

**PERQUIMANS COUNTY**

**North Carolina**

**AUDIT REPORT  
JUNE 30, 2011**

**PERQUIMANS COUNTY, NORTH CAROLINA**  
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**June 30, 2011**

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**FINANCIAL SECTION**

**PERQUIMANS COUNTY, NORTH CAROLINA  
LIST OF PRINCIPAL OFFICIALS  
June 30, 2011**

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**BOARD OF COMMISSIONERS**

Benjamin C. Hobbs, Chairman

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

Edward Muzzulin  
Mack E. Nixon

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  
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

102 WEST EDEN STREET  
P.O. BOX 567  
EDENTON, NORTH CAROLINA 27932  
TELEPHONE: (252) 482-8461  
FAX (252) 482-4921

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, 2011, 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, 2011, 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 14, 2011 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

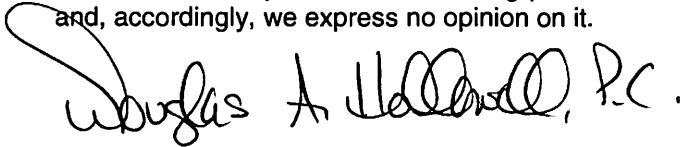
THE VIRGINIA SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

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 black ink, appearing to read "Douglas A. Hall, P.C.", with a large, sweeping initial flourish on the left side.

Elizabeth City, North Carolina  
October 14, 2011



## **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, 2011. 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**

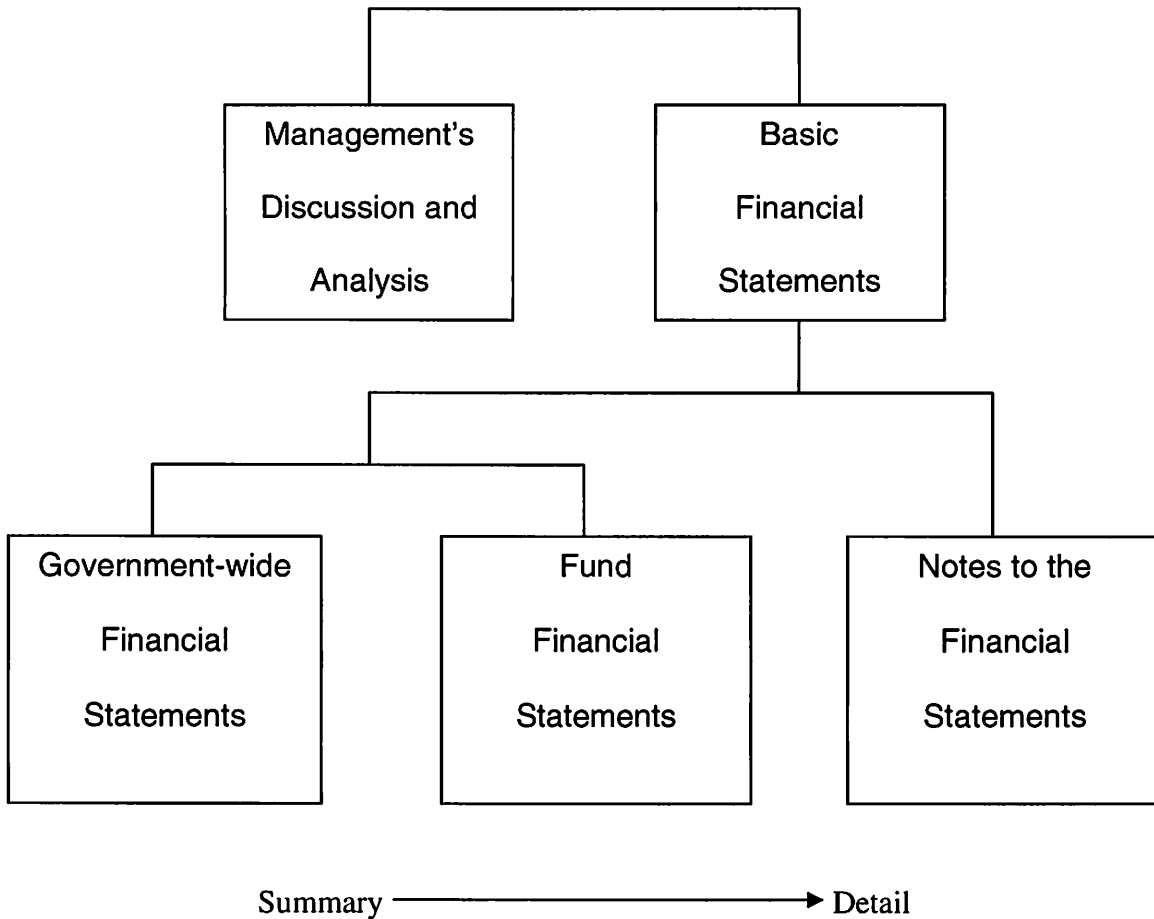
- The assets of Perquimans County exceeded its liabilities at the close of the fiscal year by \$9,828,942 (*net assets*).
- The government's total net assets increased by \$643,585, primarily due to reduced expenses in the General Fund.
- As of the close of the current fiscal year, Perquimans County's governmental funds reported combined ending fund balances of \$4,995,773, a decrease of \$104,747 in comparison with the prior year. Approximately 83 percent of this total amount, or \$4,138,047, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,088,081 or 25.6 percent of total general fund expenditures for the fiscal year.
- At the end of the current fiscal year, total fund balance for the General Fund was \$3,625,768 or 30.0%.
- Perquimans County's total debt decreased by \$478,423 (3.4%) during the current fiscal year.
- Perquimans County has a North Carolina Municipal Council rating of 77, which is considered investment grade.

### **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 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 23 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 \$9,827,512 as of June 30, 2011. The County's net assets increased by \$643,585 for the fiscal year ended June 30, 2011. 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 \$968,893 represents

resources that are subject to external restrictions on how they may be used. The remaining balance of (\$3,823,616) is unrestricted.

### Perquimans County's Net Assets

Figure 2

	Governmental Activities		Business - Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Current &amp; Other Assets</b>	\$ 6,171,411	\$ 6,138,958	\$ 2,976,876	\$ 3,449,970	\$ 9,148,287	\$ 9,588,928
<b>Capital Assets</b>	6,224,484	6,257,516	9,956,443	9,663,602	16,180,927	15,921,118
<b>Total Assets</b>	<b>12,395,895</b>	<b>12,396,474</b>	<b>12,933,319</b>	<b>13,113,572</b>	<b>25,329,214</b>	<b>25,510,046</b>
<b>Long-term Liabilities</b>	10,529,322	10,918,073	3,236,596	3,774,490	13,765,918	14,692,563
<b>Other Liabilities</b>	798,832	535,056	422,751	1,098,506	1,221,583	1,633,562
<b>Total Liabilities</b>	<b>11,328,15</b>	<b>11,453,129</b>	<b>3,659,347</b>	<b>4,872,996</b>	<b>14,987,500</b>	<b>16,326,125</b>
<b>Net Assets:</b>						
<b>Net of Related Debt</b>	6,203,774	6,226,948	6,478,461	6,370,460	12,682,235	12,597,408
<b>Restricted</b>	968,893	485,555	-	-	968,893	485,555
<b>Unrestricted</b>	(6,104,926)	(5,769,158)	2,281,310	1,870,116	(3,823,616)	(3,899,042)
<b>Total Net Assets:</b>	<b>\$ 1,067,741</b>	<b>\$ 943,345</b>	<b>\$ 8,759,771</b>	<b>\$ 8,240,576</b>	<b>\$ 9,827,512</b>	<b>\$ 9,183,921</b>

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 96.02%, lower than the 2009-2010 statewide average of 97.92% but higher than the average for counties with a population less than 25,000 of 95.52%.
- 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.

## Perquimans County's Changes in Net Assets

**Figure 3**

	Governmental		Business - Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 1,126,879	\$ 1,185,377	\$ 2,705,168	\$ 2,688,392	\$ 3,832,047	\$ 3,873,769
Operating Grants & Contributions	2,038,384	2,569,259	21,735	28,886	2,060,119	2,598,145
Capital Grants & Contributions	57,581	234,397	314,272	1,083,338	371,853	1,317,735
<b>General Revenue:</b>						
Property Taxes	7,247,480	6,988,050	-	-	7,247,480	6,988,050
Other Taxes	1,840,272	1,780,816	-	-	1,840,272	1,780,816
Other	85,168	84,314	8,472	6,216	93,640	90,530
<b>Total Revenue</b>	<b>12,395,764</b>	<b>12,842,213</b>	<b>3,049,647</b>	<b>3,806,832</b>	<b>15,445,411</b>	<b>16,649,045</b>
<b>Expenses:</b>						
General Government	2,155,626	2,049,371	-	-	2,155,626	2,049,371
Public Safety	3,667,693	3,530,254	-	-	3,667,693	3,530,254
Economic/Physical Development	201,770	795,629	-	-	201,770	795,629
Environmental Protection	264,497	236,552	-	-	264,497	236,552
Human Services	2,493,998	2,362,199	-	-	2,493,998	2,362,199
Cultural & Recreation	588,211	586,582	-	-	588,211	586,582
Education	2,411,549	2,694,496	-	-	2,411,549	2,694,496
Interest on Long-term Debt	488,024	496,495	-	-	488,024	496,495
Solid Waste Operations	-	-	735,420	764,301	735,420	764,301
Water Operations	-	-	1,795,038	1,619,983	1,795,038	1,619,983
<b>Total Expenses</b>	<b>12,271,368</b>	<b>12,751,578</b>	<b>2,530,458</b>	<b>2,384,284</b>	<b>14,800,396</b>	<b>15,135,862</b>
<b>Increase in Net Assets</b>	<b>124,396</b>	<b>90,635</b>	<b>519,189</b>	<b>1,422,548</b>	<b>643,585</b>	<b>1,513,183</b>
<b>Net Assets, July 1</b>	<b>943,345</b>	<b>852,710</b>	<b>8,240,582</b>	<b>6,818,028</b>	<b>9,183,927</b>	<b>7,670,738</b>
<b>Net Assets, June 30</b>	<b>\$ 1,067,741</b>	<b>\$ 943,345</b>	<b>\$ 8,759,771</b>	<b>\$ 8,240,576</b>	<b>\$ 9,827,512</b>	<b>\$ 9,183,921</b>

**Governmental activities.** Governmental activities increased the County's net assets by \$124,396. Key elements of this increase are as follows:

- Reduction of General Fund Expenditures.

**Business-type activities:** Business-type activities increased Perquimans County's net assets by \$519,189. Key elements of this increase are as follows:

- Completion of the 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, fund balance available for appropriation 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, Perquimans County's fund balance available in the General Fund was \$3,088,081, while total fund balance reached \$3,625,768. The County currently has an available fund balance of 25.6% of general fund expenditures, while total fund balance represents 30.0% of that same amount.

At June 30, 2011, the governmental funds of Perquimans County reported a combined fund balance of \$4,995,773, a 2.0% 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 \$502,781.

**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 \$393,430, and those for the Water Fund equaled \$1,887,880. The total growth in net assets for both major funds was \$101,089 and \$418,100 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, 2011, totals \$16,180,927 (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 construction of additional athletic fields and concession stand at the Recreation and Community Center
- Completed construction and renovations to the Winfall Water Treatment Plant
- Purchase of a new EMS unit

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

**Figure 4**

	Governmental		Business - Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land	\$ 771,926	\$ 771,926	\$ 133,810	\$ 133,810	\$ 905,736	\$ 905,736
Buildings & System	4,290,228	4,407,034	9,736,924	9,451,591	14,027,152	13,858,625
Machinery, Equipment & Vehicles	1,162,330	1,078,556	85,709	78,201	1,248,039	1,156,757
<b>Total</b>	<b>\$ 6,224,484</b>	<b>\$ 6,257,516</b>	<b>\$ 9,956,443</b>	<b>\$ 9,663,602</b>	<b>\$ 16,180,927</b>	<b>\$ 15,921,118</b>

Additional information on the County's capital assets can be found in note III.A.4 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2011, Perquimans County had no total bonded debt outstanding for the General Fund.

