

PERQUIMANS COUNTY

North Carolina

**AUDIT REPORT
JUNE 30, 2010**

PERQUIMANS COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2010

	<u>EXHIBIT</u>	<u>PAGE</u> <u>NUMBER</u>
Financial Section		
List of Principal Officials		
Independent Auditors' Report		1-2
Management's Discussion and Analysis		3-13
Basic Financial Statements		
Government - wide Financial Statements		
Statement of Net Assets	1	14
Statement of Activities	2	15
Fund Financial Statements		
Balance Sheet - Governmental Funds	3	16
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	4	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	5	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	6	19
Statement of Fund Net Assets - Proprietary Funds	7	20
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	8	21
Statement of Cash Flows - Proprietary Funds	9	22
Statement of Fiduciary Net Assets - Fiduciary Funds	10	23
Notes to the Financial Statements		24-46
Required Supplemental Financial Data		
Other Postemployment Benefits - Schedule of Funding Progress		47
Other Postemployment Benefits - Schedule of Employer Contributions		48

PERQUIMANS COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2010

	<u>EXHIBIT</u>	<u>PAGE</u> <u>NUMBER</u>
Combining and Individual Fund Statements and Schedules		
Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund - Budget and Actual		49-57
Combining Balance Sheet - Nonmajor Governmental Funds		58
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds		59
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual		
Economic Development Fund		60
Revaluation Reserve Fund		61
E - 911 Reserve Fund		62
Community Development Block Grant Fund		63
Single Family Rehabilitation Fund		64
Tourism Development Fund		65
Capital Projects Reserve Fund		66
USDA Reserve Fund		67
Commerce Centre Capital Project Fund		68
School Construction Capital Project Fund		69
Enterprise Funds: Statement of Revenue and Expenditures - Budget and Actual (NON-GAAP)		
Solid Waste Fund		70
Water Fund		71-72
Winfall Water Plant Upgrade Capital Project Fund		73
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds		74-75

PERQUIMANS COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2010

	<u>EXHIBIT</u>	<u>PAGE</u> <u>NUMBER</u>
Other Statements		
Schedule of Ad Valorem Taxes Receivable		76
Analysis of Current Tax Levy - County wide Levy		77
Ten Largest Taxpayers		78
Compliance Section		
Report on Internal Control Over Financial Reporting And On Compliance and Other Matter Based On An Audit Of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>		79-80
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		81-82
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		83-84
Schedule of Findings and Questioned Costs		85-86
Corrective Action Plan		87
Schedule of Prior Year Audit Findings		88
Schedule of Expenditures of Federal and State Awards		89-94

**PERQUIMANS COUNTY, NORTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
June 30, 2010**

BOARD OF COMMISSIONERS

Mack E. Nixon, Chairman

Tammy Miller-White, Vice Chair
Sue Weimar
Janice McKenzie Cole

Charles H. Ward
Benjamin C. Hobbs

Mary P. Hunnicutt, Clerk to the Board
Hackney High, Jr., County Attorney

Office of the County Manager

Bobby Darden, County Manager
Sharon S. Ward, Finance Office
Mary P. Hunnicutt, Secretary

Deborah Reed, Register of Deeds
Frank Heath, Tax Administrator
Paul Smith, Jr., Elections Chairman
Homeria Jennette, Communications
Vacant, Fire Marshall
Larry Chappell, EMS Coordinator
Howard Williams, Recreation Director
Janet Stallings, Soil Conservation
Donna Godfrey, County Planner
Eric Tilley, Sheriff

Richard Copeland, Water Plant Superintendent
William Felton, Bldg. & Grounds Supervisor
Virgil Parrish, Chief Building Inspector
Preston Spear, Veterans Services Coordinator
Lewis Smith, Jr., Chairman Extension Services
Susan Chaney, Director Social Services
Stephen Chappell, Animal Control Officer
Jarvis Winslow, Emer. Mgmt Coordinator
Russ Chappell, Water Distribution Supervisor

DOUGLAS A. HOLLOWELL P.C.

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

1880 WEST CITY DRIVE
P.O. BOX 1387
ELIZABETH CITY, NORTH CAROLINA 27906
TELEPHONE: (252) 338-8021
1-888-825-8059
FAX (252) 338-4148

DOUGLAS A. HOLLOWELL, C.P.A.
DONNA HOLLOWELL WINBORNE, C.P.A.

Independent Auditors' Report

To the Board of County Commissioners
Perquimans County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Perquimans County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Perquimans County, North Carolina as of June 30, 2010, and the respective changes in financial position and cash flows, where appropriate, 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 15, 2010 on our consideration of Perquimans County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

MEMBERS OF:

THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

THE VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

THE NORTH CAROLINA
ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

Management's Discussion and Analysis is not a required part of the basic financial statements but is 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 the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Perquimans County, North Carolina's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements of Perquimans County, North Carolina. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis 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, and is also not a required part of the basic financial statements of Perquimans County, North Carolina. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The other information included in this report, designated as the Statistical Section in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in blue ink that reads "Douglas A. Hallerwell, P.C." The signature is written in a cursive style with a large initial 'D'.

Elizabeth City, North Carolina
October 15, 2010

Perquimans County Management's Discussion and Analysis

As management of Perquimans County, we offer readers of Perquimans County's financial statements this narrative overview and analysis of the financial activities of Perquimans County for the fiscal year ended June 30, 2010. 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

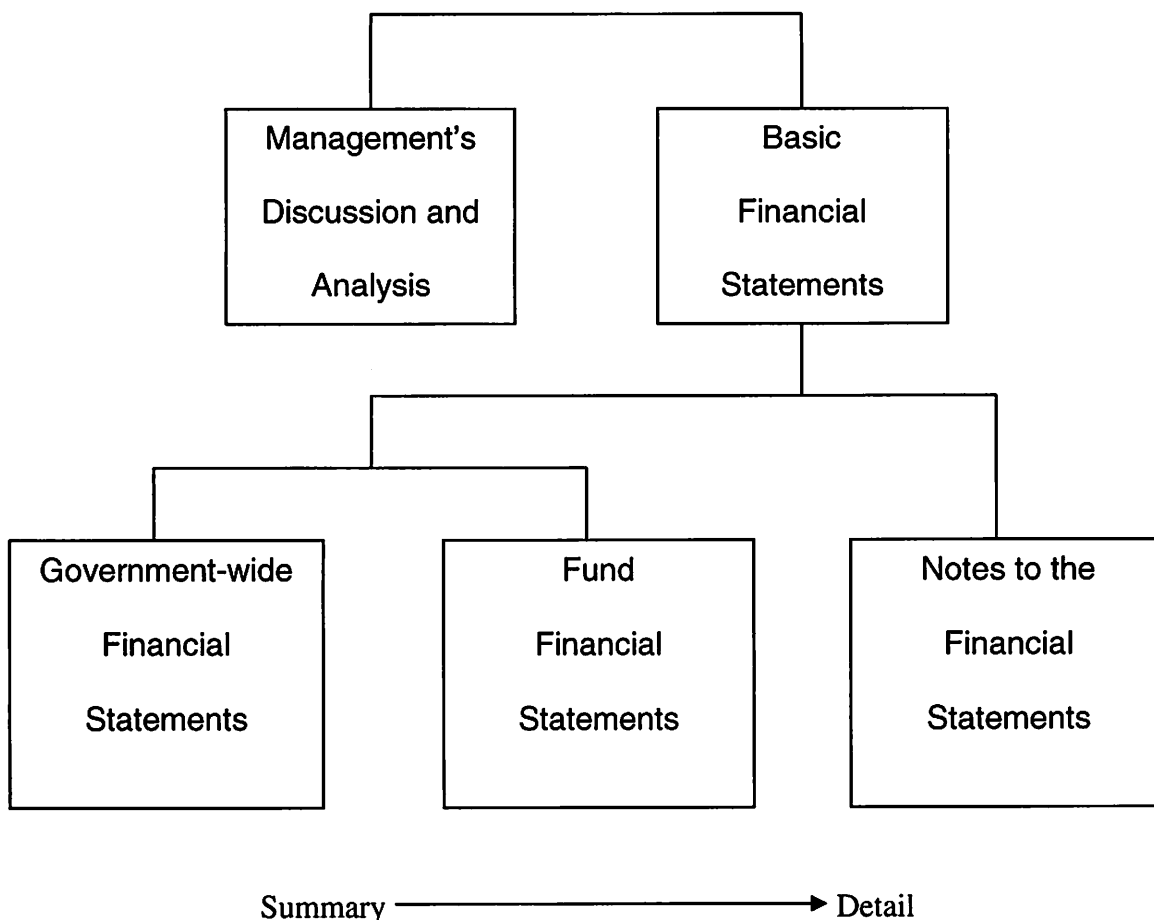
- The assets of Perquimans County exceeded its liabilities at the close of the fiscal year by \$9,183,921 (*net assets*).
- The government's total net assets increased by \$1,513,183, primarily due to reduced expenses in the General Fund.
- As of the close of the current fiscal year, Perquimans County's governmental funds reported combined ending fund balances of \$5,100,521, a decrease of \$76,589 in comparison with the prior year. Approximately 60 percent of this total amount, or \$2,849,206, 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 \$2,849,206 or 24.3 percent of total general fund expenditures for the fiscal year.
- Perquimans County's total debt decreased by \$768,341 (5.1%) during the current fiscal year.
- Perquimans County retained its North Carolina Municipal Council rating of 77, which is considered investment grade.
- Closed on \$3 million American Recovery and Reinvestment Act (ARRA) loan for improvements to the Winfall Water Treatment Plant. The principal of this loan is 50% forgivable (grant) and 50% at an interest rate of 0%.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 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 fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-

major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

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

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 gage the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and solid waste services offered by Perquimans 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. Perquimans 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 Perquimans 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*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 36 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Perquimans County exceeded liabilities by \$9,183,921 as of June 30, 2010. The County's net assets increased by \$1,513,183 for the fiscal year ended June 30, 2010. One of the largest portions reflects 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. Perquimans County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Perquimans 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. An additional portion of Perquimans County's net assets (4.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$3,899,042) is unrestricted.

Perquimans County's Net Assets

Figure 2

	Governmental Activities		Business - Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current & Other Assets	\$ 6,138,958	\$ 6,146,462	\$ 3,449,970	\$ 2,268,279	\$ 9,588,928	\$ 8,414,741
Capital Assets	6,257,516	6,290,774	9,663,602	7,915,733	15,921,118	14,206,507
Total Assets	12,414,474	12,437,236	13,113,572	10,184,012	25,528,046	22,621,248
Long-term Liabilities	10,918,073	11,040,073	3,774,490	3,257,660	14,692,563	14,297,733
Other Liabilities	535,056	544,453	1,098,506	108,324	1,633,562	652,777
Total Liabilities	11,453,129	11,584,526	4,872,996	3,365,984	16,326,125	14,950,510
Net Assets:						
Net of Related Debt	6,226,948	6,250,701	6,370,460	5,211,613	12,597,408	11,462,314
Restricted	485,555	370,418			485,555	370,418
Unrestricted	(5,769,158)	(5,768,409)	1,870,116	1,606,415	(3,899,042)	(4,161,994)
Total Net Assets:	\$ 943,345	\$ 852,710	\$ 8,240,576	\$ 6,818,028	\$ 9,181,500	\$ 7,670,738

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 96.12%, lower than the 2008-2009 statewide average of 97.97%, but higher than the average for counties with a population less than 25,000 of 95.87%.
- Reduction of General Fund Expenditures.
- Continued low cost of debt due to the County's low total indebtedness. The North Carolina Municipal Council has rated Perquimans County at 77, which is considered to be eligible for investment by banks.
- Completion of School Capital Projects

Perquimans County's Changes in Net Assets

Figure 3

	Governmental Activities		Business - Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,185,377	\$ 1,113,132	\$ 2,688,392	\$ 2,669,741	\$ 3,873,769	\$ 3,782,873
Operating Grants & Contributions	2,569,259	2,633,228	28,886	4,875	2,598,145	2,638,103
Capital Grants & Contributions	234,397	413,348	1,083,338		1,317,735	413,348
General Revenue:					0	0
Property Taxes	6,988,050	7,045,161			6,988,050	7,045,161
Other Taxes	1,780,816	2,605,972			1,780,816	2,605,972
Other	84,314	340,456	6,216	41,000	90,530	381,456
Total Revenue	12,842,213	14,151,297	3,806,833	2,715,616	16,649,046	16,866,913
Expenses:						
General Government	2,049,371	1,942,478			2,049,371	1,942,478
Public Safety	3,530,254	3,615,669			3,530,254	3,615,669
Transportation					0	0
Economic/Physical Development	795,629	564,416			795,629	564,416
Environmental Protection	236,552	245,640			236,552	245,640
Human Services	2,362,199	2,646,304			2,362,199	2,646,304
Cultural & Recreation	586,582	632,715			586,582	632,715
Education	2,694,496	6,626,610			2,694,496	6,626,610
Interest on Long-term Debt	496,495	239,390			496,495	239,390
Solid Waste Operations			764,301	740,611	764,301	740,611
Water Operations			1,619,983	1,791,844	1,619,983	1,791,844
Total Expenses	12,751,578	16,513,222	2,384,284	2,532,455	15,135,862	19,045,677
Increase in Net Assets	90,635	(2,361,925)	1,422,548	183,161	1,513,183	(2,178,764)
Net Assets, July 1	852,710	3,214,635	6,818,027	6,634,868	7,670,737	9,849,503
Net Assets, June 30	\$ 943,345	\$ 852,710	\$ 8,240,576	\$ 6,818,029	\$ 9,183,921	\$ 7,670,739

Governmental activities. Governmental activities increased the County's net assets by \$90,635. Key elements of this increase are as follows:

- Reduction of General Fund Expenditures.
- Completion of self-financed school projects

Business-type activities: Business-type activities increased Perquimans County's net assets by \$1,422,548. Key elements of this increase are as follows:

- Construction of the Winfall Water Treatment Plant Improvements

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Perquimans County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Perquimans 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 Perquimans County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,849,206, while total fund balance reached \$3,552,590. 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 24.3 percent of total General Fund expenditures, while total fund balance represents 30.3 percent of that same amount.

