

ONslow COUNTY

NORTH CAROLINA

Citizens' Financial Report



POPULAR ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended
June 30, 2005*

About the Cover

Onslow County is the home of Camp Lejeune Marine Corps Base, the largest Marine Corps installation on the East Coast. In 2005 the United States Mint produced a commemorative one dollar coin to honor those who have and are serving our nation as members of the United States Marine Corps.

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INTRODUCTION

The report contained herein is the first Popular Annual Financial Report (PAFR) prepared by Onslow County. This report is called the Popular Annual Financial Report because financial data is presented here in a simple, easy to read format for the average person. The information for this report has been taken from the County's Comprehensive Annual Financial Report (CAFR), which is a complete compilation of financial data including the audited statements and footnotes, auditor's opinion and other relevant schedules and statistics. Anyone interested in viewing the CAFR can do so at the County Finance Department at 615 Court Street, Jacksonville, N.C. 28540.

We hope you will take the time to provide us with your thoughts or ideas for improvement after reading this year's report. Drop me a note at the address listed above; call the office at 910-455-3404, or e-mail alvin_barrett@co.onslow.nc.us. We look forward to hearing from you.

BOARD OF COMMISSIONERS

Lionell Midgett
Chairman
Martin Aragona, Jr.
Vice-Chairman
Paul Buchanan
Delma Collins
Joseph McLaughlin

**ONSTLOW COUNTY
NORTH CAROLINA**

www.co.onslow.nc.us

November 1, 2005

Citizens of Onslow County

I am pleased to present the Onslow County Popular Annual Financial Report (PAFR) for the year ended June 30, 2005. This is Onslow County's first publication of a PAFR. The report is a brief presentation of financial information and activities including where County revenue comes from, where those dollars are spent and a brief overview of the local economy. Above all, it is designed to present an understandable and readable financial report.

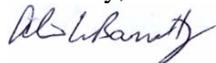
This financial report provides a summary of information detailed in the 2005 Onslow County Comprehensive Annual Financial Report (CAFR). The CAFR is a 154-page document of detailed financial statements, note disclosures, supplemental schedules, and statistical tables. The CAFR was prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and was audited by Pittard Perry & Crone, CPAs and received an unqualified opinion, the best that can be received.

The Popular Annual Financial Report is a condensed, more user-friendly financial report intended to provide highlights of the primary government from the County's CAFR. The PAFR is not audited and does not conform to GAAP and governmental reporting standards. The major differences between GAAP and non-GAAP reporting deal with the exclusion of component units, agency funds, presentation of individual funds and full disclosure of all material financial and non-financial notes to the financial statements. But a PAFR is easier to read.

The PAFR and CAFR are important informational tools providing both the citizens and the business community pertinent facts and statistics regarding the financial management and economic status of Onslow County. The Popular Annual Financial Report of Onslow County is being introduced as a means of increasing public confidence in County government through easier, more user friendly financial reporting.

Onslow County continues its trend of sound fiscal management as reflected within these pages by striving to offer to the public the best services and require, including education, human services, public safety, economic development and infrastructure improvements as well as other necessary programs for residents. As you review our Popular Annual Financial Report, I invite you to review Onslow County's Comprehensive Annual Financial Report (CAFR) at the Finance Office at 615 Court Street, Jacksonville, NC.

