

# ONSLOW COUNTY NORTH CAROLINA

## Citizens' Financial Report



## Popular Annual Financial Report

*For the Fiscal Year Ended  
June 30, 2010*

*In FY 2010 Onslow County celebrated its 275<sup>th</sup> birthday. The photos on the cover were from the North Carolina Highway Historical Marker Program website. These are a sample of the eighteen historical markers within the county to commemorate some of the events that have shaped our county. To find out more on these and other historical markers of our county go to <http://www.ncmarkers.com>*

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## INTRODUCTION

The report contained herein is the 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 or on-line at [www.onslowcountync.gov](http://www.onslowcountync.gov).

We hope you will take the time to provide us with your thoughts or ideas for improvement after reading this year’s report. Drop us a note at the address listed above; call the office at 910-455-3404, or e-mail [alvin\\_barrett@onslowcountync.gov](mailto:alvin_barrett@onslowcountync.gov). We look forward to hearing from you.

BOARD OF  
COMMISSIONERS

W. C. Jarman  
*Chairman*  
Paul Buchanan  
*Vice-Chairman*  
Barbara Ikner  
William H. Keller, III  
Lionell Midgett



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County of Onslow

October 31, 2010

**Citizens of Onslow County**

I am pleased to present the Onslow County Popular Annual Financial Report (PAFR) for the year ended June 30, 2010. 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 2010 Onslow County Comprehensive Annual Financial Report (CAFR). The CAFR is a 156-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) 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 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 they deserve 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. or on-line at [www.onslowcountync.gov](http://www.onslowcountync.gov).

Sincerely,

A handwritten signature in cursive script, appearing to read "Alvin W. Barrett, Jr.", is written over the word "Sincerely,".

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

---

Onslow County Finance Office  
615 Court Street • Jacksonville, North Carolina • 28540  
Phone: 910.455.3404 • Fax: 910.455.3024

# Onslow County Board of Commissioners



W C Jarman  
Chairman



Paul Buchanan  
Vice-Chairman



Barbara Ikner

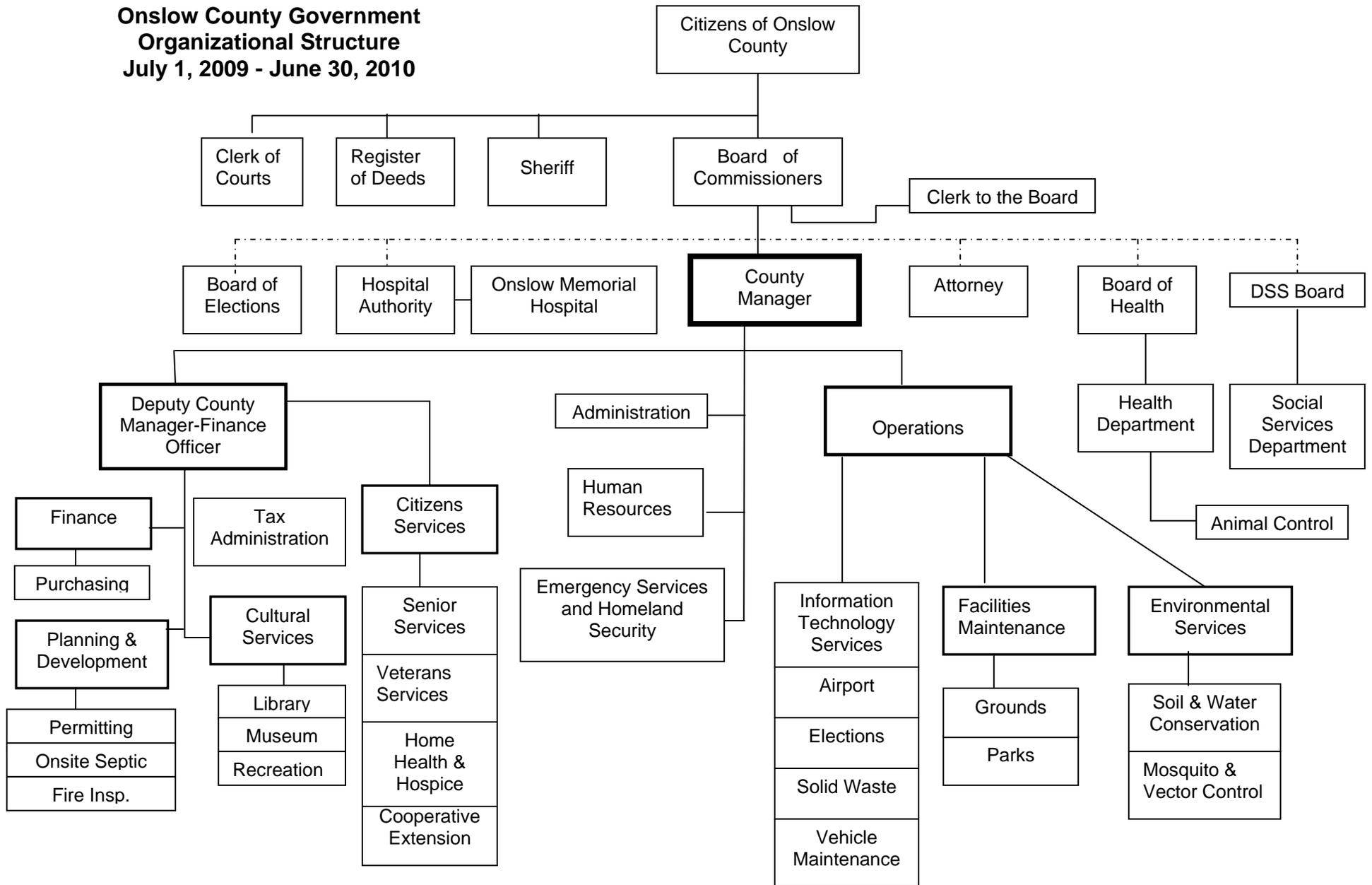


William H Keller, III



Lionell Midgett

**Onslow County Government  
Organizational Structure  
July 1, 2009 - June 30, 2010**



## DEPARTMENTAL CONTACTS

### **ADMINISTRATION**

Jeffrey L. Hudson (910) 347-4717  
County Manager  
4024 Richlands Highway  
Jacksonville, NC 28540

### **AIRPORT**

Chris White (910) 324-1100  
Director  
264 Albert Ellis Airport Road  
Richlands, NC 28574

### **BOARD OF ELECTIONS**

Rose Whitehurst (910) 455-4484  
Elections Supervisor  
521 Mill Avenue  
Jacksonville, NC 28540

### **COOPERATIVE EXTENSION/AGRICULTURE**

Peggie Garner (910) 347-6782  
Director  
4022 Richlands Hwy  
Jacksonville, NC 28540

### **DEPARTMENT OF SOCIAL SERVICES**

Roger Penrod (910) 455-4145  
Director  
1915 Onslow Drive Extension  
Jacksonville, NC 28540

### **EMERGENCY MANAGEMENT SERVICES**

Ron Wakeham (910) 347-4270  
Director  
1180 Commons Drive  
Jacksonville, NC 28540

### **FACILITIES MAINTENANCE**

Randy Jones (910) 455-0334  
Maintenance Chief  
242 Georgetown Road  
Jacksonville, NC 28540

### **FINANCE OFFICE**

Alvin W. Barrett, Jr. (910) 455-3404  
Deputy Co. Mgr./Finance Officer  
615 Court Street  
Jacksonville, NC 28540

### **HEALTH DEPARTMENT**

George O'Daniel (910) 347-2154  
Director  
612 College Street  
Jacksonville, NC 28540

### **HUMAN RESOURCES**

Pam Brame (910) 347-7600  
Human Resources Director  
202 Old Bridge Street  
Jacksonville, NC 28540

### **INFORMATION TECHNOLOGY SERVICE**

Phil Turner (910) 455-3926  
ITS Director  
524 Mill Avenue  
Jacksonville, NC 28540

### **MOSQUITO & VECTOR CONTROL**

William D. Norris (910) 455-0181  
Director  
1222 Onslow Pines Road  
Jacksonville, NC 28540

### **MUSEUM**

Lisa Whitman-Grice (910) 324-5008  
Director  
301 S. Wilmington Street  
Richlands, NC 28574

### **RECREATION**

Rick Perry (910) 347-5332  
Recreation Supervisor  
1244 Onslow Pines Road  
Jacksonville, NC 28540

### **PLANNING & DEVELOPMENT/CODE ENFORCEMENT**

Scott Shufford (910) 455-3661  
Director  
604 College Street  
Jacksonville, NC 28540

### **PUBLIC LIBRARY**

Phillip Cherry (910) 455-7351  
Director  
58 Doris Avenue  
Jacksonville, NC 28540

**PURCHASING & CONTRACTS**

Laura Jones (910) 455-1750  
Purchasing Agent  
609 Court Street  
Jacksonville, NC 28540

**REGISTER OF DEEDS**

Becky Pollard (910) 347-3451  
Registrar  
109 Old Bridge Street  
Jacksonville, NC 28540

**SENIOR SERVICES**

Sheri Slater (910) 455-2747  
Director  
4022 Richlands Hwy  
Jacksonville, NC 28540

**SHERIFF**

Ed Brown (910) 455-3113  
Sheriff  
701 Mill Avenue  
Jacksonville, NC 28540

**SOIL & WATER CONSERVATION**

William D. Norris (910) 455-4472  
Director  
4022 Richlands Hwy  
Jacksonville, NC 28540

**SOLID WASTE**

Scott Bost (910) 989-2107  
Coordinator  
415 Meadowview Road  
Jacksonville, NC 28540

**TAX ADMINISTRATION**

Harry Smith (910) 989-2200  
Tax Collector  
39 Tallman Street  
Jacksonville, NC 28540

**VEHICLE MAINTENANCE FACILITY**

Jerry Davis (910) 455-0181  
Supervisor  
1222 Onslow Pines Road  
Jacksonville, NC 28540

**VETERAN SERVICES**

Amelia Grissett (910) 347-3309  
Director  
116 Old Bridge Street  
Jacksonville, NC 28540

## 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 19<sup>th</sup> century as a measure of Reconstruction following the American Civil War. Throughout the 20<sup>th</sup> 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, 30 miles of beautiful beaches, rivers and seascape continues to define Onslow County, attracting industry, tourism, and families to our distinctive community.