At June 30, 2010, the governmental funds of Perquimans County reported a combined fund balance of \$5,100,521, a 1.5 percent decrease over last year.

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 increase revenues by \$350,351.

Proprietary Funds. Perquimans 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 \$292,341, and those for the Water Fund equaled \$1,577,775. The total growth in net assets for both major funds was \$1,358,135 and \$64,413 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Perquimans County's business-type activities.

Capital Asset and Debt Administration

Capital assets. Perquimans County's capital assets for its governmental and business – type activities as of June 30, 2010, totals \$15,921,118 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, recreational facilities, and vehicles.

Major capital asset transactions during the year include:

- Completed Roof Replacement at Hertford Grammar School
- Completed construction of walking trails and fishing pier at the Recreation and Community Center
- Began construction of additional athletic fields and concession stand at the Recreation and Community Center
- Began construction and renovations to the Winfall Water Treatment Plant

Perquimans County's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business - Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 771,926	\$ 771,926	\$ 133,810	\$ 133,810	\$ 905,736	\$ 905,736
Buildings & System	4,407,034	4,565,245	9,451,591	7,670,789	13,858,625	12,236,034
Machinery, Equipment & Vehicles	1,078,556	953,603	78,201	111,134	1,156,757	1,064,737
Total	\$ 6,257,516	\$ 6,290,774	\$ 9,663,602	\$ 7,915,733	\$ 15,921,118	\$ 14,206,507

Additional information on the County's capital assets can be found in note III.A.5 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2010, Perquimans County had no total bonded debt outstanding for the General Fund.

Installment Obligation Debt. As of June 30, 2010 Perquimans County had \$10,850,168 in installment purchases outstanding for the General Fund.

Perquimans County's Outstanding Debt

Figure 5

	Governmental		Business - Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Installment Agreement Indebtedness	\$ 10,850,168	\$ 11,040,073	\$ 3,765,604	\$ 3,257,658	\$ 14,615,772	\$ 14,297,731
Total	\$ 10,850,168	\$ 11,040,073	\$ 3,765,604	\$ 3,257,658	\$ 14,615,772	\$ 14,297,731

Perquimans County's total debt increased by \$397,137 (2.3 %) during the past fiscal year. This increase is due to the partially drawn-down ARRA funded loan proceeds for the Winfall Water Treatment Plant.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Perquimans County is \$117,446,281.

Additional information regarding Perquimans County's long-term debt can be found in note III.B.6 beginning on page 50 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the challenges of the County for next year's budget.

- The County's unemployment rate of 8.9%, lower than the state average of 9.6%
- Continued suppression of Sales Tax Revenues
- Continued suppression of economy-based revenues (Land Transfer Tax, Building Inspection Fees, and Registrar of Deed Fees).

Budget Highlights for the Fiscal Year Ending June 30, 2011

Governmental Activities: Perquimans County increased the Ad-valorem tax rate of \$0.42/\$100 value based on the 2010 tax valuation. Property tax revenues are expected to increase by about 3.0% as a result of the increase. This will offset some of the economy-based revenue losses. Permit and fee revenues are expected remain at the FY 2009-2010 levels based on housing starts and real estate transactions. Sales taxes are expected to remain at the same level as FY 2009-2010 as well, but this is still 35% lower than FY 2008-2009 receipts.

Budgeted expenditures in the General Fund are expected to decrease by approximately 5.5% to \$11.9 million. Due to the continued suppressed revenues, most departments and agency contributions had no increase in county appropriations. In order to reduce expenditures, capital purchases have been delayed, some employee benefits were

eliminate, travel expenses were reduced, and many departments and agencies received less funds than requested.

Business – type Activities: The County continued seasonal water conservation rates in 2010. These rates are in effect May through October in hopes of encouraging water conservation during peak demand periods. General operating expenses for water will decrease by 5.0% but will continue to cover increased personnel costs, costs of material, chemicals, fuel, and other operating expenses. Rates for solid waste services will remain at \$120 per year.

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 County Manager, Perquimans County, P.O. Box 45, Hertford, NC 27944.

BASIC FINANCIAL STATEMENTS

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2010

Exhibit 1

	Governmental Activities	Business-type Activities	Total
Assets			
Cash & cash equivalents	\$ 4,700,749	\$ 1,546,776	\$ 6,247,525
Receivables (net)	709,329	284,814	994,143
Other receivables	728,880	1,085,871	1,814,751
Inventory	-	51,050	51,050
Restricted cash and cash equivalents	-	472,462	472,462
Other assets (net)	-	8,997	8,997
Capital assets:			
Land, improvements and construction in progress	771,926	133,810	905,736
Other capital assets, net of depreciation	5,485,590	9,529,792	15,015,382
Total capital assets	<u>6,257,516</u>	<u>9,663,602</u>	<u>15,921,118</u>
Total assets	<u>12,396,474</u>	<u>13,113,572</u>	<u>25,510,046</u>
Liabilities			
Accounts payable and accrued expenses	273,720	1,023,460	1,297,180
Customer deposits	-	52,221	52,221
Unearned revenue	55,386	-	55,386
Compensated absences	205,950	22,825	228,775
Long-term liabilities:			
Due within one year	198,376	594,546	792,922
Due in more than one year	<u>10,719,697</u>	<u>3,179,944</u>	<u>13,899,641</u>
Total liabilities	<u>11,453,129</u>	<u>4,872,996</u>	<u>16,326,125</u>
Net Assets			
Invested in capital assets, net of related debt	6,226,948	6,370,460	12,597,408
Restricted for:			
Register of Deeds	6,419	-	6,419
Cultural and Recreation	70,787	-	70,787
Education	67,540	-	67,540
Public Safety	340,809	-	340,809
Unrestricted	<u>(5,769,158)</u>	<u>1,870,116</u>	<u>(3,899,042)</u>
Total net assets	<u>\$ 943,345</u>	<u>\$ 8,240,576</u>	<u>9,183,921</u>

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

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
JUNE 30, 2010

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 2,049,371	\$ 357,241	\$ 156,462	\$ -	\$ (1,535,668)	\$ -	\$ (1,535,668)
Public safety	3,530,254	717,383	250,482	-	(2,562,389)	-	(2,562,389)
Economic and physical developmen	795,629	-	634,302	-	(161,327)	-	(161,327)
Environmental protection	236,552	-	38,649	-	(197,903)	-	(197,903)
Human Services	2,362,199	-	1,484,245	-	(877,954)	-	(877,954)
Cultural and recreational	586,582	16,164	5,119	234,397	(330,902)	-	(330,902)
Education	2,694,496	94,589	-	-	(2,599,907)	-	(2,599,907)
Interest on long term debt	496,495	-	-	-	(496,495)	-	(496,495)
Total governmental activities	12,751,578	1,185,377	2,569,259	234,397	(8,762,545)	-	(8,762,545)
Business - type activities:							
Solid waste	764,301	822,018	6,200	-	-	63,917	63,917
Water	1,619,983	1,866,374	22,686	1,083,338	-	1,352,415	1,352,415
Total business - type activities	2,384,284	2,688,392	28,886	1,083,338	-	1,416,332	1,416,332
Total Perquimans County:	\$ 15,135,862	\$ 3,873,769	\$ 2,598,145	\$ 1,317,735	(8,762,545)	1,416,332	(7,346,213)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					6,988,050	-	6,988,050
Local option sales tax					1,384,332	-	1,384,332
Other taxes and licenses					396,484	-	396,484
Unrestricted intergovernmental					15,681	-	15,681
Miscellaneous, unrestricted					53,393	-	53,393
Investment earnings, unrestricted					15,240	6,216	21,456
Total general revenues					8,853,180	6,216	8,859,396
Change in net assets					90,635	1,422,548	1,513,183
Net assets, beginning July 1, 2009					852,710	6,818,028	7,670,738
Net assets, ending June 30, 2010					\$ 943,345	\$ 8,240,576	\$ 9,183,921

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

**PERQUIMANS COUNTY, NORTH CAROLINA
BALANCE SHEET: GOVERNMENTAL FUNDS
JUNE 30, 2010**

Exhibit 3

	Major	Non-Major	
	General	Other	
	Fund	Governmental	Total
	Funds	Funds	
Assets			
Cash and cash equivalents	\$ 3,176,884	\$ 1,523,865	\$ 4,700,749
Receivables, net:			
Taxes	682,324	-	682,324
Other	697,448	25,549	722,997
Accounts	5,883	-	5,883
Due from other funds	53	-	53
Total assets:	<u>\$ 4,562,592</u>	<u>\$ 1,549,414</u>	<u>\$ 6,112,006</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 272,292	\$ 1,430	\$ 273,722
Due to other funds	-	53	53
Unearned revenue	55,386	-	55,386
Deferred revenue	682,324	-	682,324
Total liabilities	<u>1,010,002</u>	<u>1,483</u>	<u>1,011,485</u>
Fund balances:			
Reserved by state statute	626,178	25,549	651,727
Reserved for register of deeds	6,419	-	6,419
Reserved for grants	70,787	-	70,787
Reserved for USDA	-	67,540	67,540
Unreserved	2,849,206	-	2,849,206
Unreserved, reported in nonmajor:			
Special revenue funds	-	1,391,192	1,391,192
Capital projects funds	-	63,650	63,650
Total fund balances	<u>3,552,590</u>	<u>1,547,931</u>	<u>5,100,521</u>
Total liabilities and fund balance	<u>\$ 4,562,592</u>	<u>\$ 1,549,414</u>	

**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.	6,257,516
Liabilities for earned but deferred revenue in fund statements.	682,324
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	27,007
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(11,124,023)</u>
Net assets of governmental activities	<u>\$ 943,345</u>

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

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Exhibit 4

	Major General Fund	Non-Major Other Governmental Funds	Total
Revenue:			
Ad valorem taxes	\$ 6,904,224	\$ -	\$ 6,904,224
Local option sales taxes	1,384,331	-	1,384,331
Other taxes and licenses	18,960	396,044	415,004
Unrestricted intergovernmental	14,386	-	14,386
Restricted intergovernmental	2,038,676	796,994	2,835,670
Permits and fees	362,505	-	362,505
Sales and services	679,043	-	679,043
Investment earnings	12,334	2,907	15,241
Miscellaneous	141,427	6,555	147,982
Total revenue	<u>11,555,886</u>	<u>1,202,500</u>	<u>12,758,386</u>
Expenditures:			
Current:			
General government	1,903,685	-	1,903,685
Public safety	3,234,223	69,124	3,303,347
Economic and physical development	77,769	655,193	732,962
Environmental protection	231,408	-	231,408
Human services	2,335,620	-	2,335,620
Cultural and recreational	864,254	-	864,254
Intergovernmental:			
Education	2,334,774	359,723	2,694,497
Capital outlay	47,744	35,058	82,802
Debt service:			
Principal	189,905	-	189,905
Interest	496,495	-	496,495
Total expenditures	<u>11,715,877</u>	<u>1,119,098</u>	<u>12,834,975</u>
Excess (deficiency) of revenue over expenditures:	<u>(159,991)</u>	<u>83,402</u>	<u>(76,589)</u>
Other financing sources (uses):			
Transfers (to) from other funds	104,490	(104,490)	-
Total other financing sources (uses)	<u>104,490</u>	<u>(104,490)</u>	<u>-</u>
Net change in fund balance	(55,501)	(21,088)	(76,589)
Fund balance, July 1	<u>3,608,091</u>	<u>1,569,019</u>	<u>5,177,110</u>
Fund balance, June 30	<u>\$ 3,552,590</u>	<u>\$ 1,547,931</u>	<u>\$ 5,100,521</u>

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

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Exhibit 5

Amounts reported for governmental activities in the Statement of Activities are different because

Net changes in fund balances - total governmental funds	\$ (76,589)
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 depreciation exceeded capital outlays in the current period.	(17,213)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis	(1,636)
The issuance of long-term debt provides 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 issued, 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.	189,905
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.	(73,251)
Revenues reported in the Statement of Activities that do not provide current financial resources are not recorded as revenues in the fund statements	
Increase in deferred tax revenue	<u>69,419</u>
Total changes in net assets of governmental activities	<u>\$ 90,635</u>

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

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL -- GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Exhibit 6

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:				
Ad valorem taxes	\$ 6,942,500	\$ 6,942,500	\$ 6,904,224	\$ (38,276)
Local option sales taxes	1,697,300	1,697,300	1,384,331	(312,969)
Other taxes and licenses	24,500	33,040	18,960	(14,080)
Unrestricted intergovernmental	45,000	45,000	14,386	(30,614)
Restricted intergovernmental	2,016,344	2,306,905	2,038,676	(268,229)
Permits and fees	290,800	315,800	362,505	46,705
Sales and services	609,600	635,600	679,043	43,443
Investment earnings	42,000	42,000	12,334	(29,666)
Miscellaneous	123,500	123,750	141,427	17,677
Total Revenue	<u>11,791,544</u>	<u>12,141,895</u>	<u>11,555,886</u>	<u>(586,009)</u>
Expenditures:				
Current:				
General government	1,883,075	2,019,896	1,903,685	116,211
Public Safety	3,294,724	3,450,572	3,234,223	216,349
Economic and physical development	95,800	95,800	77,769	18,031
Environmental protection	261,903	260,066	231,408	28,658
Human services	2,462,404	2,686,788	2,335,620	351,168
Cultural and recreational	954,843	954,843	864,254	90,589
Intergovernmental:				
Education	2,341,540	2,341,540	2,334,774	6,766
Capital outlay	37,000	41,000	47,744	(6,744)
Debt service:				
Principal retirement	191,400	191,400	189,905	1,495
Interest and other charges	495,000	495,000	496,495	(1,495)
Total expenditures:	<u>12,017,689</u>	<u>12,536,905</u>	<u>11,715,877</u>	<u>821,028</u>
Revenue over (under) expenditures:	<u>(226,145)</u>	<u>(395,010)</u>	<u>(159,991)</u>	<u>235,019</u>
Other financing sources (uses):				
Transfers (to) from other funds	104,390	104,390	104,490	100
Fund balance appropriated	121,755	290,620	-	(290,620)
Total other financing sources (uses)	<u>226,145</u>	<u>395,010</u>	<u>104,490</u>	<u>(290,520)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(55,501)	<u>\$ (55,501)</u>
Fund balance, July 1			<u>3,608,091</u>	
Fund balance, June 30			<u>\$ 3,552,590</u>	

