

ONSLOW COUNTY
NORTH CAROLINA



COMPREHENSIVE ANNUAL FINANCIAL
REPORT

*For the Fiscal Year Ended
June 30, 2008*

About the cover

*Saint-Gaudens Type Double Eagle
(\$20 gold Piece)*

*The \$20 gold piece designed by Augustus Saint-Gaudens is
considered the most beautiful United States coin. These coins were
minted from 1907-1933.*

Source: A Guide Book to United States Coins by R. S. Yeoman

ONslow COUNTY
NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
June 30, 2008

Submitted to
THE BOARD OF COMMISSIONERS

Martin Aragona, Jr.

Jack Bright

Paul Buchanan

Delma Collins

Lionell Midgett

Prepared by

Alvin W. Barrett, Jr., Deputy County Manager/Finance Officer

Onslow County, North Carolina
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INTRODUCTORY SECTION

ONslow COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICERS

June 30, 2008

BOARD OF COMMISSIONERS

Lionell Midgett, Jr., Chairman

Paul Buchanan, Vice Chairman

Martin Aragona, Jr.

Jack Bright

Delma Collins

COUNTY OFFICIALS

David Smitherman, Interim County Manager

Alvin W. Barrett, Jr., Deputy County Manager/Finance Officer





Certificate of Achievement for Excellence in Financial Reporting

Presented to

Onslow County
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Ennis

Executive Director



BOARD OF COMMISSIONERS

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Chairman

Paul Buchanan

Vice-Chairman

Martin Aragona, Jr.

Jack Bright

Delma Collins

**ONSLow COUNTY
NORTH CAROLINA**

www.onslowcountync.gov

The Board of County Commissioners
Onslow County, North Carolina

October 31, 2008

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Onslow County for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of Onslow County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Onslow County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Onslow County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Onslow County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pittard, Perry & Crone, a firm of licensed certified public accountants have audited Onslow County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Onslow County for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Onslow County's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Onslow County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basis financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Onslow County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE COUNTY:

Onslow County was formed in 1734 from a part of New Hanover County. The county is located in southeastern North Carolina and is bordered by Pender County to the south, Duplin County to the west, Lenoir and Jones counties to the

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northwest and north, and the Atlantic Ocean to the east. The County has a flat, gently rolling terrain which slopes from an altitude of 63 feet at the town of Richlands to sea level and covers a total of 767 square miles encompassing approximately 484,000 acres, of which about 147,000 acres comprise the Camp Lejeune Marine Corps Base and New River Marine Corps Air Station and are owned by the federal government. There are six municipalities within the county, the largest being the City of Jacksonville, which serves as the county seat. The county has a commissioner/manager form of government. The five members of the Board of Commissioners are elected on a partisan basis and serve four-year terms. Commissioners hold policy-making and legislative authority. They are also responsible for adopting the budget and appointing the county manager. The manager is responsible for implementing policies, managing daily operations, and appointing department heads.

The county provides its citizens with a wide range of services that includes public safety; sanitation; health, mental health, and social services; cultural and recreational activities; general administration; and others. This report includes all the county's activities in maintaining these services. The county also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the Onslow County Board of Education, Coastal Carolina Community College, and the East Carolina Council of Governments.

The annual budget serves as the foundation for Onslow County's financial planning and control. All agencies of Onslow County are required to submit requests for appropriation to Onslow County's manager on or before April 15th of each year. Onslow County's manager uses these requests as the starting point for developing a proposed budget. The County manager then presents this proposed budget to the Board of Commissioners for review prior to June 1st. The Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30th. The appropriated budget is prepared by fund and department. Department heads may request transfers of appropriations within a department, which are subject to approval of the County Manager and are submitted to the Commissioners for acceptance. Transfers of appropriations between departments, however, require the approval of the Commissioners. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 20 as part of the basic financial statements for governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 77. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., the CDGB revitalization project special revenue fund and the capital projects funds).

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Onslow County operates.

LOCAL ECONOMY:

Construction activity in Onslow County has remained steady as evidenced by the 3,082 new units of residential construction and 154 new units of commercial construction totaling over \$307 million dollars in fiscal year 2008. This compares to new development totaling \$296 million in fiscal year 2007.

Agriculture remains a major economic factor in the County with gross agricultural income for 2006 estimated at \$106.4 million, 27th in the State of North Carolina for cash receipts. Tobacco remains the leading cash crop. Other major crops include corn, soybeans, cotton wheat and peanuts. The livestock industry continues to play a dominant role in farm income with poultry and pork production accounting for the majority of the industry. The County ranks fifth out of the 100 counties in turkey production. Timber sales within the County are also a significant industry with the County's many acres of woodlands. There are 326,100 acres of timberland in the County. The estimated income for stumpage (price paid to the timber owner for standing timber) for 2007 was \$9.40 million. For the same period, the estimated income for delivered timber (price paid to the timber buyer upon delivery of the timber to the mill) was \$15.79 million.

The seafood industry has always been an integral part of the County's economy. In 2006, the dockside value of seafood was approximately \$5.5 million.

Timber sales within the County are also a significant industry with the County's many acres of woodlands. There are 326,100 acres of timberland in the County. The estimated income for stumpage (price paid to the timber owner for

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standing timber) for 2007 was \$9.40 million. For the same period, the estimated income for delivered timber (price paid to the timber buyer upon delivery of the timber to the mill) was \$15.79 million.

Camp Lejeune, the largest Marine Corps installation on the East Coast, makes its home in the County. Camp Lejeune occupies 246 square miles (153,439 acres) with 11 miles of beach. It is estimated that over 150,000 people, including active and retired military personnel, dependents of active and retired military personnel, and civil service employees benefit from Camp Lejeune. Of this number, approximately 48,000 are active duty Marines and sailors.

Camp Lejeune is the home of Marine Corps Installations East. Marine Corps Installations East is the regional command for Marine bases located on the East Coast. This includes air stations and logistics bases.

Based at Camp Lejeune are the following installations: II Marine Expeditionary Force, 2nd Marine Division, 2nd Marine Logistics Group, Special Operations Command, 2nd Expeditionary Brigade, and II Marine Expeditionary Force Augmentation Command. Camp Lejeune is also the home of a Coast Guard Special Missions Training Center. Its mission is to train Marine Safety and Security Teams, port security units and law enforcement detachments. Marine Corps Air Station, New River is an integral part of the support of Camp Lejeune and is the home of the Marine Tilt Rotor Test and Evaluation Squadron and Marine Tilt Rotor Training Squadron for the V-22 Osprey.

County population levels and economic activity have generally remained steady through the heavy military troop deployments of the last several years. During deployments in the early 1990s, the County found that dependents of military personnel on deployment often left the County, thereby aggravating the negative economic effects of the population loss. Several programs to support military dependents have successfully encouraged more dependents to remain in the community during deployments of family members. Changes in troop rotation schedules and practices have also had the effect of reducing the negative effects of deployments on the County.

As the Marine Corps expands to a total strength of 202,000 by 2011, Major General Robert C. Dickerson, Commander of Marine Corps Installation East, announced recently that between 2008 and 2011 Camp Lejeune and New River Air Station combined will see a growth in approximately 8,360 active duty Marines and sailors as the Marine Corps expands its size. This growth is expected to bring 11,500 new jobs for active duty service members and civilian employees over the next four years.

Tourism is one of the county's largest growing industries. It is estimated that the local tourism industry generates more than \$31.4 million in wages for approximately 1,560 full time employees. Visitors to Onslow County spent and estimated \$159.5 million in 2007 for an increase of 7.4 percent from 2006. Onslow County is ranked 23rd in travel impact among North Carolinas 100 counties.

The County continues to promote tourism in the county through the support of various events and organizations. In September 2007, a soccer complex was opened at a former school site through the joint efforts of the County and Onslow County Soccer Association. This facility will be used to host soccer tournaments.

The unemployment rate for Onslow County as of June 30, 2007, was 6.00 percent. Economic development recruiting efforts are being focused on telecommunications "back office" type of companies, assembly-light manufacturing industries, and industries that are suppliers to the military. With a large military dependent population, these industries are well suited for the existing work force.

The County is marketing its 730-acre Industrial Park located on U.S. Highway 258 and within a 10-minute drive of Albert J. Ellis Airport, which serves the County. Cape Fear Precast, LLC ("Cape Fear"), the first tenant, has begun construction on a plant in the Industrial Park. Cape Fear manufactures pre-cast concrete utility structures such as sanitary sewer manholes, pump stations and storm water products, and serves a customer base along the eastern seaboard east of Interstate 95 from Virginia to South Carolina. The County has also sold a site to a firm who will be building a day care center and training center. Several others businesses have shown interest in lots in the Industrial Park. Consideration is also being given to the possibility of constructing a 50,000 square foot shell building on a site that could be expanded in the future. The landscape of the Industrial Park ranges from flat plains to gently rolling wooded hills and takes full aesthetic advantage of the New River and its creeks. The site offers office space, a common green, a scenic bike path, daycare facilities, and recreational boat access to the river. The County is currently in the final stages of registering the Industrial Park as a Certified Industrial Site with the North Carolina Department of Commerce. It will play a critical role in the economic development of the County as the County works to encourage different businesses to locate in eastern North Carolina.

The County-owned and operated Albert J. Ellis Airport has a 7,100-foot lighted runway with an instrument landing

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system. The airport is served by two airlines, US Airways Express and Delta Connection. US Airways provides seven daily flights via Charlotte, North Carolina and Delta Connection provides four daily flights via Atlanta. Regional jet aircraft (50 and 70 seat aircraft) are available on ten of the airports eleven daily flights. The other two daily flights are on a 50-seat turboprop. Total traffic for fiscal year 2007-2008 was 256,426 which represented a 23.8% increase over the previous fiscal year. Fixed based aviation services such as fuel sales, flight instruction and aircraft rentals are provided under an airport lease with Jacksonville Flying Service.

LONG-TERM FINANCIAL PLAN

The county continued with its expansion of its Subtitle D landfill. The Phase III expansion construction began in January 2008. This project cost is estimate to cost \$6.71 million and was financed by the issuance of special obligation bonds. Phase III will be a 15-acre lateral expansion which will provide approximately 5 years of disposal space.

Future expansions of our landfill include the Phase IV lateral expansion, which provides approximately 4 years of landfill space and the final phase, the Phase V vertical expansion, which will account for approximately 2 years of landfill space. Therefore, based on current waste disposal and population trends, we feel that we have 10.5 years of life remaining at our current landfill. Steps are being taken to determine our options for future solid waste sites.

Coastal Enterprises (a private non-profit Jacksonville Corporation) operate the County's Material Recovery Facility (MRF). This facility receives mixed clean recyclables such as newspaper, mixed paper, cardboard, glass, steel, aluminum, and plastics #1 and #2. FY 2007-08 approximately 3,486 tons of recyclables from Onslow County were processed at this facility and removed from our waste stream.

In addition, the Onslow County Solid Waste Department diverted approximately 213,800 tires and 905 tons of white goods (appliances) from the waste stream.

The AIP Grants we received from the FAA have enabled the County to continue to make necessary upgrades to key airport infrastructure such as a complete repaving of the airport's 7,100-foot runway that was completed this year. The airport has also continued to plan and design a new passenger terminal sanitary sewer system that is planned for construction in 2009. Other projects the airport is planning this year include an upgrade of firefighter protective equipment, purchase of a new Aircraft Rescue & Firefighting command vehicle, and an upgrade of emergency communications equipment.

The county successfully concluded a project to recruit a new airline to the airport. Using a grant from the USDOT under the Small Community Air Service Development Program, together with matching funds from the State and local county funds, the airport was able to recruit Delta Airlines to the airport. Though the majority of the funds were packaged as a revenue guaranty incentive package for Delta in order to mitigate their risks of starting new service, the service was so successful that none of the grants funds associated with the revenue guaranty agreement was expended.

Per the 2006 North Carolina Division of Aviations economic impact study (the most recent study available), the estimated economic impact of Albert J. Ellis Airport is \$44.3 million dollars. These impacts are of three types: direct (activities from tenants and other business), indirect (activities that take place away from the airport but are attributable to the airport), and induced (activities that result from spending and are the multiplier effects of direct and indirect impacts).

One of the major areas of concern of the County is the need for countywide sewer. This need is being addressed by the Onslow Water and Sewer Authority (ONWASA) a partnership of the governing bodies of Onslow County, City of Jacksonville, Town of Holly Ridge, Town of North Topsail Beach, Town of Richlands, and the Town of Swansboro. In February of 2004, a service agreement was signed between Marine Corps Base, Camp Lejeune and ONWASA for the purchase of unused water and wastewater capacity currently available at the base system. ONWASA and Camp Lejeune have also agreed to entertain a future partnership that would eventually transfer ownership, operation, and control of the Camp Lejeune water and wastewater facilities and systems to ONWASA with the base as a limited partner. As ONWASA moves forward with the construction of a countywide sewer system we expect more development to occur.

The Board of Education supplied the County with its ten-year capital needs assessment in the spring of 2005. Once this was completed it was reviewed by the Board of Education to determine what projects had the most urgent needs.

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The Board of Commissioners approved the issuance of \$15.5 million in certificates of participation to fund the construction of a new elementary school. These certificates of participation were issued in June 2006 and the construction of Meadow View Elementary School was begun in August 2006. This school opened in August 2008 and will ease the overcrowding at three other schools where students are housed in mobile classrooms.

Additionally the County issued \$50.0 million in General Obligation Bonds in June 2006 for school construction from the \$90.0 million authorized by the voters in November 2005. These funds will be also be used to expand facilities to ease overcrowding at our current facilities in accordance with the ten-year plan. In March 2008, we issued the \$40.0 million balance to complete the projects

During the FY 07-08 budget deliberations, the Board of Commissioners took action to increase local funding for education by \$3,000,000. This was the final year of a three-year plan to bring the county closer to the state average per pupil expenditure. This action along with the sale of bonds for capital needs of the school system show the commitment of the Board to education of the youth of the county.

The Board of Education also has notified us of the need for approximately \$68 million more in capital needs. These projects are to be more clearly defined and consideration will be given as to when we will seek the funding.

To meet the needs of our Public Library funds were appropriated to assist the County in determining our needs for the future of our main library facility and its branches. This report provided a plan that showed our needs for the next twenty-five years at an estimated cost of \$20 million. These projects will be evaluated and included in future capital outlay plans.

We have plans to begin construction of the County Justice Complex in November/December 2008. This facility will be a 142,000 square foot facility that will house the administrative offices of the County's Sheriff's Office and a detention center that will house 528 inmates. It will be located in an area near the current Jail and connect to the District and Superior Courthouses. The current estimates are for this facility to cost approximately \$58 million. Financing of this will facility be through the issuance of Certificates of Participation.

The county has a long-term lease of property own by N.C. State for 373 acres of land in the Hofmann Forest. This area will be used to create the Deppe Park in Hofmann Forest Nature Park. This park opened in April of 2008 and provides tot-lot playground, picnic pavilion, grills, trails and restrooms. Additional areas of the park will be developed for passive use in the future. We have received a Park and Recreation Trust Fund grant (PARTF) of \$250,000 to assist with the initial development of this district park, with the County is providing an additional \$315,000 towards this development.

Cash, which is temporarily idle during the year, is invested in demand deposits, certificates of deposits, commercial paper, and the North Carolina Cash Management Trust. The county's cash management policy is designed to (1) assure the safety of principal, (2) provide for liquidity of funds, and (3) attain a market-average yield. Investments are placed on a competitive basis. Revenue generated from interest on investments of Government Fund types for fiscal year 2008 totaled \$3,286,406. Of this \$1,923,527, which equates to approximately 1.80 cents on the tax rate, was from the general fund.

RISK MANAGEMENT:

Onslow County participates in two self-funded insurance programs. Our Health Insurance program is administered by Blue Cross / Blue Shield and our Workers Compensation Fund is administered by Compensation Claims Solutions. Dental insurance is provided for the county employees under a fully-insured plan. The County's insurance for property and liability coverage is secured through a local insurance agent. In addition all county employees are covered by professional liability insurance.

PENSION AND OTHER POST EMPLOYMENT BENEFITS

Onslow County sponsors a single-employer defined benefit pension plan for its public safety employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that Onslow County must take to the pension plan to ensure that the plan will be able to fully meet its obligation to retired employees on a timely basis. As a matter of policy, Onslow County fully funds each year's annual required contribution to the pension plan as determined by the actuary. Due to Onslow County's conservative funding policy,

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Onslow County has succeeded as of December 31, 2007, in funding 21.59% of the actuarial accrued liability of pension benefit obligations. The remaining unfunded amount is being systematically funded over 24 years as part of the annual required contribution calculated by the actuary.

Onslow County also provides post-retirement health care benefits for retirees who participate in the North Carolina Local Governmental Employees' Retirement System (System) and retire with full or reduced benefits from the County with at least ten years of continuous service. The County pays the full cost of coverage for these benefits. In addition, retirees can purchase coverage for their dependents at the County's group rates. This benefit ends at the employees 65th birthday. As of June 30, 2008 there are 85 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2008, the County made payments for post-retirement health benefit premiums of \$415,548.

To evaluate the impact of meeting the reporting requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the County for the fiscal year ending June 30, 2009, the County obtained an actuarial valuation of its OPEB liability based on data for December 31, 2007. The actuarial valuation quantified an unfunded liability of \$18,103,508 to be amortized over 30 years, and an annual required contribution ("ARC") of \$2,037,543, comprised of normal cost of \$1,412,797 and accrued liability of \$624,746. The valuation was completed using a 4.00% discount rate.

The County currently funds OPEB on an annual pay-as-you-go basis under a self-insured plan. The County will continue to evaluate its plan for adjustments, which may need to be made to meet future budget and other needs.

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees Retirement System, a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. For the fiscal year ended June 30, 2008 the County made contributions to the State for death benefits of \$38,592.

Additional information on Onslow County's pension arrangements and post employment benefits can be found in Note III (B) (3) (g) in the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Onslow County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 20, 2007. This was the seventeenth (17th) consecutive year that Onslow County has received this prestigious award. In order to be awarded a Certificate of Achievement, Onslow County published an easily readable and efficiently organized financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and we will be submitting our 2008 CAFR to the GFOA.

The Government Finance Officers Association (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Onslow County for its Popular Annual Financial report for the fiscal year ended June 30, 2007. This is the third (3rd) consecutive year we have receive this award. The Award for Outstanding Achievement in Popular Reporting is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting if valid for a one-year period only, we believe our current report continues to conform to requirements of the Popular Annual Financial Reporting and we will be submitting our 2008 PAFR to the GFOA also.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Onslow County, North Carolina for its annual budget for the fiscal year beginning July 1, 2007. This is the second (2nd) consecutive year we have receive this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an

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operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Preparation of this report would not have been possible without the efficient and dedicated efforts of the staff of the Finance Office. I would like to express special appreciation to Ellen McMillan, deputy finance officer; Jessica Roberts and Sandra Janssen, accountants; the rest of the Finance Office staff and Pittard, Perry & Crone, Inc. for their assistance in the preparation of this report.

In closing, we would like to thank the members of the Onslow County Board of Commissioners for their continued support throughout the past year.

Sincerely,



Alvin W. Barrett, Jr.
Deputy County Manager - Finance

FINANCIAL SECTION



Independent Auditor's Report

To the Board of County Commissioners
Onslow County,
Jacksonville, 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 Onslow County, North Carolina, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Onslow County's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Onslow County ABC Board or Onslow County Hospital Authority. 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 Onslow County ABC Board and Onslow County Hospital Authority is based 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of the Onslow County ABC Board and Onslow County Hospital Authority 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 basic 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 and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of Onslow County, North Carolina as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008 on our consideration of Onslow County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions on pages 4 through 12 and pages 57 and 58 are not a required part of the basic financial statements but 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Onslow County, North Carolina. The introductory information, 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 schedules and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Pittard Percy Crone, Inc.

La Grange, North Carolina
October 31, 2008

Management's Discussion and Analysis

As management of Onslow County, we offer readers of Onslow County's financial statements this narrative overview and analysis of the financial activities of Onslow County for the fiscal year ended June 30, 2008. 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 Onslow County exceeded its liabilities at the close of the fiscal year by \$15,550,134. (*net assets*).
- The government's total net assets decreased by \$37,409,584. (See Exhibit 2)
- As of the close of the current fiscal year, Onslow County's governmental funds reported combined ending fund balances of \$87,778,851 a net decrease of \$10,851,448 in comparison with the prior year. This decrease is mainly due to use of bond proceeds, from the previous year, for the construction of new school facilities. In North Carolina the county issues the debt and constructs the schools which are then assets of the Board of Education. This accounts for \$11,700,000 of the decrease in the fund balance. The general fund showed an increase of \$3,528,739 in fund balance. Approximately 70.5% of this total amount or \$60,493,547 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$28,215,626 or 21.4% of total general fund expenditures for the fiscal year.
- Onslow County's governmental funds total debt had a net increase of \$37.6 million during the current fiscal year. New debt was issued during FY 2008 for schools (\$40.0 million) and site improvements and parking lots for future administration building and justice complex (\$3.8 million).
- Onslow County held the following bond ratings:

Moody's A1
Standard & Poor's AA-

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Onslow 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 Onslow County.

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 10) 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 and agency fund statements.

The next section of the basic financial statements are 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.

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 general government, public safety, human services, 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 Onslow County. The final category is the component units. Onslow County Hospital is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County for a period of 99 years. The County appoints the board of trustees for the hospital and has previously issued debt on its behalf. Although legally separate from the County, the ABC Board is important to the County because the County exercises control over 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. Onslow County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Onslow County can be divided into two categories: governmental funds and proprietary funds.

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

Onslow County adopts an annual budget for its General Fund, as required by the North Carolina 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 modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – Onslow County has one kind of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Onslow County uses enterprise funds to account for its Water and Sewer activity and for its Solid Waste operations. These funds are the same as those functions 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. Onslow County has one fiduciary fund.

Agency Funds – Agency funds are used to account for assets the County holds on behalf of others. The County has three 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 are on pages 27 - 57 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Onslow County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on pages 60 – 61 of this report.

Government-Wide Financial Analysis

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 gage 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. Our business-type activities consist of our solid waste operation. The final category is the component units. Onslow County Hospital is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County. The County appoints the board of trustees for the Hospital. 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.

ONSLow COUNTY'S NET ASSETS

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Current Assets	\$ 100,304,376.	\$ 113,324,269	\$ 24,393,930	\$ 18,020,353	\$ 124,698,306.	\$ 131,344,622
Land, Improvements and Construction in progress	27,360,559.	17,181,708	6,524,965	1,494,287	33,885,524.	18,675,995
Capital assets net of depreciation	23,017,237.	22,403,216	8,391,959	10,028,511	31,409,196.	32,431,727
Total assets	150,682,172.	152,909,193	39,310,854	29,543,151	189,993,026.	182,452,344
Long-term liabilities	142,816,135.	102,786,018	19,211,245	13,729,606	162,027,380.	116,515,624
Other liabilities	10,753,518.	12,865,798	1,661,994	111,202	12,415,512.	12,977,000
Total liabilities	153,569,653.	115,651,816	20,873,239	13,840,808	174,442,892.	129,492,624
Net assets						
Investment in capital assets net of related debt	38,329,706.	30,332,129	(629,939)	4,339,757	37,699,767	34,671,886
Restricted	2,035,393.	1,569,093			2,035,393	1,569,093
Unrestricted	(43,252,580)	5,356,154	19,067,554	11,362,586	(24,185,026)	18,718,740
Total net assets	\$ (2,887,481)	\$ 37,257,376	\$ 18,437,615	\$ 15,702,343	\$ 15,550,134	\$ 62,959,719

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Onslow County exceeded liabilities by \$15,550,134 as of June 30, 2008. This amount may seem small to some however in North Carolina the County issues and carries the debt for school construction while the assets of supported by these debts are recorded as assets of the Board of Education. The larger portion of Onslow County's net assets reflect the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Onslow County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Onslow 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.

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

Property taxes are a major source of revenue for the County. The overall collection rate for the current year taxes was 96.5 percent. The fiscal year 2008 tax rate was \$0.503 cents per \$100 valuation, which is well below the state legal limit of \$1.50.

Sales taxes are one of our major revenue sources. For FY 08, sales taxes receipts were \$786,774 over our budgeted estimate of \$34.29 million.

Additionally, our bonded debt per capita increased \$438.00 to \$629.00 with the issuance of debt for schools and site improvements for our future administration building and the justice complex parking lot.

ONslow COUNTY'S CHANGE IN NET ASSETS

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for service	\$ 13,615,711	\$ 8,046,730	\$ 6,530,492	\$ 6,089,872	\$ 20,146,203	\$ 14,136,602
Operating grants & contributions	24,176,499	29,499,349	28,768	-	24,205,267	29,499,349
Capital grants and contributions	7,088,616	2,401,155	-	-	7,088,616	2,401,155
General revenues:						
Property taxes	56,594,728	53,659,841	-	-	56,594,728	53,659,841
Other taxes	34,988,753	33,378,046	-	-	34,988,753	33,378,046
Grants and contributions not restricted to specific programs	1,571,574	2,762,022	-	-	1,571,574	2,762,022
Other	6,344,694	5,668,225	873,813	879,928	7,218,507	6,548,153
Total assets	144,380,575	135,415,368	7,433,073	6,969,800	151,813,648	142,385,168
Expenses:						
General government	12,864,872	12,909,363			12,864,872	12,909,363
Public safety	24,191,728	19,577,706			24,191,728	19,577,706
Transportation	2,156,825	2,053,678			2,156,825	2,053,678
Economic development	2,932,659	2,591,171			2,932,659	2,591,171
Human services	43,677,025	42,412,075			43,677,025	42,412,075
Environmental protection	550,949	457,485			550,949	457,485
Cultural and recreational	4,463,909	3,800,632			4,463,909	3,800,632
Education	89,228,693	52,651,290			89,228,693	52,651,290
Interest on long term debt	4,458,772	4,593,063			4,458,772	4,593,063
Solid Waste			4,697,800	4,384,331	4,697,800	4,384,331
Total liabilities	184,525,432	141,048,463	4,697,800	4,384,331	189,223,232	145,430,794
Change in net assets before transfers	(40,144,857)	(5,631,095)	2,735,273	2,585,469	(37,409,584)	(3,045,626)
Transfers	-	-	-	-	-	-
Change in net assets	(40,144,857)	(5,631,095)	2,735,273	2,585,469	(37,409,584)	(3,045,626)
Nets assets July 1, 2007	37,257,376	42,888,471	15,702,342	13,116,873	52,959,718	56,005,344
Net assets June 30, 2008	\$ (2,887,481)	\$ 37,257,376	\$ 18,437,615	\$ 15,702,342	\$ 15,550,134	\$ 52,959,718

Governmental activities. Governmental activities decreased the County's net assets by \$40.1 million. This decrease is due to school construction activities. In North Carolina the county finances the construction of school facilities but the asset is recorded on the records of the Board of Education. As the County issues general obligation debt which is reflected its books without the asset for which the debt was issued we will continue to show decreases once the construction is complete and the bond funds expended. This impacts both the general fund which reflects the debt liability but also the school construction fund which accounts for the bond proceeds and expenditure of the school facilities.

Sales tax revenues funded \$34.98 million of the Onslow County government activities. Only property taxes provided a higher source of revenue at \$56.5 million, while operating grants provided \$24.1 million in revenues.

Business-type activities: Business-type activities increased Onslow County's net assets by \$2.7 million. Of this increase in net assets from the Solid Waste Fund, \$1.8 million was from operating revenues.

Charges for services showed an increase of \$500,000 over the prior year at \$6.5 million while operating cost increased only \$313,000.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Onslow County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Onslow 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 Onslow County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$28.2 million, while total fund balance reached \$51.8 million. 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 21.4 percent of total General Fund expenditures, while total general fund fund balance represents 39.4 percent of that same amount.

At June 30, 2008, the governmental funds of Onslow County reported a combined fund balance of \$85.7 million, for a \$10.8 million decrease over last year. This large decrease is due to the use of school construction bond funds for the construction of facilities. If you remove the school construction fund from the combined fund balance the total combined fund balance would be \$52.8 million or a 1.63 percent increase over FY 07. This increase is mainly due to property tax collections, increases in sales tax revenues, increased revenue from fees.

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 decreased the budget by approximately \$688,000. These were mostly the result of increases in programs related to Human Services (especially in the area public assistance where we reduced the budget by \$1.09 million). This was mainly from reductions in Medicaid cost which are being transitioned to the state. There was a corresponding increase in the restricted intergovernmental revenues to cover these increases.

For the FY the General Fund fund balance had a net gain of \$3.5 million for a 7.2% increase. The county is conservative in its budget estimates. This can be seen as our revenues exceeded our budget estimate by \$3.5 million. Our expenditures and transfers were less than budgeted by approximately \$11.0 million.

A review of actual revenues versus expenditures shows that the revenues exceeded expenditures by slightly less than \$4.8 million. After transfers the net revenues over expenditures was \$3.5 million.

The actual operating revenues for the General Fund were more than the budgeted amount by \$3.5 million. This was mainly due to the receipt of funds from sales and service in excess of estimates by \$1.3 million and ad valorem taxes received in excess of estimates by \$973,000, sales and use tax in excess of estimate by \$768,000. As Onslow County has become a regional shopping area as well as an economic stability in the area we have seen continued growth in retail sales.

The restricted intergovernmental revenues were also less than expected by approximately \$525,000. The majority of these funds would relate directly to Human Service programs.

The major variance from our budgeted expenditures was in the Human Services area where our expenditures were \$4.5 million less than estimated. Expenditures for health programs were \$1.4 million under budget, social service programs \$2.7 million under budget and aging programs \$268,000 under budget. These three account for \$4.3 million of this variance from budget.

General governmental expenditures were \$3.4 million under budget. The majority of this, \$2.2 million, is in non-departmental expenditures. The county is self insured for employee hospitalization. We were able to spend \$1.2 million less than anticipated for this coverage. We also saw savings of \$500,000 that occurred with our merit pay contingency due to the ability of departments to cover the merit pay increases from lapse salaries to a greater degree than anticipated. Additionally, funds planned to be used for courthouse security measures did not occur and will roll over to FY 2009 for approximately \$400,000. Our expenditures for ITS were \$299,000 under budget as well due to delays in some of our plans to upgrade equipment and software. We also continue to see improvement through reduced workers compensation cost which were \$166,000 under budget.

Proprietary Funds. Onslow 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 Solid Waste Fund at the end of the fiscal year amounted to \$15.9 million. The total growth in net assets for the Solid Waste Fund was \$2.7 million.