Onslow County has the only large river in the continental United States with both its headwaters and mouth in the same county with the scenic 40 mile long New River.

Onslow County is the home of the oldest continuously operated USO in America. The Jacksonville USO was established on April 23, 1941. They have expanded and changed their operations to cover all of North Carolina with satellite facilities at the Raleigh/Durham and Charlotte, North Carolina airports.

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

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

Camp Lejeune is the largest contributor to the County economy through wages to base connected military, civilian employees and employees of non-appropriated fund organizations. Additionally, there are a growing number of military retirees who now call the County home.

Camp Lejeune, the largest Marine Corps installation on the East Coast, makes its home in the County. Camp Lejeune occupies 246 square miles (156,000 acres) with 11 miles of beach. It is estimated that over 150,000 people, including active and retired military personnel, dependents of active and retired military personnel, and civil service employees benefit from Camp Lejeune. Of this number, approximately 48,000 are active duty Marines and sailors.

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

Based at Camp Lejeune are the following installations: II Marine Expeditionary Force (II MEF), 2nd Marine Division, 2nd Marine Logistics Group (2<sup>nd</sup> MLG), Marine Corps Forces Special Operations Command (MARSOC), 2nd Marine Expeditionary Brigade (I MEB), and II Marine Expeditionary Force Augmentation Command (II MACE). These units perform many tasks to protect our nation. The II MEF has the ability to deploy while sustaining itself for 60 days without external assistance.

Camp Lejeune is also the home of a Coast Guard Special Missions Training Center. Its mission is to train Marine Safety and Security Teams, port security units and law enforcement detachments.

Also within the county is Marine Corps Air Station, New River. Marine Corps Air Station, New River is an integral part of the support of Camp Lejeune and is the home of the Marine Aircraft Group (MAG) 26, Marine Aircraft Group (MAG) 29, and Marine Wing Support Squadron (MWSS) -272. Marine Corps Air Station New River is the home of the Marine Tilt Rotor Test and Evaluation Squadron and Marine Tilt Rotor Training Squadron for the MV-22 Osprey.

The efforts of several programs to support military dependents has been successful in encouraged more dependents to remain in the community during deployments of family members. Changes in troop rotation schedules and practices have also had the effect of reducing the negative effects of deployments on the County. The working together of the civilian and military communities have shown all concerned that the County and its residents were active in supporting each other as a prepared and proud military community.



As the Marine Corps expanded its total strength to 202,000, Camp Lejeune and New River Air Station combined have seen a growth in approximately 8,000 active duty Marines and sailors. It is estimated that there are an additional 6,500 dependents with these Marines and sailors. It is estimated that this growth has brought 11,500 new jobs for active duty service members and civilian employees over a three year period.

The efforts of several programs to support military dependents has been successful in encouraged more dependents to remain in the community during deployments of family members. Changes in troop rotation schedules and practices have also had the effect of reducing the negative effects of deployments on the County. The working together of the civilian and military communities have shown all concerned that the County and its residents were active in supporting each other as a prepared and proud military community.



Agriculture remains a major economic factor in the County with a market value of agricultural products sold for 2008 (most recent data) estimated at \$108.30 million, 28<sup>th</sup> in the State of North Carolina for cash receipts. Tobacco remains the leading cash crop. Other major crops include corn, soybeans, cotton, wheat and peanuts. The total market value of row crops receipts was \$18.4 million. The livestock industry continues to play a dominant role in farm income with poultry and pork production accounting for the majority of the industry. The poultry, pork and livestock production provided approximately \$84.7 million

in farm receipts. The County ranks first in sod production, fifth in turkey and eighth in hog production of the 100 counties in North Carolina.

The local Farmers' Market is opened approximately 90 days per year in the growing season. The Farmers' Market is open Tuesday and Saturday at the Farmers Market building on Highway 258 and on Thursday at the Jacksonville Western Boulevard site. The average number of shoppers is 335 per day. The average dollars spent per shopper at the market is \$17. On average number there are 18 vendors on Tuesday and Thursday while the Saturday market has approximately 25. The estimated gross annual receipts for the 2010 season were \$521,400. The economic impact, using the multiplier effect of 1.5, is \$782,000.



The seafood industry has always been an integral part of the County's economy. In 2007, the dockside value of seafood was approximately \$6.1 million. This is a 10.2% increase over the previous year.

Construction activity in Onslow County has remained steady as evidenced by the 1,650 new units of residential construction and 167 units of commercial construction totaling over \$199 million dollars in fiscal year 2010.

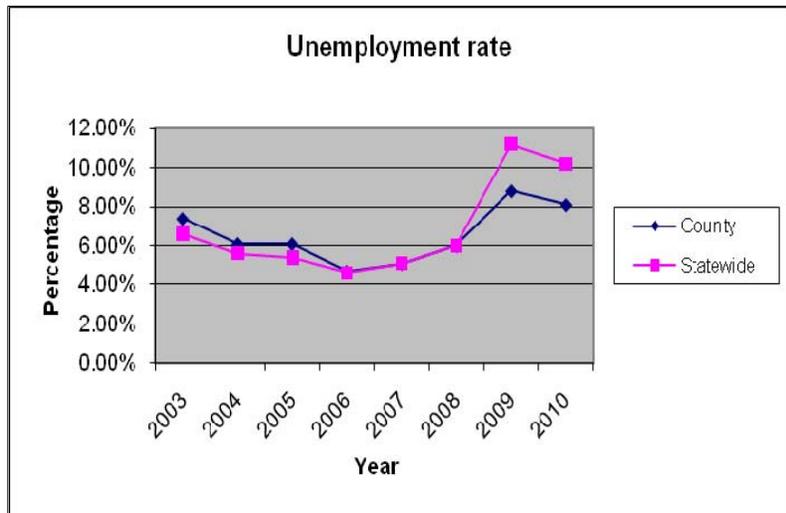


Tourism is one of the County's largest growing industries. It is estimated that the local tourism industry generates more than \$31.96 million in wages for approximately 1,590 employees. Visitors to Onslow County spent and estimated \$160.63 million in 2009. This was a decrease of 7.0 percent from 2008. For Fiscal Year 2008 Onslow County ranked 23rd in travel impact among North Carolina 100 counties.

The County has also become a center for retail sales for the region. New commercial businesses have continued to open in the County as the

Western Boulevard area in Jacksonville has become the home of many national retail businesses. Per the North Carolina Department of Commerce the 2009 retail sales for the county were \$1.470 billion.

The unemployment rate for Onslow County as of June 30, 2010 was 8.1 percent as compared to the rate for North Carolina (seasonally adjusted) which was 10.0%. Economic development recruiting efforts are being focused on telecommunications "back office" type of companies, communications equipment, inbound logistic centers, assembly-light manufacturing industries, industries that are suppliers to the military and marine trades such as boat building. With a large military dependent population, these industries are well suited for the existing work force.



The County is marketing its 730-acre Industrial Park located on U.S. Highway 258 and within a 10-minute drive of Albert J. Ellis Airport, which serves the County. The landscape of the Industrial Park ranges from flat plains to gently rolling wooded hills and takes full aesthetic advantage of the New River and its creeks. The site offers office space, a common green, a scenic bike path, daycare facilities, and recreational boat access to the river. The N. A. Burton Industrial Park is a Certified Industrial Site with the North Carolina Department of Commerce and will play a critical role in the economic development of the County as the County works to encourage different businesses to locate in eastern North Carolina.



In addition to Cape Fear Precast, LLC and Southeastern Preschool Educational Center (SPEC) which are operating in the Burton Industrial Park, the county in FY 2010 has built and is marketing a 50,000 sq. ft. shell building that could be expanded to 100,000 square feet in the future.



Onslow County and surrounding areas have superb commercial air service connectivity via our county-owned Albert J. Ellis Airport (OAJ), with its 7,100-foot lighted runway with an instrument landing system. The airport is served by two airlines, US Airways Express and Delta Connection. US Airways provides seven daily flights via Charlotte, North Carolina and Delta Connection provides five daily flights via Atlanta. Regional jet aircraft (50 and 70 seat aircraft) are available on thirteen of the airports eleven daily flights. The other two daily flights are on a 50-seat turboprop. Total traffic for fiscal year 2009-2010 was 267,836, which represented a 2.5% increase over the previous fiscal year. Fixed based aviation services such as fuel sales, flight instruction and aircraft rentals are provided under an airport lease with Jacksonville Flying Service. Per the 2006 North Carolina Division of Aviation economic impact study (the most recent study available) the estimated economic impact of Albert J Ellis Airport is \$44.3 million.

## 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, 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. Examples of these are Sheriff, Jail, Emergency Management (E911 and EMS), Health Department, Department of Social Services, Parks & 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

The financial activities of Onslow County Government are accounted for in funds. These funds can be 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.

