

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2010**



Prepared by the  
Granville County Finance Department

Finance Director  
Michael S. Felts

County of Granville  
P. O. Box 1286  
Oxford, NC 27565

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## **INTRODUCTORY SECTION**



# **County Of Granville, North Carolina**

Post Office Box 1286, Oxford, North Carolina 27565

*County Administration*  
**(919) 693-5240**

**December 8, 2010**

**To the Board of County Commissioners and  
To the Citizens of Granville County, North Carolina**

Maintaining the fiscal strength and stability of county government is perhaps the most important responsibility of the Board of County Commissioners. The Comprehensive Annual Financial Report (CAFR) of Granville County, North Carolina, for the fiscal year ended June 30, 2010, reflects the achievement of that goal. Each year this document is prepared to provide you with details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength.

The CAFR consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a system of internal controls designed to protect County assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP), and to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Winston, Williams, Creech, Evans & Company, LLP. The objective of the independent audit is to provide reasonable assurance that the financial statements of Granville County for the fiscal year ended June 30, 2010 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Granville County was a part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements involving the administration of federal awards. Information related to the Single Audit, including a schedule of expenditures of federal and state awards, and a schedule of questioned costs is included in the compliance section of this report.

As required by GAAP, the Management Discussion and Analysis (MD&A) is presented in narrative form to introduce the basic financial statements and to provide an overview and analysis of the financial operations for the fiscal year ended June 30, 2010. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A is located immediately following the report of the independent auditor.

### **Financial Reporting Entity**

The CAFR includes the County’s basic financial statements, as well as supplemental information designed to enhance the reader’s understanding of the financial condition of Granville County. The County’s basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. These financial statements encompass all activities considered to be part of (controlled by or dependent on) the County. Control by, or dependence on, the County was determined in accordance with the criteria established by the Governmental Accounting Standards Board (GASB) and included in the GASB’s guidance in defining the governmental reporting entity.

The financial reporting entity includes all funds and activities of Granville County, as well as its component units. Component units are legally separate entities for which Granville County is not legally responsible, but financially accountable. Discretely presented component units include Granville Medical Center, Granville County ABC Board, Granville County Economic Development Commission, Granville County Tourism Development Authority, and South Granville Memorial Gardens.

In addition to the General Fund, the report includes activities in other governmental funds and proprietary funds. Proprietary funds account for continuing business-type organizations and activities, such as the solid waste operations operated by the County. These funds are self-supporting and fees are designed to recover the full cost of the operation.

### **Profile of Granville County**

Granville County is a rapidly growing county nestled between the Virginia State line and the Raleigh-Durham-Chapel Hill metropolitan area. The local economy has shifted from traditional industries such as tobacco production and textiles to a more diverse industrial and service-based economy. This diversity has resulted in lower unemployment figures than some of the surrounding rural counties which have not transitioned as well.



Granville County is proud to be home to globally competitive companies like Revlon, Bridgestone-Bandag, N T Techno, Certaineed, Altec, CMP USA, Newton Instruments, and many others. These companies provide unique and interesting employment opportunities and are important contributors to the County's tax base. As a result of the diversity of industries and the outstanding quality of life in our community, Granville County is poised to prosper as state and national economic conditions improve.

Granville County is also home to numerous State and Federal facilities located in Butner, at the southwestern corner of the County. These facilities provide stable job opportunities and serve to meet State and Federal governmental needs such as mental health, correctional, and medical facilities. Many of the State and Federal employees reside in the County. The Biofuels Center of North Carolina is located in Oxford and has a goal that by 2017, 10% of liquid fuels sold in North Carolina - or about 600 million gallons - will come from biofuels grown and produced in North Carolina.

Outdoor recreational opportunities abound in Granville County due to the availability of large, sparsely populated areas that provide sportsmen (and sportswomen) excellent hunting, fishing, hiking, and other outdoor opportunities.

Granville County operates under the Commissioner/Manager form of government. Policy-making and legislative authority are vested in a seven-person governing Board of Commissioners (the "Board"), elected by district to staggered four-year terms.

The Board is responsible for governing the County by adopting local ordinances, adopting an annual budget, and establishing annual property tax rates. The Board also hires the County Manager and appoints members to various Boards and Commissions. The Board may also call bond referendums, enter into contracts, and establish new programs.

The County Manager is the chief administrative officer of the County and serves at the pleasure of the Board. The major responsibilities of the Manager include the day-to-day supervision of the activities of the County departments, attendance at Board meetings, making recommendations on matters of business, and preparing and recommending the annual budget.

The County provides a full range of services including public safety, social services, health services, emergency medical services, cultural and recreational activities, general administration, and others. In addition to these general government functions, the County also provides solid waste management services. The Board of Commissioners also extends financial support to various agencies and groups who are involved in serving our citizens. Among them are the Granville County Board of Education, volunteer fire departments, Vance-Granville Community College, the Kerr-Tar Council of Governments, Granville-Vance District Health Department, and Five County Mental Health Authority.

The annual budget provides the foundation for the County's financial planning and control. The budget is a legally adopted ordinance, the development of which receives input from citizens, county departments, and various agencies in the County. The

Manager uses funding requests from all departments and agencies to develop a proposed budget that is presented to the Board for review.

### **Factors Affecting Economic Condition**

Granville County has not been immune to the job losses in the textile, tobacco, and telecommunications industries over the last decade. The unemployment rate has mirrored that of the State and has steadily improved over the last year. In July 2009 the unemployment rate was 10.9% but had dropped to 10.0% by July 2010 and is currently at 9.1%.

The impact of the recession and credit crisis has taken a toll on businesses and industries in Granville County. Fortunately most businesses and industries have been able to withstand this crisis so far without major layoffs or shutdowns. It appears that a recovery is beginning, but the speed of that recovery will continue to impact the local economy.

The County is a member of the thirteen-county Research Triangle Regional Partnership (RTRP). The County works closely with the RTRP to market the County to business prospects. The marketing is done through articles in national and international trade magazines, newspapers, and special advertising campaigns. The RTRP members work at the trade shows in the United States and Europe. Both the North Carolina Department of Commerce and the RTRP bring prospective clients to the County. The County is marketed as being able to offer most of the amenities of the Research Triangle Park without the high costs, traffic congestion, and other drawbacks to the densely populated areas.

The Research Triangle Park (the Park) contains 6,900 acres of land which has been reserved for research and research-oriented manufacturing. The Park celebrated forty years of progress in 1999 and it is now home to 96 private and governmental companies. Over 37,000 people are employed in the Park, which has over 15 million developed square feet of space.

The County, in partnership with three of its neighboring counties, is continuing to market the “Triangle North” industrial and business park project. The Granville County site, “Triangle North - Granville”, is a 510 acre park focused on life science industries. This project is poised for significant potential growth due to its location relative to the Research Triangle Park.

Vance-Granville Community College is one of the finest industrial training institutions in the State. The public education in the County is strong and has students performing well. The local schools continue to leverage technology opportunities in order to keep student engaged. Although population growth has outgrown the existing school facilities in the County, students are better prepared for future educational and employment opportunities than ever before.

## **Short and Long Term Financial Planning**

Many of the successes of the Board of County Commissioners can be attributed to the long-term planning efforts initiated by the Board. Examples include planning for both building capital and vehicle purchases through separate special revenue funds. The annual appropriations and transfers to these funds are driven by five-year plans approved by the Board. This has greatly reduced the dependency on short-term borrowing and has allowed positive fund balances to be carried into years where the needs exceed the annual appropriations. In fact, many mid-sized projects for Granville County have been funded on a pay-as-you-go basis because the funds were set-aside in the capital improvement fund. The use of the vehicle replacement fund has eliminated the need for short term leasing of rolling stock. While this fund has been eliminated for fiscal years after 2009-2010, the County will continue to use the schedule for short and long term financial planning.

The Governing Board also deliberates on funding for the General Fund departments in the context of a five-year funding plan. This allows the Board to better understand the financial impact of new programs in future fiscal years and has allowed advanced disclosure of the likelihood of future tax increases. Although a five-year plan may seem to be a short planning horizon, in local government it serves as an optimal, realistic time frame that decisionmakers can relate to effectively.

Other financial planning efforts include the programming of school debt service and the available revenue streams over a 20-30 year planning horizon and the five-year E-911 facilities plan. The school planning efforts have served to promote more effective discussions between the Board of Education and the Board of County Commissioners in developing projects to meet the school system's needs.

## **Key Investments in Economic Development Projects**

The Board has made numerous strategic investments in new and expanding industrial plants in Granville County. The program relies on reserve funds identified by the County for economic development projects that have a significant impact on the tax base while producing quality jobs. The program approved by the Board requires that funds be generated over a five-year period to replenish the fund. The program has been touted by State economic development officials as innovative and highly effective in attracting new business to the community.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Granville County Government for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the eleventh consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We appreciate the assistance and dedication of all employees in carrying out the services and programs approved by the Board of Commissioners. Preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department staff and our independent auditors, Winston, Williams, Creech, Evans & Company, LLP. We also express our appreciation to the members of the Board of County Commissioners for their continued support, guidance, and advice in planning and conducting the financial activities of the County in a responsible and progressive manner. The County's excellent financial status is a tribute to their dedication and genuine concern about the quality of government in Granville County.

Respectfully Submitted,

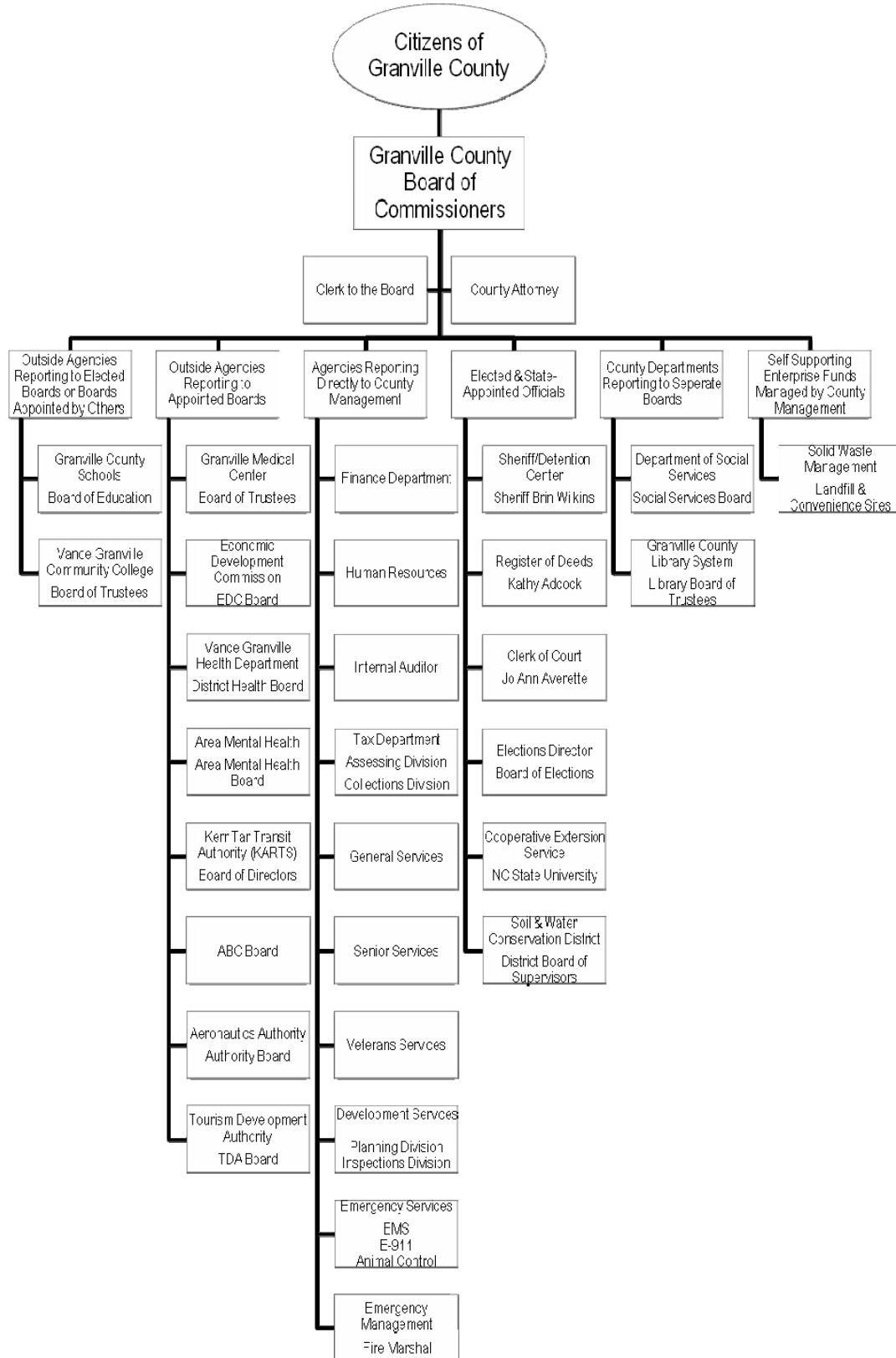
*Brian M. Alligood*

Brian M. Alligood  
County Manager

*Michael S. Felts*

Michael S. Felts  
Finance Director

# Granville County Government Organizational Chart



**GRANVILLE COUNTY, NORTH CAROLINA**  
**LIST OF PRINCIPAL OFFICIALS**  
**JUNE 30, 2010**

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**Board of County  
Commissioners**

Tony W. Cozart, Chairperson  
R. David Currin, Jr., Vice Chairperson  
Ronald R. Alligood  
W.E. "Pete" Averette  
Hubert L. Gooch, Jr.  
Zelodis Jay  
James W. Lumpkins

Debra A. Weary, Clerk to the Board

**County Officials**

Brian M. Alligood  
Michael S. Felts  
Judy D. Stovall  
Kathy M. Adcock  
Brindell B. Wilkins  
M. Scott Phillips  
Tonya C. Burnette  
Jason A. Falls  
Louis W. Bechtel  
Pello L. Duncan  
Kathy B. May  
Tresia J. Dodson  
Paul W. Westfall  
Justin Ayscue  
Jay Tilley  
Larry Salisbury  
Monique Heggie  
Doug Logan

County Manager  
Finance Director  
Tax Administrator  
Register of Deeds  
Sheriff  
Director of Development Services  
Elections Director  
Director of Environmental Programs  
Director of Social Services  
Veterans Services Director  
Director of Senior Services  
Library Director  
Director, Cooperative Extension  
Human Resources Director  
Economic Development Director  
Parks/Grounds Maintenance Director  
Internal Auditor  
Emergency Management Coordinator/Fire  
Marshal

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Granville County  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



President

Executive Director

## **FINANCIAL SECTION**



# Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



America Counts on CPAs

James P. Winston II, CPA  
Gary L. Williams, CPA  
Leonard R. Creech, CPA  
Carleen P. Evans, CPA

Jennifer T. Reese, CPA  
Curtis G. Van Horne, CPA  
T. Peter Oke-Bello, CPA  
Angela C. Perkins, CPA  
Cathy E. McKinley, CPA  
Thomas F. Edmunds IV, CPA

## Independent Auditor's Report

To the Board of County Commissioners  
Granville County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Granville County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprise Granville County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Granville County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Granville Medical Center or the Granville Economic Development Commission. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Granville Medical Center and the Granville Economic Development Commission, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Granville Medical Center, Granville County ABC Board, Granville Economic Development Commission, Granville County Tourism Development Authority, and South Granville Memorial Gardens were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

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102 W. Spring Street P.O. Box 1366 Oxford, NC 27565 (919) 693-5196 fax (919) 693-7614



[www.wwcecpa.com](http://www.wwcecpa.com)



In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Granville County as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the School Capital Reserve Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2010, on our consideration of Granville County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Granville County, North Carolina. The introductory information, combining and individual nonmajor fund statements, budgetary schedules, other schedules, the statistical tables as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our report and the reports of other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

***Winston, Williams, Creech, Evans & Company. LLP***

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
December 8, 2010



## County Of Granville, North Carolina

Post Office Box 1286, Oxford, North Carolina 27565

finance@granvillecounty.org

### Management's Discussion and Analysis

As management of Granville County, we offer readers of Granville County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2010. We encourage you to incorporate information presented in this section with additional information that we have furnished in the County's financial statements, which follow this narrative.

#### Financial Highlights

- The liabilities of Granville County exceeded its assets at the close of the fiscal year by \$3,352,127 (*net assets*).
- The primary government's total liabilities increased by \$8,975,386 when compared with the previous fiscal year. This increase resulted primarily from the issuance of public library facility related debt.
- At the end of the current fiscal year, Granville County's governmental funds reported combined ending fund balances of \$35,820,662, an increase of \$7,515,781 in comparison with the prior year. Approximately eighty-two percent (82.07%) of this total amount, or \$29,399,125, is available for spending at the government's discretion (*unreserved/undesignated fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$20,223,698, or forty-nine percent (49.2%) of total general fund expenditures for the fiscal year.
- Granville County's total debt increased by \$6,356,983 during the current fiscal year.

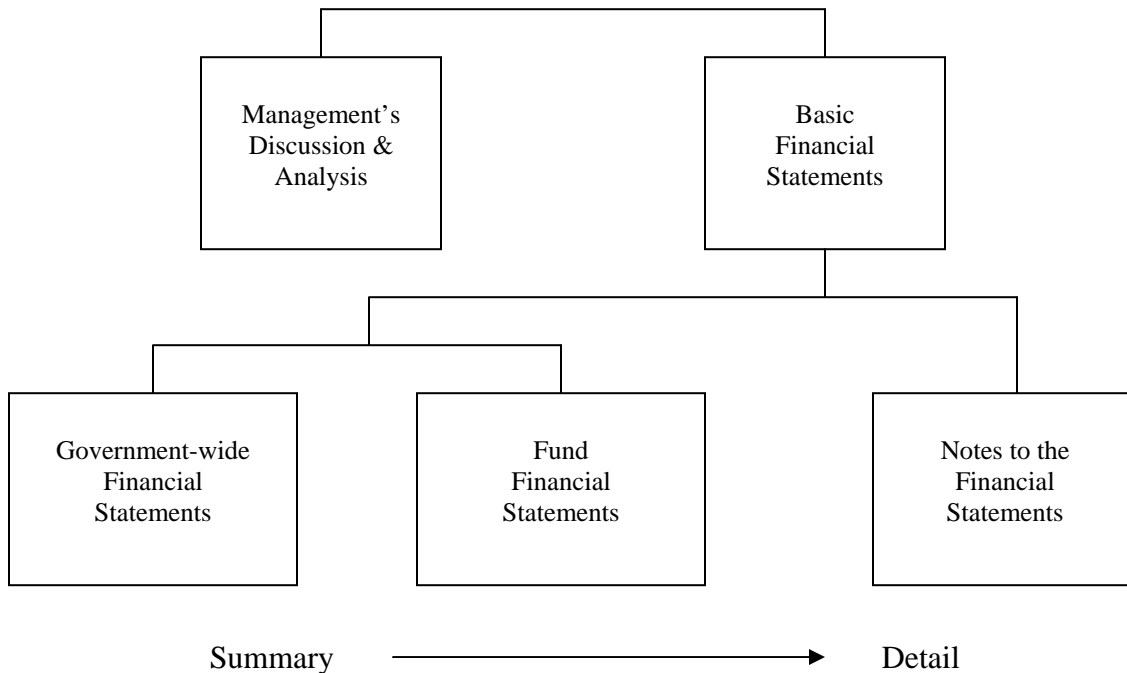
#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Granville County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report

contains other supplemental information that will enhance the reader's understanding of the financial condition of Granville County.

## Required Components of Annual Financial Report

**Figure 1**



### Basic Financial Statements

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

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic

financial statements. Budgetary information required by the General Statutes of North Carolina can also be found in this part of the statements.

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

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of Granville County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as general administration, public safety, human services, community services, and education. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The business-type activity is that which the County charges customers to provide. This includes the solid waste services offered by Granville County. The final category is the component units. Granville County owns Granville Medical Center. The County appoints the board of trustees for the Medical Center and has issued debt on its behalf. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. The Granville County Economic Development Commission, the Granville County Tourism Development Authority, and South Granville Memorial Gardens are also component units of Granville County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

**Fund Financial Statements:** The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Granville County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes of North Carolina or the County's budget ordinance. All of the funds of Granville County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Granville County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Currently Granville County operates three fiduciary funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 45 of this report.

**Other information** - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Granville County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 77 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The liabilities of Granville County exceeded assets by \$3,352,127 as of June 30, 2010. The County's net assets increased by \$1,003,586 for that same time period.

During the fiscal year 2009-2010, the County was able to maintain a fairly consistent total level of governmental activities when compared to the previous year. Total governmental expenses in 2009-2010 were \$47,466,814 and total governmental expenses in 2008-2009 were \$47,292,425. This coupled with growth in program revenues and general revenues resulted in the increase in net assets for the year.

The County increased the overall debt as of June 30, 2010 when compared to the previous year by \$6,356,983 impacting the primary government total liability. This net increase resulted from the issuance of \$8,000,000 in public library facility bonds, \$1,600,000 in public improvement bonds to benefit the public school system, and the repayment of various other series of bonds.

## Granville County's Net Assets

**Figure 2**

|                                   | Governmental<br>Activities |                | Business-type<br>Activities |                | Total          |                |
|-----------------------------------|----------------------------|----------------|-----------------------------|----------------|----------------|----------------|
|                                   | 2010                       | 2009           | 2010                        | 2009           | 2010           | 2009           |
| Current and other assets          | \$ 40,878,297              | \$ 32,042,816  | \$ 2,962,617                | \$ 3,211,884   | \$ 43,840,914  | \$ 35,254,700  |
| Capital assets                    | 17,978,718                 | 16,574,497     | 1,300,529                   | 1,311,992      | 19,279,247     | 17,886,489     |
| Total assets                      | \$ 58,857,015              | \$ 48,617,313  | \$ 4,263,146                | \$ 4,523,876   | \$ 63,120,161  | \$ 53,141,189  |
| Long-term liabilities outstanding | \$ 57,495,542              | \$ 49,811,184  | \$ 6,529,933                | \$ 6,195,695   | \$ 64,025,475  | \$ 56,006,879  |
| Other liabilities                 | 2,321,328                  | 1,325,389      | 125,485                     | 164,634        | 2,446,813      | 1,490,023      |
| Total liabilities                 | \$ 59,816,870              | \$ 51,136,573  | \$ 6,655,418                | \$ 6,360,329   | \$ 66,472,288  | \$ 57,496,902  |
| Net assets:                       |                            |                |                             |                |                |                |
| Invested in capital assets, net   |                            |                |                             |                |                |                |
| of related debt                   | \$ 7,040,787               | \$ 14,464,315  | \$ 1,300,529                | \$ 1,311,992   | \$ 8,341,316   | \$ 15,776,307  |
| Unrestricted                      | (8,000,642)                | (16,983,575)   | (3,692,801)                 | (3,148,445)    | (11,693,443)   | (20,132,020)   |
| Total net assets                  | \$ (959,855)               | \$ (2,519,260) | \$ (2,392,272)              | \$ (1,836,453) | \$ (3,352,127) | \$ (4,355,713) |

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

- Continued emphasis on the collection of property taxes. The tax collection percentage increased significantly from the previous year from 96.13% to 96.22%. The overall collections for current year's taxes increased by \$2,777,752.
- Sales tax revenues decreased approximately \$1,797,475, due to economic conditions in the County and State legislative changes that adjusted distribution methods to portions of approved sales taxes.
- Conservative departmental operations and monitoring of expenditure led to reversions that exceeded the targeted level of reversions for the fiscal year.
- Long-term liabilities reflecting the County's commitment to solid waste closure and post-closure estimates continue to directly affect the unrestricted governmental net assets in the business-type activities. These liabilities are estimated at \$6,482,061 to be expended over the next 28 years.