**Installment Obligation Debt.** As of June 30, 2011 Perquimans County had \$10,651,792 in installment purchases outstanding for the General Fund.

**Perquimans County's Outstanding Debt**

**Figure 5**

	Governmental		Business - Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Installment Agreement Indebtedness	\$ 10,651,792	\$ 10,850,168	\$ 3,485,557	\$ 3,765,604	\$ 14,137,349	\$ 14,615,772
<b>Total</b>	<b>\$ 10,651,792</b>	<b>\$ 10,850,168</b>	<b>\$ 3,485,557</b>	<b>\$ 3,765,604</b>	<b>\$ 14,137,349</b>	<b>\$ 14,615,772</b>

Perquimans County's total debt decreased by \$478,423 (3.4%) during the past fiscal year. This decrease is due to more debt payments made than new debt acquired.



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 \$119,107,859.

Additional information regarding Perquimans County's long-term debt can be found in note III.B.6 beginning on page 42 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 9.4%, identical to the state average of 9.4%
- Continued suppressed Sales Tax Revenues
- Continued suppressed economy-based revenues (Land Transfer Tax, Building Inspection Fees, and Registrar of Deed Fees)
- Continued challenges in property tax collection rate due to economic conditions

### **Budget Highlights for the Fiscal Year Ending June 30, 2012**

**Governmental Activities:** Perquimans County increased the Ad-valorem tax rate to \$0.44/\$100 value. Property tax revenues are expected to increase by about 5.0% as a result of the increase. This will offset some of the economy-based revenue losses and provide funding for planned capital projects. Permit and fee revenues are expected to be substantially below the FY 2010-2011 levels based on housing starts and real estate transactions. Sales taxes are expected to remain at the same level as FY 2010-2011 as well, but this is still 35% lower than FY 2008-2009 receipts.

Budgeted expenditures in the General Fund are expected to increase by approximately 3.0% to \$12.25 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, travel expenses remain at a reduced level, and many departments and agencies received less funds than requested.

The County will also borrow approximately \$1 million to purchase the former Albemarle Electric Building and renovate it for emergency services use.

**Business – type Activities:** The County continued seasonal water conservation rates in 2011. These rates are in effect May through October in hopes of encouraging water conservation during peak demand periods. Perquimans County made the last debt payment on the Bethel Water Plant in FY 11, creating an anticipated excess of revenues over expenses for FY 2012. This excess will be moved to a reserve fund and used for future capital projects. The first \$75,000 payment on the 2009 American Recovery and Investment Act Loan (0% interest) will also be due in FY 12. 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, 2011**

Exhibit 1

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash & cash equivalents	\$ 4,916,372	\$ 1,525,662	\$ 6,442,034
Taxes Receivable (net)	758,111	-	758,111
Accrued interest receivable on taxes	37,456	-	37,456
Accounts receivable (net)	868	383,246	384,114
Due from other governments	453,604	130,955	584,559
Inventory	-	37,648	37,648
Prepaid item	5,000	-	5,000
Restricted cash and cash equivalents	-	377,589	377,589
Other assets (net)	-	7,575	7,575
Capital assets:			
Land, improvements and construction in progress	771,926	133,810	905,736
Other capital assets, net of depreciation	5,452,558	9,822,633	15,275,191
Total capital assets	<u>6,224,484</u>	<u>9,956,443</u>	<u>16,180,927</u>
<b>Total assets</b>	<u>12,395,895</u>	<u>12,419,118</u>	<u>24,815,013</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	305,223	83,536	388,758
Customer deposits	-	58,770	58,770
Unearned revenue	74,848	-	74,848
Compensated absences	211,535	23,780	235,315
Current portion of long-term liabilities	207,226	256,665	463,891
Long-term liabilities:			
Due in more than one year	<u>10,529,322</u>	<u>3,236,596</u>	<u>13,765,918</u>
<b>Total liabilities</b>	<u>11,328,154</u>	<u>3,659,347</u>	<u>14,987,500</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	6,203,774	6,478,461	12,682,235
Restricted for:			
Register of Deeds	1,827	-	1,827
Stabilization by State Statute	434,339	-	434,339
Cultural and Recreation	74,869	-	74,869
Education	160,440	-	160,440
Public Safety	297,418	-	297,418
Unrestricted	<u>(6,104,926)</u>	<u>2,281,310</u>	<u>(3,823,616)</u>
<b>Total net assets</b>	<u>\$ 1,067,741</u>	<u>\$ 8,759,771</u>	<u>9,827,512</u>

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

**PERQUIMANS COUNTY, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
JUNE 30, 2011**

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges For Services	Operating Grants and	Capital Grants and	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>							
General government	\$ 2,155,626	\$ 366,011	\$ 144,494	\$ -	\$ (1,645,121)	\$ -	\$ (1,645,121)
Public safety	3,667,693	691,176	174,503	-	(2,802,014)	-	(2,802,014)
Economic and physical development	201,770	-	97,016	-	(104,754)	-	(104,754)
Environmental protection	264,497	-	54,645	-	(209,852)	-	(209,852)
Human Services	2,493,998	-	1,555,583	-	(938,415)	-	(938,415)
Cultural and recreational	588,211	18,120	12,143	57,581	(500,367)	-	(500,367)
Education	2,411,549	51,572	-	-	(2,359,977)	-	(2,359,977)
Interest on long term debt	488,024	-	-	-	(488,024)	-	(488,024)
<b>Total governmental activities</b>	<b>12,271,368</b>	<b>1,126,879</b>	<b>2,038,384</b>	<b>57,581</b>	<b>(9,048,524)</b>	<b>-</b>	<b>(9,048,524)</b>
<b>Business - type activities:</b>							
Solid waste	735,420	836,129	-	-	-	100,709	100,709
Water	1,795,038	1,869,039	21,735	314,272	-	410,008	410,008
<b>Total business - type activities</b>	<b>2,530,458</b>	<b>2,705,168</b>	<b>21,735</b>	<b>314,272</b>	<b>-</b>	<b>510,717</b>	<b>510,717</b>
<b>Total Perquimans County:</b>	<b>\$ 14,801,826</b>	<b>\$ 3,832,047</b>	<b>\$ 2,060,119</b>	<b>\$ 371,853</b>	<b>(9,048,524)</b>	<b>510,717</b>	<b>(8,537,807)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purpose					7,247,480	-	7,247,480
Local option sales tax					1,581,982	-	1,581,982
Other taxes and licenses					258,290	-	258,290
Unrestricted intergovernmental					45,673	-	45,673
Miscellaneous, unrestricted					18,264	-	18,264
Investment earnings, unrestricted					21,231	8,472	29,703
<b>Total general revenues</b>					<b>9,172,920</b>	<b>8,472</b>	<b>9,181,392</b>
<b>Change in net assets</b>					<b>124,396</b>	<b>519,189</b>	<b>643,585</b>
<b>Net assets, beginning July 1</b>					<b>943,345</b>	<b>8,240,582</b>	<b>9,183,927</b>
<b>Net assets, ending June 30</b>					<b>\$ 1,067,741</b>	<b>\$ 8,759,771</b>	<b>\$ 9,827,512</b>

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

**PERQUIMANS COUNTY, NORTH CAROLINA  
BALANCE SHEET: GOVERNMENTAL FUNDS  
JUNE 30, 2011**

Exhibit 3

	Major	Non-Major	
	General	Other	
	Fund	Governmental	Total
	Funds	Funds	
<b>Assets</b>			
Cash and cash equivalents	\$ 3,570,070	\$ 1,346,302	\$ 4,916,372
Receivables, net			
Taxes	758,111	-	758,111
Accounts	868	-	868
Due from other governments	433,471	20,133	453,604
Prepaid items	-	5,000	5,000
Total assets:	<u>\$ 4,762,520</u>	<u>\$ 1,371,435</u>	<u>\$ 6,133,955</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 303,793	\$ 1,430	\$ 305,223
Unearned revenue	74,848	-	74,848
Deferred revenue	758,111	-	758,111
Total liabilities	<u>1,136,752</u>	<u>1,430</u>	<u>1,138,182</u>
<b>Fund balances:</b>			
<b>Restricted:</b>			
Stabilization by State Statute	434,339	-	434,339
Register of Deeds	1,827	-	1,827
Grants	74,869	-	74,869
Department of Justice Forfeiture Program	21,540	-	21,540
USDA Restriction	-	135,080	135,080
School Capital	-	25,360	25,360
<b>Committed:</b>			
Tax Revaluation	-	159,599	159,599
<b>Assigned:</b>			
Subsequent year's expenditures	5,112	-	5,112
Unassigned:	3,088,081	1,049,966	4,138,047
Total fund balances	<u>3,625,768</u>	<u>1,370,005</u>	<u>4,995,773</u>
Total liabilities and fund balance	<u>\$ 4,762,520</u>	<u>\$ 1,371,435</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 are not reported in the funds.	6,224,484
Liabilities for earned but deferred revenue in fund statements.	758,111
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	37,456
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(10,948,083)</u>
Net assets of governmental activities	<u>\$ 1,067,741</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, 2011**

Exhibit 4

	Major	Non-Major	
	General	Other	
	Fund	Governmental	Total
	Funds	Funds	
<b>Revenue:</b>			
Ad valorem taxes	\$ 7,161,242	\$ -	\$ 7,161,242
Local option sales taxes	1,581,982	-	1,581,982
Other taxes and licenses	24,840	257,840	282,680
Unrestricted intergovernmental	44,591	-	44,591
Restricted intergovernmental	1,882,319	259,709	2,142,028
Permits and fees	293,728	-	293,728
Sales and services	712,208	-	712,208
Investment earnings	15,535	5,696	21,231
Miscellaneous	66,836	3,000	69,836
Total revenue	<u>11,783,281</u>	<u>526,245</u>	<u>12,309,526</u>
<b>Expenditures:</b>			
Current:			
General government	2,046,761	-	2,046,761
Public safety	3,385,494	94,590	3,480,084
Economic and physical development	41,950	96,963	138,913
Environmental protection	263,701	-	263,701
Human services	2,491,369	-	2,491,369
Cultural and recreational	525,963	-	525,963
Intergovernmental:			
Education	2,364,309	47,240	2,411,549
Capital outlay	264,718	104,815	369,533
Debt service:			
Principal	198,376	-	198,376
Interest	488,024	-	488,024
Total expenditures	<u>12,070,665</u>	<u>343,608</u>	<u>12,414,273</u>
Excess (deficiency) of revenue over expenditures:	<u>(287,384)</u>	<u>182,637</u>	<u>(104,747)</u>
<b>Other financing sources (uses):</b>			
Transfers (to) from other funds	<u>308,862</u>	<u>(308,862)</u>	<u>-</u>
Total other financing sources (uses)	<u>308,862</u>	<u>(308,862)</u>	<u>-</u>
Net change in fund balance	21,478	(126,225)	(104,747)
Fund balance, July 1	<u>3,604,290</u>	<u>1,496,230</u>	<u>5,100,520</u>
Fund balance, June 30	<u>\$ 3,625,768</u>	<u>\$ 1,370,005</u>	<u>\$ 4,995,773</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, 2011**

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Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ (104,747)
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.	(33,032)
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.	198,376
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.	(22,436)
Revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements	
Increase in accrued taxes receivable at end of year	10,448
Increase in deferred tax revenue at end of year	<u>75,787</u>
Total changes in net assets of governmental activities	<u>\$ 124,396</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, 2011**