These governmental funds consist of the following:

General Fund – This is the operating fund of the County and reflects those revenues and expenditures that are traditionally associated with the operations of the County.

Special Revenue Fund – This type of fund accounts for the proceeds of specific revenues that are legally restricted to expenditure for specific purposes.

Capital Project Fund – This type of fund accounts for acquisition or construction of major capital assets for the general operation of the County. Capital project financed by proprietary (those operated as if they were a business) funds are accounted for in the proprietary fund.

**Revenues:** The monies received by the County from a variety of sources used to fund all services provided. The sources of these funds consist of the following:

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

### General Fund:

As we previously stated the General Fund is the operating fund of the County. Below you will find a recap the revenues accounted for within this fund.

### REVENUES (where the money comes from)

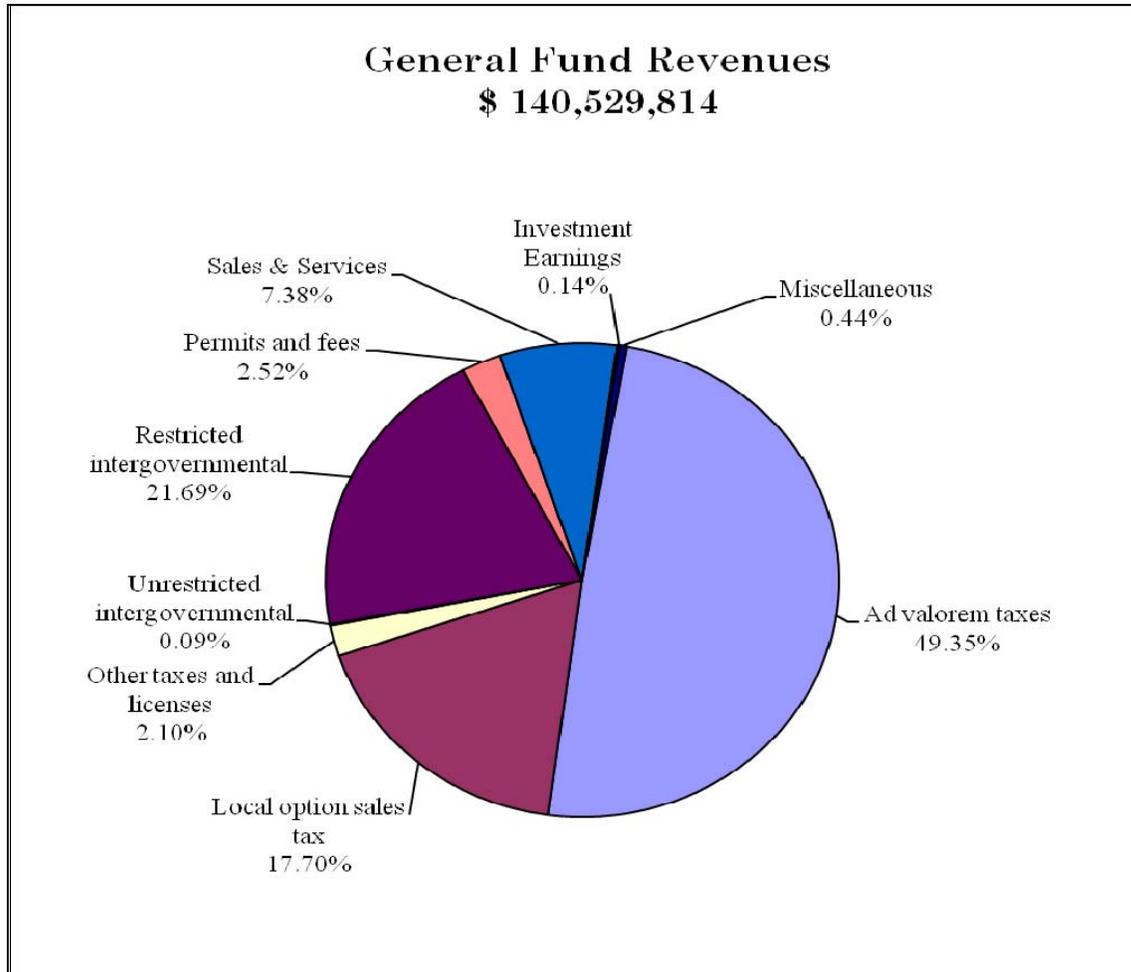
The total general fund revenues in fiscal year 2010 for the county total \$140,592,814.

| <u>Revenue Type</u>            | <u>FY 09</u>       | <u>FY 10</u>       | <u>Increase (decrease)<br/>from Prior Year</u> |
|--------------------------------|--------------------|--------------------|--|
| Ad valorem taxes               | \$ 57,728,574      | \$ 69,385,321      | \$ 11,656,747                                  |
| Local option sales tax         | 28,466,620         | 24,884,096         | (3,582,524)                                    |
| Other taxes and licenses       | 2,674,940          | 2,946,760          | 271,820  |
| Unrestricted intergovernmental | 389,565            | 125,752            | (263,813)                                      |
| Restricted intergovernmental   | 28,581,516         | 28,513,103         | (68,413)                                       |
| Permits and fees               | 2,358,706          | 3,537,373          | 1,178,667                                      |
| Sales & Services               | 10,175,286         | 10,378,858         | 203,572  |
| Investment Earnings            | 785,628            | 196,423            | (589,205)                                      |
| Miscellaneous                  | 639,364            | 625,128            | (14,236)                                       |
| <b>Total</b>                   | <b>131,800,199</b> | <b>140,592,814</b> | <b>8,792,615</b>                               |

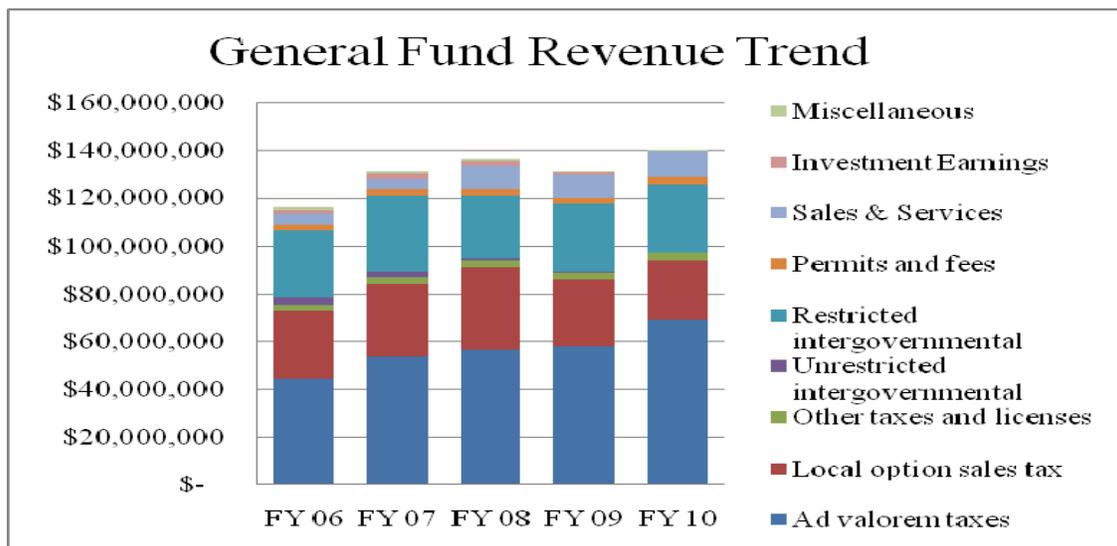
Ad valorem (property taxes), sales taxes and intergovernmental revenues combined for 87.3% of the County general operating revenues. The largest increase (\$11.6 million) is in ad valorem taxes. This is due to a tax rate increase of \$0.087 cent to \$0.59 cent per hundred. This increase was necessary as the county established reserves for future capital outlay. This will help mitigate future tax increases as a result of debt issuance.

The major decrease in revenues is seen in sales tax of \$3.5 million. This is the result of an agreement between the counties in North Carolina to give up 1/4c of the local sales taxes to the State of North Carolina in exchange for the state taking a larger share of the Medicaid expenditures. The county also had increases in permits and fees partially due to a rebound in our construction market.

The chart below show the percentage of each revenue type compared to total revenue.



Below is a chart showing the revenue trend over the last five years. From this chart you will see that each type of revenue has maintained approximately the same percentage of the budget over these years.



**Expenditures:** The monies spent to provide services to citizens. Below is a recap of the governmental activities and the associated department represented by each of these activities.

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 Facility Maintenance, Vehicle Maintenance, 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.

The charts below show a breakdown of the General Fund expenditures of the County by activity.

EXPENDITURES (where the money is used)

The total general fund expenditures in fiscal year 2010 for the county totaled \$135,282,971.

| <u>Expenditure type</u>         | <u>FY 09</u>          | <u>FY 10</u>          | <u>Increase (decrease)<br/>from Prior Year</u> |
|---------------------------------|-----------------------|-----------------------|--|
| General Government              | \$ 11,742,095         | \$ 11,877,458         | \$ 135,363                                     |
| Public Safety                   | 22,505,219            | 23,150,641            | 645,422  |
| Transportation                  | 1,703,789             | 1,678,993             | (24,796)                                       |
| Economic & Physical Development | 2,581,820             | 2,299,554             | (282,266)                                      |
| Human Services                  | 42,887,585            | 40,019,476            | (2,868,109)                                    |
| Environmental protection        | 518,340               | 451,902               | (66,438)                                       |
| Cultural & recreational         | 4,209,182             | 3,737,238             | (471,944)                                      |
| Education                       | 37,694,405            | 36,729,263            | (965,142)                                      |
| Debt Service                    | 14,148,587            | 15,338,446            | 1,189,859                                      |
| <b>Total</b>                    | <b>\$ 137,991,022</b> | <b>\$ 135,282,971</b> | <b>\$ (2,708,051)</b>                          |

The majority of our expenditures are in the area of human services at \$40.0 million followed by Education at \$36.7 million (excluding debt on schools) and then by public safety at \$23.1 million. These three areas account for 74.7 percent of our total governmental type expenditures.