Special Revenue Funds

Special Revenue Funds of the County cover such items as Emergency 911 fees, Register of Deeds Automation funds, CDBG projects and grant projects. These activities showed total revenues for FY 08 of \$925,000 and total expenditures of \$487,000. This represented a 6.8% decrease in revenues and a 44.9% decrease in expenditures from FY 07. The Emergency 911 fund, CDBG and Project Grant fund accounted for 92.7% of the revenues and 87.2% of the expenditures.

The fund balance for the special revenue funds is \$1,063,132. This is a \$34,780 decrease from the prior year. This is as a result changes within the emergency 911 fund.

School Construction Fund

The School Construction Fund is used to account for the construction of school facilities. The school projects funded in this fund are financed by the issuance of debt. The revenues of this fund for the fiscal year were \$1.1 million in interest earned. Our expenditures totaled \$54.2 million as the school projects move forward. During FY 2008 we issued \$40 million in general obligation bonds. This will complete those projects that were planned as a part of the \$90 million general obligation bond issue approved the voters in FY 2006.

The fund balance for the school construction fund is \$32.8 million. Over the next 12 months these funds will be used for the construction of classroom additions and the construction of a new elementary school. As these bond proceeds are used, the fund balance will continue to decrease until the projects are completed.

Non-major Capital Projects Funds

The county maintains several project funds for capital projects. These are the Capital Improvement Fund, Airport Fund, and Capital Projects. The capital improvement fund accounts for improvements made to facilities on an annual basis. The Airport Fund is used to account for funds received for airport improvements from federal and state grants and passenger facility fees. The Capital Project fund accounts for those projects that will extended over more than one fiscal year. For FY 08 the total revenues of these funds were \$5.3 million while expenditures were \$13.8 million. The Airport fund accounts for 88.3% of the revenues. Expenditures on our Detention/Sheriff Office facility and administrative office complex accounted for \$4.8 million or 34.8% of the expenditures of this fund. The county issued \$3.8 million in debt to reimburse itself for land purchases and site improvements for the future Administrative Office Complex and the construction of the parking lot for the Justice Complex. Additional funds expended for these projects in advance of the issuance of debt will be reimbursed at the time the debt is issued.

The negative fund balance will be resolved with the issuance of the debt to reimburse funds advanced on projects.

Capital Asset and Debt Administration

Capital assets. Onslow County's investment in capital assets for its governmental and business type activities as of June 30, 2008, totals \$60.5 million (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Energy savings improvements to facilities
- Health Department Elevator replacement
- Purchase of property for water access
- Deppe Park project
- Completion of AIP 25 and 26 projects
-

At the current time the following projects are included and make up the majority of the construction in progress.

- Justice complex
- Administrative office complex
- Tax office, planning, and finance software packages
- Radio tower
- Airport Runway improvements

ONSLow COUNTY'S CAPITAL ASSETS

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 10,940,519	\$ 10,604,601	\$ 1,284,081	\$ 1,283,967	\$ 12,224,600	\$ 11,888,568
Buildings and systems	30,328,867	30,418,830	2,127,482	2,127,482	32,456,349	32,546,312
Improvements	29,543,222	28,482,663	15,576,425	15,576,425	45,119,647	44,059,088
Equipment	11,873,320	10,584,725	327,552	316,221	12,200,872	10,900,946
Vehicles	9,208,951	8,693,165	494,853	506,553	9,703,804	9,199,718
Heavy equipment	353,081	358,501	1,734,564	1,933,548	2,087,645	2,292,049
Construction in progress	16,420,040	6,577,107	5,240,884	210,320	21,660,924	6,787,427
Subtotal	108,668,000	95,719,592	26,785,841	21,954,516	135,453,841	117,674,108
Less accumulated depreciation	58,290,204	56,134,668	11,868,917	10,431,717	70,159,121	66,566,385
Total	<u>\$ 50,377,796</u>	<u>\$ 39,584,924</u>	<u>\$ 14,916,924</u>	<u>\$ 11,522,799</u>	<u>\$ 65,294,720</u>	<u>\$ 51,107,723</u>

Additional information on the County's capital assets can be found in Note III, 5 of the Basic Financial Statements, beginning on page 38

Long-term Debt. As of June 30, 2008 Onslow County had total general obligation bonded debt outstanding of \$106.6 million all of which is debt backed by the full faith and credit of the County.

ONslow COUNTY'S OUTSTANDING DEBT
General Obligation, Certificates of Participation, Special Obligation Bonds and Installment Purchases

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 106,665,000	\$ 70,555,000	\$ -	\$ -	\$ 106,665,000	\$ 70,555,000
Certificates of Participation	13,950,000	14,725,000	-	-	13,950,000	14,725,000
Installment purchase	17,541,845	15,353,643	-	-	17,541,845	15,353,643
Special obligation bonds	-	-	12,462,726	7,183,041	12,462,726	7,183,041
Total	\$ 138,156,845	\$ 100,633,643	\$ 12,462,726	\$ 7,183,041	\$ 150,619,571	\$ 107,816,684

Onslow County's total debt had a net increase of \$42.9 million during the current fiscal year. The major portion of this amount is in our general obligation debt where we issued \$40.0 million in school bonds. We also had an increase in our installment purchase debt for site improvements for future administration building site and a parking lot for our justice complex.

An additional we issued \$8.0 million in special obligation bonds for the refunding of earlier special obligation bonds and new debt for the expansion of our landfill. All of the principal and interest due on these special obligation bonds will be paid from our landfill operations.

As mentioned in the financial highlights section of this document, Onslow County maintains an A1 bond rating from Moody's Investor Service and AA- rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of Onslow County.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Onslow County is \$759,164,830.

Additional information regarding Onslow County's long-term debt can be found in note 7 on page 49 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- The unemployment rate (seasonally adjusted) for the county as of June 30, 2008 is 6.0%, which is on par with the state average of 5.9%.
- For FY 2007-08 the assessed value of real and personal property is increased to \$11.2 billion from \$10.5 billion. This reflects the steady growth we have seen in construction and development.
- Our population has continued to increase as it has over the past few years with estimated growth of approximately 4.0% for FY 08. This is due in part to the expansion of the Marine Corps through its 202 Growth Initiative. By the end of 2011 we expect a total increase of approximately 8,000 new troops to our county.
- The County continues to become a retail center with taxable sales of \$1.2 billion in FY 2007, the last year for which data is available. This is a 9.7% increase over the previous year.

Budget Highlights for the Fiscal Year Ending June 30, 2009

Governmental Activities: The County approved a \$151.7 million general fund budget. This represents a 4.81% increase from the amended budget for FY 2008. For fiscal year the increase is due to increased funding for current expense for schools, capital outlay for schools, increases in human services programs, and increases to the benefit plan for employees.

Our ad valorem tax rate for FY 08-09 was held constant at \$0.503 per \$100 valuation. It is estimated that property tax revenue for FY 07-08 will be \$56.0 million or 38.07% of the general fund budget.

Education is one of the Board of Commissioners top priorities. Expenditures for education current expense have been increased by 10.25% or \$3.2 million. This is the third year of a three-year commitment to increase the "per pupil" local funding. Additionally in FY 2009, we will be incurring new debt payments from the issuance of \$40 million in general obligation bonds for school facilities in the spring of 2008.

We continue with the process of construction of a new 528-bed detention facility and Sheriff Office. This project will be bid in early FY 2009. This project will be funded by the issuance of debt in the form of certificates of participation.

FY 2009 will show a change in the funding for Medicaid. There will be a reduction in our sales tax revenues as a trade with the State of North Carolina to assume the cost of Medicaid expenses. This is the second year of a three-year phase out of the Medicaid cost.

To balance the budget the county appropriated \$16.7million in fund balance for FY 2009. This practice, of appropriating fund balance, is common. For the past few years, we have not used any of the funds appropriated. It is anticipated however that this will not be case in FY 09.

The Board of Commissioners will also be evaluating programs to determine if they should be continued, modified or ended. This will call for some hard decisions for all but should create saving of tax funds that could be used for other programs and needs.

The County facilities are in need of major renovation or replacement. We are continuing to refine our capital improvement program to provide for orderly construction and funding of these projects

Business – type Activities: The County operates one business type activity, which is our Solid Waste Enterprise fund. For FY 08-09 the solid waste fund budget is \$8.02 million for a 7.22% increase over 2008. This fund is fully funded through revenues and reserves of the fund and is not dependent on the General Fund for support.

In FY 2009, we will complete the construction of the next cell of our landfill. This was funded by the issuance of \$8.5 million in special obligation bonds.

At the same time we issued this new debt, we refunded our outstanding Special Obligation Bond to secure the savings due to lower interest rates over the remaining life of the debt.

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 Onslow County Finance Office, 615 Court Street, Jacksonville, N.C. 28540.

BASIC FINANCIAL STATEMENTS



Onslow County, North Carolina
Statement of Net Assets
 June 30, 2008

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Onslow County Hospital Authority	Onslow County ABC Board
ASSETS					
Cash and cash equivalents	\$ 80,395,912	\$ 20,563,584	\$ 100,959,496	\$ 3,434,814	\$ 1,892,882
Receivables, net	17,630,924	666,498	18,297,423	16,931,769	-
Due from other governments	1,388,332	65,623	1,453,955	-	-
Due from component unit	185,682	-	185,682	-	-
Inventories	122,521	6,035	128,556	1,595,360	927,173
Prepaid expenses and other	581,005	8,052	589,058	732,047	20,037
Restricted assets					
Cash and investments	-	3,084,137	3,084,137	-	-
Assets limited by board				65,427,216	
Other investments	-	-	-	108,573	-
Other assets	-	-	-	2,971,109	-
Capital assets:					
Land, improvements, and construction in progress	27,360,559	6,524,965	33,885,524	22,692,120	-
Other capital assets, net of depreciation	23,017,237	8,391,959	31,409,196	18,123,583	2,493,527
Total capital assets	<u>50,377,796</u>	<u>14,916,924</u>	<u>65,294,720</u>	<u>40,815,703</u>	<u>2,493,527</u>
Total assets	<u>150,682,172</u>	<u>39,310,854</u>	<u>189,993,026</u>	<u>132,016,591</u>	<u>5,333,619</u>
LIABILITIES					
Accounts payable and accrued liabilities	10,423,987	1,661,994	12,085,982	17,586,657	841,219
Due to primary government	-	-	-	-	185,682
Unearned revenues	329,531	-	329,531	-	-
Noncurrent liabilities:					
Due within one year	6,947,199	2,730,051	9,677,250	32,164	-
Due in more than one year	135,868,936	16,481,194	152,350,130	60,307,165	-
Total liabilities	<u>153,569,653</u>	<u>20,873,239</u>	<u>174,442,892</u>	<u>77,925,986</u>	<u>1,026,901</u>
NET ASSETS					
Investment in capital assets, net of related debt	38,329,706	(629,939)	37,699,767	15,210,919	2,493,527
Restricted for:					
Human services	-	-	-	4,404,873	-
Register of deeds	102,565	-	102,565	-	-
Workers' compensation	1,837,366	-	1,837,366	-	-
Drug enforcement	95,462	-	95,462	-	-
Capital improvements	-	-	-	-	793,717
Unrestricted	(43,252,580)	19,067,554	(24,185,026)	34,474,813	1,019,474
Total net assets	<u>\$ (2,887,481)</u>	<u>\$ 18,437,615</u>	<u>\$ 15,550,134</u>	<u>\$ 54,090,605</u>	<u>\$ 4,306,718</u>

The accompanying notes are an integral part of this statement.

Onslow County, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2008

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 12,864,872	\$ 2,203,932	\$ 1,336,683	\$ 24,545
Public safety	24,191,728	4,935,674	794,784	-
Transportation	2,156,825	1,346,409	380,211	4,576,696
Economic and physical development	2,932,659	233,910	122,398	-
Human services	43,677,025	4,705,082	20,894,074	-
Environmental protection	550,949	-	154,763	-
Culture and recreation	4,463,909	190,704	493,586	288,804
Education	89,228,692	-	-	2,198,571
Interest on debt	4,458,772	-	-	-
Total governmental activities	<u>184,525,432</u>	<u>13,615,711</u>	<u>24,176,499</u>	<u>7,088,616</u>
Business-type activities:				
Solid waste	4,697,800	6,530,492	28,768	-
Total primary government	<u>\$ 189,223,232</u>	<u>\$ 20,146,203</u>	<u>\$ 24,205,267</u>	<u>\$ 7,088,616</u>
Component units:				
Onslow County Hospital Authority	\$ 94,159,346	\$ 96,551,895	\$ -	\$ -
Onslow County ABC Board	8,558,474	8,954,891	-	-
Total component units	<u>\$ 102,717,820</u>	<u>\$ 105,506,786</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
Property taxes, levied for general purposes
Local option sales taxes
Other taxes and licenses:
Investment earnings, unrestricted
Grants and contributions not restricted to specific programs
Miscellaneous, unrestricted
Total general revenues and special items
Change in net assets
Net assets - beginning
Net assets - ending

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Onslow County Hospital Authority	Onslow County ABC Board
\$ (9,299,712)	\$ -	\$ (9,299,712)		
(18,461,270)	-	(18,461,270)		
4,146,491	-	4,146,491		
(2,576,351)	-	(2,576,351)		
(18,077,869)	-	(18,077,869)		
(396,186)	-	(396,186)		
(3,490,815)	-	(3,490,815)		
(87,030,121)	-	(87,030,121)		
(4,458,772)	-	(4,458,772)		
<u>(139,644,606)</u>	<u>-</u>	<u>(139,644,606)</u>		
-	1,861,460	1,861,460		
<u>(139,644,606)</u>	<u>1,861,460</u>	<u>(137,783,146)</u>		
			\$ 2,392,549	\$ -
			-	396,417
			<u>2,392,549</u>	<u>396,417</u>
56,594,728	-	56,594,728	-	-
34,988,753	-	34,988,753	-	-
1,761,763	-	1,761,763	-	-
3,286,406	918,563	4,204,969	-	58,762
1,571,574	-	1,571,574	173,008	-
1,296,526	(44,750)	1,251,776	2,190,673	244
<u>99,499,749</u>	<u>873,813</u>	<u>100,373,562</u>	<u>2,363,681</u>	<u>59,006</u>
(40,144,857)	2,735,273	(37,409,584)	4,756,230	455,423
37,257,376	15,702,342	52,959,718	49,334,375	3,851,295
<u>\$ (2,887,481)</u>	<u>\$ 18,437,615</u>	<u>\$ 15,550,134</u>	<u>\$ 54,090,605</u>	<u>\$ 4,306,718</u>

The accompanying notes are an integral part of this statement.



Onslow County, North Carolina
Balance Sheet
 Governmental Funds
 June 30, 2008

	General Fund	School Construction	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 36,656,404	\$ 36,105,997	\$ 7,633,511	\$ 80,395,912
Receivables, net	17,395,872	-	235,052	17,630,924
Due from other funds	6,226,027	-	-	6,226,027
Due from other governments	362,986	1,023,287	2,059	1,388,332
Due from component unit	185,682	-	-	185,682
Inventories	122,521	-	-	122,521
Prepaid expenditures	471,732	-	-	471,732
Total assets	\$ 61,421,224	\$ 37,129,284	\$ 7,870,622	\$ 106,421,130
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 5,562,366	\$ 4,232,071	\$ 629,550	\$ 10,423,987
Due to other funds	-	-	6,226,027	6,226,027
Deferred revenue	3,992,265	-	-	3,992,265
Total liabilities	9,554,631	4,232,071	6,855,577	20,642,279
Fund balances:				
Reserved for encumbrances	615,653	-	324,386	940,039
Reserved for register of deeds	-	-	102,565	102,565
Reserved for workers' compensation	1,837,366	-	-	1,837,366
Reserved by state statute	20,630,753	1,023,287	184,099	21,838,139
Reserved for prepaid expenditures	471,732	-	-	471,732
Reserved for drug enforcement	95,462	-	-	95,462
Unreserved, designated				
Designated for subsequent years' expenditures	17,143,971	31,873,926	-	49,017,897
Reported in nonmajor:				
Special revenue funds	-	-	9,500	9,500
Capital project funds	-	-	314,000	314,000
Designated for special children adoptions	211,334	-	-	211,334
Designated for health insurance	454,000	-	-	454,000
Designated for health	2,857,813	-	-	2,857,813
Unreserved, undesignated	7,548,508	-	-	7,548,508
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	762,436	762,436
Capital project funds	-	-	(681,941)	(681,941)
Total fund balances	51,866,593	32,897,213	1,015,045	85,778,851
Total liabilities and fund balances	\$ 61,421,224	\$ 37,129,284	\$ 7,870,622	

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	50,377,796
Postemployment benefit obligation	(1,067,582)
Prepaid pension obligation	109,273
Liabilities for earned but deferred revenues in fund statements	3,662,734
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4).	(141,748,553)
Net assets of governmental activities	\$ (2,887,481)

The accompanying notes are an integral part of this statement.

Onslow County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General Fund	School Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Ad valorem taxes	\$ 56,367,265	\$ -	\$ -	\$ 56,367,265
Local option sales taxes	35,058,774	-	-	35,058,774
Other taxes and licenses	2,808,433	-	-	2,808,433
Unrestricted intergovernmental	552,505	-	362,985	915,489
Restricted intergovernmental	26,177,782	-	4,954,796	31,132,578
Permits and fees	2,689,603	-	592,836	3,282,439
Sales and services	10,228,791	-	-	10,228,791
Investment earnings	1,923,527	1,174,845	188,034	3,286,406
Miscellaneous	676,517	700	128,024	805,241
Total revenues	<u>136,483,197</u>	<u>1,175,545</u>	<u>6,226,674</u>	<u>143,885,416</u>
EXPENDITURES				
Current:				
General government	11,678,761	-	-	11,678,761
Public safety	21,599,618	-	30,494	21,630,113
Transportation	1,493,708	-	-	1,493,708
Economic and physical development	2,759,700	-	172,865	2,932,565
Human services	43,738,986	-	-	43,738,986
Environmental protection	550,949	-	-	550,949
Cultural and recreational	4,074,930	-	-	4,074,930
E-911	-	-	283,959	283,959
Intergovernmental				
Education	35,029,481	-	-	35,029,481
Capital projects	-	54,199,211	13,835,552	68,034,763
Debt service:				
Principal	6,301,797	-	-	6,301,797
Interest and other charges	4,458,774	-	-	4,458,774
Total expenditures	<u>131,686,704</u>	<u>54,199,211</u>	<u>14,322,870</u>	<u>200,208,785</u>
Excess (deficiency) of revenues over expenditures	<u>4,796,493</u>	<u>(53,023,666)</u>	<u>(8,096,196)</u>	<u>(56,323,369)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	948,071	-	2,065,580	3,013,651
Transfers to other funds	(2,540,486)	-	(473,165)	(3,013,651)
Issuance of debt	-	41,322,260	3,825,000	45,147,260
Sale of capital assets	324,662	-	-	324,662
Total other financing sources (uses)	<u>(1,267,754)</u>	<u>41,322,260</u>	<u>5,417,415</u>	<u>45,471,921</u>
Net change in fund balance	3,528,739	(11,701,406)	(2,678,781)	(10,851,448)
Fund balances-beginning	48,337,854	44,598,619	3,693,826	96,630,299
Fund balances-ending	<u>\$ 51,866,593</u>	<u>\$ 32,897,213</u>	<u>\$ 1,015,045</u>	<u>\$ 85,778,851</u>

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

Net changes in fund balances - total governmental funds	\$ (10,851,448)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	10,849,837
Basis in capital assets that were retired	(56,965)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	227,463
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(1,468,281)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issues, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>(38,845,463)</u>
Total changes in net assets of governmental activities	<u>\$ (40,144,857)</u>

The accompanying notes are an integral part of this statement.

Onslow County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2008

	General Fund			Variance With Final - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 55,353,700	\$ 55,393,700	\$ 56,367,265	\$ 973,565
Local option sales taxes	34,290,000	34,290,000	35,058,774	768,774
Other taxes and licenses	2,659,800	2,659,800	2,808,433	148,633
Unrestricted intergovernmental	340,000	340,000	552,505	212,505
Restricted intergovernmental	26,994,013	26,703,533	26,177,782	(525,751)
Permits and fees	2,572,745	2,545,745	2,689,603	143,858
Sales and services	8,760,742	8,829,697	10,228,791	1,399,094
Investment earnings	1,705,000	1,705,000	1,923,527	218,527
Miscellaneous	546,750	436,181	676,517	240,336
Total revenues	<u>133,222,750</u>	<u>132,903,656</u>	<u>136,483,197</u>	<u>3,579,541</u>
EXPENDITURES				
Current:				
General government	18,614,778	15,098,611	11,678,761	3,419,850
Public safety	23,205,899	23,534,193	21,599,618	1,934,575
Transportation	1,496,795	1,535,734	1,493,708	42,026
Economic and physical development	3,814,484	3,411,216	2,759,700	651,516
Human services	47,851,703	48,305,220	43,738,986	4,566,234
Environmental protection	497,004	677,085	550,949	126,136
Cultural and recreational	4,276,686	4,370,050	4,074,930	295,120
Intergovernmental:				
Education	35,104,931	35,029,481	35,029,481	-
Debt service:				
Principal	6,167,138	6,301,797	6,301,797	-
Interest and other charges	4,403,376	4,472,272	4,458,774	13,498
Total expenditures	<u>145,432,794</u>	<u>142,735,659</u>	<u>131,686,704</u>	<u>11,048,955</u>
Revenues over (under) expenditures	<u>(12,210,044)</u>	<u>(9,832,003)</u>	<u>4,796,493</u>	<u>14,628,496</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,029,000	419,032	948,071	529,039
Transfers to other funds	(1,772,023)	(2,845,204)	(2,540,486)	304,718
Proceeds from sale of capital assets	332,500	332,500	324,662	(7,838)
Total other financing sources and uses	<u>(410,523)</u>	<u>(2,093,672)</u>	<u>(1,267,754)</u>	<u>825,918</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(12,620,567)</u>	<u>(11,925,675)</u>	<u>3,528,739</u>	<u>15,454,414</u>
Appropriated fund balance	<u>12,620,567</u>	<u>11,925,675</u>	<u>-</u>	<u>(11,925,675)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,528,739</u>	<u>\$ 3,528,739</u>
Fund balances - beginning			<u>48,337,854</u>	
Fund balances-ending			<u>\$ 51,866,593</u>	

The accompanying notes are an integral part of this statement.

Onslow County, North Carolina
Statement of Net Assets
Proprietary Funds - Solid Waste Fund
June 30, 2008

ASSETS

Current assets:

Cash and cash equivalents	\$ 20,563,584
Receivables, net	732,121
Inventories	6,035
Prepays	8,052
Total current assets	<u>21,309,792</u>

Noncurrent assets:

Restricted cash and cash equivalents	3,084,137
Capital assets:	
Land and improvements	1,284,081
Construction in progress	5,240,885
Buildings, improvements, and equipment	19,766,023
Vehicles and motorized equipment	494,853
Less accumulated depreciation	<u>(11,868,918)</u>
Total capital assets	<u>14,916,924</u>
Total noncurrent assets	<u>18,001,061</u>
Total assets	<u>39,310,854</u>

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	1,661,994
Accrued landfill closure and postclosure care costs	668,554
Compensated absences	15,744
Special obligation bonds payable	<u>2,045,753</u>
Total current liabilities	<u>4,392,045</u>

Noncurrent liabilities:

Accrued landfill closure and postclosure care costs	6,016,990
Compensated absences	47,231
Special obligation bonds payable	<u>10,416,973</u>
Total noncurrent liabilities	<u>16,481,194</u>
Total liabilities	<u>20,873,239</u>

NET ASSETS

Invested in capital assets, net of related debt	(629,939)
Unrestricted	<u>19,067,554</u>
Total net assets	<u>\$ 18,437,615</u>

The accompanying notes are an integral part of this statement.

Onslow County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds - Solid Waste Fund
For the Fiscal Year Ended June 30, 2008

OPERATING REVENUES	
Charges for services	\$ 5,973,000
Other operating revenues	557,492
Total operating revenues	<u>6,530,492</u>
OPERATING EXPENSES	
Administration	231,449
Recycling	287,984
Landfill operations	1,470,435
Refuse site	479,351
Keep Onslow Beautiful	153,873
White goods	37,493
Depreciation	1,666,475
Total operating expenses	<u>4,327,060</u>
Operating income (loss)	<u>2,203,432</u>
NONOPERATING REVENUES (EXPENSES)	
Interest and investment revenue	918,563
Loss on disposal of assets	(44,750)
Interest and fees	(370,740)
Total nonoperating revenue (expenses)	<u>503,073</u>
Income (loss) before capital contributions	2,706,505
Capital contributions	<u>28,768</u>
Change in net assets	2,735,273
Total net assets - beginning	<u>15,702,342</u>
Total net assets - ending	<u>\$ 18,437,615</u>

The accompanying notes are an integral part of this statement.

Onslow County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2008

Cash flows from operating activities:	
Cash received from customers	\$ 5,967,421
Cash paid for goods and services	(881,158)
Cash paid to employees for services	(1,106,033)
Other operating revenue	<u>557,492</u>
Net cash provided by (used in) operating activities	4,537,722
Cash flows from capital and related financing activities:	
Capital contributions	28,768
Proceeds from issuance of debt	8,022,838
Principal paid on bond maturities and equipment contracts	(2,743,126)
Interest paid on bond maturities and equipment contracts	(370,740)
Acquisition of capital assets	<u>(4,023,444)</u>
Net cash provided by capital and related financing activities	914,296
Cash flows from investing activities:	
Interest on investments	<u>918,563</u>
Net increase (decrease) in cash and cash equivalents	6,370,581
Cash and cash equivalents, July 1	<u>17,277,140</u>
Cash and cash equivalents, June 30	<u><u>\$ 23,647,721</u></u>

**Reconciliation of operating income (loss)
to net cash provided by (used in) operating
activities:**

Operating income (loss)	\$ 2,203,432
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation	1,666,475
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(5,579)
(Increase) decrease in inventory	2,696
(Increase) decrease in prepaid items	(112)
Increase (decrease) in accounts payable and accrued liabilities	468,856
Increase in accrued landfill costs	200,832
Increase (decrease) in accrued vacation pay	1,122
Total adjustments	<u>2,334,290</u>
Net cash provided by (used in) operating activities	<u>\$ 4,537,722</u>

The accompanying notes are an integral part of this statement.

Onslow County, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
 June 30, 2008

	Pension Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 257,106	\$ 316,553
Accounts receivable	-	-
Total assets	\$ 257,106	\$ 316,553
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 266,117
Intergovernmental payable	-	50,436
Total liabilities	-	316,553
Net assets:		
Held in trust for pension benefits	\$ 257,106	\$ -

The accompanying notes are an integral part of this statement.

Onslow County, North Carolina
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For The Fiscal Year Ended June 30, 2008

Additions:	
Employer contributions	\$ 114,391
Investment income:	10,773
Total additions	<u>125,164</u>
Deductions:	
Benefits paid	<u>115,032</u>
Change in net assets	10,132
Net assets - beginning of year	246,974
Net assets - end of year	<u><u>\$ 257,106</u></u>

The accompanying notes are an integral part of this statement.



Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

Note I. Summary of Significant Accounting Policies

The accounting policies of Onslow County, North Carolina and its discretely presented component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

A. Reporting Entity

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 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units; legally separate entities for which the County is financially accountable. Onslow County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Onslow County Hospital Authority (the Hospital), which has a September 30 year-end, is presented as if it were a proprietary fund. The Onslow County ABC Board (the Board), which has a June 30 year-end, is presented as if it were a proprietary fund.

Component Unit	Reporting Method	Criteria for Inclusion	For Separate Financial Statements
Onslow County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the County commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued
Onslow County Hospital Authority	Discrete	The Hospital is a public hospital operated by a not-for-profit corporation, which has leased the hospital facilities from the County until September 30, 2030. The County appoints the board of trustees for the Hospital. The County has also issued general obligation debt on behalf of the hospital.	Onslow County Hospital Authority 317 Western Boulevard Jacksonville, NC 28540
Onslow County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Onslow County ABC Board 409 Center Street Jacksonville, NC 28540

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. 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 non-major funds.

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or 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 Construction Fund. This fund accounts for the financial resources relating to school building construction and improvements.

The County reports the following major enterprise funds:

Solid Waste Fund. This fund is used to account for the operations of the County landfill.

The County reports the following fund types:

Pension Trust Fund. The County has a Pension Trust Fund, the Special Separation Allowance Fund that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.

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 Social Services Fund, which accounts for moneys deposited with the Social Services Department for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Onslow County Board of Education; the DMV Interest Fund which accounts for 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 Agriculture Fund that accounts for moneys deposited with the Agriculture Department for the benefit of certain groups; the Sheriff's Department Fund that accounts for moneys collected by the Sheriff's Department on judgments and executions, and the Municipal Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities within the County, and the Library Trust Fund, which accounts for funds collected on behalf of the County Library.

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 pension trust fund financial statements are reported using the economic resources 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. 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, Onslow 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 become due. Therefore, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. 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 the 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.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general, special revenue, capital project (excluding Airport Fund, Community Development Fund, Capital Project Fund, School Construction Fund, and Grant Project Fund), and enterprise fund. All annual appropriations lapse at the fiscal year end. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to recorded transactions.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level (the legal level of budgetary control) for the general fund, special revenue, enterprise, and the capital project funds. Any revisions that alter total expenditures of any fund must be approved by the governing board. All revisions to the budget and transfer appropriations must be approved by the governing board. The County manager is authorized by the governing board to make transfers within a department, but must notify the board at the next scheduled meeting of all such transfers. During the year, several immaterial 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.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

- | | |
|----------|---|
| April 30 | Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year. |
| June 1 | The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time. |
| July 1 | The budget ordinance shall be adopted by the governing board. |

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. These encumbrances outstanding are reported as "reserved for encumbrances" in the fund balance section of the governmental funds balance sheet and will be charged against the subsequent year's budget.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the County, the ABC Board, and Onslow County Hospital Authority are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the Hospital, 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, the Hospital, 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, the Hospital, 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, the Hospital, and the ABC Board's investments with a maturity of more than one year at acquisition and non-money market 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.

2. Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and maximize investment income. Investment earnings are allocated to all funds based on the cash balance outstanding at the end of each month. The ABC Board considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash and cash equivalents, and records them at cost. For the Hospital Authority, cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less.