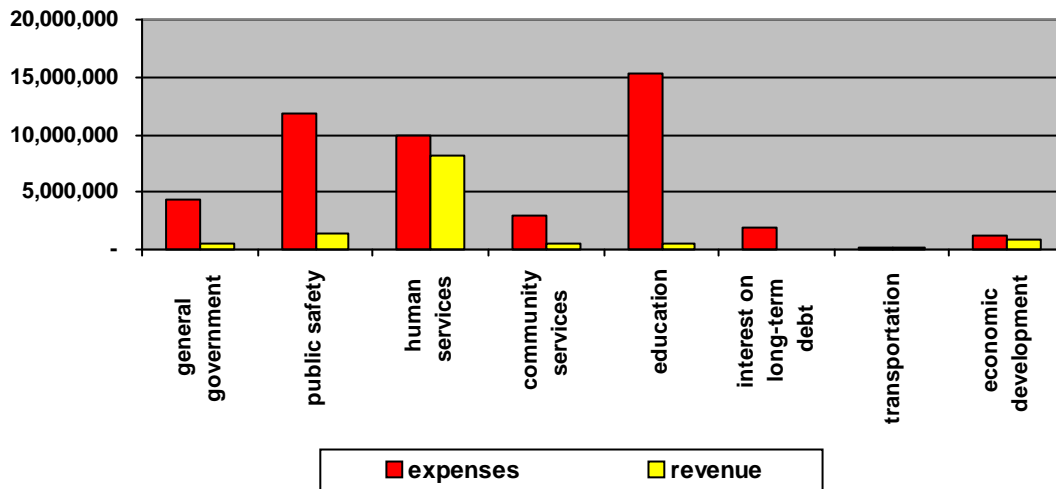
**Granville County's Changes in Net Assets**  
**Figure 3**

|   | Governmental<br>Activities |                | Business-type<br>Activities |                | Total          |                |
|---|----------------------------|----------------|-----------------------------|----------------|----------------|----------------|
|   | 2010                       | 2009           | 2010                        | 2009           | 2010           | 2009           |
| Revenues:   |                            |                |                             |                |                |                |
| Program Revenues:   |                            |                |                             |                |                |                |
| Charges for services  | \$ 3,362,208               | \$ 3,259,113   | \$ 1,527,300                | \$ 1,525,736   | \$ 4,889,508   | \$ 4,784,849   |
| Operating grants and contributions                                      | 7,388,550                  | 7,122,684      | -                           | -              | 7,388,550      | 7,122,684      |
| Capital grants and contributions  | 1,557,677                  | 2,839,936      | -                           | -              | 1,557,677      | 2,839,936      |
| General revenues:   |                            |                |                             |                |                |                |
| Property taxes  | 30,260,553                 | 27,423,928     | -                           | -              | 30,260,553     | 27,423,928     |
| Other taxes   | 6,438,242                  | 8,379,144      | -                           | -              | 6,438,242      | 8,379,144      |
| Grants and contributions not<br>restricted to specific programs         | -                          | -              | -                           | -              | -              | -              |
| Other   | 18,989                     | 802,595        | 5,522                       | 60,025         | 24,511         | 862,620        |
| Total revenues  | 49,026,219                 | 49,827,400     | 1,532,822                   | 1,585,761      | 50,559,041     | 51,413,161     |
| Expenses:   |                            |                |                             |                |                |                |
| General government  | 4,318,453                  | 3,335,294      | -                           | -              | 4,318,453      | 3,335,294      |
| Public safety   | 11,838,566                 | 11,718,664     | -                           | -              | 11,838,566     | 11,718,664     |
| Transportation  | 161,465                    | -              | -                           | -              | 161,465        | -              |
| Economic and physical development                                       | 1,142,750                  | 82,936         | -                           | -              | 1,142,750      | 82,936         |
| Human services  | 9,883,423                  | 10,564,721     | -                           | -              | 9,883,423      | 10,564,721     |
| Community services  | 2,889,358                  | 2,709,884      | -                           | -              | 2,889,358      | 2,709,884      |
| Education   | 15,247,427                 | 14,935,997     | -                           | -              | 15,247,427     | 14,935,997     |
| Interest on long-term debt  | 1,985,372                  | 2,053,147      | -                           | -              | 1,985,372      | 2,053,147      |
| Landfill  | -                          | -              | 2,088,641                   | 2,197,983      | 2,088,641      | 2,197,983      |
| Water and sewer   | -                          | -              | -                           | -              | -              | -              |
| Other   | -                          | 1,891,782      | -                           | -              | -              | 1,891,782      |
| Total expenses  | 47,466,814                 | 47,292,425     | 2,088,641                   | 2,197,983      | 49,555,455     | 49,490,408     |
| Increase (decrease) in net assets<br>before transfers and special items | 1,559,405                  | 2,534,975      | (555,819)                   | (612,222)      | 1,003,586      | 1,922,753      |
| Transfers   | -                          | -              | -                           | -              | -              | -              |
| Increase (decrease) in net assets                                       | 1,559,405                  | 2,534,975      | (555,819)                   | (612,222)      | 1,003,586      | 1,922,753      |
| Net assets, beginning   | (2,519,260)                | (5,054,235)    | (1,836,453)                 | (1,224,231)    | (4,355,713)    | (6,278,466)    |
| Net assets, ending  | \$ (959,855)               | \$ (2,519,260) | \$ (2,392,272)              | \$ (1,836,453) | \$ (3,352,127) | \$ (4,355,713) |

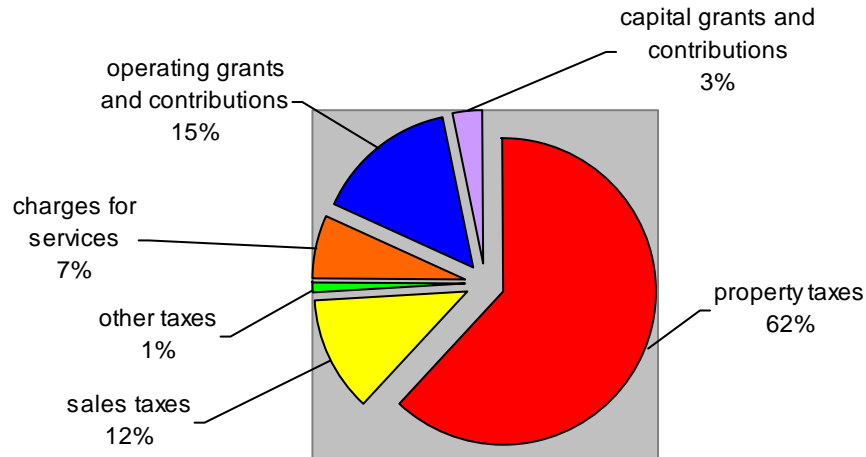
**Governmental activities.** Governmental activities increased the County’s net assets by \$1,559,405 offsetting the total decline in the net assets of \$555,819 for the business-type activities of Granville County. Key elements of the increase in Governmental activities net assets are as follows:

- Property tax collections increased by \$2,836,625 a result of growth in the tax base, increase in tax rate from 75.5 cents to 82.5 cents, and continued improvements to the percentage of taxes collected over the past year.
- A decrease in other taxes of \$1,940,902 due primarily to legislative changes in the distribution of sales taxes and weak sales due to the economy.
- Cumulative increases in other revenue areas such as charges for services and capital grants along with modest decreases in functional expenditure areas played a role in the increase to net assets from Governmental Activities.

**Expenses and Program Revenues – Governmental Activities**



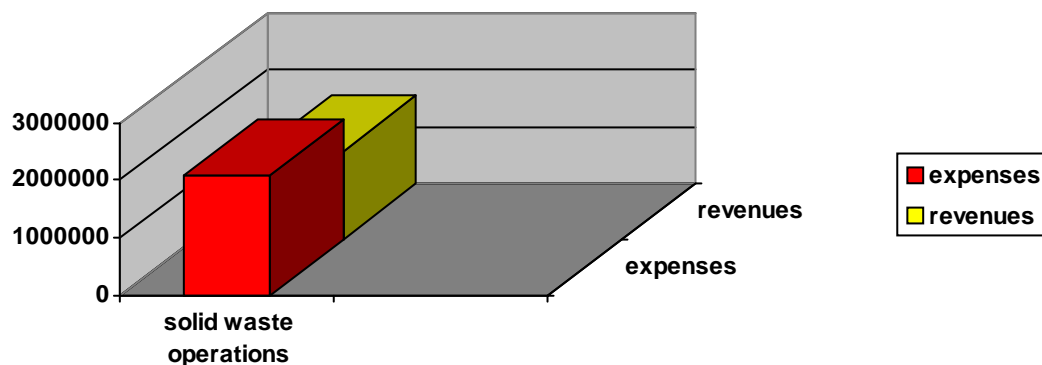
## Revenues by Source – Governmental Activities



**Business-type activities.** The decrease in net assets attributable to business-type activities had the most significant impact on Granville County's net assets. The total decrease in net assets by Business Activities totaled \$555,819. Key elements of this decrease are as follows:

- Solid waste activities are impacted by increases in labor costs and associated benefits. This affects both County staff and contracted services related to the operation of the convenience sites.
- Increased costs associated with the expansion of the landfill which is expected to begin construction in 2012 affects the overall net assets.
- Revenues for fiscal year 2009-2010 remained relatively flat when compared to fiscal year 2008-2009.

## Fiscal Year 2010 Expenses and Program Revenues-Business-type Activities



## **Financial Analysis of the County's Funds**

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

**Governmental Funds:** The focus of Granville County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of Granville County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$20,223,698 while total fund balance reached \$23,231,504. The remainder of fund balance is reserved to indicate that it is not available for appropriation under state law \$3,007,806. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 49.2 percent of total General Fund expenditures, while total fund balance represents 56.5 percent of that same amount.

At June 30, 2010, the governmental funds of Granville County reported a combined fund balance of \$35,820,662, a 27 percent increase from last year. The primary reasons for this increase are debt proceeds related to the library system expansion. In preparing for fiscal year 2010-2011, the Granville County Board of Commissioners took a conservative approach to the budget and appropriated \$870,530 of fund balance for the General Fund to balance the 2010-2011 budget.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$1,590,792.

The County overestimated sales and other tax revenue by a combined total of \$1,379,646. Economic conditions and State legislative changes effecting sales tax distributions in 2009-2010 provided challenges to calculating accurate estimates for sales tax proceeds.

The County overestimated the amount of investments earnings by \$121,352 due to significant changes in the economy and earnings rates during fiscal year 2009-2010.

**Proprietary Funds.** Granville County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Solid Waste Fund equaled \$(3,692,801). The total change in net assets for the fund was \$(555,819). This change in net assets primarily results from operating losses related to professional services associated with the County's landfill construction/expansion planning which began in fiscal year 2008-2009 and continued in fiscal year 2009-2010.

### **Capital Asset and Debt Administration**

**Capital Assets.** Granville County's capital assets for its governmental and business-type activities as of June 30, 2010 totals \$19,279,247 (net of accumulated depreciation). These assets include land, buildings, machinery and equipment, park facilities, system improvements, and vehicles.

Major capital asset transactions during the year include:

- Construction continued on several projects within the county. Construction in progress decreased by \$1,350,693.
- New vehicles and equipment were purchased primarily in the Public Safety Departments.
- Renovations continued to the County's historic courthouse.
- Engineering, planning, and permitting work began on a landfill construction/expansion in fiscal year 2008-2009 and continues in fiscal year 2009-2010. Construction is currently scheduled to begin in 2012.
- Depreciation of equipment continues to outpace replacement of machinery and equipment mostly due to the deferment of replacement vehicles. Fiscal year 2009-2010 is the second year in which a majority of vehicles scheduled for replacement has been deferred.

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

|                                   | Governmental<br>Activities |               | Business-type<br>Activities |              | Total         |               |
|-----------------------------------|----------------------------|---------------|-----------------------------|--------------|---------------|---------------|
|                                   | 2010                       | 2009          | 2010                        | 2009         | 2010          | 2009          |
| Land                              | \$ 806,618                 | \$ 806,618    | \$ 1,020,695                | \$ 1,020,695 | \$ 1,827,313  | \$ 1,827,313  |
| Buildings                         | 7,249,197                  | 7,581,016     | 1,094                       | 1,334        | 7,250,291     | 7,582,350     |
| Improvements other than buildings | 6,675,841                  | 3,194,444     | 270,802                     | 280,691      | 6,946,643     | 3,475,135     |
| Machinery and equipment           | 636,829                    | 1,031,493     | 7,938                       | 9,272        | 644,767       | 1,040,765     |
| Construction in progress          | 2,610,233                  | 3,960,926     | -                           | -            | 2,610,233     | 3,960,926     |
| Total                             | \$ 17,978,718              | \$ 16,574,497 | \$ 1,300,529                | \$ 1,311,992 | \$ 19,279,247 | \$ 17,886,489 |

Additional information on Granville County's capital assets can be found in the notes to the financial statements beginning on page 58 of this report.

**Long-term debt.** At the end of fiscal year 2010, Granville County had total bonded debt outstanding of \$49,345,000, all of which is debt backed by the full faith and credit of the County.

**Granville County's Outstanding Debt  
General Obligation Bonds**

|                          | Governmental<br>Activities |               | Business-type<br>Activities |      | Total         |               |
|--------------------------|----------------------------|---------------|-----------------------------|------|---------------|---------------|
|                          | 2010                       | 2009          | 2010                        | 2009 | 2010          | 2009          |
| General obligation bonds | \$ 49,345,000              | \$ 42,515,000 | \$ -                        | \$ - | \$ 49,345,000 | \$ 42,515,000 |

Granville County's total general obligation debt increased by \$6,830,000 (16 percent) during fiscal year 2009-2010 as a result of \$8,000,000 in library facility improvement bonds, \$1,600,000 in public improvement bonds to benefit the public school system, and principal payments on several series of general obligation bonds.

Moody's Investors Service, Inc., Standard and Poor's Credit Markets Services and the North Carolina Municipal Council assigned independent underlying ratings to Granville County of A1, AA-, and 84 respectively associated with general obligation debts issued in 2009 which upheld ratings issued previously.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to eight percent (8%) of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Granville County is \$236,158,146, which is significantly more than Granville County's outstanding general obligation debt.

Additional information on Granville County's long-term debt can be found in the notes to the financial statements beginning on pages 68 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

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

- The County is experiencing an unemployment rate of 9.9%, slightly higher than the state average of 9.8%, as of August 2010. This reflects conditions resulting from the overall downturn in the economy, and has improved from a reported high of 11.4% in February 2010.
- Total taxable sales for the County for fiscal year 2009-2010 were \$219,214,759, slightly up from taxable sales in fiscal year 2008-2009 of \$205,760,716.
- Shalag Industries Ltd., an international supplier of nonwoven fabrics used in the hygiene and wipes markets, will open a new plant in Granville County. The company will invest more than \$17 million and create 42 jobs in the City of Oxford.
- The County has not been immune from the economic downturn that virtually all markets have witnessed in the past year. Still, manufacturing has remained reasonably strong with a good mix of diversity in the local economy.
- The County is working with three of its neighboring counties on the development of new industrial parks. The 525-acre Triangle North Granville Business Park is now being developed in partnership with Millridge Properties.

### **Budget Highlights for the Fiscal Year Ending June 30, 2011**

**Governmental Activities:** The approved budget for fiscal year 2010-2011 decreases the tax rate by 3 cents. A "neutral property tax calculation" rate, as defined by the North Carolina General Statutes, is required to be published in a revaluation year. This rate was 79.67 cents. The fiscal year 2010-2011 tax rate of 79.5¢ for each \$100 of assessed valuation is less than the neutral property tax rate. The tax base is projected to provide revenues of \$30,453,223 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$3,984,806,022 which represents and average growth rate of 4.08%.

Budgeted expenditures for fiscal year 2010-2011 in the General Fund reflect a decrease from the previous fiscal year of 3.9%. This is due to reduced operating costs and a third year of deferring some capital improvements to County facilities and rolling stock.

The fiscal year 2010-2011 budget appropriates \$870,530 of available fund balance, to balance the general fund budget. Total revenues, excluding appropriated fund balance, reflect a decrease of approximately 3.1% over the previous year.

**Business-type Activities:** The budget for the operation of the solid waste activities reflects a 1.7% increase in operating expenditures due primarily to increased personnel and benefit costs. The Solid Waste operations continue to focus and work towards the expansion of the County landfill system. This expansion will add to the long-term capacity of the landfill.

### **Requests for Information**

This report is designed to provide an overview of Granville County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Granville County, 141 Williamsboro Street, Oxford, North Carolina, 27565.

*Michael S Felts*

Michael S. Felts  
Finance Director



# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

|  | Primary Government      |                          |                | Component Units          |                            |   |  |                                  |
|--|-------------------------|--------------------------|----------------|--------------------------|----------------------------|---|--|----------------------------------|
|  | Governmental Activities | Business-type Activities | Total          | Granville Medical Center | Granville County ABC Board | Granville Economic Development Commission | Granville County Tourism Development Authority | South Granville Memorial Gardens |
| <b>ASSETS</b>                                    |                         |                          |                |                          |                            |   |  |                                  |
| Cash and cash equivalents                        | \$ 26,164,151           | \$ 2,734,020             | \$ 28,898,171  | \$ 775,693               | \$ 866,366                 | \$ 51,447                                 | \$ 165,390                                     | \$ 163,356                       |
| Taxes receivable                                 | 2,343,681               | -                        | 2,343,681      | -                        | -                          | -   | -  | -                                |
| Accrued interest receivable                      | 496,387                 | -                        | 496,387        | -                        | -                          | -   | -  | -                                |
| Accounts receivable                              | 3,070,958               | 228,597                  | 3,299,555      | 11,520,132               | -                          | -   | -  | 13,036                           |
| Inventories                                      | -                       | -                        | -              | 941,928                  | 160,540                    | -   | -  | 3,585                            |
| Prepaid items                                    | -                       | -                        | -              | 435,301                  | 8,440                      | -   | -  | -                                |
| Due from governmental unit                       | -                       | -                        | -              | -                        | -                          | -   | 40,907   | -                                |
| Restricted assets:                               |                         |                          |                |                          |                            |   |  |                                  |
| Cash and cash equivalents                        | 8,133,984               | -                        | 8,133,984      | -                        | -                          | -   | -  | 100,000                          |
| Assets whose use is limited                      | -                       | -                        | -              | 12,352,878               | -                          | -   | -  | -                                |
| Goodwill   | -                       | -                        | -              | 840,000                  | -                          | -   | -  | -                                |
| Investment in affiliated organization            | -                       | -                        | -              | -                        | -                          | -   | -  | -                                |
| Deferred charges-issuance costs                  | 123,038                 | -                        | 123,038        | -                        | -                          | -   | -  | -                                |
| Deferred charges-refunding costs                 | 546,098                 | -                        | 546,098        | -                        | -                          | -   | -  | -                                |
| Capital assets                                   |                         |                          |                |                          |                            |   |  |                                  |
| Land, improvements, and construction in progress | 3,416,851               | 1,020,695                | 4,437,546      | 2,237,858                | 110,877                    | -   | -  | 39,534                           |
| Other capital assets, net of depreciation        | 14,561,867              | 279,834                  | 14,841,701     | 13,279,455               | 163,467                    | 4,678                                     | -  | -                                |
| Total capital assets                             | 17,978,718              | 1,300,529                | 19,279,247     | 15,517,313               | 274,344                    | 4,678                                     | -  | 39,534                           |
| Total Assets                                     | \$ 58,857,015           | \$ 4,263,146             | \$ 63,120,161  | \$ 42,383,245            | \$ 1,309,690               | \$ 56,125                                 | \$ 206,297                                     | \$ 319,511                       |
| <b>LIABILITIES</b>                               |                         |                          |                |                          |                            |   |  |                                  |
| Accounts payable & accrued liabilities           | \$ 1,409,341            | \$ 125,485               | \$ 1,534,826   | \$ 6,013,264             | \$ 291,821                 | \$ 49,913                                 | \$ -   | \$ -                             |
| Accrued interest payable                         | 200,316                 | -                        | 200,316        | -                        | -                          | -   | -  | -                                |
| Unearned revenues                                | 98,183                  | -                        | 98,183         | -                        | -                          | -   | -  | 1,250                            |
| Due to fiduciary funds                           | 40,907                  | -                        | 40,907         | -                        | -                          | -   | -  | -                                |
| Premium on bonds                                 | 572,581                 | -                        | 572,581        | -                        | -                          | -   | -  | -                                |
| Long-term liabilities:                           |                         |                          |                |                          |                            |   |  |                                  |
| Due within one year                              |                         |                          |                |                          |                            |   |  |                                  |
| Bonds payable                                    | 3,235,000               | -                        | 3,235,000      | -                        | -                          | -   | -  | -                                |
| Notes payable                                    | 379,425                 | -                        | 379,425        | 680,508                  | -                          | -   | -  | -                                |
| Capital leases payable                           | 100,570                 | -                        | 100,570        | -                        | -                          | -   | -  | -                                |
| Compensated absences payable                     | 194,971                 | 3,823                    | 198,794        | 2,402,826                | -                          | -   | -  | -                                |
| Due in more than one year                        |                         |                          |                |                          |                            |   |  |                                  |
| Bonds payable                                    | 46,110,000              | -                        | 46,110,000     | -                        | -                          | -   | -  | -                                |
| Notes payable                                    | 3,990,136               | -                        | 3,990,136      | 2,895,276                | -                          | -   | -  | -                                |
| Capital leases payable                           | -                       | -                        | -              | -                        | -                          | -   | -  | -                                |
| Accrued landfill closure and postclosure costs   | -                       | 6,482,061                | 6,482,061      | -                        | -                          | -   | -  | -                                |
| Compensated absences payable                     | 584,913                 | 11,470                   | 596,383        | -                        | -                          | -   | -  | -                                |
| Other postemployment benefits obligation         | 2,471,210               | 32,579                   | 2,503,789      | -                        | 30,456                     | -   | -  | -                                |
| Net pension obligation                           | 429,317                 | -                        | 429,317        | -                        | -                          | -   | -  | -                                |
| Total long-term liabilities                      | 57,495,542              | 6,529,933                | 64,025,475     | 5,978,610                | 30,456                     | -   | -  | -                                |
| Total Liabilities                                | 59,816,870              | 6,655,418                | 66,472,288     | 11,991,874               | 322,277                    | 49,913                                    | -  | 1,250                            |
| <b>NET ASSETS</b>                                |                         |                          |                |                          |                            |   |  |                                  |
| Invested in capital assets, net of related debt  | 7,040,787               | 1,300,529                | 8,341,316      | 11,941,529               | 274,344                    | 4,678                                     | -  | 39,534                           |
| Restricted for:                                  |                         |                          |                |                          |                            |   |  |                                  |
| Hospital   | -                       | -                        | -              | 197,253                  | -                          | -   | -  | -                                |
| Working Capital                                  | -                       | -                        | -              | -                        | 88,724                     | -   | -  | -                                |
| Future Care and Maintenance Costs                | -                       | -                        | -              | -                        | -                          | -   | -  | 100,000                          |
| Unrestricted (deficit)                           | (8,000,642)             | (3,692,801)              | (11,693,443)   | 18,252,589               | 624,345                    | 1,534                                     | 206,297  | 178,727                          |
| Total Net Assets                                 | \$ (959,855)            | \$ (2,392,272)           | \$ (3,352,127) | \$ 30,391,371            | \$ 987,413                 | \$ 6,212                                  | \$ 206,297                                     | \$ 318,261                       |

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| Functions/Programs                                  | Program Revenues |                      |                                    |                                  | Net (Expenses) Revenues and Changes in Net Assets |                          |                |                          |                            |   |  |                                  |
|---|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|--------------------------|----------------------------|---|--|----------------------------------|
|   | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                                |                          |                | Component Units          |                            |   |  |                                  |
|   |                  |                      |                                    |                                  | Governmental Activities                           | Business-Type Activities | Total          | Granville Medical Center | Granville County ABC Board | Granville Economic Development Commission | Granville County Tourism Development Authority | South Granville Memorial Gardens |
| Primary Government:                                 |                  |                      |                                    |                                  |   |                          |                |                          |                            |   |  |                                  |
| Governmental Activities:                            |                  |                      |                                    |                                  |   |                          |                |                          |                            |   |  |                                  |
| General government                                  | \$ 4,318,453     | \$ 484,736           | \$ 37,694                          | \$ 28,758                        | \$ (3,767,265)                                    | \$ -                     | \$ (3,767,265) |                          |                            |   |  |                                  |
| Public safety                                       | 11,838,566       | 687,119              | 645,268                            | -                                | (10,506,179)                                      | -                        | (10,506,179)   |                          |                            |   |  |                                  |
| Transportation                                      | 161,465          | -                    | 192,410                            | -                                | 30,945  | -                        | 30,945         |                          |                            |   |  |                                  |
| Economic and physical development                   | 1,142,750        | -                    | -                                  | 848,919                          | (293,831)   | -                        | (293,831)      |                          |                            |   |  |                                  |
| Human services                                      | 9,883,423        | 1,987,299            | 6,247,734                          | -                                | (1,648,390)                                       | -                        | (1,648,390)    |                          |                            |   |  |                                  |
| Community services                                  | 2,889,358        | 203,054              | 265,444                            | 80,000                           | (2,340,860)                                       | -                        | (2,340,860)    |                          |                            |   |  |                                  |
| Education   | 15,247,427       | -                    | -                                  | 600,000                          | (14,647,427)                                      | -                        | (14,647,427)   |                          |                            |   |  |                                  |
| Interest on long-term debt                          | 1,985,372        | -                    | -                                  | -                                | (1,985,372)                                       | -                        | (1,985,372)    |                          |                            |   |  |                                  |
| Total governmental activities                       | 47,466,814       | 3,362,208            | 7,388,550                          | 1,557,677                        | (35,158,379)                                      | -                        | (35,158,379)   |                          |                            |   |  |                                  |
| Business-type activities:                           |                  |                      |                                    |                                  |   |                          |                |                          |                            |   |  |                                  |
| Solid Waste   | 2,088,641        | 1,527,300            | -                                  | -                                | -   | (561,341)                | (561,341)      |                          |                            |   |  |                                  |
| Total business-type activities                      | 2,088,641        | 1,527,300            | -                                  | -                                | -   | (561,341)                | (561,341)      |                          |                            |   |  |                                  |
| Component units:                                    |                  |                      |                                    |                                  |   |                          |                |                          |                            |   |  |                                  |
| Granville Medical Center                            | 44,997,686       | 47,429,070           | 534,336                            | 121,800                          | -   | -                        | -              | 3,087,520                | -                          | -   | -  | -                                |
| Granville County ABC Board                          | 2,896,620        | 2,968,269            | -                                  | -                                | -   | -                        | -              | 71,649                   | -                          | -   | -  | -                                |
| Granville Economic Development Commission           | 209,859          | -                    | 181,893                            | -                                | -   | -                        | -              | -                        | -                          | (27,966)                                  | -  | -                                |
| Granville County Tourism Development Authority      | 133,336          | -                    | -                                  | -                                | -   | -                        | -              | -                        | -                          | -   | (133,336)                                      | -                                |
| South Granville Memorial Gardens                    | 39,262           | 53,412               | -                                  | -                                | -   | -                        | -              | -                        | -                          | -   | -  | 14,150                           |
| Total component units                               | \$ 48,276,763    | \$ 50,450,751        | \$ 716,229                         | \$ 121,800                       | \$ -  | \$ -                     | \$ -           | \$ 3,087,520             | \$ 71,649                  | \$ (27,966)                               | \$ (133,336)                                   | \$ 14,150                        |
| General revenues:                                   |                  |                      |                                    |                                  |   |                          |                |                          |                            |   |  |                                  |
| Taxes:  |                  |                      |                                    |                                  |   |                          |                |                          |                            |   |  |                                  |
| Property taxes, levied for general purpose          |                  |                      |                                    |                                  | \$ 30,260,553                                     | \$ -                     | \$ 30,260,553  | \$ -                     | \$ -                       | \$ -                                      | \$ -   | \$ -                             |
| Local option sales tax                              |                  |                      |                                    |                                  | 5,915,129   | -                        | 5,915,129      | -                        | -                          | -   | -  | -                                |
| Other taxes   |                  |                      |                                    |                                  | 523,113   | -                        | 523,113        | -                        | -                          | -   | 188,877  | -                                |
| Investment earnings, unrestricted                   |                  |                      |                                    |                                  | 182,190   | 5,522                    | 187,712        | 323,080                  | 2,530                      | 141                                       | 1,875  | 497                              |
| Miscellaneous, unrestricted                         |                  |                      |                                    |                                  | (163,201)   | -                        | (163,201)      | 24,691                   | 7                          | -   | -  | -                                |
| Transfers   |                  |                      |                                    |                                  | -   | -                        | -              | -                        | -                          | -   | -  | -                                |
| Total general revenues, special items and transfers |                  |                      |                                    |                                  | 36,717,784  | 5,522                    | 36,723,306     | 347,771                  | 2,537                      | 141                                       | 190,752  | 497                              |
| Change in net assets                                |                  |                      |                                    |                                  | 1,559,405   | (555,819)                | 1,003,586      | 3,435,291                | 74,186                     | (27,825)                                  | 57,416   | 14,647                           |
| Net assets - beginning, as restated                 |                  |                      |                                    |                                  | (2,519,260)                                       | (1,836,453)              | (4,355,713)    | 26,956,080               | 913,227                    | 34,037                                    | 148,881  | 303,614                          |
| Net assets - ending                                 |                  |                      |                                    |                                  | \$ (959,855)                                      | \$ (2,392,272)           | \$ (3,352,127) | \$ 30,391,371            | \$ 987,413                 | \$ 6,212                                  | \$ 206,297                                     | \$ 318,261                       |