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

**PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENTS OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010**

Exhibit 7

	Major		Total
	Water Fund	Solid Waste Fund	
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,398,132	\$ 148,644	\$ 1,546,776
Accounts receivable (net)	132,135	152,679	284,814
Other receivables	1,084,537	1,334	1,085,871
Inventory	51,050	-	51,050
Total current assets:	<u>2,665,854</u>	<u>302,657</u>	<u>2,968,511</u>
Noncurrent assets:			
Restricted cash and cash equivalents	472,462	-	472,462
Capital assets:			
Land	133,810	-	133,810
Other capital assets, net of depreciation	9,529,792	-	9,529,792
Other assets (net)	8,997	-	8,997
Total noncurrent assets:	<u>10,145,061</u>	<u>-</u>	<u>10,145,061</u>
Total assets	<u>12,810,915</u>	<u>302,657</u>	<u>13,113,572</u>
Liabilities			
Current liabilities:			
Accounts payable	1,013,144	10,316	1,023,460
Customer deposits	52,221	-	52,221
Compensated absences payable	22,825	-	22,825
Installment notes payable	594,546	-	594,546
Total current liabilities	<u>1,682,736</u>	<u>10,316</u>	<u>1,693,052</u>
Noncurrent liabilities:			
Other post employment benefits	8,886	-	8,886
Installment notes payable	3,171,058	-	3,171,058
Total noncurrent liabilities	<u>3,179,944</u>	<u>-</u>	<u>3,179,944</u>
Total liabilities	<u>4,862,680</u>	<u>10,316</u>	<u>4,872,996</u>
Net Assets			
Invested in capital assets, net of related debt	6,370,460	-	6,370,460
Unrestricted	1,577,775	292,341	1,870,116
Total net assets:	<u>\$ 7,948,235</u>	<u>\$ 292,341</u>	<u>\$ 8,240,576</u>

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

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Exhibit 8

	Major		Total
	Water Fund	Solid Waste Fund	
Operating revenue:			
Charges for service	\$ 1,651,078	\$ 811,577	\$ 2,462,655
Tap and reconnection fees	115,050	-	115,050
Penalties	37,284	-	37,284
Other fees	5,000	-	5,000
Other operating revenue	57,962	-	57,962
Solid waste disposal tax	-	10,441	10,441
Total operating revenue	<u>1,866,374</u>	<u>822,018</u>	<u>2,688,392</u>
Operating expenses:			
Administration	523,016	-	523,016
Water distribution and treatment	542,784	-	542,784
Solid waste operations	-	764,301	764,301
Depreciation/amortization	433,117	-	433,117
Total operating expenses	<u>1,498,917</u>	<u>764,301</u>	<u>2,263,218</u>
Operating income (loss)	<u>367,457</u>	<u>57,717</u>	<u>425,174</u>
Non-operating revenue (expenses):			
Interest income	5,720	496	6,216
Federal reimbursement-waterline relocation	18,186	-	18,186
State reimbursement-waterline relocation	-	6,200	6,200
Rent	4,500	-	4,500
Other post employment benefits	(8,886)	-	(8,886)
Interest and other charges	(112,180)	-	(112,180)
Total non-operating revenue (expenses)	<u>(92,660)</u>	<u>6,696</u>	<u>(85,964)</u>
Income (loss) before contributions and transfers	<u>274,798</u>	<u>64,413</u>	<u>339,210</u>
Capital contributions:			
Foregiveness of debt - Drinking Water State Revolving Fund (ARRA)	1,083,338	-	1,083,338
Total capital contributions	<u>1,083,338</u>	<u>-</u>	<u>1,083,338</u>
Change in net assets	1,358,135	64,413	1,422,548
Total net assets, beginning July 1	<u>6,590,100</u>	<u>227,928</u>	<u>6,818,028</u>
Total net assets, ending June 30	<u>\$ 7,948,235</u>	<u>\$ 292,341</u>	<u>\$ 8,240,576</u>

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

**PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Exhibit 9

	Major		Total
	Water Fund	Solid Waste Fund	
Cash flows from operating activities:			
Cash received from customers	\$ 1,782,485	\$ 790,119	\$ 2,572,604
Cash paid for goods and services	(752,313)	(753,985)	(1,506,298)
Cash paid to employees for services	(349,595)	-	(349,595)
Customer deposits	3,393	-	3,393
Other operating revenue	8,707	-	8,707
Proceeds from solid waste disposal tax	-	10,441	10,441
Net cash provided by (used in) operating activities	<u>692,677</u>	<u>46,575</u>	<u>739,252</u>
Cash flows from non capital financing activities:			
Proceeds from state grants-operating	-	6,200	6,200
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(2,179,564)	-	(2,179,564)
Principal paid on bond maturities	(575,397)	-	(575,397)
Interest paid on bond maturities	(112,180)	-	(112,180)
Proceeds from federal revolving loan	1,083,341	-	1,083,341
Proceeds from Federal grant-ARRA	1,083,338	-	1,083,338
Proceeds from Federal grant reimbursement	18,186	-	18,186
Proceeds from rental	4,500	-	4,500
Net cash used for capital and related financing activities	<u>(677,776)</u>	<u>-</u>	<u>(677,776)</u>
Cash flows from investing activities:			
Interest on investments	5,720	496	6,216
Net increase (decrease) in cash and cash equivalents	20,621	53,271	73,892
Cash and cash equivalents, July 1 (Water fund includes restricted cash of \$543,121)	<u>1,849,973</u>	<u>95,373</u>	<u>1,945,346</u>
Cash and cash equivalents, June 30 (Water fund included restricted cash of \$472,462)	<u>\$ 1,870,594</u>	<u>\$ 148,644</u>	<u>\$ 2,019,238</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 367,457	\$ 57,717	\$ 425,174
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	433,117	-	433,117
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(75,182)	(21,458)	(96,640)
(Increase) decrease in inventory	(938)	-	(938)
Increase (decrease) in accounts payable and accrued liabilities	(32,131)	10,316	(21,815)
Increase (decrease) in customer deposits	3,393	-	3,393
Increase (decrease) in accrued vacation pay	(3,039)	-	(3,039)
Total adjustments	<u>325,220</u>	<u>(11,142)</u>	<u>314,078</u>
Net cash provided/(used) by operating activities	<u>\$ 692,677</u>	<u>\$ 46,575</u>	<u>\$ 739,252</u>

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

**PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Exhibit 10

	<u>Agency Funds</u>
Assets	
Cash & cash equivalents	<u>\$ 36,230</u>
Liabilities and Net Assets	
Miscellaneous liabilities	<u>\$ 36,230</u>
Net Assets	<u>\$ -</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Notes are provided in the Financial Section and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the County and other necessary disclosure of important matters relating to the financial position of the County. The notes are treated as an integral part of the financial statements and should be read in conjunction with them.

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

I - Summary of Significant Accounting Policies

The accounting policies of Perquimans County 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 six-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 all funds of the County.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-wide Statements: The statement of net assets and the statement of activities display information about Perquimans County. These statements include the financial activities of the overall government, except for fiduciary 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. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

The County reports the following major governmental fund:

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.

The County reports the following major enterprise funds:

Solid Waste Fund – This fund is used to account for the operations of the County's solid waste activities.

Water Fund - This fund is used to account for the operations of the Water System within the County.

The County reports the following fund type:

Agency Funds - Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains eight agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Soil and Water Conservation Fund, which accounts for money held by the County for the use in soil and water conservation projects; the 4-H Fund, which accounts for money held by the County for the use in the 4-H program; the Sheriff's Fund, which accounts for money held by the Sheriff for community benevolent uses; the Babe Ruth Fund, which accounts for money held by the County for the Babe Ruth baseball leagues; the Farm Service Fund, which accounts for money held by the County for the Farm Service Agency; the State Treasurer-Motor Vehicle 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; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Measurement Focus, Basis of Accounting

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

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

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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 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, Perquimans 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 those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, 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 2009 through February 2010 apply to the fiscal year ended June 30, 2010. 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.

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

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 Fund, the Revaluation Reserve, Economic Development, E-911 Reserve and Capital Projects Reserve Special Revenue Funds, and the Enterprise Funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Capital Project Funds, and the Enterprise Capital Projects Fund, which is consolidated with the enterprise operating fund for reporting purposes

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds, at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several 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.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the County are made in board-designated official depositories and are secured as required by G.S. 159-31. The County may designate as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County 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 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).

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

2. Cash and Cash Equivalents

The County pools moneys from all funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

The unexpected note proceeds of the County's Water System Fund are classified as restricted assets within the enterprise fund because their use is completely restricted to the purpose for which the notes were originally obtained. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Unexpended loan proceeds in the School Construction Capital Project Fund are also classified as restricted assets within the governmental funds because their use is completely restricted to the purpose for which the loan was obtained.

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, 2005. Perquimans County does not use a discount schedule, which is permitted by State law.

5. Allowances for Doubtful Accounts

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

6. Inventory and Prepaid Items

Inventories are not maintained in the governmental funds of the County. The governmental funds recognize materials and supplies as expenditures at the time of purchase.

The inventory of the Enterprise Funds consists of materials and supplies held for consumption. The cost is recorded as an expenditure when the inventory is consumed.

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at the estimated fair value at the date of donation. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$10,000. The cost of normal

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

maintenance and repairs that do not add to the value of the asset or materially extend the asset's lives are not capitalized.

The County holds title to certain Perquimans County Board of Education properties that have not been included in the 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 Perquimans County Board of Education.

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

	Years
Buildings	50
Improvements	25
Furniture and equipment	10
Vehicles	5
Computer equipment	5

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, governmental fund-types, the face amount of the debt is reported as an other financing source.

9. Compensated Absences

The vacation policies of the County 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, 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 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 the County has no obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

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 a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

Fund Balances

In the governmental fund financial statements reservations or restrictions of fund balance represent amounts that are not appropriation 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 inventories - portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories which are not expendable, available resources.

Reserved by State statute - portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, 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, which are not offset by deferred revenues.

Reserved for encumbrances – portion of fund balance available to pay for any commitments related to purchase orders and contracts that remained unperformed at year-end.

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation which has been designated for the adopted 2010-2011 budget ordinance.

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

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

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 \$(4,157,176) consists of several elements as follows:

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)	\$ 8,915,699
Less - Accumulated Depreciation	<u>(2,658,183)</u>
	6,257,516
Accrued interest receivable less the amount claimed as unearned revenue in the government-side statements as these funds are not available and therefore deferred in the fund statements	27,007
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	682,324
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:	
Compensated absences	(205,950)
Other postemployment benefits	(67,905)
Bonds and installment financings	<u>(10,850,168)</u>
Total adjustment	<u>\$ (4,157,176)</u>

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

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 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 \$167,224 as follows:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 408,762
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.	(425,975)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(1,636)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net assets in the government-wide statements	189,905
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:	
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(5,346)
Other postemployment benefits	(67,905)
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 July 1, 2009	(612,905)
Recording of tax receipts deferred in the funds statements at June 30, 2010	<u>682,324</u>
	<u>\$ 167,224</u>

II - Stewardship, Compliance, and Accountability

A. Significant violations of finance-related legal and contractual provisions

1. Noncompliance with North Carolina General Statutes

There were no material violations of finance related legal and contractual provisions at June 30, 2010.

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

B. Deficit Fund Balance or Net Assets of Individual Funds

At June 30, 2010, the Single Family Rehabilitation Grant Fund had a deficit fund balance of \$53.

Corrective Action Plan: The \$53 deficit in the Single Family Rehabilitation Grant Fund will be corrected when additional funds are received in the FY 2010-11 for the Shoreline Project.

C. Excess of expenditures over appropriations

There were no material excesses of expenditures over appropriations in the financial statements of the County as June 30, 2010.

III - Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agent in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by its agent in the entity's names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County 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 relies 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 does not have a formal policy regarding custodial credit risk for deposits.

At June 30, 2010, the County's deposits had a carrying amount of \$6,755,267 and a bank balance of \$6,953,853. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$6,453,853 was covered by collateral held under the Pooling Method.

At June 30, 2010, Perquimans County had \$950 cash on hand.

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

2. Investments

As of June 30, 2010, Perquimans County did not have any 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 property taxes that could become due if present use-value eligibility is lost at June 30, 2010 were not available. These amounts have not been recorded in the financial statements.