3. Restricted Assets

Unexpended bond proceeds are classified as restricted assets on the balance sheet 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.

Restricted funds of the hospital are used to differentiate resources, the use of which is restricted by donors, or grantors, from resources of general funds on which donors or grantors place no restriction or that arise as a result of the operations of the Hospital for its stated purposes. Funds restricted by donors for plant replacement and expansion are reclassified to the unrestricted fund balance to the extent expended within the period. Funds restricted by donors for specific operating purposes are reported in other revenue to the extent used within the period for the designated purpose. Restricted cash and investments include assets set aside by the Hospital's Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, therefore these assets are not considered to be cash equivalents.

4. 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, 2007.

5. Allowance for Doubtful Accounts

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

6. Inventory and Prepaid Items

The inventories of the County are valued using the average cost method, while the hospital, and the ABC Board are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when consumed. The inventory of the County's enterprise funds as well as those of the Hospital and the ABC Board consist of materials and supplies held for consumption. The cost of the inventory carried in the County's enterprise funds and that of the Hospital and the ABC Board is recorded as an expense as it is consumed or sold.

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

7. 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. The County has established capitalization thresholds of \$1,500 for technological equipment and \$5,000 for all other capital items. 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 Onslow 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 Onslow County Board of Education.

Any interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset constructed. Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Useful Life</u>
Furniture and office equipment	3-5 years
Maintenance and construction equipment	10 years
Building and improvements	15-30 years
Automobiles and trucks	4 years

Property, plant, and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	20 years
Furniture and equipment	10 years
Vehicles	3-5 years
Leasehold improvements	10-20 years

For the Hospital, depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

	<u>Useful Life</u>
Buildings and improvements	10-40 years
Land improvements	10-40 years
Equipment	5-15 years

8. 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.

9. Compensated Absences

The vacation policies of the County, the Hospital, and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, the Hospital, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County, the Hospital, and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component units.

10. Net Assets/Fund Balances

Net Assets

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

Fund Balances

In the governmental fund financial statements, 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 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 for Workers' Compensation - portion of total fund balance available for appropriation to pay claims.

Reserved for Encumbrances - portion of fund balance available for appropriation to pay for commitments related to unperformed contracts.

Reserved by State statute - portion of fund balance, in addition to other reservations, which is not available for appropriation, under state law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenue.

Reserved for Drug Enforcement - portion of fund balance not available for appropriation because it represents the year-end balance of cash from federal seizures.

Reserved for Prepaid Expenditures - portion of fund balance not available for appropriation because it represents assets not available as expendable financial resources.

Reserved for Register of Deeds - portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the Register of Deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the Register of Deeds' office.

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriations that has been designated for the adopted 2008-2009 budget ordinance or designated for future capital outlay.

Designated for health- portion of total fund balance representing accumulated unexpended health revenues.

Designated for health insurance- portion of total fund balance representing accumulated unexpended health insurance premiums.

Designated for special children adoptions - portion of total fund balance representing accumulated unexpended special children adoptions.

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

E. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$(88,666,332) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 50,377,796
Post-employment benefit obligation	(1,067,582)
Prepaid pension obligation	109,273
Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not the governmental funds	3,662,734
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds, leases, and installment financing	(139,479,105)
Compensated absences	(2,269,448)
Total adjustment	<u>\$ (88,666,332)</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$29,293,409 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 14,549,930
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	(3,700,093)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government wide statement of net assets	(43,825,000)
Premium on debt issued	(1,322,260)

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

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	6,301,797
Basis in retired capital assets	(56,965)
Increase in post employment benefit obligation	(1,067,582)
Amortization of bond issuance costs	(289,801)
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 compensated absences accrued in the government-wide statement but not in The fund statement because they do not use current resources	(117,073)
Increase in prepaid pension obligation	6,175
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	
Reversal of deferred tax revenue recorded at 7/1/07	(3,434,871)
Recording of tax receipts deferred in the fund statements as of 6/30/08	3,662,334
Total adjustment	\$ (29,293,409)

11. Reclassifications

Certain reclassifications have been made to the 2007 comparative information to conform to the 2008 presentation. Such reclassifications have no effect on net assets or fund balances.

12. Deficit Fund Balance or Net Assets of Individual Funds

For the fiscal year ended June 30, 2008, the Capital Project Fund had a deficit fund balance due to preliminary work on the administrative building project at year-end. This will be remedied during fiscal year 2009 and the County will more closely review the budget reports to ensure compliance in future years.

Note II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's, the Hospital's, and the 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 are collateralized with securities held by the County's, the Hospital's, or the ABC Board's 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, the Hospital, and the 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 deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the Hospital, or the ABC Board or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the Hospital, or the ABC Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The State Treasurer enforces standards of minimum capitalization for all Pooling Method financial institutions. The County, ABC Board, and the Hospital 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 County, ABC Board, and the Hospital do not have policies regarding custodial credit risk for deposits.

At June 30, 2008, the carrying amount of the County's deposits was \$11,926,372 and the bank balance was \$13,597,937. Of the bank balance, \$939,867 was covered by federal depository insurance and \$12,658,064 was covered by collateral held under the Pooling Method.

At June 30, 2008, the County had \$5,037 cash on hand, and the ABC Board had \$8,200 cash on hand.

At June 30, 2008, the carrying amount of deposits for Onslow County ABC Board was \$1,884,682 and the bank balance was \$2,036,633. All of the bank balance was covered by federal depository insurance.

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

At September 30, 2007, the Hospital's deposits had a carrying amount of \$3,434,814 and a bank balance of \$4,990,110. Of the bank balance, \$100,000 was covered by federal depository insurance and \$4,890,110 was covered by collateral held under the Pooling Method.

2. Investments

At June 30, 2008, the County had the following investments and maturities.

Investment Type	Fair Value	Less Than 6 Months	6 - 12 Months	1 - 3 Years
Commercial Paper - RBC Wealth Mgmt	\$ 4,218,367	\$ 4,218,367	\$ -	\$ -
Commercial Paper - Wachovia	16,614,591	16,614,591	-	-
Certificate of Deposit - RBC Centura	9,070,833	9,070,833	-	-
Escrow Account - BB&T	2,784,148	2,784,148		
NC Capital Management Trust - Cash Portfolio	59,997,944	N/A	N/A	N/A
	<u>\$ 92,685,883</u>	<u>\$ 32,687,939</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment practice is to limit the County's investment portfolio to maturities of less than one year. The County's investment policy also requires staggered investments so that maturities will coincide with necessary cash flows throughout the fiscal year.

Credit Risk – The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by a nationally recognized statistical rating organizations (NRSRO's); however the County had no formal policy on managing credit risk. As of June 30, 2008, the County's investments in commercial paper were rated P – 1 by Moody's Investors Service and A – 1+ by Standard & Poor's. The County's investments in the NC Capital Management Trust Cash Portfolio carried a rating of AAAM by Standard & Poor's as of June 30, 2008.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk. The County utilizes a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Director of Finance.

Concentration of Credit Risk – The County has no formal policy regarding the amount that may be invested in any one issuer of investments. More than 5% of the County's investments are invested in each of the listed bank's commercial paper.

At September 30, 2007, the Hospital had the following investments and maturities.

Investment Type	Fair Value	2007	
		Modified Duration	Allocation Percentage
Liquid Funds and Interest Receivable			
Investment Account Cash (Pending Reinvestment)			
Short, noncurrent, and board designated investments	\$ 18,793,244	2.4	29%
Other trustee assets – bond related	33,817,120	N/A	52%
	<u>52,610,364</u>		
North Carolina Capital Management Trust			
Short, noncurrent, and board designated investments	1,516,964		
	<u>1,516,964</u>		2%
Subtotal of liquid funds and interest receivable	<u>54,127,328</u>		

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

	2007		
	Fair Value	Modified Duration	Allocation Percentage
Asset-Backed Securities (Mortgage Related)			
Short, noncurrent, and board designated investments	28,940	N/A	
	<u>28,940</u>		
Equities			
Domestic			
Other trustee assets – bond related	9,073,727	N/A	14%
	<u>9,073,727</u>		
Foreign			
Foreign other trustee assets – bond related	2,197,221	N/A	3%
	<u>2,197,221</u>		
Subtotal of short, intermediate, and broad duration funds	<u>11,299,888</u>		
Total fair value	<u>\$ 65,427,216</u>		<u>100%</u>

The Hospital's investment policy is subject to the Hospital Authorities Act North Carolina General Statute 15-30. The Hospital may, for funds not required for immediate disbursement, make investments which are permissible for trustees, executors, and other fiduciaries under North Carolina law. Funds designated by the Board of commissioners are not needed for immediate operating needs and, as such are invested in a mix of eligible investments, including cash equivalents.

Interest Rate Risk – The Hospital's fixed-income portfolio, the asset class within the total pension plan that is most susceptible to changes in interest rates, is bound with respect to duration (interest rate risk). The duration of the fixed-income portfolio should not exceed 130%, nor should it be less than 70%, of the fixed-income benchmark, the Lehman Brothers Aggregate Index.

Credit Risk – The following details the Hospital's policy regarding credit risk.

Allowable Instruments – The fixed-income manager must adhere to the following portfolio guidelines for investments: (a) Instruments issued and fully guaranteed by the U.S. government or any of its agencies and instrumentalities; (b) Mortgage-backed securities and collateralized mortgage obligation are acceptable, as long as the manager can demonstrate that they meet the specific maturity guidelines outlined for the portfolio. Mortgages are limited to 40% of the fixed-income portfolio; (c) Instruments issued by domestic corporations, including corporate notes and floating rate notes. Commercial paper must be rated A1, P1 or F1; (d) Obligations of domestic banks, including banker's acceptances, certificates of deposit, time deposits, notes and other debt instruments; (e) Instruments of foreign countries, foreign banks, or foreign corporations denominated in U.S. dollars. These instruments are limited to 15% of the fixed-income portfolio; (f) The following types of Euro issues are permitted: Euro CD's banker's acceptances, time deposits, bonds, and floating rate notes; (g) Yankee securities are permitted subject to the quality constraints outlined below.

Credit Quality – This guideline is intended to give the investment manager sufficient latitude to periodically take advantage of bond-quality yield spreads. The average quality shall be no less than 3.0 based on the following scale:

U.S. government and agencies	5.0
AAA	4.0
AA	3.0
A	2.0
BBB	1.0

The minimum quality of any individual security is BBB. If a security is downgraded to below BBB, the manager has the latitude to hold the security if deemed prudent. No more than 10% of the portfolio can be held in bonds rated below A-. The Authority was in compliance with credit quality guidelines as of September 30, 2007.

Custodial Credit Risk – All investments are uninsured and unregistered and are held by the broker's or dealer's trust department or agent in the Hospital's name.

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

Concentration of Credit Risk – Except for issues guaranteed directly or indirectly by the U.S. government, the combined holdings of securities from one issuer shall not constitute more than 10% of the fixed-income allocation. All letters of credit shall be part of the invested amount of the guarantor for purposes of the 10% rule.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, the Authority's investments are categorized by investment type. As of September 30, 2007, the Authority had \$1,516,964 of its Board designated assets, whose use is limited, invested in the North Carolina Capital Management Trust. This investment is considered a cash and cash equivalent and carries a AAA rating. The Authority also has \$25,740,626 of its Board designated assets, limited as to use, invested in Vanguard, as a mix of equity and fixed investment securities.

Investments with indicated modified duration of "N/A" in the table above are highly liquid investments available to the Authority immediately. As of September 2007, substantially all of the Authority's investments were held in the North Carolina Capital Management Trust, which are highly liquid investments.

3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 335,980	\$ 79,803	\$ 415,783
2006	781,625	115,291	896,916
2007	805,754	46,331	852,085
	<u>\$ 1,923,359</u>	<u>\$ 241,425</u>	<u>\$ 2,164,784</u>

4. Receivables

Receivables at the government-wide level at June 30, 2008, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Other Governments</u>	<u>Component Funds</u>	<u>Total</u>
Governmental Activities:					
General	\$ 15,957,849	\$ 4,900,493	\$ 362,986	\$ 185,682	\$ 21,407,010
Other Governmental	235,052	-	1,025,346	-	1,260,398
Total receivables	16,192,901	4,900,493	1,388,332	185,682	22,667,408
Allowance for doubtful accounts	2,224,312	1,238,158	-	-	3,462,470
Total governmental activities	<u>\$ 13,968,589</u>	<u>\$ 3,662,335</u>	<u>\$ 1,388,332</u>	<u>\$ 185,682</u>	<u>\$ 19,204,938</u>
Business-type activities					
Solid Waste	\$ 791,925	\$ -	\$ 65,623	\$ -	\$ 857,548
Allowance for doubtful accounts	125,427	-	-	-	125,427
Total business-type activities	<u>\$ 666,498</u>	<u>\$ -</u>	<u>\$ 65,623</u>	<u>\$ -</u>	<u>\$ 732,121</u>

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

Local option sales tax \$ 1,388,332

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$12,853,000.

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

5. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 10,604,602	\$ 368,480	\$ -	\$ 32,562	\$ 10,940,519
Construction in process	6,577,107	13,049,436	-	3,206,503	16,420,040
Total capital assets not being depreciated	17,181,709	13,417,915	-	3,239,065	27,360,559
Capital assets being depreciated					
Buildings	30,418,830	56,950	-	146,913	30,328,867
Improvements	28,482,664	1,277,295	-	216,737	29,543,222
Equipment	8,136,151	652,010	-	244,397	8,543,764
Computer Equipment	2,448,574	916,740	-	35,758	3,329,556
Vehicles	8,693,163	1,535,523	-	1,019,735	9,208,951
Heavy Equipment	358,501	-	-	5,420	353,081
Total capital assets being depreciated	78,537,884	4,438,518	-	1,668,960	81,307,441
Less accumulated depreciation for:					
Buildings	23,894,025	577,818	-	108,348	24,363,495
Improvements	16,970,349	1,414,159	-	216,284	18,168,224
Equipment	6,427,682	557,842	-	241,877	6,743,647
Computer Equipment	1,753,949	349,093	-	30,344	2,072,698
Vehicles	6,769,451	796,815	-	942,283	6,623,983
Heavy Equipment	319,211	4,366	-	5,420	318,157
Total capital assets being depreciated, net	22,403,219				23,017,237
Governmental activity capital assets, net	\$ 39,584,925	\$ 3,700,093	\$ -	\$ 1,544,556	\$ 50,377,796

Primary Government

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

Governmental activities:	
General government	\$ 1,116,205
Public Safety	1,057,990
Transportation	663,117
Economic and physical development	84,637
Human Services	389,165
Cultural and recreational	388,979
Total depreciation expense – governmental activities	\$ 3,700,093
Business-type activities	
Solid waste	\$ 1,666,475
Total depreciation expense – business-type activities	\$ 1,666,475

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
Business-type activities:					
Solid Waste					
Capital assets not being depreciated:					
Land	\$ 1,494,291	\$ 114	\$ -	\$ 210,324	\$ 1,284,081
Construction in progress	-	5,240,884	-	-	5,240,884
Total capital assets not being depreciated	1,494,291	5,240,998	-	210,324	6,524,965
Capital assets being depreciated:					
Buildings	2,127,482	-	-	-	2,127,482
Improvements	15,576,425	-	-	-	15,576,425
Equipment	311,524	11,330	-	-	322,854
Computer equipment	4,698	-	-	-	4,698
Vehicles	506,548	30,703	-	42,403	494,853
Heavy equipment	1,933,548	291,808	-	490,791	1,734,564
Total capital assets being depreciated	20,460,225	333,841	-	533,194	20,260,876
Less accumulated depreciation for:					
Buildings	1,438,103	146,170	-	-	1,584,272
Improvements	7,166,478	1,336,613	-	-	8,503,095
Equipment	206,208	27,816	-	-	230,613
Computer equipment	3,410	533	-	-	3,943
Vehicles	391,450	34,379	-	30,292	395,541
Heavy equipment	1,229,481	120,964	-	198,983	1,151,463
Total accumulated depreciation	10,431,718	\$ 1,666,475	\$ -	\$ 229,275	11,868,917
Total capital assets being depreciated, net	10,028,507				8,391,959
Solid waste capital assets, net	\$ 11,522,798				\$ 14,916,924

The Hospital leases the Hospital's property and plant from the County of Onslow. The real estate is leased to the Hospital Authority under a long term lease that ends December 31, 2056. Under this lease agreement, the Hospital Authority has the ability to grant a mortgage on the hospital's leasehold interest over the real estate to the holder of the mortgage securing the hospital financing for the repaying of principal and interest on any of the bonds originally issued to partially finance construction of the Hospital's expansion of its facilities..

Construction commitments

The County has active construction projects at June 30, 2008. These projects include airport upgrades, recreational and tourism related facilities, economic development projects and general facility needs.

At year-end, the County's commitments with contractors are as follows:

Project	Budget	Spent-to-date	Remaining Commitment
Vietnam Veteran Memorial	\$ 400,000	\$ -	\$ 400,000
USMC Museum	300,000	75,677	224,323
EWS Station 3	50,000	41,543	8,457
Discovery Gardens	60,000	-	60,000
Richlands Stead Park	260,000	-	260,000
White Oak Paddle	35,000	-	35,000
Oakhurst Nature Park	70,000	-	70,000
Jail/Detention Facility	55,000,000	5,683,925	49,316,075
Radio Tower	1,573,704	1,375,536	198,168
Sheads Ferry Library	76,130	1,571	74,559
New Software-Finance	200,375	189,258	11,117
New Software-Accella	213,786	213,133	653
New Software-Tax office	1,255,000	605,073	649,927
Soccer Complex-Tabernacle	161,212	152,921	8,291
Soccer Complex-Southwest	42,500	42,313	187
Adm Office Complex	23,000,000	2,885,028	20,114,972
School Construction projects	107,834,308	78,773,595	29,060,713
Airport Improvement projects	6,023,389	4,623,337	1,400,052
Landfill Construction project	6,710,000	4,752,799	1,957,201
Total	\$ 203,265,404	\$ 99,415,709	\$ 103,849,695

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2008, was as follows:

	Useful Life	Cost	Accumulated Depreciation	Net Amount
Buildings	20 yrs	\$ 1,989,095	\$ 69,171	\$ 1,419,924
Furniture/Equipment	10 yrs	511,995	398,622	113,373
Vehicles	3-5 yrs	67,167	35,784	31,383
Leasehold improvements	10-20 yrs	60,715	49,060	11,655
Land	-	917,192	-	917,192
Total	-	\$ 3,546,164	\$ 1,052,637	\$ 2,493,527

Activity for the Hospital for the year ended September 30, 2007, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets - being depreciated:				
Land Improvements	\$ 457,229	\$ 8,550	\$ -	\$ 465,779
Buildings and improvements	31,859,118	140,491	-	31,999,609
Equipment	36,906,751	3,281,122	(647,561)	39,540,312
Total capital assets - being depreciated	69,223,098	3,430,163	(647,561)	72,005,700
Capital assets not being depreciated:				
Construction in process	3,367,441	14,402,421	(383,447)	17,386,415
Land	4,839,926	-	-	4,839,926
Total capital assets not being depreciated	8,207,367	14,402,421	(383,447)	22,226,341
Less accumulated depreciation	(49,677,158)	(4,437,219)	698,039	(53,416,338)
Total capital assets	\$ 27,753,307			\$ 40,815,703

B. Liabilities

1. Payables

Payables at June 30, 2008 were as follows :

	Vendors	Salaries and Benefits	Customer Deposits	Other	Total
Governmental Activities:					
General	\$ 2,666,027	\$ 1,996,257	\$ 5,523	\$ 894,559	\$ 5,562,366
Other Governmental	4,365,429	-	-	496,192	4,861,621
Total-governmental activities	\$ 7,031,456	\$ 1,996,257	\$ 5,523	\$ 1,390,751	\$ 10,423,987
Business-type Activities					
Solid Waste	\$ 1,615,811	\$ 45,525	\$ -	\$ 657	\$ 1,661,994

2. Pension Plan Obligations

a. Local Governmental Employee's Retirement System

Plan Description. Onslow County and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multi-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 Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center Road, Raleigh 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 FY 2008 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 Onslow 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, 2008, 2007 and 2006 were \$1,794,728, \$1,658,747 and \$1,556,666, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2008, 2007 and 2006 were \$37,320, \$28,520 and \$27,141, 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

1. Plan Description

Onslow 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 is reported in the County's report as a pension trust fund and a separate audit report is not issued.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits and terminated plan	12
Members entitled to but not yet receiving benefits	120
Active plan members	<u>132</u>

2. 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 money market debt instruments, deposits, and repurchase agreements, 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.

3. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$114,391 or 2.61% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are not charged to the proceeds but are covered through normal operations.

Onslow County, North Carolina
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The annual required contribution for the fiscal year ended June 30, 2008 was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increase ranging from 4.5% to 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 market value. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending 6/30/2008

Employer annual required contribution	\$ 109,356
Interest on net pension obligation	(7,475)
Adjustment to annual required contribution	6,335
Annual pension cost	108,216
Employer contributions made for fiscal year ending 6/30/2008	114,391
Increase (decrease) in net pension obligation	(6,175)
Net pension obligation (prepaid) beginning of fiscal year	(103,098)
Net pension obligation (prepaid) end of fiscal year	\$ (109,273)

The prepaid pension obligation is included in pension trust assets shown on Exhibit 9.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Prepaid) End of Year
6/30/2006	\$103,006	121.00%	(\$ 88,536)
6/30/2007	\$ 97,305	114.97%	(\$103,098)
6/30/2008	\$108,516	105.71%	(\$109,273)

4. Funded Status and Funding Progress

As of December 31, 2007, the most recent actuarial valuation date, the plan was 21.59% funded. The actuarial accrued liability for benefits was \$1,186,845, and the actuarial value of assets was \$256,243, resulting in an unfunded actuarial accrued liability (UAAL) of \$930,602. The covered payroll (annual payroll of active employees covered by the plan) was \$4,461,757 and the ratio of the UAAL to the covered payroll was 20.86%.

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 (401K) 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 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 included 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, 2008 were \$326,832 which consisted of \$219,861 from the County and \$106,971 from the law enforcement officers.

d. Supplemental Retirement Income Plan (401K) for Non Law Enforcement Officers

The County has chosen to extend the supplemental retirement income plan (401K) to non law enforcement employees. The county contributes an amount equal to 1% of all gross earnings for all permanent full-time and part-time employees. Contributions for the year ended June 30, 2008 were \$2,068,212 which consisted of \$1,044,873 from the County and \$1,041,339 from employees.

e. 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, which had been deferred by the plan participants, were required to be reported as assets of the County. 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.

f. Registers of Deeds' Supplemental Pension Fund

Plan Description. Onslow County also contributes to the Registers 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 that 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 Registers 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 Registers 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, 2008, the County's required and actual contributions were \$15,828.

g. Other Post-employment Benefits (OPEB)

Healthcare benefits

Plan Description. Under the terms of a County resolution, Onslow County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least ten years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers. Also, the county 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, 2007, the date of the latest actuarial valuation:

	General Employees:	Law Enforcement Officers
Retirees and dependents receiving benefits	74	12
Active plan members	1,055	120
Total	1,129	132

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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 Board of Commissars. The county members pay an average of \$430 per month for dependent coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 3.78% of annual covered payroll. For the current year, the County contributed \$1,282,142 or 3.43% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County required contribution, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 5.5% and 4.8% of covered payroll, respectively. There are no contributions made by employees, except for dependent coverage in the amount of 415,048. 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 OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, and 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.

Annual required contribution	\$ 2,349,724
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	2,349,724
Contributions made	1,282,142
Increase in net OPEB obligation	1,067,582
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	\$ 1,067,582

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$2,349,724	54.57%	\$1,067,582

Funded Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$18,103,508. The covered payroll (annual payroll of active employees covered by the plan) was \$37,352,336, and the ratio of the UAAL to the covered payroll was 48.5%. 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 information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

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

In the December 31, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 11.00% and 5.00% annually. Both rates included a 3.75% inflation assumption. The actuarial value of assets, of any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2007, was 30 years.

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

h. Other Employment 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. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit 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. 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.

i. Healthcare Benefits- Onslow County ABC Board

Plan Description Under the terms of a Board resolution the Board administers a single-employer defined benefit, Healthcare Benefits Plan (the HCB Plan). As of February 19, 2007, this plan provides post employment healthcare benefits to retirees of the Board, provided they participate in the North Carolina Local Governmental Employee's Retirement System (System) and have thirty continuous years of creditable service with the Board. The Board contributes the full cost of premium payments for the remainder of their lives. At the age of sixty-five retirees must secure their Medicare Part D prescription drug coverage. The Board will continue to pay 100% of the medical supplement plan and prescription drug insurance premiums. Also, the Board's retirees cannot purchase spouse or dependant coverage.

Membership of the HCB Plan consisted of the following at December 31, 2007, the date of the latest actuarial valuation:

MEMBERSHIP	
Active Members	
General Employees	
Number	44
Annual compensation	\$ 902,976
Retired Members	
Number	1

Funding Policy. The Board pays for the full cost of coverage for the healthcare benefits paid to qualified retirees under a Board resolution that can be amended by the Board. The Board has chosen to fund healthcare benefits on a pay as you go basis.

The current ARC rate is 4.78% of annual covered payroll. For the current year, the Board contributed \$1,692 or .02% of annual covered payroll. The board obtains healthcare coverage through private insurers. The Board's required contributions under a Board resolution, for employees not engaged in law enforcement and for law enforcement officers represented .02% and 0% of covered payroll respectively. There were no contributions made by employees. The Board's obligation to contribute to HCB Plan is established and may be amended by the Board

Summary of Significant Accounting Policies. Postemployment expenditures are made from the Enterprise 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 Board's annual 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 Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Board's net OPEB obligation for the healthcare benefits:

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

Annual required contribution	\$	22,356
Interest on net OPEB obligation		20,794
Adjustments to annual required contribution		-
Annual OPEB cost (expense)		43,150
Contributions made		1,692
Increase (decrease) in net OPEB obligation		41,458
Net OPEB obligation, beginning of year		602,570
Net OPEB obligation, end of year	\$	644,028

The Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follow:

For Year Ended June30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$43,150	4.78%	\$644,028

Funded Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$602,570. The covered payroll (annual payroll of active employees covered by the plan) was \$902,976 and the ratio of the UAAL to the covered payroll was 66.7%. 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 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 the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 11.00% to 5.00% annually. Both rates included a 3.75% inflation assumption. The actuarial value of assets, if any was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2007, was 30 years.

J. Onslow County Hospital Authority Pension Plan

The Hospital is the administrator of a single-employer, defined benefit, public employee retirement system (the "System") established by the Hospital to provide special separation benefits to its employees.

Employees are eligible to become participants in the plan on the first day of the plan year in which the employee has completed one year of credited service and attained age 21. The plan provides pension benefits to vested participants who have attained at least 5 years of service. The benefits are based on years of service, age, and the employee's compensation. The Hospital's Board of Commissioners has the ability to amend benefit provisions.

The annual required contribution for 2007 was determined as part of the September 30, 2007 actuarial valuation. Significant actuarial assumptions used in the valuation include (a) an annual rate of return on the investment of present and future assets of 7 1/2% compounded annually and (b) projected annual salary increases of 5% compounded annually, including 3% attributable to inflation. The Plan's contribution expense for the year ended September 30, 2007 amounted to \$550,000. The over-funded actuarial pension asset is being amortized over the average remaining service, weighted by salary on an open basis using the level-dollar method.

Onslow County, North Carolina
Notes to the Financial Statements
 For The Fiscal Year Ended June 30, 2008

The annual pension cost and net pension asset at September 30, 2007 are as follows:

Annual pension cost	\$	452,276
Contribution made		550,000
		97,724
Prepaid pension asset at beginning of year		(1,006,559)
Prepaid pension asset at end of year	\$	(908,835)

	<u>Three Year Trend Information</u>			
	Annual Pension Cost (APC)	Percent APC Contributed	Net Pension Asset	
2007	\$ 452,276	82%	\$ (908,835)	
2006	\$ 597,598	95%	\$ (1,006,559)	
2005	\$ 949,419	22%	\$ (979,001)	

k. Onslow County ABC Board Commitments

The ABC Board has elected to pay direct costs of employment securities benefits in lieu of employment security taxes on payroll. A liability for benefit payments could accrue in the year following discharge of employees.

3. Closure and Postclosure Care Costs – Onslow County Landfill Facility

State and federal laws and regulations require the County to place a final cover on its two landfill facilities when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$6,685,544 reported as landfill closure and post-closure care liability at June 30, 2008 represents a cumulative amount reported to date based on the use of 100 percent of the total estimated capacity of both landfills. Onslow County closed one facility in the fiscal year ended 1998. Total costs incurred to date on the final cover of this landfill are \$3,181,529. Final costs may be higher due to inflation, changes in technology, or changes in regulations. The remaining estimated cost of closure and post-closure care on the second landfill of \$5 million was recognized as the remaining capacity was filled. All of the above amounts are based on what it would cost to perform all closure and post-closure care in 2008. During 2008, the County opened a new cell in the existing landfill with current closure and post closure estimates in process. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that helps determine if a unit is financially able to meet closure and post-closure care requirements. The County is not currently required to fund the estimated closure costs of this facility based upon its present financial stability. As of June 30, 2008, the County has used approximately 10% of its landfill currently in operation.

4. Deferred / Unearned Revenues

The balance in deferred / unearned revenue at year-end is comprised of the following:

		<u>General Fund</u>
Taxes receivable (net)	\$	3,662,734
Prepaid taxes not yet earned		329,531
Total	\$	3,992,265

5. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. Onslow County is self-insured for worker's compensation coverage, and contracts with Compensation Claims Solutions for the administration of the plan. The County provides coverage up to the statutory limits, and acquires excess loss coverage from a third party provider.

Onslow County, North Carolina
Notes to the Financial Statements
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Employer's liability coverage is provided up to \$1,000,000 for bodily injury by accident or disease. Current year operations are reported in the Worker's Compensations Fund.

The County is self-insured for its employee health insurance. The plan is administered by Blue Cross Blue Shield of NC. There is a specific stop loss of \$100,000 per covered employee/dependent and an aggregate stop loss of 125% of expected net paid claims. Blue Cross Blue Shield underwrites the reinsurance policies for the specific and aggregate stop-loss coverage. The County pays 100% of the premium for employees only coverage and the employees pay 100% of the premium for dependent coverage. The plan is self-sustaining through premiums. The estimated liability for claims is based on all known claims filed as of June 30, 2008, as determined by the plan administrator.

