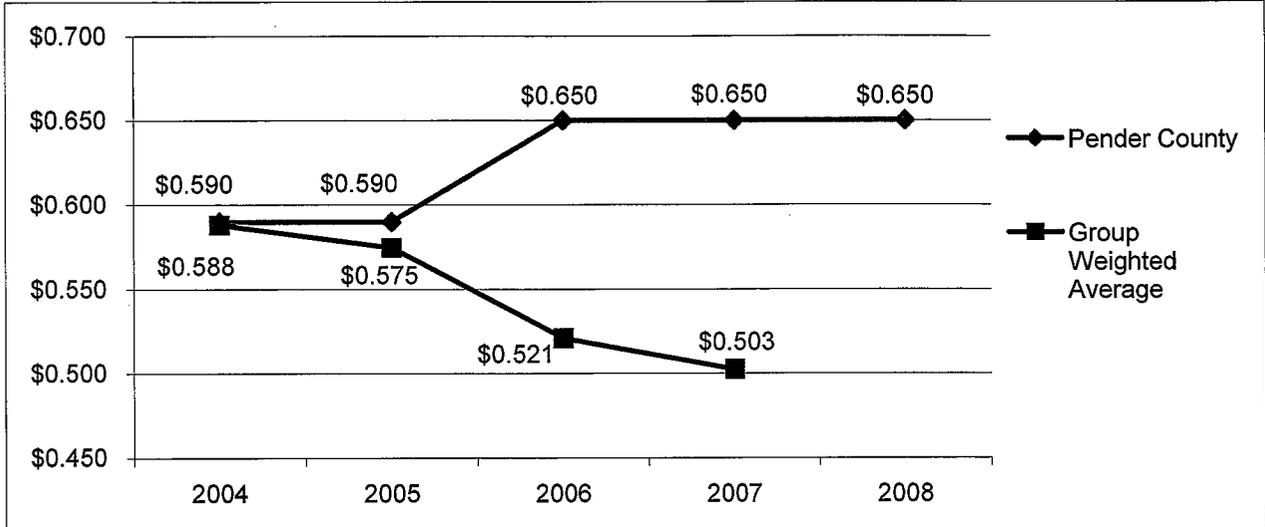


	2008	
	<u>Cash Balances</u>	<u>Fund Balances</u>
General Fund	\$ 32,306,110	\$ 34,874,648
Water & Sewer Funds	8,609,759	15,478,814
Resource Recovery Fund	526,082	1,678,681
Other Governmental Funds	29,279,620	27,751,419
<b>Total</b>	<b><u>\$ 70,721,571</u></b>	<b><u>\$ 79,783,562</u></b>

## PENDER COUNTY

### Property Tax Rates

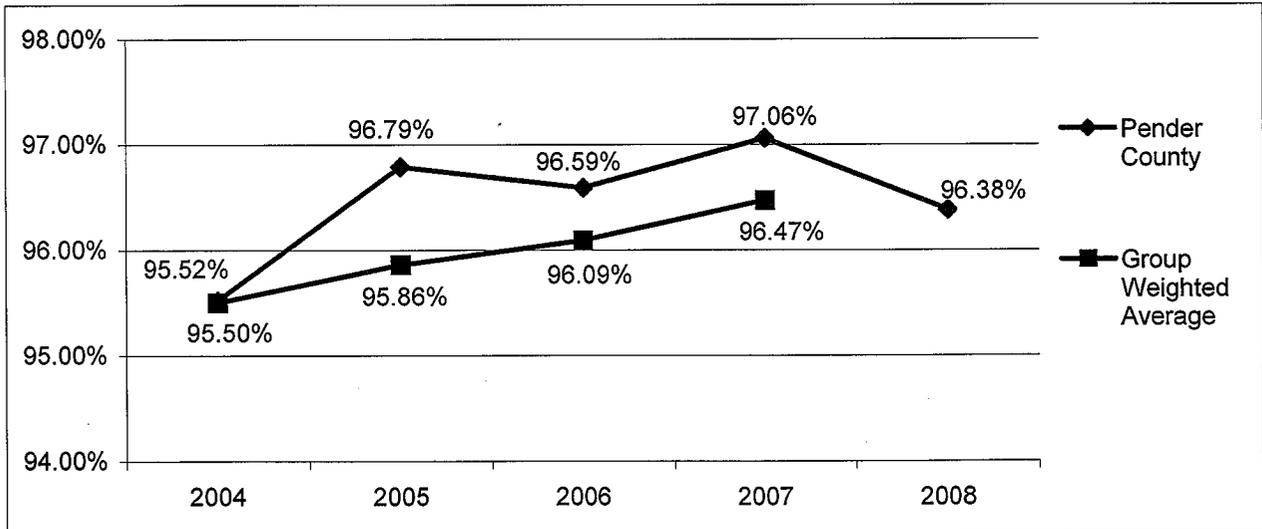
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## PENDER COUNTY