Exhibit 6

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenue:</b>				
Ad valorem taxes	\$ 7,111,967	\$ 7,111,967	\$ 7,161,242	\$ 49,275
Local option sales taxes	1,259,500	1,446,755	1,581,982	135,227
Other taxes and licenses	24,500	24,500	24,840	340
Unrestricted intergovernmental	45,000	45,000	44,591	(409)
Restricted intergovernmental	1,886,748	1,996,440	1,882,319	(114,121)
Permits and fees	346,300	346,300	293,728	(52,572)
Sales and services	684,984	688,984	712,208	23,224
Investment earnings	10,274	10,274	15,535	5,261
Miscellaneous	68,750	68,750	66,836	(1,914)
Total Revenue	<u>11,438,023</u>	<u>11,738,970</u>	<u>11,783,281</u>	<u>44,311</u>
<b>Expenditures:</b>				
Current:				
General government	1,898,137	2,177,062	2,046,761	130,301
Public Safety	3,167,889	3,283,069	3,385,494	(102,425)
Economic and physical development	53,010	56,662	41,950	14,712
Environmental protection	282,090	290,996	263,701	27,295
Human services	2,554,399	2,658,367	2,491,369	166,998
Cultural and recreational	540,942	540,942	525,963	14,979
Intergovernmental:				
Education	2,367,040	2,367,040	2,364,309	2,731
Capital outlay	285,825	277,975	264,718	13,257
Debt service:				
Principal retirement	198,376	198,376	198,376	-
Interest and other charges	488,024	488,024	488,024	-
Total expenditures:	<u>11,835,732</u>	<u>12,338,513</u>	<u>12,070,665</u>	<u>267,848</u>
<b>Revenue over (under) expenditures:</b>	<u>(397,709)</u>	<u>(599,543)</u>	<u>(287,384)</u>	<u>312,159</u>
<b>Other financing sources (uses):</b>				
Transfers (to) from other funds	309,860	313,862	308,862	(5,000)
Fund balance appropriated	87,849	285,681	-	(285,681)
Total other financing sources (uses)	<u>397,709</u>	<u>599,543</u>	<u>308,862</u>	<u>(290,681)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	21,478	<u>\$ 21,478</u>
Fund balance, July 1			<u>3,604,290</u>	
Fund balance, June 30			<u>\$ 3,625,768</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, 2011**

Exhibit 7

	Major		Total
	Water Fund	Solid Waste Fund	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 1,300,223	\$ 225,439	\$ 1,525,662
Accounts receivable (net)	217,244	166,002	383,246
Due from other governments	128,966	1,989	130,955
Inventory	37,648	-	37,648
Total current assets:	<u>1,684,081</u>	<u>393,430</u>	<u>2,077,511</u>
Noncurrent assets:			
Restricted cash and cash equivalents	377,589	-	377,589
Capital assets:			
Land	133,810	-	133,810
Other capital assets, net of depreciation	9,822,633	-	9,822,633
Other assets (net)	7,575	-	7,575
Total noncurrent assets:	<u>10,341,607</u>	<u>-</u>	<u>10,341,607</u>
Total assets	<u>12,025,688</u>	<u>393,430</u>	<u>12,419,119</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	83,536	-	83,536
Customer deposits	58,770	-	58,770
Compensated absences payable	23,780	-	23,780
Installment notes payable	256,665	-	256,665
Total current liabilities	<u>422,751</u>	<u>-</u>	<u>422,751</u>
Noncurrent liabilities:			
Other postemployment benefits	7,705	-	7,705
Installment notes payable	3,228,891	-	3,228,891
Total noncurrent liabilities	<u>3,236,596</u>	<u>-</u>	<u>3,236,596</u>
Total liabilities	<u>3,659,347</u>	<u>-</u>	<u>3,659,347</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	6,478,461	-	6,478,461
Unrestricted	1,887,880	393,430	2,281,310
Total net assets:	<u>\$ 8,366,341</u>	<u>\$ 393,430</u>	<u>\$ 8,759,771</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, 2011**

Exhibit 8

	Major		Total
	Water Fund	Solid Waste Fund	
<b>Operating revenue:</b>			
Charges for service	\$ 1,712,517	\$ 827,685	\$ 2,540,202
Tap and reconnection fees	66,150	-	66,150
Penalties	40,037	-	40,037
Other fees	4,000	-	4,000
Other operating revenue	46,335	-	46,335
Solid waste disposal tax	-	8,444	8,444
Total operating revenue	<u>1,869,039</u>	<u>836,129</u>	<u>2,705,168</u>
<b>Operating expenses:</b>			
Administration	554,950	-	554,950
Water distribution and treatment	688,711	-	688,711
Solid waste operations	-	735,420	735,420
Depreciation/amortization	459,602	-	459,602
Total operating expenses	<u>1,703,263</u>	<u>735,420</u>	<u>2,438,683</u>
Operating income (loss)	<u>165,776</u>	<u>100,709</u>	<u>266,485</u>
<b>Non-operating revenue (expenses):</b>			
Interest income	8,092	380	8,472
Federal reimbursement-waterline relocation	16,935	-	16,935
Rent	4,800	-	4,800
Other postemployment	1,161	-	1,161
Forgiveness of debt - Drinking Water State Revolving Fund (ARRA)	314,272	-	314,272
Interest on long-term debt	(92,936)	-	(92,936)
Total non-operating revenue (expenses)	<u>252,324</u>	<u>380</u>	<u>252,704</u>
Change in net assets	418,100	101,089	519,189
Total net assets, beginning July 1	<u>7,948,241</u>	<u>292,341</u>	<u>8,240,582</u>
Total net assets, ending June 30	<u>\$ 8,366,341</u>	<u>\$ 393,430</u>	<u>\$ 8,759,771</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, 2011**

Exhibit 9

	Major		Total
	Water Fund	Solid Waste Fund	
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 1,648,333	\$ 813,707	\$ 2,462,040
Cash paid for goods and services	(721,090)	(745,736)	(1,466,826)
Cash paid to employees for services	(353,285)	-	(353,285)
Customer deposits	6,549	-	6,549
Other operating revenue	6,615	-	6,615
Proceeds from solid waste disposal tax	-	8,444	8,444
Net cash provided by (used in) operating activities	<u>587,122</u>	<u>76,415</u>	<u>663,537</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(751,019)	-	(751,019)
Principal paid on bond maturities	(594,320)	-	(594,320)
Interest paid on bond maturities	(92,936)	-	(92,936)
Proceeds from Federal revolving loan	314,272	-	314,272
Proceeds from Federal grant - ARRA	314,272	-	314,272
Proceeds from Federal grant reimbursement	16,935	-	16,935
Proceeds from rental	4,800	-	4,800
Net cash used for capital and related financing activities	<u>(787,996)</u>	<u>-</u>	<u>(787,996)</u>
<b>Cash flows from investing activities:</b>			
Interest on investments	<u>8,092</u>	<u>380</u>	<u>8,472</u>
Net increase (decrease) in cash and cash equivalents	(192,782)	76,795	(115,987)
Cash and cash equivalents, July 1	<u>1,870,594</u>	<u>148,644</u>	<u>2,019,238</u>
(Water fund includes restricted cash of \$472,462)			
Cash and cash equivalents, June 30	<u>\$ 1,677,812</u>	<u>\$ 225,439</u>	<u>\$ 1,903,251</u>
(Water fund included restricted cash of \$377,589)			
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income (loss)	<u>\$ 165,776</u>	<u>\$ 100,709</u>	<u>\$ 266,485</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	459,602	-	459,602
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(214,091)	(13,978)	(228,069)
(Increase) decrease in inventory	13,402	-	13,402
Increase (decrease) in accounts payable and accrued liabilities	154,929	(10,316)	144,613
Increase (decrease) in customer deposits	6,549	-	6,549
Increase (decrease) in accrued vacation pay	955	-	955
Total adjustments	<u>421,346</u>	<u>(24,294)</u>	<u>397,052</u>
Net cash provided/(used) by operating activities	<u>587,122</u>	<u>76,415</u>	<u>663,537</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, 2011**

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Exhibit 10

	<u>Agency Funds</u>
<b>Assets</b>	
Cash & cash equivalents	<u>\$ 41,224</u>
<b>Liabilities and Net Assets</b>	
Miscellaneous liabilities	<u>\$ 41,224</u>
<b>Net Assets</b>	<u>\$ -</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

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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.

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**PERQUIMANS COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

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**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**  
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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 Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General 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.

*Nonmajor Funds.* The County maintains nine legally budgeted funds. The Emergency Telephone System, Revaluation Reserve, Community Development Block Grant, Single Family Rehabilitation, and USDA Reserve Funds are reported as nonmajor special revenue funds. The Capital Projects Reserve, Commerce Centre Capital Project, County Construction, and the School Capital Projects Fund are reported as capital projects funds.

**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



**PERQUIMANS COUNTY, NORTH CAROLINA**  
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statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from 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 2010 through

**PERQUIMANS COUNTY, NORTH CAROLINA**  
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February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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

**C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General 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. The Budget Officer may transfer amounts between objects of expenditures within a department except salary amounts without limitation. The Budget Officer may not transfer any amount between funds. 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.

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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).

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. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

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.

**PERQUIMANS COUNTY, NORTH CAROLINA**  
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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 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:

	<u>Years</u>
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.

**PERQUIMANS COUNTY, NORTH CAROLINA**  
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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.

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, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

**Nonspendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted Fund Balance** – This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

**Restricted for Stabilization of State Statute** – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

**Restricted for Register of Deeds** – portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

**Restricted for grants** – portion of fund balance that is restricted by revenue source to pay for senior center capital assets.

**Restricted by Department of Justice Forfeiture Program** – portion of fund balance that is restricted to pay for specific items for the sheriff department.

**Restricted for USDA Reserve** – portion of fund balance that is restricted by the USDA loan covenant.

**Restricted for School Capital** – portion of fund balance that can only be used for School Capital per G.S. 159-18-22.

**PERQUIMANS COUNTY, NORTH CAROLINA**  
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Committed Fund Balance – Portion of fund balance that can only be used for specific purpose imposed by majority of Perquimans County’s governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Tax Revaluation – portion of fund balance that can only be used for Tax Revaluation.

Assigned Fund Balance – portion of the fund balance that the Perquimans County governing board has budgeted.

Subsequent years expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the Budget Officer may transfer amounts between objects of expenditures within a department except salary amounts without limitation. The Budget Officer may not transfer amounts between funds.

Unassigned Fund Balance – portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

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**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 \$(3,928,032) 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)	\$ 9,262,592
Less - Accumulated Depreciation	(3,038,108)
	6,224,484
Accrued interest receivable less the amount claimed as unearned revenue in the government-side statements as these funds are not available and therefore are deferred in the fund statements	37,456
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	758,111
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	(211,535)
Other postemployment benefits	(84,756)
Bonds and installment financings	(10,651,792)
Total adjustment	\$ (3,928,032)

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

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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 \$229,143 as follows:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 369,533
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.	(402,565)
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	198,376
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	(5,585)
Other postemployment benefits	(16,851)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Increase in accrued taxes receivable at year end	10,448
Reversal of deferred tax revenue recorded at July 1	(682,324)
Recording of tax receipts deferred in the funds statements at June 30	758,111
	\$ 229,143

**II - Stewardship, Compliance, and Accountability**

**A. Excess of expenditures over appropriations**

There were material excesses of expenditures over appropriations in the General Fund as follows:

Public Safety	\$102,425
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*Corrective Action Plan:* In fiscal year 2008-09, an expenditure of \$247,366 was appropriated in the budget for additional jail funding but was reclassified as a receivable as this amount was to be repaid to the county. This year, it has been determined by both parties that this amount will not be received by the county and therefore, the receivable was reclassified as an expenditure. This was an unique transaction and therefore will not be repeated.