The County is fully-insured for its employee dental insurance. The policy is provided by Shenandoah Life Insurance Company of Roanoke, Va. The County pays 100% of the premium for employees only coverage and the employees pay 100% of the premium for dependent coverage. The plan is self-sustaining through premiums.

A summary of changes in the aggregate liabilities for health claims are as follows:

Fiscal Year Ending June 30	Liability (Overpayment) For Claims - Beginning of Year	Net Fees Credited	Paid Claims and Charges	Liability (Overpayment) For Claims - End of Year
1999	\$ 306,410	\$ 4,067,132	\$ 3,661,079	\$ (99,643)
2000	(99,673)	3,578,104	3,739,761	61,984
2001	62,014	4,018,573	4,065,055	108,496
2002	108,496	4,359,794	4,447,191	195,893
2003	195,893	2,336,595	2,306,736	166,034
2004	166,034	4,148,892	3,869,795	(113,063)
2005	(113,063)	4,738,535	4,070,375	(781,223)
2006	(781,223)	4,242,496	5,477,719	454,000
2007	454,000	5,351,424	5,043,991	146,567
2008	146,567	5,178,710	5,019,015	(13,128)

A summary of changes in the aggregate liabilities for workers compensation claims are as follows:

Fiscal Year Ending June 30	Liability For Claims - Beginning of Year	Net Fees Credited	Paid Claims and Charges	Liability For Claims - End of Year
2005	\$ 60,740	\$ 587,713	\$ 626,228	\$ 22,225
2006	22,225	1,082,602	1,005,201	99,626
2007	99,626	819,544	843,026	76,144
2008	76,144	736,262	761,620	101,502

The County carries commercial insurance for all other risks of loss such as general liability, buildings & contents, flood, auto, and wind & hail. There have been no significant reductions in insurance coverage from the previous year and settled claims from these risks have not exceeded the total commercial insurance coverage in any of the last three fiscal years.

In addition to the insurance above the County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through the NFIP. The County has purchased flood coverage for its beach access site #2. The County was unable to purchase coverage for their other two beach access sites as they are in a coastal Barrier Resources Area (CBRA).

In accordance with G.S. 159-29, County 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 Finance Officer is individually bonded for \$250,000 and the tax collector is individually bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$1,000,000 with a deductible of \$2,500.

Onslow County ABC Board 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 ABC Board has property, general liability, auto liability, workmen's compensation and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

6. Claims and Judgments

At June 30, 2008, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

The Hospital Authority is subject to legal proceedings and claims that arise in the course of providing health care services. The Hospital Authority maintains malpractice insurance coverage (after self-insured retention limits) for claims made during the policy year, up to the maximum amounts stated in the insurance policy. The Hospital also carries excess malpractice coverage up to specified limits to cover claims in excess of the maximum amounts stated in the basic policy. In the Hospital Authority's management's opinion, adequate provision has been made for amounts expected to be paid under the policy's deductible limits for asserted and unasserted claims not covered by the policy and any uninsured liability.

In addition, other various claims have been levied upon the Hospital by various parties. In the opinion of management, after consultation with legal counsel, the outcome of these actions will not have a significant adverse effect on the financial position or the results of operations of the Hospital.

7. Long-Term Obligations

a. Installment Purchase

As authorized by State law (G.S. 160A-20 and 153A-158.1) the County has entered into installment purchase contracts for the purchase of capital equipment needs of the County. The installment purchases were issued pursuant to a deed of trust, which requires that legal title remain with the County as long as the debt is outstanding. The lease term is the same as that of the installment purchase obligation. The capital assets associated with the installment purchase obligation are recorded in the capital assets of the County.

The County's installment purchase obligations payable at June 30, 2008 are comprised of the following:

Industrial Park land executed on April 23, 1997 for a 15 years period, negotiated rate reduction in October 2004 to 3.50% with quarterly installments of \$26,293.63	\$ 388,655
Telecommunication tower & equipment executed on December 28, 1999 for a 15 year period at 5.57% interest with semi-annual principal payments of \$72,500 plus interest.	738,854
Industrial Park land executed on December 21, 2000 for a 15 years period, negotiated rate reduction in October 2004 to 3.50% with quarterly installments of \$35,539.01	921,982
County Building executed on December 21, 2000 for a 15 year period at 5.41% with quarterly installments of principal of \$ 107,566.67 plus accrued interest	1,613,500
Industrial park improvements executed on November 20, 2002 for a 10 year period at 0% interest with monthly payments of \$2,083.33 beginning on November 1, 2004 and ending October 1, 2012.	108,333

Notes to the Financial Statements
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Schools executed on November 22, 2002 for a 15 year period at 3.96% with semi-annual payments of \$300,000 principal plus interest beginning November 1, 2003 through November 1, 2017	5,700,000
Library and EMS bay executed on December 10, 2002 for a 15 year period at 4.27% with semi annual payments of \$23,000 principal plus interest beginning June 10, 2003 and ending December 10, 2017	437,000
Schools executed on February 13, 2004 for a 15 year period at 4.18% with quarterly payments of 41,666.67 principal plus interest beginning May 1, 2004 through February 1, 2019	1,791,667
County Building executed on March 1, 2004 for a 15 year period at 3.90% with quarterly installments of principal of \$ 28,666.67 plus accrued interest	1,204,000
Sheriff vehicles executed on May 11, 2005 for a 3 year period (should have matured) at 3.52% with quarterly principal payment of \$ 23,676.33 plus accrued interest.	812,854
Energy management executed June 14, 2007 for a 12 year period at 3.909% with quarterly principal payments plus accrued interest.	3,825,000
	\$ 17,541,845

Installment purchase debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Amount</u>
2009	\$ 1,754,837	\$ 716,536	\$ 2,471,373
2010	1,766,359	647,793	2,414,152
2011	1,778,384	573,177	2,351,561
2012	1,788,243	501,184	2,289,427
2013	1,680,682	424,070	2,104,752
2014-2018	6,574,489	1,260,733	7,835,222
2019-2023	1,242,601	322,464	1,565,065
2024-2028	956,250	112,288	1,068,538
Total Minimum lease payments	\$ 17,541,845	\$ 4,558,244	\$ 22,100,090
Amount representing interest			4,558,244
Present value of net minimum lease payments			\$ 17,541,845

b. Operating Leases - Hospital

The Hospital Authority leases certain property and office and medical equipment under operating leases. The future minimum payments due under non-cancelable operating lease agreements with terms of one year or more are as follows.

<u>Year Ending September 30,</u>	<u>Operating Leases</u>
2009	\$ 583,318
2010	9,117
Total Minimum lease payments	\$ 592,495

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

c. Certificates of Participation

In June 2006 the County through Onslow Facilities Company issued \$15,500,000 in Certificates of Participation Installment Contract to finance the construction of the Meadowview Elementary School to be located on Fire Tower Road. Payments are due December and June with interest from 4.00% to 5.00%.

Debt service requirements to maturity are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 775,000	\$. 642,281
2010	775,000	611,281
2011	775,000	580,281
2012	775,000	549,281
2013	775,000	516,344
2014-2018	3,875,000	2,068,281
2019-2023	3,875,000	1,123,750
2024-2028	2,325,000	213,125
Total	<u>\$ 13,950,000</u>	<u>\$ 6,304,625</u>

d. General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit and taxing power of the County. The general obligation bonds issued to finance construction of facilities utilized in the operation of the water and sewer system, which are being retired by its resources, are reported as long-term debt in the Water and Sewer Fund. Principal and interest requirement are appropriated when due.

The County's general obligation bonds payable at June 30, 2008 are comprised of the following individual issues:

Serviced by the County's General Fund:

\$2,300,000 Courthouse Bonds Series 2000 Payments are due May and November through 2018 with interest from 5.4% to 6.00%	\$ 1,500,000
\$11,575,000 School Refunding Bonds Series 2004 Payments are due March and September through 2011 with interest from 3.00% to 4.00%	8,010,000
\$50,000,000 School Bonds Series 2006 Payments are due December and June through 2025 with interest from 4.00% to 5.00%	47,000,000
\$12,025,000 School Refunding Bonds Series 2006 Payments are due December and June through 2025 with interest from 4.00% to 5.25%	9,657,088
\$620,000 Capital Improvement Refunding Bonds Series 2006 Payments are due December and June through 2025 with interest from 4.00% to 5.25%	497,912
\$40,000,000 School Bonds Series 2008 Payments are due October and April through 2028 no principal payments the first two years with interest from 3.00% to 5.00% Premium on bonds issued	40,000,000 1,322,260 <u>41,322,260</u>
Carrying value of bonds	<u>\$ 107,987,260</u>

Onslow County, North Carolina
Notes to the Financial Statements
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Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	Government Activities	
	Principal	Interest
2009	\$ 3,850,000	\$ 4,877,838
2010	3,815,000	4,730,213
2011	5,800,000	4,565,813
2012	5,765,000	4,352,213
2013	5,745,000	4,094,863
2014-2018	28,890,000	16,562,900
2019-2023	29,750,000	9,535,000
2024-2028	23,050,000	2,856,000
TOTAL	\$ 106,665,000	\$ 51,574,838

At June 30, 2008, Onslow County had a legal debt margin of \$759,164,830 and bonds authorized but uninsured of \$3,780,000.

e Special Obligation Bonds

In May of 2003 the County refinanced special obligation bonds which were originally issued in October 1997, the County issued \$7,000,000 of special obligation bonds at 5.13% interest, for the purpose of construction a Subtitle D Landfill. These refunding bonds have an interest rate of 3.33%. These bonds are authorized under the North Carolina Solid Waste Management Loan Program, Chapter 1591, of the North Carolina General Statutes in accordance with a bond resolution adopted by the County Board of Commissioners. The bond is secured by a first lien on the net revenues of the Solid Waste Fund. The interest on the bonds is payable semi-annually on November 1 and May 1. The special obligation which matures November 1, 2012, will be reported on the solid waste fund's financial statements.

\$ 2,583,158

In May 2003, the County issued \$4,210,000 of special obligation bonds at 3.81% interest, for the purpose of construction a Subtitle D landfill. These bonds are authorized under the North Carolina Solid Waste management Loan Program, Chapter 1591, of the North Carolina General Statutes in accordance with a bond resolution adopted by the County Board of Commissioners. The bond is secured by a first lien on the net revenues of the Solid Waste Fund. The interest on the bonds is payable semi-annually on May 1 and November 1. The special obligation which mature through May 1, 2013, will be reported on the solid waste fund's financial statements.

2,105,000

In December 2007, the County issued \$8,022,838.04 of special obligation bonds at 3.54% interest, for the purpose of construction a Subtitle D landfill. These bonds are authorized under the North Carolina Solid Waste management Loan Program, Chapter 1591, of the North Carolina General Statutes in accordance with a bond resolution adopted by the County Board of Commissioners. The bond is secured by a first lien on the net revenues of the solid Waste Fund. The interest on the bonds is payable semi-annually on June 1 and December 1. The special obligation which mature through June 1, 2018, will be reported on the solid waste fund's financial statements.

7,774,568

\$ 12,462,726

Onslow County, North Carolina
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Special obligation debt service requirements are as follows:

	<u>Year Ending June 30</u>	Principal	Interest
2009		\$ 2,045,753	\$ 427,855
2010		2,113,180	355,021
2011		1,604,843	284,864
2012		1,619,056	228,017
2013		1,379,961	169,530
2014-2018		<u>3,669,933</u>	<u>396,480</u>
Total		<u>\$ 12,462,726</u>	<u>\$ 1,861,767</u>

f. Revenue Bonds

During 2006, the Hospital Authority issued a \$58,100,000 FHA insured Mortgage Revenue Bond ("2006 HUD Revenue Bond") to finance the cost of expanding and constructing the Hospital, and to redeem the existing 1998 Revenue Bond. The Authority plans to construct a new Emergency Department and Surgical Pavilion adjacent to the existing hospital facility as Phase I of its long range plan to develop a replacement hospital. The 2006 HUD Revenue Bond is secured by a first lien on the Authority's leasehold interest in the property and original buildings, the improvements thereon and certain fixtures, equipment, and personal property of the Authority. The associated bond agreements require the Authority to maintain specific financial qualitative covenants. The Authority was in compliance as of September 30, 2007.

The bonds were issued as fully registered bonds, whereby interest is payable at a fixed rate percentage, with rates of 4.75% at a minimum and 5.13% at maximum. Principal payments will be made on April 1 and October 1 beginning October 2008.

The Hospital Authority debt service requirements to maturity are as follows (includes term debt - see item h for further details):

<u>Year Ending September 30,</u>	Principal	Interest
2008	\$ 1,220,000	\$ 2,903,368
2009	1,115,000	2,829,294
2010	1,165,000	2,775,688
2011	1,225,000	2,718,844
2012	1,285,000	3,658,369
2013-2017	7,460,000	12,280,169
2018-2022	9,605,000	10,161,897
2023-2027	12,385,000	7,427,375
2028-2032	15,905,000	3,953,500
Thereafter	6,735,000	291,375
Total	<u>\$ 58,100,000</u>	<u>\$ 47,999,879</u>

g. Component Unit Term Debt

Onslow County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic 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 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 bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2008 there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$4,000,000.

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

h. 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, 2008:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008	Current Portion of Balances
Governmental activities:					
General obligation debt	\$ 70,555,000	\$ 41,322,260	\$ 3,890,000	\$ 107,987,260	\$ 3,850,000
Installment purchase	15,353,643	3,825,000	1,636,798	17,541,845	1,754,837
Certificates of Participation	14,725,000	-	775,000	13,950,000	775,000
Net OPEB obligation	-	2,349,724	1,282,142	1,067,582	-
Compensated absences	2,152,375	2,190,237	2,073,164	2,269,448	567,362
Total governmental activities	\$ 102,786,018	\$ 49,687,221	\$ 9,657,104	\$ 142,816,135	\$ 6,947,199
Business-type activities:					
Special obligation bonds	\$ 7,183,041	\$ 8,022,811	\$ 2,743,126	\$ 12,462,726	\$ 2,045,753
Accrued landfill closure costs	6,484,712	200,832	-	6,685,544	668,554
Compensated absences	61,853	49,674	48,552	62,975	15,744
Total business-type activities	\$ 13,729,606	\$ 8,273,317	\$ 2,791,678	\$ 19,211,245	\$ 2,730,051

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

	Balance 2007	Increases	Decreases	Balance 2008	Current Portion of Balances
Discretely presented component units:					
Hospital:					
Revenue bonds	\$ 58,100,000	\$ -	\$ -	\$ 58,100,000	\$ -
Notes payable	82,202	-	30,440	51,762	32,164
Total discretely presented component unit	\$ 60,667,488	\$ -	\$ 30,440	\$ 58,151,762	\$ 32,164

C. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2008 for operating loans are as follows:

	Interfund	
	Receivables	Payable
General Fund		
Capital Project Fund	\$ 5,748,723	\$ -
Emergency 911 Fund	477,304	-
Capital Project Fund		
General Fund	-	5,748,723
Emergency 911 Fund		
General Fund	-	477,304
	\$ 6,226,027	\$ 6,226,027

The purposes for the interfund balances above are as follows:

The General Fund has advanced funds to the Capital Project Fund to cover the preliminary cost of the jail construction project. These monies will be reimbursed to the General Fund from the issuance of debt for the project.

The General Fund has advanced funds to the Emergency 911 Fund to cover advances of wire/line revenues reverting back to the General Fund.

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

Due to/from primary government and component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government: General Fund	Component Unit: Onslow County ABC Board Required distributions	<u>\$ 185,682</u>

Transfers to/from other funds to supplement other funding sources:

	Transfers	
	From	To
Transfers From/To Other Funds		
General Fund		
Capital Improvement Fund	\$ -	\$ 541,000
Capital Project Fund	474,906	1,821,986
E 911 Fund	473,165	-
Airport Fund	-	177,500
 Capital Improvement Fund		
General Fund	541,000	-
 Airport Fund		
General Fund	177,500	-
 Capital Project Fund		
General Fund	1,821,986	474,906
 E-911 Fund		
General Fund	-	473,165
Total transfers-other Funds	\$ 3,488,557	\$ 3,488,557

The purposes for the transfers above are as follows:

The General Fund has provided monies to the Capital Improvement Fund and to the Airport Fund to cover improvements, such as roofing replacements, HVAC replacement and other general improvements, to facilities that are not of an operating fund nature.

The General Fund has provided monies to the Capital Project Fund to cover major capital projects. These project consists of beach access repairs, construction of soccer complex, major software enhancement projects and other improvements. Additionally, any remaining funds available at the completion of the project are returned to the General Fund, which results in the transfers from Capital Project to General.

The E911 Fund has provided monies to the General Fund to assist in covering the cost of debt incurred by the E911 Fund, and to revert wireline funds back to the General Fund.

NOTE III. Joint Ventures

The County in conjunction with the State of North Carolina and the Onslow County Board of Education, participates in a joint venture to operate the Onslow County 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.

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

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. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. 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 \$2,716,231 and \$477,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2008. 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, 2008. Complete financial statements for the community college may be obtained from the community college's administrative offices at 444 Western Boulevard, Jacksonville, NC 28546.

The County in conjunction with the City of Jacksonville and the Town of Richlands, Swansboro, Holly Ridge, and North Topsail Beach, participates in a joint venture to operate the Onslow County Water and Sewer Authority. The County and the City each appoint two members of the nine-member board with each town appointing one member each. 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, 2008. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 232 Georgetown Road, Jacksonville, NC, 28546.

NOTE IV. Jointly Governed Organization

The County, in conjunction with eight other counties and sixty-two municipalities, established the East Carolina 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 \$28,641 to the Council during the fiscal year ended June 30, 2008. The County was the sub recipient of various grants totaling \$619,420 from the U.S. Department of Health and Human Services and the U.S. Department of Agriculture that was passed through the Council.

NOTE V. Benefit payments issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and state moneys. Onslow County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the state. These amounts disclose the additional aid to County recipients that do not appear in the financial statements because they are not revenues and expenditures of the County.

	Federal	State
Special Supplemental Food Program for Women, infants and Children	\$ 5,402,495	\$ -
Medical Assistance	70,048,849	35,718,912
Food Stamp Program	13,229,174	-
IV-E Adoptions Subsidy Payments	346,679	98,655
IV-E Foster Care	156,856	43,805
IV-E Foster Care in excess	36,526	-
Energy Assistance	163,899	-
Temporary Assistance for Needy Families	948,561	-
CWS Adoption Subsidy Payments	-	440,094
Special Assistance to Adults (SC/SA Domiciliary Care)	-	643,600
State Foster Home	-	132,350

NOTE VI. Summary Disclosure of Significant Commitments and 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 moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

Onslow County, North Carolina
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2008

NOTE VII. Special Items

Effective July 1, 2005, the County divested itself of mental health services by turning the operations over to the newly formed Onslow-Carteret Behavioral Health Care Services, an area Authority approved by the State of North Carolina. In conjunction with this divestiture, the County maintained title to all real estate previously utilized by the mental health department, and currently leases these facilities to the area Authority. The minimum lease payments expected to be realized by the County under this operating lease are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amount</u>
2009	\$ 114,667
2010	114,667
2011	114,667
2012	114,667
2013	114,667
2014-2018	573,333
2019	57,333
	<u>\$ 1,204,000</u>



SUPPLEMENTARY INFORMATION



**REQUIRED SUPPLEMENTAL
FINANCIAL DATA**

This Section contains additional information required by
generally accepted accounting principles.

Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.

Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.

Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.



Onslow County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/1998	\$ 146,256	\$ 554,626	\$ 408,370	26.37%	\$ 2,822,555	14.47%
12/31/1999	159,549	601,371	441,822	26.53%	2,902,062	15.22%
12/31/2000	184,016	856,372	672,356	21.49%	2,916,980	23.05%
12/31/2001	195,901	909,840	713,939	21.53%	2,950,554	24.20%
12/31/2002	198,982	974,205	775,223	20.43%	3,057,998	25.35%
12/31/2003	197,303	962,943	765,640	20.49%	3,079,375	24.86%
12/31/2004	189,169	1,055,739	866,570	17.92%	3,084,571	28.09%
12/31/2005	200,649	964,842	764,193	20.80%	3,586,500	21.31%
12/31/2006	235,597	1,032,229	796,632	22.82%	4,057,340	19.63%
12/31/2007	256,243	1,186,845	930,602	21.59%	4,461,757	20.86%

* Presented for the most recent ten year period

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

Year Ended June 30,	Annual Required Contribution *	Percentage Contributed *
1999	\$ 52,544	123.11%
2000	65,274	110.04%
2001	70,068	98.04%
2002	88,673	96.08%
2003	94,395	94.88%
2004	96,937	94.98%
2005	104,014	95.75%
2006	98,426	126.63%
2007	109,356	102.30%
2008	109,356	104.60%

* Presented for the most recent ten year period

Notes to the Required Schedules:

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

Valuation date	12/31/07
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	23 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	7.25%
Projected salary increases *	4.5 - 12.3%
* Includes inflation at	3.75%
Cost of living adjustments	N/A

Onslow County, North Carolina
Post-Employment Health Benefit Obligation
Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2007	\$ -	\$ 18,103,508	\$ 18,103,508	0.00%	\$ 37,352,336	48.47%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution *	Percentage Contributed *
2008	\$ 2,349,724	54.57%

Notes to the Required Schedules:

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

Valuation date	12/31/07
Actuarial cost method	Projected unit credit
Amortization method	Level percent of projected pay open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	4.00%
Annual medical cost trend increase*	11% and 5%
* Includes inflation at	3.75%



GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.



Onslow County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2008
(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes:				
Taxes		\$ 56,055,590		\$ 53,243,258
Penalties and interest		311,675		324,082
Total	\$ 55,393,700	56,367,265	\$ 973,565	53,567,340
Local option sales taxes:				
Article 39 one percent		12,937,026		11,082,057
Article 40 one-half of one percent		7,853,127		6,834,884
Article 42 one-half of one percent		7,788,483		7,198,207
Article 44 one-half of one percent		6,410,118		5,649,816
Medicaid Hold Harmless		70,021		-
Total	34,290,000	35,058,774	768,774	30,764,964
Other taxes and licenses:				
Deed stamp excise tax		1,046,670		1,084,827
Motor vehicles taxes		192,808		163,844
Occupancy and tourism tax		1,540,765		1,340,086
Privilege licenses		28,191		24,325
Total	2,659,800	2,808,433	148,633	2,613,082
Unrestricted intergovernmental :				
Beer and wine tax		377,214		359,178
Tax reimbursements		175,291		2,140,643
Total	340,000	552,505	212,505	2,499,821
Restricted intergovernmental:				
Onslow County ABC Board:				
Law enforcement		124,404		96,882
Profit distribution		543,153		492,349
Social service		16,646,321		16,076,942
Health department		3,003,255		7,046,549
Mental health		37,089		44,866
Council on Aging		646,472		1,626,031
Federal grants		219,544		173,469
State grants		2,326,048		2,588,014
Local grants		520,828		518,261
Court facility fees		412,553		391,565
Library		283,586		413,756
Youth services		462,215		560,276
Drug enforcement revenues		98,216		196,115
Other reimbursements		854,098		1,255,594
Total	26,703,533	26,177,782	(525,751)	31,480,669

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Permits and fees:				
Clerk of Court fees		273,505		247,609
Inspection fees		1,330,939		1,226,593
Register of deeds		938,696		1,030,977
Elections fees		5,938		279
Other fees		140,524		205,694
Total	2,545,745	2,689,603	143,858	2,711,153
Sales and services:				
Airport		1,346,409		1,190,734
Rescue Squad		2,448,937		2,411,514
Cablevision fees		1,176,203		591,951
Rents and other		1,086,296		274,271
Sheriff's department fees		163,401		147,912
Health department fees		3,931,838		33,552
Recreation fees		75,707		92,809
Total	8,829,697	10,228,791	1,399,094	4,742,743
Investment earnings	1,705,000	1,923,527	218,527	2,411,197
Miscellaneous:				
Other revenues	436,181	676,517	240,336	675,791
Total revenues	132,903,656	136,483,197	3,579,541	131,466,760
Expenditures				
General Government:				
Governing body				
Salaries and employee benefits		140,932		133,019
Other operating expenditures		167,528		122,521
Capital outlay		-		7,580
Total	322,526	308,459	14,067	263,120
Administration:				
Salaries and employee benefits		448,000		306,794
Other operating expenditures		61,816		42,801
Total	506,944	509,816	(2,872)	349,595
Elections:				
Salaries and employee benefits		290,815		160,406
Other operating expenditures		152,773		129,213
Capital outlay		6,510		49,710
Total	610,894	450,098	160,796	339,329
Finance:				
Salaries and employee benefits		561,518		532,375
Other operating expenditures		59,945		40,151
Total	628,377	621,463	6,914	572,526

Onslow County, North Carolina

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Legal:				
Salaries and employee benefits		99,082		-
Other operating expenditures		128,822		242,108
Total	230,000	227,904	2,096	242,108
Jury selection:				
Other operating expenditures	19,900	14,521	5,379	10,217
Taxes:				
Salaries and employee benefits		1,405,195		1,305,158
Other operating expenditures		349,632		314,715
Capital outlay		7,798		13,037
Total	1,873,620	1,762,625	110,995	1,632,910
Buildings and grounds:				
Salaries and employee benefits		908,947		826,632
Other operating expenditures		213,968		205,396
Capital outlay		90,790		40,206
Total	1,264,659	1,213,705	50,954	1,072,234
Court facilities:				
Other operating expenditures	282,600	250,541	32,059	245,447
Purchasing:				
Salaries and employee benefits		211,610		188,636
Other operating expenditures		24,302		23,302
Total	285,868	235,912	49,956	211,937
Register of Deeds:				
Salaries and employee benefits		296,524		340,413
Other operating expenditures		76,107		55,548
Total	442,411	372,631	69,780	395,962
Information Technology Systems:				
Salaries and employee benefits		829,043		799,165
Other operating expenditures		771,302		873,897
GIS Capital outlay		694,352		369,262
Total	2,594,220	2,294,697	299,523	2,042,324
Revaluation:				
Salaries and employee benefits		217,882		203,876
Other operating expenditures		32,090		40,447
Capital outlay		46,029		13,086
Total	318,384	296,000	22,384	257,409
District Attorney:				
Other operating expenditures	60,890	58,433	2,457	58,019

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Probation Office:				
Other operating expenditures	28,825	26,639	2,186	26,003
Public Works Garage:				
Salaries and employee benefits		430,655		395,294
Other operating expenditures		39,414		35,648
Capital outlay		-		10,534
Total	472,509	470,069	2,440	441,476
Planning:				
Salaries and employee benefits		227,465		205,301
Other operating expenditures		18,391		48,577
Capital outlay		15,722		8,779
Total	310,941	261,578	49,363	262,657
Human Resources:				
Salaries and employee benefits		347,771		366,479
Other operating expenditures		70,053		58,946
Total	505,218	417,824	87,394	425,425
Workers' Compensation				
Other operating expenditures	928,000	761,620	166,380	843,026
Non-departmental:				
Professional fees		208,326		209,658
Medical insurance		(117,763)		604,412
Unemployment expenses		83,264		56,729
Insurance		764,044		738,331
Contribution to municipalities		52,847		238,841
Other expenditures		133,505		92,325
Total	3,411,825	1,124,223	2,287,602	1,940,296
Total general government	15,098,611	11,678,761	3,419,850	11,632,018
Public Safety:				
Sheriff:				
Salaries and employee benefits		6,091,825		5,833,022
Other operating expenditures		931,682		757,740
Capital outlay		390,068		24,736
Total	7,748,359	7,413,575	334,784	6,615,498
Sheriff NARC funds	175,000	55,027	119,973	154,639
Jail:				
Salaries and employee benefits		1,200,594		1,245,053
Other operating expenditures		1,817,721		1,335,979
Capital outlay		40,367		-
Total	3,678,901	3,058,682	620,219	2,581,032

Onslow County, North Carolina

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Communications:				
Salaries and employee benefits		859,186		842,254
Other operating expenditures		166,789		167,719
Capital outlay		5,995		10,044
Total	1,157,449	1,031,969	125,480	1,020,017
Emergency management:				
Salaries and employee benefits		409,069		343,469
Other operating expenditures		126,038		108,601
Capital outlay		-		8,370
Total	582,453	535,107	47,346	460,439
Emergency services:				
Assistance to volunteer fire departments		1,864,433		1,864,433
Operating expenses		12,653		18,982
Total	1,884,433	1,877,086	7,347	1,883,415
Code Enforcement:				
Salaries and employee benefits		604,466		497,061
Other operating expenditures		96,879		87,283
Capital outlay		42,356		66,563
Total	752,800	743,701	9,099	650,907
Emergency medical services:				
Assistance to volunteer rescue units		288,000		286,280
Operating expenses		46,345		47,682
Capital outlay		-		-
Total	367,800	334,345	33,455	333,962
Animal control:				
Salaries and employee benefits		407,994		380,319
Other operating expenditures		164,523		130,526
Capital outlay		19,852		113,530
Total	645,173	592,369	52,804	624,376
Medical examiner:				
Professional services	85,000	77,300	7,700	78,700
State homeland security grant:				
Other operating expenditures	-	-	-	2,350
Community Emergency Response Team:				
Other operating expenditures	5,558	4,202	1,356	6,791
Medical Reserve Corp Grant:				
Salaries and employee benefits		18,850		-
Other operating expenditures		11,815		24,560
Capital outlay		9,172		-
Total	42,930	39,837	3,093	24,560

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
SHSGP Equipment Grant				
Capital outlay		-		13,394
Total		-	-	13,394
Onslow E.M.S.:				
Salaries and employee benefits		4,630,482		4,216,659
Other operating expenditures		980,174		736,874
Capital outlay		225,762		254,552
Total	6,408,337	5,836,418	571,919	5,208,086
Total public safety	23,534,193	21,599,618	1,934,575	19,658,166
Transportation:				
Airport:				
Salaries and employee benefits		1,015,788		962,908
Other operating expenditures		414,503		362,158
Capital outlay		63,416		17,188
Total	1,535,734	1,493,708	42,026	1,342,256
Economic and Physical Development:				
Community development division:				
Salaries and employee benefits		50,208		28,917
Other operating expenditures		29,322		3,824
Total	79,846	79,530	316	32,742
Burton Industrial Park				
Other operating expenditures	682,500	287,467	395,033	124,719
Tourism:				
Other operating expenditures		981,848		1,123,427
Total	1,087,197	981,848	105,349	1,123,427
Agriculture extension:				
Salaries and employee benefits		15,774		8,588
Other operating expenditures		99,589		90,848
NCSU Trust Account		315,957		335,071
Capital outlay		18,604		9,341
Total	545,899	449,923	95,976	443,847
Soil and water conservation:				
Salaries and employee benefits		151,093		137,157
Other operating expenditures		17,075		11,131
Capital outlay		30,062		-
Total	186,840	198,230	(11,390)	148,288
Land use management:				
Salaries and employee benefits		625,005		562,924
Other operating expenditures		119,854		87,878
Capital outlay		17,844		30,016
Total	828,934	762,703	66,231	680,819