Sincerely,



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

Onslow County Board of Commissioners



Delma Collins

Martin A. Aragona, Jr.
Vice-Chairman

Lionell Midgett
Chairman

Paul Buchanan

Joseph R. McLaughlin

DEPARTMENTAL CONTACTS

ADMINISTRATION

Frank Clifton (910) 347-4717
County Manager

AIRPORT

Jerry Vickers (910) 324-1100
Director

BOARD OF ELECTIONS

Rose Whitehurst (910) 455-4484
Elections Supervisor

BUILDING & GROUNDS

Randy Jones (910) 455-0334
Maintenance Chief

COOPERATIVE EXTENSION/AGRICULTURE

Peggy Garner (910) 347-6782
Director

DEPARTMENT OF SOCIAL SERVICES

Roger Penrod (910) 455-4145
Director

EMERGENCY MANAGEMENT SERVICES

Mark Goodman (910) 347-4270
Director

FINANCE OFFICE

Alvin W. Barrett, Jr. (910) 455-3404
Deputy Co. Mgr./Finance Officer

HEALTH DEPARTMENT

George O'Daniel (910) 347-2154
Director

HUMAN RESOURCES

Tom Morgan (910) 347-7600
Human Resources Director

INFORMATION TECHNOLOGY SERVICE

Phil Turner (910) 455-3926
ITS Director

MOSQUITO & VECTOR CONTROL

J.R. Batchelor (910) 455-0181
Supervisor

MUSEUM

Lisa Whitman-Grice (910) 324-5008
Director

PARKS & RECREATION

Mac Sligh (910) 347-5332
Director

PLANNING & DEVELOPMENT/CODE ENFORCEMENT

Steve Sizemore (910) 455-3661
Director

PUBLIC LIBRARY

Estell Carter (910) 455-7351
Interim Director

PURCHASING & CONTRACTS

Laura Jones (910) 455-1750
Interim Purchasing Agent

REGISTER OF DEEDS

Mildred Thomas (910) 347-3451
Registrar

SENIOR SERVICES

Marge Zima (910) 455-2747
Director

SHERIFF

Ed Brown (910) 455-3113
Sheriff

SOIL & WATER CONSERVATION

William D. Norris (910) 455-4472
Director

VEHICLE MAINTENANCE FACILITY

Jerry Davis (910) 455-0181
Supervisor

SOLID WASTE

James Horne (910) 989-2107
Coordinator

VETERAN SERVICES

Amelia Grissett (910) 347-3309
Director

TAX ADMINISTRATION

Harry Smith (910) 989-2200
Tax Collector

YOUTH SERVICES

Peggy Gibson (910) 455-4275
Director

ONSLow COUNTY HISTORY

Situated on the lower Coastal Plain of southeastern North Carolina, the cultural history of Onslow County is interwoven with its natural setting. Social, political, and economic decisions have been undeniably influenced by the availability and abundance of local resources, including waterways, fertile soil, and vast stands of timber. This abundance attracted the area's first people, the Native Americans. The first European and English settlers arrived in 1713 in what was originally part of the colonial precincts of Carteret and New Hanover. In 1734 the residents along the New and White Oak Rivers petitioned to establish their own court precinct to be called Onslow; in commemoration of the Honorable Arthur Onslow, Speaker of the House of Commons. Following the American Revolution it would become Onslow County in the new state of North Carolina. Its current system of government comprising a Board of County Commissioners was formalized in the late 19th century as a measure of Reconstruction following the American Civil War. Throughout the 20th century, agricultural endeavors, business, and even the establishment of the world's most complete amphibious training facility – Marine Corps Base Camp Lejeune relied upon and flourished in the natural environment of Onslow County. Today the aforementioned abundance and beauty found in the surrounding landscape, shoreline, and seascape continues to define Onslow County, attracting industry, tourism, and families to our distinctive community.

PROFILE OF THE COUNTY



The county is bordered by Pender County to the south, Duplin County to the west, Lenior and Jones counties to the northwest and north, and the Atlantic Ocean to the east. The County has a flat, gently rolling terrain which slopes from an altitude of 63 feet at the town of Richlands to sea level and covers a total of 767 square miles encompassing approximately 484,000 acres, of which about 156,400 acres comprise the Camp Lejeune Marine Corps Base and New River Marine Corps Air Station and are owned by the federal government. There are six municipalities within the county, the largest being the City of Jacksonville, which serves as the county seat.

LOCAL ECONOMY

Camp Lejeune is the largest contributor to the Onslow County economy through wages to base connected military, civilian employees, and employees of non-appropriated fund organizations of approximately \$1.82 billion, according to 2004 base statistics. Of this, \$421 million was paid to military and civilian retirees within fifty- (50) miles of Camp Lejeune.

During the federal fiscal year 2004 Camp Lejeune awarded \$100 million in construction contracts with approximately \$44.2 million awarded to contractors located in Onslow County.

Of the top ten North Carolina vendors of material, supplies and services to Camp Lejeune three were from Onslow County with purchases of approximately \$1.05 million.



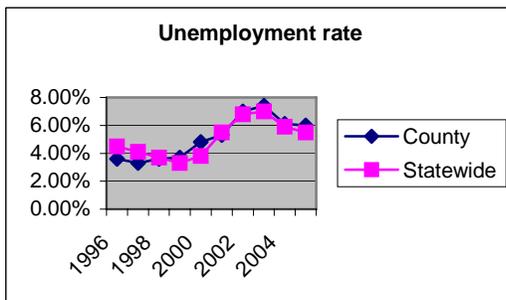
Agriculture remains a major economic factor in Onslow County with gross agricultural income for 2004 estimated at \$80.1 million. Tobacco remains the leading cash crop with a gross income of \$5.9 million. Other major crops include corn at \$3.2 million, soybeans at \$2.6 million and cotton at \$2.4 million.



The newest crop to the area is peanuts with 333 acres yielding just under \$300,000. The livestock industry continues to play a dominant role in farm income with a combined total of \$58 million. Poultry and pork production account for the majority of this at \$57.2 million. Additionally, timber sales within the county total approximately \$15.7 million.

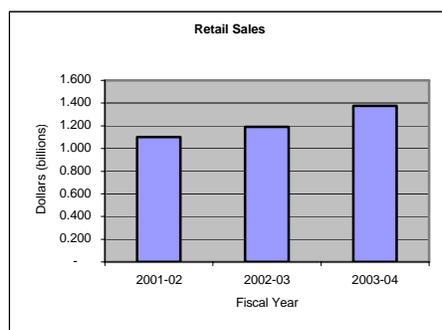
Construction activity in Onslow County has remained steady as evidenced by the 2507 new units of residential construction and 285 new units of commercial construction totaling over \$227 million dollars in fiscal year 2005.