4. Receivables

Receivables at the government-wide level at June 30, 2010 were as follows:

	Accounts	Taxes and related accrued interest	Due from other governments	Other	Total
Governmental activities:					
General	\$ -	\$ 746,329	\$ 697,448	\$ 5,883	\$ 1,449,660
Other governmental	-	-	25,549	-	25,549
	-	746,329	722,997	5,883	1,475,209
Allowance for doubtful accounts	-	(37,000)	-	-	(37,000)
Total governmental activities	<u>\$ -</u>	<u>\$ 709,329</u>	<u>\$ 722,997</u>	<u>\$ 5,883</u>	<u>\$ 1,438,209</u>
Business type activities:					
Water Fund	\$ 134,391	\$ -	\$ 1,084,537	\$ -	\$ 1,218,928
Solid Waste	162,940	-	1,334	-	164,274
	297,331	-	1,085,871	-	1,383,202
Allowance for doubtful accounts	(12,517)	-	-	-	(12,517)
Total business type activities	<u>\$ 284,814</u>	<u>\$ -</u>	<u>\$ 1,085,871</u>	<u>\$ -</u>	<u>\$ 1,370,685</u>

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

Federal grant funds	\$ 1,017,820
State grant funds	58,061
Other grant funds	26,531
Local option sales tax	195,812
Sales/gas tax reimbursements	125,073
Scrap tire tax	3,729
White goods disposal tax	1,250
Social services reimbursements	119,668
State 911 funds	13,558
Reimbursement due from Pasquotank County for Albemarle District Jail	247,366
	<u>\$ 1,808,868</u>

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

5. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 771,926	\$ -	\$ -	\$ 771,926
Total capital assets not being depreciated	<u>771,926</u>	<u>-</u>	<u>-</u>	<u>771,926</u>
Capital assets being depreciated:				
Buildings	5,498,768	-	-	5,498,768
Equipment	1,153,050	108,045	6,350	1,254,745
Land Improvements	-	260,472	-	260,472
Vehicles and motor equipment	<u>1,115,560</u>	<u>40,244</u>	<u>26,017</u>	<u>1,129,787</u>
Total capital assets being depreciated	<u>7,767,378</u>	<u>408,761</u>	<u>32,367</u>	<u>8,143,772</u>
Less accumulated depreciation for:				
Buildings	933,523	158,211	-	1,091,734
Equipment	560,497	130,252	6,350	684,399
Land Improvements	-	868	-	868
Vehicles and motor equipment	<u>754,510</u>	<u>136,644</u>	<u>9,973</u>	<u>881,181</u>
Total accumulated depreciation	<u>2,248,530</u>	<u>425,975</u>	<u>16,323</u>	<u>2,658,182</u>
Total capital assets being depreciated, net	<u>5,518,848</u>			<u>5,485,590</u>
Governmental activity capital assets, net	<u>\$6,290,774</u>			<u>\$6,257,516</u>

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

General government	\$ 103,868
Public Safety	201,801
Economic and physical development	62,665
Environmental protection	3,901
Human services	3,453
Cultural and recreational	50,287
Total depreciation expense	<u>\$ 425,975</u>

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Water Fund:				
Capital assets not being depreciated:				
Land	\$ 133,810	\$ -	\$ -	\$ 133,810
Total capital assets not being depreciated	133,810	-	-	133,810
Capital assets being depreciated:				
Plant and distribution systems	13,563,277	2,174,043	-	15,737,320
Furniture and maintenance equipment	239,144	5,521	-	244,665
Vehicles	236,626	-	-	236,626
Total capital assets being depreciated	14,039,047	2,179,564	-	16,218,611
Less accumulated depreciation for:				
Plant and distribution systems	5,892,488	393,241	-	6,285,729
Furniture and maintenance equipment	191,367	14,145	-	205,512
Vehicles	173,269	24,309	-	197,578
Total accumulated depreciation	6,257,124	\$ 431,695	\$ -	6,688,819
Total capital assets being depreciated, net	7,781,923			9,529,792
Business-type activities capital assets, net	\$ 7,915,733			\$ 9,663,602

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2010, were as follows:

	Vendors	Other	Total
Governmental activities:			
General	\$ 15,330	\$ 256,960	\$ 272,290
Other governmental	1,430	-	1,430
Total governmental activities	\$ 16,760	\$ 256,960	\$ 273,720
Business type activities:			
Water Fund	\$ 1,502	\$ 1,011,642	\$ 1,013,144
Solid Waste Fund	10,316	-	10,316
Total business type activities	\$ 11,818	\$ 1,011,642	\$ 1,023,460

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Perquimans County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.91% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of Perquimans County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008 were \$141,877, \$136,091, and \$122,721 respectively. The contributions made by the County equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

1. *Plan Description.*

Perquimans 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 0.85 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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	12
Total	12

Funding Policy. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. Accordingly, no amounts have been reflected in these financial statements. As of June 30, 2010, no officers have retired who qualify for the separation allowance. There were no contributions made by employees. The County's obligation to contribute to this plan is established by and may be amended by the North Carolina General Assembly.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of 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

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2010 were \$22,848 which consisted of \$21,408 from the County and \$1,440 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Perquimans 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 eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The 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 3 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, 2010, the County's required and actual contributions were \$1,153.

e. Other Postemployment Benefits

Healthcare Benefits

Plan Description. Under the terms of a County resolution, the County administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan). The 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 twenty consecutive years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers, until the retiree reaches the age of 65. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The County may amend the benefit provisions. A separate report was not issued for the plan.

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

Funding Policy. By County resolution, the County pays the full cost of coverage for the healthcare benefits paid to qualified retirees. The County has chosen to fund the healthcare benefits on a pay as you go basis. 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. In fiscal year ended June 30, 2010, the County's total contributions were \$10,800.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The County has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

Annual required contribution	\$ 87,591
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	87,591
Contributions made	(10,800)
Increase (decrease) in net OPEB obligation	76,791
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	\$ 76,791

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 87,591	12.3%	\$ 76,791

Funded Status and Funding Progress. As of December 31, 2009, the actuarial accrued liability for benefits was \$76,791, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,163,293, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 3.5 percent.

The projection of future benefit payments for an ongoing plan involves 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

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

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 the 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 assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

Marital status – Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality – Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2005 United States Life Tables for Males and for Females were used.

Turnover – Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for development of an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 4.0 percent was used.

Health insurance premiums – 2010 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate – The expected long-term inflation assumption of 3.0 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in *The 2007 Annual Report of the Board of Trustees of Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

Payroll growth rate – The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the County's short-term investment portfolio, a discount rate of 0.50 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is not

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010, was thirty years.

f. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government 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 these 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 benefits 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 benefits are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions.

3. Deferred/Unearned Revenues

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

	Deferred Revenue	Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 48,688
Taxes receivable, net (General)	682,324	-
Wetlands Mitigation (General)	-	6,698
	\$ 682,324	\$ 55,386

4. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property insurance coverage equal to replacement cost values of owned property subject to a limit of \$13,788,600 for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrences losses of \$350,000 for workers' compensation. The County does not have any property in a flood zone and does not carry flood insurance. In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

commercial surety bond. The finance officer, tax collector, and register of deeds are individually bonded for \$100,000, \$100,000, and \$100,000 respectively.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

5. Contingent Liabilities

At June 30, 2010 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.

6. Long-term Obligations

a. Installment Agreement Indebtedness

On April 15, 2008, the County entered into an installment agreement pursuant to N.C. General Statute 160A-20 for the purchase of imaging equipment to be used in the Register of Deeds office. Total indebtedness under the agreement was \$49,358. The Agreement has a five year term, at an interest rate of 3.72%. Payments will be \$11,000 annually including interest. Principal payment and interest of 3.72% resulted in the following obligation at June 30, 2010:

Total installment obligation indebtedness	\$	32,879
Less: amount representing interest		2,311
Net principal amount of the obligation		\$ 30,568

As authorized by State law [G.S. 160A-20 and 153A-158.1], the County financed various property acquisitions for use by the Perquimans County Board of Education by installment purchase. The installment purchase was issued pursuant to a deed of trust which requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with the Perquimans County Board of Education which transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transactions, the fixed assets associated with the installment purchase obligation are recorded by the Board of Education.

The County entered into an agreement with RBC Centura, pursuant to N.C. General Statute 160 A-20, to finance the Perquimans High School Construction and Renovation Project. Total indebtedness under the agreement was \$11,000,000, at an annual interest rate of 3.65%. This loan was refinanced on December 18, 2008 with USDA as follows:

- I. Seven million (\$7,000,000) with a term of thirty (30) years at 4.50%, entered into on December 18, 2008. The County will make thirty (30) payments of \$429,800 each. Principal and interest at 4.50% resulted in the following obligation at June 30, 2010:

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

Total installment obligation indebtedness	\$12,531,792
Less: amount representing interest	<u>5,607,248</u>
Net principal amount of the obligation	<u>\$ 6,924,544</u>

II. Four million (\$4,000,000) with a term of thirty (30) years at 4.50%, entered into on December 18, 2008. The County will make thirty (30) payments of \$245,600 each. Principal and interest at 4.50% resulted in the following obligation at June 30, 2010:

Total installment obligation indebtedness	\$ 7,049,133
Less: amount representing interest	<u>3,154,077</u>
Net principal amount of the obligation	<u>\$ 3,895,056</u>

During the 2009-10 fiscal year, the County made interest payments of \$496,495.

Installment agreement indebtedness – business type activities

As authorized by State law [G.S. 160A-20] the County is financing a new water treatment plant for the County and other improvements to the water system through an installment financing agreement with BB&T, at a nominal interest rate of 4.19% compounded semi-annually. The agreement was executed on May 1, 1996 and required twelve semi-annual payments of \$176,000 and eighteen (18) semi-annual payments of \$236,966 at varying rates of interest. The agreement was refinanced on April 29, 2003, to require sixteen (16) semi-annual payments of \$212,230 at 3.14% interest compounded semi-annually. Principal payments and interest at 3.14% resulted in the following obligation at June 30, 2010:

Total installment obligation indebtedness	\$ 424,344
Less: amount representing interest	<u>9,791</u>
Net principal amount of the obligation	<u>\$ 414,553</u>

As authorized by State law [G.S. 160A-20] the County is financing a new water and 12" pipeline through an installment financing agreement with the East Carolina Bank. The total amount financed is \$3,000,000 at a fixed rate of 3.74% for 15 years. The agreement was executed on December 29, 2005 and requires 30 semi-annual payments of \$131,567, with the first payment due June 29, 2006.

Principal payment and interest at 3.74% resulted in the following obligation at June 30, 2010:

Total installment obligation indebtedness	\$2,762,914
Less: amount representing interest	<u>495,204</u>
Net principal amount of the obligation	<u>\$2,267,710</u>

On January 13, 2010, the County entered into an agreement with the State of North Carolina, Department of Environment and Natural Resources, to receive a Federal Revolving Loan in the amount of \$3,000,000, as part of the American Recovery and Reinvestment Act of 2009, for the purpose of making improvements to the County's water supply system. One half of the amount borrowed is immediately forgiven. The

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

remaining principal is to be repaid at an interest rate of 0% over 20 years at an annual amount of \$75,000 per year. Principal and interest at 0.00% resulted in the following obligation at June 30, 2010:

Total installment obligation indebtedness	\$ 1,083,341
Less: amount representing interest	<u>0</u>
Net principal amount of the obligation	<u>\$ 1,083,341</u>

For Perquimans County, the combined future minimum payments as of June 30, 2010 including interest are:

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 198,376	\$ 488,024	\$ 594,546	\$ 92,936
2012	207,226	479,174	261,784	76,350
2013	216,351	469,928	268,835	69,299
2014	215,130	460,270	276,152	61,982
2015	224,811	450,589	283,746	54,389
2016-2020	1,285,221	2,091,779	1,543,051	147,622
2021-2025	1,601,620	1,775,380	504,152	2,417
2026-2030	1,995,910	1,381,090	33,338	-
2031-2035	2,487,266	889,734	-	-
2036-2040	2,418,257	277,668	-	-
Total	<u>\$ 10,850,168</u>	<u>\$ 8,763,636</u>	<u>\$ 3,765,604</u>	<u>\$ 504,995</u>

At June 30, 2010, Perquimans County had a legal debt margin of \$117,446,281.

b. Long-term Obligation Activity

The following is a summary of changes in the County's long term obligations for the fiscal year June 30, 2010:

	Balance			Current	
	June 30, 2009	Increases	Decreases	Balance	Portion of balance
<i>Governmental activities:</i>					
Installment purchases	\$ 11,040,073	\$ -	\$ 189,905	\$ 10,850,168	\$ 198,376
Unfunded post employment benefits	-	67,905	-	67,905	-
Compensated absences	200,604	5,346	-	205,950	205,950
Total	<u>\$ 11,240,677</u>	<u>\$ 73,251</u>	<u>\$ 189,905</u>	<u>\$ 11,124,023</u>	<u>\$ 404,326</u>
<i>Business-type activities:</i>					
Installment purchases	\$ 3,257,660	\$ 1,083,341	\$ 575,397	\$ 3,765,604	\$ 594,546
Unfunded post employment benefits	-	8,886	-	8,886	-
Compensated absences	25,864	-	3,039	22,825	22,825
Total	<u>\$ 3,283,524</u>	<u>\$ 1,092,227</u>	<u>\$ 578,436</u>	<u>\$ 3,797,315</u>	<u>\$ 617,371</u>

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.

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

C. Interfund Balance and Activity

Due to/from other funds:

Fund	Receivable	Payable
General Fund	\$ 53	\$ -
Single Family Rehabilitation Grant Fund	-	53
	<u>\$ 53</u>	<u>\$ 53</u>

Transfers to/from other funds at June 30, 2010 consist of the following:

	<u>Amount</u>
From the General Fund to the Economic Development Fund to supplement other funding sources	\$ 27,370
From the General Fund to the Revaluation Reserve to accumulate resources for the octennial revaluation of real property	62,000
From the General Fund to the USDA Reserve Fund to reserve required amount for USDA loan	67,540
From the E-911 Reserve Fund to the General Fund to move remaining fund balance of the local wireless 911 tax as a result of a state statutes change	11,400
From the Capital Project Reserve Fund to the School Construction Capital Project Fund for the additions/renovation at elementary school	25,000
From the Capital Project Reserve Fund to the General Fund to supplement other funding sources	250,000
Total	<u>\$ 443,310</u>

There were no interfund receivables/payables at June 30, 2010.

IV. Joint Ventures

Pettigrew Regional Library

The County participates in a joint venture to operate the Pettigrew Library with three other counties: Chowan, Tyrrell, and Washington. Perquimans County does not appoint anyone to the Board, but may make recommendations for appointments. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on participating governments' continued funding. Perquimans County owns the library building and provides for the maintenance of that building. During the 2009-2010 fiscal year, the County contributed \$144,256 towards the operating expenses of the Library. Complete financial statements can be obtained from the Library's office at 110 West Academy Street, Hertford, North Carolina 27944.

Albemarle District Jail Commission

The County in conjunction with Camden and Pasquotank Counties, participates in the Albemarle District Jail Commission. Each participating government appoints one member to the four member board. The Jail Commission is a joint venture established to provide incarceration facilities for the participating counties. The intergovernmental agreement between the participating counties stipulates that each county make an annual contribution towards the

PERQUIMANS COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For the year ended June 30, 2010

operating expenses of the Commission. The contribution amount is based on a per capita assessment based on the most recent census figures available. During the fiscal year ended June 30, 2010, the County contributed \$695,824 to the Commission. None of the participating governments have an equity interest in the Commission. Complete financial statements for the Jail can be obtained from the Albemarle District Jail Commission, 320 South Hughes Blvd., Elizabeth City, North Carolina 27909.