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

**FUND  
FINANCIAL STATEMENTS**

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

|  | Major                |                     | Nonmajor             |                      |
|--|----------------------|---------------------|----------------------|----------------------|
|  | General              | School              | Other                | Total                |
|  | Fund                 | Capital Reserve     | Governmental         | Governmental         |
|  |                      | Fund                | Funds                | Funds                |
| <b><u>ASSETS</u></b>                                   |                      |                     |                      |                      |
| Cash and cash equivalents                              | \$ 21,517,349        | \$ 739,572          | \$ 3,907,230         | \$ 26,164,151        |
| Restricted cash  | -                    | -                   | 8,133,984            | 8,133,984            |
| Taxes receivable                                       | 2,343,681            | -                   | -                    | 2,343,681            |
| Accounts receivable                                    | 2,949,619            | -                   | 121,339              | 3,070,958            |
| Due from other funds                                   | 58,187               | 302,345             | -                    | 360,532              |
| Total Assets   | <u>\$ 26,868,836</u> | <u>\$ 1,041,917</u> | <u>\$ 12,162,553</u> | <u>\$ 40,073,306</u> |
| <b><u>LIABILITIES AND FUND BALANCES</u></b>            |                      |                     |                      |                      |
| Liabilities:   |                      |                     |                      |                      |
| Accounts payable & accrued liabilities                 | \$ 852,216           | \$ -                | \$ 557,125           | \$ 1,409,341         |
| Unearned revenues                                      | 98,183               | -                   | -                    | 98,183               |
| Deferred revenues                                      | 2,343,681            | -                   | -                    | 2,343,681            |
| Due to other funds                                     | 343,252              | -                   | 58,187               | 401,439              |
| Total Liabilities                                      | <u>3,637,332</u>     | <u>-</u>            | <u>615,312</u>       | <u>4,252,644</u>     |
| Fund balances:   |                      |                     |                      |                      |
| Reserved by State Statute                              | 3,007,806            | 302,345             | 121,339              | 3,431,490            |
| Unreserved (available for appropriation):              |                      |                     |                      |                      |
| Designated for repayment of economic incentive funding | 1,003,828            | -                   | -                    | 1,003,828            |
| Designated for subsequent year's expenditures          | 870,530              | 995,489             | -                    | 1,866,019            |
| Reported in nonmajor:                                  |                      |                     |                      |                      |
| Special revenue funds                                  | -                    | -                   | -                    | -                    |
| Capital projects funds                                 | -                    | -                   | 120,200              | 120,200              |
| Undesignated   | 18,349,340           | (255,917)           | -                    | 18,093,423           |
| Undesignated, reported in nonmajor:                    |                      |                     |                      |                      |
| Special revenue funds                                  | -                    | -                   | 3,027,848            | 3,027,848            |
| Capital projects funds                                 | -                    | -                   | 8,277,854            | 8,277,854            |
| Total Fund Balances                                    | <u>23,231,504</u>    | <u>1,041,917</u>    | <u>11,547,241</u>    | <u>35,820,662</u>    |
| Total Liabilities and Fund Balances                    | <u>\$ 26,868,836</u> | <u>\$ 1,041,917</u> | <u>\$ 12,162,553</u> |                      |

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO**  
**THE STATEMENT OF NET ASSETS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

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

|  |                     |
|--|---------------------|
| Total equity and other credits (Exhibit 4)   | \$ 35,820,662       |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds   | 17,978,718          |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds  | 1,165,523           |
| Liabilities for earned but deferred revenues in the fund statements  | 2,343,681           |
| Long-term liabilities, including bonds payable, accrued interest, pension and other post employment benefits, and compensated absences are not due and payable in the current period and therefore are not reported in the funds | (58,268,439)        |
| Net assets of governmental activities (Exhibit 1)  | <u>\$ (959,855)</u> |

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

**GRANVILLE COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

|   | Major         |                 | Nonmajor     | Total         |
|---|---------------|-----------------|--------------|---------------|
|   | General       | School          | Other        | Governmental  |
|   | Fund          | Capital Reserve | Governmental | Funds         |
|   | Fund          | Fund            | Funds        | Funds         |
| <b>REVENUES</b>                         |               |                 |              |               |
| Ad valorem taxes                        | \$ 30,144,926 | \$ -            | \$ -         | \$ 30,144,926 |
| Sales and other taxes                   | 6,327,694     | -               | -            | 6,327,694     |
| Licenses, fees and other revenues       | 3,384,135     | -               | -            | 3,384,135     |
| Unrestricted intergovernmental revenues | -             | -               | -            | -             |
| Restricted intergovernmental revenues   | 6,942,645     | 600,000         | 1,355,026    | 8,897,671     |
| Investment earnings                     | 158,648       | 4,166           | 19,376       | 182,190       |
| Miscellaneous                           | 237,090       | -               | 104,688      | 341,778       |
| Total Revenues                          | 47,195,138    | 604,166         | 1,479,090    | 49,278,394    |
| <b>EXPENDITURES</b>                     |               |                 |              |               |
| Current                                 |               |                 |              |               |
| General government                      | 2,707,158     | -               | 232,565      | 2,939,723     |
| Public safety                           | 10,684,088    | -               | 189,077      | 10,873,165    |
| Community Services                      | 2,265,749     | -               | 1,482        | 2,267,231     |
| Environmental protection                | -             | -               | -            | -             |
| Economic and physical development       | -             | -               | 74,319       | 74,319        |
| Human services                          | 9,204,421     | -               | -            | 9,204,421     |
| Non-Departmental & Special Areas        | 1,879,904     | -               | -            | 1,879,904     |
| Capital Outlay                          | -             | -               | 3,431,384    | 3,431,384     |
| Intergovernmental                       |               |                 |              |               |
| Education                               | 13,259,783    | 926,086         | 1,061,558    | 15,247,427    |
| Debt Service                            |               |                 |              |               |
| Bond issuance cost                      | -             | -               | 42,653       | 42,653        |
| Principal                               | 780,287       | 2,777,730       | -            | 3,558,017     |
| Interest                                | 345,836       | 1,676,127       | -            | 2,021,963     |
| Total Expenditures                      | 41,127,226    | 5,379,943       | 5,033,038    | 51,540,207    |
| Revenues Over (Under) Expenditures      | 6,067,912     | (4,775,777)     | (3,553,948)  | (2,261,813)   |

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



**GRANVILLE COUNTY, NORTH CAROLINA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

|  | Major                |                     | Nonmajor             | Total                |
|--|----------------------|---------------------|----------------------|----------------------|
|  | General              | School              | Other                | Governmental         |
|  | Fund                 | Capital Reserve     | Governmental         | Governmental         |
|  | Fund                 | Fund                | Funds                | Funds                |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b> |                      |                     |                      |                      |
| Transfers from other funds                   | 493,406              | 3,552,020           | 1,701,824            | 5,747,250            |
| Transfers to other funds                     | (5,250,209)          | -                   | (497,041)            | (5,747,250)          |
| Proceeds from debt                           | 10,215,000           | -                   | 9,600,000            | 19,815,000           |
| Premium on debt                              | 351,462              | -                   | 111,840              | 463,302              |
| Payments to refunded bond escrow agent       | (10,500,708)         | -                   | -                    | (10,500,708)         |
| Total Other Financing Sources (Uses)         | (4,691,049)          | 3,552,020           | 10,916,623           | 9,777,594            |
| Net Change in Fund Balances                  | 1,376,863            | (1,223,757)         | 7,362,675            | 7,515,781            |
| Fund Balance - July 1                        | 21,854,641           | 2,265,674           | 4,184,566            | 28,304,881           |
| Fund Balance - June 30                       | <u>\$ 23,231,504</u> | <u>\$ 1,041,917</u> | <u>\$ 11,547,241</u> | <u>\$ 35,820,662</u> |

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

**GRANVILLE COUNTY, NORTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

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Amounts reported for governmental activities in the statement of activities on Exhibit 2 are different because:

|  |                            |
|--|----------------------------|
| Net change in fund balances - total governmental funds (Exhibit 4)   | \$ 7,515,781               |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period   | 1,404,220                  |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds  | 115,627                    |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | (6,129,757)                |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.  | <u>(1,346,466)</u>         |
| Total changes in net assets of governmental activities (Exhibit 2)   | <u><u>\$ 1,559,405</u></u> |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND AND SCHOOL CAPITAL RESERVE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

|                                       | General Fund       |                 |               |  | School Capital Reserve Fund |                 |             |  |
|---------------------------------------|--------------------|-----------------|---------------|--|-----------------------------|-----------------|-------------|--|
|                                       | Original<br>Budget | Final<br>Budget | Actual        | Variance<br>with Final<br>Positive<br>(Negative) | Original<br>Budget          | Final<br>Budget | Actual      | Variance<br>with Final<br>Positive<br>(Negative) |
| <b><u>REVENUES</u></b>                |                    |                 |               |  |                             |                 |             |  |
| Ad valorem taxes                      | \$ 30,470,108      | \$ 30,470,108   | \$ 30,144,926 | \$ (325,182)                                     | \$ -                        | \$ -            | \$ -        | \$ -   |
| Sales and other taxes                 | 7,520,540          | 7,707,340       | 6,327,694     | (1,379,646)                                      | 2,147,193                   | -               | -           | -  |
| Licenses, fees and other revenues     | 2,691,800          | 2,908,243       | 3,384,135     | 475,892  | -                           | -               | -           | -  |
| Restricted intergovernmental revenues | 6,973,480          | 7,011,654       | 6,942,645     | (69,009)   | 600,000                     | 600,000         | 600,000     | -  |
| Investment earnings                   | 280,000            | 280,000         | 158,648       | (121,352)  | 34,842                      | 34,842          | 4,166       | (30,676)   |
| Miscellaneous                         | 231,000            | 231,000         | 237,090       | 6,090  | -                           | -               | -           | -  |
| Total Revenues                        | 48,166,928         | 48,608,345      | 47,195,138    | (1,413,207)                                      | 2,782,035                   | 634,842         | 604,166     | (30,676)   |
| <b><u>EXPENDITURES</u></b>            |                    |                 |               |  |                             |                 |             |  |
| General government                    | 2,710,934          | 2,891,312       | 2,707,158     | 184,154  | -                           | -               | -           | -  |
| Public safety                         | 10,282,788         | 11,037,448      | 10,684,088    | 353,360  | -                           | -               | -           | -  |
| Community services                    | 2,560,786          | 2,651,611       | 2,265,749     | 385,862  | -                           | -               | -           | -  |
| Human services                        | 10,329,215         | 10,341,636      | 9,204,421     | 1,137,215  | -                           | -               | -           | -  |
| Non-departmental and special areas    | 1,824,366          | 3,520,624       | 1,879,904     | 1,640,720  | -                           | -               | -           | -  |
| Education                             | 13,259,783         | 13,259,783      | 13,259,783    | -  | 926,086                     | 926,086         | 926,086     | -  |
| Contingency                           | 180,000            | 16,135          | -             | 16,135   | -                           | -               | -           | -  |
| Debt Service                          | 1,256,214          | 1,126,124       | 1,126,123     | 1  | 5,993,384                   | 4,453,858       | 4,453,857   | 1  |
| Total Expenditures                    | 42,404,086         | 44,844,673      | 41,127,226    | 3,717,447  | 6,919,470                   | 5,379,944       | 5,379,943   | 1  |
| Revenues Over (Under) Expenditures    | 5,762,842          | 3,763,672       | 6,067,912     | 2,304,240  | (4,137,435)                 | (4,745,102)     | (4,775,777) | (30,675)   |

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND AND SCHOOL CAPITAL RESERVE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

|   | General Fund       |                    |                      |  | School Capital Reserve Fund |                  |                     |  |
|---|--------------------|--------------------|----------------------|--|-----------------------------|------------------|---------------------|--|
|   | Original<br>Budget | Final<br>Budget    | Actual               | Variance<br>with Final<br>Positive<br>(Negative) | Original<br>Budget          | Final<br>Budget  | Actual              | Variance<br>with Final<br>Positive<br>(Negative) |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>  |                    |                    |                      |  |                             |                  |                     |  |
| Transfers from other funds  | 159,000            | 1,058,881          | 493,406              | (565,475)  | 3,071,188                   | 3,866,293        | 3,552,020           | (314,273)  |
| Transfers to other funds  | (6,414,277)        | (5,564,482)        | (5,250,209)          | 314,273  | -                           | -                | -                   | -  |
| Proceeds from debt  | -                  | -                  | 10,215,000           | 10,215,000                                       | -                           | -                | -                   | -  |
| Premium on debt   | -                  | -                  | 351,462              | 351,462  | -                           | -                | -                   | -  |
| Payment to refunded bond escrow agent   | -                  | -                  | (10,500,708)         | (10,500,708)                                     | -                           | -                | -                   | -  |
| Appropriated Fund Balance   | 492,435            | 741,929            | -                    | (741,929)  | 1,066,247                   | 878,809          | -                   | (878,809)  |
| Total Other Financing Sources (Uses)  | <u>(5,762,842)</u> | <u>(3,763,672)</u> | <u>(4,691,049)</u>   | <u>(927,377)</u>                                 | <u>4,137,435</u>            | <u>4,745,102</u> | <u>3,552,020</u>    | <u>(1,193,082)</u>                               |
| Revenues and Other Financing<br>Sources Over Expenditures<br>and Other Financing Uses | <u>\$ -</u>        | <u>\$ -</u>        | 1,376,863            | <u>\$ 1,376,863</u>                              | <u>\$ -</u>                 | <u>\$ -</u>      | (1,223,757)         | <u>\$ (1,223,757)</u>                            |
| Fund Balance - July 1, as restated  |                    |                    | 21,854,641           |  |                             |                  | 2,265,674           |  |
| Fund Balance - June 30  |                    |                    | <u>\$ 23,231,504</u> |  |                             |                  | <u>\$ 1,041,917</u> |  |

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2010**

|  | <u>Major Fund</u>                     |                                       |
|--|---------------------------------------|---------------------------------------|
|  | <u>Solid<br/>Waste<br/>Management</u> | <u>Total<br/>Enterprise<br/>Funds</u> |
| <b><u>ASSETS</u></b>                                   |                                       |                                       |
| Current Assets:  |                                       |                                       |
| Cash and investments                                   | \$ 2,734,020                          | \$ 2,734,020                          |
| Accounts receivable                                    | 228,597                               | 228,597                               |
| Total Current Assets                                   | <u>2,962,617</u>                      | <u>2,962,617</u>                      |
| Noncurrent Assets:                                     |                                       |                                       |
| Capital assets:  |                                       |                                       |
| Land, improvements, and<br>construction in progress    | 1,020,695                             | 1,020,695                             |
| Other capital assets, net of<br>depreciation           | 279,834                               | 279,834                               |
| Total Noncurrent Assets                                | <u>1,300,529</u>                      | <u>1,300,529</u>                      |
| Total Assets   | <u>\$ 4,263,146</u>                   | <u>\$ 4,263,146</u>                   |
| <b><u>LIABILITIES AND NET ASSETS</u></b>               |                                       |                                       |
| Current Liabilities:                                   |                                       |                                       |
| Accounts Payable                                       | \$ 125,485                            | \$ 125,485                            |
| Accrued liabilities                                    | -                                     | -                                     |
| Compensated absences payable                           | 3,823                                 | 3,823                                 |
| Total Current Liabilities                              | <u>129,308</u>                        | <u>129,308</u>                        |
| Noncurrent Liabilities:                                |                                       |                                       |
| Accrued landfill closure and<br>postclosure care costs | 6,482,061                             | 6,482,061                             |
| Other postemployment benefits                          | 32,579                                | 32,579                                |
| Compensated absences payable                           | 11,470                                | 11,470                                |
| Total Noncurrent Liabilities                           | <u>6,526,110</u>                      | <u>6,526,110</u>                      |
| Total Liabilities                                      | <u>6,655,418</u>                      | <u>6,655,418</u>                      |
| Net Assets   |                                       |                                       |
| Invested in capital assets                             | 1,300,529                             | 1,300,529                             |
| Unrestricted   | (3,692,801)                           | (3,692,801)                           |
| Total Net Assets                                       | <u>\$ (2,392,272)</u>                 | <u>\$ (2,392,272)</u>                 |

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

|  | Major Fund                   |                              |
|--|------------------------------|------------------------------|
|  | Solid<br>Waste<br>Management | Total<br>Enterprise<br>Funds |
| OPERATING REVENUES                     |                              |                              |
| Charges for services                   | \$ 1,527,300                 | \$ 1,527,300                 |
| Total operating revenues               | <u>1,527,300</u>             | <u>1,527,300</u>             |
| OPERATING EXPENSES                     |                              |                              |
| Landfill closure and postclosure       | 427,208                      | 427,208                      |
| Solid waste operations                 | 1,005,691                    | 1,005,691                    |
| Landfill operations                    | 644,278                      | 644,278                      |
| Depreciation                           | 11,464                       | 11,464                       |
| Total operating expenses               | <u>2,088,641</u>             | <u>2,088,641</u>             |
| OPERATING INCOME (LOSS)                | <u>(561,341)</u>             | <u>(561,341)</u>             |
| NONOPERATING REVENUES (EXPENSES)       |                              |                              |
| Interest earned on investments         | 5,522                        | 5,522                        |
| Total nonoperating revenues (expenses) | <u>5,522</u>                 | <u>5,522</u>                 |
| CHANGE IN NET ASSETS                   | (555,819)                    | (555,819)                    |
| TOTAL NET ASSETS-BEGINNING             | <u>(1,836,453)</u>           | <u>(1,836,453)</u>           |
| TOTAL NET ASSETS-ENDING                | <u>\$ (2,392,272)</u>        | <u>\$ (2,392,272)</u>        |

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

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

|   | <u>Major Fund</u>                     |                                       |
|---|---------------------------------------|---------------------------------------|
|   | <u>Solid<br/>Waste<br/>Management</u> | <u>Total<br/>Enterprise<br/>Funds</u> |
| Cash flows from operating activities:   |                                       |                                       |
| Cash received from customers  | \$ 1,560,253                          | \$ 1,560,253                          |
| Cash paid for goods and services  | (1,607,478)                           | (1,607,478)                           |
| Cash paid to employees for services   | (174,611)                             | (174,611)                             |
| Net cash provided by operating activities   | <u>(221,836)</u>                      | <u>(221,836)</u>                      |
| Cash flows from investing activities:   |                                       |                                       |
| Interest on investments   | <u>5,522</u>                          | <u>5,522</u>                          |
| Net cash provided by investing activities   | <u>5,522</u>                          | <u>5,522</u>                          |
| Net increase in cash and cash equivalents   | <u>(216,314)</u>                      | <u>(216,314)</u>                      |
| Cash and cash equivalents, July 1   | <u>2,950,334</u>                      | <u>2,950,334</u>                      |
| Cash and cash equivalents, June 30  | <u>\$ 2,734,020</u>                   | <u>\$ 2,734,020</u>                   |
| Reconciliation of operating income to net cash provided by operating activities:        |                                       |                                       |
| Operating income (loss)   | \$ (561,341)                          | \$ (561,341)                          |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                                       |                                       |
| Depreciation  | 11,464                                | 11,464                                |
| Change in assets and liabilities:   |                                       |                                       |
| (Increase) decrease in accounts receivable  | 32,953                                | 32,953                                |
| Increase (decrease) in accounts payable and accrued liabilities                         | (39,150)                              | (39,150)                              |
| Increase (decrease) in other postemployment benefits                                    | 16,592                                | 16,592                                |
| Increase (decrease) in compensated absences payable                                     | 828                                   | 828                                   |
| Increase (decrease) in landfill closure and postclosure costs                           | <u>316,818</u>                        | <u>316,818</u>                        |
| Total adjustments   | <u>339,505</u>                        | <u>339,505</u>                        |
| Net cash provided by operating activities   | <u>\$ (221,836)</u>                   | <u>\$ (221,836)</u>                   |

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2010**

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|                            | Agency<br>Funds |
|----------------------------|-----------------|
| ASSETS                     |                 |
| Cash and investments       | \$ 55,382       |
| Due from other fund        | 40,907          |
|                            | <hr/>           |
| Total Assets               | \$ 96,289       |
|                            | <hr/> <hr/>     |
| LIABILITIES AND NET ASSETS |                 |
| Liabilities:               |                 |
| Miscellaneous liabilities  | \$ 55,382       |
| Due to component unit      | 40,907          |
|                            | <hr/>           |
| Total Liabilities          | \$ 96,289       |
|                            | <hr/> <hr/>     |

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



**NOTES TO THE BASIC FINANCIAL  
STATEMENTS**

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**I. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. One component unit of the County has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The other five discretely presented component units presented below are reported in a separate column in the County's government-wide financial statements in order to emphasize that they are legally separate from the County.

**Discretely Presented Component Units**

**Granville Medical Center**

Granville Medical Center (the "Hospital") is a public hospital. The County appoints the board of trustees for the Hospital. The County has also issued general obligation bonds for improvement of the Hospital's facilities and makes periodic appropriations to the Hospital to defray the costs of indigent care. The Hospital, which has a September 30 year-end, is presented as if it were a proprietary fund.

**Granville County ABC Board**

The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

**Granville Economic Development Commission**

The Granville Economic Development Commission (the "EDC") was established April 1, 1985, by Granville County and the City of Oxford pursuant to Chapter 158, Article 2, of the North Carolina General Statutes. The EDC was formed to promote and enhance economic development in the geographic area. The EDC is governed by a nine-member Board of Directors, six of whom are appointed by the Granville County Commissioners with the remaining three positions appointed by the Oxford City Commissioners. The EDC's annual budget is approved by both local governments and once approved is funded 66 2/3% by Granville County and 33 1/3 % by the City of Oxford. The Granville Economic Development Commission, which has a June 30 year-end, is presented as if it were a governmental fund. The Commission dissolved by resolution effective June 30, 2010. Under the terms of the resolution, the funds on hold were transferred to the Granville County Finance Office to be held for 120 days to be used to pay all verifiable liabilities of the of the Commission incurred prior to June 30, 2010. All remaining funds are to be distributed two-thirds to Granville County and one-third to the City of Oxford. All other assets of the Commission are to be distributed based on their depreciated value, two-thirds to Granville County and one-third to the City of Oxford unless these partners agree to the contrary by separate written agreement.

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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*Granville County Tourism Development Authority*

The Granville County Tourism Development Authority (the “Tourism Development Authority”) was established on September 18, 2000 by the Granville County Board of Commissioners. The Tourism Development Authority was formed to promote the use and development of Granville County recreational, historic, and tourism resources. Under the authority of HB 2218, and by resolution of the Granville County Board of Commissioners, Granville County shall on a quarterly basis, remit the net proceeds of the 6% occupancy tax to the Granville County Tourism Development Authority. The Tourism Development Authority is governed by a seven-member Board of Directors, four of whom are appointed by the Granville County Board of Commissioners, one selected by the Oxford City Council, one selected by the Butner City Council, and one selected by the Creedmoor City Council. The Granville County Tourism Development Authority, which has a June 30 year-end, is presented as if it were a governmental fund.

*South Granville Memorial Gardens*

The South Granville Memorial Gardens (the “Memorial Gardens”) was established on June 3, 1996 by the Granville County Board of Commissioners. This association accounts for the activities of the South Granville Memorial Gardens Cemetery and provides perpetual care for the historical cemeteries located in the Butner reservation. South Granville Memorial Gardens is governed by a seven-member Board of Trustees, all of whom are appointed by the Granville County Board of Commissioners. Granville County appoints the voting majority of the Board and is able to impose its will on the Organization. The South Granville Memorial Gardens, which has a June 30 year-end, is presented as if it were a governmental fund.

*Granville County Industrial Facility and Pollution Control Financing Authority*

Granville County Industrial Facility and Pollution Control Financing Authority (the “Authority”) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board of commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. At June 30, 2010, the Authority had outstanding revenue bonds in the amount of \$1,200,000. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

Complete financial statements for each of the individual component units may be obtained at the administrative offices of those entities.

Granville Medical Center  
1010 College Street  
Oxford, North Carolina 27565

Granville County ABC Board  
111 New College Street  
Oxford, North Carolina 27565

Granville Economic Development Commission  
310 Williamsboro Street  
Oxford, North Carolina 27565

Granville County Tourism Development Authority  
Post Office Box 1286  
Oxford, North Carolina 27565

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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South Granville Memorial Gardens  
Post Office Box 1286  
Oxford, North Carolina 27565

**B. Basis of Presentation, Measurement Focus – Basis of Accounting**

**Government-wide Statements:** The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The County reports the following major governmental funds:

**General Fund.** This fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**School Capital Reserve Fund.** This fund is used to account for the unused portion of the funds received from the one-half of one percent sales tax authorized by Article 42, Subchapter VIII of Chapter 105 and the interest earned on these moneys.

The County reports the following major enterprise fund:

**Solid Waste Management.** This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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The County reports the following fund type:

**Agency Funds** – Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the DMV Interest Fund, which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; and the Granville County Tourism Development Authority Fund.

**C. Measurement Focus and Basis of Accounting**

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Governmental Fund Financial Statements.** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Granville County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes that were billed during this period, are shown as a receivable on these financial statements.

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

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

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

**D. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, School Capital Reserve Fund, Revaluation Fund, Emergency Telephone System Fund, Capital Improvements Fund, Vehicle Replacement Fund, R. H. Thornton Library Fund and all Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Landfill Capital Reserve Fund, Series 2005 Public Improvement Bond Fund, CDBG Fund, Granville Greenway Project Fund, Library Expansion/Renovation Fund, and 2010 Southern Elementary School Project Fund.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the general fund and at the functional level for the special revenue funds, enterprise funds, and capital projects funds. The balances in the Landfill Capital Reserve Fund will be appropriated for transfer to the general fund in accordance with the project ordinance adopted for the reserve fund. The County Manager is authorized by the budget ordinance to transfer appropriations between departments (or function levels, as applicable) within a fund up to \$1,000 temporarily subject to subsequent Board approval; however, any revisions that alter the total expenditures of any fund or that change functional appropriations by any amount must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. Additional budgetary appropriations were made during the 2009-2010 fiscal year as necessary. The budgetary amendments affected the following funds: General Fund,

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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School Capital Reserve Fund, Revaluation Fund, Emergency Telephone System Fund, Landfill Capital Reserve Fund, Capital Improvements Fund, Vehicle Replacement Fund, 2010 Southern Elementary School Project Fund, Library Renovation/Expansion Fund and Solid Waste Management Fund.

**E. Assets, Liabilities, and Fund Equity**

**1. Deposits and Investments**

All deposits of the County, Granville Medical Center, Granville County ABC Board, Granville Economic Development Commission, Granville County Tourism Development Authority, and South Granville Memorial Gardens are made in board-designated official depositories and are secured as required by G. S. 159-31. The County, the Hospital, the ABC Board, the EDC, the Tourism Development Authority, and the Memorial Gardens may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the Hospital, the ABC Board, the EDC, the Tourism Development Authority, and the Memorial Gardens may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State Law [G.S. 159-30(c)] authorizes the County, the Hospital, the ABC Board, the EDC, the Tourism Development Authority, and the Memorial Gardens to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County, the Hospital, the ABC Board, the EDC, the Tourism Development Authority, and the Memorial Garden's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

**2. Cash and Cash Equivalents**

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Granville Medical Center, the ABC Board, the EDC, the Tourism Development Authority, and the Memorial Gardens consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

**3. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2009. As allowed by State law, the County has established a schedule of discounts that apply to taxes that paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**4. Allowance for Doubtful Accounts**

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

**5. Inventory and Prepaid Items**

The inventories of the Hospital, the ABC Board, and the Memorial Gardens are valued at cost (first-in, first-out), which approximates market. The inventory of the Hospital, the ABC Board, and the Memorial Gardens consist of materials and supplies held for consumption or resale. The cost of the inventory carried in the Hospital, the ABC Board, and the Memorial Gardens is recorded as an expense as it is consumed or sold.

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

**6. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization costs are as follows: land, \$5,000; Buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$5,000; equipment and furniture, \$5,000; vehicles and motorized equipment, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

|                         | <u>Useful Life</u> |
|-------------------------|--------------------|
| Buildings               | 40 years           |
| Improvements            | 25 years           |
| Furniture and equipment | 10 years           |
| Vehicles                | 5 years            |
| Computer equipment      | 5 years            |
| Software                | 5 years            |

Property, plant, and equipment in the proprietary funds of the County and those of the Hospital and the ABC Board are recorded at original cost at the time of acquisition. Property, plant, and equipment donated to these proprietary fund type operations are recorded at the estimated fair market value at the date of donation. Any interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset constructed.