**PERQUIMANS COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

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**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, 2011, the County's deposits had a carrying amount of \$6,859,897 and a bank balance of \$6,547,907. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$6,047,907 was covered by collateral held under the Pooling Method.

At June 30, 2011, Perquimans County had \$950 cash on hand.

2. 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, 2011 were not available. These amounts have not been recorded in the financial statements.

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

3. Receivables

Receivables at the government-wide level at June 30, 2011 were as follows:

	Accounts	Taxes and related accrued interest	Due from other governments	Other	Total
<b>Governmental activities:</b>					
General	\$ -	\$ 795,111	\$ 433,471	\$ 868	\$ 1,229,450
Other governmental	-	-	20,133	-	20,133
	-	795,111	453,604	868	1,249,583
Allowance for doubtful accounts	-	(37,000)	-	-	(37,000)
Total governmental activities	<u>\$ -</u>	<u>\$ 758,111</u>	<u>\$ 453,604</u>	<u>\$ 868</u>	<u>\$ 1,212,583</u>
<b>Business type activities:</b>					
Water Fund	\$ 219,501	\$ -	\$ 128,966	\$ -	\$ 348,467
Solid Waste	176,263	-	1,989	-	178,252
	395,764	-	130,955	-	526,719
Allowance for doubtful accounts	(12,518)	-	-	-	(12,518)
Total business type activities	<u>\$ 383,246</u>	<u>\$ -</u>	<u>\$ 130,955</u>	<u>\$ -</u>	<u>\$ 514,201</u>

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

Federal grant funds	\$ 80,360
State grant funds	1,989
Other grant funds	9,382
Local option sales tax	197,582
Sales tax reimbursements	82,332
Scrap tire tax	3,907
Franchise tax	6,123
White goods disposal tax	942
Social services reimbursements	173,748
State 911 funds	13,558
Refund for Jail	14,636
Total	<u>\$ 584,559</u>

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4. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 771,926	\$ -	\$ -	\$ 771,926
Total capital assets not being depreciated	<u>771,926</u>	<u>-</u>	<u>-</u>	<u>771,926</u>
<b>Capital assets being depreciated:</b>				
Buildings	5,498,768	39,284	-	5,538,052
Equipment	1,254,745	115,505	22,640	1,347,610
Land improvements	260,473	35,404	-	295,877
Vehicles and motor equipment	1,129,787	179,340	-	1,309,127
Total capital assets being depreciated	<u>8,143,773</u>	<u>369,533</u>	<u>22,640</u>	<u>8,490,666</u>
<b>Less accumulated depreciation for:</b>				
Buildings	1,091,734	156,090	-	1,247,824
Equipment	684,399	103,337	22,640	765,096
Land improvements	868	13,391	-	14,259
Vehicles and motor equipment	881,182	129,747	-	1,010,929
Total accumulated depreciation	<u>2,658,183</u>	<u>402,565</u>	<u>22,640</u>	<u>3,038,108</u>
Total capital assets being depreciated, net	<u>5,485,590</u>			<u>5,452,558</u>
<b>Governmental activity capital assets, net</b>	<u><u>\$ 6,257,516</u></u>			<u><u>\$ 6,224,484</u></u>

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

Cultural and recreation	\$ 59,444
Economic and physical development	62,665
Environmental protection	714
General government	93,639
Human services	3,453
Public Safety	182,650
Total depreciation expense	<u><u>\$ 402,565</u></u>

**PERQUIMANS COUNTY, NORTH CAROLINA**  
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	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
<b>Water Fund:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 133,810	\$ -	\$ -	\$ 133,810
Total capital assets not being depreciated	<u>133,810</u>	<u>-</u>	<u>-</u>	<u>133,810</u>
<b>Capital assets being depreciated:</b>				
Plant and distribution systems	15,737,318	703,097	-	16,440,415
Furniture and maintenance equipment	244,665	7,927	-	252,592
Vehicles	236,626	39,997	-	276,623
Total capital assets being depreciated	<u>16,218,609</u>	<u>751,021</u>	<u>-</u>	<u>16,969,630</u>
<b>Less accumulated depreciation for:</b>				
Plant and distribution systems	6,285,727	417,764	-	6,703,491
Furniture and maintenance equipment	205,512	12,611	-	218,123
Vehicles	197,578	27,805	-	225,383
Total accumulated depreciation	<u>6,688,817</u>	<u>\$ 458,180</u>	<u>\$ -</u>	<u>7,146,997</u>
Total capital assets being depreciated, net	<u>9,529,792</u>			<u>9,822,633</u>
<b>Business-type activity capital assets, net</b>	<u>\$ 9,663,602</u>			<u>\$ 9,956,443</u>

**B. Liabilities**

1. Payables

Payables at the government-wide level at June 30, 2011, were as follows:

	Vendors	Other	Total
<b>Governmental activities:</b>			
General	\$ 60,440	\$ 244,783	\$ 305,223
Other governmental	-	-	-
Total governmental activities	<u>\$ 60,440</u>	<u>\$ 244,783</u>	<u>\$ 305,223</u>
<b>Business type activities:</b>			
Water Fund	\$ 3,176	\$ 80,360	\$ 83,536
Solid Waste	-	-	-
Total business type activities	<u>\$ 3,176</u>	<u>\$ 80,360</u>	<u>\$ 83,536</u>

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

**PERQUIMANS COUNTY, NORTH CAROLINA**  
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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.

*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 6.47% and 6.41%, 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, 2011, 2010, and 2009 were \$185,714, \$141,877, and \$136,091, 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, 2010, 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, 2011, 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

**PERQUIMANS COUNTY, NORTH CAROLINA**  
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authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2011 were \$21,285 which consisted of \$19,565 from the County and \$1,720 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, 2011, the County's required and actual contributions were \$1,177.

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

**PERQUIMANS COUNTY, NORTH CAROLINA**  
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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.

*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, 2011, the County's total contributions were \$9,368.

*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	\$ 61,467
Interest on net OPEB obligation	307
Adjustment to annual required contribution	<u>(36,736)</u>
Annual OPEB cost (expense)	25,038
Contributions made	<u>(9,368)</u>
Increase (decrease) in net OPEB obligation	15,670
Net OPEB obligation, beginning of year	<u>76,791</u>
Net OPEB obligation, end of year	<u><u>\$ 92,461</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
2011	\$ 25,038	37.4%	\$ 92,461
2010	\$ 87,591	12.3%	\$ 76,791

*Funded Status and Funding Progress.* As of December 31, 2010, the actuarial accrued liability for benefits was \$700,847, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,002,731, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 3.5 percent.

**PERQUIMANS COUNTY, NORTH CAROLINA**  
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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 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.



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**For the year ended June 30, 2011**

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*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 being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2011, 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)	\$ -	\$ 68,629
Taxes receivable, net (General)	758,111	-
Wetlands Mitigation (General)	-	6,219
	\$ 758,111	\$ 74,848

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

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
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\$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 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, 2011 Pasquotank County had received a claim from the general contractor that built the Albemarle District Jail in Pasquotank County between 2007 and 2010 that serves Pasquotank, Perquimans, and Camden Counties. The contractor is seeking to recover sums Pasquotank withheld from the contractor because of work that had to be corrected. In addition, the contractor is seeking to recover compensation due primarily to delays on the project. The **total** claim by the contractor is \$6,439,205. If this claim materializes, twenty-one percent, (21%) is attributable to Perquimans County. Pasquotank County disputes these claims. Management is unable to estimate a potential loss at this time, and therefore a loss has not been accrued in these statements.

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, 2011:

Total installment obligation indebtedness	\$ 21,879
Less: amount representing interest	1,169
Net principal amount of obligation	\$ 20,710

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

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

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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, 2011:

Total installment obligation indebttness	\$ 12,099,535
Less: amount representing interest	<u>5,295,643</u>
Net principal amount of obligation	<u>\$ 6,803,892</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, 2011:

Total installment obligation indebttness	\$ 6,805,989
Less: amount representing interest	<u>2,978,799</u>
Net principal amount of obligation	<u>\$ 3,827,190</u>

During the 2010-11 fiscal year, the County made interest payments of \$488,024.

Installment agreement indebtedness – business type activities

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, 2011:

Total installment obligation indebttness	\$ 2,500,005
Less: amount representing interest	<u>412,058</u>
Net principal amount of obligation	<u>\$ 2,087,947</u>

On January 27, 2011, 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 \$2,795,220, 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 remaining principal is to be repaid at an interest rate of 0% over 20 years at an annual

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

amount of \$69,881 per year. Principal and interest at 0.00% resulted in the following obligation at June 30, 2011:

Total installment obligation indebtedness	\$ 1,397,610
Less: amount representing interest	-
Net principal amount of obligation	\$ 1,397,610

For Perquimans County, the combined future minimum payments as of June 30, 2011 including interest are:

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 207,226	\$ 479,174	\$ 256,665	\$ 76,350
2013	216,351	469,928	263,714	69,299
2014	215,130	460,270	271,033	61,982
2015	224,811	450,589	278,626	54,389
2016	234,928	440,472	286,506	46,509
2017-2021	1,343,057	2,033,944	1,430,207	103,529
2022-2026	1,673,693	1,703,307	349,403	-
2027-2031	2,085,726	1,291,273	349,403	-
2032-2036	2,599,193	777,807	-	-
2037-2041	1,851,677	168,847	-	-
Total	\$ 10,651,792	\$ 8,275,611	\$ 3,485,557	\$ 412,058

At June 30, 2011, Perquimans County had a legal debt margin of \$119,107,859.

**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, 2011:

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011	Current Portion of Balance
<b><i>Governmental activities:</i></b>					
Installment purchases	\$ 10,850,168	\$ -	\$ 198,376	\$ 10,651,792	\$ 207,226
Unfunded post employment benefits	67,905	16,851	-	84,756	-
Compensated absences	205,950	5,585	-	211,535	211,535
Total	\$ 11,124,023	\$ 22,436	\$ 198,376	\$ 10,948,083	\$ 418,761
<b><i>Business-type activities:</i></b>					
Installment purchases	\$ 3,765,604	\$ 628,544	\$ 908,591	\$ 3,485,557	\$ 256,665
Unfunded post employment benefits	8,886	7,705	-	16,591	-
Compensated absences	23,838	-	58	23,780	23,780
Total	\$ 3,798,328	\$ 636,249	\$ 908,649	\$ 3,525,928	\$ 280,445

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, 2011**

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**C. Interfund Balance and Activity**

Transfers to/from other funds at June 30, 2011 consist of the following:

	<b>Amount</b>
From the General Fund to the County Construction Fund for the Albemarle Electric Building downpayment	\$ 5,000
From the General Fund to the Revaluation Fund to accumulate resources for octennial revaluation of real property	34,000
From the General Fund to the USDA Reserve Fund to reserve required amount for USDA loan	67,540
From the E-911 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 Water Fund to the General Fund to supplement other funding sources	101,116
From the Capital Projects Reserve Fund to the General Fund to supplement other funding sources	400,000
Total	\$ 619,056

There were no interfund receivables/payables at June 30, 2011.

**D. Fund Balance**

The following schedule provides management and citizens with information on the portion of the General fund balance that is available for appropriation:

<b>Total Fund Balance-General Fund</b>	<b>\$ 3,625,768</b>
<b>Less:</b>	
Stabilization for State Statute	434,339
Register of Deeds	1,827
Grants	74,869
Dept of Justice Forfeiture Program	21,540
Appropriation for 2011-2012 budget	5,112
Remaining Fund Balance	3,088,081

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

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**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 2010-2011 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 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, 2011, the County contributed \$675,034 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.