Onslow County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2008
(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Total economic and physical development	3,411,216	2,759,700	651,516	2,553,841
Human Services:				
Health:				
Administration:				
Salaries and employee benefits		435,083		399,344
Other operating expenditures		107,421		135,476
Total	656,758	542,504	114,254	534,820
Partnership for Children				
Salaries and employee benefits		195		67
Other operating expenditures		8,653		9,899
NCSU Trust Account		20,589		19,477
Total	34,422	29,437	4,985	29,443
AIDS Education:				
Salaries and employee benefits		19,383		13,747
Other operating expenditures		3,344		4,158
Total	24,283	22,726	1,557	17,906
Healthy Lab:				
Other operating expenditures	12,048	11,894	154	-
Communicable diseases:				
Salaries and employee benefits		243,950		199,666
Other operating expenditures		16,281		16,463
Total	269,711	260,231	9,480	216,129
Immunization:				
Salaries and employee benefits		222,730		230,277
Other operating expenditures		86,326		106,289
Capital outlay		-		5,050
Total	346,877	309,055	37,822	341,615
W.I.C. breast feeding:				
Salaries and employee benefits		28,717		26,975
Other operating expenditures		3,793		1,112
Total	34,782	32,510	2,272	28,087
W.I.C.:				
Salaries and employee benefits		53,090		49,956
Other operating expenditures		13,295		12,981
Total	72,414	66,385	6,029	62,938
W.I.C. nutrition:				
Salaries and employee benefits		115,636		102,225
Other operating expenditures		28,583		28,675
Total	199,046	144,219	54,827	130,900

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
W.I.C. client services:				
Salaries and employee benefits		663,741		588,260
Other operating expenditures		38,589		103,822
Total	766,147	702,331	63,816	692,082
Environmental health:				
Salaries and employee benefits		933,678		761,419
Other operating expenditures		95,034		127,374
Capital outlay		25,934		133,313
Total	1,156,805	1,054,646	102,159	1,022,105
Bioterrorism:				
Other operating expenditures		53,994		60,660
Capital outlay		3,495		3,958
Total	61,248	57,489	3,759	64,617
Tuberculosis:				
Salaries and employee benefits		59,857		78,592
Other operating expenditures		6,504		5,677
Total	74,203	66,361	7,842	84,269
Tuberculosis CDC:				
Salaries and employee benefits		20,660		20,760
Other operating expenditures		9,986		13,757
Total	34,716	30,645	4,071	34,517
Home health:				
Salaries and employee benefits		731,571		869,112
Other operating expenditures		643,327		678,547
Capital outlay		5,000		-
Total	1,880,272	1,379,898	500,374	1,547,659
Health promotions:				
Salaries and employee benefits		435,987		334,703
Other operating expenditures		46,130		45,813
Total	540,151	482,117	58,034	380,517
Child health:				
Salaries and employee benefits		113,620		146,977
Other operating expenditures		14,507		17,273
Total	153,771	128,127	25,644	164,250
Women's preventive health:				
Salaries and employee benefits		503,097		450,918
Other operating expenditures		86,460		115,754
Total	636,369	589,557	46,812	566,672

Onslow County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2008
(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Child service coordination:				
Salaries and employee benefits		488,785		414,138
Other operating expenditures		34,740		40,883
Capital outlay		-		5,593
Total	579,821	523,526	56,295	460,614
Cancer - breast and cervical:				
Salaries and employee benefits		-		67,859
Other operating expenditures		-		18,519
Total	-	-	-	86,378
Maternal health:				
Salaries and employee benefits		785,990		634,092
Other operating expenditures		97,080		103,367
Capital outlay		-		7,593
Total	929,836	883,070	46,766	745,051
Hospice:				
Salaries and employee benefits		325,189		319,520
Other operating expenditures		147,762		253,866
Capital outlay		5,000		-
Total	786,332	477,952	308,380	573,386
Smart Start childcare health:				
Salaries and employee benefits		153,629		187,269
Other operating expenditures		16,786		39,247
Capital outlay		-		13,142
Total	179,191	170,415	8,776	239,658
Smart Start BIB:				
Salaries and employee benefits		143,791		152,888
Other operating expenditures		16,270		41,073
Capital outlay		-		9,995
Total	171,874	160,061	11,813	203,955
Smart Start Family Fit:				
Salaries and employee benefits		-		25,466
Other operating expenditures		-		22,236
Total	-	-	-	47,702
Smart Start Every Child Counts:				
Salaries and employee benefits		114,069		84,162
Other operating expenditures		43,076		46,745
Total	162,393	157,145	5,248	130,907
Pandemic Influenza:				
Other operating expenditures	20,000	17,986	2,014	19,181
Total health	9,783,470	8,300,288	1,483,182	8,425,358

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Social services:				
Administration:				
Salaries and employee benefits		1,677,529		1,534,290
Other operating expenditures		775,608		733,337
Capital outlay		31,810		81,681
Total	2,699,548	2,484,948	214,600	2,349,308
Applications:				
Salaries and employee benefits		611,428		580,872
Other operating expenditures		23,310		27,503
Total	724,838	634,738	90,100	608,375
Day care:				
Salaries and employee benefits		120,327		115,596
Assistance payments		6,447,054		5,714,073
Other operating expenditures		32,514		31,772
Total	6,829,898	6,599,896	230,002	5,861,441
Smart Start parents as teachers:				
Salaries and employee benefits		137,133		112,295
Other operating expenditures		5,392		10,502
Total	185,910	142,525	43,385	122,797
Smart Start day care:				
Salaries and employee benefits		195,901		187,297
Other operating expenditures		906,486		1,204,074
Total	1,152,181	1,102,386	49,795	1,391,372
Foster Care/Adoptions:				
Salaries and employee benefits		868,525		775,962
Other operating expenditures		1,121,754		892,735
Total	2,359,677	1,990,280	369,397	1,668,696
Public assistance:				
Medical assistance payments		4,753,715		5,165,237
Income maintenance		705,189		693,777
Total	5,954,701	5,458,904	495,797	5,859,014
Medicaid unit:				
Salaries and employee benefits		1,531,392		1,344,806
Other operating expenditures		370,330		340,691
Total	2,225,601	1,901,721	323,880	1,685,496
Food and Nutrition Services:				
Salaries and employee benefits		905,237		843,033
Other operating expenditures		56,827		70,312
Total	1,071,819	962,064	109,755	913,345

Onslow County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2008
(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Work first employment services:				
Salaries and employee benefits		506,270		504,823
Other operating expenditures		224,416		222,496
Total	804,822	730,686	74,136	727,318
Work First family assistance:				
Salaries and employee benefits		377,411		388,277
Other operating expenditures		26,219		23,000
Total	472,232	403,630	68,602	411,276
Work First demonstration grant:				
Other operating expenditures	-	-	-	39,995
Child support enforcement IV-D:				
Other operating expenditures	1,565,840	1,403,303	162,537	1,414,150
Child protective services:				
Salaries and employee benefits		3,376,336		1,545,843
Other operating expenditures		262,484		106,851
Total	3,875,579	3,638,820	236,759	1,652,695
Adult and family services:				
Salaries and employee benefits		384,537		347,867
Other operating expenditures		69,339		69,559
Total	483,058	453,876	29,182	417,426
Family intervention and treatment:				
Salaries and employee benefits		-		1,394,193
Other operating expenditures		-		112,965
Total	-	-	-	1,507,158
Smart Start adolescent parenting:				
Salaries and employee benefits		127,591		116,915
Other operating expenditures		6,159		12,486
Total	140,742	133,750	6,992	129,401
PEERS program:				
Salaries and employee benefits		179,457		172,975
Other operating expenditures		6,521		4,584
Total	203,236	185,978	17,258	177,559
DSS - Special Children Adoptions:				
Other operating expenditures	84,738	31,227	53,511	67,351
Adoptions:				
Salaries and employee benefits		357,231		322,741
Other operating expenditures		332,772		302,281
Total	737,827	690,003	47,824	625,022

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Crisis intervention:				
Operating expenditures	234,991	141,389	93,602	122,861
Total social services	31,807,238	29,090,124	2,717,114	27,752,057
Senior Services:				
Administration:				
Salaries and employee benefits		622,000		539,717
Other operating expenditures		84,726		85,371
Capital outlay		865		-
Total	725,416	707,590	17,826	625,088
Transportation - nutritional:				
Other operating expenditures		119,248		-
Capital outlay		2,500		107,573
Total	124,109	121,748	2,361	107,573
Transportation - medical:				
Other operating expenditures		10,834		-
Capital outlay		2,000		14,293
Total	13,100	12,834	266	14,293
Personal care:				
Salaries and employee benefits		884,519		189,661
Other operating expenditures		28,221		9,381
Capital outlay		6,000		2,105
Total	1,050,809	918,740	132,069	201,147
In home chore (IIIB):				
Salaries and employee benefits		822,768		776,458
Other operating expenditures		54,155		60,066
Capital outlay		6,000		-
Total	914,407	882,923	31,484	836,524
CAP - Chore:				
Salaries and employee benefits		301,580		1,200,482
Other operating expenditures		63,165		83,381
Capital outlay		-		10,525
Total	391,056	364,745	26,311	1,294,388
Title IIIF:				
Other operating expenditures	7,507	5,418	2,089	7,399
Adult day care:				
Salaries and employee benefits		109,377		105,352
Other operating expenditures		3,289		3,122
Total	118,258	112,665	5,593	108,474

Onslow County, North Carolina

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For The Fiscal Year Ended June 30, 2008
(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Congregate meals:				
Salaries and employee benefits		88,021		102,380
Other operating expenditures		102,035		109,740
Capital outlay		7,000		-
Total	231,483	197,057	34,427	212,120
Senior Center:				
Other operating expenditures	21,785	21,583	202	5,813
Home delivered meals (IIIC):				
Salaries and employee benefits		62,040		57,885
Other operating expenditures		65,385		59,875
Capital outlay		5,000		-
Total	144,401	132,425	11,976	117,761
Outreach Coordination:				
Other operating expenditures	10,000	6,511	3,489	3,136
Total Senior Services	3,752,331	3,484,238	268,093	3,533,715
Youth Services:				
Youth services:				
Salaries and employee benefits		286,349		267,702
Other operating expenditures		198,192		164,381
Total	491,173	484,542	6,631	432,083
Restitution program:				
Salaries and employee benefits		51,076		47,826
Other operating expenditures		13,138		14,761
Total	66,311	64,214	2,097	62,587
Psychological assessment services:				
Operating expenditures	-	-	-	600
School Treatment Program:				
Salaries and employee benefits		60,822		60,093
Other operating expenditures		3,183		8,812
Capital outlay		-		1,052
Total	64,671	64,005	666	69,957
Day Services:				
Salaries and employee benefits		43,815		41,418
Other operating expenditures	-	13,741		15,910
Capital outlay	-	-		1,053
Total	87,143	57,556	29,587	58,381
Youth and Family Skills:				
Salaries and employee benefits		13,459		25,743
Other operating expenditures		873		1,500
Total	43,627	14,332	29,295	27,243

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Runaway shelter:				
Salaries and employee benefits		428,456		385,085
Other operating expenditures		69,181		59,803
Total	517,240	497,637	19,603	444,888
Juvenile Crime Prevention Council:				
Operating expenditures	1,885	1,485	400	2,684
Total Youth Services	1,272,050	1,183,771	88,279	1,098,422
Veteran's Services:				
Salaries and employee benefits		172,789		155,104
Other operating expenditures		17,228		16,508
Total	196,657	190,017	6,640	171,612
Other Human Services:				
Other contributions	1,493,474	1,490,548	2,926	1,419,121
Total human services	48,305,220	43,738,986	4,566,234	42,400,286
Environmental Protection:				
Vector control:				
Salaries and employee benefits		123,653		115,456
Other operating expenditures		63,047		24,761
Total	305,347	186,700	118,647	140,217
Mosquito control:				
Salaries and employee benefits		155,684		146,672
Other operating expenditures		30,387		28,778
Total	195,299	186,070	9,229	175,450
Beaver management	4,000	4,000	-	4,000
Contribution to NC Forestry Service	172,439	174,179	(1,740)	137,818
Total environmental protection	677,085	550,949	126,136	457,485
Cultural and Recreational:				
Recreation and parks:				
Salaries and employee benefits		1,084,322		980,436
Other operating expenditures		342,564		269,847
Capital outlay		111,823		35,884
Total	1,668,097	1,538,709	129,388	1,286,166
Library:				
Salaries and employee benefits		1,251,368		1,146,529
Other operating expenditures		425,514		335,454
Capital outlay		4,101		28,983
Total	1,733,504	1,680,983	52,521	1,510,965

Onslow County, North Carolina

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Museum:				
Salaries and employee benefits		248,081		246,653
Other operating expenditures		62,767		54,754
Capital outlay		-		17,277
Total	355,280	310,848	44,432	318,684
Law library:				
Salaries and employee benefits		57,876		54,732
Other operating expenditures		38,102		41,204
Total	98,139	95,979	2,160	95,936
Swansboro library:				
Salaries and employee benefits		116,687		111,857
Other operating expenditures		52,419		46,614
Total	177,938	169,106	8,832	158,471
Sneads Ferry library:				
Salaries and employee benefits		109,951		102,389
Other operating expenditures		41,906		34,229
Total	157,181	151,857	5,324	136,618
Richlands library:				
Salaries and employee benefits		83,378		123,854
Other operating expenditures		44,071		32,843
Total	179,911	127,449	52,462	156,697
Total cultural and recreational	4,370,050	4,074,930	295,120	3,663,538
Education:				
Public schools - current		28,836,250		25,736,250
Public schools - capital outlay		3,000,000		3,000,000
Community colleges - current		2,716,231		2,355,000
Community colleges - capital outlay		477,000		300,000
Save our students program		-		75,450
Total education	35,029,481	35,029,481	-	31,466,700
Debt service:				
Lease principal		293,339		1,639,885
Bond principal		6,008,458		4,750,001
Interest and fees		4,458,774		4,537,852
Total debt service	10,774,069	10,760,571	13,498	10,927,738
Total expenditures	142,735,659	131,686,704	11,048,955	124,102,027
Revenues under expenditures	(9,832,003)	4,796,493	14,628,496	7,364,733

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Other financing sources (uses):				
Transfers from (to) other funds:				
Transfers from other funds	419,032	948,071		259,202
Transfers to other funds	(2,845,204)	(2,540,486)		(4,106,177)
Total	(2,426,172)	(1,592,415)	833,757	(3,846,975)
Sale of fixed assets	332,500	324,661	(7,839)	49,291
Total other financing sources	(2,093,672)	(1,267,754)	825,917	(3,797,684)
Revenues and other financing sources under expenditures and other financing uses	(11,925,675)	3,528,739	15,454,414	3,567,049
Appropriated fund balance	11,925,675	-	(11,925,675)	-
Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses	\$ -	3,528,739	\$ 3,528,739	3,567,049
Fund balance, beginning		48,337,854		44,770,805
Fund balance, end of year		\$ 51,866,593		\$ 48,337,854

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of special revenue sources that are legally restricted to expenditure for specific purposes.

Individual Fund Description:

Emergency 911 Fund - accounts for the operations of the County's Emergency 911 system.

Register of Deeds Fund - accounts for the costs of automation and enhancement of process for the register of deeds.

Community Development Fund - accounts for funds used in the rehabilitation of low income housing and construction of water and sewer lines for low income areas.

Grant Project Fund - accounts for funds received for various grant projects



Onslow County, North Carolina
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
 June 30, 2008 and 2007

	2008			2007		
	Special Revenue Funds	Capital Project Funds	Totals	Special Revenue Funds	Capital Project Funds	Totals
ASSETS						
Cash and investments	\$ 1,419,982	\$ 6,213,529	\$ 7,633,511	\$ 1,018,942	\$ 5,341,372	\$ 6,360,314
Accounts receivable	118,425	116,627	235,052	66,352	70,388	136,740
Due from other governments	2,059	-	2,059	21,758	-	21,758
Total assets	\$ 1,540,466	\$ 6,330,156	\$ 7,870,622	\$ 1,107,052	\$ 5,411,760	\$ 6,518,812
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable and accrued liabilities	\$ 30	\$ 629,520	\$ 629,550	\$ 57	\$ 416,579	\$ 416,636
Due to other funds	477,304	5,748,723	6,226,027	9,083	2,399,267	2,408,350
Total liabilities	477,334	6,378,243	6,855,577	9,140	2,815,846	2,824,986
Fund balances:						
Reserved for encumbrances	68,147	256,239	324,386	11,931	1,746,094	1,758,025
Reserved for register of deeds	102,565	-	102,565	51,679	-	51,679
Reserved by state statute	120,484	63,615	184,099	79,027	80,388	159,415
Unreserved						
Designated for subsequent years' expenditures	9,500	314,000	323,500	55,994	52,600	108,594
Undesignated	762,436	(681,941)	80,495	899,281	716,832	1,616,113
Total equity	1,063,132	(48,087)	1,015,045	1,097,912	2,595,914	3,693,826
Total liabilities and fund balances	\$ 1,540,466	\$ 6,330,156	\$ 7,870,622	\$ 1,107,052	\$ 5,411,760	\$ 6,518,812

Onslow County, North Carolina
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For The Fiscal Year Ended June 30, 2008
(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008			2007		
	Special Revenue Funds	Capital Project Funds	Totals	Special Revenue Funds	Capital Project Funds	Totals
Revenues:						
Restricted intergovernmental	\$ 177,579	\$ 4,777,217	\$ 4,954,796	\$ 239,767	\$ 279,168	\$ 518,935
Unrestricted intergovernmental	-	362,985	362,985	-	262,200	262,200
E-911 fees	592,836	-	592,836	592,835	-	592,835
Investment earnings	52,724	135,309	188,033	52,771	109,203	161,974
Other revenues	102,564	25,460	128,024	108,018	10,195	118,213
Total revenues	<u>925,703</u>	<u>5,300,971</u>	<u>6,226,674</u>	<u>993,392</u>	<u>660,766</u>	<u>1,654,158</u>
Expenditures:						
Professional services	2,487	-	2,487	3,536	-	3,536
Operating expenditures	159,341	-	159,341	346,641	-	346,641
Equipment maintenance	100,498	-	100,498	88,231	-	88,231
Capital outlay	224,992	13,835,552	14,060,544	246,676	4,158,264	4,404,940
Debt service:						
Principal	-	-	-	145,000	-	145,000
Interest and fees	-	-	-	55,210	-	55,210
Total expenditures	<u>487,318</u>	<u>13,835,552</u>	<u>14,322,870</u>	<u>885,294</u>	<u>4,158,264</u>	<u>5,043,558</u>
Revenues under expenditures	438,385	(8,534,581)	(8,096,197)	108,098	(3,497,498)	(3,389,400)
Other financing sources:						
Proceeds from issuance of debt	-	3,825,000	3,825,000	-	846,527	846,527
Transfers from other funds	-	2,065,580	2,065,580	19,197	4,151,980	4,171,177
Transfers to other funds	(473,165)	-	(473,165)	-	(324,202)	(324,202)
Total other financing sources	<u>(473,165)</u>	<u>5,890,580</u>	<u>5,417,415</u>	<u>19,197</u>	<u>4,674,305</u>	<u>4,693,502</u>
Revenues and other financing sources over (under) expenditures	(34,780)	(2,644,001)	(2,678,781)	127,295	1,176,807	1,304,102
FUND BALANCES, beginning of year	<u>1,097,912</u>	<u>2,595,914</u>	<u>3,693,826</u>	<u>970,617</u>	<u>1,419,107</u>	<u>2,389,724</u>
FUND BALANCES, end of year	<u>\$ 1,063,132</u>	<u>\$ (48,087)</u>	<u>\$ 1,015,045</u>	<u>\$ 1,097,912</u>	<u>\$ 2,595,914</u>	<u>\$ 3,693,826</u>

Onslow County, North Carolina
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
 June 30, 2008

	Emergency 911	Register of Deeds	Community Development	Totals
ASSETS				
Cash and investments	\$ 1,239,770	\$ 159,476	\$ 20,736	\$ 1,419,982
Accounts receivable	107,447	-	10,978	118,425
Due from other governments	-	2,059	-	2,059
Total assets	\$ 1,347,217	\$ 161,535	\$ 31,714	\$ 1,540,466
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	\$ 30	\$ -	\$ -	\$ 30
Due to other funds	477,304	-	-	477,304
Total liabilities	477,334	-	-	477,334
Fund balances:				
Reserved for encumbrances	-	47,411	20,736	68,147
Reserved for register of deeds	-	102,565	-	102,565
Reserved by state statute	107,447	2,059	10,978	120,484
Unreserved				
Designated for subsequent years' expenditures	-	9,500	-	9,500
Undesignated	762,436	-	-	762,436
Total equity	869,883	161,535	31,714	1,063,132
Total liabilities and fund balances	\$ 1,347,217	\$ 161,535	\$ 31,714	\$ 1,540,466

Onslow County, North Carolina
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For The Fiscal Year Ended June 30, 2008

	Emergency 911	Register of Deeds	Community Development	Grant Project	Totals
Revenues:					
E-911 fees	\$ 592,836	\$ -	\$ -	\$ -	\$ 592,836
Grant revenue	-	-	66,859	110,720	177,579
Investment earnings	46,869	5,855	-	-	52,724
Other revenues	-	102,564	-	-	102,564
Total revenues	639,705	108,419	66,859	110,720	925,703
Expenditures					
Professional services	2,487	-	-	-	2,487
Operating expenditures	128,847	30,494	-	-	159,341
Equipment maintenance	100,498	-	-	-	100,498
Capital outlay	52,127	-	62,145	110,720	224,992
Debt service:					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Total expenditures	283,959	30,494	62,145	110,720	487,318
Revenues over (under) expenditures	355,746	77,925	4,714	-	438,385
Other financing sources:					
Transfers from (to) other funds	(473,165)	-	-	-	(473,165)
Total other financing sources	(473,165)	-	-	-	(473,165)
Revenues and other financing sources over (under) expenditures	(117,419)	77,925	4,714	-	(34,780)
FUND BALANCES, beginning of year	987,302	83,610	27,000	-	1,097,912
FUND BALANCES, end of year	\$ 869,883	\$ 161,535	\$ 31,714	\$ -	\$ 1,063,132

Onslow County, North Carolina
EMERGENCY-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2008
(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted intergovernmental:				
911 system subscriber fees	\$ 141,628	\$ 206,623	\$ 64,995	\$ 388,366
Wireless E-911 fees	180,000	386,213	206,213	204,469
Investment earnings				
Wireline	-	14,932	14,932	16,538
Wireless	8,000	31,937	23,937	30,158
Total revenues	<u>329,628</u>	<u>639,705</u>	<u>310,077</u>	<u>639,530</u>
Expenditures:				
Public Safety				
E-911 fees				
Professional services	2,357	2,115	242	3,497
Operating expenditures	32,564	32,564	(0)	74,834
Equipment maintenance	39,845	39,843	2	44,116
Capital outlay	61,872	-	61,872	734
Wireless E-911 fees				
Professional services	3,643	372	3,271	39
Operating expenditures	158,536	96,283	62,253	91,575
Equipment maintenance	60,655	60,655	(0)	44,115
Capital outlay	7,650	52,127	(44,477)	(734)
Debt service:				
Principal	-	-	-	145,000
Interest and fees	-	-	-	55,210
Total expenditures	<u>367,122</u>	<u>283,959</u>	<u>83,163</u>	<u>458,385</u>
Revenues over (under) expenditures	(37,494)	355,746	(393,240)	181,144
Other financing uses:				
Transfers to other funds	(420,690)	(473,165)	(52,475)	19,197
Appropriated fund balance	<u>458,184</u>	-	<u>(458,184)</u>	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(117,419)</u>	<u>\$ (117,419)</u>	<u>200,341</u>
Fund balance, beginning of year				
E-911 fund		326,133		225,424
Wireless 911 funds		661,169		561,536
		<u>987,302</u>		<u>786,960</u>
Fund balance, end of year				
E-911 fund		0		326,133
Wireless 911 funds		869,883		661,169
		<u>\$ 869,883</u>		<u>\$ 987,302</u>

Onslow County, North Carolina
REGISTER OF DEEDS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2008
(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Permits and fees	\$ 96,000	\$ 102,564	\$ 6,564	\$ 108,018
Investment earnings	2,000	5,855	3,855	6,076
Total revenues	<u>98,000</u>	<u>108,420</u>	<u>10,420</u>	<u>114,094</u>
Expenditures:				
Automation expenditures	116,500	30,494	86,006	180,233
Capital outlay	-	-	-	4,425
Total expenditures	<u>116,500</u>	<u>30,494</u>	<u>86,006</u>	<u>184,658</u>
Revenues over (under) expenditures	(18,500)	77,925	96,425	(70,564)
Appropriated fund balance	<u>18,500</u>	<u>-</u>	<u>(18,500)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>77,925</u>	<u>\$ 77,925</u>	<u>(70,564)</u>
Fund balance, beginning of year		<u>83,610</u>		<u>154,173</u>
Fund balance, end of year		<u>\$ 161,535</u>		<u>\$ 83,610</u>

Onslow County, North Carolina
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2008

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental Federal grants CDBG	\$ 1,251,300	\$ 386,052	\$ 66,859	\$ 452,911	\$ (798,389)
Expenditures					
Capital Projects					
2005 SSH 05-C-1369	430,000	348,583	10,377	358,960	71,040
2003 IDA 03-C-1141	40,000	25,216	2,865	28,081	11,919
2006 CB 06-C-1608	75,000	-	34,655	34,655	40,345
2007 CR 07-C-1693	775,000	-	9,200	9,200	765,800
Department of Labor IDA project	36,300	15,253	5,048	20,301	15,999
Total expenditures	<u>1,356,300</u>	<u>389,052</u>	<u>62,145</u>	<u>451,197</u>	<u>905,103</u>
Revenues over (under) expenditures	(105,000)	(3,000)	4,714	1,714	106,714
Other financing sources:					
Transfers from other funds	<u>105,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>(75,000)</u>
Revenue and other financing sources over (under) expenditures and financing uses	<u>\$ -</u>	<u>\$ 27,000</u>	4,714	<u>\$ 31,714</u>	<u>\$ 31,714</u>
FUND BALANCES, beginning of year			<u>27,000</u>		
FUND BALANCES, end of year			<u>\$ 31,714</u>		

Onslow County, North Carolina
GRANT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 From Inception and for the Fiscal Year Ended June 30, 2008

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental					
Federal grants					
SHSGP Grant	\$ 250,000	\$ -	\$ 110,720	\$ 110,720	\$ (139,280)
Expenditures					
Stream/creek cleanup	250,000	-	110,720	110,720	139,280
Revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES, beginning of year			<u>-</u>		
FUND BALANCES, end of year			<u>\$ -</u>		

Capital Project Funds

Capital Project Funds account for funds to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Individual Fund Descriptions:

Capital Improvements Fund - accounts for funds used in the construction and renovation of various facilities throughout the County.

Airport Fund - accounts for funds used to renovate the existing County airport.

School Construction Fund - accounts for funds used in the construction of various schools throughout the County.

Capital Project Fund - accounts for funds used for industrial and economic development.