V. Jointly Governed Organization

Perquimans, Chowan, Gates Solid Waste Commission

Perquimans County, in conjunction with two other counties, established the Perquimans, Chowan, Gates County Solid Waste Commission to coordinate solid waste disposal for the counties. Each participating government appoints two members to the Commission's governing board.

Perquimans, Pasquotank, Camden, Chowan, Currituck Health Department

The Perquimans, Pasquotank, Camden, Chowan, Currituck (PPCCC) Health Department is a jointly governed organization. Each participating government appoints three members to the PPCCC Board.

VI. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. 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 which do not appear in the general purpose financial statements because they are not revenues and expenditures of the County.

	Federal	State
Temporary assistance to needy families	\$ 120,522	\$ -
Medicaid	12,421,661	4,313,219
Food stamp program	3,469,793	-
Adoption assistance	23,008	4,654
Energy assistance	92,300	-
Adult assistance	-	153,582
WIC	144,316	-
	<u>\$16,271,600</u>	<u>\$4,471,455</u>

VII. Summary Disclosure of Significant Contingencies and Commitments

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 monies.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

- Schedule of Funding Progress for the Other Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits

PERQUIMANS COUNTY, NORTH CAROLINA

Other Postemployment Benefits
Required Supplemental 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)
12/31/2009	\$ -	\$ 76,791	\$ 76,791	0.0%	\$ 2,163,293	3.5%

PERQUIMANS COUNTY, NORTH CAROLINA

Other Postemployment Benefits

Required Supplemental Information

Schedule of Employer Contributions

<u>Year Ending June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2010	10,800	12.3%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Revenue:			
Ad valorem taxes:			
Taxes	\$ 6,892,500	\$ 6,841,927	\$ (50,573)
Penalties and interest	50,000	62,296	12,296
Total	<u>6,942,500</u>	<u>6,904,223</u>	<u>(38,277)</u>
Local option sales taxes:			
Article 39 and 44	412,300	279,150	(133,150)
Article 40 one - half of one percent	624,000	598,447	(25,553)
Article 42 one - half of one percent	310,000	354,607	44,607
Article 46 one - quarter of one percent	21,000	6,574	(14,426)
Utilities franchise distribution	20,000	21,945	1,945
Medicaid Hold Harmless payment	310,000	123,609	(186,391)
Total	<u>1,697,300</u>	<u>1,384,332</u>	<u>(312,968)</u>
Other taxes and licenses:			
Scrap tire disposal tax	19,640	14,331	(5,309)
White goods disposal tax	12,900	4,189	(8,711)
Beer and wine licenses	500	440	(60)
Total	<u>33,040</u>	<u>18,960</u>	<u>(14,080)</u>
Unrestricted intergovernmental:			
Beer and wine tax	<u>45,000</u>	<u>14,386</u>	<u>(30,614)</u>
Restricted intergovernmental:			
State grants	2,187,441	1,914,903	(272,537)
Federal grants	49,786	49,786	-
Court facility fees	45,000	50,535	5,535
ABC bottle tax (rehab)	2,600	2,696	96
Other grants	22,078	20,756	(1,322)
Total	<u>2,306,905</u>	<u>2,038,676</u>	<u>(268,229)</u>
Permits and fees:			
Officer and Sheriff fees	30,000	37,251	7,251
Building permits and inspection fees	131,500	158,745	27,245
Register of deeds	151,200	161,814	10,614
DMV license revocation fees	600	1,295	695
Subdivision and zoning fees	2,500	3,400	900
Total	<u>315,800</u>	<u>362,505</u>	<u>46,705</u>

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Sales and services:			
Ambulance fees	371,000	396,788	25,788
Administrative services	85,000	95,000	10,000
Dispatch services	70,000	68,905	(1,095)
Jail fees	5,500	5,159	(341)
Municipal tax collection fees	13,500	13,753	253
Recreation fees	12,000	16,164	4,164
Rents	78,600	83,274	4,674
Total	<u>635,600</u>	<u>679,043</u>	<u>43,443</u>
Investment earnings	<u>42,000</u>	<u>12,334</u>	<u>(29,666)</u>
Miscellaneous:			
Albemarle Regional Health Refund	-	15,000	15,000
School security	90,000	94,589	4,589
Sale of fixed assets	-	6,936	6,936
Other	33,750	24,902	(8,848)
Total	<u>123,750</u>	<u>141,427</u>	<u>2,677</u>
Total revenue	<u>12,141,895</u>	<u>11,555,886</u>	<u>(586,009)</u>
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits	48,620	47,186	1,434
Other operating expenses	24,000	15,508	8,492
Investment incentive payment	104,500	104,500	-
Total	<u>177,120</u>	<u>167,194</u>	<u>9,926</u>
Administrative and finance:			
Salaries and employee benefits	277,296	276,338	958
Other operating expenses	26,120	20,311	5,809
Professional services	38,230	35,228	3,002
Total	<u>341,646</u>	<u>331,877</u>	<u>9,768</u>
Elections:			
Salaries and employee benefits	85,982	79,085	6,897
Other operating expenses	18,580	14,599	3,981
Total	<u>104,562</u>	<u>93,684</u>	<u>10,878</u>

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Tax administration:			
Salaries and employee benefits	343,755	340,708	3,047
Other operating expenses	93,500	65,167	28,333
Professional services	13,000	4,600	8,400
Mapping	4,500	2,852	1,648
Total	<u>454,755</u>	<u>413,327</u>	<u>41,428</u>
Legal:			
Contracted services	<u>18,000</u>	<u>12,297</u>	<u>5,703</u>
Register of Deeds:			
Salaries and employee benefits	140,500	137,492	3,008
Other operating expenses	77,165	66,369	10,796
Professional services	-	18,000	(18,000)
Total	<u>217,665</u>	<u>221,861</u>	<u>(4,196)</u>
Public Buildings:			
Salaries and employee benefits	182,305	181,413	892
Other operating expenses	109,571	83,579	25,992
Insurance and bonds	185,000	175,240	9,760
Utilities	139,100	138,611	489
Professional services and contracts	35,850	35,765	85
Capital outlay	5,000	3,067	1,933
Total	<u>656,826</u>	<u>617,675</u>	<u>39,151</u>
Court Facilities:			
Other operating expenses	<u>48,222</u>	<u>45,068</u>	<u>3,154</u>
Jury commission:			
Other operating expenses	<u>1,100</u>	<u>702</u>	<u>398</u>
Total general government:	<u>2,019,896</u>	<u>1,903,685</u>	<u>116,211</u>
Public safety:			
Sheriff:			
Salaries and employee benefits	716,180	695,909	20,271
Other operating expenses	186,439	157,464	28,975
Capital outlay	41,000	40,244	756
Total	<u>943,619</u>	<u>893,617</u>	<u>50,002</u>
Jail:			
Contracted services	518,310	503,879	14,431
Contracted services - debt service	<u>192,927</u>	<u>192,924</u>	<u>3</u>
Total	<u>711,237</u>	<u>696,803</u>	<u>14,434</u>

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Rescue squad:			
Salaries and employee benefits	582,385	571,271	11,114
Other operating expenses	133,284	108,680	24,604
Total	<u>715,669</u>	<u>679,951</u>	<u>35,718</u>
Dispatch:			
Salaries and employee benefits	329,358	319,363	9,995
Other operating expenses	65,549	52,168	13,381
Total	<u>394,907</u>	<u>371,531</u>	<u>23,376</u>
Fire:			
Salaries and employee benefits	30,890	30,880	10
Other operating expenses	79,146	49,875	29,271
Assistance to local fire departments	330,000	330,000	-
Total	<u>440,036</u>	<u>410,755</u>	<u>29,281</u>
Inspection:			
Salaries and employee benefits	207,256	171,250	36,006
Other operating expenses	24,000	14,651	9,349
Total	<u>231,256</u>	<u>185,901</u>	<u>45,355</u>
Animal control:			
Contribution to regional animal shelter	50,348	41,009	9,339
Medical examiner:			
Professional services	4,500	2,400	2,100
Total public safety:	<u>3,491,572</u>	<u>3,281,967</u>	<u>209,605</u>
Economic and physical development:			
Sanitation:			
Recycling centers	6,000	5,140	860
Contracted services	78,000	60,829	17,171
Total	<u>84,000</u>	<u>65,969</u>	<u>18,031</u>

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Other:			
Albemarle Regional Planning Organization	1,831	1,831	-
Albemarle Commission	8,269	8,269	-
Skills, Inc.	500	500	-
R C and D	1,200	1,200	-
Total	<u>11,800</u>	<u>11,800</u>	<u>-</u>
Total economic and physical development:	<u>95,800</u>	<u>77,769</u>	<u>18,031</u>
Environmental protection:			
Conservation - soil and forest service:			
Salaries and employee benefits	29,652	29,644	8
Other operating expenditures	11,126	10,278	848
Cost share programs	12,100	11,480	620
Forestry service	49,138	39,936	9,202
Total	<u>102,016</u>	<u>91,338</u>	<u>10,678</u>
Beaver Management	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Agricultural Extension:			
Salaries and employee benefits	120,659	106,024	14,635
Other operating expenditures	33,391	30,046	3,345
Total	<u>154,050</u>	<u>136,070</u>	<u>17,980</u>
Total environmental protection:	<u>260,066</u>	<u>231,408</u>	<u>28,658</u>
Human services:			
Health:			
Administration - contracted services	50,310	50,310	-
Transportation	161,595	157,176	4,419
Total	<u>211,905</u>	<u>207,486</u>	<u>4,419</u>
Mental health:			
Administration - contracted services	<u>26,090</u>	<u>26,090</u>	<u>-</u>
Alcoholism:			
Operating - rehabilitation	<u>2,600</u>	<u>2,696</u>	<u>(96)</u>

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Social services:			
Administration:			
Salaries and employee benefits	1,012,068	1,000,325	11,743
Other operating expenses	90,673	68,941	21,732
Professional services	28,500	16,558	11,942
Total	<u>1,131,241</u>	<u>1,085,824</u>	<u>45,417</u>
Special assistance for adults:			
Aid for the aged	70,000	65,734	4,266
Aid for the permanently and totally disabled	115,000	87,848	27,152
Total	<u>185,000</u>	<u>153,582</u>	<u>31,418</u>
Medical assistance program:			
Assistance payments	<u>7,000</u>	<u>368</u>	<u>6,632</u>
Welfare-to-work program:			
Transportation	12,876	256	12,620
Other operating expenditures	8,741	1,230	7,511
Total	<u>21,617</u>	<u>1,486</u>	<u>20,131</u>
OJJ program:			
Perquimans County 20/20	<u>47,507</u>	<u>44,918</u>	<u>2,589</u>
Other assistance:			
Links	5,665	-	5,665
Adoption subsidy/enhancement	17,962	7,001	10,961
Nutrition program for the aged	40,403	40,403	-
Aid to the blind	1,484	1,358	126
IV E Foster Care Clothing	2,400	-	2,400
Foster care program	16,324	7,485	8,839
Smart Start day care	59,763	59,663	100
Crisis intervention	73,370	70,885	2,485
Day care program	395,915	337,328	58,587
Emergency assistance	25,000	24,605	395
TANF domestic violence	9,570	7,170	2,400
Humanitarian needs	6,000	978	5,023
DOT travel	14,192	14,189	3

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Other assistance (contd):			
Adult home case management	1,576	1,576	-
Food stamp issuance	9,000	4,610	4,390
Recovery food and nutrition	40,000	-	40,000
ARRA-Daycare	58,326	58,336	(10)
Share the warmth	49,048	-	49,048
Contracted transportation	111,000	100,257	10,743
Total	<u>936,998</u>	<u>735,844</u>	<u>201,154</u>
Total social services:	<u>2,329,363</u>	<u>2,022,022</u>	<u>307,341</u>
Other:			
Albemarle Hospital	1,000	1,000	-
Food Bank of the Albemarle	500	500	-
Wesley Hospitality House	1,500	1,500	-
Kids First, Inc.	4,000	4,000	-
Albemarle Hopeline	2,000	2,000	-
Veterans service officer:			
Salaries and employee benefits	6,563	6,546	17
Other operating expenses	1,500	1,250	250
Total	<u>8,063</u>	<u>7,796</u>	<u>267</u>
Restitution:			
Salaries and employee benefits	12,197	8,580	3,617
Other operating expenses	15,750	11,450	4,300
Professional services	31,320	-	31,320
Total	<u>59,267</u>	<u>20,030</u>	<u>39,237</u>
Mentoring Focus Group:			
Other operating expenses	40,500	40,500	-
Total human services:	<u>2,686,788</u>	<u>2,335,620</u>	<u>351,168</u>
Cultural and Recreational:			
Recreation:			
Salaries and employee benefits	161,980	156,915	5,065
Other operating expenses	85,575	78,629	6,946
Capital outlay	447,443	377,518	69,925
Total	<u>694,998</u>	<u>613,062</u>	<u>81,936</u>
Senior Citizens:			
Salaries and employee benefits	83,094	82,136	958
Other operating expenses	17,495	10,451	7,044
Capital outlay	1,500	849	651
Total	<u>102,089</u>	<u>93,436</u>	<u>8,653</u>

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Library:			
Contribution to regional library	144,256	144,256	-
Other:			
Newbold White House	11,000	11,000	-
Perquimans Arts League	500	500	-
Perquimans County Trail blazers	500	500	-
Perquimans County Fireworks	1,500	1,500	-
Total cultural and recreational:	954,843	864,254	90,589
Debt service:			
Principal retirement	191,400	189,905	1,495
Interest and other charges	495,000	496,495	(1,495)
Total	686,400	686,400	-
Total debt service:	686,400	686,400	-
Education:			
Public schools - current expense	2,061,540	2,061,540	-
Public schools - capital outlay	250,000	243,234	6,766
College of the Albemarle	30,000	30,000	-
Total	2,341,540	2,334,774	6,766
Total education:	2,341,540	2,334,774	6,766
Total expenditures:	12,536,905	11,715,877	821,028
Revenue over (under) expenditures:	(395,010)	(159,991)	235,019