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

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**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
Adoption assistance	\$ 25,803	\$ 6,025
Adult assistance	-	164,885
Energy assistance	122,129	-
Food stamp program	3,708,454	-
Medicaid	11,340,108	4,520,358
Temporary assistance to needy families	11,069	-
WC	135,557	-
Total	\$ 15,343,120	\$ 4,691,268

**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**

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- 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

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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	\$ -	\$ 717,568	\$ 717,568	0.0%	\$ 1,934,403	37.1%
12/31/2010	\$ -	\$ 700,847	\$ 700,847	0.0%	\$ 2,002,731	35.0%

**PERQUIMANS COUNTY, NORTH CAROLINA**

Other Postemployment Benefits  
Required Supplemental Information  
Schedule of Employer Contributions

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<u>Year Ending June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2010	10,800	12.3%
2011	9,368	11.1%

**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, 2011

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenue:</b>			
Ad valorem taxes:			
Taxes	\$ 7,055,967	\$ 7,099,305	\$ 43,338
Penalties and interest	56,000	61,937	5,937
Total	<u>7,111,967</u>	<u>7,161,242</u>	<u>49,275</u>
Local option sales taxes:			
Article 39 and 44	278,500	284,183	5,683
Article 40 one - half of one percent	610,000	600,898	(9,102)
Article 42 one - half of one percent	225,000	244,520	19,520
Article 46 one - quarter of one percent	-	801	801
Utilities franchise distribution	21,000	21,742	742
Medicaid Hold Harmless payment	312,255	429,838	117,583
Total	<u>1,446,755</u>	<u>1,581,982</u>	<u>135,227</u>
Other taxes and licenses:			
Scrap tire disposal tax	16,500	20,534	4,034
White goods disposal tax	7,500	3,856	(3,644)
Beer and wine licenses	500	450	(50)
Total	<u>24,500</u>	<u>24,840</u>	<u>340</u>
Unrestricted intergovernmental:			
Beer and wine tax	<u>45,000</u>	<u>44,591</u>	<u>(409)</u>
Restricted intergovernmental:			
State grants	1,914,088	1,784,084	(130,004)
Court facility fees	45,000	60,700	15,700
ABC bottle tax (rehab)	2,600	2,759	159
Other grants	34,752	34,776	24
Total	<u>1,996,440</u>	<u>1,882,319</u>	<u>(114,121)</u>
Permits and fees:			
Officer and Sheriff fees	35,000	42,362	7,362
Building permits and inspection fees	140,000	110,672	(29,328)
Register of deeds	168,300	133,627	(34,673)
DMV license revocation fees	1,000	1,082	82
Subdivision and zoning fees	2,000	5,985	3,985
Total	<u>346,300</u>	<u>293,728</u>	<u>(52,572)</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, 2011**

	Final Budget	Actual	Variance Positive (Negative)
<b>Sales and services:</b>			
Ambulance fees	395,000	398,364	3,364
Administrative services	115,116	120,116	5,000
Dispatch services	70,000	74,343	4,343
Jail fees	5,000	4,735	(265)
Municipal tax collection fees	13,500	14,587	1,087
Recreation fees	12,000	18,120	6,120
Rents	78,368	81,943	3,575
<b>Total</b>	<u>688,984</u>	<u>712,208</u>	<u>23,224</u>
Investment earnings	<u>10,274</u>	<u>15,535</u>	<u>5,261</u>
<b>Miscellaneous:</b>			
School security	48,000	51,572	3,572
Sale of fixed assets	-	9,146	9,146
Other	20,750	6,118	(14,632)
<b>Total</b>	<u>68,750</u>	<u>66,836</u>	<u>(1,914)</u>
<b>Total revenue</b>	<u>11,738,970</u>	<u>11,783,281</u>	<u>44,311</u>
<b>Expenditures:</b>			
<b>General government:</b>			
Governing body:			
Salaries and employee benefits	39,135	39,131	4
Other operating expenses	19,045	14,310	4,735
<b>Total</b>	<u>58,180</u>	<u>53,441</u>	<u>4,739</u>
Administrative and finance:			
Salaries and employee benefits	285,355	284,670	685
Other operating expenses	27,050	22,460	4,590
Professional services	51,650	51,630	20
<b>Total</b>	<u>364,055</u>	<u>358,760</u>	<u>5,295</u>
Elections:			
Salaries and employee benefits	80,976	69,656	11,320
Other operating expenses	20,785	12,381	8,404
<b>Total</b>	<u>101,761</u>	<u>82,037</u>	<u>19,724</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, 2011

	Final Budget	Actual	Variance Positive (Negative)
<b>Tax administration:</b>			
Salaries and employee benefits	346,550	344,461	2,089
Other operating expenses	92,300	63,670	28,630
Professional services	11,200	4,625	6,575
Mapping	6,300	6,108	192
Total	456,350	418,864	37,486
<b>Legal:</b>			
Contracted services	-	(1,567)	1,567
<b>Register of Deeds:</b>			
Salaries and employee benefits	141,213	138,490	2,723
Other operating expenses	76,505	60,868	15,637
Professional services	32,000	30,806	1,194
Total	249,718	230,164	19,554
<b>Public Buildings:</b>			
Salaries and employee benefits	183,856	183,657	199
Other operating expenses	302,245	279,682	22,563
Insurance and bonds	228,775	228,555	220
Utilities	142,000	137,994	4,006
Professional services and contracts	30,800	29,770	1,030
Capital outlay	5,000	1,670	3,330
Total	892,676	861,328	31,348
<b>Court Facilities:</b>			
Other operating expenses	53,222	43,134	10,088
<b>Jury commission:</b>			
Other operating expenses	1,100	600	500
<b>Total general government:</b>	2,177,062	2,046,761	130,301
<b>Public safety:</b>			
<b>Sheriff:</b>			
Salaries and employee benefits	680,928	657,559	23,369
Other operating expenses	168,544	131,482	37,062
Capital outlay	67,509	65,552	1,957
Total	916,981	854,593	62,388
<b>Jail:</b>			
Contracted services	529,150	505,769	23,381
Contracted services - debt service	169,400	416,631	(247,231)
Total	698,550	922,400	(223,850)

**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, 2011**

	Final Budget	Actual	Variance Positive (Negative)
<b>Rescue squad:</b>			
Salaries and employee benefits	579,480	577,347	2,133
Other operating expenses	124,350	113,987	10,363
Capital Outlay	123,905	118,244	5,661
Total	<u>827,735</u>	<u>809,578</u>	<u>18,157</u>
<b>Dispatch:</b>			
Salaries and employee benefits	331,962	331,796	166
Other operating expenses	58,350	41,958	16,392
Capital outlay	2,776	1,970	806
Total	<u>393,088</u>	<u>375,724</u>	<u>17,364</u>
<b>Fire:</b>			
Salaries and employee benefits	25,540	25,535	5
Other operating expenses	50,332	40,637	9,695
Assistance to local fire departments	330,000	330,000	-
Total	<u>405,872</u>	<u>396,172</u>	<u>9,700</u>
<b>Inspection:</b>			
Salaries and employee benefits	148,338	142,823	5,515
Other operating expenses	25,000	17,191	7,809
Total	<u>173,338</u>	<u>160,014</u>	<u>13,324</u>
<b>Animal control:</b>			
Contribution to regional animal shelter	51,463	43,953	7,510
<b>Medical examiner:</b>			
Professional services	3,000	2,400	600
<b>Total public safety:</b>	<u>3,470,027</u>	<u>3,564,834</u>	<u>(94,808)</u>
<b>Economic and physical development:</b>			
<b>Tourism Development Authority:</b>			
Other operating expenses	31,069	27,083	3,986
Total	<u>31,069</u>	<u>27,083</u>	<u>3,986</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, 2011

	Final Budget	Actual	Variance Positive (Negative)
Other:			
Albemarle Regional Planning Organization	1,968	1,968	-
Albemarle Commission	8,425	8,425	-
Skills, Inc.	500	500	-
R C and D	1,200	1,200	-
Other	13,500	2,774	10,726
Total	<u>25,593</u>	<u>14,867</u>	<u>10,726</u>
<b>Total economic and physical development:</b>	<u>56,662</u>	<u>41,950</u>	<u>14,712</u>
<b>Environmental protection:</b>			
Conservation - soil and forest service:			
Salaries and employee benefits	29,850	29,840	10
Other operating expenditures	10,520	10,418	102
Cost share programs	12,100	12,243	(143)
Forestry service	48,000	41,546	6,454
Total	<u>100,470</u>	<u>94,047</u>	<u>6,423</u>
Beaver Management	4,000	4,000	-
Agricultural Extension:			
Salaries and employee benefits	118,783	115,012	3,771
Other operating expenditures	47,743	46,465	1,278
Total	<u>166,526</u>	<u>161,477</u>	<u>5,049</u>
Drainage Study	20,000	4,177	15,823
<b>Total environmental protection:</b>	<u>290,996</u>	<u>263,701</u>	<u>27,295</u>
<b>Human services:</b>			
Health:			
Administration - contracted services	51,310	51,245	65
Transportation	150,180	154,323	(4,143)
Total	<u>201,490</u>	<u>205,568</u>	<u>(4,078)</u>
Mental health:			
Administration - contracted services	13,045	13,045	-
Alcoholism:			
Operating - rehabilitation	2,420	2,759	(339)



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, 2011

	Final Budget	Actual	Variance Positive (Negative)
Social services:			
Administration:			
Salaries and employee benefits	1,034,319	1,023,163	11,156
Other operating expenses	79,880	60,611	19,269
Professional services	152,330	149,291	3,039
Total	<u>1,266,529</u>	<u>1,233,065</u>	<u>33,464</u>
Special assistance for adults:			
Aid for the aged	92,000	93,294	(1,294)
Aid for the permanently and totally disabled	88,000	71,715	16,285
Total	<u>180,000</u>	<u>165,009</u>	<u>14,991</u>
Medical assistance program:			
Assistance payments	4,543	465	4,078
Welfare-to-work program:			
Transportation	1,500	174	1,326
Other operating expenditures	3,500	1,005	2,495
Total	<u>5,000</u>	<u>1,179</u>	<u>3,821</u>
OJJ program:			
Perquimans County 20/20	45,000	43,187	1,813
Other assistance:			
Links	5,400	-	5,400
Adoption subsidy/enhancement	16,147	6,251	9,896
Nutrition program for the aged	40,403	40,403	-
Aid to the blind	3,749	1,101	2,648
IV E Foster Care Clothing	2,400	2,000	400
Foster care program	30,000	13,244	16,756
Smart Start day care	89,645	89,611	34
Crisis intervention	85,272	82,684	2,588
Day care program	363,287	356,224	7,063
Emergency assistance	25,000	25,027	(27)
TANF domestic violence	10,159	9,579	580
Humanitarian needs	5,000	1,285	3,715
DOT travel	17,134	16,960	174