Proprietary fund assets of the County are depreciated on a class life basis as follows:

|  | <u>Useful Life</u> |
|--|--------------------|
| Water and sewer distribution assets    | 20-40 years        |
| Furniture and office equipment         | 5 years            |
| Maintenance and construction equipment | 7 years            |
| Land improvements                      | 15 years           |



**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

|                     | <u>Useful Life</u> |
|---------------------|--------------------|
| Buildings           | 20 years           |
| Furniture/equipment | 5-10 years         |
| Vehicles            | 6 years            |
| Computers, etc.     | 3 years            |
| Land Improvements   | 15 years           |

For the Hospital, depreciation is computed by the straight-line method over the estimated useful lives of each class of depreciable assets. Equipment under capital leases is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

**7. Long-Term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

**8. Compensated Absences**

The vacation policies of the County, the Hospital, and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, the Hospital, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2010 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis. Employees typically take leave as it is earned and the current portion is estimated.

The sick leave policies of the County, the Hospital, and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County, the Hospital nor the ABC board have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**9. Net Assets/Fund Balances**

**Net Assets**

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

**GRANVILLE COUNTY, NORTH CAROLINA  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**Fund Balances**

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

**Reserved**

**Reserved by State Statute** – portion of fund balance which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenues.

**Unreserved**

**Designated for repayment of economic incentive funding** – portion of total fund balance available for appropriation which has been designated for repayment of funding borrowed from the Landfill Capital Reserve Fund

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

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

**F. Reconciliation of Government-Wide and Fund Financial Statements**

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

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$ (36,780,517) consists of several elements as follows:

| Description  | Amount              |
|--|---------------------|
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column) | \$ 28,181,025       |
| Less Accumulated Depreciation  | <u>(10,202,307)</u> |
| Net capital assets   | <u>17,978,718</u>   |

|   |         |
|---|---------|
| Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements. | 496,387 |
|---|---------|

**GRANVILLE COUNTY, NORTH CAROLINA  
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|   |                        |
|---|------------------------|
| Deferred charges related to bonds issued – included on government-wide statements as these funds are not available and therefore deferred in the fund statements                  | 123,038                |
| Deferred charges related to advance refunding bond issued – included on government-wide statements as these funds are not available and therefore deferred in the fund statements | 546,098                |
| Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not the government-wide   | 2,343,681              |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:      |                        |
| Bonds, leases, and installment financing  | (53,815,131)           |
| Compensated absences  | (779,884)              |
| Other postemployment benefits   | (2,471,210)            |
| Net pension obligation  | (429,317)              |
| Premium on bonds  | (572,581)              |
| Accrued interest payable  | <u>(200,316)</u>       |
| Total adjustment  | <u>\$ (36,780,517)</u> |

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

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$ (5,956,376) as follows:

| <u>Description</u>   | <u>Amount</u> |
|--|---------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities   | \$ 2,600,430  |
| Loss on sale of assets not recorded in fund statements   | (367,802)     |
| Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements   | (828,408)     |
| New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities – it affects only the government-wide statement of net assets | (19,815,000)  |
| Premium on new debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the  |               |

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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|   |                       |
|---|-----------------------|
| statement of activities – it affects only the government-wide statement of net assets   | (463,302)             |
| Payments made to escrow agents during the year due to bond refunding are recorded as a use of funds on the fund statements; it has no effect on the statement of activities – it affects only the government-wide statement of net assets | 10,500,708            |
| Issuance costs for debt during the year is recorded as a debt service expenditure on the fund statements; it has no effect on the statement of activities – it affects only the government-wide statement of net assets                   | 42,653                |
| Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements   | 3,558,017             |
| Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements  | 47,167                |
| Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements  |                       |
| Amortization on deferred charges-issuance costs that is recorded in the statement of activities but not in the fund statements  | (8,515)               |
| Amortization on deferred charges-refunding costs that is recorded in the statement of activities but not in the fund statements   | (54,610)              |
| Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)   | 44,034                |
| Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources   | (27,584)              |
| Net pension obligation is accrued in the government-wide statements but not in the fund statements because they do not use current resources  | (6,684)               |
| Other postemployment benefits are accrued in the government-wide statements but not in the fund statements because they do not use current resources  | (1,293,107)           |
| Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements  |                       |
| Reversal of deferred tax revenue recorded at 7-1-09   | (2,263,177)           |
| Recording of tax receipts deferred in the fund statements as of 6-30-10   | 2,343,681             |
| Increase in accrued taxes receivable for year ended 6-30-10   | 35,123                |
| Total adjustment  | <u>\$ (5,956,376)</u> |

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**II. Stewardship, Compliance, and Accountability**

**A. Noncompliance with North Carolina General Statutes**

During the fiscal year, expenditures in excess of appropriations were made in the General Fund by \$10,500,708. The expenses were payments made to the escrow agent due to the bond refunding and were not properly budgeted in this nonroutine transaction. The bond refunding was approved by the Board but no specific amendment was made to handle this transaction. In the future, the County will amend their budget to handle this type of funding.

**B. Deficit Fund Balance or Retained Earnings of Individual Funds**

In Exhibit 6 and Exhibit C-1, the following funds had a deficit fund balance as follows:

|  | <u>Amount</u> |
|--|---------------|
| 2010 Southern Elementary School Project Fund | \$ 62,241     |
| Granville Greenway Project Fund              | 11,928        |
| Solid Waste Fund                             | \$ 2,392,272  |

These deficit fund balances resulted from the County's need to finalize debt funding for ongoing projects and the need for reimbursement for grant funds.

**III. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All of the County's, the Hospital's, the ABC Board's, the EDC's, the Tourism Development Authority's, and the Memorial Gardens' deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, the Hospital's, the ABC Board's, the EDC's, the Tourism Development Authority's, or the Memorial Gardens' agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, the Hospital, the ABC Board, the EDC, the Tourism Development Authority, and the Memorial Gardens, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the Hospital, the ABC Board, the EDC, the Tourism Development Authority, or the Memorial Gardens, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the Hospital, the ABC Board, the EDC, the Tourism Development Authority, or the Memorial Gardens under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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The County, the Hospital, the ABC Board, the EDC, the Tourism Development Authority and the Memorial Gardens have no formal policies regarding custodial credit risk for deposits.

At June 30, 2010, the County's deposits had a carrying amount of \$21,518,162 and a bank balance of \$22,002,857. Of the bank balance, \$305,602 was covered by federal depository insurance, and \$21,697,255 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2010, Granville County had \$1,475 cash on hand.

At June 30, 2010, the EDC's deposits had a carrying amount of \$51,447 and a bank balance of \$58,973. All of the bank balance was covered by federal depository insurance.

At June 30, 2010, the carrying amount of deposits for Granville County ABC Board was \$862,725 and the bank balance was \$860,481. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$610,481 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The ABC Board had \$3,641 cash on hand.

At September 30, 2009, the Hospital's deposits had a carrying amount of \$13,126,168 and a bank balance of \$12,940,562. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$11,690,562 was covered by collateral held under the Pooling method.. The Hospital also had cash on hand at September 30, 2009, in the amount of \$2,403.

At June 30, 2010, the Tourism Development Authority had a carrying amount of \$165,390 and a bank balance of \$165,390. All of the bank balance was covered by federal depository insurance.

At June 30, 2010, the Memorial Gardens had a carrying amount of \$263,356 and a bank balance of \$264,196. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

**2. Investments**

At June 30, 2010, the County's investments consisted of \$15,567,900 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAm by Standard and Poor's. The County has no policy on credit risk.

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

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

| <u>Year</u><br><u>Levied</u> | <u>Tax</u>          | <u>Interest</u>   | <u>Total</u>        |
|------------------------------|---------------------|-------------------|---------------------|
| 2007                         | \$ 1,245,087        | \$ 314,387        | \$ 1,559,474        |
| 2008                         | 1,261,995           | 205,076           | 1,467,071           |
| 2009                         | 1,408,667           | 102,128           | 1,510,795           |
| 2010                         | <u>2,492,387</u>    | <u>-</u>          | <u>2,492,387</u>    |
| Totals                       | <u>\$ 6,408,136</u> | <u>\$ 621,591</u> | <u>\$ 7,029,727</u> |

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**4. Receivables**

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

|                               | <u>Accounts</u>     | <u>Taxes and<br/>Accrued Interest</u> | <u>Due from<br/>other<br/>governments</u> | <u>Total</u>        |
|-------------------------------|---------------------|---------------------------------------|---|---------------------|
| Governmental Activities:      |                     |                                       |   |                     |
| General Fund                  | \$ 1,950,578        | \$ 2,840,068                          | \$ 999,041                                | \$ 5,789,687        |
| Other Governmental Funds      | 121,339             | -                                     | -   | 121,339             |
| Total-governmental activities | <u>\$ 2,071,917</u> | <u>\$ 2,840,068</u>                   | <u>\$ 999,041</u>                         | <u>\$ 5,911,026</u> |
| Business-type Activities:     |                     |                                       |   |                     |
| Solid Waste Management        | \$ 200,246          | -                                     | \$ 28,351                                 | \$ 228,597          |

The due from other governments that is owed to the County consists only of local option sales tax in the amount of \$860,957, sales tax refund receivable of \$138,084, white goods tax of \$5,425, scrap tire disposal tax of \$16,180, and solid waste tax distribution of \$6,746.

**5. Capital Assets**

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

|  | <u>Beginning<br/>Balances</u> | <u>Increases</u> | <u>Decreases</u>   | <u>Ending<br/>Balances</u> |
|--|-------------------------------|------------------|--------------------|----------------------------|
| <b>Governmental activities:</b>              |                               |                  |                    |                            |
| <b>Capital assets not being depreciated:</b> |                               |                  |                    |                            |
| Land   | \$ 806,618                    | \$ -             | \$ -               | \$ 806,618                 |
| Construction in Progress                     | 3,960,926                     | 2,377,598        | (3,728,291)        | 2,610,233                  |
| Total capital assets not being depreciated   | <u>4,767,544</u>              | <u>2,377,598</u> | <u>(3,728,291)</u> | <u>3,416,851</u>           |
| <b>Capital assets being depreciated:</b>     |                               |                  |                    |                            |
| Buildings                                    | 13,486,254                    | -                | -                  | 13,486,254                 |
| Improvements other than building             | 3,631,946                     | 3,624,481        | -                  | 7,256,427                  |
| Machinery and Equipment                      | 5,420,243                     | 326,642          | (1,725,392)        | 4,021,493                  |
| Total capital assets being depreciated       | <u>22,538,443</u>             | <u>3,951,123</u> | <u>(1,725,392)</u> | <u>24,764,174</u>          |
| Less accumulated depreciation for:           |                               |                  |                    |                            |
| Buildings                                    | 5,905,237                     | 331,820          | -                  | 6,237,057                  |
| Improvements other than building             | 437,502                       | 143,084          | -                  | 580,586                    |
| Machinery and Equipment                      | 4,388,750                     | 353,504          | (1,357,590)        | 3,384,664                  |
| Total accumulated depreciation               | <u>10,731,489</u>             | <u>828,408</u>   | <u>(1,357,590)</u> | <u>10,202,307</u>          |
| Total capital assets being depreciated, net  | <u>11,806,950</u>             |                  |                    | <u>14,561,867</u>          |
| Governmental activity capital assets, net    | <u>\$ 16,574,494</u>          |                  |                    | <u>\$ 17,978,718</u>       |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

|                            |                   |
|----------------------------|-------------------|
| General government         | \$ 199,718        |
| Public safety              | 492,915           |
| Human services             | 37,395            |
| Community services         | 93,828            |
| Economic development       | <u>4,552</u>      |
| Total depreciation expense | <u>\$ 828,408</u> |

|  | <u>Beginning<br/>Balances</u> | <u>Increases</u> | <u>Transfers</u> | <u>Ending<br/>Balances</u> |
|--|-------------------------------|------------------|------------------|----------------------------|
| <b>Business-type activities:</b>             |                               |                  |                  |                            |
| <b>Capital assets not being depreciated:</b> |                               |                  |                  |                            |
| Land   | \$ 1,020,695                  | \$ -             | \$ -             | \$ 1,020,695               |
| Total capital assets not being depreciated   | <u>1,020,695</u>              | <u>-</u>         | <u>-</u>         | <u>1,020,695</u>           |
| Capital assets being depreciated:            |                               |                  |                  |                            |
| Buildings                                    | 9,617                         | -                | -                | 9,617                      |
| Improvements other than buildings            | 351,276                       | -                | -                | 351,276                    |
| Machinery and equipment                      | <u>231,112</u>                | <u>-</u>         | <u>17,385</u>    | <u>248,497</u>             |
| Total capital assets being depreciated       | <u>592,005</u>                | <u>-</u>         | <u>17,385</u>    | <u>609,390</u>             |
| Less accumulated depreciation for:           |                               |                  |                  |                            |
| Buildings                                    | 8,283                         | 240              | -                | 8,523                      |
| Improvements other than buildings            | 70,585                        | 9,889            | -                | 80,474                     |
| Machinery and equipment                      | <u>221,839</u>                | <u>1,335</u>     | <u>17,385</u>    | <u>240,559</u>             |
| Total accumulated depreciation               | <u>300,708</u>                | <u>\$ 11,464</u> | <u>\$ 17,385</u> | <u>329,556</u>             |
| Total capital assets being depreciated, net  | <u>291,297</u>                |                  |                  | <u>279,834</u>             |
| Business-type activities capital assets, net | <u>\$ 1,311,992</u>           |                  |                  | <u>\$ 1,300,529</u>        |

A summary of changes in the EDC's capital assets follows:

|   | <u>Balance<br/>July 1, 2009</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance<br/>June 30, 2010</u> |
|---|---------------------------------|------------------|------------------|----------------------------------|
| Capital assets being depreciated:         |                                 |                  |                  |                                  |
| Furniture and equipment                   | \$ 22,324                       | \$ 3,108         | \$ -             | \$ 25,432                        |
| Less accumulated depreciation for:        |                                 |                  |                  |                                  |
| Furniture and equipment                   | <u>19,272</u>                   | <u>1,482</u>     | <u>-</u>         | <u>20,754</u>                    |
| Governmental activity capital assets, net | <u>\$ 3,052</u>                 | <u>\$ 1,626</u>  | <u>\$ -</u>      | <u>\$ 4,678</u>                  |

Activity for the ABC Board for the year ended June 30, 2010, was as follows:

|   | <u>Cost</u>       | <u>Accumulated<br/>Depreciation</u> | <u>Net</u>        |
|---|-------------------|-------------------------------------|-------------------|
| Capital assets, not being depreciated:  |                   |                                     |                   |
| Land                                    | \$ 110,877        | \$ -                                | \$ 110,877        |
| Capital assets, being depreciated:      |                   |                                     |                   |
| Land Improvements                       | 32,592            | 26,160                              | 6,432             |
| Buildings                               | 188,672           | 76,044                              | 112,628           |
| Furniture/equipment                     | 58,169            | 38,701                              | 19,468            |
| Vehicles                                | 23,208            | 23,208                              | -                 |
| Computers & software                    | <u>53,953</u>     | <u>29,014</u>                       | <u>24,939</u>     |
| Total, capital assets being depreciated | <u>356,594</u>    | <u>193,127</u>                      | <u>163,467</u>    |
| ABC Board capital assets, net           | <u>\$ 467,471</u> | <u>\$ 193,127</u>                   | <u>\$ 274,344</u> |



**GRANVILLE COUNTY, NORTH CAROLINA  
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Activity for Granville Medical Center for the year ended September 30, 2009, was as follows:

|  | <u>Beginning<br/>Balances</u> | <u>Increases</u>   | <u>Decreases</u>  | <u>Ending<br/>Balances</u> |
|--|-------------------------------|--------------------|-------------------|----------------------------|
| Capital assets not being depreciated:        |                               |                    |                   |                            |
| Land   | \$ 1,790,207                  | \$ -               | \$ -              | \$ 1,790,207               |
| Construction in Progress                     | -                             | 447,651            | -                 | 447,651                    |
| Total capital assets not being depreciated   | <u>1,790,207</u>              | <u>447,651</u>     | <u>-</u>          | <u>2,237,858</u>           |
| Capital assets being depreciated:            |                               |                    |                   |                            |
| Buildings                                    | 17,222,022                    | 912,766            | 27,734            | 18,107,054                 |
| Land Improvements                            | 1,056,967                     | -                  | -                 | 1,056,967                  |
| Equipment and fixtures                       | <u>17,346,259</u>             | <u>879,428</u>     | <u>890,173</u>    | <u>17,335,514</u>          |
| Total capital assets being depreciated       | <u>35,625,248</u>             | <u>1,792,194</u>   | <u>917,907</u>    | <u>36,499,535</u>          |
| Less accumulated depreciation for:           |                               |                    |                   |                            |
| Buildings                                    | 8,562,790                     | 483,921            | 27,734            | 9,018,977                  |
| Land Improvements                            | 768,504                       | 62,613             | -                 | 831,117                    |
| Equipment and fixtures                       | <u>13,038,171</u>             | <u>1,220,135</u>   | <u>888,320</u>    | <u>13,369,986</u>          |
| Total accumulated depreciation               | <u>22,369,465</u>             | <u>\$1,766,669</u> | <u>\$ 916,054</u> | <u>23,220,080</u>          |
| Total capital assets being depreciated, net  | <u>13,255,783</u>             |                    |                   | <u>13,279,455</u>          |
| Business-type activities capital assets, net | <u>\$ 15,045,990</u>          |                    |                   | <u>\$ 15,517,313</u>       |

**B. Liabilities**

**1. Payables**

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

|                               | <u>Vendors</u>      | <u>Salaries<br/>and<br/>Benefits</u> | <u>Accrued<br/>Interest</u> | <u>Other</u> | <u>Total</u>        |
|-------------------------------|---------------------|--------------------------------------|-----------------------------|--------------|---------------------|
| Governmental Activities:      |                     |                                      |                             |              |                     |
| General Fund                  | \$ 852,216          | \$ -                                 | \$ 200,316                  | \$ -         | \$ 1,052,532        |
| Other Governmental Funds      | <u>557,125</u>      | <u>-</u>                             | <u>-</u>                    | <u>-</u>     | <u>557,125</u>      |
| Total-governmental activities | <u>\$ 1,409,341</u> | <u>\$ -</u>                          | <u>\$ 200,316</u>           | <u>\$ -</u>  | <u>\$ 1,609,657</u> |
| Business-type Activities:     |                     |                                      |                             |              |                     |
| Solid Waste Management        | <u>\$ 125,485</u>   | <u>\$ -</u>                          | <u>\$ -</u>                 | <u>\$ -</u>  | <u>\$ 125,485</u>   |

**2. Pension Plan Obligations**

**a. Local Governmental Employees' Retirement System**

*Plan Description* – Granville County, the EDC, and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That

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report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* – Plan members are required to contribute six percent of their annual covered salary. The County, the EDC, and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.88% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 5.15% of annual covered payroll. For the EDC, the current rate for employees not engaged in law enforcement is 4.8% of annual covered payroll. The contribution requirements of members and of Granville County, the EDC and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2008, 2009 and 2010 were \$495,907, \$538,551, and \$560,212, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2008, 2009 and 2010 were \$8,965, \$9,611, and \$10,374, respectively. The EDC's contributions to LGERS for the years ended June 30, 2008, 2009 and 2010 were \$6,847, \$5,720, and \$5,779 respectively. The contributions made by the County, the EDC and the ABC Board equaled the required contributions for each year.

**b. Law Enforcement Officer's Special Separation Allowance**

**1. Plan Description**

Granville County administers a public employee retirement system (*the Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County chooses to fund this plan on a pay-as-you-go basis. Actuarial valuations are obtained to help the County plan for the future needs of the retirement plan. There is no separate, audited GAAP-basis plan report available for the special separation allowance.

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

|  |           |
|--|-----------|
| Retirees receiving benefits  | 3         |
| Terminated plan members entitled to but not yet receiving benefits | -         |
| Active plan members  | <u>43</u> |
| Total  | <u>46</u> |

**2. Summary of Significant Accounting Policies:**

*Basis of Accounting* –Employer contributions to the plan are recognized on an actuarial basis and a provision for future payments is recognized as part of long-term debt. See footnote on page 72.

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**3. Contributions**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. A copy of the actuarial valuation report is available from the Finance Department. For the current year, the County contributed \$49,252, or 2.8% of annual covered payroll. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5-12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll dollars on a closed basis. The remaining amortization period at December 31, 2009, was 21 years.

| <u>Fiscal<br/>Year Ended</u> | <u>Three-Year Trend Information</u>  |  | <u>Net Pension<br/>Obligation</u> |
|------------------------------|--------------------------------------|--|-----------------------------------|
|                              | <u>Annual Pension<br/>Cost (APC)</u> | <u>Percentage of<br/>APC Contributed</u> |                                   |
| 6/30/08                      | \$ 43,737                            | 24.61%                                   | \$ 388,156                        |
| 6/30/09                      | 49,636                               | 30.54%                                   | 422,633                           |
| 6/30/10                      | \$ 55,636                            | 88.05%                                   | 429,317                           |

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending 6/30/10

|   |                   |
|---|-------------------|
| Employer annual required contribution                       | \$ 51,918         |
| Interest on net pension obligation                          | 30,641            |
| Adjustment to annual required contribution                  | <u>(26,623)</u>   |
| Annual pension cost   | 55,936            |
| Employer contributions made for fiscal year ending 06/30/10 | <u>49,252</u>     |
| Increase (decrease) in net pension obligation               | 6,684             |
| Net pension obligation beginning of fiscal year             | <u>422,633</u>    |
| Net pension obligation end of fiscal year                   | <u>\$ 429,317</u> |

**4. Funded Status and Funding Process:**

As of December 31, 2009, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$610,621, and the actuarial value of assets was \$0.00, resulting in an unfunded actuarial accrued liability (UAAL) of \$610,621. The covered payroll (annual payroll of active employees covered by the plan) was \$1,780,358, and the ratio of the UAAL to the covered payroll was 34.30 percent.

The schedule of funding process, present as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the

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actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**c. Supplemental Retirement Income Plan for Law Enforcement Officers**

*Plan Description* – The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2010, were \$113,761, which consisted of \$95,691 from the County and \$18,070 from the law enforcement officers.

**d. Registers of Deeds' Supplemental Pension Fund**

*Plan Description* – Granville County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds that is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* – On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2010, the County's required and actual contributions were \$3,208.

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**e. Other Postemployment Benefits**

**Healthcare Benefits**

*Plan Description* –Under the terms of a County ordinance, the County administers a single-employer defined benefit Healthcare Benefits Plan (HCB Plan). As of October 21, 1996, this plan provides postemployment healthcare benefits to retirees of the County, provided they have at least twenty years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers. Also, the County’s retirees can continue to purchase coverage for their dependents at the County’s group rates until the retiree reaches the age of 65. The County Board of Commissioners may amend the benefit provisions. There is no separate, audited GAAP-basis plan report available for the postemployment benefit plan.

Membership of the HCB Plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

|   | <u>General<br/>Employees</u> | <u>Law Enforcement<br/>Officers</u> |
|---|------------------------------|-------------------------------------|
| Retirees receiving benefits   | 37                           | -                                   |
| Terminated plan members entitled to<br>but not yet receiving benefits | -                            | -                                   |
| Active plan members   | <u>255</u>                   | <u>43</u>                           |
| Total   | <u>292</u>                   | <u>43</u>                           |

*Funding Policy* – The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the County Board of Commissioners. The County doesn’t offer the option for dependent coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 6.41% of annual covered payroll. For the current year, the County contributed \$99,021 or .87% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County’s required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively. The County’s obligation to contribute to HCB Plan is established and may be amended by the County Board of Commissioners.

*Summary of Significant Accounting Policies* – Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Annual OPEB Cost and Net OPEB Obligation* – The County’s annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

|  |                     |
|--|---------------------|
| Annual required contribution               | \$ 1,402,164        |
| Interest on net OPEB obligation            | 47,764              |
| Adjustment to annual required contribution | 41,208              |
| Annual OPEB cost (expense)                 | 1,408,720           |
| Contributions made                         | (99,021)            |
| Increase (decrease) in net OPEB obligation | 1,309,699           |
| Net OPEB obligation, beginning of year     | 1,194,090           |
| Net OPEB obligation, end of year           | <u>\$ 2,503,789</u> |

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

| For Year Ended<br><u>June 30</u> | Annual OPEB<br><u>Cost</u> | Percentage of<br>Annual OPEB<br><u>Cost Contributed</u> | Net OPEB<br><u>Obligation</u> |
|----------------------------------|----------------------------|---|-------------------------------|
| 2009                             | \$ 1,351,483               | 11.65%  | \$ 1,194,090                  |
| 2010                             | 1,408,720                  | 7.03%   | 2,503,789                     |

*Funded Status and Funding Process* – As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$8,615,262. The covered payroll (annual payroll of active employees covered by the plan) was \$11,322,982, and the ratio of the UAAL to the covered payroll was 76.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding process, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an

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annual medical cost trend increase of 10.50 to 5.00 percent annually. The investment rate included a 3.75 percent inflation assumption. The actuarial value of assets, in any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was 30 years.

**f. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2010, the County made contributions to the State for death benefits of \$12,214. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount.

**g. Granville Medical Center Pension Plan**

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

*Funding Policy* – Plan members are required to contribute six percent of their annual covered salary. The Hospital is required to contribute at an actuarially determined rate. For the Hospital, the current rate for employees is 4.86% of annual covered payroll. The contribution requirements of members and of the Hospital are established and may be amended by the North Carolina General Assembly. The Hospital's contributions to LGERS for the years ended September 30, 2009, 2008, and 2007 were \$860,562, \$754,271, and \$660,432, respectively. The contributions made by the Hospital equaled the required contributions for each year.

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**3. Closure and Postclosure Care Costs – Landfill Facility**

State and federal laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$6,482,061 reported as landfill closure and postclosure care liability at June 30, 2010, represents the latest estimate for the 28 years of postclosure maintenance and monitoring required for the Oxford and Butner landfills.

The County has met the requirements of a local government financial test that is one option under State and Federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund to accumulate resources for the payment of closure and postclosure care costs. The County expects that future inflation costs will be paid from the interest earnings on annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

**4. Deferred Revenues/Unearned Revenues**

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

|  | <u>Unearned or<br/>Deferred<br/>Revenue</u> | <u>Full Accrual<br/>Unearned<br/>Revenue</u> |
|--|---|--|
| Prepaid taxes not yet earned (General) | \$ 98,183                                   | \$ 98,183                                    |
| Taxes receivable (net) (General)       | <u>2,343,681</u>                            | <u>-</u>                                     |
| Total                                  | <u>\$ 2,441,864</u>                         | <u>\$ 98,183</u>                             |

**5. Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the county is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through a commercial carrier for individual losses in excess of \$100,000.

The County has \$55,000,000 coverage for flood insurance under their liability insurance policy. There is a \$25,000 deductible per occurrence.



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In accordance with G. S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and tax collector are each individually bonded for \$250,000 each. The Sheriff and Register of Deeds are each individually bonded for \$25,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

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

Granville County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Granville Medical Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical malpractice. The Hospital carries commercial insurance for these risks of loss. Claims have not exceeded coverage in any of the past three fiscal years.

The Economic Development Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The EDC carries commercial insurance for these risks of loss. The EDC obtains property coverage equal to replacement cost value of owned property subject to a limit of \$100,000 for any one occurrence and general liability coverage of \$1 million per occurrence.