Tourism is one of the county's largest growing industries. It is estimated that the local tourism industry generates more than \$27.8 million in wages for approximately 1460 full time employees. Onslow County ranked 22nd in travel impact among North Carolina counties, with total revenues estimated at nearly \$124.9 million per year. The state and local tax revenues from travel to Onslow County represents a \$72 tax savings to each county resident.



The unemployment rate for Onslow County as of June 30, 2005, was 6.00 percent. Economic development recruiting efforts are being focused on telecommunications "back office" type of companies, assembly/light manufacturing industries, and industries that are suppliers to the military. With a large military dependent population, these industries are well suited for the existing work force.

The County for the continued Boulevard of many for the FY which data over FY



has become also a center for retail sales region. New commercial businesses have to open in the county. The Western area in Jacksonville has become the home national retail businesses. Retail sales 2003-04 of \$1.37 billion (the last year for is available) shows an increase of 12.35% 2002-03.

The County located on is marketing its 730-acre Industrial Park U.S. Highway 258 and within a 10-minute drive of Albert J. Ellis Airport, which serves the County. In January of 2005 this site was officially certified as a North Carolina certified industrial site. Having the site certified means that much of the infrastructure, including site surveys and access to necessary utilities like water and power, is already in place. Additionally, the North Carolina Department of Commerce is posting this site on its web site for prospective industries to do preliminary screening.

At our county operated Albert J. Ellis Airport, Piedmont Airlines operating as US Airways Express has responded to passenger's demands by providing a five daily 50-seat jet flights and one daily 70-seat flight between Jacksonville and Charlotte. Additionally, US Airways has added a weekly nonstop roundtrip



between Jacksonville and Philadelphia using a 50-seat regional jet operated as PSA Airlines. Passenger traffic has increased from 112,779 passengers in FY 03-04 to 183,944 in FY 04-05 for a 63.1% increase. In terms of emplacements (passengers boarding flights out of the airport) the airport recorded an increase of 18,249 for a 52% increase. This increase can be linked to the actions of the airline to reduce fares slightly, increasing the number of seats available to the market and making more seats available at the lower fare. This increase in traffic has provided us the opportunity to seek improvements in existing air service and to pursue additional service.

COUNTY GOVERNMENT



The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected at large on a partisan basis and serve four-year terms. Commissioners hold policy-making and legislative authority. They are also responsible for adopting the budget, setting the property tax rate, setting policies, adopting county ordinances and appointing the county manager. The manager is responsible for implementing policies, managing daily operations, and appointing department heads.

The County provides a wide range of services to the citizens of the county through its twenty-six departments. Examples of these are Sheriff, Jail, Emergency Management (E911 and EMS), Health Department, Department of Social Services, Recreation, Library, Senior Services, Veteran's Services, Mosquito Control, Cooperative Extension Services, Youth Services, Board of Elections, Museum, Airport, Planning, and Register of Deeds.

The County also provides current expense and capital outlay funding for the Onslow County School System and is responsible for providing school facilities. The school system is governed by an independently elected Board of Education.

FINANCIAL ACTIVITY STATEMENT

The Financial Activity Statement (changes in net assets) reports the financial activities of Onslow County Government as a whole. These activities are identified as either **Governmental** or **Business-type**. Governmental activities constitute the majority of the County's operations and are financed primarily by operating grants, taxes, charges for services, capital grants, and other intergovernmental revenues. Business-type activities, on the other hand, rely on user fees and other charges to wholly, or to a large extent, fund their operations.

Sources of Revenue are the monies received by the County from a variety of sources used to fund all services provided.

- Charges for services – monies received by departments for fees paid by the public.
- Operating Grants and Contributions – monies to be used for general program operations.
- Capital Grants and Contributions – monies to be used for capital acquisitions.
- Taxes – revenue from real estate tax, personal property tax, sales tax and other smaller taxes.
- Intergovernmental Revenues – revenue from grants and pass-through monies administered by the State of North Carolina and federal government.

Expenses are the monies spent to provide services to citizens. Below is a recap of the governmental activities and business-type activities of the County.

Governmental Activities

- General Government – includes expenses incurred to operate the administrative offices of the Commissioners, County Manager, Finance, Human Resources, Tax, Attorney, Courthouse, Administrative Building, Elections, Register of Deeds, Information Technology System, and Buildings and Grounds, Garage, and Planning.
- Public Safety – includes the costs of the Sheriff, Jail, Emergency Medical Services, Communications, Fire Services, Animal Control, Code Enforcement, Medical Examiner, Volunteer Rescue Squads, and Volunteer Fire Departments.
- Transportation – includes costs for Airport.
- Economic and Physical Development – includes expenses for Economic Development, Cooperative Extension Services, Soil and Water Conservation, and Tourism.
- Human Services – expenses to provide various forms of services and assistance to individuals, children and families including Public Health, Environmental Health, Mental Health, Social Services, Senior Services, Youth Services, and Veterans Services.
- Cultural and recreational – includes costs for Libraries, Parks and Recreation, and Museum.
- Education – funding for current and capital expense for the local school system and community college.
- Debt Service – cost of debt financing for capital projects of the County.