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, 2011

	Final Budget	Actual	Variance Positive (Negative)
Other assistance (contd):			
Adult home case management	2,357	2,357	-
Food stamp issuance	6,000	5,028	972
Food Nutrition/Contingency/Admin	49,048	49,048	-
Contracted transportation	102,000	40,184	61,816
Total	<u>853,001</u>	<u>740,987</u>	<u>112,014</u>
Total social services:	<u>2,354,073</u>	<u>2,183,891</u>	<u>170,182</u>
Other:			
Albemarle Hospital	1,000	1,000	-
Food Bank of the Albemarle	500	500	-
NC Coalition	1,250	1,246	4
Kids First, Inc.	4,000	4,000	-
Albemarle Hopeline	2,000	2,000	-
Veterans service officer:			
Salaries and employee benefits	6,880	6,645	235
Other operating expenses	1,457	817	640
Total	<u>8,337</u>	<u>7,462</u>	<u>875</u>
Governor's One-on-One Program:			
Salaries and employee benefits	10,800	10,800	-
Other operating expenses	10,200	10,200	-
Total	<u>21,000</u>	<u>21,000</u>	<u>-</u>
Mentoring Focus Group:			
Other operating expenses	49,252	48,898	354
<b>Total human services:</b>	<u>2,658,367</u>	<u>2,491,369</u>	<u>166,998</u>
<b>Cultural and Recreational:</b>			
Recreation:			
Salaries and employee benefits	161,539	159,741	1,798
Other operating expenses	83,725	82,653	1,072
Capital outlay	120,800	115,162	5,638
Total	<u>366,064</u>	<u>357,556</u>	<u>8,508</u>
Senior Citizens:			
Salaries and employee benefits	83,203	83,163	40
Other operating expenses	21,436	9,366	12,070
Total	<u>104,639</u>	<u>92,529</u>	<u>12,110</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, 2011**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Library:</b>			
Contribution to regional library	<u>144,256</u>	<u>144,256</u>	<u>-</u>
<b>Other:</b>			
Chamber of Commerce	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Newbold White House	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Perquimans Arts League	<u>500</u>	<u>500</u>	<u>-</u>
Perquimans County Trail blazers	<u>500</u>	<u>500</u>	<u>-</u>
<b>Total cultural and recreational:</b>	<u>631,959</u>	<u>611,341</u>	<u>20,618</u>
<b>Debt service:</b>			
Principal retirement	<u>198,376</u>	<u>198,376</u>	<u>-</u>
Interest and other charges	<u>488,024</u>	<u>488,024</u>	<u>-</u>
Total	<u>686,400</u>	<u>686,400</u>	<u>-</u>
<b>Total debt service:</b>	<u>686,400</u>	<u>686,400</u>	<u>-</u>
<b>Education:</b>			
Public schools - current expense	<u>2,137,040</u>	<u>2,137,040</u>	<u>-</u>
Public schools - capital outlay	<u>200,000</u>	<u>197,269</u>	<u>2,731</u>
College of the Albemarle	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total	<u>2,367,040</u>	<u>2,364,309</u>	<u>2,731</u>
<b>Total education:</b>	<u>2,367,040</u>	<u>2,364,309</u>	<u>2,731</u>
<b>Total expenditures:</b>	<u>12,338,513</u>	<u>12,070,665</u>	<u>267,848</u>
<b>Revenue over (under) expenditures:</b>	<u>(599,543)</u>	<u>(287,385)</u>	<u>312,158</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, 2011**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Other financing sources (uses):</b>			
Transfers (to) from other funds:			
Capital Projects Reserve Fund	400,000	400,000	-
E-911 Reserve Fund	11,400	11,400	-
Capital Construction Capital Project Fund	-	(5,000)	(5,000)
Revaluation Reserve Fund	(34,000)	(34,000)	-
USDA Reserve Fund	(67,540)	(67,540)	-
Commerce Centre	4,002	4,002	-
Fund balance appropriated	285,681	-	(285,681)
Total other financing sources (uses)	<u>599,543</u>	<u>308,862</u>	<u>(290,681)</u>
<b>Revenue and other financing sources (uses) over (under) expenditures and other financing uses</b>	<u>\$ -</u>	21,478	<u>\$ 21,478</u>
<b>Fund balance, beginning of the year, July 1</b>		<u>3,604,290</u>	
<b>Fund balance, end of the year, June 30</b>		<u>\$ 3,625,768</u>	

## **COMBINING STATEMENTS – NON-MAJOR FUNDS**

### **Special Revenue Funds**

- 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
- USDA Reserve Fund: accounts for the reserves required for the USDA loan

### **Capital Projects Funds**

- Capital Projects Reserve Fund: accounts for the accumulation of resources to be used for capital projects
- Commerce Center Capital Project Fund: accounts for capital improvements at the Commerce Center site
- County Construction Capital Projects Fund: accounts for construction throughout the County
- 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, 2011**

	Revaluation Reserve Fund	E-911 Reserve Fund	Community Development Block Grant Fund	Single Family Rehabilitation Grant Fund	USDA Reserve Fund	Capital Project Funds				Total Nonmajor Governmental Funds
						Capital Projects Reserve Fund	Commerce Centre Capital Project Fund	County Construction Capital Projects Fund	School Construction Capital Projects Fund	
<b>Assets:</b>										
Cash and cash equivalents	\$ 159,599	\$ 275,305	\$ -	\$ -	\$ 135,080	\$ 750,958	\$ -	\$ -	\$ 25,360	\$ 1,346,302
Accounts receivable	-	20,133	-	-	-	-	-	-	-	20,133
Prepaid expenses	-	-	-	-	-	-	-	5,000	-	5,000
<b>Total assets</b>	<u>\$ 159,599</u>	<u>\$ 295,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,080</u>	<u>\$ 750,958</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 25,360</u>	<u>\$ 1,371,435</u>
<b>Liabilities and fund balances:</b>										
<b>Liabilities:</b>										
Accounts payable	\$ -	\$ 1,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,430
<b>Total liabilities</b>	<u>-</u>	<u>1,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,430</u>
<b>Fund balances:</b>										
<b>Restricted:</b>										
Stabilization by State Statute	-	-	-	-	-	-	-	5,000	-	5,000
<b>Unassigned:</b>	<u>159,599</u>	<u>294,008</u>	<u>-</u>	<u>-</u>	<u>135,080</u>	<u>750,958</u>	<u>-</u>	<u>-</u>	<u>25,360</u>	<u>1,365,005</u>
<b>Total fund balances</b>	<u>159,599</u>	<u>294,008</u>	<u>-</u>	<u>-</u>	<u>135,080</u>	<u>750,958</u>	<u>-</u>	<u>5,000</u>	<u>25,360</u>	<u>1,370,005</u>
<b>Total liabilities and fund balances</b>	<u>\$ 159,599</u>	<u>\$ 295,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,080</u>	<u>\$ 750,958</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 25,360</u>	<u>\$ 1,371,435</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, 2011**

	Revaluation Reserve Fund	E-911 Reserve Fund	Community Development Block Grant Fund	Single Family Rehabilitation Grant Fund	USDA Reserve Fund	Capital Project Funds				Total Nonmajor Governmental Funds
						Capital Projects Reserve Fund	Commerce Centre Capital Project Fund	County Construction Capital Project Fund	School Construction Capital Project Fund	
<b>Revenue:</b>										
Federal grant no. SFR-0819	\$ -	\$ -	\$ -	\$ 62,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,954
Federal grant no. 09-C-2002	-	-	34,062	-	-	-	-	-	-	34,062
State 911 funds	-	162,693	-	-	-	-	-	-	-	162,693
Land transfer tax	-	-	-	-	-	257,840	-	-	-	257,840
Investment earnings	429	1,312	-	-	-	3,893	-	-	62	5,696
Miscellaneous income	-	-	-	-	-	-	-	-	3,000	3,000
Total revenue	<u>429</u>	<u>164,005</u>	<u>34,062</u>	<u>62,954</u>	<u>-</u>	<u>261,733</u>	<u>-</u>	<u>-</u>	<u>3,062</u>	<u>526,245</u>
<b>Expenditures:</b>										
Public safety	-	199,405	-	-	-	-	-	-	-	199,405
Economic development	-	-	34,062	62,901	-	-	-	-	-	96,963
Intergovernmental:										
Education	-	-	-	-	-	-	-	-	47,240	47,240
Total expenditures	<u>-</u>	<u>199,405</u>	<u>34,062</u>	<u>62,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,240</u>	<u>343,608</u>
Excess (deficiency) of revenue over expenditures	<u>429</u>	<u>(35,400)</u>	<u>-</u>	<u>53</u>	<u>-</u>	<u>261,733</u>	<u>-</u>	<u>-</u>	<u>(44,178)</u>	<u>182,637</u>
Other financing sources (uses):										
Transfer (to) from other funds	<u>34,000</u>	<u>(11,400)</u>	<u>-</u>	<u>-</u>	<u>67,540</u>	<u>(400,000)</u>	<u>(4,002)</u>	<u>5,000</u>	<u>-</u>	<u>(308,862)</u>
Net change in fund balance	34,429	(46,800)	-	53	67,540	(138,267)	(4,002)	5,000	(44,178)	(126,225)
Fund balance, beginning of the year	125,170	340,808	-	(53)	67,540	889,225	4,002	-	69,538	1,496,230
Fund balance, end of the year	<u>\$ 159,599</u>	<u>\$ 294,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,080</u>	<u>\$ 750,958</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 25,360</u>	<u>\$ 1,370,005</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenue:</b>			
Investment earnings	<u>\$ 150</u>	<u>\$ 429</u>	<u>\$ 280</u>
<b>Expenditures:</b>			
General government	<u>34,150</u>	<u>-</u>	<u>34,150</u>
Revenues over (under) expenditures	<u>34,000</u>	<u>429</u>	<u>34,429</u>
Other financing sources (uses):			
Transfer from General Fund	<u>34,000</u>	<u>34,000</u>	<u>-</u>
Total other financing sources (uses)	<u>34,000</u>	<u>34,000</u>	<u>-</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>34,429</u>	<u>\$ 34,429</u>
Fund balance, beginning of the year, July 1		<u>125,170</u>	
Fund balance, end of the year, June 30		<u>\$ 159,599</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, 2011**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenue:</b>			
State 911 fees	\$ 126,000	\$ 162,693	\$ 36,693
Investment earnings	540	1,312	772
Total revenue	<u>126,540</u>	<u>164,005</u>	<u>37,465</u>
<b>Expenditures:</b>			
Public safety	<u>205,593</u>	<u>199,405</u>	<u>6,188</u>
Revenues over (under) expenditures	<u>(79,053)</u>	<u>(35,400)</u>	<u>43,653</u>
Other financing sources (uses):			
Fund balance appropriated	90,453	-	(90,453)
Transfer to General Fund	<u>(11,400)</u>	<u>(11,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>79,053</u>	<u>(11,400)</u>	<u>(90,453)</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(46,800)</u>	<u>\$ (46,800)</u>
Fund balance, beginning of the year, July 1		<u>340,808</u>	
Fund balance, end of the year, June 30		<u>\$ 294,008</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, 2011**

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	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenue:</b>					
Federal grant no. 09-C-2002	\$ 400,000	\$ 365,938	\$ 34,062	\$ 400,000	\$ -
Total revenue	<u>400,000</u>	<u>365,938</u>	<u>34,062</u>	<u>400,000</u>	<u>-</u>
<b>Expenditures:</b>					
Administration	40,000	31,497	8,308	39,805	195
Clearance	25,000	24,855	145	25,000	(0)
Relocation	325,000	305,326	19,868	325,194	(194)
Rehabilitation	10,000	4,260	5,740	10,000	-
Total expenditures	<u>400,000</u>	<u>365,938</u>	<u>34,062</u>	<u>400,000</u>	<u>-</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, 2011**

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	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenue:</b>					
Federal grant no. SFR-0819	\$ 200,000	\$ 129,514	\$ 62,954	\$ 192,468	\$ 7,532
Total revenue	<u>200,000</u>	<u>129,514</u>	<u>62,954</u>	<u>192,468</u>	<u>7,532</u>
<b>Expenditures:</b>					
Administration	16,000	10,096	6,250	16,346	(346)
Relocation	4,000	-	-	-	4,000
Rehabilitation	160,000	116,082	49,161	165,243	(5,243)
Program costs	20,000	3,389	7,490	10,879	9,121
Total expenditures	<u>200,000</u>	<u>129,567</u>	<u>62,901</u>	<u>192,468</u>	<u>7,532</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (53)</u>	53	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of the year, July 1			<u>(53)</u>		
Fund balance, end of the year, June 30			<u>\$ -</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures:</b>			
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>67,540</u>	
Fund balance, end of the year, June 30		<u>\$ 135,080</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, 2011**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenue:</b>			
Investment earnings	\$ 1,500	\$ 3,893	\$ 2,393
Land transfer tax	<u>300,000</u>	<u>257,840</u>	<u>(42,160)</u>
Total revenues	<u>301,500</u>	<u>261,733</u>	<u>(39,767)</u>
<b>Other financing sources (uses):</b>			
Fund balance appropriated	98,500	-	(98,500)
Transfer to General Fund	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(301,500)</u>	<u>(400,000)</u>	<u>98,500</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	(138,267)	<u>\$ (138,267)</u>
Fund balance, beginning of the year, July 1		<u>889,225</u>	
Fund balance, end of the year, June 30		<u>\$ 750,958</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, 2011**