**6. Claims and Judgments**

At June 30, 2010, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

**7. Long-Term Obligations**

**a. Capital Leases**

For Granville County, there is one agreement to lease certain equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception.

Governmental Activities

The first agreement was executed in May 1996, for the lease of pipe valves and fittings for the water and sewer system for an industrial park and required 30 semi-annual payments of \$57,808. This agreement was refinanced as of May 31, 2003. It now requires 17 semi-annual payments of \$51,718.

\$ 100,570

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For Granville County, the future minimum lease payments under the capital leases and the present value of the net minimum lease payments as of June 30, 2010 were as follows:

| Year Ending<br><u>June 30</u>                  | Governmental<br><u>Activities</u> |
|--|-----------------------------------|
| 2011   | \$ 103,436                        |
| Total Minimum Lease Payments                   | 103,436                           |
| Less amount representing interest              | <u>2,866</u>                      |
| Present Value of Net<br>Minimum Lease Payments | <u>\$ 100,570</u>                 |

**b. Operating Lease**

The Hospital has entered into an operating lease agreement in order to lease space in a medical office building adjacent to the Hospital. Under the agreement, the Hospital is obligated to pay 180 monthly payments of \$12,110. Each year the rate is increased three percent. Currently this space is subleased to a tenant. Future minimum base rentals (each year lease payment is increased 3%) for the next five years under this lease as of September 30, 2009 are as follows:

|           |                     |
|-----------|---------------------|
| 2010      | \$ 178,718          |
| 2011      | 184,080             |
| 2012      | 189,602             |
| 2013      | 195,290             |
| 2014      | 201,149             |
| 2015-2017 | <u>640,383</u>      |
| Total     | <u>\$ 1,589,222</u> |

The Granville Economic Development Commission rents its office space from the City of Oxford for \$833 per month based on a month-to-month agreement. The Commission also leases a postage meter based on a month-to-month agreement at \$50 per month.

**c. Installment Purchases**

As authorized by State law [G.S. 160A-20 and 153A-158.1], the County financed various property acquisitions through installment financing. The County's installment purchases at June 30, 2010, are comprised of the following individual issues:

The County entered into an installment purchase agreement on March 15, 2007 for financing of replacement windows for Granville Medical Center for \$1,500,000. The transaction requires monthly payments in the amount of \$11,073 at an interest rate of 3.97%. Title to these assets belongs to Granville Medical Center.

\$ 1,246,011

In May 2008, the County entered into an installment agreement for \$3,859,760 with payments due on May 13 and November 13 in installments of \$147,242 through November 13, 2017 and installments of \$91,492, thereafter. Interest will be paid at 3.72 percent. This debt was used to finance E911 equipment for \$1,115,000 and school construction for \$2,744,760.

|  |                     |
|--|---------------------|
| E911 Equipment   | 836,250             |
| School Construction (Granville County Schools holds title to these assets upon project completion) | <u>2,287,300</u>    |
| Total  | <u>\$ 4,369,561</u> |

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For Granville County, the future minimum payments as of June 30, 2010, including \$992,629 of interest are:

| Year Ending<br><u>June 30</u> | <u>Governmental Activities</u> |                   |
|-------------------------------|--------------------------------|-------------------|
|                               | <u>Principal</u>               | <u>Interest</u>   |
| 2011                          | \$ 379,425                     | \$ 161,389        |
| 2012                          | 382,859                        | 147,000           |
| 2013                          | 386,433                        | 132,473           |
| 2014                          | 390,150                        | 117,800           |
| 2015                          | 394,018                        | 102,978           |
| 2016-2020                     | 1,755,056                      | 297,219           |
| 2021-2023                     | 681,620                        | 33,770            |
|                               | <u>\$ 4,369,561</u>            | <u>\$ 992,629</u> |

**c. General Obligation Indebtedness**

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due.

The County's general obligation bonds payable at June 30, 2010, are comprised of the following individual issues:

**General Obligation Bonds**

|  |                      |
|--|----------------------|
| \$9,800,000 1999 School Series bonds due on June 1 and December 1 in installments of \$300,000 - \$600,000 through June 1, 2017; interest at 4.4 – 4.6 percent*                | \$ -                 |
| \$8,900,000 2001 School Series bonds due on April 1 and October 1 in installments of \$350,000-\$650,000 through April 1, 2020; interest at 4.25 – 4.5 percent*                | 500,000              |
| \$9,500,000 2006 School Series bonds due on May 1 and November 1 in installments of \$9,975-\$657,459 through May 1, 2026; interest at 3.65 - 4.0 percent*                     | 8,075,000            |
| \$650,000 Parks and Recreation Facility, Series 2001 bonds due on April 1 and October 1 in installments of \$50,000 through October 1, 2014; interest at 4.25-4.5 percent      | 50,000               |
| \$25,500,000 2005 School Series bonds due on June 1 and December 1 in installments of \$800,000-\$2,150,000 through June 1, 2025; interest at 3.0-5.0 percent*                 | 21,500,000           |
| \$765,000 Parks and Recreation Facility, Series 2005 bonds due on June 1 and December 1 in installments of \$25,000-\$50,000 through June 1, 2023; interest at 3.0-5.0 percent | 640,000              |
| \$1,600,000 Public Improvement 2009A bonds due on June 1 and December 1; interest at 3.0-4.5 percent   | 1,520,000            |
| \$8,000,000 Library Bonds 2009B bonds due on June 1 and December 1; interest at 3.0-4.125 percent  | 7,600,000            |
| \$10,215,000 Refunding Bonds 2009C due on June 1 and December 1; interest at 3.0-4.0 percent*  | <u>9,460,000</u>     |
| Total  | <u>\$ 49,345,000</u> |

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

\*Granville County Schools holds title to some of the assets completed through these bond funds.

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

| Year Ending<br><u>June 30</u> | <u>Governmental Activities</u> |                     |
|-------------------------------|--------------------------------|---------------------|
|                               | <u>Principal</u>               | <u>Interest</u>     |
| 2011                          | \$ 3,235,000                   | \$ 1,871,493        |
| 2012                          | 3,225,000                      | 1,753,369           |
| 2013                          | 3,210,000                      | 1,630,869           |
| 2014                          | 3,195,000                      | 1,508,819           |
| 2015                          | 3,180,000                      | 1,397,719           |
| 2016-2020                     | 15,665,000                     | 5,274,419           |
| 2021-2025                     | 15,190,000                     | 2,285,050           |
| 2026-2029                     | <u>2,445,000</u>               | <u>218,150</u>      |
|                               | <u>\$ 49,345,000</u>           | <u>\$15,939,888</u> |

At June 30, 2010, Granville County had a legal debt margin of \$236,158,146.

The Hospital's notes payable at September 30, 2009, are comprised of the following:

|   |                     |
|---|---------------------|
| 3.77 percent note, payable monthly, principal and interest of \$38,095 through September 2011; guaranteed by Granville County | \$ 879,330          |
| 4.09 percent note, monthly principal payments of \$13,889, plus interest through January 2018; collateralized by real estate. | 1,388,887           |
| 3.97 percent note, payable monthly, principal and interest of \$11,073 through March 2022; guaranteed by Granville County     | <u>1,307,567</u>    |
| Total   | <u>\$ 3,575,784</u> |

| Year Ending<br><u>September 30</u> | <u>Governmental Activities</u> |                   |
|------------------------------------|--------------------------------|-------------------|
|                                    | <u>Principal</u>               | <u>Interest</u>   |
| 2010                               | \$ 680,508                     | \$ 129,851        |
| 2011                               | 700,389                        | 103,155           |
| 2012                               | 255,919                        | 83,669            |
| 2013                               | 259,528                        | 73,244            |
| 2014                               | 263,282                        | 62,673            |
| 2015-2020                          | <u>1,416,158</u>               | <u>174,709</u>    |
| Total                              | <u>\$ 3,575,784</u>            | <u>\$ 627,301</u> |

**d. Refunding & Advance Refundings**

On August 24, 2009, the County issued \$10,215,000 of general obligation current and advance refunding bonds to provide resources to purchase U. S Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$9,900,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$315,000. This amount is being netted against the new debt and amortized over the life

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 11 years and resulted in an economic gain of \$525,064.

**e. Long-Term Obligation Activity**

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

|   | Balance<br>July 1, 2009 | Increases            | Decreases            | Balance<br>June 30, 2010 | Current Portion<br>of Balance |
|---|-------------------------|----------------------|----------------------|--------------------------|-------------------------------|
| Governmental activities:                          |                         |                      |                      |                          |                               |
| General obligation bonds                          | \$ 42,515,000           | \$ 19,815,000        | \$ 12,985,000        | \$ 49,345,000            | \$ 3,235,000                  |
| Capitalized leases                                | 197,431                 | -                    | 96,861               | 100,570                  | 100,570                       |
| Installment Purchases                             | 4,745,717               | -                    | 376,156              | 4,369,561                | 379,425                       |
| Compensated absences                              | 752,300                 | 779,884              | 752,300              | 779,884                  | 194,971                       |
| Net OPEB obligation                               | 1,178,103               | 1,293,107            | -                    | 2,471,210                | -                             |
| Net pension obligation                            | 422,633                 | 6,684                | -                    | 429,317                  | -                             |
| Total governmental activities                     | <u>\$ 49,811,184</u>    | <u>\$ 21,894,675</u> | <u>\$ 14,760,317</u> | <u>\$ 57,495,542</u>     | <u>\$ 3,909,966</u>           |
| Business-type activities:                         |                         |                      |                      |                          |                               |
| Accrued landfill closure<br>and postclosure costs | \$ 6,165,243            | \$ 316,818           | \$ -                 | \$ 6,482,061             | \$ -                          |
| Compensated absences                              | 14,465                  | 15,293               | 14,465               | 15,293                   | 3,823                         |
| Net OPEB obligation                               | 15,987                  | 16,592               | -                    | 32,579                   | -                             |
| Total business-type activities                    | <u>\$ 6,195,695</u>     | <u>\$ 348,703</u>    | <u>\$ 14,465</u>     | <u>\$ 6,529,933</u>      | <u>\$ 3,823</u>               |

Compensated absences, the net pension obligation, and the OPEB obligation for governmental activities are generally liquidated by the General Fund. Compensated absences and the OPEB obligation for business-type activities are generally liquidated by the Solid Waste Management Fund.

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**C. Interfund Balances and Activity**

| <u>From</u>                                       | <u>To</u>                                    | <u>Amount</u>       | <u>Reason</u>   |
|---|--|---------------------|---|
| <b>Transfers From/To Other Funds:</b>             |  |                     |   |
| General Fund                                      |  |                     |   |
| General Fund                                      | School Capital Reserve Fund                  | \$ 3,552,020        | Restricted portions of Art. 40 & 42 sales tax proceeds                |
|   | Landfill Capital Reserve Fund                | 304,996             | Economic incentive repayment  |
|   | Revaluation Reserve Fund                     | 73,193              | Required annual contributions to set aside funds for 2010 revaluation |
|   | Capital Improvements Fund                    | 320,000             | Contribution to fund ongoing capital projects                         |
|   | 2010 Southern Elementary School Project Fund | 1,000,000           | Annual contribution for ongoing fleet replacement                     |
|   |  | <u>\$ 5,250,209</u> |   |
| <b>Special Revenue/Capital Projects Funds</b>     |  |                     |   |
| Capital Improvements Fund                         | Series 2005 Public Imp. Bond Fund            | 3,635               | Funding for ongoing capital projects                                  |
| Landfill Capital Reserve Fund                     | General Fund                                 | 227,174             | Funding for ongoing economic incentive payments                       |
| Library Expansion/Renovation Fund                 | General Fund                                 | 125,000             | Repayment of prior year contribution                                  |
| Vehicle Replacement Fund                          | General Fund                                 | 141,232             | Close out of this fund  |
|   |  | <u>\$ 497,041</u>   |   |
| <b>Due To/From Other Funds</b>                    |  |                     |   |
| General Fund                                      | Granville Greenway Project Fund              | 11,928              | Reimbursement of expenses   |
| General Fund                                      | CDBG Fund                                    | 46,259              | Reimbursement of expenses   |
| School Capital Reserve Fund                       | General Fund                                 | 302,345             | Restricted sales tax  |
| Granville County Tourism<br>Development Authority | General Fund                                 | 40,907              | Occupancy tax proceeds  |
|   |  | <u>\$ 401,439</u>   |   |

**IV. Joint Ventures**

**A. Vance-Granville Community College**

The County, in conjunction with Vance County, Warren County, Franklin County, the State of North Carolina, and the Boards of Education of Vance, Granville, Warren and Franklin Counties, participates in a joint venture to operate Vance-Granville Community College. Each participant appoints members of the thirteen-member board of trustees of the community college. No participant appoints a majority. The president of the community college's student government serves as an ex-officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$528,565 and \$16,640 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2010. There was also a contribution made by the County for the library in the amount of \$27,584. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2010. Complete financial statements for the community college may be obtained from the community college's administrative offices, at P.O. Box 918, Henderson, N.C. 27536.

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**B. Granville-Vance Health District**

Granville County and Vance County participate in a multi-county health district joint venture. Granville County places one member on the Health District Board. Granville County has an ongoing financial responsibility to the Health District since it is legally required to provide health services either directly or jointly with other counties. The County does not retain an equity interest in the Health District. Complete financial statements for the Health District can be obtained at 115 Charles D. Rollins Road, Henderson, N.C. 27536.

**C. Area Mental Health**

Granville County participates with Vance, Warren and Franklin Counties in the Area Mental Health, Development Disabilities and Substance Abuse Program of Vance, Warren, Granville and Franklin Counties. Granville County places one member on the Program's Board. Granville County has an ongoing financial responsibility to the Program since it is legally required to provide mental health services either directly or jointly with other counties. The County does not retain an equity interest in the Program. Complete financial statements for the Program may be obtained from the Program's administrative offices at 134 South Garnett Street, Henderson, N.C. 27536.

**D. Kerr Area Transit Authority**

The County also participates in a joint venture to operate Kerr Area Transit Authority. The County appoints six members to the twenty-one member board. None of the participating governments have any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2010. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$32,914 to the Authority to supplement its activities. Complete financial statements for the Authority may be obtained at 943 West Andrews Avenue, Henderson, N.C. 27536.

**E. Aeronautics Authority of the City of Henderson, City of Oxford, County of Granville and County of Vance**

The County also participates in a joint venture to operate the Aeronautics Authority of the City of Henderson, City of Oxford, County of Granville and County of Vance. The County appoints one member to the four-member board. None of the participating governments have any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2010. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$26,022 to the Authority to supplement its activities. Complete financial statements for the Authority may be obtained from P.O. Box 368, Henderson, N.C. 27536.

**V. Jointly Governed Organization**

The County, in conjunction with four other counties and fifteen municipalities, established Kerr-Tar Regional Council of Governments (Council) to coordinate various funding received from federal and State agencies. Each participating government appoints members to the Council's governing board. The County paid membership fees of \$14,930 to the Council during the fiscal year ended June 30, 2010. Complete financial statements for the Council may be obtained from the Council's administrative offices at 510 Dabney Drive, Henderson, N.C. 27536.

**GRANVILLE COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**VI. Benefit Payments Issued by the State**

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

|  | <u>Federal</u>       | <u>State</u>         |
|--|----------------------|----------------------|
| Temporary Assistance to Needy Families | \$ 614,765           | \$ -                 |
| Medical Assistance                     | 40,049,741           | 14,065,512           |
| Food Stamp Program                     | 10,071,958           | -                    |
| Energy Assistance                      | 273,086              | -                    |
| CWS Adoption Subsidy                   | -                    | 16,636               |
| Adoption Assistance                    | 114,758              | 26,768               |
| State/County Special Assistance        | -                    | 424,611              |
| Foster Care                            | 186,507              | 37,016               |
| State Foster Care at Risk Max          | -                    | 639                  |
| State Foster Home                      | -                    | 51,300               |
| State Foster Care                      | -                    | 4,376                |
| SFHF Maximization                      | <u>-</u>             | <u>111,453</u>       |
| Totals                                 | <u>\$ 51,310,815</u> | <u>\$ 14,738,311</u> |

**VII. Subsequent Events**

A livestock arena was purchased in July 2010 for \$600,000. In August 2010, the County issued \$16,000,000 in bonds made up of \$10,785,000 in Recovery Zone Economic Development Bonds and \$5,215,000 in Qualified School Construction Bonds.

**VIII. Summary Disclosure of Significant Commitments and Contingencies**

**Federal and State Assisted Programs**

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statement for the refund of grant moneys.



## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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**This section contains additional information required by generally accepted accounting principles.**

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- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to Required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Funding Progress for the Other Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits
- Notes to the Required Schedules for the Other Postemployment Benefits

**GRANVILLE COUNTY, NORTH CAROLINA  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>Projected<br>Unit Credit<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>( c ) | UAAL as<br>a % of<br>Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|-----------------------------|--|
| 12/31/2004                     | \$ -                                   | \$ 353,344  | \$ 353,344                         | 0.00%                    | \$ 1,334,183                | 26.48%   |
| 12/31/2005                     | -                                      | 318,042   | 318,042                            | 0.00%                    | 1,371,735                   | 23.19%   |
| 12/31/2006                     | -                                      | 321,973   | 321,973                            | 0.00%                    | 1,579,755                   | 20.38%   |
| 12/31/2007                     | -                                      | 377,711   | 377,711                            | 0.00%                    | 1,691,858                   | 22.33%   |
| 12/31/2008                     | -                                      | 414,361   | 414,361                            | 0.00%                    | 1,828,912                   | 22.66%   |
| 12/31/2009                     | \$ -                                   | \$ 610,621  | \$ 610,621                         | 0.00%                    | \$ 1,780,358                | 34.30%   |

**GRANVILLE COUNTY, NORTH CAROLINA  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

| Year Ended June 30 | Annual Required<br>Contribution | Percentage<br>Contributed |
|--------------------|---------------------------------|---------------------------|
| 2004               | \$ 46,133                       | 0.00%                     |
| 2005               | 46,367                          | 5.80%                     |
| 2006               | 48,358                          | 22.26%                    |
| 2007               | 41,603                          | 25.87%                    |
| 2008               | 43,737                          | 24.61%                    |
| 2009               | 49,636                          | 30.54%                    |
| 2010               | \$ 55,936                       | 88.05%                    |

**Notes to the Required Schedules:**

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

|                               |                             |
|-------------------------------|-----------------------------|
| Valuation date                | 12/31/2009                  |
| Actuarial cost method         | Projected unit credit       |
| Amortization method           | Level percent of pay closed |
| Remaining amortization period | 21 years                    |
| Asset valuation method        | Market value                |
| Actuarial assumptions:        |                             |
| Investment rate of return*    | 5.00%                       |
| Projected salary increases*   | 4.5 - 12.3%                 |
| Cost-of-living adjustments    | N/A                         |

\*Includes inflation at 3.75% percent.

**GRANVILLE COUNTY, NORTH CAROLINA  
OTHER POSTEMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>Projected<br>Unit Credit<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>( c ) | UAAL as<br>a % of<br>Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|-----------------------------|--|
| 12/31/2007                     | \$ -                                   | \$ 14,015,747   | \$ 14,015,747                      | 0.00%                    | \$ 10,701,980               | 131.00%  |
| 12/31/2009                     | \$ -                                   | \$ 8,615,262  | \$ 8,615,262                       | 0.00%                    | \$ 11,322,982               | 76.10%   |

**GRANVILLE COUNTY, NORTH CAROLINA  
OTHER POSTEMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

| Year Ended June 30 | Annual Required<br>Contribution | Percentage<br>Contributed | Net OPEB<br>Obligation |
|--------------------|---------------------------------|---------------------------|------------------------|
| 2009               | \$ 1,351,483                    | 11.70%                    | \$ 1,194,090           |
| 2010               | \$ 1,408,720                    | 7.03%                     | \$ 2,503,789           |

**Notes to the Required Schedules:**

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

|                               |                            |
|-------------------------------|----------------------------|
| Valuation date                | 12/31/2009                 |
| Actuarial cost method         | Projected unit credit      |
| Amortization method           | Level percent of pay; open |
| Remaining amortization period | 30 years                   |
| Asset valuation method        | Market value of Assets     |
| Actuarial assumptions:        |                            |
| Investment rate of return*    | 4.00%                      |
| Medical cost trend            |                            |
| Pre-Medicare trend rate       | 10.50%-5.00%               |
| Post-Medicare trend rate      | 9.00%-5.00%                |
| Year of Ultimate trend rate   | 2017                       |
| Cost-of-living adjustments    | N/A                        |

\*Includes inflation at 3.75% percent.

**COMBINING AND INDIVIDUAL FUND**  
**STATEMENTS AND SCHEDULES**

## MAJOR GOVERNMENTAL FUNDS

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- **General Fund:** This fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.
- **School Capital Reserve Fund:** This special revenue fund is used to account for the unused portion of the funds received from the one-half of one percent sales tax authorized by Article 42, Subchapter VIII of Chapter 105 and the interest earned on these moneys.

**GRANVILLE COUNTY, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

|                                      | 2010          |               |                                    | 2009          |
|--------------------------------------|---------------|---------------|------------------------------------|---------------|
|                                      | Budget        | Actual        | Variance<br>Positive<br>(Negative) | Actual        |
| <b>REVENUES</b>                      |               |               |                                    |               |
| Ad Valorem Taxes:                    |               |               |                                    |               |
| Current year                         | \$ 29,232,608 | \$ 28,825,358 | \$ (407,250)                       | \$ 26,070,248 |
| Prior year                           | 980,000       | 1,032,210     | 52,210                             | 1,023,336     |
| Penalties and interest               | 257,500       | 287,358       | 29,858                             | 270,795       |
| Total                                | 30,470,108    | 30,144,926    | (325,182)                          | 27,364,379    |
| Sales and Other Taxes:               |               |               |                                    |               |
| Article 39 one percent               |               | 1,575,042     |                                    | 2,152,448     |
| Article 40 one-half of one percent   |               | 2,271,978     |                                    | 2,389,450     |
| Article 42 one-half of one percent   |               | 1,556,011     |                                    | 2,376,967     |
| Article 44 one-half of one percent   |               | 146,329       |                                    | 793,739       |
| Article 44 Hold Harmless             |               | 365,769       |                                    | -             |
| State excise tax - Register of Deeds |               | 150,675       |                                    | 154,659       |
| Beer and wine                        |               | 51,943        |                                    | 158,653       |
| Taxes on federal exempt land         |               | 21,070        |                                    | 28,201        |
| Occupancy taxes                      |               | 188,877       |                                    | 202,191       |
| Total                                | 7,707,340     | 6,327,694     | (1,379,646)                        | 8,256,308     |
| Licenses, Fees and Other Revenues:   |               |               |                                    |               |
| Privilege licenses                   |               | 6,038         |                                    | 5,959         |
| Taxes on Oxford Housing Authority    |               | -             |                                    | 6,647         |
| Planning                             |               | 58,953        |                                    | 70,084        |
| Inspection                           |               | 399,739       |                                    | 398,442       |
| Sheriff wage refund                  |               | -             |                                    | 98,412        |
| Boarding state and federal prisoners |               | 54,432        |                                    | 39,413        |
| Ambulance fees                       |               | 1,960,702     |                                    | 1,738,321     |
| Library fees                         |               | 39,842        |                                    | 43,348        |
| Rents                                |               | 15,050        |                                    | 20,694        |
| Sheriff's fees                       |               | 80,670        |                                    | 83,160        |
| Election fees                        |               | 44,925        |                                    | 685           |
| Franchise fees                       |               | 104,510       |                                    | 73,333        |
| Animal control                       |               | 19,533        |                                    | 17,694        |
| Collection fees                      |               | 97,779        |                                    | 92,325        |
| Senior Center fitness fees           |               | 7,069         |                                    | 7,819         |
| Administrative fees                  |               | 25,000        |                                    | 25,000        |
| Register of Deeds                    |               | 213,899       |                                    | 256,242       |
| GAP fees                             |               | 23,441        |                                    | 26,053        |
| GAP donations                        |               | -             |                                    | -             |
| GIS subscription fees                |               | 21,900        |                                    | 23,375        |
| 4-H Best program                     |               | -             |                                    | 60            |
| Inmate Welfare fund                  |               | 106           |                                    | 53            |
| 911 subscriber fees                  |               | -             |                                    | 36,897        |
| Federal and State grants             |               | 4,377         |                                    | 4,648         |
| Miscellaneous                        |               | 187,455       |                                    | 230,893       |
| Sale of library books/abstracts      |               | -             |                                    | 1,593         |
| Sale of fixed assets                 |               | 18,715        |                                    | 4,565         |
| Total                                | 2,908,243     | 3,384,135     | 475,892                            | 3,305,715     |