Onslow County, North Carolina
NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
June 30, 2008

ASSETS	<u>Capital Improvements</u>	<u>Airport</u>	<u>Capital Project</u>	<u>Totals</u>
Cash and investments	\$ 385,824	\$ 1,176,970	\$ 4,650,735	\$ 6,213,529
Accounts receivable	13,390	50,225	53,012	116,627
Due from other funds	-	-	-	-
Total assets	<u>\$ 399,214</u>	<u>\$ 1,227,195</u>	<u>\$ 4,703,747</u>	<u>\$ 6,330,156</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,005	\$ 17,054	\$ 609,461	\$ 629,520
Due to other funds	-	-	5,748,723	5,748,723
Total liabilities	<u>3,005</u>	<u>17,054</u>	<u>6,358,184</u>	<u>6,378,243</u>
Fund balances:				
Reserved by state statute	13,390	50,225	-	63,615
Reserved for encumbrances	155	256,084	-	256,239
Unreserved				
Designated for subsequent years' expenditures	314,000	-	-	314,000
Undesignated	68,664	903,832	(1,654,437)	(681,941)
Total equity	<u>396,209</u>	<u>1,210,141</u>	<u>(1,654,437)</u>	<u>(48,087)</u>
 Total liabilities and fund balance	<u>\$ 399,214</u>	<u>\$ 1,227,195</u>	<u>\$ 4,703,747</u>	<u>\$ 6,330,156</u>

Onslow County, North Carolina
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2008

	Capital Improvements	Airport	Capital Project	Totals
Revenues				
Restricted intergovernmental	\$ 14,836	\$ 4,263,577	\$ 498,804	\$ 4,777,217
Unrestricted intergovernmental	-	362,985	-	362,985
Investment earnings	6,626	39,631	89,052	135,309
Insurance and miscellaneous	9,860	15,600	-	25,460
Total revenues	31,322	4,681,793	587,856	5,300,971
Expenditures				
Capital projects				
Roofing	9,254	-	-	9,254
General Improvements	344,015	-	9,050,691	9,394,706
Airport Improvements	-	4,431,592	-	4,431,592
Total expenditures	353,269	4,431,592	9,050,691	13,835,552
Revenues over (under) expenditures	(321,947)	250,201	(8,462,835)	(8,534,581)
Other financing sources:				
Proceeds from issuance of debt	-	-	3,825,000	3,825,000
Transfers to other funds	-	-	-	-
Transfers from other funds	541,000	177,500	1,347,080	2,065,580
	<u>541,000</u>	<u>177,500</u>	<u>5,172,080</u>	<u>5,890,580</u>
Revenues and other financing sources over (under) expenditures	219,053	427,701	(3,290,755)	(2,644,001)
FUND BALANCES, beginning of year	<u>177,156</u>	<u>782,440</u>	<u>1,636,318</u>	<u>2,595,914</u>
FUND BALANCES, end of year	<u>\$ 396,209</u>	<u>\$ 1,210,141</u>	<u>\$ (1,654,437)</u>	<u>\$ (48,087)</u>

Onslow County, North Carolina
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2008
 (With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Grant revenues	\$ 24,603	\$ 24,589	\$ (14)	\$ -
Investment earnings	5,150	6,626	1,476	6,007
Other revenues	-	107	107	195
Total revenues	29,753	31,322	1,569	6,202
Expenditures:				
Capital projects				
Roofing	50,000	9,254	40,746	28,241
General Improvements	571,353	344,015	227,338	312,534
Total expenditures	621,353	353,269	268,084	340,775
Revenues over (under) expenditures	(591,600)	(321,947)	269,653	(334,573)
Other financing sources (uses):				
Transfer to other funds	(2,000)	-	2,000	(65,000)
Transfer from other funds	541,000	541,000	-	355,680
Total other financing sources (uses)	539,000	541,000	2,000	290,680
Revenues and other financing sources over (under) expenditures and other financing uses	(52,600)	219,053	271,653	(43,893)
Appropriated fund balance	52,600	-	(52,600)	-
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>219,053</u>	<u>\$ 219,053</u>	<u>(43,893)</u>
FUND BALANCES, beginning of year		<u>177,156</u>		<u>221,048</u>
FUND BALANCES, end of year		<u>\$ 396,209</u>		<u>\$ 177,156</u>

Onslow County, North Carolina
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2008

	Actual			Total to Date	Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
State Subsidy - SCASD	\$ 100,000	\$ -	\$ -	\$ -	\$ (100,000)
State AIP 25	12,498	12,498	-	12,498	-
State AIP 26	4,578	3,867	711	4,578	-
State AIP 27	113,459	-	108,838	108,838	(4,621)
State AIP 28	4,486	-	-	-	(4,486)
Total State Grants	235,021	16,365	109,549	125,914	(109,107)
Federal AIP 25	474,924	474,924	-	474,924	-
Federal AIP 26	174,542	171,217	3,325	174,542	-
Federal AIP 27	4,311,431	-	4,135,837	4,135,837	(175,594)
Federal AIP 28	170,468	-	-	-	(170,468)
SCASD	500,000	42,157	14,866	57,023	(442,977)
Total Federal Grants	5,631,365	688,298	4,154,028	4,842,326	(789,039)
Total restricted intergovernmental	5,866,386	704,663	4,263,577	4,968,240	(898,146)
Unrestricted intergovernmental					
Sales tax refunds	-	5,093	-	5,093	5,093
Sale of surplus property	15,600	-	15,600	15,600	-
PFC revenues	633,827	889,352	362,985	1,252,337	618,510
Investment earnings	-	222,503	39,631	262,134	262,134
Total revenues	6,515,813	1,821,611	4,681,793	6,503,404	(12,409)
Expenditures:					
Capital projects					
AIP 25	763,695	763,696	-	763,696	(1)
AIP 26	183,729	180,230	3,500	183,730	(1)
AIP 27	4,538,349	74,007	4,279,506	4,353,513	184,836
AIP 28	195,040	-	19,365	19,365	175,675
SCASD	700,000	49,065	-	49,065	650,935
Parking Lot Expansion	355,000	-	95,166	95,166	259,834
PFS application 2008	35,000	-	7,055	7,055	27,945
Master Plan Project	200,000	72,173	27,000	99,173	100,827
Total expenditures	6,970,813	1,139,171	4,431,592	5,570,763	1,400,050
Revenues over (under) expenditures	(455,000)	682,440	250,201	932,641	1,387,641
Other financing sources:					
Transfers from other funds	455,000	100,000	177,500	277,500	(177,500)
Total other financing sources	455,000	100,000	177,500	277,500	(177,500)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 782,440	427,701	\$ 1,210,141	\$ 1,210,141
FUND BALANCES, beginning of year			782,440		
FUND BALANCES, end of year			\$ 1,210,141		

Onslow County, North Carolina
CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2008

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental					
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	302,500	31,196	498,804	530,000	227,500
Total restricted intergovernmental	302,500	31,196	498,804	530,000	227,500
Unrestricted intergovernmental					
Other income	10,000	10,000	-	10,000	-
Investment earnings	31,434	92,772	89,052	181,824	150,390
Total revenues	343,934	133,968	587,856	721,824	377,890
Expenditures					
Capital projects					
Shell Rock Landing	420,000	5,000	396,779	401,779	18,221
Sneads Ferry Library	76,130	-	1,571	1,571	74,559
USMC Museum	300,000	75,677	-	75,677	224,323
Discovery Gardens	60,000	-	-	-	60,000
Richlands Steed Park	260,000	-	-	-	260,000
White Oak Paddle	35,000	-	-	-	35,000
Oakhurst Nature Park	70,000	-	-	-	70,000
Vietnam Veteran Memorial	400,000	-	-	-	400,000
Jail/detention facility	55,000,000	3,394,589	2,289,336	5,683,925	49,316,075
Living history farm	18,000	18,000	-	18,000	-
Health Dept. elevator	250,000	47,000	192,511	239,511	10,489
EMS Station 6	94,600	77,817	3,317	81,134	13,466
EMS Station 3	50,000	-	41,543	41,543	8,457
Energy Performance Contract	860,961	-	860,961	860,961	-
New software	1,669,161	378,732	628,732	1,007,464	661,697
Soccer complexes	203,712	95,353	99,881	195,234	8,478
Radio tower project	1,573,704	-	1,375,536	1,375,536	198,168
Deppe Park project	671,100	64,015	596,425	660,440	10,660
Government administration	23,000,000	308,507	2,564,099	2,872,606	20,127,394
Total expenditures	85,012,368	4,464,690	9,050,691	13,515,381	71,496,987
Revenues over (under) expenditures	(84,668,434)	(4,330,722)	(8,462,835)	(12,793,557)	71,874,877
Other financing sources (uses):					
Proceeds from issuance of debt	78,846,527	846,527	3,825,000	4,671,527	(74,175,000)
Transfers from other funds	5,821,907	5,120,513	1,347,080	6,467,593	645,686
Total other financing sources (uses)	84,668,434	5,967,040	5,172,080	11,139,120	(73,529,314)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 1,636,318	(3,290,755)	\$ (1,654,437)	\$ (1,654,437)
FUND BALANCES, beginning of year			1,636,318		
FUND BALANCES, end of year			\$ (1,654,437)		

Onslow County, North Carolina
SCHOOL CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2008

	Actual			Total to Date	Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year		
Revenues:					
Unrestricted intergovernmental					
Investment earnings	\$ 2,615,954	\$ 2,733,687	\$ 1,174,845	\$ 3,908,532	\$ 1,292,578
Miscellaneous revenues	-	600	700	1,300	1,300
Total revenues	<u>2,615,954</u>	<u>2,734,287</u>	<u>1,175,545</u>	<u>3,909,832</u>	<u>1,293,878</u>
Expenditures					
Capital projects					
Firetower Road School - COPs	15,950,000	8,932,280	5,006,733	13,939,013	2,010,987
2006 School Bond project	93,104,308	15,642,104	49,192,478	64,834,582	28,269,726
Total expenditures	<u>109,054,308</u>	<u>24,574,384</u>	<u>54,199,211</u>	<u>78,773,595</u>	<u>30,280,713</u>
Revenues over (under) expenditures	(106,438,354)	(21,840,097)	(53,023,666)	(74,863,763)	31,574,591
Other financing sources (uses):					
Proceeds from issuance of debt	<u>106,438,354</u>	<u>66,438,716</u>	<u>41,322,260</u>	<u>107,760,976</u>	<u>1,322,622</u>
Total other financing sources	<u>106,438,354</u>	<u>66,438,716</u>	<u>41,322,260</u>	<u>107,760,976</u>	<u>1,322,622</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 44,598,619</u>	(11,701,406)	<u>\$ 32,897,213</u>	<u>\$ 32,897,213</u>
FUND BALANCES, beginning of year			<u>44,598,619</u>		
FUND BALANCES, end of year			<u>\$ 32,897,213</u>		

PROPRIETARY FUNDS

Proprietary Funds 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 the periodic determination of net income is appropriate for accountability purposes. The County utilizes the following proprietary funds

Solid Waste Fund - accounts for operations at the County landfill.

Onslow County, North Carolina
SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (Non-GAAP)
For The Fiscal Year Ended June 30, 2008
(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

Page 1 of 2

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
REVENUES:				
Charges for services				
Tipping fees	\$ 5,860,000	\$ 5,822,207	\$ (37,793)	\$ 5,382,356
Site fees	140,000	150,793	10,793	145,685
Other operating revenues	616,600	557,492	(59,108)	339,385
Total operating revenues	<u>6,616,600</u>	<u>6,530,493</u>	<u>(86,107)</u>	<u>5,867,426</u>
Nonoperating revenues				
Restricted intergovernmental	44,699	28,768	(15,931)	258,617
Investment earnings	500,000	868,001	368,001	879,928
Total nonoperating revenues	<u>544,699</u>	<u>896,768</u>	<u>352,069</u>	<u>1,138,545</u>
Total revenues	7,161,299	7,427,262	265,963	7,005,970
EXPENDITURES				
Solid Waste Administration				
Salaries and benefits		199,665		185,918
Contracted services		3,333		465
Other expenditures		28,451		26,452
Total	<u>243,433</u>	<u>231,449</u>	<u>11,984</u>	<u>212,835</u>
Landfill operations				
Salaries and benefits		510,774		440,889
Contracted services		1,847		2,337
Other expenditures		756,982		781,546
Total	<u>3,307,311</u>	<u>1,269,603</u>	<u>2,037,708</u>	<u>1,224,772</u>
Recycling				
Salaries and benefits		46,625		42,584
Contracted services		184,873		174,680
Other expenditures		56,487		7,486
Total	<u>289,510</u>	<u>287,984</u>	<u>1,526</u>	<u>224,750</u>
Refuse sites				
Salaries and benefits		253,767		234,588
Contracted services		176,941		144,441
Other expenditures		48,643		49,639
Total	<u>507,964</u>	<u>479,351</u>	<u>28,613</u>	<u>428,668</u>
Keep Onslow Beautiful				
Salaries and benefits		88,781		62,788
Other expenditures		65,092		34,665
Total	<u>165,547</u>	<u>153,873</u>	<u>11,674</u>	<u>97,452</u>
White goods				
Salaries and benefits		7,543		34,065
Other expenditures		29,949		21,121
Total	<u>43,888</u>	<u>37,493</u>	<u>6,395</u>	<u>55,185</u>

Onslow County, North Carolina
SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (Non-GAAP)

For The Fiscal Year Ended June 30, 2008

(With Comparative Amounts For The Fiscal Year Ended June 30, 2007)

Page 2 of 2

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	561,350	333,955	227,395	507,364
Debt service				
Bond principal	3,168,831	2,743,126	425,705	1,387,298
Interest and fees	505,339	370,740	134,599	330,654
Total	3,674,170	3,113,866	560,304	1,717,952
Total expenditures	8,793,173	5,907,575	2,885,598	4,468,977
Revenues over (under) expenditures	(1,631,874)	1,519,686	3,151,560	2,536,991
Proceeds from issuance of debt	1,312,838	1,312,838	-	-
Appropriated fund balance	319,036	-	(319,036)	-
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,832,524</u>	<u>\$ 2,832,524</u>	<u>\$ 2,536,991</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Excess of revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses		\$ 2,832,524		\$ 2,536,991
Reconciling items:				
Debt principal		2,743,126		1,387,298
Capital outlay		333,955		507,364
Depreciation		(1,666,475)		(1,663,431)
Basis in retired assets		(44,750)		-
Proceeds from issuance of debt		(1,312,838)		-
Investment earnings from project		50,562		-
Increase in accrued landfill closure and postclosure care costs		(200,832)		(182,754)
Total reconciling items		(97,252)		48,477
Net income		<u>\$ 2,735,273</u>		<u>\$ 2,585,469</u>

Onslow County, North Carolina
LANDFILL CONSTRUCTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2008

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental					
State grants	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted intergovernmental					
Investment earnings	-	-	50,562	50,562	50,562
Total revenues	-	-	50,562	50,562	50,562
Expenditures					
Capital projects					
Landfill Construction	6,710,000	210,320	4,542,479	4,752,799	1,957,201
Revenues over (under) expenditures	(6,710,000)	(210,320)	(4,491,917)	(4,702,237)	2,007,763
Other financing sources (uses):					
Proceeds from issuance of debt	6,710,000	-	6,710,000	6,710,000	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (210,320)	\$ 2,218,083	\$ 2,007,763	\$ 2,007,763

FIDUCIARY FUNDS

Fiduciary funds consist of two types: trust funds and agency funds.

Trust Funds are used to account for assets held by the County in a trustee capacity. Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. The County utilizes the following agency funds:

Agency Funds

Social Services Fund - accounts for moneys deposited with the Social Services Department for the benefit of certain individuals in the County.

Agriculture Fund - accounts for moneys deposited with the Agriculture Department for the benefit of certain groups in the County.

Sheriff's Department Fund - accounts for moneys collected by the Sheriff's Department on judgments and executions.

Fines and Forfeitures Fund - accounts for fines and forfeitures collected by the County that are required to be remitted to the Onslow County Board of Education.

Municipal Tax Fund - accounts for the proceeds of property taxes that are collected by the County on behalf of the municipalities within the County.

ONWASA Fund - accounts for funds collected on behalf of the Onslow Water and Sewer Authority.

DMV Interest Fund - accounts for the 3% fee collected on behalf of the NC Department of Motor Vehicles.



Onslow County, North Carolina
**COMBINING SCHEDULE OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS**
For The Fiscal Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Social Services:				
Assets				
Cash and investments	\$ 144,772	\$ 820,388	\$ 817,911	\$ 147,249
Liabilities				
Miscellaneous liabilities	\$ 144,772	\$ 820,388	\$ 817,911	\$ 147,249
Agriculture:				
Assets				
Cash and investments	\$ 27,549	\$ 101,282	\$ 97,070	\$ 31,761
Liabilities				
Miscellaneous liabilities	\$ 27,549	\$ 101,282	\$ 97,070	\$ 31,761
Sheriff:				
Assets				
Cash and investments	\$ 43,504	\$ 484,321	\$ 461,758	\$ 66,067
Liabilities				
Miscellaneous liabilities	\$ 43,504	\$ 484,321	\$ 461,758	\$ 66,067
Fines and Forfeitures:				
Assets				
Cash and investments	\$ 330	\$ 1,014,126	\$ 1,014,286	\$ 170
Liabilities				
Intergovernmental payables	\$ 330	\$ 1,014,126	\$ 1,014,286	\$ 170
Municipal Tax:				
Assets				
Cash and investments	\$ 18,804	\$ 21,888,558	\$ 21,860,495	\$ 46,867
Liabilities				
Intergovernmental payables	\$ 18,804	\$ 21,888,558	\$ 21,860,495	\$ 46,867
Library Trust:				
Assets				
Cash and investments	\$ 20,455	\$ 1,295	\$ 880	\$ 20,870
Liabilities				
Miscellaneous liabilities	\$ 20,455	\$ 1,295	\$ 880	\$ 20,870
DMV Interest				
Assets				
Cash and investments	\$ 3,892	\$ 66,678	\$ 67,001	\$ 3,569
Liabilities				
Intergovernmental payables	\$ 3,892	\$ 66,678	\$ 67,001	\$ 3,569
Total - All Agency Funds:				
Assets				
Cash and investments	\$ 259,306	\$ 24,376,648	\$ 24,319,401	\$ 316,553
Liabilities				
Miscellaneous liabilities	\$ 236,610	\$ 2,421,412	\$ 2,391,905	\$ 266,117
Intergovernmental payables	22,696	21,955,236	21,927,496	50,436
Total	\$ 259,306	\$ 24,376,648	\$ 24,319,401	\$ 316,553



GOVERNMENTAL CAPITAL ASSETS



Onslow County, North Carolina
COMPARATIVE SCHEDULE OF CAPITAL ASSETS
BY SOURCE
 June 30, 2008 and 2007

	2008	2007
GOVERNMENTAL FIXED ASSETS		
Land	\$ 10,940,519	\$ 10,604,603
Buildings	30,328,867	30,418,830
Improvements	29,543,222	28,482,664
Equipment	11,871,736	10,572,094
Automotive Equipment	9,210,535	8,705,794
Heavy Equipment	353,081	358,501
Construction in process	16,420,040	6,577,106
	\$ 108,668,000	\$ 95,719,592
 INVESTMENT IN FIXED ASSETS BY SOURCE:		
General Fund	\$ 25,263,575	\$ 26,528,336
Capital Project Funds	82,877,664	68,718,761
Donations	526,761	472,495
	\$ 108,668,000	\$ 95,719,592

Onslow County, North Carolina
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended June 30, 2008

Schedule 22, page 1

Function & Activity	Land	Improvements	Buildings	Equipment	Vehicles	Heavy Equipment	Construction In Process	Total
General Government:								
Governing Body	\$ -	\$ 5,138	\$ -	\$ 45,570	\$ -	\$ -	\$ -	\$ 50,708
Administration	-	-	-	3,592	-	-	-	3,592
Elections	-	-	-	409,048	-	-	-	409,048
Finance	-	-	-	66,278	-	-	-	66,278
Taxes	-	11,500	-	1,721,565	13,879	-	-	1,746,944
Revaluation	-	-	-	93,612	109,412	-	-	203,024
Human Resources	-	-	-	3,487	-	-	-	3,487
Register of Deeds	-	-	-	33,996	-	-	-	33,996
Public Buildings	2,984,213	5,832,181	12,575,302	148,523	217,725	-	-	21,757,944
Court Facilities	-	121,664	-	9,322	-	-	-	130,986
Central Garage	-	73,808	50,187	45,095	103,198	-	-	272,288
ITS	-	-	-	2,263,203	-	-	-	2,263,203
GIS	-	-	-	106,797	-	-	-	106,797
District Attorney	-	74,910	-	-	-	-	-	74,910
Purchasing	-	-	-	10,506	19,317	21,663	-	51,486
Non-departmental	4,709,811	1,066,888	-	105,224	-	-	-	5,881,923
Construction in progress	-	-	-	-	-	-	4,694,127	4,694,127
Total General Government	7,694,024	7,186,089	12,625,489	5,065,818	463,531	21,663	4,694,127	37,750,741
Public Safety:								
Sheriff	-	109,997	8,640	665,512	2,946,767	-	-	3,730,916
Communications	-	77,552	-	2,777,394	-	-	-	2,854,946
Jail	42,000	152,364	4,530,123	11,455	40,367	-	-	4,776,309
Emergency Mgt.	-	32,650	2,186,962	303,131	146,045	-	-	2,668,788
Bio preparedness	-	-	-	42,675	-	-	-	42,675
Med reserve	-	-	-	13,755	-	-	-	13,755
State Homeland Security	-	-	-	13,435	-	-	-	13,435
SHSGP	-	-	-	71,785	-	-	-	71,785
SHSGP emergency management	-	-	-	16,325	-	-	-	16,325
Emergency Services	-	-	-	15,401	-	-	-	15,401
Inspections	-	-	-	141,484	187,449	-	-	328,933
Emergency Med. Ser.	-	-	59,414	32,163	789,827	-	-	881,404
Onslow EMS	-	68,795	68,017	466,226	1,908,957	-	-	2,511,995
Animal Control	-	6,770	669,021	113,666	129,253	-	-	918,710
Construction in progress	-	-	-	-	-	-	7,101,004	7,101,004
Total Public Safety	42,000	448,128	7,522,177	4,684,407	6,148,665	-	7,101,004	25,946,381

Onslow County, North Carolina
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY

For the Fiscal Year Ended June 30, 2008

Schedule 22, page 2

	Land	Improvements	Buildings	Equipment	Vehicles	Heavy Equipment	Construction In Process	Total
Transportation:								
Airport	275,415	14,238,016	4,058,248	244,687	1,220,405	166,479	-	20,203,250
Construction in progress	-	-	-	-	-	-	4,623,338	4,623,338
Total Transportation	275,415	14,238,016	4,058,248	244,687	1,220,405	166,479	4,623,338	24,826,588
Economic & Physical Dev.								
Agriculture	129,886	1,011,800	-	38,510	78,951	-	-	1,259,147
Planning	-	-	-	49,722	36,843	-	-	86,565
Community Development	-	-	-	-	20,177	-	-	20,177
Soil Conservation	-	-	-	20,950	63,872	-	-	84,822
Soil Cons. Safe Comm.	-	-	-	2,040	-	-	-	2,040
Building Inspections	-	-	-	10,211	90,857	-	-	101,068
Construction in progress	-	-	-	-	-	-	-	-
Total Economic and Physical Development	129,886	1,011,800	-	121,433	290,700	-	-	1,553,819
Human Services:								
Health	-	219,403	-	570,046	-	-	-	789,449
Environmental Health	-	-	-	108,071	263,180	-	-	371,251
Mental Health	211,272	62,843	2,730,759	-	144,152	-	-	3,149,026
Social Services	-	151,300	1,025,576	426,321	104,990	-	-	1,708,187
Council on Aging	261,397	1,623,814	-	63,247	36,971	-	-	1,985,429
Veterans Services	-	-	-	2,995	-	-	-	2,995
Youth Services	-	49,708	145,631	33,689	15,602	-	-	244,630
Ag Partnership for Children	-	-	-	6,736	-	-	-	6,736
Total Human Services	472,669	2,107,068	3,901,966	1,211,105	564,895	-	-	8,257,703
Cultural & Recreational:								
Libraries	43,761	1,285,654	686,569	261,539	60,327	-	-	2,337,850
Parks & Recreation	2,282,765	3,238,548	160,234	230,852	297,493	13,000	-	6,222,892
Museum	-	27,919	1,374,183	23,921	16,589	-	-	1,442,612
Construction in progress	-	-	-	-	-	-	1,571	1,571
Total Cultural & Recreational	2,326,526	4,552,121	2,220,986	516,312	374,409	13,000	1,571	10,004,925
Environmental Protection:								
Vector Control	-	-	-	10,533	117,315	151,939	-	279,787
Mosquito Control	-	-	-	19,025	29,031	-	-	48,056
Total Environmental Protection	-	-	-	29,558	146,346	151,939	-	327,843
Total Governmental Capital Assets	\$ 10,940,520	\$ 29,543,222	\$ 30,328,866	\$ 11,873,320	\$ 9,208,951	\$ 353,081	\$ 16,420,040	\$ 108,668,000

Onslow County, North Carolina
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended June 30, 2008

Schedule 23, page 1

Function and Activity	Governmental Capital Assets			Reclassifications and Adjustments	Governmental Capital Assets
	June 30, 2007	Additions	Retirements		June 30, 2008
Governing Body	\$ 50,708	\$ -	\$ -	\$ -	\$ 50,708
Administration	3,592	-	-	-	3,592
Elections	402,536	6,510	-	-	409,046
Finance	75,080	1,086	(9,888)	-	66,278
Taxes	1,739,147	7,798	-	-	1,746,945
Revaluation	190,096	46,029	(33,102)	-	203,023
Register of Deeds	33,996	-	-	-	33,996
Public Buildings	21,094,211	978,056	(314,322)	-	21,757,945
Court Facilities	130,987	-	-	-	130,987
Central Garage	237,704	37,675	(3,090)	-	272,289
ITS	1,718,509	659,768	(8,277)	-	2,370,000
District Attorney's Office	74,910	-	-	-	74,910
Personnel	3,486	-	-	-	3,486
Purchasing	46,475	5,011	-	-	51,486
Non-Departmental/Surplus	6,558,043	9,711	(685,831)	-	5,881,923
Construction in progress	1,463,858	4,091,230	(860,961)	-	4,694,127
Total General Government	33,823,338	5,842,874	(1,915,471)	-	37,750,741
Public Safety:					
Sheriff	3,563,441	391,515	(224,041)	-	3,730,915
Communications	2,796,824	58,122	-	-	2,854,946
Jail	4,735,942	40,367	-	-	4,776,309
Emergency Management	2,817,591	9,172	-	-	2,826,763
Inspection/code enf.	298,720	42,356	(12,143)	-	328,933
Emergency Medical Ser.	954,270	-	(72,866)	-	881,404
Emergency Services	2,430,760	405,916	(309,280)	-	2,527,396
Animal Control	915,273	19,852	(16,415)	-	918,710
Construction in progress	3,864,401	3,317,738	(81,134)	-	7,101,005
Total Public Safety	22,377,222	4,285,038	(715,879)	-	25,946,381
Transportation :					
Airport	19,388,703	1,029,193	(214,646)	-	20,203,250
Construction in progress	1,139,924	4,428,092	(944,678)	-	4,623,338
Total Transportation	20,528,627	5,457,285	(1,159,324)	-	24,826,588

Onslow County, North Carolina
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY

For the Fiscal Year Ended June 30, 2008

Schedule 23, page 2

Function and Activity	Governmental Capital Assets			Reclassifications and Adjustments	Governmental Capital Assets
	June 30, 2007	Additions	Retirements		June 30, 2008
Economic & Physical Dev.					
Agriculture Extension	1,242,687	16,460	-	-	1,259,147
Planning	168,428	17,844	(13,361)	16,763	189,674
Community Development	-	20,177	-	-	20,177
Soil and Water Conservation	71,523	30,062	-	(16,763)	84,822
Construction in progress	-	-	-	-	-
Total Econ. & Phy. Develop.	1,482,638	84,543	(13,361)	-	1,553,820
Human Services:					
Health	1,045,696	178,652	(63,647)	-	1,160,701
Mental Health	3,221,434	-	(72,406)	-	3,149,028
Social Services	1,705,861	25,398	(23,073)	-	1,708,186
Senior Services	1,956,063	29,365	-	-	1,985,428
Veteran Services	2,995	-	-	-	2,995
Youth Services	244,630	-	-	-	244,630
Ag Partnership for Children	6,735	-	-	-	6,735
Construction in progress	21,800	217,711	(239,511)	-	-
Total Human Services	8,205,214	451,126	(398,637)	-	8,257,703
Cultural & Recreational:					
Library - Main Branch	2,072,920	44,576	(51,259)	-	2,066,237
Library - Snead Ferry	92,702	4,042	-	-	96,744
Library - Swansboro	172,069	-	-	-	172,069
Library - Richlands	2,800	-	-	-	2,800
Parks & Recreation	5,109,601	1,225,961	(112,669)	-	6,222,893
Museum	1,439,547	27,919	(24,855)	-	1,442,611
Construction in progress	87,124	994,666	(1,080,219)	-	1,571
Total Cultural & Recreation	8,976,763	2,297,164	(1,269,002)	-	10,004,925
Environmental Protection:					
Vector Control	268,085	11,702	-	-	279,787
Mosquito Control	57,703	-	(9,648)	-	48,055
Total Environmental Protection	325,788	11,702	(9,648)	-	327,842
Total Governmental Capital Assets	\$ 95,719,590	\$ 18,429,732	\$ (5,481,322)	\$ -	\$ 108,668,000



ADDITIONAL FINANCIAL DATA

This section contains additional information on property taxes, interfund and component unit transfers, and cash and investments.