---

	Final Budget	Actual	Variance Positive (Negative)
<b>Other financing sources (uses):</b>			
Fund balance appropriated	\$ 4,002	\$ -	\$ (4,002)
Transfer from General Fund	(4,002)	(4,002)	-
Total	<u>-</u>	<u>(4,002)</u>	<u>(4,002)</u>
 Revenues and other financing sources over (under) expenditures	 <u>\$ -</u>	 (4,002)	 <u>\$ (4,002)</u>
 Fund balance, beginning of the year, July 1		<u>4,002</u>	
 Fund balance, end of the year, June 30		<u>\$ -</u>	

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**COUNTY CONSTRUCTION CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**-- BUDGET AND ACTUAL --**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other financing sources (uses):</b>			
Transfer from General Fund	\$ -	\$ 5,000	\$ 5,000
Total	<u>-</u>	<u>5,000</u>	<u>5,000</u>
 Revenues and other financing sources over (under) expenditures	 <u>\$ -</u>	 5,000	 <u>\$ 5,000</u>
 Fund balance, end of the year, June 30		 <u>\$ 5,000</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, 2011**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenue:</b>			
Investment Earnings	\$ -	\$ 62	\$ 62
Sales tax refund	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Total revenue	<u>-</u>	<u>3,062</u>	<u>3,062</u>
<b>Expenditures:</b>			
Professional Services	<u>50,000</u>	<u>47,240</u>	<u>2,760</u>
Total expenditures	<u>50,000</u>	<u>47,240</u>	<u>2,760</u>
<b>Revenue over (under) expenditures</b>	<u>(50,000)</u>	<u>(44,178)</u>	<u>(5,822)</u>
<b>Other financing sources (uses):</b>			
Fund balance appropriated	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(44,178)</u>	<u>\$ (44,178)</u>
Fund balance, beginning of the year, July 1		<u>69,538</u>	
Fund balance, end of the year, June 30		<u>\$ 25,360</u>	



## ENTERPRISE FUNDS

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Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business 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.

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**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, 2011**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenue:</b>			
Operating revenue:			
Charges for services			
Solid waste fees	\$ 799,000	\$ 827,685	\$ 28,685
Solid waste disposal tax	6,500	8,444	1,944
Non-operating revenue			
Investment earnings	<u>250</u>	<u>380</u>	<u>130</u>
<b>Total revenue</b>	<u>805,750</u>	<u>836,509</u>	<u>30,759</u>
<b>Expenditures:</b>			
Landfill operations:			
Solid waste operations	<u>811,750</u>	<u>735,420</u>	<u>76,330</u>
Total	<u>811,750</u>	<u>735,420</u>	<u>76,330</u>
Revenues over (under) expenditures	(6,000)	101,089	95,089
Other financing sources (uses)			
Fund balance appropriated	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	101,089	<u>\$ (101,089)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Change in net assets:		<u>\$ 101,089</u>	

**PERQUIMANS COUNTY, NORTH CAROLINA  
WATER FUND  
STATEMENT OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenue:</b>			
Charges for services:			
Water sales	\$ 1,683,000	\$ 1,712,517	\$ 29,517
Tap and reconnection fees	102,725	66,150	(36,575)
Penalties	32,000	40,037	8,037
Other fees	6,000	4,000	(2,000)
Other operating revenue	<u>3,000</u>	<u>6,615</u>	<u>3,615</u>
Total operating revenue	<u>1,826,725</u>	<u>1,829,319</u>	<u>2,595</u>
 Non-operating revenue			
Rent	4,500	4,800	300
Investment earnings	4,500	8,092	3,592
Federal reimbursement-waterline relocation	47,336	16,935	(30,401)
FEMA	<u>13,250</u>	<u>13,250</u>	<u>-</u>
Total non-operating revenue	<u>69,586</u>	<u>43,077</u>	<u>(26,509)</u>
 <b>Total revenue</b>	 <u>1,896,311</u>	 <u>1,872,396</u>	 <u>(23,915)</u>
 <b>Expenditures:</b>			
<b>Administration:</b>			
Salaries and employee benefits	250,119	246,945	3,174
Professional services	90,000	89,988	12
Indirect costs	101,116	101,116	-
Other department expenses	<u>157,054</u>	<u>116,901</u>	<u>40,153</u>
Total	<u>598,289</u>	<u>554,950</u>	<u>43,339</u>
 Water distribution and treatment:			
Salaries and employee benefits	106,378	107,295	(917)
Travel	1,000	-	1,000
Professional services	138,000	127,930	10,070
Salt and chemical supplies	194,000	208,623	(14,623)
Insurance and bonds	20,000	18,896	1,104
Utilities	101,200	100,937	263
Water sample tests	30,000	29,877	123
Sedimentation control	31,200	31,200	-
Other departmental expenses	<u>92,850</u>	<u>63,953</u>	<u>28,897</u>
Total	<u>714,628</u>	<u>688,711</u>	<u>25,917</u>

**PERQUIMANS COUNTY, NORTH CAROLINA  
WATER FUND  
STATEMENT OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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	Final Budget	Actual	Variance Positive (Negative)
Debt service:			
Interest and fees	93,170	92,936	234
Debt Principal	594,435	594,316	119
Total debt service	<u>687,605</u>	<u>687,252</u>	<u>353</u>
Capital outlay:			
Equipment	44,000	47,924	(3,924)
Building	377,000	-	377,000
Total capital outlay	<u>421,000</u>	<u>47,924</u>	<u>373,076</u>
<b>Total expenditures</b>	<u>2,421,522</u>	<u>1,978,837</u>	<u>442,686</u>
Revenues over (under) expenditures	<u>(525,211)</u>	<u>(106,441)</u>	<u>418,772</u>
<b>Other financing sources (uses)</b>			
Fund balance appropriated	499,095	-	(499,095)
Transfer from other funds	26,116	-	26,116
Total other financing sources (uses)	<u>525,211</u>	<u>-</u>	<u>(525,211)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	(106,441)	<u>\$ (106,439)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Reconciling items:			
Amortization		(1,422)	
Debt principal		594,316	
Capital outlay		47,924	
OPEB		1,161	
Depreciation		(458,180)	
Forgiveness of Debt - Drinking Water State Revolving Fund (ARRA)		314,272	
Sales tax refund from Winfall Water Plant Upgrade		<u>26,470</u>	
Total reconciling items		<u>524,541</u>	
Change in net assets:		<u>\$ 418,100</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, 2011**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>					
Sales tax refund	\$ -	\$ 49,255	\$ 26,470	\$ 75,725	\$ 75,725
<b>Expenditures:</b>					
Professional services	199,477	133,450	38,723	172,173	27,304
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	664,374	2,620,383	(8,777)
Contingency	130,580	-	-	-	130,580
Total expenditures	<u>3,065,895</u>	<u>2,161,459</u>	<u>703,097</u>	<u>2,864,556</u>	<u>201,339</u>
Revenues over (under) expenditures	<u>(3,065,895)</u>	<u>(2,112,204)</u>	<u>(676,627)</u>	<u>(2,788,831)</u>	<u>(277,064)</u>
<b>Other financing sources (uses)</b>					
Loan proceeds	1,500,000	1,083,338	314,272	1,397,610	102,390
Forgiveness of Debt - Drinking Water State Revolving Fund (ARRA)	1,500,000	1,083,338	314,272	1,397,610	102,390
Transfer from Water Construction Fund	65,895	65,895	-	65,895	-
Total other financing sources (uses)	<u>3,065,895</u>	<u>2,232,571</u>	<u>628,544</u>	<u>2,861,115</u>	<u>204,780</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 120,367</u>	<u>(48,083)</u>	<u>\$ 72,284</u>	<u>\$ 72,284</u>
Fund balance, beginning of the year, July 1			<u>120,367</u>		
Fund balance, end of the year, June 30			<u>\$ 72,284</u>		

## TRUST AND AGENCY FUNDS

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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.

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### 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, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>Social Services</b>				
Assets:				
Cash and cash equivalents	\$ 17,372	\$ 85,890	\$ 81,165	\$ 22,097
Liabilities:				
Miscellaneous liabilities	\$ 17,372	\$ 85,890	\$ 81,165	\$ 22,097
<b>Soil and Water Conservation</b>				
Assets:				
Cash and cash equivalents	\$ 8,309	\$ 5,699	\$ 5,054	\$ 8,954
Liabilities:				
Miscellaneous liabilities	\$ 8,309	\$ 5,699	\$ 5,054	\$ 8,954
<b>4-H Fund</b>				
Assets:				
Cash and cash equivalents	\$ 3,335	\$ 11,934	\$ 12,052	\$ 3,217
Liabilities:				
Miscellaneous liabilities	\$ 3,335	\$ 11,934	\$ 12,052	\$ 3,217
<b>Sheriff's Fund</b>				
Assets:				
Cash and cash equivalents	\$ 1,468	\$ 1,175	\$ 800	\$ 1,843
Liabilities:				
Miscellaneous liabilities	\$ 1,468	\$ 1,175	\$ 800	\$ 1,843
<b>Babe Ruth Fund</b>				
Assets:				
Cash and cash equivalents	\$ 2,182	\$ 13,892	\$ 15,536	\$ 538
Liabilities:				
Miscellaneous liabilities	\$ 2,182	\$ 13,892	\$ 15,536	\$ 538
<b>Farm Service Fund</b>				
Assets:				
Cash and cash equivalents	\$ 3,564	\$ 10,313	\$ 9,302	\$ 4,575
Liabilities:				
Miscellaneous liabilities	\$ 3,564	\$ 10,313	\$ 9,302	\$ 4,575

PERQUIMANS COUNTY, NORTH CAROLINA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>State Treasurer - Motor Vehicle Interest Fund</b>				
Assets:				
Cash and cash equivalents	\$ -	\$ 3,956	\$ 3,956	\$ -
Liabilities:				
Miscellaneous liabilities	\$ -	\$ 3,956	\$ 3,956	\$ -
<b>Deed of Trust Fee Fund</b>				
Assets:				
Cash and cash equivalents	\$ -	\$ 2,475	\$ 2,475	\$ -
Liabilities:				
Intergovernmental payable-State North Carolina	\$ -	\$ 2,475	\$ 2,475	\$ -
<b>Total All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 36,230	\$ 135,334	\$ 130,340	\$ 41,224
Liabilities:				
Miscellaneous liabilities	\$ 36,230	\$ 135,334	\$ 130,340	\$ 41,224



## **OTHER SCHEDULES**

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This section includes additional information on property taxes.