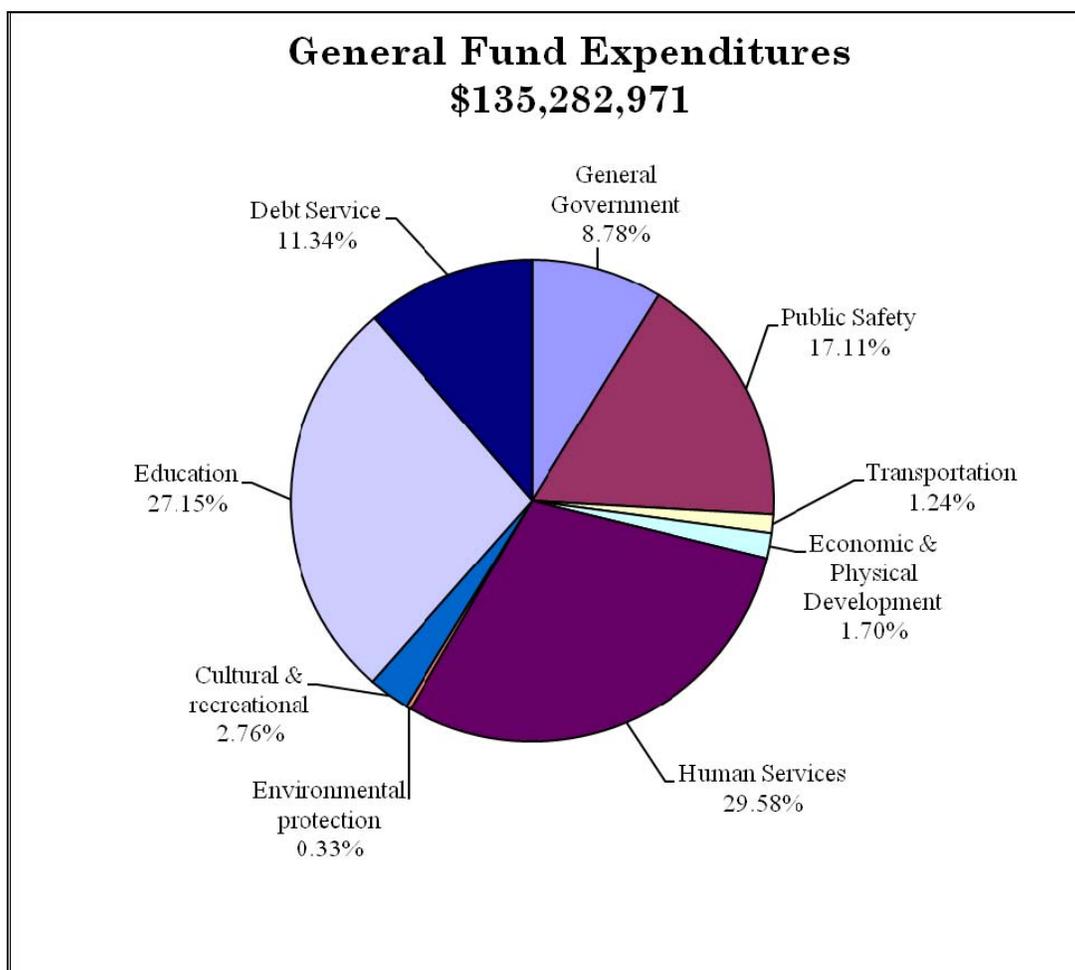
The areas where we show an increase in expenditures are Public Safety and Debt Service. Of the \$645,000 increase in public safety the sheriff and jail operations accounted for \$528,000 and EMS accounts for \$305,000. These increases were partially offset by a decrease of \$238,000 in

Emergency Management. This debt service increase is mainly due to interest on the justice complex.

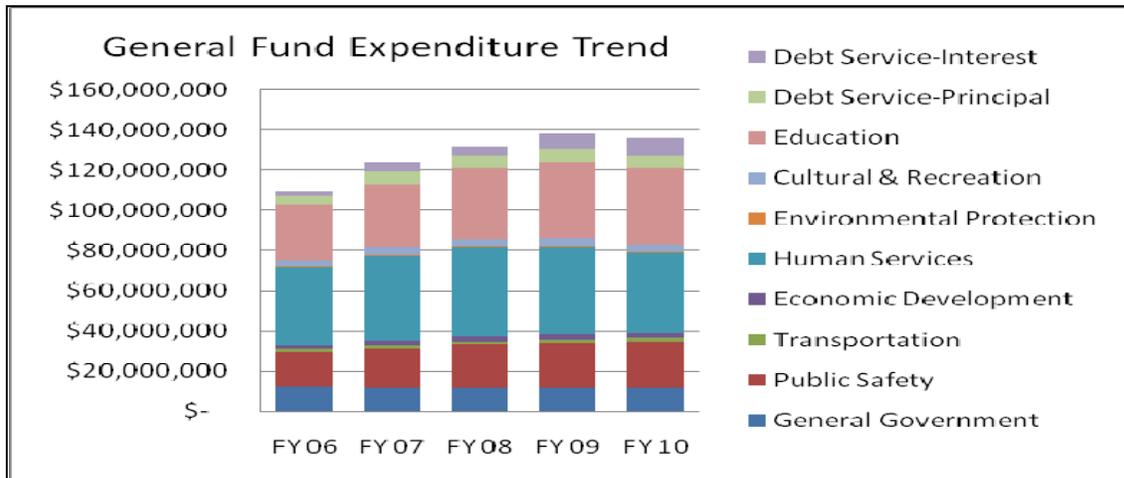
The main decrease we see is in human services with a decrease of \$2.8 million. There was a decrease in Health Department expenditures of \$1.6 million and a \$3.98 million decrease in our Social Services. These were offset by increased expenditure from ARRA funds of \$1.946 million. Of this \$1.729 were for day care services.

The decrease in Education expenditures of \$965,000 are the result of decreases to the capital outlay contributions to the Board of Education and Coastal Carolina Community College.

The chart below provides shows the percentage of the budget by function. A review of the historical files reveals that these percentages for each function have remained fairly stable for the past 30 years.



Below is a chart showing the expenditure trend over the last five years. From this chart you will see that, just like the revenues, each type of expenditure has maintained approximately the same percentage of the budget over these years.