Business-type Activities

- Water and sewer – costs to provide water/sewer service to citizens and industry.
- Solid Waste – costs associated with operating Convenience Centers, and the Subtitle D Sanitary Landfill.

FINANCIAL ACTIVITY

The Changes in Net Asset Statement, traditionally called the Income Statement, is designed to provide a record of the money received and spent by the County during the fiscal year. The presentation here is on the basis of Generally Accepted Accounting Principles (GAAP).

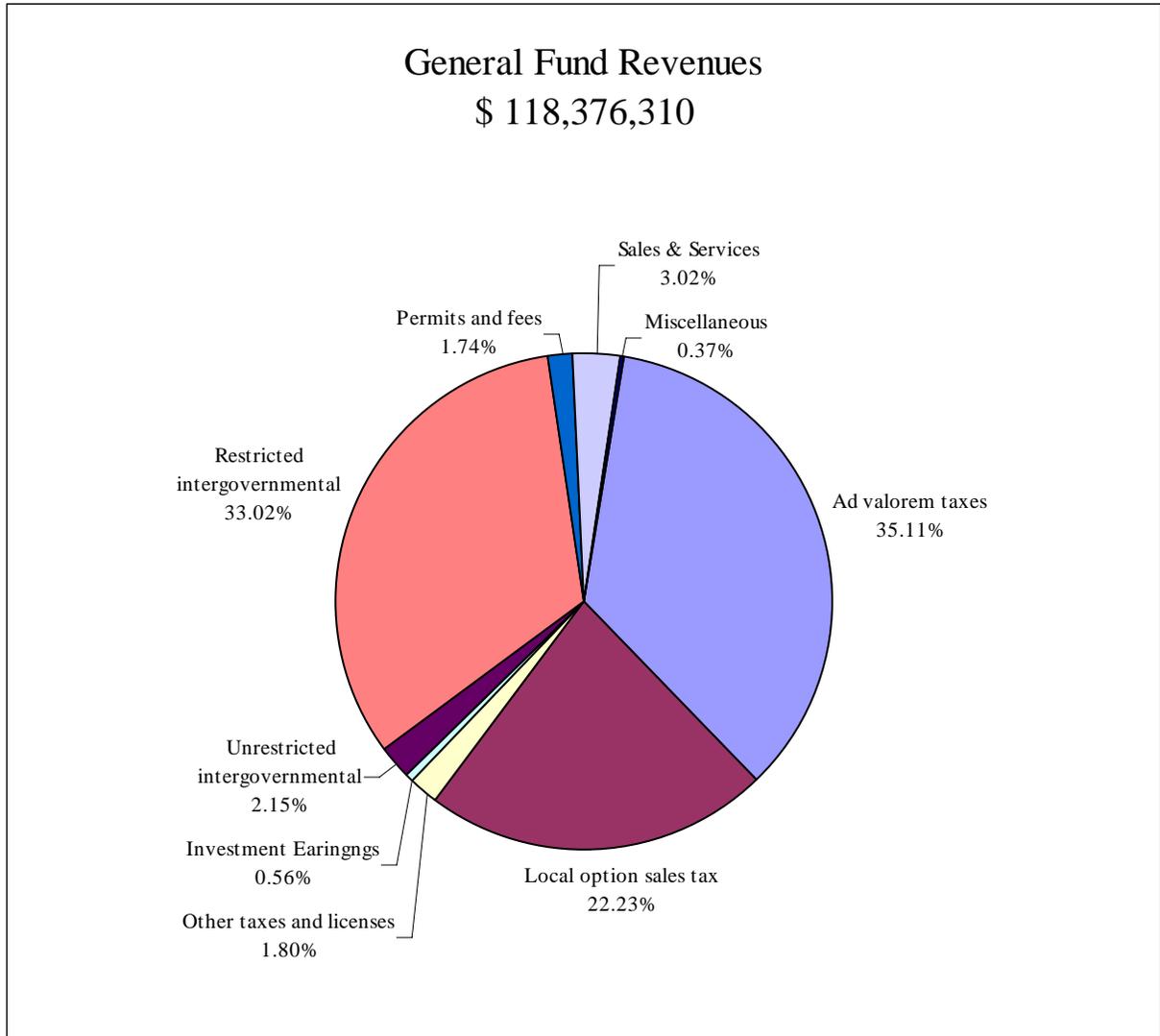
Onslow County Change in Net Assets

For the Year Ended June 30, 2005

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 6,588,390	\$ 5,473,578	\$ 12,061,968
Operating grants and contributions	38,415,511		38,415,511
Capital grants and contributions	2,223,494		2,223,494
General revenues:			-
Property taxes	41,712,759		41,712,759
Local option sales taxes	26,314,559		26,314,559
Other taxes and licenses	2,131,473		2,131,473
Other	5,123,198	(22,377,173)	(17,098,000)
Total revenues	<u>122,509,384</u>	<u>(16,903,595)</u>	<u>105,761,764</u>