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

**PERQUIMANS COUNTY, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
June 30, 2011**

Fiscal Year	Uncollected Balance July 1, 2010	Additions	Collections and Credits	Uncollected Balance June 30, 2011
2010-2010	\$ -	\$ 7,239,570	\$ 6,951,379	\$ 288,191
2009-2010	299,258		144,409	154,849
2008-2009	138,874		28,635	110,239
2007-2008	85,205		11,071	74,134
2006-2007	46,444		3,081	43,363
2005-2006	34,887		2,690	32,197
2004-2005	27,727		1,661	26,066
2003-2004	23,363		1,143	22,220
2002-2003	22,247		713	21,534
2001-2002	22,916		598	22,318
2000-2001	18,403		18,403	-
	<u>\$ 719,324</u>	<u>\$ 7,239,570</u>	<u>\$ 7,163,783</u>	<u>\$ 795,111</u>
Less allowance for uncollected accounts: General Fund				<u>37,000</u>
Ad valorm taxes receivable - net: General Fund				<u>\$ 758,111</u>
<b><u>Reconciliation with revenue:</u></b>				
Ad valorem taxes - General Fund				\$ 7,099,305
Interest collected on ad valorem taxes - General Fund				60,669
Reconciling items:				
Interest collected				(60,669)
Taxes written off				18,403
Adjustments				46,075
Total reconciling items				<u>3,809</u>
Total collection and credits				<u>\$ 7,163,783</u>

**PERQUIMANS COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	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	\$ 1,674,928,072	0.42	\$ 7,091,231	\$ 6,691,617	\$ 399,614
Penalties			1,961	1,961	
Total:			7,093,192	6,693,578	399,614
Discoveries:					
Current year taxes	34,851,905	0.42	146,378	146,378	
Total property valuation:	<u>\$ 1,709,134,572</u>				
Net levy			<u>\$ 7,239,570</u>	<u>\$ 6,839,956</u>	<u>\$ 399,614</u>
Uncollected taxes at June 30, 2011			<u>\$ 288,191</u>	<u>\$ 243,463</u>	<u>\$ 44,728</u>
Current year's taxes collected			<u>\$ 6,951,379</u>	<u>\$ 6,596,493</u>	<u>\$ 354,886</u>
Current levy collection percentage			<u>96.02%</u>	<u>96.44%</u>	<u>88.81%</u>

**PERQUIMANS COUNTY, NORTH CAROLINA  
TEN LARGEST TAXPAYERS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2010 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Albemarle Plantation Holdings	Real Estate Development	\$ 29,453,404	1.72%
Albemarle Electric	Electric Company	14,409,909	0.84%
Weyerhaeuser	Lumber Company	11,743,935	0.69%
Blue Water Land Development Company	Real Estate Development	9,900,571	0.58%
Dominion N. C. Power	Electric Company	8,031,409	0.47%
Brown Development of NC	Telephone Company	7,798,633	0.46%
Carolina Telephone	Real Estate Development	7,516,364	0.44%
Clark and Elizabeth Harris	Real Estate Development	4,898,483	0.29%
NC Virginia Railroad	Retirement Home	3,760,416	0.22%
SMV Hertford, LLC	Real Estate Development	3,744,188	0.22%
		<u>\$ 101,257,312</u>	<u>5.92%</u>
	Total assessed valuation:	<u>\$ 1,709,134,572</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

102 WEST EDEN STREET  
P.O. BOX 567  
EDENTON, NORTH CAROLINA 27932  
TELEPHONE: (252) 482-8461  
FAX (252) 482-4921

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, 2011, which collectively comprises Perquimans County's basic financial statements, and have issued our report thereon dated October 14, 2011. 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.

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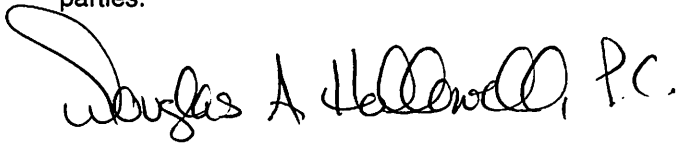
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Compliance and Other Matters

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. Howell, P.C." The signature is written in a cursive style with a large, sweeping initial 'D'.

Elizabeth City, North Carolina  
October 14, 2011

**DOUGLAS A. HOLLOWELL P.C.**

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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, 2011. 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, 2011.

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

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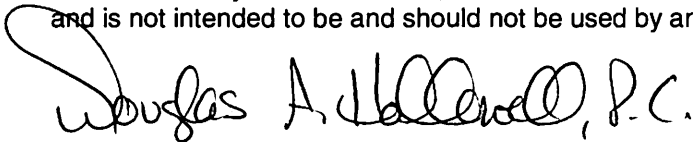


internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with 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, reading "Douglas A. Haller, P.C." The signature is written in a cursive style with a large initial 'D'.

Elizabeth City, North Carolina  
October 14, 2011

# DOUGLAS A. HOLLOWELL P.C.

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

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

To the Board of 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 *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 its major State programs for the year ended June 30, 2011. Perquimans County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of 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 applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State 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 could have a direct and material effect on each of its major State programs for the year ended June 30, 2011.

### 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 State programs. In

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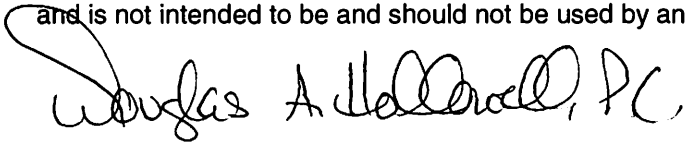
THE NORTH CAROLINA  
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PUBLIC ACCOUNTANTS

planning and performing our audit, we considered Perquimans County's internal control over compliance with the requirements that could have a direct and material effect on a major State 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 with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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 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 State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 State 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 over compliance 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. Halliwell, PC". The signature is written in a cursive style with a large, looping initial "D".

Elizabeth City, North Carolina  
October 14, 2011

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Fiscal Year Ended June 30, 2011

<b>Section I. Summary of Auditors' Results</b>
--

**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
10.561	Food Stamps

Dollar threshold used to distinguish between Type A and Type B Programs   \$406,102  

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, 2011

**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:

CFDA /Grant Numbers	Names of State Program
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, 2011

No matters to report.

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

No matters to report.

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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
<b>Federal Awards:</b>					
<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		\$ 133,508	\$ -	\$ 84,798
			133,508	-	84,798
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		135,557	-	-
Total U.S. Department of Agriculture			<u>269,065</u>	<u>-</u>	<u>84,798</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	34,062	-	-
Passed through N.C. Housing Finance Agency:					
Single Family Rehabilitation	14.239	SFR0819	62,954	-	-
Total U.S. Department of Housing and Urban Development			<u>97,016</u>	<u>-</u>	<u>-</u>



**PERQUIMANS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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
<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		628,543	-	-
Total Environmental Protection Agency			628,543	-	-
<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		22,377	-	22,213
Title IV-E Foster Child Protective Services	93.658		16,805	4,760	12,045
Title IV-E Foster Care	93.658		1,695	421	420
Title IV-E Foster Care Maximization	93.658		1,752	14	858
Adoption Assistance - Direct Benefit Payments	93.659		25,803	6,025	6,025
State Foster Home	93.659		-	1,943	1,943
SFHF Maximization	93.659		-	2,734	1,464
Total foster care and adoption cluster			68,432	15,897	44,968
Work First/Temporary Assistance for Needy Families (TANF)	93.558		66,044	(791)	122,170
Work First/TANF - Direct Benefit Payments	93.558		110,609	(38)	-
Work First/TANF Domestic Violence	93.558		7,856	-	-
ARRA-Emergency Contingency Fund for Temporary Assistance for Needy Families State Programs	93.714		23,721	-	-

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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
<u>Low Income Home Energy Assistance Block Grant:</u>					
Administration	93.568		10,953	-	7,844
Energy Assistance payments - direct benefit payments	93.568		122,129	-	-
Crisis Intervention Program	93.568		82,684	-	-
Permanency planning	93.645		3,902	383	972
Social Services Block Grant - Other services and training	93.667		44,473	5,117	17,723
Promoting Safe and Stable Families	93.556		2,325	-	1,170
<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		1,986	-	284
Links	93.674		-	-	94
<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		76,442	-	-
Division of Child Development:					
Child Care and Development Block Grant	93.575		130,742	-	-
Child Care and Development Fund - Mandatory	93.596		57,168	-	-
Child Care and Development Fund - Match	93.596		58,019	31,561	-
Smart Start			-	2,241	-
Total Child Care Development Fund Cluster			245,929	33,802	-
Social Services Block Grant	93.667		91	-	-
Temporary Assistance for Needy Families	93.558		41,726	-	-
State Appropriations			-	12,991	-
TANF-MOE			-	68,642	-
Total Subsidized Child Care			364,188	115,435	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed through the NC Department of Health & Human Services:					

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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
<u>Division of medical assistance:</u>					
Direct benefit payments:					
Medical assistance program	93.778		<u>11,340,108</u>	<u>4,520,358</u>	<u>494</u>
<u>Division of Social Services:</u>					
Administration:					
Medical assistance program	93.778		<u>242,469</u>	<u>-</u>	<u>242,469</u>
Medical assistance expansion	93.778		<u>9,535</u>	<u>9,526</u>	<u>9</u>
Medical transportation	93.778		<u>12,946</u>	<u>-</u>	<u>12,946</u>
State Children's Insurance Program-N.C. Health Choice	93.767		<u>11,709</u>	<u>277</u>	<u>3,662</u>
Adult Home Special Services	93.778		<u>4,296</u>	<u>2,148</u>	<u>2,148</u>
Total U.S. Department of Health & Human Services			<u>12,530,365</u>	<u>4,668,312</u>	<u>456,953</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		<u>11,756</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>11,756</u>	<u>-</u>	<u>-</u>
 Total Federal awards			<u>13,536,745</u>	<u>4,668,312</u>	<u>541,751</u>

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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
<b>State awards:</b>					
<u>N.C. Department of Health &amp; Human Services</u>					
Division of Aging and Adult Services					
Division of Social Service					
State/County Special Assistance for Adults					
				93,170	-
State/County Special Assistance for the Disabled					
				71,715	-
State Adult Protective Services					
				6,395	12,760
Divison of Social Services					
DCD Smart Start					
				4,069	-
Office of Emergency Medical Services					
EMS Toolkit Grant Program					
				-	-
Total N.C. Department of Health & Human Services				175,349	12,760
<u>N.C. Department of Transportation</u>					
<u>Rural Operating Assistance Program (ROAP)</u>					
ROAP Elderly and Disabled Transportation Assistance Program					
				60,578	-
ROAP Rural General Public Program					
				58,398	-
ROAP Work First Transitional - Employment Transportation Assistance Program					
				8,711	-
Total Rural Operating Assistance Program (ROAP)				127,687	-
Water Line Reimbursement					
				16,935	-
Total N.C. Department of Transportation				144,622	-
<u>N.C. Department of Juvenile Justice &amp; Delinquency Prevention</u>					
Juvenile Crime Prevention Programs: Passed through to Perquimans 20/20 a not-for-profit organization					
				109,187	-
Total N.C. Department of Juvenile Justice & Delinquency Prevention				109,187	-
<u>N. C. Department of Environment and Natural Resources</u>					
Division of Waste Management					
White Goods Management Program					
				3,856	-
Scrap Tire Program					
				20,534	-
Soil conservation - Technical Assistance/operation					
				16,295	-
Soil conservation - Operations					
				3,960	-
Solid Waste Management Trust Fund - Community Waste Reduction Grant					
				8,444	-
Total Division of Waste Management				53,089	-

**PERQUIMANS COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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
Division of Water					
N.C. Clean Water Management Trust Fund				-	-
Total Division of Water				-	-
Division of Coastal Management					
Access Grant				-	-
Parks and Recreation Trust Fund				57,581	-
Total N.C. Department of Environment and Natural Resources				110,670	-
<u>N.C. Department of Insurance</u>					
Division of Seniors' Health Insurance Information				2,872	-
Total N.C. Department of Insurance				2,872	-
<u>N.C. Department of Crime Control and Public Safety</u>					
Emergency Management Performance Grant		EMPG2006-37201		-	-
Total N.C. Department of Crime Control and Public Safety				-	-
<b>Total State awards</b>				<b>542,700</b>	<b>12,760</b>
<b>Total Federal &amp; State Award</b>			<b>\$ 13,536,745</b>	<b>\$ 5,211,012</b>	<b>\$ 554,511</b>

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.