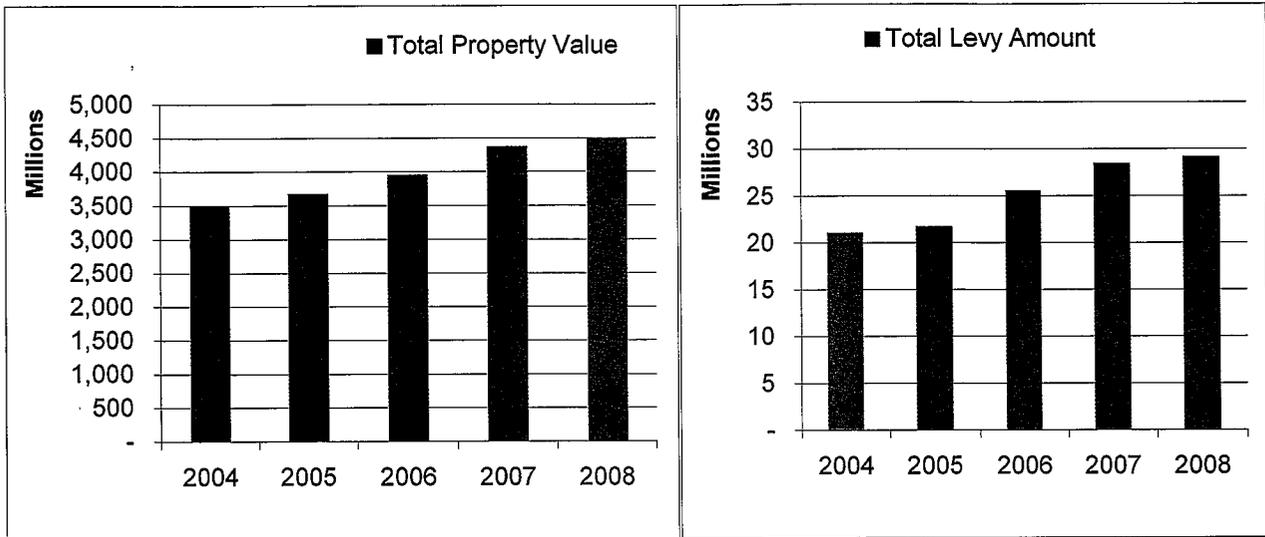
### Collection Percentages

(Note - 2008 Group Weighted Average Not Available at Date of Presentation)



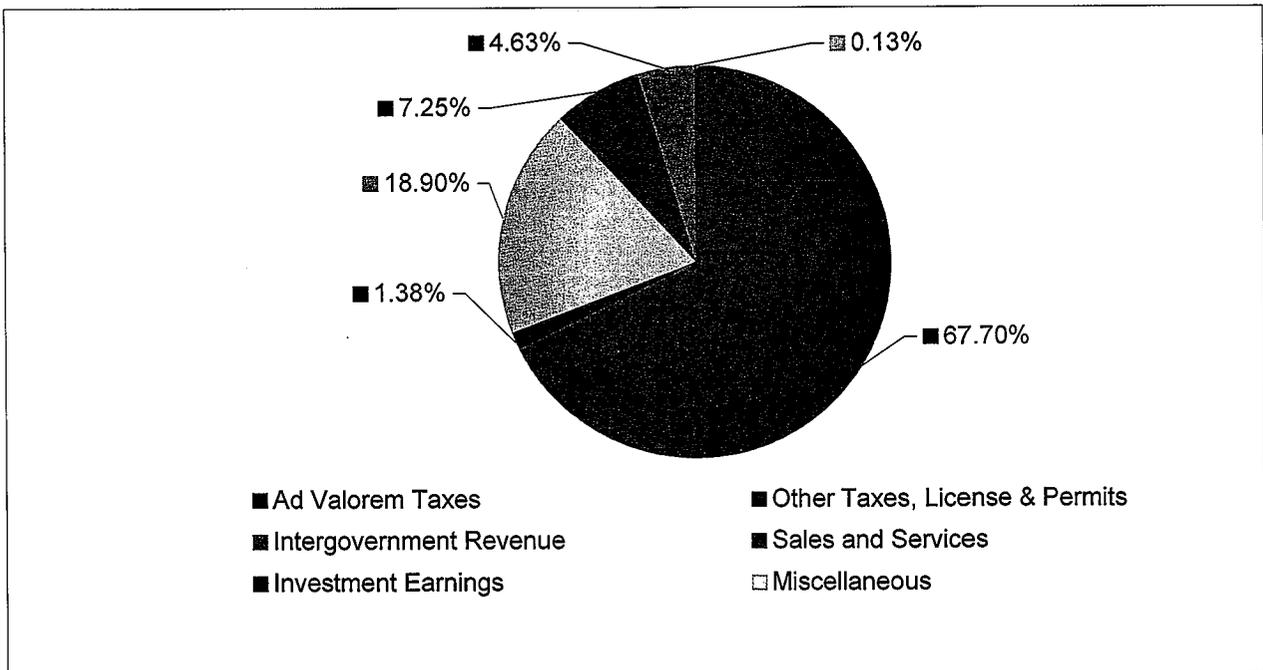
## PENDER COUNTY

### Property Valuation and Levy Amount



## PENDER COUNTY

### Break Down of General Fund Revenue FYE June 30, 2008



**PENDER COUNTY**  
**Break Down of General Fund Expenditures**  
**FYE June 30, 2008**