Expenses			
General government	10,048,810		10,048,810
Public Safety	17,624,991		17,624,991
Transportation	1,398,303		1,398,303
Economic and physical development	1,236,564		1,236,564
Human services	48,293,940		48,293,940
Environmental protection	386,587		386,587
Cultural and recreation	3,198,328		3,198,328
Education	27,949,911		27,949,911
Interest on long-term debt	2,216,091		2,216,091
Water and sewer		7,377,729	7,377,729
Solid waste disposal		4,153,601	4,170,171
Total expenses	<u>112,353,525</u>	<u>11,531,330</u>	<u>123,901,425</u>
Increase (decrease) in net assets	10,155,859	(28,434,925)	(18,139,661)
Net assets, July 1	<u>24,731,109</u>	<u>41,331,902</u>	<u>66,063,011</u>
Net assets, June 30	<u>\$ 34,886,968</u>	<u>\$ 12,896,977</u>	<u>\$ 47,923,350</u>

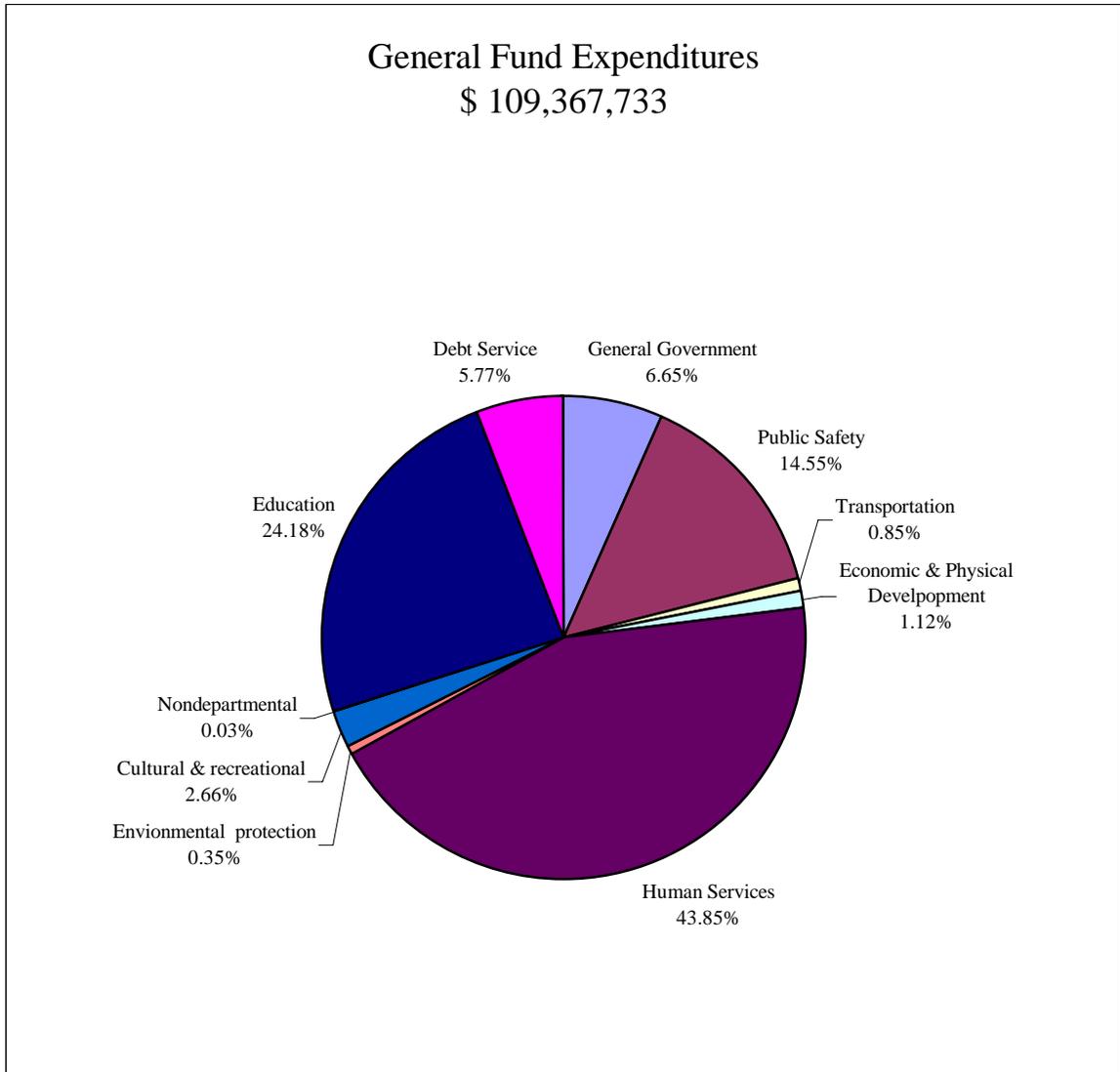
The decrease seen in the business type activity is due to the transfer of the water and sewer operations and assets to Onslow Water & Sewer Authority (ONWASA). The County is a member of the authority with two commissioners serving as the county representatives.