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfers (to) from other funds:			
Capital Projects Reserve Fund	250,000	250,000	-
E-911 Reserve Fund	11,400	11,400	-
Economic Development Fund	(27,470)	(27,370)	100
Revaluation Reserve Fund	(62,000)	(62,000)	-
USDA Reserve Fund	(67,540)	(67,540)	-
Fund balance appropriated	<u>290,620</u>	-	<u>(290,620)</u>
Total other financing sources (uses)	<u>395,010</u>	<u>104,490</u>	<u>(290,520)</u>
Revenue and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	(55,501)	<u>\$ (55,501)</u>
Fund balance, beginning of the year, July 1		<u>3,608,091</u>	
Fund balance, end of the year, June 30		<u>\$ 3,552,590</u>	

COMBINING STATEMENTS – NON-MAJOR FUNDS

Special Revenue Funds

- Economic Development Fund: accounts for funds used to promote economic development in Perquimans County
- Revaluation Reserve Fund: accumulates funds to pay for the revaluation of real property for tax purposes every eight years
- E-911 Reserve Fund: accounts for the 911 revenue collected by the telephone industry to fund the County's 911 Emergency System
- Community Development Block Grant Fund: accounts for the grant funds obtained to rehabilitate housing units within Perquimans County
- Single Family Rehabilitation Fund: accounts for the grant funds obtained to rehabilitate single family housing units in Perquimans County
- Tourism Development Fund: accounts for the receipt of occupancy tax revenue
- Capital Projects Reserve Fund: accounts for the accumulation of resources to be used for capital projects
- USDA Reserve Fund: accounts for the reserves required for the USDA loan

Capital Projects Funds

- Commerce Center Capital Project Fund: accounts for capital improvements at the Commerce Center site
- School Construction Capital Project Fund: accounts for capital improvements in Perquimans County schools

**PERQUIMANS COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010**

	Economic Development Fund	Revaluation Reserve Fund	E-911 Reserve Fund	Community Development Block Grant Fund	Single Family Rehabilitation Grant Fund	Tourism Development Fund	Capital Projects Reserve Fund	USDA Reserve Fund	Capital Projects Fund		Total Nonmajor Governmental Funds
									Commerce Centre Capital Project Fund	School Construction Capital Project Fund	
Assets:											
Cash and cash equivalents	\$ 31,264	\$ 125,171	\$ 326,604	\$ -	\$ -	\$ 20,411	\$ 889,225	\$ 67,540	\$ 889	\$ 62,761	\$ 1,523,865
Accounts receivable	-	-	15,635	-	-	24	-	-	3,112	6,778	25,549
Total assets	<u>\$ 31,264</u>	<u>\$ 125,171</u>	<u>\$ 342,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,435</u>	<u>\$ 889,225</u>	<u>\$ 67,540</u>	<u>\$ 4,001</u>	<u>\$ 69,539</u>	<u>\$ 1,549,414</u>
Liabilities and fund balances:											
Liabilities:											
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53
Accounts payable and accrued liabilities	-	-	1,430	-	-	-	-	-	-	-	1,430
Total liabilities	<u>-</u>	<u>-</u>	<u>1,430</u>	<u>-</u>	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,483</u>
Fund balances:											
Reserved by State Statute	-	-	15,635	-	-	24	-	-	3,112	6,778	25,549
Reserved by USDA	-	-	-	-	-	-	-	67,540	-	-	67,540
Unreserved	31,264	125,171	325,174	-	(53)	20,411	889,225	-	889	62,761	1,454,842
Total fund balances	<u>31,264</u>	<u>125,171</u>	<u>340,809</u>	<u>-</u>	<u>(53)</u>	<u>20,435</u>	<u>889,225</u>	<u>67,540</u>	<u>4,001</u>	<u>69,539</u>	<u>1,547,931</u>
Total liabilities and fund balances	<u>\$ 31,264</u>	<u>\$ 125,171</u>	<u>\$ 342,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,435</u>	<u>\$ 889,225</u>	<u>\$ 67,540</u>	<u>\$ 4,001</u>	<u>\$ 69,539</u>	<u>\$ 1,549,414</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Economic Development Fund	Revaluation Reserve Fund	E-911 Reserve Fund	Community Development Block Grant Fund	Single Family Rehabilitation Grant Fund	Tourism Development Fund	Capital Projects Reserve Fund	UDSA Reserve Fund	Capital Projects Fund		Total Nonmajor Governmental Funds
									Commerce Centre Capital Project Fund	School Construction Capital Project Fund	
Revenue:											
Federal grant no. SFR-0819	\$ -	\$ -	\$ -	\$ -	\$ 121,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,813
Federal grant no. 09-C-2002	-	-	-	365,938	-	-	-	-	-	-	365,938
State grants	-	-	-	-	-	-	-	-	146,551	-	146,551
State 911 funds	-	-	162,693	-	-	-	-	-	-	-	162,693
Land transfer tax	-	-	-	-	-	-	385,986	-	-	-	385,986
Occupancy tax	-	-	-	-	-	10,058	-	-	-	-	10,058
Investment earnings	66	208	707	-	-	35	1,557	-	-	334	2,907
Miscellaneous income	-	-	-	-	-	-	-	-	-	6,555	6,555
Total revenue	<u>66</u>	<u>208</u>	<u>163,400</u>	<u>365,938</u>	<u>121,813</u>	<u>10,093</u>	<u>387,543</u>	<u>-</u>	<u>146,551</u>	<u>6,889</u>	<u>1,202,500</u>
Expenditures:											
Public safety	-	-	104,182	-	-	-	-	-	-	-	104,182
Economic development	22,022	-	-	365,938	121,866	2,872	-	-	142,495	-	655,193
Intergovernmental:											
Education	-	-	-	-	-	-	-	-	-	359,723	359,723
Total expenditures	<u>22,022</u>	<u>-</u>	<u>104,182</u>	<u>365,938</u>	<u>121,866</u>	<u>2,872</u>	<u>-</u>	<u>-</u>	<u>142,495</u>	<u>359,723</u>	<u>1,119,098</u>
Excess (deficiency) of revenue over expenditures	<u>(21,956)</u>	<u>208</u>	<u>59,218</u>	<u>-</u>	<u>(53)</u>	<u>7,221</u>	<u>387,543</u>	<u>-</u>	<u>4,054</u>	<u>(352,833)</u>	<u>83,402</u>
Other financing sources (uses):											
Transfer (to) from other funds	<u>27,370</u>	<u>62,000</u>	<u>(11,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(275,000)</u>	<u>67,540</u>	<u>-</u>	<u>25,000</u>	<u>(104,490)</u>
Net change in fund balances	5,414	62,208	47,818	-	(53)	7,221	112,543	67,540	4,054	(327,833)	(21,089)
Fund balance, beginning of the year	25,850	62,963	292,991	-	-	13,214	776,682	-	(53)	397,372	1,569,019
Fund balance, end of the year	<u>\$ 31,264</u>	<u>\$ 125,171</u>	<u>\$ 340,809</u>	<u>\$ -</u>	<u>\$ (53)</u>	<u>\$ 20,435</u>	<u>\$ 889,225</u>	<u>\$ 67,540</u>	<u>\$ 4,001</u>	<u>\$ 69,539</u>	<u>\$ 1,547,931</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Investment earnings	\$ 100	\$ 66	\$ (34)
Total revenues	<u>100</u>	<u>66</u>	<u>(34)</u>
Expenditures:			
Economic development			
Administration	2,750	833	1,917
Professional services	23,720	21,189	2,531
Incentive program	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>27,470</u>	<u>22,022</u>	<u>5,448</u>
Revenues over (under) expenditures	<u>(27,370)</u>	<u>(21,956)</u>	<u>5,414</u>
Other financing sources (uses):			
Transfer from General Fund	<u>27,370</u>	<u>27,370</u>	<u>-</u>
Total other financing sources (uses)	<u>27,370</u>	<u>27,370</u>	<u>-</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	5,414	<u>\$ 5,414</u>
Fund balance, beginning of the year, July 1		<u>25,850</u>	
Fund balance, end of the year, June 30		<u>\$ 31,264</u>	

**PERQUIMANS COUNTY, NORTH CAROLINA
 REVALUATION RESERVE FUND
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 -- BUDGET AND ACTUAL --
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Investment earnings	\$ 1,000	\$ 208	\$ (792)
Expenditures:			
General government	<u>63,000</u>	<u>-</u>	<u>63,000</u>
Revenues over (under) expenditures	<u>62,000</u>	<u>208</u>	<u>62,208</u>
Other financing sources (uses):			
Transfer from General Fund	<u>62,000</u>	<u>62,000</u>	<u>-</u>
Total other financing sources (uses)	<u>62,000</u>	<u>62,000</u>	<u>-</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	62,208	<u>\$ 62,208</u>
Fund balance, beginning of the year, July 1		<u>62,963</u>	
Fund balance, end of the year, June 30		<u>\$ 125,171</u>	

PERQUIMANS COUNTY, NORTH CAROLINA
E - 911 RESERVE FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Revenue:			
State 911 fees	\$ 140,000	\$ 162,693	\$ 22,693
Investment earnings	5,000	707	(4,293)
Total revenue	<u>145,000</u>	<u>163,400</u>	<u>(18,400)</u>
Expenditures:			
Public safety	<u>133,600</u>	<u>104,182</u>	<u>29,418</u>
Revenues over (under) expenditures	<u>11,400</u>	<u>59,218</u>	<u>47,818</u>
Other financing sources (uses):			
Transfer to General Fund	<u>(11,400)</u>	<u>(11,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>(11,400)</u>	<u>(11,400)</u>	<u>-</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>47,818</u>	<u>\$ 47,818</u>
Fund balance, beginning of the year, July 1		<u>292,991</u>	
Fund balance, end of the year, June 30		<u>\$ 340,809</u>	

PERQUIMANS COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenue:					
Federal grant no. 09-C-2002	\$ 400,000	\$ -	\$ 365,938	\$ 365,938	\$ 34,062
Total revenue	<u>400,000</u>	<u>-</u>	<u>365,938</u>	<u>365,938</u>	<u>34,062</u>
Expenditures:					
Administration	40,000	-	31,498	31,498	8,502
Clearance	25,000	-	24,855	24,855	145
Relocation	325,000	-	305,326	305,326	19,674
Rehabilitation	10,000	-	4,260	4,260	5,740
Total expenditures	<u>400,000</u>	<u>-</u>	<u>365,938</u>	<u>365,938</u>	<u>34,062</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of the year, July 1			-		
Fund balance, end of the year, June 30			<u>\$ -</u>		

**PERQUIMANS COUNTY, NORTH CAROLINA
SINGLE FAMILY REHABILITATION GRANT FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenue:					
Federal grant no. SFR-0819	\$ 200,000	\$ 7,701	\$ 121,813	\$ 129,514	\$ 70,486
Total revenue	<u>200,000</u>	<u>7,701</u>	<u>121,813</u>	<u>129,514</u>	<u>70,486</u>
Expenditures:					
Administration	16,000	7,701	2,395	10,096	5,904
Relocation	4,000	-	-	-	4,000
Rehabilitation	160,000	-	116,082	116,082	43,918
Program costs	20,000	-	3,389	3,389	16,611
Total expenditures	<u>200,000</u>	<u>7,701</u>	<u>121,866</u>	<u>129,567</u>	<u>70,433</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(53)	<u>\$ (53)</u>	<u>\$ 53</u>
Fund balance, beginning of the year, July 1			-		
Fund balance, end of the year, June 30			<u>\$ (53)</u>		

PERQUIMANS COUNTY, NORTH CAROLINA
TOURISM DEVELOPMENT FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Revenue:			
Occupancy tax collections	\$ 10,000	\$ 10,058	\$ 58
Interest income	100	35	(65)
Total revenue	<u>10,100</u>	<u>10,093</u>	<u>(7)</u>
Expenditures:			
Economic and physical development	<u>12,000</u>	<u>2,872</u>	<u>9,128</u>
Revenues over (under) expenditures	<u>(1,900)</u>	<u>7,221</u>	<u>9,121</u>
Other financing sources (uses):			
Fund balance appropriated	<u>1,900</u>	<u>-</u>	<u>(1,900)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>7,221</u>	<u>\$ 7,221</u>
Fund balance, beginning of the year, July 1		<u>13,214</u>	
Fund balance, end of the year, June 30		<u>\$ 20,435</u>	

**PERQUIMANS COUNTY, NORTH CAROLINA
CAPITAL PROJECTS RESERVE FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Final Budget	Actual	Variance Positive (Negative)
Revenue:			
Investment earnings	\$ 5,000	\$ 1,557	\$ (3,443)
Land transfer tax	<u>225,000</u>	<u>385,986</u>	<u>160,986</u>
Total revenues	<u>230,000</u>	<u>387,543</u>	<u>157,543</u>
Other financing sources (uses):			
Fund balance appropriated	45,000	-	(45,000)
Transfer to General Fund	(250,000)	(250,000)	-
Transfer to School Construction Capital Project Fund	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(230,000)</u>	<u>(275,000)</u>	<u>45,000</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	112,543	<u>\$ 112,543</u>
Fund balance, beginning of the year, July 1		<u>776,682</u>	
Fund balance, end of the year, June 30		<u>\$ 889,225</u>	

PERQUIMANS COUNTY, NORTH CAROLINA
USDA RESERVE FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Reserve for UDSA loan	<u>\$ 67,540</u>	<u>\$ -</u>	<u>\$ 67,540</u>
Revenues over (under) expenditures	<u>67,540</u>	<u>-</u>	<u>67,540</u>
Other financing sources (uses):			
Transfer from General Fund	<u>67,540</u>	<u>67,540</u>	<u>-</u>
Total other financing sources (uses)	<u>67,540</u>	<u>67,540</u>	<u>-</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>67,540</u>	<u>\$ 67,540</u>
Fund balance, beginning of the year, July 1		<u>-</u>	
Fund balance, end of the year, June 30		<u>\$ 67,540</u>	