**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

|  | 2010       |            | 2009   |
|--|------------|------------|--|
|  | Budget     | Actual     | Variance<br>Positive<br>(Negative)<br>Actual |
| Restricted and Intergovernmental Revenues:     |            |            |  |
| Debt Contribution from hospital                |            | 132,873    | 132,873                                      |
| Court facility fees                            |            | 90,966     | 113,181                                      |
| CSC officer's fees                             |            | 20,812     | 25,923                                       |
| Register of Deeds                              |            | 10,190     | 6,020  |
| Federal and State grants                       |            | 6,474,403  | 6,307,411                                    |
| Excise recreation - Heritage                   |            | 139,771    | 142,782                                      |
| Jail fees                                      |            | 18,494     | 13,877                                       |
| Floodplain mapping fees                        |            | 18,940     | 16,150                                       |
| Miscellaneous                                  |            | 36,196     | 48,407                                       |
| Total  | 7,011,654  | 6,942,645  | (69,009)                                     |
| Investment earnings                            | 280,000    | 158,648    | (121,352)                                    |
| Miscellaneous Revenues                         |            |            |  |
| Granville County ABC Board                     | 151,000    | 157,090    | 6,090  |
| Granville County Tourism Development Authority | 80,000     | 80,000     | -  |
| Total  | 231,000    | 237,090    | 6,090  |
| Total Revenues                                 | 48,608,345 | 47,195,138 | (1,413,207)                                  |
| <b>EXPENDITURES</b>                            |            |            |  |
| <u>General Government</u>                      |            |            |  |
| Board of Commissioners                         |            |            |  |
| Salaries and employee benefits                 |            | 142,201    | 148,110                                      |
| Other operating expenditures                   |            | 60,562     | 65,159                                       |
| Capital outlay                                 |            | -          | 1,484  |
| Total  | 227,487    | 202,763    | 24,724                                       |
| Administration                                 |            |            |  |
| Salaries and employee benefits                 |            | 288,610    | 252,853                                      |
| Other operating expenditures                   |            | 14,449     | 13,226                                       |
| Capital outlay                                 |            | 3,089      | 1,542  |
| Total  | 334,551    | 306,148    | 28,403                                       |
| Board of Elections                             |            |            |  |
| Salaries and employee benefits                 |            | 189,410    | 193,419                                      |
| Other operating expenditures                   |            | 113,657    | 74,743                                       |
| Capital outlay                                 |            | 3,557      | -  |
| Total  | 314,302    | 306,624    | 7,678  |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

|                                       | 2010      |           | 2009   |
|---------------------------------------|-----------|-----------|--|
|                                       | Budget    | Actual    | Variance<br>Positive<br>(Negative)<br>Actual |
| Finance Department                    |           |           |  |
| Salaries and employee benefits        |           | 233,708   | 268,602                                      |
| Other operating expenditures          |           | 154,795   | 115,303                                      |
| Capital outlay                        |           | -         | 5,607  |
| Total                                 | 447,620   | 388,503   | 59,117                                       |
| Tax Administration                    |           |           |  |
| Salaries and employee benefits        |           | 430,920   | 428,358                                      |
| Other operating expenditures          |           | 132,618   | 165,730                                      |
| Capital outlay                        |           | 691       | 6,216  |
| Total                                 | 571,168   | 564,229   | 6,939  |
| Register of Deeds                     |           |           |  |
| Salaries and employee benefits        |           | 203,358   | 216,938                                      |
| Other operating expenditures          |           | 43,068    | 39,460                                       |
| Capital outlay                        |           | -         | 918  |
| Total                                 | 258,754   | 246,426   | 12,328                                       |
| Construction Administration           |           |           |  |
| Other operating expenditures          |           | 416       | 320  |
| Total                                 | 500       | 416       | 84   |
| General Services/Court Facilities     |           |           |  |
| Salaries and employee benefits        |           | 180,737   | 174,886                                      |
| Other operating expenditures          |           | 328,967   | 345,537                                      |
| Capital outlay                        |           | 264       | 760  |
| Total                                 | 539,937   | 509,968   | 29,969                                       |
| Human Resources                       |           |           |  |
| Salaries and employee benefits        |           | 67,782    | 43,045                                       |
| Other operating expenditures          |           | 55,196    | 1,880  |
| Capital outlay                        |           | 835       | -  |
| Total                                 | 136,437   | 123,813   | 12,624                                       |
| Internal Auditor                      |           |           |  |
| Salaries and employee benefits        |           | 55,334    | 46,340                                       |
| Other operating expenditures          |           | 2,934     | 3,635  |
| Total                                 | 60,556    | 58,268    | 2,288  |
| Total General Government              | 2,891,312 | 2,707,158 | 184,154                                      |
| Public Safety                         |           |           |  |
| Other Emergency Services              | 34,530    | 26,979    | 7,551  |
| Sheriff's Department/Detention Center |           |           |  |
| Salaries and employee benefits        |           | 4,220,729 | 4,136,806                                    |
| Other operating expenditures          |           | 1,089,290 | 860,870                                      |
| Capital outlay                        |           | 35,272    | 36,509                                       |
| Total                                 | 5,453,574 | 5,345,291 | 108,283                                      |
| Fire Service                          | 758,661   | 758,661   | -  |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

|                                | 2010       |            | 2009                               |
|--------------------------------|------------|------------|------------------------------------|
|                                | Budget     | Actual     | Variance<br>Positive<br>(Negative) |
|                                |            |            | Actual                             |
| Forestry                       |            |            |                                    |
| Salaries and employee benefits |            | 22,667     | 21,593                             |
| Other operating expenditures   |            | 58,033     | 59,696                             |
| Total                          | 91,588     | 80,700     | 10,888                             |
| Emergency Management           |            |            |                                    |
| Salaries and employee benefits |            | 156,610    | 154,397                            |
| Other operating expenditures   |            | 31,095     | 37,480                             |
| Capital outlay                 |            | 131        | -                                  |
| Total                          | 204,281    | 187,836    | 16,445                             |
| Emergency Services             |            |            |                                    |
| Salaries and employee benefits |            | 3,474,165  | 3,418,754                          |
| Other operating expenditures   |            | 689,709    | 716,938                            |
| Capital outlay                 |            | 120,747    | 233,930                            |
| Total                          | 4,494,814  | 4,284,621  | 210,193                            |
| Total Public Safety            | 11,037,448 | 10,684,088 | 353,360                            |
| <u>Community Services</u>      |            |            |                                    |
| Cooperative Extension Service  |            |            |                                    |
| Salaries and employee benefits |            | 223,193    | 285,585                            |
| Other operating expenditures   |            | 52,023     | 72,769                             |
| Capital outlay                 |            | 5,958      | -                                  |
| Total                          | 326,186    | 281,174    | 45,012                             |
| County Library System          |            |            |                                    |
| Salaries and employee benefits |            | 441,240    | 463,189                            |
| Other operating expenditures   |            | 217,811    | 247,249                            |
| Capital outlay                 |            | 1,000      | 1,845                              |
| Total                          | 766,984    | 660,051    | 106,933                            |
| Recreation & Community Service |            |            |                                    |
| Other operating expenditures   |            | 146,726    | 209,226                            |
| Total                          | 231,726    | 146,726    | 85,000                             |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

|                                       | 2010      |           | 2009   |
|---------------------------------------|-----------|-----------|--|
|                                       | Budget    | Actual    | Variance<br>Positive<br>(Negative)<br>Actual |
| Development Services                  |           |           |  |
| Planning                              |           |           |  |
| Salaries and employee benefits        |           | 231,751   | 257,414                                      |
| Other operating expenditures          |           | 20,852    | 26,931                                       |
| Capital outlay                        |           | -         | 3,028  |
| Inspection Department                 |           |           |  |
| Salaries and employee benefits        |           | 382,117   | 368,022                                      |
| Other operating expenditures          |           | 25,435    | 31,753                                       |
| Capital outlay                        |           | 742       | 334  |
| Total                                 | 709,303   | 660,897   | 48,406                                       |
| Soil Conservation Program             |           |           |  |
| Salaries and employee benefits        |           | 116,320   | 97,291                                       |
| Other operating expenditures          |           | 3,395     | 3,395  |
| Total                                 | 146,686   | 119,715   | 26,971                                       |
| Jonesland Park Operations             |           |           |  |
| Salaries and employee benefits        |           | 152,900   | 107,677                                      |
| Other operating expenditures          |           | 80,559    | 104,165                                      |
| Capital outlay                        |           | 6,328     | 17,452                                       |
| Total                                 | 313,326   | 239,787   | 73,539                                       |
| Economic Development                  | 157,400   | 157,399   | 1  |
| Total Community Services              | 2,651,611 | 2,265,749 | 385,862                                      |
| <u>Human Services</u>                 |           |           |  |
| Health and Medical Services           |           |           |  |
| Granville Medical Center              |           | 393,000   | 393,041                                      |
| Granville-Vance District Health Dept. |           | 325,649   | 325,670                                      |
| Area Mental Health                    |           | 136,458   | 135,689                                      |
| Total                                 | 856,002   | 855,107   | 895  |
| Social Services                       |           |           |  |
| Salaries and employee benefits        |           | 3,357,454 | 3,328,994                                    |
| Other operating expenditures          |           | 4,012,044 | 4,974,618                                    |
| Capital outlay                        |           | 26,639    | 19,340                                       |
| Total                                 | 8,440,140 | 7,396,137 | 1,044,003                                    |

**GRANVILLE COUNTY, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

|  | 2010       |            |                                    | 2009       |
|--|------------|------------|------------------------------------|------------|
|  | Budget     | Actual     | Variance<br>Positive<br>(Negative) | Actual     |
| Veterans Services                              |            |            |                                    |            |
| Salaries and employee benefits                 |            | 11,157     |                                    | 11,443     |
| Other operating expenditures                   |            | 1,143      |                                    | 1,589      |
| Total  | 13,750     | 12,300     | 1,450                              | 13,032     |
| Senior Services                                |            |            |                                    |            |
| Salaries and employee benefits                 |            | 348,853    |                                    | 333,724    |
| Other operating expenditures                   |            | 124,732    |                                    | 125,053    |
| Capital outlay                                 |            | 1,953      |                                    | 6,817      |
| Total  | 529,251    | 475,538    | 53,713                             | 465,594    |
| Senior Services-Nutrition/In-Home Aid          |            |            |                                    |            |
| Salaries and employee benefits                 |            | 186,331    |                                    | 204,504    |
| Other operating expenditures                   |            | 279,008    |                                    | 318,305    |
| Total  | 502,493    | 465,339    | 37,154                             | 522,809    |
| Total Human Services                           | 10,341,636 | 9,204,421  | 1,137,215                          | 10,178,787 |
| <u>Education</u>                               |            |            |                                    |            |
| Granville County School System                 |            |            |                                    |            |
| Current Expense                                | 12,385,287 | 12,385,287 | -                                  | 12,313,287 |
| Capital  | 301,707    | 301,707    | -                                  | 368,103    |
| Total  | 12,686,994 | 12,686,994 | -                                  | 12,681,390 |
| Vance-Granville Community College              |            |            |                                    |            |
| Operating expenditures                         |            | 528,565    |                                    | 529,397    |
| Library  |            | 27,584     |                                    | 27,584     |
| Capital Outlay                                 |            | 16,640     |                                    | 16,640     |
| Total  | 572,789    | 572,789    | -                                  | 573,621    |
| Total Education                                | 13,259,783 | 13,259,783 | -                                  | 13,255,011 |
| <u>Non-Departmental &amp; Special Areas</u>    |            |            |                                    |            |
| Special Projects                               | 203,445    | 192,744    | 10,701                             | 197,691    |
| Pass Thru Funds                                | 474,649    | 399,309    | 75,340                             | 367,740    |
| Non-Departmental                               | 2,665,230  | 1,098,619  | 1,566,611                          | 1,120,556  |
| Granville County Tourism Development Authority | 177,300    | 189,232    | (11,932)                           | 205,795    |
| Total Non-Departmental & Special Areas         | 3,520,624  | 1,879,904  | 1,640,720                          | 1,891,782  |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

|                                       | 2010       |            | 2009                               |            |
|---------------------------------------|------------|------------|------------------------------------|------------|
|                                       | Budget     | Actual     | Variance<br>Positive<br>(Negative) | Actual     |
| <u>Debt Service</u>                   |            |            |                                    |            |
| South Granville Industrial Park       |            |            |                                    |            |
| Principal                             |            | 96,863     |                                    | 93,294     |
| Interest                              |            | 6,574      |                                    | 10,143     |
| Total                                 |            | 103,437    |                                    | 103,437    |
| Hospital Financing                    |            |            |                                    |            |
| Principal                             |            | 81,671     |                                    | 78,488     |
| Interest                              |            | 51,202     |                                    | 54,385     |
| Total                                 |            | 132,873    |                                    | 132,873    |
| 2001 Park Facilities Bond             |            |            |                                    |            |
| Principal                             |            | 50,000     |                                    | 50,000     |
| Interest                              |            | 4,300      |                                    | 15,275     |
| Total                                 |            | 54,300     |                                    | 65,275     |
| 2005 Public Improvement Bonds         |            |            |                                    |            |
| Principal                             |            | 25,000     |                                    | 25,000     |
| Interest                              |            | 28,525     |                                    | 29,275     |
| Total                                 |            | 53,525     |                                    | 54,275     |
| E911 Equipment                        |            |            |                                    |            |
| Principal                             |            | 111,500    |                                    | 111,500    |
| Interest                              |            | 34,219     |                                    | 38,367     |
| Total                                 |            | 145,719    |                                    | 149,867    |
| Library Series 2009                   |            |            |                                    |            |
| Principal                             |            | 400,000    |                                    | -          |
| Interest                              |            | 216,200    |                                    | -          |
| Total                                 |            | 616,200    |                                    | -          |
| Park Refunding Bonds 2009             |            |            |                                    |            |
| Principal                             |            | 15,253     |                                    | -          |
| Interest                              |            | 4,816      |                                    | -          |
| Total                                 |            | 20,069     |                                    | -          |
| Total Debt Service                    | 1,126,124  | 1,126,123  | 1                                  | 505,727    |
| Total Expenditures                    | 44,828,538 | 41,127,226 | 3,701,312                          | 41,311,278 |
| Revenues Over (Under) Expenditures    | 3,779,807  | 6,067,912  | 2,288,105                          | 5,091,350  |
| <u>OTHER FINANCING SOURCES (USES)</u> |            |            |                                    |            |
| Transfers-in:                         |            |            |                                    |            |
| Landfill Capital Reserve Fund         | 792,649    | 227,174    | (565,475)                          | 201,897    |
| Library Expansion/Renovation Fund     | 125,000    | 125,000    | -                                  | -          |
| Vehicle Replacement Fund              | 141,232    | 141,232    | -                                  | -          |
| Total transfers-in                    | 1,058,881  | 493,406    | (565,475)                          | 201,897    |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

|   | 2010        |               | 2009                               |               |
|---|-------------|---------------|------------------------------------|---------------|
|   | Budget      | Actual        | Variance<br>Positive<br>(Negative) | Actual        |
| Transfers-out:  |             |               |                                    |               |
| School Capital Reserve Fund   | (3,866,293) | (3,552,020)   | 314,273                            | (3,611,515)   |
| Other funds:  |             |               |                                    |               |
| Library Memorial Fund   |             | -             |                                    | (3,484)       |
| Landfill Capital Reserve Fund   |             | (304,996)     |                                    | (310,603)     |
| Revaluation Reserve Fund  |             | (73,193)      |                                    | (63,000)      |
| Capital Improvements Fund   |             | (320,000)     |                                    | (105,000)     |
| Library Expansion/Renovation Fund   |             | -             |                                    | (125,000)     |
| 2010 Southern Elementary School Project Fund  |             | (1,000,000)   |                                    | -             |
| Vehicle Replacement Fund  |             | -             |                                    | (122,359)     |
| Total Other Funds   | (1,698,189) | (1,698,189)   | -                                  | (729,446)     |
| Total transfers-out   | (5,564,482) | (5,250,209)   | 314,273                            | (4,340,961)   |
| Contingency   | (16,135)    | -             | 16,135                             | -             |
| Refunding bond proceeds   | -           | 10,215,000    | 10,215,000                         | -             |
| Debt premium  | -           | 351,462       | 351,462                            | -             |
| Payment to refunded bond escrow agent   | -           | (10,500,708)  | (10,500,708)                       | -             |
| Fund balance appropriated   | 741,929     | -             | (741,929)                          | -             |
| Total Other Financial Sources (Uses)  | (3,779,807) | (4,691,049)   | (911,242)                          | (4,139,064)   |
| Excess of Revenues and Other<br>Sources Over (Under)<br>Expenditures and Other Uses | \$ -        | 1,376,863     | \$ 1,376,863                       | 952,286       |
| Fund Balance-July 1, as restated  |             | 21,854,641    |                                    | 20,902,355    |
| Fund Balance-June 30  |             | \$ 23,231,504 |                                    | \$ 21,854,641 |

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHOOL CAPITAL RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

|  | 2010        |              |                                    | 2009         |
|--|-------------|--------------|------------------------------------|--------------|
|  | Budget      | Actual       | Variance<br>Positive<br>(Negative) | Actual       |
| <b><u>REVENUES</u></b>   |             |              |                                    |              |
| Restricted intergovernmental revenues  | \$ 600,000  | \$ 600,000   | \$ -                               | \$ 1,920,000 |
| Investment earnings  | 34,842      | 4,166        | (30,676)                           | 38,813       |
| Total Revenues   | 634,842     | 604,166      | (30,676)                           | 1,958,813    |
| <b><u>EXPENDITURES</u></b>   |             |              |                                    |              |
| Education  | 926,086     | 926,086      | -                                  | 1,566,229    |
| Debt Service   |             |              |                                    |              |
| Principal  |             | 2,777,730    |                                    | 2,557,984    |
| Interest   |             | 1,676,127    |                                    | 1,930,769    |
| Total  | 4,453,858   | 4,453,857    | 1                                  | 4,488,753    |
| Total Expenditures   | 5,379,944   | 5,379,943    | 1                                  | 6,054,982    |
| Revenues Over (Under) Expenditures   | (4,745,102) | (4,775,777)  | (30,675)                           | (4,096,169)  |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>   |             |              |                                    |              |
| Transfers from other funds   |             |              |                                    |              |
| General Fund   | 3,866,293   | 3,552,020    | (314,273)                          | 3,611,515    |
| Total Other Financing Sources (Uses)   | 3,866,293   | 3,552,020    | (314,273)                          | 3,611,515    |
| Excess of Revenues and Other<br>Sources Over (Under)   |             |              |                                    |              |
| Expenditures and Other Uses  | (878,809)   | (1,223,757)  | (344,948)                          | (484,654)    |
| Appropriated Fund Balance  | 878,809     | -            | (878,809)                          | -            |
| Revenues, Other Sources and<br>Appropriated Fund Balance Over<br>(Under) Expenditures and Other Uses | \$ -        | (1,223,757)  | \$ (1,223,757)                     | (484,654)    |
| Fund Balance - July 1  |             | 2,265,674    |                                    | 2,750,328    |
| Fund Balance - June 30   |             | \$ 1,041,917 |                                    | \$ 2,265,674 |



# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes.

- **Revaluation Fund:** This fund is used to account for funds set aside each year to pay for the revaluation for tax purposes of real property every eight years.
- **Landfill Capital Reserve Fund:** This fund is used to hold moneys set aside for future site development.
- **Emergency Telephone System Fund:** This fund is used to account for the 911 revenues collected by the telephone industry to fund the emergency 911 system.
- **CDBG (Community Development Block Grant) Fund:** This fund is used to account for revenues and expenditures to rehabilitate substandard rural housing.
- **R. H. Thornton Library Memorial Fund:** This fund is used to account for the receipts and disbursements made on behalf of the R. H. Thornton Library.
- **Series 2005 Public Improvement Bond Fund:** This fund is used to account for proceeds of bonds issued in 2005 for the improvement of schools and parks and recreational facilities.
- **2010 Southern Elementary School Project Fund:** This fund is used to account for the proceeds of bonds to be issued in 2010 for the construction of a school.

## Capital Project Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities and equipment.

- **Capital Improvements Fund:** This capital projects fund is used to account for funds set aside for the eventual construction of new or replacement facilities.
- **Vehicle Replacement Fund:** This fund is used to account for funds set aside to ensure that sufficient funds are available to replace patrol cars, ambulances, animal control officer's vehicles, and emergency management vehicles in a systematic manner.
- **Granville Greenway Project Fund:** This fund is used to account for the funds associated with the Granville Greenway Project.
- **Library Expansion/Renovation Fund:** This fund is used to account for the funds associated with the expansion and renovation of the County's libraries.

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

|   | Special Revenue Funds |                               |                                 |                  |                                      |  | Capital Projects Funds                       |                           |                          |                                 |                                    |                      |
|---|-----------------------|-------------------------------|---------------------------------|------------------|--------------------------------------|--|--|---------------------------|--------------------------|---------------------------------|------------------------------------|----------------------|
|   | Revaluation Fund      | Landfill Capital Reserve Fund | Emergency Telephone System Fund | CDBG Fund        | R. H. Thornton Library Memorial Fund | Series 2005 Public Improvement Bond Fund | 2010 Southern Elementary School Project Fund | Capital Improvements Fund | Vehicle Replacement Fund | Granville Greenway Project Fund | Library Expansion/ Renovation Fund | June 30, 2010        |
| <b>ASSETS</b>                                 |                       |                               |                                 |                  |                                      |  |  |                           |                          |                                 |                                    |                      |
| Current Assets:                               |                       |                               |                                 |                  |                                      |  |  |                           |                          |                                 |                                    |                      |
| Cash and cash equivalents                     | \$ 110                | \$ 1,622,072                  | \$ 1,205,064                    | \$ -             | \$ 319,970                           | \$ -                                     | \$ 190,929                                   | \$ 569,085                | \$ -                     | \$ -                            | \$ -                               | \$ 3,907,230         |
| Restricted cash                               | -                     | -                             | -                               | -                | -                                    | -  | -  | -                         | -                        | -                               | 8,133,984                          | 8,133,984            |
| Accounts receivable                           | -                     | -                             | 39,779                          | 56,960           | -                                    | -  | -  | 24,600                    | -                        | -                               | -                                  | 121,339              |
| Due from other funds                          | -                     | -                             | -                               | -                | -                                    | -  | -  | -                         | -                        | -                               | -                                  | -                    |
| Total Assets                                  | <u>\$ 110</u>         | <u>\$ 1,622,072</u>           | <u>\$ 1,244,843</u>             | <u>\$ 56,960</u> | <u>\$ 319,970</u>                    | <u>\$ -</u>                              | <u>\$ 190,929</u>                            | <u>\$ 593,685</u>         | <u>\$ -</u>              | <u>\$ -</u>                     | <u>\$ 8,133,984</u>                | <u>\$ 12,162,553</u> |
| <b>LIABILITIES AND FUND EQUITY</b>            |                       |                               |                                 |                  |                                      |  |  |                           |                          |                                 |                                    |                      |
| Liabilities:                                  |                       |                               |                                 |                  |                                      |  |  |                           |                          |                                 |                                    |                      |
| Accounts payable and accrued liabilities      | \$ -                  | \$ -                          | \$ 167                          | \$ 10,701        | \$ -                                 | \$ -                                     | \$ 253,170                                   | \$ 57,107                 | \$ -                     | \$ -                            | \$ 235,980                         | \$ 557,125           |
| Due to other funds                            | -                     | -                             | -                               | 46,259           | -                                    | -  | -  | -                         | -                        | 11,928                          | -                                  | 58,187               |
| Total liabilities                             | -                     | -                             | 167                             | 56,960           | -                                    | -  | 253,170                                      | 57,107                    | -                        | 11,928                          | 235,980                            | 615,312              |
| Fund Equity:                                  |                       |                               |                                 |                  |                                      |  |  |                           |                          |                                 |                                    |                      |
| Fund Balance                                  |                       |                               |                                 |                  |                                      |  |  |                           |                          |                                 |                                    |                      |
| Reserved by State Statute                     | -                     | -                             | 39,779                          | 56,960           | -                                    | -  | -  | 24,600                    | -                        | -                               | -                                  | 121,339              |
| Unreserved (available for appropriation):     |                       |                               |                                 |                  |                                      |  |  |                           |                          |                                 |                                    |                      |
| Designated for subsequent year's expenditures | -                     | -                             | -                               | -                | -                                    | -  | -  | 120,200                   | -                        | -                               | -                                  | 120,200              |
| Unreserved                                    | 110                   | 1,622,072                     | 1,204,897                       | (56,960)         | 319,970                              | -  | (62,241)                                     | 391,778                   | -                        | (11,928)                        | 7,898,004                          | 11,305,702           |
| Total fund equity                             | <u>110</u>            | <u>1,622,072</u>              | <u>1,244,676</u>                | <u>-</u>         | <u>319,970</u>                       | <u>-</u>                                 | <u>(62,241)</u>                              | <u>536,578</u>            | <u>-</u>                 | <u>(11,928)</u>                 | <u>7,898,004</u>                   | <u>11,547,241</u>    |
| Total Liabilities and Fund Equity             | <u>\$ 110</u>         | <u>\$ 1,622,072</u>           | <u>\$ 1,244,843</u>             | <u>\$ 56,960</u> | <u>\$ 319,970</u>                    | <u>\$ -</u>                              | <u>\$ 190,929</u>                            | <u>\$ 593,685</u>         | <u>\$ -</u>              | <u>\$ -</u>                     | <u>\$ 8,133,984</u>                | <u>\$ 12,162,553</u> |

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

|   | Special Revenue Funds |                               |                                 |           |                                      |  |  | Capital Projects Funds    |                          |                                 |                                    |               |
|---|-----------------------|-------------------------------|---------------------------------|-----------|--------------------------------------|--|--|---------------------------|--------------------------|---------------------------------|------------------------------------|---------------|
|   | Revaluation Fund      | Landfill Capital Reserve Fund | Emergency Telephone System Fund | CDBG Fund | R. H. Thornton Library Memorial Fund | Series 2005 Public Improvement Bond Fund | 2010 Southern Elementary School Project Fund | Capital Improvements Fund | Vehicle Replacement Fund | Granville Greenway Project Fund | Library Expansion/ Renovation Fund | June 30,2010  |
| <b>REVENUES</b>                         |                       |                               |                                 |           |                                      |  |  |                           |                          |                                 |                                    |               |
| Restricted intergovernmental revenues   | \$ -                  | \$ -                          | \$ 477,349                      | \$ 74,319 | \$ -                                 | \$ -                                     | \$ -   | \$ 803,358                | \$ -                     | \$ -                            | \$ -                               | \$ 1,355,026  |
| Unrestricted intergovernmental revenues | -                     | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | -                                  | -             |
| Sales and other taxes                   | -                     | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | -                                  | -             |
| Licenses, fees, and other revenues      | -                     | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | -                                  | -             |
| Investment earnings                     | 190                   | 2,901                         | 1,848                           | -         | 502                                  | -  | -  | 2,242                     | -                        | -                               | 11,693                             | 19,376        |
| Miscellaneous                           | -                     | -                             | -                               | -         | 104,688                              | -  | -  | -                         | -                        | -                               | -                                  | 104,688       |
| Total Revenues                          | 190                   | 2,901                         | 479,197                         | 74,319    | 105,190                              | -  | -  | 805,600                   | -                        | -                               | 11,693                             | 1,479,090     |
| <b>EXPENDITURES</b>                     |                       |                               |                                 |           |                                      |  |  |                           |                          |                                 |                                    |               |
| General government                      | 232,565               | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | -                                  | 232,565       |
| Education                               | -                     | -                             | -                               | -         | -                                    | -  | 1,061,558                                    | -                         | -                        | -                               | -                                  | 1,061,558     |
| Public safety                           | -                     | -                             | 189,077                         | -         | -                                    | -  | -  | -                         | -                        | -                               | -                                  | 189,077       |
| Economic development                    | -                     | -                             | -                               | 74,319    | -                                    | -  | -  | -                         | -                        | -                               | -                                  | 74,319        |
| Community services                      | -                     | -                             | -                               | -         | 1,482                                | -  | -  | -                         | -                        | -                               | -                                  | 1,482         |
| Capital outlay                          | -                     | -                             | -                               | -         | -                                    | 249                                      | -  | 1,756,881                 | -                        | 18,289                          | 1,655,965                          | 3,431,384     |
| Debt service                            | -                     | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | -                                  | -             |
| Principal                               | -                     | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | -                                  | -             |
| Interest                                | -                     | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | -                                  | -             |
| Bond issuance costs                     | -                     | -                             | -                               | -         | -                                    | -  | 683  | -                         | -                        | -                               | 41,970                             | 42,653        |
| Total Expenditures                      | 232,565               | -                             | 189,077                         | 74,319    | 1,482                                | 249                                      | 1,062,241                                    | 1,756,881                 | -                        | 18,289                          | 1,697,935                          | 5,033,038     |
| Revenues Over (under) Expenditures      | (232,375)             | 2,901                         | 290,120                         | -         | 103,708                              | (249)                                    | (1,062,241)                                  | (951,281)                 | -                        | (18,289)                        | (1,686,242)                        | (3,553,948)   |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                       |                               |                                 |           |                                      |  |  |                           |                          |                                 |                                    |               |
| Issuance of debt                        | -                     | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | 9,600,000                          | 9,600,000     |
| Premium on debt                         | -                     | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | 111,840                            | 111,840       |
| Transfers-in                            | -                     | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | -                                  | -             |
| Series 2005 Public Improvement Bond F   | -                     | -                             | -                               | -         | -                                    | -  | -  | 3,635                     | -                        | -                               | -                                  | 3,635         |
| General Fund                            | 73,193                | 304,996                       | -                               | -         | -                                    | -  | 1,000,000                                    | 320,000                   | -                        | -                               | -                                  | 1,698,189     |
| Total                                   | 73,193                | 304,996                       | -                               | -         | -                                    | -  | 1,000,000                                    | 323,635                   | -                        | -                               | -                                  | 1,701,824     |
| Transfers out                           | -                     | -                             | -                               | -         | -                                    | -  | -  | -                         | -                        | -                               | -                                  | -             |
| Capital Improvements Funds              | -                     | -                             | -                               | -         | -                                    | (3,635)                                  | -  | -                         | -                        | -                               | -                                  | (3,635)       |
| General Fund                            | -                     | (227,174)                     | -                               | -         | -                                    | -  | -  | -                         | (141,232)                | -                               | (125,000)                          | (493,406)     |
| Total                                   | -                     | (227,174)                     | -                               | -         | -                                    | (3,635)                                  | -  | -                         | (141,232)                | -                               | (125,000)                          | (497,041)     |
| Total Other Financing Sources (Uses)    | 73,193                | 77,822                        | -                               | -         | -                                    | (3,635)                                  | 1,000,000                                    | 323,635                   | (141,232)                | -                               | 9,586,840                          | 10,916,623    |
| Net Change in Fund Balances             | (159,182)             | 80,723                        | 290,120                         | -         | 103,708                              | (3,884)                                  | (62,241)                                     | (627,646)                 | (141,232)                | (18,289)                        | 7,900,598                          | 7,362,675     |
| Fund Balance - July 1                   | 159,292               | 1,541,349                     | 954,556                         | -         | 216,262                              | 3,884                                    | -  | 1,164,224                 | 141,232                  | 6,361                           | (2,594)                            | 4,184,566     |
| Fund Balance - June 30                  | \$ 110                | \$ 1,622,072                  | \$ 1,244,676                    | \$ -      | \$ 319,970                           | \$ -                                     | \$ (62,241)                                  | \$ 536,578                | \$ -                     | \$ (11,928)                     | \$ 7,898,004                       | \$ 11,547,241 |