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy - County-wide Levy

Analysis of Current Tax Levy - Secondary Market Disclosures

Schedule of Cash and Investment Balances

Schedule of Interfund Transactions

Calculation of Debt Service Coverage Ratio
in the Solid Waste Fund



Onslow County, North Carolina
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
 June 30, 2008

Fiscal Year	Uncollected Balance June 30, 2007	Additions	Collections and Credits	Uncollected Balance June 30, 2008
2007-2008	\$ -	\$ 56,728,138	\$ 54,766,136	\$ 1,962,002
2006-2007	1,714,236	-	1,162,462	551,774
2005-2006	715,214	-	95,581	619,633
2004-2005	484,463	-	43,416	441,047
2003-2004	320,703	-	35,527	285,176
2002-2003	277,380	-	15,638	261,742
2001-2002	234,110	-	8,717	225,393
2000-2001	198,232	-	5,904	192,328
1999-2000	205,196	-	5,023	200,173
1998-1999	163,954	-	2,729	161,225
1997-1998	159,326	-	159,326	-
	<u>\$ 4,472,814</u>	<u>\$ 56,728,138</u>	<u>\$ 56,300,459</u>	4,900,493
Less allowance for uncollectible taxes General Fund				<u>(1,238,158)</u>
Ad valorem taxes receivable - net				<u>\$ 3,662,335</u>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				\$ 56,367,265
Reconciling items				
Releases on prior years				87,751
Interest collected				(311,675)
Amounts written off for prior years				157,118
Total reconciling items				<u>(66,806)</u>
Total Collections and Credits				<u>\$ 56,300,459</u>

Onslow County, North Carolina
ANALYSIS OF CURRENT TAX LEVY-COUNTY-WIDE LEVY
 June 30, 2008

	County Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current years rate	\$ 11,263,770,931	0.503%	\$ 56,656,768	\$ 52,233,964	\$ 4,422,803
Penalties			92,309	92,310	-
Total	11,263,770,931		56,749,077	52,326,274	4,422,803
Discoveries:					
Current year taxes	-		224,359	207,738	16,621
Prior year taxes	-		-	-	
Total	11,263,770,931		56,973,436	52,534,012	4,439,424
Abatements	(48,767,160)	0.503%	(245,298)	(245,298)	-
Total property valuation	\$ 11,215,003,771				
Net Levy			56,728,138	52,288,714	4,439,424
Uncollected taxes at June 30, 2008			1,962,002	1,242,607	719,395
Current years taxes collected			\$ 54,766,136	\$ 51,046,107	\$ 3,720,029
Current levy collection percentage			96.54%	97.62%	83.80%

Onslow County, North Carolina
ANALYSIS OF CURRENT TAX LEVY
SECONDARY MARKET DISCLOSURES
 For the Fiscal Year Ended June 30, 2008

Assessed Valuation:	
Assessment Ratio*	100%
Real property	\$ 9,668,893,247
Personal property	1,345,309,555
Public service companies**	<u>200,800,969</u>
Total assessed valuation	11,215,003,771
Tax rate per \$100	<u>0.503</u>
Levy (including discoveries, releases and abatements)***	<u><u>\$ 56,728,138</u></u>

* Percentage of appraised value has been established by statute

** Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission

*** The levy includes interest and penalties

Onslow County, North Carolina
SCHEDULE OF CASH AND INVESTMENT BALANCES
 June 30, 2008

	Amounts Presented On Statements	Cost Value	Market Value
Cash			
On hand	\$ 5,037	\$ 5,037	\$ 5,037
In demand deposits	11,726,304	11,726,304	11,726,304
	<u>11,731,341</u>	<u>11,731,341</u>	<u>11,731,341</u>
Other investments			
North Carolina Capital Management Trust Commercial Paper (held by the dealer bank's trust department in the name of the County):	59,997,944	59,997,944	59,997,944
RBC Wealth Management	4,252,000	4,252,000	4,252,000
Wachovia	16,781,000	16,781,000	16,781,000
Certificate of Deposit - RBC Centura	9,070,833	9,070,833	9,070,833
BB&T escrow account	2,784,148	2,784,148	2,784,148
Total other investments	<u>92,885,925</u>	<u>92,885,925</u>	<u>92,885,925</u>
Total cash and investments	<u>\$ 104,617,266</u>	<u>\$ 104,617,266</u>	<u>\$ 104,617,266</u>
Distribution by Funds:			<u>Carrying Value</u>
General Fund			\$ 36,656,404
Special Revenue Funds			
Emergency 911 Fund		1,239,770	
Register of Deeds Fund		159,476	
Community Development Fund		<u>20,736</u>	1,419,982
Capital Project Funds			
Capital Improvements Fund		385,824	
Airport Fund		1,176,970	
Capital Project Fund		4,650,735	
School Construction Fund		<u>36,105,997</u>	42,319,526
Enterprise Funds			
Solid Waste Fund			23,647,721
Fiduciary Funds			
Pension Trust Fund		257,106	
Agency Funds		<u>316,553</u>	573,659
			<u>\$ 104,617,292</u>

Onslow County, North Carolina
SCHEDULE OF INTERFUND TRANSACTIONS
 For the Fiscal Year Ended June 30, 2008

	Transfers	
	From	To
Operating Transfer From/To Other Funds:		
General Fund		
Capital Improvement Fund	\$ -	\$ 541,000
Capital Project Fund	474,906	1,821,986
Airport Fund	-	177,500
E911 Fund	473,165	-
Capital Improvement Fund		
General Fund	541,000	-
Airport Fund		
General Fund	177,500	-
Capital Project Fund		
General Fund	1,821,986	474,906
E911 Fund		
General Fund	-	473,165
Total operating transfers-other funds	<u>\$ 3,488,557</u>	<u>\$ 3,488,557</u>
Operating Transfers From/To Component Units:		
General Fund		
Component Units - discretely presented		
Onslow County ABC Board	\$ 667,557	\$ -
Component Units - discretely presented		
Onslow County ABC Board		
General Fund	-	667,557
Total operating transfers-component units	<u>\$ 667,557</u>	<u>\$ 667,557</u>

Onslow County, North Carolina
CALCULATION OF DEBT SERVICE COVERAGE RATIO
IN THE SOLID WASTE FUND
For the Fiscal Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Gross Revenue	\$ 6,559,261	\$ 6,126,043
Current Expense (1)	<u>2,660,586</u>	<u>2,426,417</u>
Net Operating Revenues	3,898,675	3,699,626
Non-Operating Revenues (2)	<u>868,001</u>	<u>879,928</u>
Net Revenues Available for Debt Service	4,766,676	4,579,554
Debt Service(4)	<u>1,801,028</u>	<u>1,717,952</u>
Balance after Debt Service	<u>\$ 2,965,648</u>	<u>\$ 2,861,602</u>
Debt Service Coverage Ratio (3)	2.65	2.67

(1) Not including depreciation and interest expense

(2) Non-operating revenues include interest earnings

(3) Ratio of Net Revenues Available for Debt Service to Debt Service

(4) Excluding early retirement of debt

**STATISTICAL SECTION
(UNAUDITED)**

The information presented in this section is provided for additional analysis purposes only and has not been subjected to audit verification as presented.

STATISTICAL SECTION
(Unaudited)

	Table	Page
<u>Financial Trends:</u>		
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.		
Net Assets by Component - Last Five Fiscal Years	1	116
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Fund Balances of Governmental Funds - Last Ten Fiscal Years	3	119-120
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<u>Revenue Capacity:</u>		
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Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	5	122
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Principal Property Tax Payers - Current Year and Nine Years Ago	7	124
Property Tax Levies and Collections - Last Ten Fiscal Years	8	125
<u>Debt Capacity:</u>		
Since the Board of Education has no tax-levying or debt issuing authority, the County of Craven provides significant funding to the school system. Fiscal data from the county of Craven have been included to help the reader understand the school system		
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	9	126
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<u>Demographic and Economic Information:</u>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place. Information on the County of Craven is included.		
Demographic and Economic Statistics - Last Ten Fiscal Years	14	131
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Full-time Equivalent County Government Employees by Function - Last Ten Fiscal Years	16	133
<u>Operating Information:</u>		
These schedules contain service and capital asset data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.		
Operating Indicators by Function/Program - Last Ten Fiscal Years	17	134
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Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for GASB Statement 34 in the fiscal year ending June 30, 2008 and is provided for additional analysis purposes only and has not been subjected to audit verification as presented.

Table 1
Onslow County, North Carolina
Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 25,698,416	\$ 25,832,419	\$ 24,774,508	\$ 27,460,374	\$ 30,332,129	\$ 38,329,706
Restricted	579,066	367,728	695,635	1,266,678	1,569,093	2,035,393
Unrestricted	(3,392,504)	(1,469,036)	9,416,825	14,161,419	5,356,154	(43,252,580)
Total governmental activities net assets	<u>22,884,978</u>	<u>24,731,111</u>	<u>\$ 34,886,968</u>	<u>42,888,471</u>	<u>37,257,376</u>	<u>(2,887,481)</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 23,846,103	\$ 30,828,157	\$ 4,218,600	\$ 3,862,036	\$ 4,339,757	\$ 2,454,198
Unrestricted	22,020,137	10,503,745	8,678,377	9,254,838	11,362,586	15,983,417
Total business-type activities net assets	<u>45,866,240</u>	<u>41,331,902</u>	<u>\$ 12,896,977</u>	<u>13,116,874</u>	<u>15,702,343</u>	<u>18,437,615</u>
Primary government						
Invested in capital assets, net of related debt	\$ 49,544,519	\$ 56,660,576	\$ 28,993,108	\$ 31,322,410	\$ 34,671,886	\$ 40,783,904
Restricted	579,066	367,728	695,635	1,266,678	1,569,093	2,035,393
Unrestricted	18,627,633	9,034,709	18,095,202	23,416,257	16,718,740	(27,269,163)
Total primary governmental net assets	<u>\$ 68,751,218</u>	<u>\$ 66,063,013</u>	<u>\$ 47,783,945</u>	<u>\$ 56,005,345</u>	<u>\$ 52,959,719</u>	<u>\$ 15,550,134</u>

Note: 10 years data not available.

Table 2
Onslow County, North Carolina
Changes in Net Assets,
Last Six Fiscal Years
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses						
Governmental activities:						
General government	\$ 11,988,742	\$ 11,271,120	\$ 10,048,810	\$ 14,411,221	\$ 12,909,383	\$ 12,885,050
Public safety	14,912,511	15,216,789	17,624,991	19,090,889	19,577,706	24,191,727
Transportation	1,217,028	2,459,869	1,398,303	1,518,949	2,053,878	2,158,825
Economic and physical development	1,580,952	1,980,480	1,238,564	1,871,580	2,591,171	2,912,482
Human services	42,950,570	45,016,259	48,293,940	40,545,428	42,412,075	43,877,025
Environmental protection	388,550	375,558	386,587	434,101	457,485	550,949
Cultural and recreation	2,666,510	2,875,397	3,198,328	3,424,483	3,800,632	4,483,909
Education	27,923,209	31,908,128	27,949,911	27,765,745	52,651,290	89,228,692
Interest on debt	2,360,738	2,563,572	2,216,091	2,162,450	4,593,083	4,458,772
Total governmental activities	<u>105,986,810</u>	<u>113,667,172</u>	<u>112,353,525</u>	<u>111,224,806</u>	<u>141,048,463</u>	<u>184,525,431</u>
Business-type activities:						
Solid waste	4,257,914	4,257,969	4,153,801	4,358,253	4,384,331	4,697,800
Water and sewer	6,485,087	7,731,846	7,377,729	-	-	-
Total primary government expenses	<u>\$ 118,709,811</u>	<u>\$ 125,656,987</u>	<u>\$ 123,884,855</u>	<u>\$ 115,583,059</u>	<u>\$ 145,430,794</u>	<u>\$ 189,223,231</u>
Program Revenues						
Governmental activities						
Charges for services:						
General government	\$ 2,456,225	\$ 2,830,613	\$ 1,942,596	\$ 2,189,457	\$ 3,577,378	\$ 2,203,932
Public safety	3,237,181	2,803,589	3,821,076	4,470,018	3,152,260	4,935,674
Transportation	412,777	570,739	914,723	984,754	1,190,734	1,346,409
Economic and physical development	21,750	42,828	-	-	-	233,910
Human services	8,425,841	9,522,803	-	37,742	33,552	4,705,082
Cultural and recreation	143,650	145,335	61,591	80,450	92,809	190,704
Education	53,142	49,480	48,404	-	-	-
Operating grants and contributions:						
General government	102,264	259,403	-	360,297	461,122	1,336,683
Public safety	86,548	181,570	793,243	940,282	1,264,461	794,784
Transportation	-	-	-	-	6,191	380,211
Economic and physical development	224,606	88,753	142,785	24,928	274,654	122,398
Human services	22,148,492	24,006,252	35,848,355	23,820,409	25,943,895	20,894,074
Environmental protection	313,451	-	-	83,566	-	154,783
Cultural and recreation	725,831	390,625	345,889	388,687	413,758	493,588
Education	-	814,191	1,285,239	1,297,509	1,135,270	-
Capital grants and contributions:						
General government	154,263	930,000	-	255,917	31,474	24,545
Public safety	-	-	110,783	-	-	-
Transportation	1,468,879	1,033,334	1,946,045	720,441	280,985	4,576,896
Economic and physical development	1,635,267	947,132	166,666	264,889	-	-
Cultural and recreation	-	-	-	-	-	288,804
Education	3,804	37,396	-	-	2,088,696	2,198,571
Total governmental activities program revenues	<u>41,613,751</u>	<u>44,654,023</u>	<u>47,227,395</u>	<u>35,919,322</u>	<u>39,947,234</u>	<u>44,880,826</u>

	2003	2004	2005	2006	2007	2008
Business-type activities:						
Charge for services - Solid waste	4,538,505	5,125,881	5,470,832	6,064,461	6,089,872	6,530,492
Charge for services - Water and sewer	7,889,234	8,836,189	2,946	-	-	-
Operating grants and contributions						28,768
Total business-type activities program revenues	12,225,739	13,962,070	5,473,578	6,064,461	6,089,872	6,559,260
Total primary government program revenues	\$ 53,839,490	\$ 58,616,093	\$ 52,700,973	\$ 41,983,783	\$ 46,037,106	\$ 51,440,088
Net (Expense)/Revenue						
Governmental activities	\$ (64,353,059)	\$ (89,013,149)	\$ (85,126,130)	\$ (75,305,484)	\$ (101,099,229)	\$ (139,644,606)
Business-type activities	1,482,738	1,972,255	(6,057,752)	1,706,208	1,705,541	1,861,460
Total primary government net (expense)/revenue	\$ (62,870,321)	\$ (67,040,894)	\$ (71,183,882)	\$ (73,599,276)	\$ (99,393,688)	\$ (137,783,146)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	38,803,549	39,924,011	41,712,759	44,584,792	53,659,841	56,594,728
Local option sales tax	19,554,491	24,284,016	26,314,559	26,802,387	30,764,964	34,988,753
Other taxes and licenses	2,031,188	3,987,492	2,131,473	2,542,583	2,613,082	1,761,763
Investment earnings	384,795	324,355	703,927	1,982,486	5,098,147	3,286,406
Miscellaneous	1,028,043	916,495	4,357,271	5,704,719	3,332,098	2,868,100
Transfers	1,702,494	-	62,000	-	-	-
Total governmental activities:	63,504,560	69,396,369	75,281,989	83,596,927	95,468,132	99,499,750
Business-type activities:						
Investment earnings	407,515	297,409	404,952	589,314	879,928	918,563
Miscellaneous	19,192	195,999	24,051	-	-	(44,750)
Special item		(7,000,000)	(22,744,176)	(2,075,625)	-	-
Transfers	(1,702,494)	-	(62,000)	-	-	-
Total business-type activities	(1,275,787)	(6,506,592)	(22,377,173)	(1,486,311)	879,928	873,813
Total primary government	\$ 62,228,773	\$ 62,889,777	\$ 52,904,816	\$ 82,110,616	\$ 96,348,060	\$ 100,373,563
Change in Net Assets						
Governmental activities	(848,499)	383,220	10,155,859	8,291,443	(5,831,097)	(40,144,855)
Business-type activities	208,951	(4,534,337)	(28,434,925)	219,897	2,585,469	2,735,273
Total primary government	\$ (641,548)	\$ (4,151,117)	\$ (18,279,066)	\$ 8,511,340	\$ (3,045,628)	\$ (37,409,582)

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Note: 10 years data not available.

Table 3
Onslow County, North Carolina
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	8,580,401	9,554,252	10,935,690	10,851,872	13,233,766	13,901,774	14,431,038	11,334,672	17,758,286	23,650,966
Unreserved designated	6,677,195	8,222,105	9,578,529	9,913,776	6,673,213	7,802,388	11,914,900	10,813,666	15,448,394	20,667,118
Unreserved undesignated	11,128,675	10,566,544	7,856,633	5,901,650	6,290,979	9,440,689	13,787,017	22,622,467	15,131,174	7,548,508
Total general fund	\$ 26,386,271	\$ 28,342,901	\$ 28,370,852	\$ 26,667,298	\$ 26,197,958	\$ 31,144,851	\$ 40,132,955	\$ 44,770,805	\$ 48,337,854	\$ 51,866,592
All Other Governmental Funds										
Reserved										
Special revenue funds	\$ 618,157	\$ 417,730	\$ 322,710	\$ 454,316	\$ 458,411	\$ 524,278	\$ 887,445	\$ 259,261	\$ 142,637	\$ 291,196
Capital project funds	2,286,360	1,226,785	2,893,945	637,864	631,649	1,151,541	801,308	705,484	1,826,482	319,854
School Construction	0	0	0	0	5,696,719	0	0	731,456	18,356,991	1,023,287
Unreserved designated										
Special revenue funds	0	1,330,978	168,997	0	0	89,910	95,550	34,225	55,994	9,500
Capital project funds	331,000	261,000	0	0	0	1,134,286	101,302	65,000	52,600	314,000
School Construction	0	0	0	0	0	0	0	62,526,777	26,241,628	31,873,926
Unreserved undesignated reported in:										
Special revenue funds	1,751,644	1,974,733	536,271	695,060	896,290	393,660	472,897	677,131	899,281	762,436
Capital project funds	1,689,251	(29,557)	649,030	(381,026)	(878,917)	104,458	78,872	648,623	716,832	(681,941)
School Construction	0	0	0	0	0	0	0	0	0	0
Total all other governmental funds	\$ 6,676,412	\$ 5,181,669	\$ 4,569,953	\$ 1,406,214	\$ 6,804,152	\$ 3,398,133	\$ 2,437,374	\$ 65,647,957	\$ 48,292,445	\$ 33,912,258

Table 3a
Onslow County, North Carolina
Fund Balances of Governmental Funds as % of Expenditures
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Expenditures	\$ 83,355,180	\$ 86,225,535	\$ 93,257,365	\$ 97,709,555	\$ 99,954,049	\$ 115,232,775	\$ 109,367,733	\$ 109,299,618	\$ 124,102,027	\$ 131,686,704
Reserved	10.29%	11.08%	11.73%	11.11%	13.24%	12.06%	13.19%	10.37%	14.31%	17.96%
Unreserved designated	8.01%	9.54%	10.27%	10.15%	6.68%	6.77%	10.89%	9.89%	12.45%	15.69%
Unreserved undesignated	13.35%	12.25%	8.42%	6.04%	6.29%	8.19%	12.61%	20.70%	12.19%	5.73%
Total general fund	<u>31.66%</u>	<u>32.87%</u>	<u>30.42%</u>	<u>27.29%</u>	<u>26.21%</u>	<u>27.03%</u>	<u>36.70%</u>	<u>40.96%</u>	<u>38.95%</u>	<u>39.39%</u>
All Other Governmental Funds										
Expenditures	\$ 14,373,462	\$ 25,968,290	\$ 21,636,832	\$ 19,287,125	\$ 10,213,552	\$ 15,120,036	\$ 5,528,710	\$ 6,321,785	\$ 26,228,148	\$ 68,522,081
Reserved										
Special revenue funds	4.30%	1.61%	1.49%	2.36%	4.49%	3.47%	16.05%	4.10%	0.54%	0.42%
Capital project funds	15.91%	4.72%	13.38%	3.31%	6.18%	7.62%	14.49%	11.16%	6.96%	0.47%
School Construction	0.00%	0.00%	0.00%	0.00%	55.78%	0.00%	0.00%	11.57%	69.99%	1.49%
Unreserved designated										
Special revenue funds	0.00%	5.13%	0.78%	0.00%	0.00%	0.59%	1.73%	0.54%	0.21%	0.01%
Capital project funds	2.30%	1.01%	0.00%	0.00%	0.00%	7.50%	1.83%	1.03%	0.20%	0.46%
School Construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	989.07%	100.05%	46.52%
Unreserved undesignated reported in:										
Special revenue funds	12.19%	7.60%	2.47%	3.60%	8.78%	2.60%	8.55%	10.71%	3.43%	1.11%
Capital project funds	11.75%	-0.11%	3.00%	-1.98%	-8.61%	0.69%	1.43%	10.26%	2.73%	-1.00%
School Construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total all other governmental funds	<u>46.45%</u>	<u>19.95%</u>	<u>21.12%</u>	<u>7.29%</u>	<u>66.62%</u>	<u>22.47%</u>	<u>44.09%</u>	<u>1038.44%</u>	<u>184.12%</u>	<u>49.49%</u>

Table 4
Onslow County, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes:										
Property tax	\$ 27,421,758	\$ 28,594,206	\$ 33,054,208	\$ 37,876,012	\$ 38,482,631	\$ 39,917,765	\$ 41,562,890	\$ 44,189,585	\$ 53,567,340	\$ 56,367,265
Sales tax	16,216,029	17,116,952	17,519,612	17,897,030	19,554,491	24,264,016	26,314,559	28,802,387	30,764,964	35,058,774
Other tax	1,304,741	1,276,858	1,368,792	1,038,630	1,212,542	1,675,331	2,131,473	2,542,563	2,613,082	2,808,433
Total taxes	44,942,528	46,988,016	51,942,612	56,811,672	59,249,664	65,857,112	70,008,922	75,534,535	86,945,386	94,234,472
Intergovernmental	46,244,480	53,237,507	50,203,859	49,452,266	37,531,998	41,787,857	43,803,479	32,319,199	34,761,625	32,048,067
Charges for Services	2,163,800	2,425,222	2,298,561	2,030,006	2,751,718	2,979,181	3,571,096	4,310,121	4,742,743	10,228,791
Interest	1,539,722	1,744,797	1,794,275	639,018	384,795	324,356	703,927	1,962,466	5,098,148	3,286,406
Miscellaneous	1,318,480	1,549,188	1,252,623	2,760,665	3,158,263	2,993,644	3,617,177	4,312,888	4,097,991	4,087,680
Total Revenues	96,209,010	105,944,730	107,491,930	111,693,627	103,074,438	113,942,149	121,704,601	118,439,209	135,645,893	143,886,416
Expenditures										
General Government	5,508,225	6,804,327	7,092,776	7,492,612	8,074,044	7,732,593	7,270,051	12,271,673	11,632,019	11,678,761
Public Safety	11,227,279	13,509,358	15,618,489	14,431,534	14,008,239	14,945,327	16,267,173	17,606,811	19,838,399	21,630,113
Transportation	722,632	769,398	690,013	689,919	674,388	747,513	924,701	1,115,853	1,342,256	1,493,708
Economic Development	1,585,235	2,204,795	2,374,486	1,328,252	1,406,074	1,078,125	1,228,651	1,803,583	2,564,358	2,932,565
Human Services	36,158,875	37,331,554	40,353,880	41,992,442	43,146,607	44,961,773	47,952,941	39,054,209	42,400,286	43,738,986
Environmental Protection	325,148	489,580	465,931	423,333	383,699	371,192	386,587	434,101	457,485	550,949
Culture and Recreation	2,467,678	2,555,084	2,892,821	2,801,922	2,858,590	3,125,447	2,913,545	3,187,323	3,663,538	4,074,930
Non-departmental	204,964	461,476	504,138	553,530	569,201	710,254	536,752	9,347	-	-
E-911	-	-	-	-	-	-	-	320,476	258,175	283,959
Education	19,798,395	19,747,260	21,605,670	23,774,985	24,258,317	25,282,960	26,441,854	27,785,745	31,466,700	35,029,481
Capital Outlay	13,400,506	23,043,618	17,680,995	17,886,144	8,992,232	13,254,097	4,452,636	5,712,086	25,579,013	68,034,762
Debt Service:										
Principal	4,008,747	3,061,165	3,238,876	3,345,018	3,435,472	15,579,958	4,305,461	4,177,746	6,534,886	6,301,797
Interest and Fees	2,320,958	2,216,210	2,376,123	2,356,510	2,360,738	2,563,572	2,216,091	2,162,450	4,593,063	4,458,774
Total Expenditures	97,728,642	112,193,825	114,894,198	117,076,201	110,167,601	130,352,811	114,896,443	115,621,403	150,330,178	200,208,785
Excess of revenues over (under) expenditures	(1,519,632)	(6,249,095)	(7,402,268)	(5,382,574)	(7,093,163)	(16,410,662)	8,808,158	2,817,806	(14,684,285)	(56,323,369)
Other Financing Sources (Uses)										
Transfers in	7,082,635	6,223,204	3,201,908	1,719,809	2,896,728	4,158,544	1,764,378	1,545,606	4,430,379	3,013,651
Transfers out	(5,495,635)	(4,336,401)	(1,514,887)	(1,667,808)	(1,194,233)	(4,158,544)	(1,702,378)	(3,498,728)	(4,430,379)	(3,013,651)
Proceeds from issuance of debt	1,083,304	4,797,546	5,105,927	325,007	10,237,624	16,282,243	284,116	79,271,652	846,527	45,147,260
Proceeds from sale of capital assets	450,996	28,633	25,556	128,272	81,647	206,374	878,030	493,847	49,291	324,661
Transfer to escrow agent	-	-	-	-	-	-	-	(12,781,750)	-	-
Total other financing sources (uses)	3,121,300	6,710,982	6,818,504	515,280	12,021,766	16,488,617	1,224,146	65,030,627	895,818	45,471,921
Net change in fund balances	1,601,668	461,887	(583,764)	(4,867,294)	4,928,603	77,955	8,032,304	67,848,433	(13,788,467)	(10,851,448)
Debt service as a percentage of noncapital expenditures	7.51%	5.92%	5.78%	5.75%	5.73%	15.49%	5.90%	5.80%	7.99%	5.68%

Table 5
Onslow County, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended 30-Jun	Real Property				Personal Property	Public Service Companies ²	Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate ³	Estimated Actual Taxable Value ⁴	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Present-use Value ¹							
1999	\$ 2,465,247,466	\$ 499,991,705	\$ 19,617,805	\$ 91,513,374	\$ 773,926,209	\$ 123,130,392	\$ 16,763,376	\$ 3,956,663,575	0.694	\$ 4,725,502,896	84.08%
2000	2,556,192,024	528,738,922	19,132,898	89,804,405	854,372,619	117,561,263	23,641,656	4,142,260,575	0.694	5,091,274,060	81.82%
2001	3,232,846,565	776,697,138	15,665,870	103,873,649	947,918,718	145,977,916	24,316,593	5,198,363,263	0.630	6,196,363,263	100.47%
2002	3,504,475,369	753,545,075	15,565,870	102,486,251	1,003,551,547	153,869,269	25,240,287	5,508,253,094	0.690	5,605,223,460	98.72%
2003	3,623,773,690	774,280,743	15,569,658	102,696,565	1,020,746,450	153,652,207	32,198,123	5,658,521,190	0.680	5,820,326,260	97.77%
2004	3,690,926,003	907,315,747	15,551,566	101,656,784	1,074,000,975	155,361,775	35,151,088	5,909,661,762	0.670	6,353,791,809	93.56%
2005	3,865,901,186	950,881,418	15,551,566	100,508,756	1,101,713,194	162,597,762	35,207,514	6,161,946,368	0.670	6,834,456,930	90.68%
2006	4,110,064,998	965,711,436	15,662,864	96,658,196	1,245,776,737	176,170,423	34,733,081	6,575,311,573	0.670	7,834,280,440	84.37%
2007	7,843,414,513	1,131,823,092	23,760,243	125,624,716	1,254,504,194	195,587,024	48,821,245	10,525,892,537	0.503	10,525,892,537	100.46%
2008	8,343,895,371	1,215,632,400	23,276,253	126,076,506	1,353,919,680	200,800,969	48,599,408	11,215,003,771	0.503	13,561,068,647	83.06%

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

¹ Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use.

The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.

² Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.

³ Per \$100 of value.

⁴ The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.

⁵ Property in Onslow County is reassessed every six to eight years. The last reassessment was on January 1, 2006 and will be the basis for fiscal 2006 taxes.

Table 6
Onslow County, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Year Taxes Are Payable									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Onslow County	\$ 0.6940	\$ 0.6940	\$ 0.6300	\$ 0.6900	\$ 0.6800	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.5030	\$ 0.5030
Municipality Rates:										
Holly Ridge	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.3800	0.3800
Jacksonville	0.6230	0.6230	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5316	0.6260
North Topsail Beach	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.1300	0.1600
Richlands	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.3800	0.3800
Surf City (1)	0.3500	0.3500	0.3700	0.3700	0.3500	0.3500	0.3500	0.3500	0.3100	0.3100
Swansboro	0.5000	0.5000	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3130	0.3530

¹ This municipality became a multi-county town through annexation in 1988.

Notes:

^A Property was revalued in 2006.

^B For each government, certain motor vehicles were taxed at the preceding year's rates.

Source: Onslow County Tax Administration

**Table 7
Onslow County, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Jones Onslow EMC	93,413,176	1	0.83%	47,093,000	1	1.19%
RA North Development I Inc	83,428,932	2	0.74%			
Carolina Telephone	55,379,084	3	0.49%	42,039,000	2	1.06%
Progress Energy Carolinas	37,338,837	4	0.33%	22,427,000	3	0.57%
Crown America Acquisition Assoc II LP	37,043,405	5	0.33%	19,738,000	4	0.50%
Brunswick Timber LLC	30,630,712	6	0.27%			
Robert J Finlay	23,917,050	7	0.21%			
Rogers Bay Campground Co	21,500,000	8	0.19%			
Puller Place LLC	15,453,737	9	0.14%			
Marine Federal Credit Union	15,346,691	10	0.14%			
John Hancock Mutual Life Ins. Co.				12,098,000	5	0.31%
Liberty Crossing Apartments				10,907,000	6	0.28%
Stanadyne Automotive Corp				10,185,000	7	0.26%
Bailey & Associates				9,262,000	8	0.23%
Carl Beacham & Associates				8,720,000	9	0.22%
Wal-Mart Stores, Inc				8,439,000	10	0.21%
Total	413,451,624		3.69%	190,908,000		4.82%

Source: County Tax Administration
Total Valuation

11,215,003,771

3,956,663,575

Table 8
Onslow County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years
Expressed in Thousands

Fiscal Year Ended 30-Jun	Taxes levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy Collected		Amount	Percent of Levy Collected
1999	27,557	26,535	96.29%	795	27,330	99.18%
2000	28,911	27,667	95.70%	976	28,643	99.07%
2001	33,117	31,821	96.09%	1,032	32,853	99.20%
2002	38,054	36,554	96.06%	1,176	37,730	99.15%
2003	38,751	37,106	95.75%	1,302	38,408	99.11%
2004	39,898	38,277	95.94%	1,215	39,492	98.98%
2005	41,706	40,052	96.03%	1,145	41,197	98.78%
2006	44,529	42,631	95.74%	1,205	43,836	98.44%
2007	53,654	51,940	96.81%	1,103	53,043	98.86%
2008	56,728	54,766	96.54%	-	54,766	96.54%

Source: Onslow County Tax Administration

Table 9
Onslow County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Installment Purchase Obligations	Bond Anticipation Notes	Certificates of Participation	General Obligation Bonds	Revenue Bonds	Special Obligation Bonds			
1999	37,550,000	2,741,259	0	0	2,433,000	9,795,000	6,516,789	59,036,048	266	1.79%
2000	37,700,000	4,327,317	0	0	1,908,800	9,395,000	10,506,958	63,838,075	265	1.86%
2001	35,450,000	8,444,367	0	0	1,332,200	8,977,970	9,807,538	64,012,075	246	1.77%
2002	33,200,000	7,676,745	0	0	697,900	8,535,000	9,066,788	59,176,433	226	1.65%
2003	30,950,000	16,728,897	0	0	0	8,075,000	12,483,896	68,237,793	203	1.76%
2004	29,275,000	19,611,018	0	0	0	0	11,221,996	60,108,014	187	1.38%
2005	26,755,000	18,109,675	0	0	0	0	9,915,303	54,779,978	168	1.12%
2006	74,530,000	16,292,000	0	15,500,000	0	0	8,570,338	114,892,338	472	2.22%
2007	70,555,000	15,353,644	0	14,725,000	0	0	7,183,041	107,816,685	438	N/A
2008	106,665,000	17,541,845	0	13,950,000	0	0	12,462,726	150,619,571	629	N/A

Notes: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 14 for personal income and population data.

Table 10
Onslow County, North Carolina
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding		Total	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal				
1999	39,983,000	0	39,983,000	1.21%	1.02%	266
2000	39,608,800	0	39,608,800	1.15%	0.96%	265
2001	36,782,200	0	36,782,200	1.02%	0.71%	246
2002	33,897,900	0	33,897,900	0.95%	0.62%	226
2003	30,950,000	0	30,950,000	0.80%	0.55%	203
2004	29,275,000	0	29,275,000	0.67%	0.50%	187
2005	26,755,000	0	26,755,000	0.55%	0.43%	168
2006	74,530,000	0	74,530,000	1.44%	1.13%	472
2007	70,555,000	0	70,555,000	N/A	0.67%	438
2008	106,665,000	0	106,665,000	N/A	0.95%	629

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Schedule 14 for personal income and population data.