PERQUIMANS COUNTY, NORTH CAROLINA
COMMERCE CENTRE CAPITAL PROJECT FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Revenue:			
State grants	\$ 232,862	\$ 146,551	\$ (86,311)
Total revenue	<u>232,862</u>	<u>146,551</u>	<u>(86,311)</u>
Expenditures:			
Development	232,862	142,495	90,367
Total	<u>232,862</u>	<u>142,495</u>	<u>90,367</u>
Revenues over (under) expenditures	<u>-</u>	<u>4,054</u>	<u>4,056</u>
Other financing sources (uses):			
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	4,054	<u>\$ 4,056</u>
Fund balance, beginning of the year, July 1		<u>(53)</u>	
Fund balance, end of the year, June 30		<u>\$ 4,001</u>	

**PERQUIMANS COUNTY, NORTH CAROLINA
SCHOOL CONSTRUCTION CAPITAL PROJECT FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Final Budget	Actual	Variance Positive (Negative)
Revenue:			
Investment Earnings	\$ -	\$ 334	\$ 334
Sales tax refund	-	6,555	6,555
Total revenue	<u>-</u>	<u>6,889</u>	<u>6,889</u>
Expenditures:			
Professional Services	5,750	4,520	1,230
Hertford Grammer School	<u>594,250</u>	<u>355,202</u>	<u>239,048</u>
Total expenditures	<u>600,000</u>	<u>359,722</u>	<u>240,278</u>
Revenue over (under) expenditures	<u>(600,000)</u>	<u>(352,833)</u>	<u>(247,167)</u>
Other financing sources (uses):			
Transfer from Capital Projects Reserve Fund	25,000	25,000	-
Due from Board of Education	250,000	-	250,000
Fund balance appropriated	<u>325,000</u>	<u>-</u>	<u>325,000</u>
Total other financing sources (uses)	<u>600,000</u>	<u>25,000</u>	<u>575,000</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(327,833)</u>	<u>\$ (327,833)</u>
Fund balance, beginning of the year, July 1		<u>397,372</u>	
Fund balance, end of the year, June 30		<u>\$ 69,539</u>	

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

ENTERPRISE FUNDS

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

Solid Waste Fund – This fund is used to account for the County's solid waste activities

Water Fund – This fund is used to account for the County's water operations

**PERQUIMANS COUNTY, NORTH CAROLINA
SOLID WASTE FUND FUND
STATEMENT OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Operating revenue:			
Charges for services			
Solid waste fees	\$ 792,904	\$ 811,577	\$ 18,673
Solid waste disposal tax	6,000	10,441	4,441
Non-operating revenue			
Investment earnings	1,000	496	(504)
State grants	<u>6,200</u>	<u>6,200</u>	<u>-</u>
Total revenue	<u>806,104</u>	<u>828,714</u>	<u>22,610</u>
Expenditures:			
Landfill operations:			
Solid waste operations	<u>843,104</u>	<u>764,301</u>	<u>78,803</u>
Total	<u>843,104</u>	<u>764,301</u>	<u>78,803</u>
Revenues over (under) expenditures	(37,000)	64,413	27,413
Other financing sources (uses)			
Fund balance appropriated	<u>37,000</u>	<u>-</u>	<u>37,000</u>
Revenues and other financing sources	<u>\$ -</u>	64,413	<u>\$ (64,413)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Change in net assets:		<u>\$ 64,413</u>	

**PERQUIMANS COUNTY, NORTH CAROLINA
WATER FUND
STATEMENT OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Final Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services:			
Water sales	\$ 1,750,000	\$ 1,651,078	\$ (98,922)
Tap and reconnection fees	58,500	115,050	56,550
Penalties	32,000	37,284	5,284
Other fees	10,000	5,000	(5,000)
Other operating revenue	6,000	8,707	2,707
Total operating revenue	<u>1,856,500</u>	<u>1,817,119</u>	<u>(39,381)</u>
Non-operating revenue			
Rent	4,500	4,500	-
Investment earnings	35,000	5,720	(29,280)
Federal reimbursement-waterline relocation	64,300	18,186	(46,114)
Total non-operating revenue	<u>103,800</u>	<u>28,406</u>	<u>(75,394)</u>
Total revenue	<u>1,960,300</u>	<u>1,845,525</u>	<u>(114,775)</u>
Expenditures:			
Administration:			
Salaries and employee benefits	251,393	240,776	10,617
Professional services	90,000	86,900	3,100
Indirect costs	75,000	75,000	-
Other department expenses	178,500	120,340	58,160
Total	<u>594,893</u>	<u>523,016</u>	<u>71,877</u>
Water distribution and treatment:			
Salaries and employee benefits	106,614	105,780	834
Travel	1,000	62	938
Professional services	85,000	31,985	53,015
Emergency generator contract	12,000	-	12,000
Salt and chemical supplies	178,000	177,499	501
Insurance and bonds	22,000	20,566	1,434
Utilities	90,000	82,922	7,078
Water sample tests	28,000	24,598	3,402
Sedimentation control	50,000	37,840	12,160
Other departmental expenses	74,000	60,670	13,330
Total	<u>646,614</u>	<u>541,922</u>	<u>104,692</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
WATER FUND
STATEMENT OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Final Budget	Actual	Variance Positive (Negative)
Debt service:			
Interest and fees	112,210	112,180	30
Debt Principal	<u>575,393</u>	<u>575,395</u>	<u>(2)</u>
Total debt service	<u>687,603</u>	<u>687,575</u>	<u>28</u>
Capital outlay:			
Equipment	79,500	6,383	73,117
Building	534,105	-	534,105
Water lines	<u>40,000</u>	<u>12,584</u>	<u>27,416</u>
Total capital outlay	<u>653,605</u>	<u>18,967</u>	<u>634,638</u>
Total expenditures	<u>2,582,715</u>	<u>1,771,480</u>	<u>811,236</u>
Revenues over (under) expenditures	<u>(622,415)</u>	<u>74,045</u>	<u>696,461</u>
Other financing sources (uses)			
Fund balance appropriated	688,310	-	(688,310)
Transfer to Winfall Water Plant Upgrade	<u>(65,895)</u>	<u>(65,895)</u>	<u>-</u>
Total other financing sources (uses)	<u>622,415</u>	<u>(65,895)</u>	<u>(688,310)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	8,150	<u>\$ 8,151</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Amortization		(1,422)	
Debt principal		575,395	
Capital outlay		18,105	
Other post employment benefits		(8,886)	
Depreciation		(431,695)	
Transfer from Water construction fund		65,895	
Forgiveness of Debt - Drinking Water State Revolving Fund (ARRA)		1,083,338	
Sales tax refund from Winfall Water Plant Upgrade		<u>49,255</u>	
Total reconciling items		<u>1,349,985</u>	
Change in net assets:		<u>\$ 1,358,135</u>	

**PERQUIMANS COUNTY, NORTH CAROLINA
WINFALL WATER PLANT UPGRADE CAPITAL PROJECT FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL --
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Sales tax refund	\$ -	\$ -	\$ 49,255	\$ 49,255	\$ 49,255
Expenditures:					
Professional services	199,477	-	133,450	133,450	66,027
County administrative fee	52,232	-	-	-	52,232
State loan fee	60,000	-	60,000	60,000	-
Wetlands mitigation	12,000	-	12,000	12,000	-
Capital outlay	2,611,606	-	1,956,009	1,956,009	655,597
Contingency	130,580	-	-	-	130,580
Total expenditures	<u>3,065,895</u>	<u>-</u>	<u>2,161,459</u>	<u>2,161,459</u>	<u>904,436</u>
Revenues over (under) expenditures	<u>(3,065,895)</u>	<u>-</u>	<u>(2,112,204)</u>	<u>(2,112,204)</u>	<u>(953,691)</u>
Other financing sources (uses)					
Loan proceeds	1,500,000	-	1,083,338	1,083,338	416,662
Forgiveness of Debt - Drinking Water State Revolving Fund (ARRA)	1,500,000	-	1,083,338	1,083,338	416,662
Transfer from Water Construction Fund	65,895	-	65,895	65,895	-
Total other financing sources (uses)	<u>3,065,895</u>	<u>-</u>	<u>2,232,571</u>	<u>2,232,571</u>	<u>833,324</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	120,367	<u>\$ 120,367</u>	<u>\$ 120,367</u>
Fund balance, beginning of the year, July 1			-		
Fund balance, end of the year, June 30			<u>\$ 120,367</u>		

TRUST 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 individual and or other governments.

Agency Funds

Social Services Fund – This fund accounts for moneys held by the Social Services Department for the benefits of certain individuals in the County.

Soil and Water Conservation Fund – This fund accounts for the moneys held by the County for the use in soil and water conservation projects.

4H Fund – This fund accounts for moneys held by the County for the use in the 4H program.

Sheriff's Fund – This fund accounts for moneys held by the County's Sheriff's Department for community uses.

Babe Ruth Fund – this fund accounts for moneys held by the County for the Babe Ruth baseball leagues.

Farm Service Fund – This fund accounts for moneys held by the County for the Perquimans Farm Service agency.

State Treasurer – Motor Vehicle Interest Fund – This fund accounts for the three percent interest in the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

Deed of Trust Fee Fund – This fund accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

PERQUIMANS COUNTY, NORTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
Social Services				
Assets:				
Cash and cash equivalents	\$ 15,636	\$ 101,242	\$ 99,506	\$ 17,372
Liabilities:				
Miscellaneous liabilities	\$ 15,636	\$ 101,242	\$ 99,506	\$ 17,372
Soil and Water Conservation				
Assets:				
Cash and cash equivalents	\$ 7,505	\$ 4,965	\$ 4,161	\$ 8,309
Liabilities:				
Miscellaneous liabilities	\$ 7,505	\$ 4,965	\$ 4,161	\$ 8,309
4-H Fund				
Assets:				
Cash and cash equivalents	\$ 3,661	\$ 11,500	\$ 11,826	\$ 3,335
Liabilities:				
Miscellaneous liabilities	\$ 3,661	\$ 11,500	\$ 11,826	\$ 3,335
Sheriff's Fund				
Assets:				
Cash and cash equivalents	\$ 1,530	\$ 1,425	\$ 1,487	\$ 1,468
Liabilities:				
Miscellaneous liabilities	\$ 1,530	\$ 1,425	\$ 1,487	\$ 1,468
Babe Ruth Fund				
Assets:				
Cash and cash equivalents	\$ 154	\$ 15,242	\$ 13,214	\$ 2,182
Liabilities:				
Miscellaneous liabilities	\$ 154	\$ 15,242	\$ 13,214	\$ 2,182
Farm Service Fund				
Assets:				
Cash and cash equivalents	\$ 4,544	\$ 6,716	\$ 7,696	\$ 3,564
Liabilities:				
Miscellaneous liabilities	\$ 4,544	\$ 6,716	\$ 7,696	\$ 3,564
State Treasurer - Motor Vehicle Interest Fund				
Assets:				
Cash and cash equivalents	\$ -	\$ 3,739	\$ 3,739	\$ -
Liabilities:				
Miscellaneous liabilities	\$ -	\$ 3,739	\$ 3,739	\$ -

PERQUIMANS COUNTY, NORTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
Deed of Trust Fee Fund				
Assets:				
Cash and cash equivalents	\$ -	\$ 1,975	\$ 1,975	\$ -
Liabilities:				
Intergovernmental payable-State North Carolina	\$ -	\$ 1,975	\$ 1,975	\$ -
Total All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 33,030	\$ 146,804	\$ 143,604	\$ 36,230
Liabilities:				
Miscellaneous liabilities	\$ 33,030	\$ 146,804	\$ 143,604	\$ 36,230

OTHER SCHEDULES

This section includes additional information on property taxes.

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

**PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2010**

Fiscal Year	Uncollected Balance July 1, 2009	Additions	Collections and Credits	Uncollected Balance June 30, 2010
2009-2010	\$ -	\$ 7,018,490	\$ 6,719,232	\$ 299,258
2008-2009	265,693		126,819	138,874
2007-2008	113,502		28,297	85,205
2006-2007	55,319		8,875	46,444
2005-2006	40,708		5,821	34,887
2004-2005	29,462		1,735	27,727
2003-2004	24,694		1,331	23,363
2002-2003	22,841		594	22,247
2001-2002	23,543		627	22,916
2000-2001	18,974		571	18,403
1999-2000	26,353		26,353	-
	<u>\$ 621,089</u>	<u>\$ 7,018,490</u>	<u>\$ 6,920,255</u>	<u>719,324</u>
Less allowance for uncollected accounts: General Fund				<u>37,000</u>
Ad valorm taxes receivable - net: General Fund				<u>\$ 682,324</u>
<u>Reconciliation with revenue:</u>				
Ad valorem taxes - General Fund				\$ 6,841,927
Interest collected on ad valorem taxes - General Fund				61,706
Reconciling items:				
Interest collected				(61,706)
Taxes written off				26,353
Adjustments				51,975
Total reconciling items				<u>16,622</u>
Total collection and credits				<u>\$ 6,920,255</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	County-wide		Total Levy		
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 1,663,575,226	0.41	\$ 6,872,844	\$ 6,473,974	\$ 398,870
Penalties			5,957	5,957	
Total:			6,878,801	6,479,931	398,870
Discoveries:					
Current year taxes	34,070,488	0.41	139,689	139,689	
Total property valuation:	<u>\$ 1,697,645,714</u>				
Net levy			<u>\$ 7,018,490</u>	<u>\$ 6,619,620</u>	<u>\$ 398,870</u>
Uncollected taxes at June 30, 2010			<u>\$ 299,258</u>	<u>\$ 256,713</u>	<u>\$ 42,545</u>
Current year's taxes collected			<u>\$ 6,719,232</u>	<u>\$ 6,362,907</u>	<u>\$ 356,325</u>
Current levy collection percentage			<u>95.74%</u>	<u>96.12%</u>	<u>89.33%</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
 TEN LARGEST TAXPAYERS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2009 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
HPB Enterprises	Real Estate Development	\$ 31,095,712	1.83%
Albemarle Electric	Electric Company	13,328,785	0.79%
Weyerhaeuser	Lumber Company	11,752,224	0.69%
Blue Water Land Development Company	Real Estate Development	9,901,268	0.58%
Dominion N. C. Power	Electric Company	8,154,424	0.48%
Carolina Telephone	Telephone Company	8,153,985	0.48%
Greenville Timberline, LLC	Real Estate Development	7,885,092	0.46%
Clark and Elizabeth Harris	Real Estate Development	4,952,790	0.29%
SMV Hertford, LLC	Retirement Home	3,786,078	0.22%
Bethel Creek, LLC	Real Estate Development	3,584,800	0.21%
		<u>\$ 102,595,158</u>	<u>6.04%</u>
	Total assessed valuation:	<u>\$ 1,697,645,714</u>	

COMPLIANCE SECTION

DOUGLAS A. HOLLOWELL P.C.