REVENUES (where the money comes from)



The total governmental type revenues in fiscal year 2005 for the county total \$118,376,310. Ad valorem (property taxes), sales taxes and intergovernmental revenues combined for just over 90% of the County general operating revenues.

EXPENDITURES (where the money is used)



The majority of our expenditures are in the area of human services at 47,952,941 followed by Education at \$26,441,854 (excluding debt on schools) and then by Public Safety at \$15,914,350. These three areas account for 82.58% of our total governmental type expenditures.

FINANCIAL POSITION STATEMENT

Summary: The Financial Position Statement, known in accounting terms as the “Balance Sheet” provide a picture of the County’s Financial Position at the end of the fiscal year. An explanation of the specific accounts is listed below. Additionally, these are presented in Non-GAAP format, which means that the statement does not comply with generally accepted accounting principles as it many include summarizations and combinations, which GAAP would not allow.

Assets (what we own)

Cash is the amount of physical cash held by the County in bank accounts and on hand to pay expenses.

Investments are funds not needed to pay current expenses. The Finance Officer invested these funds in a variety of securities such as CD’s and Commercial Paper thus allowing the County to earn interest on these its cash.

Receivables are amounts owed to the County that are expected to be received within the next twelve months.

Property and Equipment represents the land, buildings, vehicles, furniture and equipment that provide an economic benefit of greater than one year.

Liabilities (what we owe)

Amounts owed to Employees and Vendors are funds the County owes individuals and companies who supply goods or services and the expected payment is to be made within twelve months.

Short Term Debt represents the amount borrowed by the County that must be repaid within one year.

Long Term Debt represents the amount of bonds and other loans the County has issued and still owes. Bonds and other financings are not required to be paid off in one year. The County makes monthly and yearly payments on these amounts.

Financial Position Statement		
For the year ending June 30, 2005 and 2004		
	Governmental Activities	
	2005	2004
Assets		
Cash	944,949	844,387
Investments	34,756,118	27,137,866
Receivables	15,552,231	14,401,808
Property & Equipment	35,542,516	37,510,114
Other Assets	1,099,683	771,714
Total Assets	87,895,497	80,665,889
Liabilities		
Amounts owed to Employees & Vendors	7,627,172	6,597,206
Short Term Debt	4,093,928	4,293,706
Long Term Debt	40,770,747	44,592,312
Other Liabilities	516,682	451,554
Total Liabilities	53,008,529	55,934,778
Net assets	34,886,968	24,731,111

LONG-TERM DEBT

Onslow County's long-term debt consist of General Obligation Bonds, Installment Purchase as authorized by NCGS 160A-20 and 153A-158.1, and Special Obligation Bonds. The County's bond rating is A1 by Moody's and A+ by Standard and Poor's.

The General Obligation bonds are collateralized by the full faith, credit and taxing power of the County. As of June 30, 2005 the County has \$26,755,000 in outstanding general obligation bonds. Of this \$24,305,000 is for school facilities.

The installment purchase obligations are issued pursuant to a deed of trust. As of June 30, 2005 the County has \$18,109,673 in outstanding installment purchase obligations.

The expansion of the landfill was financed through the issuance of special obligation bonds. These bonds are authorized under the North Carolina Solid Waste Management Loan Program, Chapter 159I, of the General Statutes in accordance with a bond resolution adopted by the County Board of Commissioners. These bonds are secured by a fist lien on the net revenues of the Solid Waste Fund. As of June 30, 2005 the County has \$9,915,303 in outstanding special obligation bonds. These bonds are fully paid from the revenues of the Solid Waste fund.

Summary of Debt Obligations

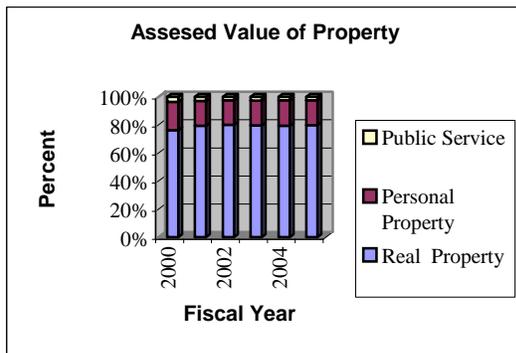
	Balance July 1, 2004	Increases	Decreases	Balance June 30, 2005
<u>Governmental Activities:</u>				
General Obligations Bonds	\$ 29,275,000.00	\$ -	\$ 2,520,000.00	\$ 26,755,000.00
Installment Purchase Obligations	19,611,020.00	284,116.00	1,785,461.00	18,109,675.00
<u>Business-type activities:</u>				
Special Obligation Bonds	11,221,993.00	-	1,306,690.00	9,915,303.00
Total Debt Service	<u>\$ 60,108,013.00</u>	<u>\$ 284,116.00</u>	<u>\$ 5,612,151.00</u>	<u>\$ 54,779,978.00</u>