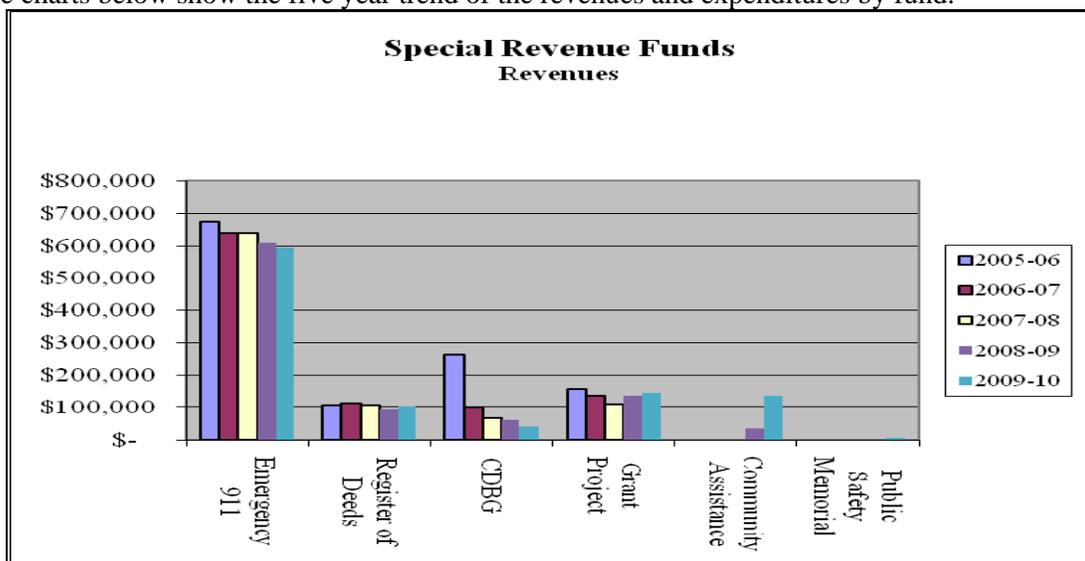


### Special Revenue Funds:

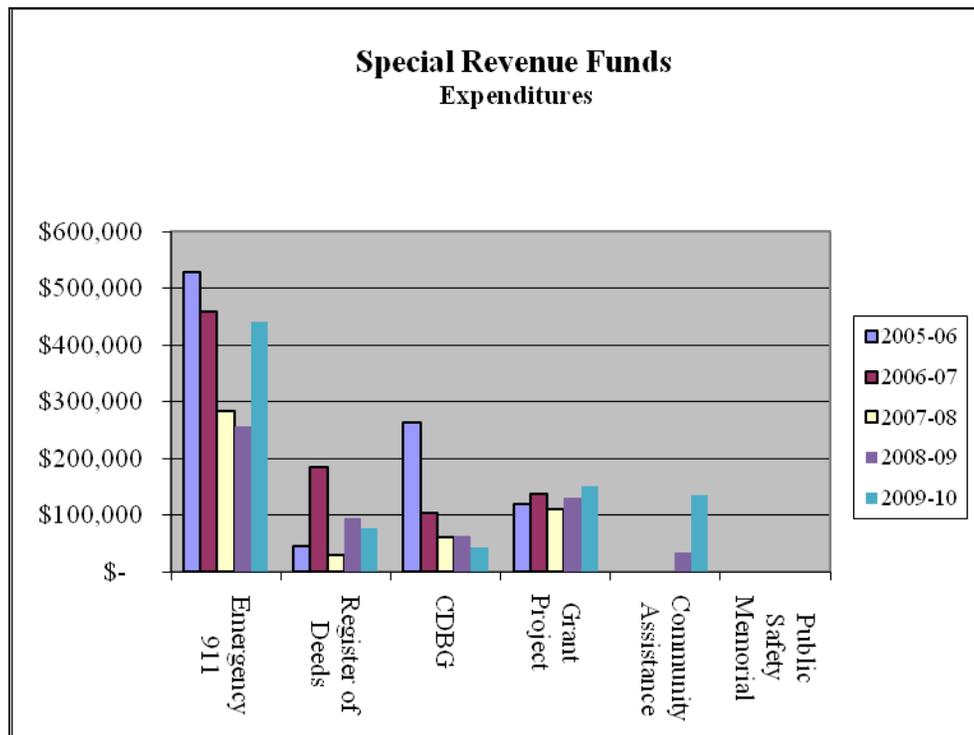
The County operates the following special revenue funds:

- Grant Project Fund – Accounts for funds received from various specialized grants that cover more than one fiscal year and in some cases three fiscal years. These are not operational grants but one time funding for special projects.
- Community Development Fund – Accounts for the funds used in the rehabilitation or replacement of homes for those who qualify for low income housing assistance.
- Register of Deeds Automation Fund – Accounts for the cost of automation and enhancement of processes for the Register of Deeds.
- Emergency 911 Fund – Accounts for the operations and capital outlay of the emergency 911 system except for personnel which are covered by the General fund.
- Community Assistance – Accounts for the funds received from special grants to assist citizens.
- Public Safety Memorial - The County has established a fund to account for donations made by the citizens to fund the construction of a memorial for those public safety employees who have lost their life in the line of duty.

For fiscal year 2010, these funds had total revenues of \$1,030,526 and expenditures of \$850,397. The charts below show the five year trend of the revenues and expenditures by fund.



The major changes in the revenues over fiscal year 2009 are found in the Community Assistance Fund. This fund accounts for the grant funds we received to assist citizens who have failing septic systems. This year is the first for Public Safety Memorial Fund. It is funded from donations which will be used to construct a memorial for public safety personnel who are killed in the line of duty.



The expenditures of the Special Revenue Funds have increased overall by \$260,000. The majority of this was an increase in the Emergency 911 fund expenditures of \$186,000 of which \$127,000 was for capital outlay needs. Additionally, the Community Assistance program expenditures were \$100,000 more than FY 2009.

### Capital Project Funds:

The County operates the following capital project funds. These are:

- Capital Improvement Fund – Accounts for the funds used in the major maintenance and renovation costs of the various facilities currently owned by the County. Some of the items covered are roof replacement, repair of HVAC systems and similar general improvements.
- Airport Fund – Accounts for the capital projects at the County-operated Albert J. Ellis Airport. These projects are funded through Federal airport improvement funds, state funds and passenger facility charges.
- Capital Project Fund – Accounts for major new construction of County facilities and major software purchases. The major project accounted for by this fund is the Justice Complex at a budget of \$57.8 million.
- School Construction Fund – Accounts for the school construction projects which are funded by the County or funds for that purpose that are passed through the County.

For fiscal year 2010, these funds had total revenues and other financing sources of \$3,858,984 and expenditures of \$26,930,239. Of these revenues, the Capital Project Fund had the majority as a result of \$1.6 million from a debt issuance to cover the construction of a shell building and \$648,000 transferred from other funds. The Justice Complex accounts for the majority of the

expenditures with \$19 million. For the shell building expenditures as of June 30<sup>th</sup> were \$1/5 million.

The table below shows the breakdown of the revenues and expenditures of the capital project funds.

|                         | <u>Capital Project Funds</u> |                      |                      |                     |                      |
|-------------------------|------------------------------|----------------------|----------------------|---------------------|----------------------|
|                         | Airport                      | Capital Improvements | Capital Project      | School Construction | Total                |
| Revenues                | \$ 673,884                   | \$ 249               | \$ 653,516           | \$ 16,799           | \$ 1,344,448         |
| Other Financing sources | -                            | 267,000              | 2,248,536            | -                   | 2,515,536            |
| <b>Total</b>            | <b>\$ 673,884</b>            | <b>\$ 267,249</b>    | <b>\$ 2,902,052</b>  | <b>\$ 16,799</b>    | <b>\$ 3,859,984</b>  |
| Expenditures            | \$ 319,338                   | \$ 165,651           | \$ 22,065,672        | \$ 3,561,664        | \$ 26,112,325        |
| Transfer to other funds | -                            | -                    | -                    | 817,914             | \$ 817,914           |
| <b>Total</b>            | <b>\$ 319,338</b>            | <b>\$ 165,651</b>    | <b>\$ 22,065,672</b> | <b>\$ 4,379,578</b> | <b>\$ 26,930,239</b> |

## FINANCIAL POSITION – GOVERNMENTAL ACTIVITIES

The financial strength of the County can be seen when you compare our assets to our liabilities. The charts below cover all governmental type activities as of June 30, 2010. These charts are based on a Non-GAAP format, which means the data may include some summarizations and combinations, which GAAP would not allow.

### Assets (what we own)

Cash and investments is the amount of physical cash held by the County in bank accounts and on hand to pay current expenses. The investments are funds not needed to pay current expenses. The Finance Officer invests these funds in a variety of securities such as CD's and Commercial Paper thus allowing the County to earn interest on its cash on hand.

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.

| Assets               | Governmental Activities |                       |                       |                       |
|----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
|                      | 2007                    | 2008                  | 2009                  | 2010                  |
| Cash and investments | \$ 95,693,409           | \$ 80,395,912         | \$ 89,715,425         | \$ 73,009,586         |
| Receivables          | 16,628,882              | 19,204,938            | 15,031,193            | 18,363,296            |
| Property & Equipment | 39,584,924              | 50,377,796            | 65,436,608            | 84,197,957            |
| Other Assets         | 1,001,979               | 703,526               | 1,610,709             | 577,571               |
| <b>Total Assets</b>  | <b>\$ 152,909,194</b>   | <b>\$ 150,682,172</b> | <b>\$ 171,793,935</b> | <b>\$ 176,148,410</b> |

### **Liabilities (what we owe)**

Accounts payable and accrued liabilities (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, semi-annual, and annual payments on these amounts.

|  | 2007                  | 2008                  | 2009                  | 2010                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Liabilities                              |                       |                       |                       |                       |
| Accounts payable and accrued liabilities | \$ 12,582,822         | \$ 10,423,987         | \$ 6,965,489          | \$ 8,736,657          |
| Short Term Debt                          | 6,839,892             | 6,947,199             | 6,947,519             | 12,215,529            |
| Long Term Debt                           | 95,946,126            | 135,868,936           | 187,428,321           | 179,204,995           |
| Other Liabilities                        | 282,976               | 329,531               | 272,061               | 249,583               |
| Total Liabilities                        | <u>\$ 115,651,816</u> | <u>\$ 153,569,653</u> | <u>\$ 201,613,390</u> | <u>\$ 200,406,764</u> |

**Net Assets** – represents the net worth of the county. This is the net of the assets minus the liabilities. This shows a negative position because the county has issued debt for schools, which reflects as a liability for the County, yet the assets (schools) that were built are an asset of the Onslow County Board of Education.

|            | 2007                 | 2008                  | 2009                   | 2010                   |
|------------|----------------------|-----------------------|------------------------|------------------------|
| Net assets | <u>\$ 37,257,378</u> | <u>\$ (2,887,481)</u> | <u>\$ (29,819,455)</u> | <u>\$ (24,258,354)</u> |

### **Changes from Prior Year**

For fiscal year 2010, total net assets increased by just over \$5.9 million. This is mainly due to increase in the value of capital assets of \$17.5 million and an increase in receivables of \$2.3 million. This was partially offset by a decrease in cash of \$19.0 million.

Liabilities of the county have increased from the prior year with a total of \$5.1 million. This is result of an increase in payables outstanding at year-end of \$1.9 million and a decrease in long term debt of \$5.98 million. This decrease in long term debt is mainly the result of the call and early payoff of Solid Waste Special Obligation Bonds.