**GRANVILLE COUNTY, NORTH CAROLINA  
REVALUATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

|   | <u>2010</u>      |                  |   | <u>2009</u>       |
|---|------------------|------------------|---|-------------------|
|   | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Positive<br/>(Negative)</u> | <u>Actual</u>     |
| <b><u>REVENUES</u></b>  |                  |                  |   |                   |
| Investment earnings   | \$ 200           | \$ 190           | \$ (10)                                     | \$ 6,201          |
| <b><u>EXPENDITURES</u></b>  |                  |                  |   |                   |
| General government  |                  |                  |   |                   |
| Tax listing   | <u>232,585</u>   | <u>232,565</u>   | <u>20</u>                                   | <u>335,753</u>    |
| Revenues Over (Under) Expenditures                                | <u>(232,385)</u> | <u>(232,375)</u> | <u>10</u>                                   | <u>(329,552)</u>  |
| <b><u>OTHER FINANCING SOURCES</u></b>                             |                  |                  |   |                   |
| Fund balance appropriated   | 159,192          | -                | (159,192)                                   | -                 |
| Operating transfers-in (out)                                      |                  |                  |   |                   |
| General Fund  | <u>73,193</u>    | <u>73,193</u>    | <u>-</u>                                    | <u>63,000</u>     |
| Total Other Financing<br>Sources (Uses)                           | <u>232,385</u>   | <u>73,193</u>    | <u>(159,192)</u>                            | <u>63,000</u>     |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures | <u>\$ -</u>      | (159,182)        | <u>\$ (159,182)</u>                         | (266,552)         |
| Fund Balance - July 1   |                  | <u>159,292</u>   |   | <u>425,844</u>    |
| Fund Balance - June 30  |                  | <u>\$ 110</u>    |   | <u>\$ 159,292</u> |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**LANDFILL CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE-BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

|  | Project<br>Authorization | Actual<br>Prior<br>Years | Actual<br>Current<br>Year | Actual<br>Total to<br>Date | Variance<br>Positive<br>(Negative) |
|--|--------------------------|--------------------------|---------------------------|----------------------------|------------------------------------|
| <b><u>REVENUES</u></b>   |                          |                          |                           |                            |                                    |
| Investment earnings  | \$ -                     | \$ 681,167               | \$ 2,901                  | \$ 684,068                 | \$ 684,068                         |
| <b><u>EXPENDITURES</u></b>   |                          |                          |                           |                            |                                    |
| Landfill   | -                        | -                        | -                         | -                          | -                                  |
| Revenues Over (Under) Expenditures   | -                        | 681,167                  | 2,901                     | 684,068                    | 684,068                            |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                          |                          |                           |                            |                                    |
| Appropriated Fund Balance  | 712,000                  | -                        | -                         | -                          | (712,000)                          |
| Transfers-in (out)   |                          |                          |                           |                            |                                    |
| General Fund   | 3,787,589                | 1,459,367                | 304,996                   | 1,764,363                  | (2,023,226)                        |
| General Fund   | (3,787,589)              | (2,887,185)              | (227,174)                 | (3,114,359)                | 673,230                            |
| Solid Waste Management   | 3,000,000                | 3,000,000                | -                         | 3,000,000                  | -                                  |
| Solid Waste Management   | (3,712,000)              | (712,000)                | -                         | (712,000)                  | 3,000,000                          |
| Lyon Station Water and Sewer Fund  | 838,755                  | 838,755                  | -                         | 838,755                    | -                                  |
| Lyon Station Water and Sewer Fund  | (838,755)                | (838,755)                | -                         | (838,755)                  | -                                  |
| Total Other Financing Sources (Uses)   | -                        | 860,182                  | 77,822                    | 938,004                    | 938,004                            |
| Excess of Revenues and Other Sources Over<br>(Under) Expenditures and Other Uses | \$ -                     | \$ 1,541,349             | 80,723                    | \$ 1,622,072               | \$ 1,622,072                       |
| Fund Balance - July 1  |                          |                          | 1,541,349                 |                            |                                    |
| Fund Balance - June 30   |                          |                          | \$ 1,622,072              |                            |                                    |

**GRANVILLE COUNTY, NORTH CAROLINA  
EMERGENCY TELEPHONE SYSTEM FUND  
SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

|  | 2010           |                     |                                    | 2009              |
|--|----------------|---------------------|------------------------------------|-------------------|
|  | Budget         | Actual              | Variance<br>Positive<br>(Negative) | Actual            |
| <b><u>REVENUES</u></b>                 |                |                     |                                    |                   |
| Restricted intergovernmental revenues: | \$ 200,000     | \$ 477,349          | \$ 277,349                         | \$ 477,349        |
| Investment earnings                    | 4,400          | 1,848               | (2,552)                            | 11,050            |
| Total Revenues                         | <u>204,400</u> | <u>479,197</u>      | <u>274,797</u>                     | <u>488,399</u>    |
| <b><u>EXPENDITURES</u></b>             |                |                     |                                    |                   |
| Public safety:                         |                |                     |                                    |                   |
| Salaries                               |                | -                   |                                    | 30,965            |
| Telephone                              |                | 128,272             |                                    | 123,695           |
| Other operating expenditures           |                | 58,872              |                                    | 59,319            |
| Capital outlay                         |                | 1,933               |                                    | 1,950             |
| Total Expenditures                     | <u>204,400</u> | <u>189,077</u>      | <u>15,323</u>                      | <u>215,929</u>    |
| Revenues Over (Under) Expenditures     | <u>\$ -</u>    | 290,120             | <u>\$ 290,120</u>                  | 272,470           |
| Fund Balance - July 1                  |                | <u>954,556</u>      |                                    | <u>682,086</u>    |
| Fund Balance - June 30                 |                | <u>\$ 1,244,676</u> |                                    | <u>\$ 954,556</u> |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**CDBG FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**

|   | Project<br>Authorization | Actual<br>Prior<br>Years | Actual<br>Current<br>Year | Actual<br>Total to<br>Date | Variance<br>Positive<br>(Negative) |
|---|--------------------------|--------------------------|---------------------------|----------------------------|------------------------------------|
| <b><u>REVENUES</u></b>  |                          |                          |                           |                            |                                    |
| Restricted intergovernmental revenues   |                          |                          |                           |                            |                                    |
| Federal and State grants  | \$ 400,000               | \$ -                     | \$ 74,319                 | \$ 74,319                  | \$ (325,681)                       |
| <b><u>EXPENDITURES</u></b>  |                          |                          |                           |                            |                                    |
| Economic development  |                          |                          |                           |                            |                                    |
| Housing   | 375,568                  | -                        | 70,999                    | 70,999                     | 304,569                            |
| Supplemental  | 24,432                   | -                        | 3,320                     | 3,320                      | 21,112                             |
| Total   | 400,000                  | -                        | 74,319                    | 74,319                     | 325,681                            |
| Revenues Over (Under) Expenditures  | -                        | -                        | -                         | -                          | -                                  |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>  |                          |                          |                           |                            |                                    |
| Transfers from other funds  |                          |                          |                           |                            |                                    |
| General Fund  | -                        | -                        | -                         | -                          | -                                  |
| Total Other Financing Sources (Uses)  | -                        | -                        | -                         | -                          | -                                  |
| Excess of Revenues and Other<br>Sources Over (Under)<br>Expenditures and Other Uses | \$ -                     | \$ -                     | -                         | \$ -                       | \$ -                               |
| Fund Balance - July 1   |                          |                          | -                         |                            |                                    |
| Fund Balance - June 30  |                          |                          | \$ -                      |                            |                                    |

**GRANVILLE COUNTY, NORTH CAROLINA  
R. H. THORNTON LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

|  | 2010        |                   |                                    | 2009              |
|--|-------------|-------------------|------------------------------------|-------------------|
|  | Budget      | Actual            | Variance<br>Positive<br>(Negative) | Actual            |
| <b><u>REVENUES</u></b>   |             |                   |                                    |                   |
| Donations  | \$ -        | \$ 104,688        | \$ 104,688                         | \$ 2,723          |
| Investment Earnings  | -           | 502               | 502                                | 3,734             |
| Total Revenues   | -           | 105,190           | 105,190                            | 6,457             |
| <b><u>EXPENDITURES</u></b>   |             |                   |                                    |                   |
| Library Entrance Remodel   | -           | -                 | -                                  | 10,000            |
| Other Projects   | 20,000      | 1,482             | 18,518                             | 1,459             |
| Total Expenditures   | 20,000      | 1,482             | 18,518                             | 11,459            |
| Revenues over (under) expenditures                                     | (20,000)    | 103,708           | 123,708                            | (5,002)           |
| <b>OTHER FINANCING SOURCES (USES)</b>                                  |             |                   |                                    |                   |
| Fund balance appropriated  | 20,000      | -                 | (20,000)                           | -                 |
| Transfer-in(out)   |             |                   |                                    |                   |
| Capital Improvements Fund  | -           | -                 | -                                  | -                 |
| General Fund   | -           | -                 | -                                  | 3,484             |
| Total other financing sources (uses)                                   | 20,000      | -                 | (20,000)                           | 3,484             |
| Revenues and other sources over (under)<br>expenditures and other uses | <u>\$ -</u> | 103,708           | <u>\$ 103,708</u>                  | (1,518)           |
| <b>FUND BALANCE</b>  |             |                   |                                    |                   |
| Beginning of year - July 1   |             | 216,262           |                                    | 217,780           |
| End of year - June 30  |             | <u>\$ 319,970</u> |                                    | <u>\$ 216,262</u> |



**GRANVILLE COUNTY, NORTH CAROLINA**  
**SERIES 2005 PUBLIC IMPROVEMENT BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**

|   | <u>Project<br/>Authorization</u> | <u>Actual<br/>Prior<br/>Years</u> | <u>Actual<br/>Current<br/>Year</u> | <u>Actual<br/>Total to<br/>Date</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|---|
| <b><u>REVENUES</u></b>  |                                  |                                   |                                    |                                     |   |
| PARTF Grant   | \$ 500,000                       | \$ 500,000                        | \$ -                               | \$ 500,000                          | \$ -  |
| DOT Funds   | 75,000                           | 75,000                            | -                                  | 75,000                              | -   |
| Adopt-a-Trail Grant   | 4,875                            | 4,875                             | -                                  | 4,875                               | -   |
| Investment earnings   | 36,327                           | 36,327                            | -                                  | 36,327                              | -   |
| Other revenues  |                                  |                                   |                                    |                                     |   |
| Donations/Sponsorships  | 32,500                           | 32,500                            | -                                  | 32,500                              | -   |
| Total Revenues  | 648,702                          | 648,702                           | -                                  | 648,702                             | -   |
| <b><u>EXPENDITURES</u></b>  |                                  |                                   |                                    |                                     |   |
| Issuance Cost   |                                  | -                                 | -                                  | -                                   |   |
| Construction Cost   |                                  | 1,792,479                         | 249                                | 1,792,728                           |   |
| Total   | 1,792,728                        | 1,792,479                         | 249                                | 1,792,728                           | -   |
| Total Expenditures  | 1,792,728                        | 1,792,479                         | 249                                | 1,792,728                           | -   |
| Revenues Over (Under) Expenditures  | (1,144,026)                      | (1,143,777)                       | (249)                              | (1,144,026)                         | -   |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>  |                                  |                                   |                                    |                                     |   |
| Transfer from General Fund  | 730,724                          | 730,724                           | -                                  | 730,724                             | -   |
| Transfer from Capital Improvements Fund   | 65,019                           | 65,019                            | -                                  | 65,019                              | -   |
| Transfer to Capital Improvements Fund   | (3,635)                          | -                                 | (3,635)                            | (3,635)                             | -   |
| Issuance of debt  | 350,000                          | 350,000                           | -                                  | 350,000                             | -   |
| Premium on debt   | 1,918                            | 1,918                             | -                                  | 1,918                               | -   |
| Total Other Financing Sources<br>(Uses)   | 1,144,026                        | 1,147,661                         | (3,635)                            | 1,144,026                           | -   |
| Excess of Revenues and Other<br>Sources Over (Under) Expenditures<br>And Other Uses | \$ -                             | \$ 3,884                          | (3,884)                            | \$ -                                | \$ -  |
| Fund Balance - July 1   |                                  |                                   | 3,884                              |                                     |   |
| Fund Balance - June 30  |                                  |                                   | \$ -                               |                                     |   |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**2010 SOUTHERN ELEMENTARY SCHOOL PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**

|   | Project<br>Authorization | Actual<br>Prior<br>Years | Actual<br>Current<br>Year | Actual<br>Total to<br>Date | Variance<br>Favorable<br>(Unfavorable) |
|---|--------------------------|--------------------------|---------------------------|----------------------------|--|
| <b><u>REVENUES</u></b>  |                          |                          |                           |                            |  |
| Investment earnings   | \$ 60,000                | \$ -                     | \$ -                      | \$ -                       | \$ (60,000)                            |
| Total Revenues  | 60,000                   | -                        | -                         | -                          | (60,000)                               |
| <b><u>EXPENDITURES</u></b>  |                          |                          |                           |                            |  |
| Capital Outlay  |                          |                          |                           |                            |  |
| Land acquisition  | 357,100                  | -                        | 357,020                   | 357,020                    | 80                                     |
| Building & site construction  | 14,000,000               | -                        | -                         | -                          | 14,000,000                             |
| Architect & engineering fees  | 840,000                  | -                        | 482,280                   | 482,280                    | 357,720                                |
| Program management fees   | 451,000                  | -                        | 137,474                   | 137,474                    | 313,526                                |
| Other contracts & charges   | 242,900                  | -                        | 84,784                    | 84,784                     | 158,116                                |
| Project contingency   | 1,109,000                | -                        | -                         | -                          | 1,109,000                              |
| Total   | 17,000,000               | -                        | 1,061,558                 | 1,061,558                  | 15,938,442                             |
| Debt Service  |                          |                          |                           |                            |  |
| Issuance costs  | 60,000                   | -                        | 683                       | 683                        | 59,317                                 |
| Total   | 60,000                   | -                        | 683                       | 683                        | 59,317                                 |
| Total Expenditures  | 17,060,000               | -                        | 1,062,241                 | 1,062,241                  | 15,997,759                             |
| Revenues Over (Under) Expenditures  | (17,000,000)             | -                        | (1,062,241)               | (1,062,241)                | 15,937,759                             |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>  |                          |                          |                           |                            |  |
| Transfer from General Fund  | 1,000,000                | -                        | 1,000,000                 | 1,000,000                  | -                                      |
| Issuance of debt  | 16,000,000               | -                        | -                         | -                          | (16,000,000)                           |
| Total Other Financing Sources<br>(Uses)   | 17,000,000               | -                        | 1,000,000                 | 1,000,000                  | (16,000,000)                           |
| Excess of Revenues and Other<br>Sources Over (Under) Expenditures<br>And Other Uses | \$ -                     | \$ -                     | (62,241)                  | \$ (62,241)                | \$ (62,241)                            |
| Fund Balance - July 1   |                          |                          | -                         |                            |  |
| Fund Balance - June 30  |                          |                          | \$ (62,241)               |                            |  |

**GRANVILLE COUNTY, NORTH CAROLINA  
CAPITAL IMPROVEMENTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

|  | 2010               |                   |                                    | 2009                |
|--|--------------------|-------------------|------------------------------------|---------------------|
|  | Budget             | Actual            | Variance<br>Positive<br>(Negative) | Actual              |
| <b><u>REVENUES</u></b>   |                    |                   |                                    |                     |
| Restricted intergovernmental revenues  |                    |                   |                                    |                     |
| Federal and State grants   | \$ 1,631,438       | \$ 803,358        | \$ (828,080)                       | \$ 345,562          |
| Other revenue  | -                  | -                 | -                                  | 2,748               |
| Investment earnings  | 10,000             | 2,242             | (7,758)                            | 24,558              |
| Total Revenues   | <u>1,641,438</u>   | <u>805,600</u>    | <u>(835,838)</u>                   | <u>372,868</u>      |
| <b><u>EXPENDITURES</u></b>   |                    |                   |                                    |                     |
| Capital Outlay   | <u>2,993,135</u>   | <u>1,756,881</u>  | <u>1,236,254</u>                   | <u>886,986</u>      |
| Revenues Over (Under) Expenditures   | <u>(1,351,697)</u> | <u>(951,281)</u>  | <u>400,416</u>                     | <u>(514,118)</u>    |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                                     |                    |                   |                                    |                     |
| Fund Balance appropriated  | 1,031,697          | -                 | (1,031,697)                        | -                   |
| Transfers-in (out)   |                    |                   |                                    |                     |
| Series 2005 Public Improvement Bond Fund   | -                  | -                 | -                                  | (65,019)            |
| Series 2005 Public Improvement Bond Fund   | -                  | 3,635             | 3,635                              | -                   |
| General Fund   | 320,000            | 320,000           | -                                  | 105,000             |
| Total Other Financing Sources (Uses)   | <u>1,351,697</u>   | <u>323,635</u>    | <u>(1,028,062)</u>                 | <u>39,981</u>       |
| Excess of Revenues and Other<br>Sources Over (Under) Expenditures and Other Uses | <u>\$ -</u>        | <u>(627,646)</u>  | <u>\$ (627,646)</u>                | <u>(474,137)</u>    |
| Fund Balance - July 1  |                    | <u>1,164,224</u>  |                                    | <u>1,638,361</u>    |
| Fund Balance - June 30   |                    | <u>\$ 536,578</u> |                                    | <u>\$ 1,164,224</u> |

**GRANVILLE COUNTY, NORTH CAROLINA  
VEHICLE REPLACEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

|  | 2010      |           |                                    | 2009       |
|--|-----------|-----------|------------------------------------|------------|
|  | Budget    | Actual    | Variance<br>Positive<br>(Negative) | Actual     |
| <b><u>REVENUES</u></b>   |           |           |                                    |            |
| Investment earnings  | \$ -      | \$ -      | \$ -                               | \$ 5,227   |
| Miscellaneous  |           |           |                                    |            |
| Insurance reimbursement  | -         | -         | -                                  | 30,903     |
| Sales of fixed assets  | -         | -         | -                                  | 4,540      |
| Total Revenues   | -         | -         | -                                  | 40,670     |
| <b><u>EXPENDITURES</u></b>   |           |           |                                    |            |
| Capital Outlay   |           |           |                                    |            |
| Vehicles   | -         | -         | -                                  | 282,926    |
| Contingency  | -         | -         | -                                  | -          |
| Total Expenditures   | -         | -         | -                                  | 282,926    |
| Revenues Over (Under) Expenditures   | -         | -         | -                                  | (242,256)  |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                                     |           |           |                                    |            |
| Fund Balance appropriated  | 141,232   | -         | (141,232)                          | -          |
| Transfers-in   |           |           |                                    |            |
| General Fund   | -         | -         | -                                  | 122,359    |
| Transfers-out  |           |           |                                    |            |
| General Fund   | (141,232) | (141,232) | -                                  | -          |
| Total Other Financing Sources (Uses)   | -         | (141,232) | (141,232)                          | 122,359    |
| Excess of Revenues and Other<br>Sources Over (Under) Expenditures and Other Uses | \$ -      | (141,232) | \$ (141,232)                       | (119,897)  |
| Fund Balance - July 1  |           | 141,232   |                                    | 261,129    |
| Fund Balance - June 30   |           | \$ -      |                                    | \$ 141,232 |

**GRANVILLE COUNTY, NORTH CAROLINA  
GRANVILLE GREENWAY PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010**

|  | Project<br>Authorization | Prior<br>Years | Current<br>Year    | Total to<br>Date | Variance<br>Positive<br>(Negative) |
|--|--------------------------|----------------|--------------------|------------------|------------------------------------|
| <b><u>REVENUES</u></b>                       |                          |                |                    |                  |                                    |
| Restricted intergovernmental revenues        |                          |                |                    |                  |                                    |
| Federal and state grants                     | \$ 1,164,000             | \$ -           | \$ -               | \$ -             | \$ (1,164,000)                     |
| Miscellaneous                                |                          |                |                    |                  |                                    |
| Donations                                    | 9,150                    | 9,150          | -                  | 9,150            | -                                  |
| Total Revenues                               | 1,173,150                | 9,150          | -                  | 9,150            | (1,164,000)                        |
| <b><u>EXPENDITURES</u></b>                   |                          |                |                    |                  |                                    |
| Professional Services                        |                          | 2,500          | 18,172             | 20,672           |                                    |
| Supplies and Materials                       |                          | 289            | 117                | 406              |                                    |
| Easements and ROWs                           |                          | -              | -                  | -                |                                    |
| Greenway Construction                        |                          | -              | -                  | -                |                                    |
| Construction Contingency                     |                          | -              | -                  | -                |                                    |
| Total Expenditures                           | 1,398,150                | 2,789          | 18,289             | 21,078           | 1,377,072                          |
| Revenues Over (Under) Expenditures           | (225,000)                | 6,361          | (18,289)           | (11,928)         | 213,072                            |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b> |                          |                |                    |                  |                                    |
| Transfers-in (out)                           |                          |                |                    |                  |                                    |
| Capital Improvements Fund                    | 225,000                  | -              | -                  | -                | (225,000)                          |
| Total  | 225,000                  | -              | -                  | -                | (225,000)                          |
| Excess of Revenues and Other Sources         |                          |                |                    |                  |                                    |
| Over (Under) Expenditures and Other Uses     | \$ -                     | \$ 6,361       | (18,289)           | \$ (11,928)      | \$ (11,928)                        |
| Fund Balances:                               |                          |                |                    |                  |                                    |
| Beginning of year - July 1                   |                          |                | 6,361              |                  |                                    |
| End of year - June 30                        |                          |                | <u>\$ (11,928)</u> |                  |                                    |

**GRANVILLE COUNTY, NORTH CAROLINA  
LIBRARY EXPANSION/RENOVATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010**

|   | Project<br>Authorization | Actual<br>Prior<br>Years | Actual<br>Current<br>Year | Actual<br>Total to<br>Date | Variance<br>Favorable<br>(Unfavorable) |
|---|--------------------------|--------------------------|---------------------------|----------------------------|--|
| <b>REVENUES</b>   |                          |                          |                           |                            |  |
| Investment earnings   | \$ 70,000                | \$ -                     | \$ 11,693                 | \$ 11,693                  | \$ (58,307)                            |
| Total   | 70,000                   | -                        | 11,693                    | 11,693                     | (58,307)                               |
| <b>EXPENDITURES</b>   |                          |                          |                           |                            |  |
| General Library Projects  |                          |                          |                           |                            |  |
| Issuance Costs  |                          | -                        | 41,970                    | 41,970                     |  |
| Architectural Services  |                          | -                        | 65,899                    | 65,899                     |  |
| General Contingency   |                          | -                        | -                         | -                          |  |
| Total   | 2,384,064                | -                        | 107,869                   | 107,869                    | 2,276,195                              |
| Thornton Expansion  |                          |                          |                           |                            |  |
| Architectural Services  |                          | 127,594                  | 92,416                    | 220,010                    |  |
| Contract Services   |                          | -                        | 50,462                    | 50,462                     |  |
| Building Rent   |                          | -                        | 64,667                    | 64,667                     |  |
| Furniture & Fixtures  |                          | -                        | -                         | -                          |  |
| Construction Renovation   |                          | -                        | 1,104,297                 | 1,104,297                  |  |
| Contingency   |                          | -                        | -                         | -                          |  |
| Total   | 3,877,478                | 127,594                  | 1,311,842                 | 1,439,436                  | 2,438,042                              |
| South Branch Addition   |                          |                          |                           |                            |  |
| Architectural Services  |                          | -                        | 91,637                    | 91,637                     |  |
| Furniture & Fixtures  |                          | -                        | -                         | -                          |  |
| Land  |                          | -                        | -                         | -                          |  |
| Construction & Renovation   |                          | -                        | 100,333                   | 100,333                    |  |
| Contingency   |                          | -                        | -                         | -                          |  |
| Total   | 2,489,176                | -                        | 191,970                   | 191,970                    | 2,297,206                              |
| Stovall Addition  |                          |                          |                           |                            |  |
| Architectural Services  |                          | -                        | 30,970                    | 30,970                     |  |
| Furniture & Fixtures  |                          | -                        | -                         | -                          |  |
| Land  |                          | -                        | 50,666                    | 50,666                     |  |
| Construction & Renovation   |                          | -                        | 4,618                     | 4,618                      |  |
| Contingency   |                          | -                        | -                         | -                          |  |
| Total   | 909,282                  | -                        | 86,254                    | 86,254                     | 823,028                                |
| Berea Renovation  |                          |                          |                           |                            |  |
| Furniture & Fixtures  | 10,000                   | -                        | -                         | -                          | 10,000                                 |
| Total   | 10,000                   | -                        | -                         | -                          | 10,000                                 |
| Total Expenditures  | 9,670,000                | 127,594                  | 1,697,935                 | 1,825,529                  | 7,844,471                              |
| Revenues Over (Under) Expenditures  | (9,600,000)              | (127,594)                | (1,686,242)               | (1,813,836)                | 7,786,164                              |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                          |                          |                           |                            |  |
| Debt Issued   | 9,600,000                | -                        | 9,600,000                 | 9,600,000                  | -                                      |
| Premium on Debt Issued  | -                        |                          | 111,840                   | 111,840                    | 111,840                                |
| Transfers-in (out)  |                          |                          |                           |                            |  |
| General Fund  | (125,000)                | -                        | (125,000)                 | (125,000)                  | -                                      |
| General Fund  | 125,000                  | 125,000                  | -                         | 125,000                    | -                                      |
| Total Other Financing Sources<br>(Uses)   | 9,600,000                | 125,000                  | 9,586,840                 | 9,711,840                  | 111,840                                |
| Excess of Revenues and Other<br>Sources Over (Under) Expenditures<br>And Other Uses | \$ -                     | \$ (2,594)               | 7,900,598                 | \$ 7,898,004               | \$ 7,898,004                           |
| Fund Balance - July 1   |                          |                          | (2,594)                   |                            |  |
| Fund Balance - June 30  |                          |                          | \$ 7,898,004              |                            |  |

## ENTERPRISE FUND

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; where the government's council has decided that the periodic determination of net income is appropriate for accountability purposes.