AD VALOREM (PROPERTY) TAXES

Property taxes are the largest single revenue source for the County. In fiscal year 2004-05 collections totaled \$41.2 million dollars for 35.11% of the county general fund revenues. The total assessed value of property in the county is \$6,162,946,000. Of this, the total assessed value of the ten largest taxpayers account for 4.3%. The County tax rate of 67 cents per hundred is well below the state legal limit of \$1.50.

TEN LARGEST TAX PAYERS			
June 30, 2005			
Taxpayer	Type of Enterprise	Assessed Value	Percentage of Total Assessed Valuation
Jones Onslow Electric Membership Co.	Utility	\$ 79,380,000	1.29%
Carolina Telephone and Telegraph	Telephone	48,040,000	0.78%
Crown America Acquisition LP	Commercial real estate rent/sales	35,323,000	0.57%
Carolina Power and Light	Utility	27,798,000	0.45%
Jacksonville Commons LLC	Real estate	14,266,000	0.23%
Marine Federal Credit Union	Banking	13,648,000	0.22%
Wal Mart Real Estate Business Trust	Real estate	12,688,000	0.21%
UDRT of North Carolina LLC	Residential real estate	12,108,000	0.20%
Cross Point Developers LLC	Real estate	11,665,000	0.19%
Mine Safety Appliance Company	Manufacturing	9,772,000	0.16%
All Others		5,898,259,000	95.70%
Totals		\$ 6,162,947,000	100.00%

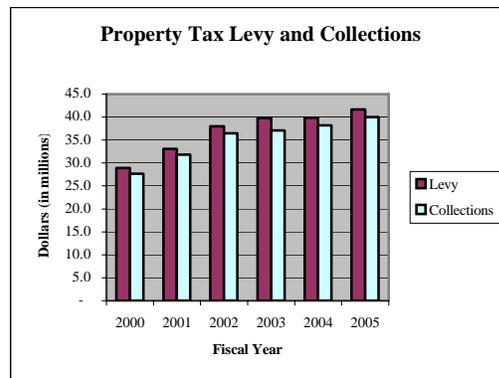


Real property makes up the majority (80%) of the value of property assessed for taxes. For 2005 the personal property (cars, boats, airplanes, equipment, campers, etc.) was 18% and public service companies (Jones-Onslow, CP&L, railroads, natural gas, etc.) was 2%.

Real and personal property assessments are the responsibility of the tax office. Real property assessed values are determined by periodic countywide revaluations, while personal property

assessments are determined annually. The one exception is for public service companies whose values are established by the North Carolina Department of Revenue.

Property tax collection rates for current years taxes have held fairly steady with a low of 95.70% in 2000 to a high of 96.38% in 1996. For 2005 the collection rate was 96.03% or \$40 million of the \$41.7 million levy. In addition collections of prior year taxes was \$1,231,000.



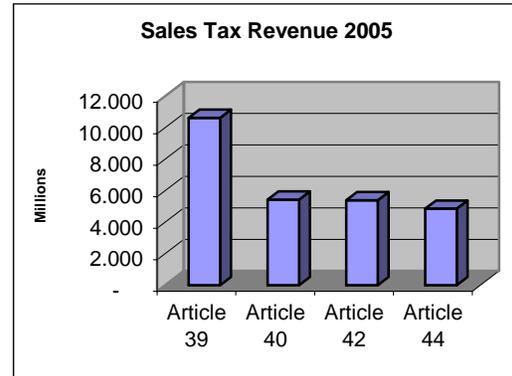
LOCAL OPTION SALES TAXES

The local option sales tax is collected on retail sales. The sales taxes are collected at the time of sale by the retail establishment and forwarded to the North Carolina Department of Revenue. The Department of Revenue then distributes the taxes collected to the County and the municipalities within the county. At the present time the distribution for Onslow County is based on a population basis. The fiscal year revenue from sales taxes was \$26.3 million or 22.2% of the general fund revenues.

The article by which the North Carolina General Assembly provided the county with the authority to levy the tax is used to identify each of the local option sales taxes. The total of the local options sales taxes is 2½%.

Article 39 is a 1% sales tax. The county in which the sale is made receives the proceeds of this tax.