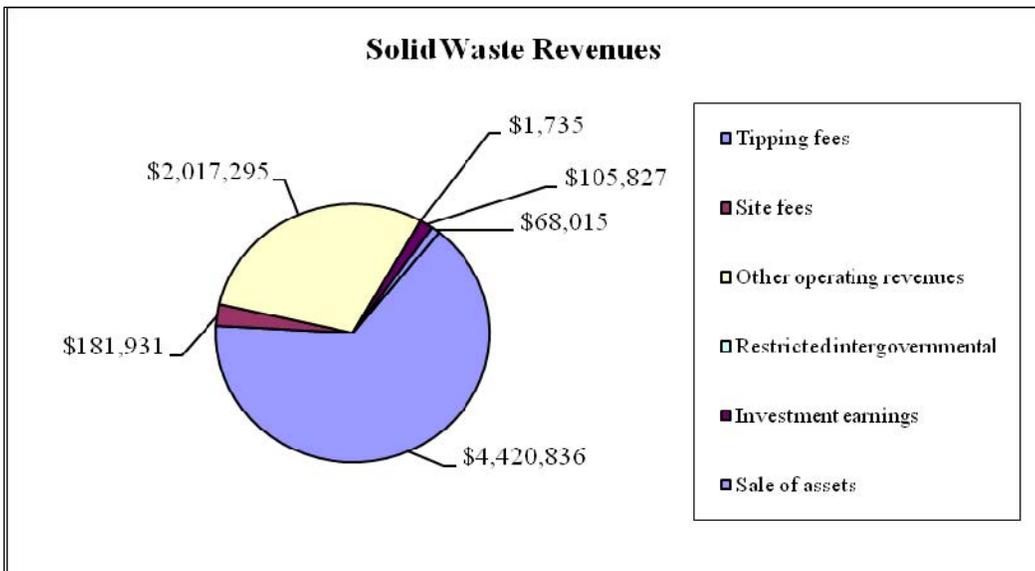
### **BUSINESS-TYPE ACTIVITIES**

Business-type activities rely on user fees and other charges to wholly, or largely, fund their operations. The only business-type activity currently operated by the County is its Solid Waste Fund.

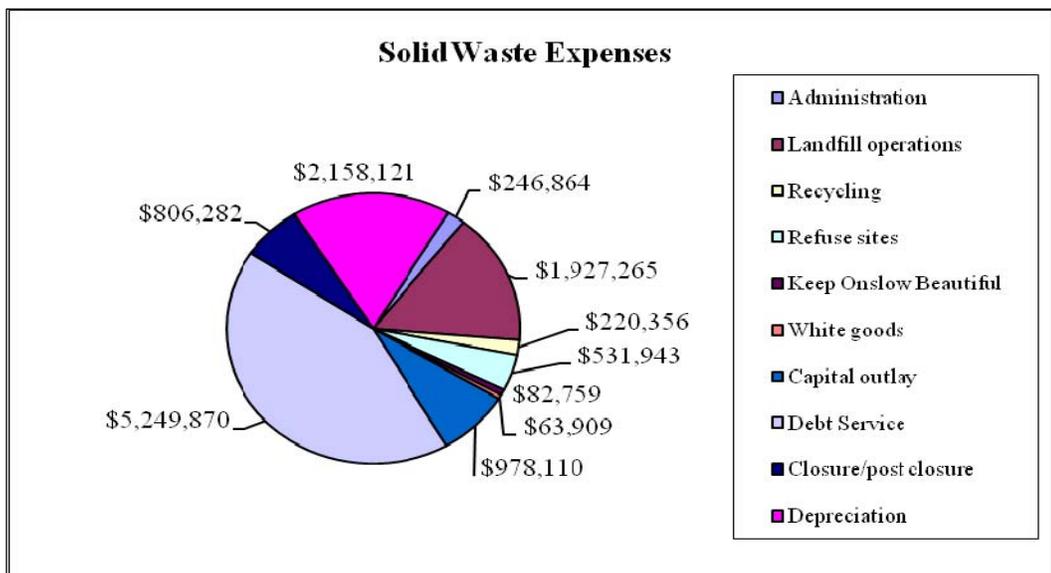
This fund accounts for all costs associated with operating the Convenience Centers, and the Subtitle D Sanitary Landfill as well as the Recycling program and education programs of Keep

Onslow Beautiful. Future expansions of our landfill include the Phase IV lateral expansion, which is scheduled to begin in February 2015 and provides approximately 4 years of landfill space and the final phase, the Phase V vertical expansion, which will account for approximately 2 years of landfill space. Therefore, based on current waste disposal and population trends, we feel that we have 10.5 years of life remaining at our current landfill. Steps are being taken to determine our options for future solid waste sites. This review has shown that we may be able to expand on site beyond the current permit and extend the life of the landfill to 2038.

During fiscal year 2009-10, the revenues of the Solid Waste Fund were \$6.79 million for an increase of \$6,000 over the prior year. The chart below provides a breakdown of the revenues by type.



Operating and other expenses are approximately \$3 million more than last year. This is due to the early pay off of two debt issues totaling \$2.8 million. The chart below provides a breakdown of the expenditures by function.



Recycling efforts have removed approximately \$11,600 tons of mixed clean recyclables such as newspapers, plastics and glass from our waste stream. This was processed through the County's Material Recovery Facility (MRF) operated by Coastal Enterprises (a private non-profit corporation). Additionally, The Onslow County Solid Waste Department diverted approximately 1,900 tons of tires, 360 tons of white goods (appliances), and 3,690 gallons of used motor oil from the waste stream. Additionally we recycled oil filters and lead acid batteries.

## LONG-TERM DEBT

Onslow County's long-term debt consist of General Obligation Bonds, Certificates of Participation Bonds, Installment Purchases as authorized by NCGS 160A-20 and 153A-158.1, and Special Obligation Bonds. The County's bond rating is Aa2 by Moody's and AA- by Standard and Poor's.

The General Obligation Bonds are collateralized by the full faith, credit and taxing power of the County. The county's last general obligation bond issuance was in March 2008. As of June 30, 2010, the County has \$100,190,000 in outstanding General Obligation Bonds. Of this total, \$98,509,000 is for school facilities.

The installment purchase obligations are issued pursuant to a deed of trust. As of June 30, 2010, the County has \$15,620,649 in outstanding installment purchase obligations. These have been issued for such projects as industrial park development, county buildings, and school buildings. In FY 2010 the county issued \$1.6 million in installment purchase debt for the construction of a shell building in the Burton Industrial Park.



As of June 30, 2010, the County has outstanding Certificate of Participation (COPS) totaling \$69,400,000. These COPS were issued for the construction of Meadow View Elementary School which opened in the fall of 2008 and the Justice Complex which is under construction and will be completed in the spring of 2011.

School debt makes up the major portion of our long-term liabilities for governmental activities. Of the \$185.2 million in long-term debt, \$104.5 million is debt for school projects.

The expansion of the county operated landfill is 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 first lien on the net revenues of the Solid Waste Fund. The outstanding special obligation bonds as of June 30, 2010 totaled \$5,550,000. The principal and interest payments due on these bonds are fully paid from the revenues of the solid waste fund.

Below is a recap of the changes in our debt obligations during the fiscal year.

### Summary of Debt Obligations

|                                  | Balance<br>6/30/2009  | Increases           | Decreases            | Balance<br>6/30/2010  |
|----------------------------------|-----------------------|---------------------|----------------------|-----------------------|
| <b>Governmental Activities:</b>  |                       |                     |                      |                       |
| General Obligations Bonds        | \$ 102,815,000        | \$ -                | \$ 3,815,000         | \$ 99,000,000         |
| Premium on GO debt               | \$ 1,256,147          |                     | \$ 66,113            | 1,190,034             |
| Installment Purchase Obligations | 15,787,008            | 1,600,000           | 1,766,359            | 15,620,649            |
| Certificates of Participation    | 70,175,000            | -                   | 775,000              | 69,400,000            |
| <b>Business-type activities:</b> |                       |                     |                      |                       |
| Special Obligation Bonds         | 10,417,600            | -                   | 4,867,600            | 5,550,000             |
| <b>Total Debt Service</b>        | <b>\$ 200,450,755</b> | <b>\$ 1,600,000</b> | <b>\$ 11,290,072</b> | <b>\$ 190,760,683</b> |

Of this debt, \$11.5 million dollars will be paid in Fiscal Year 2010-11.

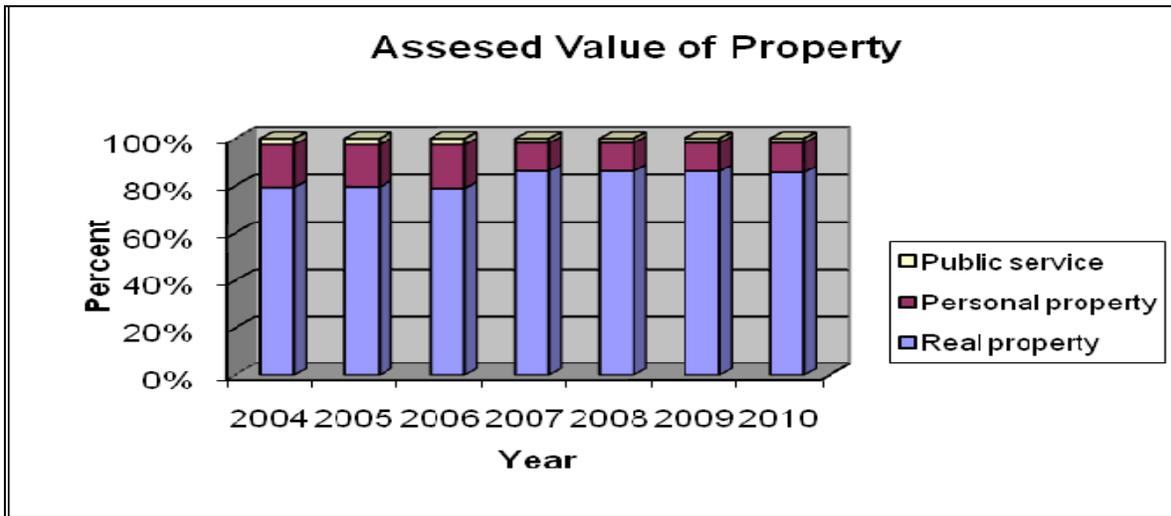
### AD VALOREM (PROPERTY) TAXES

Property taxes are the largest single revenue source for the County. In fiscal year 2009-10 collections totaled \$69.3 million dollars for 49.35% of the county general fund revenues. The total assessed value of property in the county is \$12,025,428,045. Of this, the total assessed value of the ten largest taxpayers' accounts for 3.65%. The County tax rate of .59 cents per hundred is well below the state legal limit of \$1.50.