(2) See schedule 5 for property value data.

Table 11
Onslow County, North Carolina
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed Value of Property	3,956,663	4,142,260	5,198,363	5,508,253	5,658,521	5,909,661	6,161,946	6,575,312	10,525,892	11,263,771
Debt Limit, 8% of Assessed Value (Statutory Limitation)	316,533	331,381	415,869	440,660	452,682	472,773	492,956	526,025	842,071	901,102
Amount of Debt Applicable to Limit										
General obligation bonds	39,983	39,609	36,782	33,898	30,950	29,275	26,755	74,530	70,555	106,665
Bonds authorized but not issued	0	0	0	0	0	16,425	16,425	43,780	43,780	3,780
Installment purchase agreements	2,741	4,327	8,444	7,677	16,729	18,611	18,110	16,292	15,354	17,542
Bond anticipation bonds	0	0	0	0	0	0	0	0	0	0
Certificates of participation	0	0	0	0	0	0	0	15,500	14,725	13,950
Revenue bonds	9,795	9,395	8,979	8,535	8,075	0	0	0	0	0
Special obligation bonds	6,517	10,507	9,808	9,067	12,484	11,222	9,915	8,570	7,184	12,463
Gross Debt	59,036	63,838	64,013	59,177	68,238	76,533	71,205	158,672	151,598	154,400
Less:										
Debt outstanding for water and sewer purposes	2,433	1,909	1,332	698	0	0	0	0	0	0
Revenue bonds	9,795	9,395	8,978	8,535	8,075	0	0	0	0	0
Special Obligation Bonds	6,517	10,507	9,808	9,067	12,484	11,222	9,915	8,570	7,184	12,463
Total net debt applicable to limit	40,291	42,027	43,895	40,877	47,679	65,311	61,290	150,102	144,414	141,937
Legal Debt Margin	\$ 276,242	\$ 289,354	\$ 371,974	\$ 399,783	\$ 405,003	\$ 407,462	\$ 431,666	\$ 375,923	\$ 697,657	\$ 759,165
Total net debt applicable to the limit as a percentage of debt limit	12.73%	12.68%	10.56%	9.28%	10.53%	13.81%	12.43%	28.54%	17.15%	15.75%

Note: NC Statute GS159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.

The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

Table 12
Onslow County, North Carolina
Computation of Direct and Overlapping Debt
General Obligation Bonds
 June 30, 2008
 (unaudited)

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>		<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		
Direct Debt:				
Onslow County	\$ 106,665,000	0	100.00%	\$ 106,665,000
Overlapping Debt:				
Jacksonville	\$ 0	0	100.00%	0
Holly Ridge	291,000	0	100.00%	291,000
North Topsail Beach	0	0	100.00%	0
Richlands	0	0	100.00%	0
Surf City *	0	0	42.82%	0
Swansboro	0	0	100.00%	0
				<hr/>
Total direct and overlapping debt				<u>\$ 106,956,000</u>

* Municipality is split between Onslow and Pender County this percent represents share of property tax from Onslow County

Table 13
Onslow County, North Carolina
Calculation of Debt Service Coverage
Solid Waste Fund
Last Ten Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year Ended June 30	Gross Operating Revenue	Direct Operating Expenses	Non Operating Revenues	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	\$ 4,705	\$ 2,646	\$ 514	\$ 2,573	\$ 470	\$ 371	\$ 841	3.06
2001	4,285	2,106	1,231	3,410	711	549	1,260	2.71
2002	4,347	2,167	181	2,361	733	516	1,249	1.89
2003	4,537	1,836	142	2,843	793	420	1,213	2.34
2004	5,126	2,020	95	3,201	1,262	472	1,734	1.85
2005	5,471	2,276	280	3,475	1,307	443	1,750	1.99
2006	6,064	2,350	589	4,303	1,345	388	1,733	2.48
2007	6,126	2,426	880	4,580	1,387	331	1,718	2.67
2008	6,559	2,661	919	4,817	1,801	331	2,132	2.26

Source: Onslow County Audits

Table 14
Onslow County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Median Age (2)	Public School Enrollment(3)	Unemployment Rate(4)
1999	150,176	3,293,434	22,011	24.95	20,912	3.70%
2000	149,591	3,437,230	22,820	25.00	20,844	4.80%
2001	149,462	3,607,640	23,970	24.59	20,595	5.40%
2002	149,698	3,580,321	23,225	25.00	20,979	6.80%
2003	152,205	3,874,134	24,670	24.04	21,367	7.40%
2004	156,646	4,344,447	26,752	23.86	21,567	6.20%
2005	159,674	4,894,559	30,619	23.78	22,042	6.20%
2006	157,760	5,173,724	31,942	23.85	22,770	4.80%
2007	161,212	N/A	N/A	24.80	23,301	4.70%
2008	169,466	N/A	N/A	25.20	23,414	6.00%

Notes:

(1) state demographics website. www.demog.state.nc.us. Figures is as of July of previous year
previous reports used a different website, preceding years have been changed to current website figures

(2) www.bea.gov

(3) N.C. Department of Public Instruction, First Month Average Daily Membership, www.dpi.state.nc.us/fbs/resources/data/esas

(4) N. C. Employment Security Commission, www.ncesc.com, June figures

Table 15
Onslow County, North Carolina
Principal Employers
Current Year and Nine Years Ago

Employer	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
USMC Base, Camp Lejeune (2)	46,000	1	43.91 %	42,147	1	44.92 %
Camp Lejeune Civil Service (2)	5,392	2	5.15	4,631	2	4.94
Onslow County Board of Education	3,800	3	3.63	2,650	3	2.82
Onslow Memorial Hospital	1,100	4	1.02	1,603	4	1.71
Onslow County Government	1,073	5	1.05	1,200	5	1.28
Wal-Mart Associates, Inc. (1)	900	6	0.86			
Convergys Marketing	520	7	0.50	800	7	0.85
Camp Lejeune Dependent Schools	501	8	0.48			
City of Jacksonville	485	9	0.46			
Food Lion LLC	447	10	0.43			
Naval Hospital				1,098	6	1.17
Thom Apple Valley Inc				522	8	0.56
Gibraltar Publishing				450	9	0.48
Stanadyne				400	10	0.43
Total	60,218		57.48 %	55,501		59.15 %

Source: NC Employment Security Commission

(1) New Walmart open during FY 07-08

(2) Approximate

total county workforce

104758

93827

Table 16
Onslow County, North Carolina
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Budgeted Employees as of June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	125	131	130	129	129	133	127	124	125	123
Public safety	238	254	257	235	252	257	297	305	287	281
Transportation	19	22	15	15	15	15	18	23	23	23
Economic & physical development	20	22	22	23	23	16	29	30	38	38
Human Services *	739	799	813	787	808	750	545	556	557	526
Environmental protection	7	7	7	7	7	7	6	7	7	7
Cultural and recreational	53	56	64	61	64	61	86	90	71	75
Enterprise Fund - Solid Waste	34	34	35	34	34	34	34	32	27	27
Enterprise Fund - Public Utilities **	55	58	58	58	58	59				
Total	1290	1383	1401	1349	1390	1332	1142	1167	1135	1100

Source: County Human Resources Department

Note: This schedule represents number of employees budgeted per fiscal year rounded to the nearest whole number

* Mental health no longer a county dept as of 2005

** Water Dept no longer a county dept as of 2005

Table 17
Onslow County, North Carolina
Operating Indicators by Function/Program,
Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Number of registered voters	47,081	42,732	53,881	60,012	62,365	66,427	71,431	73,616	72,353	79,247
Marriage licenses issued	2,086	1,997	2,215	2,348	2,421	2,550	2,509	1,780 ²	2,762	2,697
Deeds recorded	n/a	n/a	n/a	n/a	n/a	6,703	8,603	5,568 ²	8,584	7,195
Public Safety										
# of warrants served	n/a	n/a	n/a	n/a	n/a	n/a	8,079	10903	5,775	5,626
# of E911 EMS calls	17,063	9,672	9,744	10,226	10,555	11,276	12,396	7610 ²	14,623	13,878
# of E911 Fire calls	1,838	2,200	2,109	2,389	2,944	2,296	3,455	1,660 ²	3,094	3,505
# of E911 law enforcement calls	33,202	36,693	36,276	38,122	40,621	40,713	48,314	28,486 ²	54,158	52,213
Animal Complaints	8,999	8,129	7,871	8,770	8,908	9,087	9,839	4,204 ¹	8,531	9,374
Animals sheltered	7,263	7,530	7,053	7,473	7,651	7,599	8,272	3,361 ¹	7,711	7,270
Transportation										
Enplanements	54,974	36,939	29,500	30,587	41,047	72,743	92,698	89373	99,027	124,598
Economic & Physical Development										
# of building permits	1,693	1,450	1,549	1,685	1,609	1,765	1,951	2,752	2,341	2,922
# of building inspections	n/a	n/a	5,421	11,792	13,216	17,171	20,726	20,870	21,445	21,260
Human Services										
Health Dept										
# of Food & Lodging inspections	1,756	1,761	1,822	1,827	1,866	1,851	1,579	1,456	1,797	1,235
# of patients contacts	n/a	n/a	n/a	17,051	n/a	16,519	17,950	30,066	32,600	32,600
Social Services										
# of clients served	13,560	14,740	15,795	17,528	20,915	19,304	22,877	20,737	46,763 ⁴	57853
Senior Services										
# of clients served	37,676	38,382	37,513	37,952	37,299	37,430	40,498	39,492	2,162 ²	3353
Veterans Services										
# of clients served	n/a	6,898	6,356	12,833	12,673	12,972	11,528	12,136	10,847	11,258
Environmental Protection										
feet on waterways cleared of debris	72,043	31,946	43,730	39,670	12,065	56,726	24,661	83,922	89,760	22,878
# of citizen mosquito complaints & responses	272	752	549	196	1,123	316	262	601	635	517
Cultural & recreational										
# of library visits	229,729	225,854	225,977	205,566	197,006	229,344	263,629	263,537	289,507	346,256
# of museum visits	n/a	n/a	n/a	15,000 ³	15,000 ³	15,000 ³	18,532	15,000 ³	15000 ³	13500 ³
Enterprise Fund-Solid Waste										
Landfill & Convenience site transactions	n/a	n/a	119,535	119,515	123,122	132,230	128,230	130,458	141,940	137,869
Tonnage at sites	n/a	n/a	1968.88	1929.21	1731.19	1884.43	1664.62	2506.23	2,017	1,721
Recyclables tonnage from sites	n/a	n/a	n/a	164.84	418.68	351.25	400.72	367.34	564	751
White goods tonnage	n/a	n/a	677	750	829	975	1048	964	1,063	517

Source: Onslow County departments

¹ thru May 2006

² thru 8/23/06

³ estimate

⁴ prior years were main building only

⁵ prior years had duplicated statistics

Table 18
Onslow County, North Carolina
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Number of patrol vehicles	N/A	N/A	N/A	N/A	N/A	N/A	150	151	148	146
Volunteer Fire Depts	20	20	20	20	20	20	20	20	20	20
Number of EMS stations	13	13	13	13	13	6	6	7	7	7
Number of ambulances	N/A	N/A	N/A	N/A	N/A	N/A	20	19	23	29
Number of Rescue Squads						9	9	9	9	9
Number of jail beds	118	118	118	118	118	118	118	118	118	118
Cultural & Recreational										
Number of Parks	9	10	10	11	12	13	13	13	13	13
Acreage	367	370	370	382	765	1,050	1,050	1,050	1050	1050
Number of libraries	5	5	5	5	5	5	5	5	5	5
Enterprise fund										
Solid Waste										
Number of convenience sites	n/a	n/a	11	11	11	11	11	10	10	10
Yrs of estimated life of Landfill	n/a	n/a	n/a	n/a	n/a	17	15	14	11	11
Education										
Number of Public Schools	32	32	32	33	33	33	34	34	34	35

Source: Onslow County departments
Onslow County Board of Education

COMPLIANCE SECTION



**Report on Internal Control Over Financial Reporting and On Compliance and Other Matters
Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board of Directors
Onslow County
Jacksonville, 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 Onslow County, North Carolina as of and for the year ended June 30 2008, which collectively comprises Onslow County's basic financial statements, and have issued our report thereon dated October 31, 2008. We did not audit the financial statements of Onslow County ABC Board and the Onslow County Hospital Authority. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Onslow County ABC Board and the Onslow County Hospital Authority 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. The financial statements of the Onslow County ABC Board and the Onslow County Hospital Authority were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Onslow 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 the Onslow County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Onslow County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the 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 a 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 Onslow 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 Onslow County's financial statements that is more than inconsequential will not be prevented or detected by Onslow County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. [Finding 08-1]

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 Onslow County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control 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 Onslow 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 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 audit committee, management, others within the organization, members of the Governing Board, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Pittard Perry & Crane, Inc.

La Grange, North Carolina
October 31, 2008

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

To the Board of Directors
Onslow County
Jacksonville, North Carolina

Compliance

We have audited the compliance of Onslow County 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, 2008. Onslow 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 Onslow County's management. Our responsibility is to express an opinion on Onslow 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 a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Onslow 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 of Onslow County's compliance with those requirements.

In our opinion, Onslow 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, 2008.

Internal Control Over Compliance

The management of Onslow 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 Onslow 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 Onslow County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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 Onslow 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 material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Onslow County's internal control.

Our consideration of 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 management, 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.

Pittard Perry & Crane, Inc.

La Grange, North Carolina
October 31, 2008

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

To the Board of Directors
Onslow County
Jacksonville, North Carolina

Compliance

We have audited the compliance of Onslow County, 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, 2008. Onslow 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 Onslow County's management. Our responsibility is to express an opinion on Onslow 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 requires that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Onslow County's compliance with those requirements and performing such other procedures as we consider 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 Onslow County's compliance with those requirements.

In our opinion, Onslow 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, 2008. 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 item 08-1.

Internal Control Over Compliance

The management of Onslow 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 Onslow 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 Onslow County's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph 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 a 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 a compliance requirement of a State program that is more than inconsequential will not be prevented or detected by Onslow County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 08-1 to be significant deficiencies.

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

Onslow County's response to the findings identified in our audit are 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 management, 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.

Pittard Perry & Crane, Inc.

La Grange, North Carolina
October 31, 2008

Onslow County, North Carolina
Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2008

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses yes none reported

Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses yes none reported

Noncompliance material to federal awards yes no

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

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

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
10.557	Special Supplemental Food Program for Women, Infants, and Children
93.778	Title XIX Medicaid
93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance
93.658	} Foster Care and Adoption Cluster
93.659	
20.106	Airport Improvement Plan

Dollar threshold used to distinguish between Type A and Type B Programs \$3,268,245

Auditee qualified as low-risk auditee? yes no

Onslow County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2008

Section III - Federal Award Findings and Questioned Costs

None reported

Section IV - State Award Findings and Questioned Costs

State/County Special Assistance for Adults

Finding: 08-1

IMMATERIAL WEAKNESS
IMMATERIAL NONCOMPLIANCE

Criteria: All applicants are required to have a current FL-2/MR-2 that is signed and dated by a physician indicating the need for domiciliary level of care in order to be eligible for Special Assistance.

Condition: Two case files were deemed to be ineligible because the County failed to obtain current FL-2/MR-2 for the period being tested.

Questioned Costs: \$5,960, This amount was determined by totaling the amount of benefits received during the time period in which a current FL-2/MR-2 was not on file.

Context: We examined 25 case files and determined that two applicants received benefits without proper eligibility documentation being updated.

Effect: Two applicants received benefits who were not eligible due to failure to request a current FL-2/MR-2 from the physician.

Cause: Human error in obtaining required information. Also, the department failed to review files to ensure proper procedures were being followed.

Recommendation: Review files regularly to ensure that all FL-2/MR-2 forms are up to date. Develop a log that lists when FL-2/MR-2 should be updated and review the log on a regular basis.

Views of responsible officials and planned corrective actions: Current practice has been to flag each case within the Eligibility Information System as to the date and month the current FL-2 should be acquired. The FL-2's were then verbally requested. These two cases resulted in ineligibility due to failure to follow up on the verbal request. Going forward FL-2's will be obtained at each review to ensure compliance with the policy regarding FL-2/MR-2 forms.

Onslow County, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2008

Section II - Financial Statement Findings

None reported

Section III- Federal Award Findings and Questioned Costs

None reported

Section IV - State Award Findings and Questioned Costs

Finding: 08-1

Name of Contact Person: Connie Melville, Medicaid Program Manager

Corrective Action Plan: Obtain FL-2/MR-2 forms at each case review.

Proposed Completion Date: July 10, 2008

Onslow County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2008

None reported

ONSTLOW COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through Expenditures)	State Expenditures	Local Expenditures
Federal Awards:				
<u>U.S. Department of Agriculture:</u>				
<u>Food and Nutrition Service</u>				
Passed through N.C. Department of Health and Human Services:				
Division of Social Services- Administration:				
<u>Food Stamp Cluster:</u>				
Food Stamp Program - Noncash	10.551	\$ 13,229,174	\$ -	\$ -
AFDC payments and Penalties	93.560	(120)	(33)	(33)
Food stamp admin,e&t & depend care, fraud admin	10.561	757,082	-	757,082
Total Food Stamp Cluster		13,986,136	(33)	757,049
Division of Public Health-Administration:				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	961,546	-	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5,402,495	-	-
Division of Public Health:				
AGRI-SFP Food Program Meal	10.559	605	-	-
N.C. Division of Aging				
Passed through Eastern Carolina COG				
USDA Supplement Title C1,C2	93.053	20,456	-	-
Solid Waste Management Grant	10.762	16,705	-	-
Total U.S. Department of Agriculture		20,387,943	(33)	757,049
<u>U.S. Department of Environmental and Natural Resources</u>				
Passed through N.C. Department of Environmental and Natural Resources				
CAMA Land Use Plan		1,990	385	-
Land Use Plan SO6045		13,025	-	-
NC Public Beach and Coastal waterfront access program	11.419	14,836	-	4,945
Total US Dept of Environmental and Natural Resources		29,851	385	4,945
<u>U.S. Department of Commerce:</u>				
Passed through N.C. Department of Commerce:				
Community Development Block Grant - SSH grant	14.228	8,001	-	-
Community Development Block Grant - CB grant	14.228	31,832	-	-
Community Development Block Grant - CR grant	14.228	9,200	-	-
Community Development Block Grant - IDA grant	14.228	2,866	-	-
Total U.S. Department of Commerce		51,899	-	-

ONSWLOW COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through Expenditures)	State Expenditures	Local Expenditures
<u>U.S. Department of Housing and Urban Development:</u>				
Passed through N.C. Department of Commerce:				
Community Development Block Grant - AFIA grant	14.252	\$ 8,048	\$ -	\$ -
NC Housing Finance agency		-	1,000	-
Total Dept of Housing and Urban Development		8,048	1,000	-
<u>U.S. Dept of Justice</u>				
Bureau of Justice Assistance				
Edward Byrne Memorial Justice Assistance grant 2207-DJ-BX-0753	16.738	14,430	-	-
Bulletproof Vest Partnership Grant	16.607	8,514	-	-
Total Dept of Justice		22,944	-	-
<u>U.S. Dept of Juvenile Justice and Delinquency Prevention</u>				
Passed thru N.C. Office of Juvenile Justice				
Inmate confinement reimbursement	N/A	-	7,529	-
Emergency/Runaway Shelter	16.540	-	295,513	-
Restitution	16.540	-	50,198	-
School treatment Program	16.540	-	39,240	-
Parent/Family Skill Building	16.540	-	10,693	-
Day Services - Demo Project	16.540	-	57,557	-
Youth Court Diversion Program	16.540	-	17,634	-
Onslow County Juvenile Program	16.540	-	1,485	-
Total Dept of Juvenile Justice		-	479,849	-
<u>U.S. Department of Transportation</u>				
Small Community Air Service Development Program (SCASD)	20.930	14,866	-	-
Airport Improvement Program	20.106	4,139,162	109,549	-
Total Dept of Transportation		4,154,028	109,549	-
<u>U.S. Department of Homeland Security/Office of Grants & training</u>				
Passed-through NC Department of Crime Control and Public Safety:				
Division of Emergency Management				
State Homeland Security Grant 2006-GE-T6-0010-5040	97.053	5,680	-	-
State Homeland Security Grant 2006-GE-T6-0010-5041	97.053	4,202	-	-
Emergency Management Performance Grant	97.042	12,252	12,252	-
Passed thru Transportation Security Administration				
Law Enforcement	97.090	139,853	-	-
Total U.S. Department of Homeland Security		161,987	12,252	-

ON SLOW COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through Expenditures)	State Expenditures	Local Expenditures
U.S. Department of Health and Human Services:				
Passed through NC Department of health and Human Services				
Passed through Eastern Carolina Council of Governments				
<u>Aging Cluster</u>				
HCCBG-home delivered meals	93.045	\$ 31,706	\$ 27,928	\$ 6,626
HCCBG-Congregate meals	93.045	70,498	8,577	8,786
HCCBG-Access	93.044	22,050	39,098	6,794
HCCBG-In home/Supp Srv	93.667	22,421	641	2,562
HCCBG-In home/Supp Srv	93.044	238,492	84,193	35,854
Title III-D	93.043	4,838	285	569
Operation Fan	N/A	-	400	-
Family Caregiver Support Title III-E	93.052	31,436	-	2,096
Senior Center Development	N/A	-	16,405	5,468
Total Aging Cluster		421,441	177,527	68,755
Division of Social Services:				
<u>Foster Care and Adoption Cluster</u>				
Title IV-E Foster Care (CPS)	93.658	626,025	143,714	482,311
Title IV-E Foster Care Trn & Off Trn	93.658	232,462	-	228,119
Title IV-E Foster Care Public Assistance & in excess	93.658	193,382	43,805	64,248
Title IV-E Admin county paid to CCI	93.658	87	-	87
Title IV-E Adopt trn & optional Adopt Trn 50%	93.659	25,843	-	25,085
Title IV-E Adopt subsidy & vendor public assistance	93.659	346,679	98,656	98,656
Adoption/Foster Care	N/A	269,261	-	2,709
Total Foster Care and Adoption Cluster		1,693,740	286,175	901,214
Refugee Assistance Payment	93.566	4,257	-	-
Work First- Admin	93.558	262,035	-	203,622
Work First/TANF - Direct Benefit Payments	93.558	1,397,768	-	1,325,211
IV-D Administration & offset fees	93.563	761,323	-	392,197
Crisis Intervention payments	93.568	135,652	-	-
Energy Assistance Payments	93.568	163,899	-	-
Low Income Energy Admin	93.568	20,417	-	-
Permanency Planning - Reg	93.645	34,991	11,663	-
Permanency Planning - Spec	93.645	10,387	-	3,462
Adolescent Parenting	93.645	41,062	-	-
SSBG other Scvs & training	93.667	441,302	47,491	162,931
In Home Services	93.667	13,787	-	1,970
Links, transitional funds, indep living	93.674	16,128	3,532	-

ONSWLOW COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through Expenditures)	State Expenditures	Local Expenditures
<u>U.S. Department of Health and Human Services (continued):</u>				
Passed-through NC Department of Health and Human Services				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services:				
Childcare Development Fund (CCDF) - Administration	93.596	\$ 195,467	\$ -	\$ -
Division of Child Development:				
Child Care and Development Fund - Discretionary	93.575	1,852,234	-	-
Child Care and Development Fund - Mandatory	93.596	977,527	-	-
Child Care and Development Fund - Match	93.596	1,025,309	571,971	-
Total Child Care Fund Cluster		<u>3,855,070</u>	<u>571,971</u>	-
Social Services Block Grant (SSBG)	93.667	22,777	-	-
Temporary Assistance for Needy Families	93.558	1,335,977	-	-
TANF-Domestic Violence	93.558	16,398	-	-
TANF-Public Assistance	93.558	948,561	(34)	6,300
Family Preservation	93.556	28,261	-	-
Smart Start	N/A	-	224,073	-
TANF-MOE	N/A	-	1,184,731	-
State Funding	N/A	-	152,430	-
Total Subsidized Child Care Cluster		<u>6,207,044</u>	<u>2,133,171</u>	<u>6,300</u>
<u>Centers for Disease Control and Prevention</u>				
Passed through NC Department of Health and Human Services				
Division of Public Health:				
Tuberculosis Control Program	93.116	33,992	-	-
Family Planning Title X	93.217	78,006	-	-
Immunization Program/Aid to County Funding	93.268	78,948	-	-
Breast and Cervical Cancer	93.283	2,100	-	-
Bioterrorism Grant	93.283	56,304	-	-
Emergency Preparedness (Pandemic Influenza)	93.283	17,986	-	-
TANF/Womens Preventive Health	93.558	15,564	-	-
Risk Reduction/Healthy Promotion	93.991	15,556	8,288	-
Total Disease Control and Prevention		<u>298,456</u>	<u>8,288</u>	-
<u>Health Resources and Service Administration</u>				
Passed through NC Department of Health and Human Services				
Division of Public Health:				
Maternal and Child Health Services Block Grant	93.994	451,472	-	-

ONslow COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through Expenditures)	State Expenditures	Local Expenditures
<u>Health Care Financing Administration</u>				
Passed through NC Department of Health and Human Services				
Direct Pay benefits				
Medical Assistance Program	93.778	\$ 70,048,649	\$ 35,718,912	\$ 4,753,715
Division of Social Services				
Administration				
Medical Assistance Program	93.778	1,254,268	-	1,254,268
Medical Transp Admin	93.778	50,887	-	50,887
MA Expansion	93.778	17,936	17,936	-
ADT CR HM CS MGT/SPEC	93.778	30,743	18,557	12,185
NC Health Choice	93.767	89,687	5,433	24,496
Total Administration		<u>1,443,522</u>	<u>41,926</u>	<u>1,341,837</u>
Passed thru National Association of County and City Health Officials (NAACHO)				
	93.008	5,000	-	-
Total U.S Department of Health and Human Services				
		<u>84,067,798</u>	<u>38,428,684</u>	<u>9,161,213</u>
<u>Elections Assistance Commission</u>				
Passed through NC Board of Elections				
TITLE II HAVA Grant	90.401	24,545	-	-
<u>USGS National Geospatial Programs</u>				
Passed through Dept of Environmental and Natural Resources				
Cost Share Contract for Orthophotography	15.808	32,460	-	-
TOTAL FEDERAL AWARDS				
		<u>\$ 108,941,502</u>	<u>\$ 39,031,686</u>	<u>\$ 9,923,207</u>

ONSLOW COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through Expenditures)	State Expenditures	Local Expenditures
State Awards:				
<u>N.C. Department of Health and Human Services:</u>				
Division of Social Services:				
State/County Special Assistance to Adults - Administration		\$ -	\$ -	\$ 70,761
State/County Special Assistance to Adults - Domiciliary Care Pymt		-	643,600	643,600
Adoption Subsidy & vendor		-	440,094	133,908
Energy Assist Private Grants		-	6,968	-
DCD Smart Start		-	428,775	-
State Adult Protective Service		-	73,775	-
TANF/AFDC Incent/Prog Integrity		-	857	-
State Aid to Counties		-	57,641	-
Foster Care At Risk Maximization		-	18,699	10,447
County Funded Programs		-	-	474,495
Non-Allocating County Cost		-	-	751,330
Work First Non-reimbursable		-	-	1,598,375
State Foster Home - Direct Benefit Payments		-	132,350	132,350
Total Division of Social Services		-	1,802,758	3,815,266
Division of Public Health:				
General		-	103,498	-
Healthy Carolinas Partnership Support		-	11,894	-
Communicable Disease		-	11,954	-
Tuberculosis		-	35,537	-
Women's Preventative Health		-	8,895	-
AIDS-State		-	12,500	-
TB Medical Services		-	2,024	-
Risk Reduction/Health Promotion		-	8,288	-
Total Division of Public Health		-	194,590	-
Total N.C. Department of Health and Human Services		-	1,997,348	3,815,266
<u>N.C. Department of Transportation:</u>				
Public Transportation Division:				
Onslow United Transit System (OUTS) Grant		-	225,492	-
Rural Operating Assistance program (ROAP)-EDTAP		-	9,991	-

ONSLOW COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through Expenditures)	State Expenditures	Local Expenditures
<u>N.C. Department of Environment and Natural Resources:</u>				
Division of Environmental Health: Mosquito Control		\$ -	\$ 15,985	\$ -
Division of Pollution Prevention and Environmental Assistance: Community Waste Reduction and Recycling Grant (CWRARG)		-	12,063	-
Division of Water Resources Water Resources Development Project Grant		-	110,720	-
Shell Rock Landing Project Grant		-	210,000	-
Division of Parks and Recreation: Parks And Recreation Trust Fund Grant (PARTF)		-	218,804	-
Division of Soil and Water Conservation: Soil and Water Conservation		-	29,835	-
Total N.C. Department of Environment and Natural Resources		-	597,407	-
<u>N.C. Department of Administration:</u>				
Division of Veterans Affairs: Administered by County Veterans Services: Veterans Services		-	2,000	-
<u>N.C. Admin Office of the Courts</u>				
Civil License revocation		-	19,438	-
<u>N.C. Department of Cultural Resources</u>				
Arts Council Grant		-	3,963	-
State Aid to Libraries		-	263,283	-
Total Cultural Resources		-	267,246	-
<u>N.C. Department of Corrections:</u>				
Division of Community Corrections: Criminal Justice Partnership Program		-	151,608	-
<u>N.C. Department of Insurance</u>				
SHIIP grant		-	15,000	-

ONSLow COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through Expenditures)	State Expenditures	Local Expenditures
e-NC Authority				
Passd through t the Rural Economic Development Center Inc PEG channel grant		\$ -	\$ 9,753	\$ -
Smart Start				
N.C. Partnership for Children		-	34,557	-
Childcare Health Net		-	178,173	-
Every Child Counts		-	157,002	-
Breastfeeding Is Best		-	166,495	-
Adolencent Parenting		-	137,467	-
Parents as Teachers		-	146,565	-
TOTAL STATE AWARDS		<u>-</u>	<u>4,115,542</u>	<u>3,815,266</u>
Total expenditures of federal and State awards		<u>\$ 108,941,502</u>	<u>\$ 43,147,227</u>	<u>\$ 13,738,473</u>

Onslow County, North Carolina
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2008

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Lenoir 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, or used in the 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. 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, Mental Health Services, Developmental Disability Waiting List Services, Substance Abuse Services, and Infants and Toddlers with Disabilities.