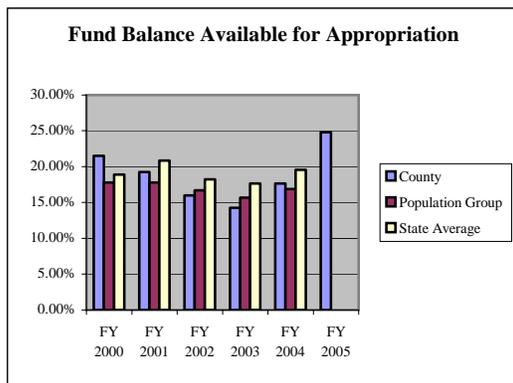
Article 40 is a ½ % sales tax. The net proceeds are placed in a statewide pool and distributed on a per capita basis. Of these proceeds the county is required to use 30% toward school capital outlay. Onslow County applies these funds to the payment of school bonds.



Article 42 is a ½% sales tax. The net proceeds of are placed in a statewide pool and distributed on a per capita basis. Of these proceeds the county is required to use 60% towards school capital outlay. Onslow County applies these funds to the payment of school bonds.

Article 44 is a ½% sales tax. One-half of the net proceeds are distributed on the proportion to the amount of taxes collected in each county and the balance of the net proceeds are distributed on a per capita basis.

FUND BALANCE



One measure of the fiscal stability of the county is the amount of fund balance available for appropriation. The North Carolina Local Government Commission recommends that at a minimum this should be 8% of the county operating expenditures and transfers to other funds. This level would provide operating funds for approximately one month. These funds can also be used to cover emergency or unforeseen events during the budget year. In the past these funds have been used by the county to cover the cost of hurricane recovery not covered by FEMA and provide the funds

to cover the cost incurred until reimbursement by FEMA and the state is received. These funds also allow us to take advantage of unexpected opportunities that may arise. A strong fund balance also helps the county with its bond rating as it shows that we are less likely to have a cash flow problem that would impact our ability to make the bond payment.

EDUCATION

Onslow County Schools are governed by an elected Board of Education. There are currently 35 schools operated by the school system with grades kindergarten through twelfth grade and has a student enrollment of 22, 940. After-school care and before-school care is offered at selected locations. For fiscal year 2004-05 the county provided \$28.9 million towards the operation of the system.

Camp Lejeune operates a school system for military dependents that live in military housing on base. This is funded through the Department of Defense and is independent of the County.

Coastal Carolina Community College serves the citizens of the area by offering curriculum programs in vocational, technical, and college transfer areas of study. They have 122 full time instructors with 5,492 curriculum and 17,722 continuing education students.

HOSPITALS

Onslow Memorial Hospital is an acute care community hospital. The Onslow Memorial Hospital Authority has the responsibility for the operation of the hospital. The Board of Commissioners appoints the Authority members.

The Naval Hospital at Camp Lejeune is a fully accredited facility, which provides care to active-duty services members, military retirees, and family members.

FUTURE PROJECTS

The Board of Education supplied the County with its ten-year capital needs assessment. Once this was completed it was reviewed by the Board of Education to determine what projects had the most urgent needs. The Board of Commissioners has approved the issuance of \$15 million in certificates of participation to fund the construction of a new elementary school. This is to ease the overcrowding at three other schools where students are housed in mobile classrooms. Additionally, on the November 8, 2005 ballot is a referendum to authorize \$90 million in general obligation bonds.

To meet the needs of our Public Library funds were appropriated to assist the County in determining our needs for the future of our main library facility and its branches. This report is expected to be completed by than June 2006.

The County Jail Facility has been studied to determine how and where to handle the need for expansion. It is currently planned that this facility would house 250 inmates and would be located in an area adjacent to the current 170-bed facility and connect to the District and Superior Courthouses. During fiscal year 2005-2006, we plan to proceed with the design of the facility with construction to begin late in the fiscal year 2005-2006 or early 2006-2007.

The county has a long-term lease of property own by N.C. State for 373 acres of land in the Hoffman Forest. This area will be used to create a nature park. We will be seeking park and recreation trust fund grants (PARTF) to assist with this development. The estimated cost is between \$500,000 and \$1,000,000.

The County will be studying other facility needs including office space needs for most of its various operating functions. Current County office space includes several rented facilities in locations separated from other related services.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Onslow County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2004. This was the fourteenth (14th) consecutive year that Onslow County has received this prestigious award. In order to be awarded a Certificate of Achievement, Onslow County published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements. We will be submitting our 2005 CAFR to the GFOA also.

This Popular Annual Financial Report was prepared by:

The County of Onslow, North Carolina
Finance Office
Alvin W. Barrett, Jr.-Deputy County Manager/Finance Officer
615 Court Street
Jacksonville, N.C. 28540

Many thanks to the finance staff who contributed to the successful completion of this report and to Lisa Whitman-Grice for providing the brief history of the County. In addition to the Onslow County 2005 CAFR, the source for some of the information contained in this PAFR is the 2005-06 edition of the Daily News "Answer Book", and 2004 Camp Lejeune Economic Impact Report.



Distinguished Marines commemorative 37-cent U.S. Postage stamps. The stamps immortalize four heroic legendary Marines: John Basilone, Daniel "Dan" Joseph Daly, John A. Lejeune and Lewis "Chesty" Puller.