### Principal Property Tax Payers

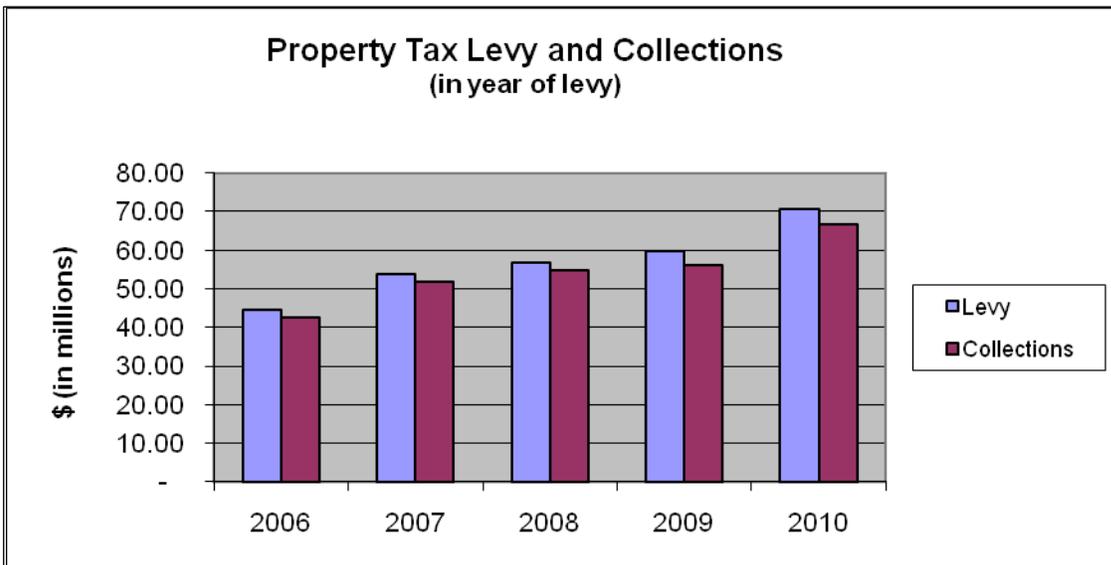
June 30, 2010

| Taxpayer                            | Type of Enterprise | Taxable<br>Assessed<br>Value | Percentage of<br>Total<br>Taxable Assessed<br>Valuation |
|-------------------------------------|--------------------|------------------------------|---|
| Jones Onslow EMC                    | Public Utility     | \$ 107,054,236               | 0.92%   |
| RA North Development I Inc          | Real estate        | 82,153,932                   | 0.70%   |
| Carolina Telephone                  | Telephone          | 53,468,419                   | 0.46%   |
| Progress Energy Carolinas           | Public Utility     | 40,063,748                   | 0.34%   |
| PR Jacksonville Limited Partnership | Real estate        | 37,343,994                   | 0.32%   |
| Brunswick Timber LLC                | Timber Mgt         | 22,114,683                   | 0.19%   |
| Rogers Bay Campground Co.           | Resort campground  | 21,500,000                   | 0.18%   |
| Finlay Robert J & Karin K           | Real estate        | 17,934,584                   | 0.15%   |
| John Koenig Inc                     | Real estate        | 16,532,862                   | 0.14%   |
| Bailey & Associates                 | Real estate        | 16,078,418                   | 0.14%   |
| <b>Total</b>                        |                    | <b>\$ 414,244,876</b>        | <b>3.55%</b>  |



Real property makes up the majority (85.61%) of the value of property assessed for taxes. For 2010 the personal property (cars, boats, airplanes, equipment, campers, etc.) was 12.57% and public service companies (Jones-Onslow EMC, Progress Energy, railroads, natural gas, etc.) was 1.81%.

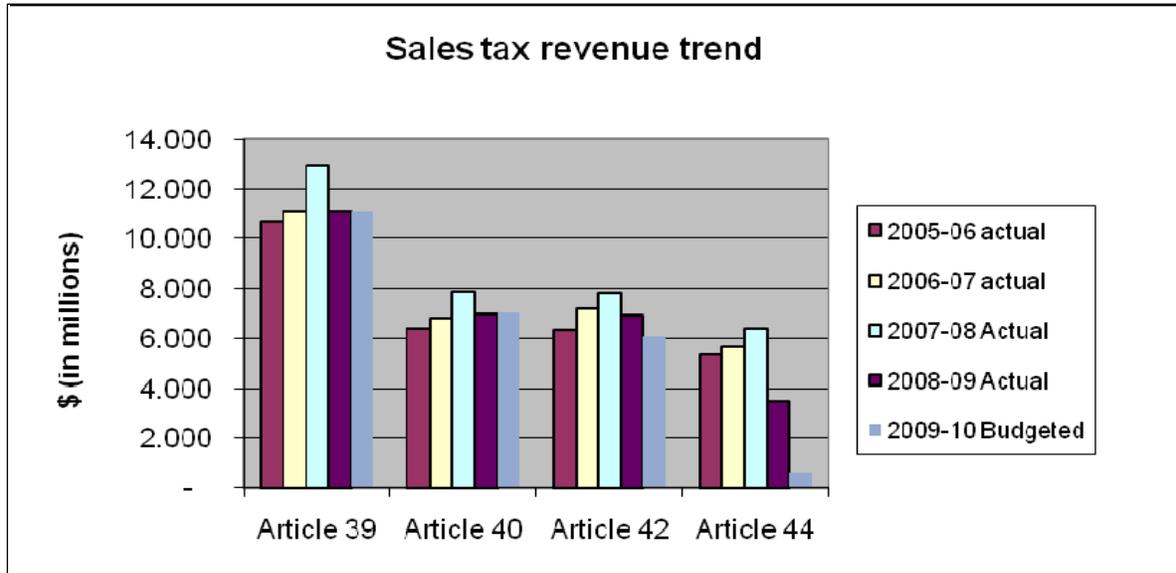
Real and personal property assessments are the responsibility of the tax office. Real property assessed values are determined by periodic countywide revaluations, while personal property assessments are determined annually. The revaluation of property took place in FY 2010. This will assess the value of property as of January 1, 2010 for the fiscal year 2010-11. 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 declined slightly to 94.65% collections in the year of levy. This collection rate yielded \$66.8 million of the \$70.6 million levy. In addition, collections of prior year taxes were \$2.38 million. This brings the total collections for taxes to \$69.2 million.

## 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. The Board of Commissioners voted to distribute the local option sales taxes between the county and the municipalities based on 60% ad valorem basis and 40% per capita basis. The FY 2010 fiscal year revenue from the local option sales taxes yielded \$24.8 million or 17.70% of the general fund revenues. Revenues are lower than prior years due to the conversion of article 44 sales tax from a local tax to a state tax. More information on this is provided later in this section.



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.

Article 39 is a 1% sales tax. The county in which the sale is made receives the proceeds of this tax. The county share of the proceeds from this tax is not restricted as to use.

Article 40 is a ½ % sales tax. The net proceeds are placed in a statewide pool and distributed on a per capita basis. Of the county share 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.

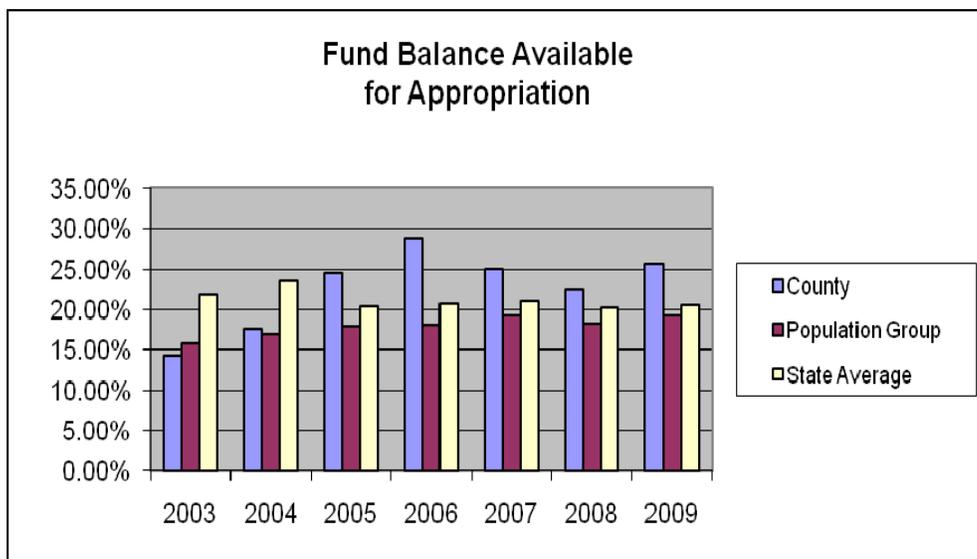
Article 42 is a ½% sales tax. The county in which the sale is made receives the proceeds of this tax. Of the county share of these proceeds the county is required to use 60% towards school capital outlay. Onslow County applies these funds to the payment of school bonds.