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

1880 WEST CITY DRIVE
P.O. BOX 1387
ELIZABETH CITY, NORTH CAROLINA 27906
TELEPHONE: (252) 338-8021
1-888-825-8059
FAX (252) 338-4148

DOUGLAS A. HOLLOWELL, C.P.A.
DONNA HOLLOWELL WINBORNE, C.P.A.

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

To the Board of County Commissioners
Perquimans County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of Perquimans County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprises Perquimans County's basic financial statements, and have issued our report thereon dated October 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

MEMBERS OF:

THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

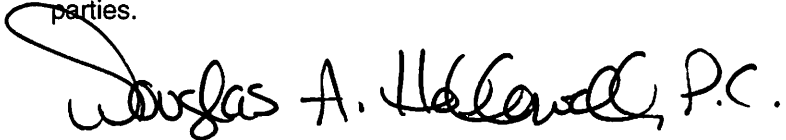
THE VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

THE NORTH CAROLINA
ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Perquimans 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*.

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

A handwritten signature in black ink that reads "Douglas A. H. Caldwell, P.C.". The signature is written in a cursive style with a large, looping initial "D".

Elizabeth City, North Carolina
October 15, 2010

DOUGLAS A. HOLLOWELL P.C.

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

1880 WEST CITY DRIVE
P.O. BOX 1387
ELIZABETH CITY, NORTH CAROLINA 27906
TELEPHONE: (252) 338-8021
1-888-825-8059
FAX (252) 338-4148

DOUGLAS A. HOLLOWELL, C.P.A.
DONNA HOLLOWELL WINBORNE, C.P.A.

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

To the Board of County Commissioners
Perquimans County, North Carolina

Compliance

We have audited the compliance of Perquimans County, North Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Perquimans County's major federal programs for the year ended June 30, 2010. Perquimans 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 Perquimans County's management. Our responsibility is to express an opinion on Perquimans 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 Perquimans County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Perquimans County's compliance with those requirements.

In our opinion, Perquimans 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, 2010.

Internal Control Over Compliance

The management of Perquimans 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 Perquimans County's

MEMBERS OF:

THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

THE VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

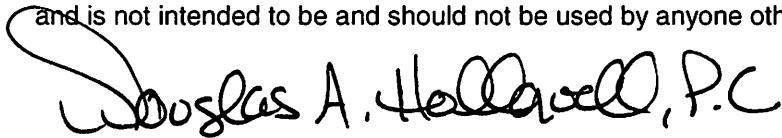
THE NORTH CAROLINA
ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

A handwritten signature in black ink that reads "Douglas A. Hollaway, P.C." The signature is written in a cursive style with a large, looping initial "D".

Elizabeth City, North Carolina
October 15, 2010

DOUGLAS A. HOLLOWELL P.C.

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

1880 WEST CITY DRIVE
P.O. BOX 1387
ELIZABETH CITY, NORTH CAROLINA 27906
TELEPHONE: (252) 338-8021
1-888-825-8059
FAX (252) 338-4148

DOUGLAS A. HOLLOWELL, C.P.A.
DONNA HOLLOWELL WINBORNE, C.P.A.

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

To the Board of County Commissioners
Perquimans County, North Carolina

Compliance

We have audited the compliance of Perquimans County, North Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Perquimans County's major federal programs for the year ended June 30, 2010. Perquimans 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 Perquimans County's management. Our responsibility is to express an opinion on Perquimans 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 Perquimans County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Perquimans County's compliance with those requirements.

In our opinion, Perquimans 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, 2010.

Internal Control Over Compliance

The management of Perquimans 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 Perquimans County's

MEMBERS OF:

THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

THE VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

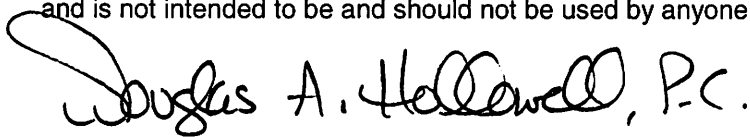
THE NORTH CAROLINA
ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

A handwritten signature in black ink that reads "Douglas A. Hollowell, P.C." The signature is written in a cursive style with a large, looping initial "D".

Elizabeth City, North Carolina
October 15, 2010

PERQUIMANS COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

Section I. Summary of Auditors' Results
--

Financial Statements

Type of auditors' report issued: Unqualified X yes no

Internal control over financial reporting:

Material weakness(es) identified? yes X none reported

Significant Deficiency(ies) identified that are not considered to be material weaknesses yes X no

Noncompliance material to financial statements noted yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X none reported

Significant Deficiency(ies) identified that are not considered to be material weaknesses yes X no

Noncompliance material to federal awards yes X no

Type of auditors' report issued on compliance for major federal programs: Unqualified

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

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
93.778	Title XIX - Medicaid
66.468	ARRA - Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B Programs \$497,509

Auditee qualified as low-risk auditee? X yes no

**PERQUIMANS COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010**

Section I. Summary of Auditors' Results (contd.)

State Awards

Internal control over major state programs:

Material weakness(es) identified? _____ yes X none reported

Significant Deficiency(ies) identified
that are not considered to be
material weaknesses _____ yes X no

Noncompliance material to state awards _____ yes X no

Type of auditors' report issued on compliance for major state programs: Unqualified

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

Identification of major State programs:

<u>CFDA /Grant Numbers</u>	<u>Names of State Program</u>
93.778	Title XIX - Medicaid

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

None reported.

Section IV. State Award Findings and Questioned Costs

None reported.

PERQUIMANS COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

No matters to report.

PERQUIMANS COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Finding: 2009-1

Status: This finding has been corrected.

PERQUIMANS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Gantor/Pass-through Gantor/ Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>U.S. Department of Agriculture</u>					
<u>Food and Nutrition Services</u>					
Passed-through the N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
<u>Supplemental Nutrition Assistance Program Cluster</u>					
State administrative matching grants for the Supplemental Nutrition Assistance Program	10.561		\$ 78,992	\$ -	\$ 91,949
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		<u>52,957</u>	<u>-</u>	<u>-</u>
			131,949	-	91,949
Passed-through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		<u>144,316</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>276,265</u>	<u>-</u>	<u>91,949</u>
<u>U.S. Department of Housing and Urban Development</u>					
Passed through N.C. Department of Commerce:					
Community Development Block Grant - Scattered Sites	14.228	09-C-2002	365,938	-	-
Passed through N.C. Housing Finance Agency:					
Single Family Rehabilitation	14.239	SFR0819	<u>121,813</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>487,751</u>	<u>-</u>	<u>-</u>

PERQUIMANS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Gantor/Pass-through Grantor/ Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>U.S Department of Justice</u>					
<u>U.S. Marshalls Service</u>					
Federal Asset Forfeiture Program	16.999		28,292	-	-
Total U.S. Department of Justice			28,292	-	-
 <u>Environmental Protection Agency</u>					
<u>Office of Water</u>					
Passed through the N.C. Department of Environment & Natural Resources					
Division of Water Quality					
ARRA - Drinking Water State Revolving Fund	66.468		2,166,676	-	-
Total Environmental Protection Agency			2,166,676	-	-
 <u>U.S Department of Health and Human Services</u>					
<u>Administration for Children and Families</u>					
Passed through the N.C. Dept. Of Health and Human Services:					
<u>Division of Social Services:</u>					
<u>Foster care and adoption cluster</u>					
Title IV-E Foster care - Administration	93.658		13,701	275	3,267
Title IV-E Foster Child Protective Services	93.658		11,865	4,860	7,004
Adoption Assistance - Direct Benefit Payments	93.659		23,008	4,654	4,654
State Foster Home	93.659		-	644	644
SFHF Maximization	93.659		-	2,807	2,807
Total foster care and adoption cluster			48,574	13,240	18,376
Work First/Temporary Assistance for Needy Families (TANF)	93.558		92,805	-	120,796
Work First/TANF - Direct Benefit Payments	93.558		120,522	-	-
Work First/TANF Domestic Violence	93.558		7,170	-	-

PERQUIMANS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>Low Income Home Energy Assistance Block Grant:</u>					
Administration	93.568		13,247	-	1,776
Energy Assistance payments - direct benefit payments	93.568		92,300	-	-
Crisis Intervention Program	93.568		71,015	-	-
Permanency planning	93.645		4,629	1,525	442
Social Services Block Grant - Other services and training	93.667		44,826	3,349	19,890
Promoting Safe and Stable Families	93.556		-	-	360
<u>Administration on Aging</u>					
Division of Aging and Adult Services					
Passed through the N.C. Dept. Of Health and Human Services:					
SSBG - In Home Service Fund	96.667		3,459	-	494
Links	93.674		1,427	357	298
<u>Division of Child Development:</u>					
Subsidized Child Care					
<u>Child Care Development Fund Cluster</u>					
Division of Social Services					
Child Care Development Fund-Administration	93.596		81,576	-	-
Division of Child Development:					
Child Care and Development Block Grant	93.575		165,995	-	-
Child Care and Development Fund - Mandatory	93.596		54,315	-	-
Child Care and Development Fund - Match	93.596		49,530	26,586	-
Total Child Care Development Fund Cluster			269,840	26,586	-
Social Services Block Grant	93.667		1,625	-	-
Temporary Assistance for Needy Families	93.558		52,909	-	-
State Appropriations			-	15,013	-
TANF-MOE			-	79,520	-
Total Subsidized Child Care			405,950	121,119	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed through the NC Department of Health & Human Services:					
<u>Division of medical assistance:</u>					
Direct benefit payments:					
Medical assistance program	93.778		12,421,661	4,313,219	(6,574)

PERQUIMANS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>Division of Social Services:</u>					
Administration:					
Medical assistance program	93.778		243,395	-	243,395
Medical assistance expansion	93.778		10,359	9,500	859
Medical transportation	93.778		14,171	-	14,171
State Children's Insurance Program-N.C. Health Choice	93.767		11,080	843	2,748
Adult Home Special Services	93.778		2,433	1,747	685
Total U.S. Department of Health & Human Services			<u>13,609,023</u>	<u>4,464,899</u>	<u>417,716</u>
<u>U.S. Department of Homeland Security</u>					
Passed through the NC Department of Crime Control & Public Safety					
Division of Emergency Management					
Emergency Management Performance Grant	97.067		15,640	-	-
Total U.S. Department of Homeland Security			<u>15,640</u>	<u>-</u>	<u>-</u>
 Total Federal awards			<u>16,583,647</u>	<u>4,464,899</u>	<u>509,665</u>

PERQUIMANS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
State awards:					
<u>N.C. Department of Health & Human Services</u>					
Division of Aging and Adult Services					
Division of Social Service					
State/County Special Assistance for Adults				65,734	65,734
State/County Special Assistance for the Disabled				87,848	87,848
State Adult Protective Services				6,732	24,335
Divison of Social Services					
DCD Smart Start				1,641	1,500
Office of Emergency Medical Services					
EMS Toolkit Grant Program				11,184	-
Total N.C. Department of Health & Human Services				173,139	179,417
<u>N.C. Department of Transportation</u>					
<u>Rural Operating Assistance Program (ROAP)</u>					
ROAP Elderly and Disabled Transportation Assistance Program				60,925	-
ROAP Rural General Public Program				59,277	-
ROAP Work First Transitional - Employment Transportation Assistance Program				6,057	-
Total Rural Operating Assistance Program (ROAP)				126,259	-
Water Line Reimbursement				18,186	-
Total N.C. Department of Transportation				144,445	-
<u>N.C. Department of Juvenile Justice & Delinquency Prevention</u>					
Juvenile Crime Prevention Programs: Passed through to Perquimans 20/20 a not-for-profit organization				104,660	-
Total N.C. Department of Juvenile Justice & Delinquency Prevention				104,660	-
<u>N. C. Department of Environment and Natural Resources</u>					
Division of Waste Management					
White Goods Management Program				14,772	-
Scrap Tire Program				16,224	-
Soil conservation - Technical Assistance/operation				16,129	-
Soil conservation - Operations				4,000	-
Solid Waste Management Trust Fund - Community Waste Reduction Grant				6,200	1,240
Total Division of Waste Management				57,325	1,240

PERQUIMANS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Division of Water					
N.C. Clean Water Management Trust Fund				93,871	-
Total Division of Water				<u>93,871</u>	<u>-</u>
Division of Coastal Management					
Access Grant				52,680	-
				<u>52,680</u>	<u>-</u>
Parks and Recreation Trust Fund				176,336	-
				<u>176,336</u>	<u>-</u>
Total N.C. Department of Environment and Natural Resources				<u>380,212</u>	<u>1,240</u>
<u>N.C. Department of Insurance</u>					
Division of Seniors' Health Insurance Information				2,362	-
Total N.C. Department of Insurance				<u>2,362</u>	<u>-</u>
<u>N.C. Department of Crime Control and Public Safety</u>					
Emergency Management Performance Grant		EMPG2006-37201		10,638	-
Total N.C. Department of Crime Control and Public Safety				<u>10,638</u>	<u>-</u>
Total State awards				<u>815,456</u>	<u>180,657</u>
Total Federal & State Award			<u>\$ 16,583,647</u>	<u>\$ 5,280,355</u>	<u>\$ 690,322</u>

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

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Perquimans 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 in this schedule.

2. N.C. Department of Health and Human Services Clusters

The following are clustered by the N.C. Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.