Article 44 is a ¼% sales tax. The North Carolina General Assembly has converted this to a state tax effective October 1, 2009 as a part of the agreement for the State to assume the cost of Medicaid.

Article 46 is a ¼% sales tax. In May of 2010 the voters of Onslow County approved the implementation of this tax. It will become effective October 1, 2010. The county in which the sale is made receives the proceeds of this tax. There is no sharing of this sales tax with the municipalities. Onslow County will use these funds to reduce the property tax rate by two cent per hundred dollar valuation, one half of the balance will be used for education and one half of the balance used for public safety.

## 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 costs not covered by FEMA and provide the funds for the costs incurred until reimbursement by FEMA and the state is received. These funds also allow us to take advantage of unexpected opportunities that may arise. In addition, a strong fund balance 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. The chart below shows how the county fund balance compares to other North Carolina counties within our population group (those with a population over 100,000) and to the average of all North Carolina counties.



## 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 23,778. After-school care and before-school care is offered at selected locations. For fiscal year 2009-10 the county provided \$31.29 million towards the current operating costs of the system. The County also provided \$1.5 million for current capital outlay needs of the Onslow County Schools.

To address the capital needs of the Board of Education they supplied the County with its ten-year capital needs assessment in the spring of 2005. From this assessment projects that had the most urgent needs were identified at a cost of \$105 million. The county has since that time been addressing these issue through the issuance of \$15.5 million in certificates of participation to fund the construction of a new elementary school which was opened in the fall of 2008 and the issuance of a total of \$90.0 million in General Obligation bonds. These projects are expected to be completed by the end of FY 2010-11.

Camp Lejeune operates a school system for military dependents that live in military housing on base. The system consists of eight schools with a student population of approximately 2,600 and a staff of 484. This system 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 8,190 curriculum and 22,055 continuing education students. The college is governed by a twelve-member Board of Trustees. The County provided \$2.85 million for current expenses and \$441,000 for capital outlay needs of Coastal Carolina Community College.

## 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. Onslow Memorial Hospital has under construction a 10,000 square foot wing to provide radiation therapy. The Radiation Oncology Center will be operated in partnership with University Health Systems Pitt County Memorial Hospital. This \$7 million facility is scheduled to open in the early fall of 2010. The center will have a state of the art Linear Accelerator, CT simulator, conference and exam rooms as well as offices, dosimetry, physics lab and a mold room.



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

## ACCOMPLISHMENTS and MILESTONES FOR 2009-10

In North Carolina the counties are ranked by the North Carolina Department of Commerce annually based on the county's economic well-being and assigned each a tier designation. The 40 most distressed counties are designated tier 1, the next 40 as tier 2 and the 20 least distressed as tier 3. In November 2009 the county was notified that it was changing tiers from tier 2 to tier 3. This designation shows the strength of the local economy of the county.

Albert J. Ellis Airport continues to set a new all time annual record for passenger traffic. In fiscal year 2010, the airport served 267,836 passengers breaking the previous mark of 261,305 set in fiscal year 2009. The new record represents a 2.5% increase in total passenger traffic. The passenger count breaks down to 129, 826 enplanements (passenger boardings) and 138,010 deplanements (passenger arrivals) in 2010 as compared to 125,221 enplanements and 136,084 deplanements last year.

The County is working with ONWASA a new terminal area sanitary sewer system was designed and bid with construction scheduled to begin in late 2010.

The Justice Complex is well under construction. This facility will house 528 inmates and the administrative offices for the Sheriff Department. It will be located in an area near the current jail facility and adjacent the District and Superior Courthouses. The site work for the County Justice Complex was begun in September 2008 with construction on the building beginning in January 2009. This project is anticipated to be completed by early 2011. Total cost of construction is estimated to be \$57 million.



ON SLOW COUNTY ★ NC

In FY 2010 the county celebrated its 275<sup>th</sup> birthday. Events were held throughout the year which ended with a festival at Onslow Pines Park on April 24<sup>th</sup>. There were fund and games for kids along with live musical performances to showcase the diversity of the county. As special guest was the USMC Silent Drill Platoon which performed there precision drills twice.

The County has constructed a 50,000 square foot shell building in the Burton Industrial Park. The groundbreaking for this project was held in September 2009 with substantial completion of the building in June 2010.



The Library partnered with Marine Corps Base, Camp Lejeune to open a military family resource collection at the Main Library in Jacksonville. The first of its kind in the nation, the partnership between Camp Lejeune and Onslow County Public Library provides for an ongoing and growing collection of books, DVDs, CDs, audio books, and story kits designed to address the unique challenges faced by children of military families. The collection provides not only resources for military families, but for educators, counselors, and community partners who are instrumental in reducing the impact of the mobile military life style on military children and who work with issues related to transition, deployment, trauma, and loss.

## FUTURE PROJECTS

### Board of Education-

The Board of Education continues to see growth in the number of students. As we are impacted by the new increase in the number of military personnel there will be a continued need to provide school facilities. The details of these projects are being evaluated.

### Libraries -

To meet the needs of our Public Library, efforts are underway to look at the library of the future and the need for a new main library and expansions or replacements of several of our branch library sites. Sites are being evaluated to determine if they are the best locations for replacement branch libraries. It is planned that if a location can be found we could begin the replacement of Sneads Ferry branch in FY 2011.

**Administrative Complex -**

There is a need for the County to construct an Administrative Complex. The design phase of the project has been completed. This facility will bring into one facility departments such as administration, Board of Commissioners meeting room, finance, tax, human resources, purchasing, information technology, planning and zoning, environmental health, Register of Deeds, and elections. Current County offices are in several buildings, including several rented facilities in locations separated from other related services. A central administrative building would increase efficiency for both the employees of the county and the citizens as they conduct County business. At this point no timeline has been established for this project. The estimated cost of the complex is \$20 million.

**Airport –**

Preliminary planning for the replacement of the existing passenger terminal building and general aviation / corporate terminal is underway. A new air traffic control tower and several related support facilities are also being planned with design and construction programmed for future fiscal years. These projects are designed to improve capacity, convenience, safety and competition.

**Solid Waste -**

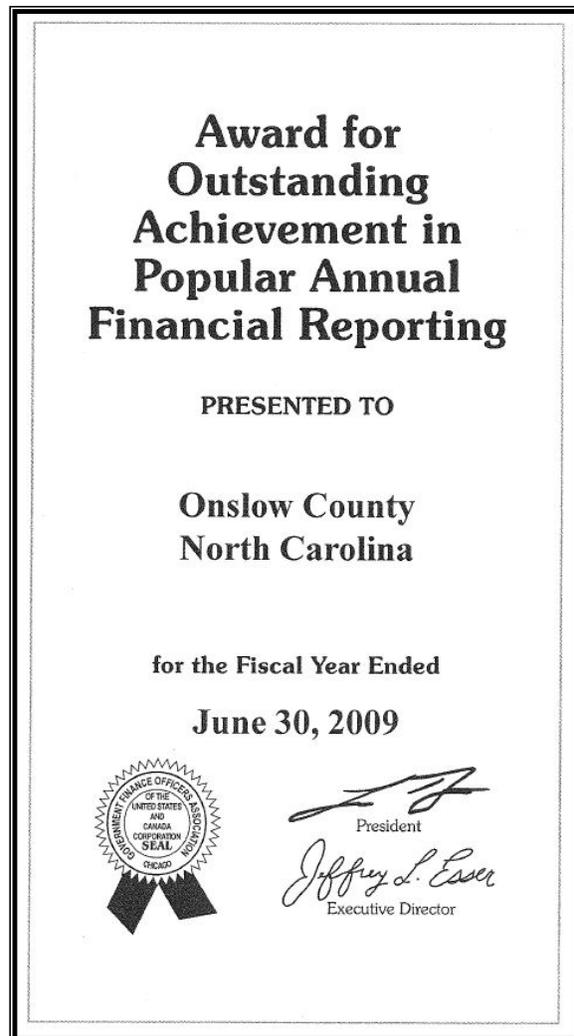
The county evaluated our solid waste needs and has decided to continue to operate and plans are underway to receive approval for the expansion of the landfill at our existing site rather than convert our solid waste operation to a transfer station.

**AWARDS**

The Government Finance Officers Association (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Onslow County for its Popular Annual Financial report for the fiscal year ended June 30, 2009. This is the fifth (5<sup>th</sup>) consecutive year we have received this award. The Award for Outstanding Achievement in Popular Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting if valid for a one year period only, we believe our current report continues to conform to requirements of the Popular Annual Financial Reporting and we will be submitting our 2010 PAFR to the GFOA also.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Onslow County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 20,



2009. This was the nineteenth (19<sup>th</sup>) consecutive year that Onslow County has received this prestigious award. In order to be awarded a Certificate of Achievement, Onslow County published an easily readable and efficiently organized financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and we will be submitting our 2010 CAFR to the GFOA also.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Onslow County, North Carolina for its annual budget for the fiscal year beginning July 1, 2009. This is the third (4<sup>th</sup>) consecutive year we have received this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget for fiscal year beginning July 1, 2010 continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility.

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 and county department heads 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 2010 CAFR, the source for some of the information contained in this PAFR is Onslow County Media Releases, and the Answer Book 2010-2011 produced by the Jacksonville Daily News.