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

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SOLID WASTE MANAGEMENT**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

|                                  | 2010       |            | Variance               | 2009       |
|----------------------------------|------------|------------|------------------------|------------|
|                                  | Budget     | Actual     | Positive<br>(Negative) | Actual     |
| <b><u>REVENUES</u></b>           |            |            |                        |            |
| Operating revenues               |            |            |                        |            |
| Landfill user fees               | \$ 400,000 | \$ 384,629 | \$ (15,371)            | \$ 399,903 |
| Solid waste charges              | 979,000    | 988,479    | 9,479                  | 966,988    |
| Other operating revenues         |            |            |                        |            |
| White goods                      |            | 18,180     |                        | 75,532     |
| Scrap tire disposal tax          |            | 64,172     |                        | 58,935     |
| Solid waste disposal tax         |            | 30,524     |                        | 19,518     |
| Compost/Mulch sales              |            | 3,675      |                        | 4,286      |
| Miscellaneous                    |            | 37,641     |                        | 574        |
| Total                            | 98,500     | 154,192    | 55,692                 | 158,845    |
| Total Operating Revenues         | 1,477,500  | 1,527,300  | 49,800                 | 1,525,736  |
| Nonoperating Revenues            |            |            |                        |            |
| Interest earned on investments   | 50,000     | 5,522      | (44,478)               | 60,025     |
| Total Revenues                   | 1,527,500  | 1,532,822  | 5,322                  | 1,585,761  |
| <b><u>EXPENDITURES</u></b>       |            |            |                        |            |
| Solid Waste Operations           |            |            |                        |            |
| Professional Services            |            | 28,848     |                        | 225        |
| Printing                         |            | -          |                        | 453        |
| Supplies and materials           |            | 188        |                        | 4,471      |
| Manned sites                     |            | 390,435    |                        | 369,618    |
| Oil and Anti-Freeze Disposal     |            | 3,005      |                        | 2,902      |
| Freon Removal                    |            | 4,104      |                        | 6,122      |
| Waste disposal                   |            | 322,775    |                        | 323,852    |
| Container transportation         |            | 240,153    |                        | 264,039    |
| Maintenance and grounds          |            | 2,754      |                        | 184        |
| Miscellaneous                    |            | 30         |                        | -          |
| Total                            | 1,079,385  | 992,292    | 87,093                 | 971,866    |
| Site remodeling and construction | 30,000     | 13,399     | 16,601                 | -          |
| Total Solid Waste Operations     | 1,109,385  | 1,005,691  | 103,694                | 971,866    |



**GRANVILLE COUNTY, NORTH CAROLINA**  
**SOLID WASTE MANAGEMENT**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

|  | 2010        |              | Variance               | 2009         |
|--|-------------|--------------|------------------------|--------------|
|  | Budget      | Actual       | Positive<br>(Negative) | Actual       |
| Landfill Operations                          |             |              |                        |              |
| Salaries and employee benefits               |             | 174,611      |                        | 173,123      |
| Administrative fee                           |             | 25,000       |                        | 25,000       |
| Professional services                        |             | 58,995       |                        | 456,009      |
| Credit card charges                          |             | 689          |                        | 522          |
| Gas, oil, tires                              |             | 7,920        |                        | 8,522        |
| Supplies and materials                       |             | 7,314        |                        | 17,590       |
| Brush grinding                               |             | 22,075       |                        | 31,100       |
| Travel                                       |             | 483          |                        | 521          |
| Telephone and postage                        |             | 4,681        |                        | 4,956        |
| Utilities                                    |             | 3,324        |                        | 3,199        |
| Printing                                     |             | 231          |                        | 229          |
| Maintenance and grounds                      |             | 2,156        |                        | 4,952        |
| Advertising                                  |             | 10           |                        | 30           |
| Tire disposal                                |             | 67,567       |                        | 61,486       |
| Registration and training                    |             | 3,394        |                        | 925          |
| Contract services                            |             | 231,590      |                        | 241,162      |
| Brush pile maintenance                       |             | 1,158        |                        | 1,560        |
| Computer service                             |             | 1,200        |                        | 1,200        |
| Noncapitalized equipment                     |             | 14,404       |                        | 16,376       |
| Miscellaneous                                |             | 56           |                        | 6,330        |
| Total Landfill Operations                    | 814,124     | 626,858      | 187,266                | 1,054,792    |
| Convenience sites                            |             |              |                        |              |
| Professional services                        | 120,000     | -            | 120,000                | 4,308        |
| Budgetary Appropriations                     |             |              |                        |              |
| Capital outlay - landfill                    | 1,094,500   | -            | 1,094,500              | -            |
| Capital outlay - convenience sites           | 1,457,216   | 110,390      | 1,346,826              | 59,602       |
| Total  | 2,551,716   | 110,390      | 2,441,326              | 59,602       |
| Total Expenditures                           | 4,595,225   | 1,742,939    | 2,732,286              | 2,090,568    |
| Revenues Over (Under) Expenditures           | (3,067,725) | (210,117)    | 2,857,608              | (504,807)    |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b> |             |              |                        |              |
| Transfers-in/out                             |             |              |                        |              |
| Landfill Capital Reserve Fund                | -           | -            | -                      | -            |
| General Fund                                 | -           | -            | -                      | -            |
| Fund Balance Appropriated                    |             |              |                        |              |
| Convenience sites                            | 1,627,216   | -            | (1,627,216)            | -            |
| Landfill                                     | 353,624     | -            | (353,624)              | -            |
| Solid Waste                                  | 1,086,885   | -            | (1,086,885)            | -            |
| Total Other Financing Sources (Uses)         | 3,067,725   | -            | (3,067,725)            | -            |
| Revenues Over (Under) Sources and Other Uses | \$ -        | \$ (210,117) | \$ (210,117)           | \$ (504,807) |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SOLID WASTE MANAGEMENT**  
**SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

|   | 2010   |                     |                                    | 2009                |
|---|--------|---------------------|------------------------------------|---------------------|
|   |        |                     | Variance<br>Positive<br>(Negative) |                     |
|   | Budget | Actual              |                                    | Actual              |
| RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL        |        |                     |                                    |                     |
| Excess of revenues over (under) expenditures                                  |        | \$ (210,117)        |                                    | \$ (504,807)        |
| Depreciation  |        | (11,464)            |                                    | (20,918)            |
| Capital outlay  |        | -                   |                                    | -                   |
| (Increase) decrease in accrued landfill closure and<br>postclosure care costs |        | (316,818)           |                                    | (68,806)            |
| (Increase) decrease in other postemployment benefits                          |        | (16,592)            |                                    | (15,987)            |
| (Increase) decrease in accrued vacation payable                               |        | (828)               |                                    | (1,704)             |
| Net Income (loss)   |        | <u>\$ (555,819)</u> |                                    | <u>\$ (612,222)</u> |

## AGENCY FUNDS

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Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

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- **Social Services Fund:** This agency fund is used to account for the receipts and disbursements made by the County on behalf of individuals for whom the County serves as or is, in fact, their legal guardian or custodian.
- **DMV Interest Fund:** This agency fund is used to account for the receipts and disbursements made by the County to the DMV.
- **Granville County Tourism Development Authority Fund:** This agency fund is used to account for the expenditures of occupancy tax received from the County.

**GRANVILLE COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2010**

|                                   | Agency Funds               |   |                         |                          |
|-----------------------------------|----------------------------|---|-------------------------|--------------------------|
|                                   | Social<br>Services<br>Fund | Granville<br>County Tourism<br>Development<br>Authority | DMV<br>Interest<br>Fund | Total<br>Agency<br>Funds |
| <b>ASSETS</b>                     |                            |   |                         |                          |
| Cash and investments              | \$ 52,731                  | \$ -  | \$ 2,651                | \$ 55,382                |
| Due from other fund               | -                          | 40,907  | -                       | 40,907                   |
| Total Assets                      | <u>\$ 52,731</u>           | <u>\$ 40,907</u>  | <u>\$ 2,651</u>         | <u>\$ 96,289</u>         |
| <b>LIABILITIES AND NET ASSETS</b> |                            |   |                         |                          |
| Liabilities:                      |                            |   |                         |                          |
| Accounts payable                  | \$ -                       | \$ -  | \$ -                    | \$ -                     |
| Miscellaneous liabilities         | 52,731                     | -   | 2,651                   | 55,382                   |
| Due to other funds                | -                          | -   | -                       | -                        |
| Due to component unit             | -                          | 40,907  | -                       | 40,907                   |
| Total Liabilities                 | <u>52,731</u>              | <u>40,907</u>   | <u>2,651</u>            | <u>96,289</u>            |
| Net Assets:                       |                            |   |                         |                          |
| Unreserved                        | -                          | -   | -                       | -                        |
| Total Liabilities and Net Assets  | <u>\$ 52,731</u>           | <u>\$ 40,907</u>  | <u>\$ 2,651</u>         | <u>\$ 96,289</u>         |

**GRANVILLE COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

|   | Balance<br>July 1, 2009 | Additions  | Deductions | Balance<br>June 30, 2010 |
|---|-------------------------|------------|------------|--------------------------|
| <u>Social Services</u>                                |                         |            |            |                          |
| Assets  |                         |            |            |                          |
| Cash and cash equivalents                             | \$ 43,713               | \$ 217,482 | \$ 208,464 | \$ 52,731                |
| Liabilities   |                         |            |            |                          |
| Miscellaneous liabilities                             | \$ 43,713               | \$ 217,482 | \$ 208,464 | \$ 52,731                |
| <u>Granville County Tourism Development Authority</u> |                         |            |            |                          |
| Assets  |                         |            |            |                          |
| Cash and cash equivalents                             | \$ -                    | \$ -       | \$ -       | \$ -                     |
| Due from other fund                                   | 60,218                  | 40,907     | 60,218     | 40,907                   |
| Total assets  | \$ 60,218               | \$ 40,907  | \$ 60,218  | \$ 40,907                |
| Liabilities   |                         |            |            |                          |
| Due to component unit                                 | \$ 60,218               | \$ 40,907  | \$ 60,218  | \$ 40,907                |
| <u>DMV Interest Fund</u>                              |                         |            |            |                          |
| Assets  |                         |            |            |                          |
| Cash and cash equivalents                             | \$ 2,897                | \$ 41,192  | \$ 41,438  | \$ 2,651                 |
| Liabilities   |                         |            |            |                          |
| Due to DMV  | \$ 2,897                | \$ 41,192  | \$ 41,438  | \$ 2,651                 |
| <u>Total - All Agency Funds</u>                       |                         |            |            |                          |
| Assets  |                         |            |            |                          |
| Cash and cash equivalents                             | \$ 46,610               | \$ 258,674 | \$ 249,902 | \$ 55,382                |
| Due from other fund                                   | 60,218                  | 40,907     | 60,218     | 40,907                   |
| Total assets  | \$ 106,828              | \$ 299,581 | \$ 310,120 | \$ 96,289                |
| Liabilities   |                         |            |            |                          |
| Miscellaneous liabilities                             | \$ 46,610               | \$ 258,674 | \$ 249,902 | \$ 55,382                |
| Due to component unit                                 | 60,218                  | 40,907     | 60,218     | 40,907                   |
| Total liabilities                                     | \$ 106,828              | \$ 299,581 | \$ 310,120 | \$ 96,289                |

## **OTHER SCHEDULES**

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This schedule contains additional information required on property taxes.

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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

**GRANVILLE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**GENERAL FUND**  
**JUNE 30, 2010**

| Fiscal<br>Year | Uncollected<br>Balance<br>June 30, 2009 | Additions            | Collections<br>and<br>Adjustments | Uncollected<br>Balance<br>June 30, 2010 |
|----------------|---|----------------------|-----------------------------------|---|
| 2010           | \$ -                                    | \$ 29,731,921        | \$ (28,591,050)                   | \$ 1,140,871                            |
| 2009           | 1,058,374                               | -                    | (803,455)                         | 254,919                                 |
| 2008           | 381,822                                 | -                    | (104,632)                         | 277,190                                 |
| 2007           | 335,838                                 | -                    | (40,985)                          | 294,853                                 |
| 2006           | 107,580                                 | -                    | (29,940)                          | 77,640                                  |
| 2005           | 84,332                                  | -                    | (16,037)                          | 68,295                                  |
| 2004           | 66,952                                  | -                    | (8,320)                           | 58,632                                  |
| 2003           | 64,026                                  | -                    | (5,138)                           | 58,888                                  |
| 2002           | 69,605                                  | -                    | (4,281)                           | 65,324                                  |
| 2001           | 51,005                                  | -                    | (3,936)                           | 47,069                                  |
| 2000           | 43,643                                  | -                    | (43,643)                          | -                                       |
|                | <u>\$ 2,263,177</u>                     | <u>\$ 29,731,921</u> | <u>\$ (29,651,417)</u>            | <u>\$ 2,343,681</u>                     |

## Reconcilement with revenues:

|                               |                  |            |
|-------------------------------|------------------|------------|
| Taxes-ad valorem-General Fund | \$ 30,144,926    |            |
| Interest and Discounts        | <u>(533,940)</u> |            |
|                               |                  | 29,610,986 |

Amounts written off for tax year 1999 - 2000  
per statute of limitations

40,431

Total Collections and Credits

\$ 29,651,417

**GRANVILLE COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
JUNE 30, 2010**

|  | County-wide             |       |                      | Property<br>Excluding<br>Registered<br>Motor Vehicles | Registered<br>Motor<br>Vehicles |
|--|-------------------------|-------|----------------------|---|---------------------------------|
|  | Property<br>Valuation   | Rate  | Total<br>Levy        |   |                                 |
| Original levy:                           |                         |       |                      |   |                                 |
| Property taxed at<br>current year's rate | \$ 3,203,221,864        | 0.825 | \$ 26,426,580        | \$ 26,426,580   | \$ -                            |
| Motor vehicles at<br>current year's rate | 280,347,394             | 0.825 | 2,312,866            | -   | 2,312,866                       |
| Motor vehicles at<br>prior year's rate   | 131,449,272             | 0.755 | 992,442              | -   | 992,442                         |
| Discoveries:                             |                         |       |                      |   |                                 |
| Current and prior year's taxes           | 119,939,515             | 0.825 | 989,501              | 953,482   | 36,019                          |
| Abatements                               | (65,594,788)            | 0.825 | (541,157)            | (12,917)  | (528,240)                       |
| Total Property<br>Valuation              | <u>\$ 3,669,363,257</u> |       |                      |   |                                 |
| Net Levy                                 |                         |       | 30,180,232           | 27,367,145  | 2,813,087                       |
| Uncollected taxes at June 30, 2010       |                         |       | <u>1,140,871</u>     | <u>684,217</u>  | <u>456,654</u>                  |
| Current year's taxes collected           |                         |       | <u>\$ 29,039,361</u> | <u>\$ 26,682,928</u>                                  | <u>\$ 2,356,433</u>             |
| Current levy collection percentage       |                         |       | <u>96.22%</u>        | <u>97.50%</u>   | <u>83.77%</u>                   |



# STATISTICAL SECTION

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## **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

## **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

## **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

## **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

TABLE 1

**GRANVILLE COUNTY, NORTH CAROLINA**  
**NET ASSETS BY COMPONENT**  
**LAST EIGHT FISCAL YEARS\***  
**(ACCRUAL BASIS OF ACCOUNTING)**

|   | Fiscal Year          |                      |                      |                      |                     |                       |                       |                       |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|-----------------------|-----------------------|-----------------------|
|   | 2003                 | 2004                 | 2005                 | 2006                 | 2007                | 2008                  | 2009                  | 2010                  |
| Governmental activities                         |                      |                      |                      |                      |                     |                       |                       |                       |
| Invested in capital assets, net of related debt | \$ 9,032,527         | \$ 11,793,410        | \$ 10,597,557        | \$ 10,561,872        | \$ 11,865,211       | \$ 13,396,938         | \$ 14,464,315         | \$ 7,040,787          |
| Restricted                                      | 580,799              | 134,488              | 107,052              | -                    | -                   | 30,967                | -                     | -                     |
| Unrestricted                                    | 3,939,747            | 4,453,718            | 7,951,477            | 1,896,288            | (20,032,740)        | (19,228,369)          | (16,983,575)          | (8,000,642)           |
| Total governmental activities net assets        | <u>13,553,073</u>    | <u>16,381,616</u>    | <u>18,656,086</u>    | <u>12,458,160</u>    | <u>(8,167,529)</u>  | <u>(5,800,464)</u>    | <u>(2,519,260)</u>    | <u>(959,855)</u>      |
| Business-type activities                        |                      |                      |                      |                      |                     |                       |                       |                       |
| Invested in capital assets                      | 2,876,849            | 3,777,588            | 2,904,420            | 2,882,938            | 3,592,659           | 1,332,910             | 1,311,992             | 1,300,529             |
| Restricted                                      | -                    | -                    | -                    | -                    | -                   | -                     | -                     | -                     |
| Unrestricted                                    | 2,601,987            | 1,913,101            | 2,884,623            | 3,396,631            | 3,988,295           | (2,694,898)           | (3,148,445)           | (3,692,801)           |
| Total business-type activities net assets       | <u>5,478,836</u>     | <u>5,690,689</u>     | <u>5,789,043</u>     | <u>6,279,569</u>     | <u>7,580,954</u>    | <u>(1,361,988)</u>    | <u>(1,836,453)</u>    | <u>(2,392,272)</u>    |
| Primary government                              |                      |                      |                      |                      |                     |                       |                       |                       |
| Invested in capital assets, net of related debt | 11,909,376           | 15,570,998           | 13,501,977           | 13,444,810           | 15,457,870          | 14,729,848            | 15,776,307            | 8,341,316             |
| Restricted                                      | 580,799              | 134,488              | 107,052              | -                    | -                   | 30,967                | -                     | -                     |
| Unrestricted                                    | 6,541,734            | 6,366,819            | 10,836,100           | 5,292,919            | (16,044,445)        | (21,923,267)          | (20,132,020)          | (11,693,443)          |
| Total primary government net assets             | <u>\$ 19,031,909</u> | <u>\$ 22,072,305</u> | <u>\$ 24,445,129</u> | <u>\$ 18,737,729</u> | <u>\$ (586,575)</u> | <u>\$ (7,162,452)</u> | <u>\$ (4,355,713)</u> | <u>\$ (3,352,127)</u> |

\* Note: Accrual basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement no. 34 was implemented.

TABLE 2

**GRANVILLE COUNTY, NORTH CAROLINA**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT FISCAL YEARS\***  
**(ACCRUAL BASIS OF ACCOUNTING)**

|   | Fiscal Year  |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         |
| <b>Expenses</b>                                 |              |              |              |              |              |              |              |              |
| Governmental activities:                        |              |              |              |              |              |              |              |              |
| General government                              | \$ 2,089,495 | \$ 2,302,821 | \$ 2,457,507 | \$ 2,844,996 | \$ 2,496,066 | \$ 2,764,176 | \$ 4,253,006 | \$ 4,318,453 |
| Public safety                                   | 6,982,275    | 7,612,578    | 7,886,433    | 9,096,766    | 9,465,578    | 10,376,749   | 11,756,164   | 11,838,566   |
| Transportation                                  | 81,109       | -            | 87,213       | 133,184      | 161,752      | 228,242      | 142,623      | 161,465      |
| Environmental Protection                        | -            | -            | -            | 282,791      | -            | -            | -            | -            |
| Economic and physical development               | 32,080       | 3,039        | 328,880      | -            | 28,224       | 333,567      | 357,293      | 1,142,750    |
| Human Services                                  | 8,275,311    | 9,244,877    | 10,045,609   | 10,796,551   | 12,612,304   | 11,196,564   | 10,841,983   | 9,883,423    |
| Community Services                              | 1,777,371    | 1,905,788    | 2,022,929    | 2,005,795    | 2,610,956    | 2,542,373    | 2,952,212    | 2,889,358    |
| Education                                       | 12,658,956   | 9,862,114    | 12,140,438   | 23,610,030   | 35,180,474   | 16,596,758   | 14,935,997   | 15,247,427   |
| Non-departmental and special areas              | 1,258,089    | 2,981,758    | 1,512,564    | 1,879,547    | 2,407,906    | 2,211,016    | -            | -            |
| Interest on long-term debt                      | 877,787      | 815,974      | 849,244      | 1,760,155    | 1,938,828    | 2,115,040    | 2,053,147    | 1,985,372    |
| Total governmental activities expenses          | 34,032,473   | 34,728,949   | 37,330,817   | 52,409,815   | 66,902,088   | 48,364,485   | 47,292,425   | 47,466,814   |
| Business-type activities                        |              |              |              |              |              |              |              |              |
| Water and Sewer                                 | 1,147,139    | 1,176,201    | 1,322,082    | 1,249,509    | 1,340,252    | 1,085,232    | -            | -            |
| Solid Waste                                     | 1,308,277    | 1,419,918    | 1,352,833    | 1,396,116    | 1,642,393    | 6,520,539    | 2,197,983    | 2,088,641    |
| Total business-type activities                  | 2,455,416    | 2,596,119    | 2,674,915    | 2,645,625    | 2,982,645    | 7,605,771    | 2,197,983    | 2,088,641    |
| Total primary government expenses               | 36,487,889   | 37,325,068   | 40,005,732   | 55,055,440   | 69,884,733   | 55,970,256   | 49,490,408   | 49,555,455   |
| <b>Program Revenues</b>                         |              |              |              |              |              |              |              |              |
| Governmental activities:                        |              |              |              |              |              |              |              |              |
| Charges for services:                           |              |              |              |              |              |              |              |              |
| General government                              | 553,943      | 601,936      | 553,307      | 643,915      | 610,973      | 677,758      | 487,200      | 484,736      |
| Public Safety                                   | 654,182      | 790,460      | 791,072      | 1,088,446    | 802,327      | 924,126      | 795,836      | 687,119      |
| Environmental Protection                        | -            | -            | -            | 370          | -            | -            | -            | -            |
| Human Services                                  | 958,110      | 1,096,834    | 1,129,081    | 1,285,775    | 1,137,207    | 1,499,949    | 1,763,894    | 1,987,299    |
| Community Services                              | 168,485      | 196,402      | 245,038      | 321,200      | 354,237      | 286,584      | 212,183      | 203,054      |
| Operating grants and contributions              |              |              |              |              |              |              |              |              |
| General government                              | 30,583       | 33,409       | 42,165       | 261,063      | 14,732       | 11,808       | 14,568       | 37,694       |
| Public Safety                                   | 240,534      | 298,679      | 312,546      | 345,704      | 357,011      | 526,668      | 676,647      | 645,268      |
| Transportation                                  | -            | -            | -            | -            | -            | -            | 177,704      | 192,410      |
| Economic and physical development               | -            | 20,000       | -            | 75,000       | -            | -            | 3,009        | -            |
| Human Services                                  | 4,642,467    | 4,943,789    | 5,248,188    | 5,479,592    | 5,756,078    | 5,967,518    | 6,055,551    | 6,247,734    |
| Community Services                              | 216,138      | 263,599      | 288,268      | 193,210      | 193,001      | 180,085      | 195,205      | 265,444      |
| Education                                       | -            | -            | -            | 5,000        | -            | -            | -            | -            |
| Capital grants and contributions                |              |              |              |              |              |              |              |              |
| General government                              | -            | 17,247       | -            | 6,323        | -            | -            | -            | 28,758       |
| Public Safety                                   | 16,102       | 4,500        | 11,404       | 300,368      | -            | -            | -            | -            |
| Transportation                                  | 81,109       | 90,182       | 87,213       | 105,253      | 149,097      | 171,471      | 382,062      | -            |
| Economic and physical development               | 970,065      | 1,685,124    | 763,129      | 333,941      | (14,349)     | 275,635      | 120,224      | 848,919      |
| Community Services                              | 75,000       | 75,000       | 75,000       | 89,631       | 108,513      | 370,000      | 417,650      | 80,000       |
| Education                                       | 100,000      | 100,000      | 200,000      | 400,000      | 758,693      | 1,103,970    | 1,920,000    | 600,000      |
| Total governmental activities program revenues  | 8,706,718    | 10,217,161   | 9,746,411    | 10,934,791   | 10,227,520   | 11,995,572   | 13,221,733   | 12,308,435   |
| Business-type activities                        |              |              |              |              |              |              |              |              |
| Charges for services:                           |              |              |              |              |              |              |              |              |
| Water and Sewer                                 | 1,266,277    | 1,255,046    | 1,259,392    | 1,553,407    | 1,555,540    | 1,201,171    | -            | -            |
| Solid Waste                                     | 1,375,725    | 1,342,863    | 1,438,167    | 1,434,609    | 1,592,925    | 1,595,705    | 1,525,736    | 1,527,300    |
| Total business-type activities program revenues | 2,642,002    | 2,597,909    | 2,697,559    | 2,988,016    | 3,148,465    | 2,796,876    | 1,525,736    | 1,527,300    |
| Total primary government program revenues       | 11,348,720   | 12,815,070   | 12,443,970   | 13,922,807   | 13,375,985   | 14,792,448   | 14,747,469   | 13,835,735   |

TABLE 2

**GRANVILLE COUNTY, NORTH CAROLINA**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT FISCAL YEARS\***  
**(ACCRUAL BASIS OF ACCOUNTING)**

|   | Fiscal Year         |                     |                     |                       |                        |                       |                     |                     |
|---|---------------------|---------------------|---------------------|-----------------------|------------------------|-----------------------|---------------------|---------------------|
|   | 2003                | 2004                | 2005                | 2006                  | 2007                   | 2008                  | 2009                | 2010                |
| Net (expenses)/revenue                                  |                     |                     |                     |                       |                        |                       |                     |                     |
| Governmental activities                                 |                     |                     |                     |                       |                        |                       |                     |                     |
| General Government                                      | (1,504,969)         | (1,650,229)         | (1,862,035)         | (1,933,695)           | (1,870,361)            | (2,074,610)           | (3,751,238)         | (3,767,265)         |
| Public Safety   | (6,071,457)         | (6,518,939)         | (6,771,411)         | (7,362,248)           | (8,306,240)            | (8,925,955)           | (10,283,681)        | (10,506,179)        |
| Transportation  | -                   | 90,182              | -                   | (27,931)              | (12,655)               | (56,771)              | 417,143             | 30,945              |
| Encironmental Protection                                | -                   | -                   | -                   | (282,421)             | -                      | -                     | -                   | -                   |
| Economic and physical development                       | 937,985             | 1,702,085           | 434,249             | 408,941               | (42,573)               | (57,932)              | (234,060)           | (293,831)           |
| Human Services  | (2,674,734)         | (3,204,254)         | (3,668,340)         | (4,031,184)           | (5,719,019)            | (3,729,097)           | (3,022,538)         | (1,648,390)         |
| Community Services                                      | (1,317,748)         | (1,370,787)         | (1,414,623)         | (1,401,754)           | (1,955,205)            | (1,705,704)           | (2,127,174)         | (2,340,860)         |
| Education   | (12,558,956)        | (9,762,114)         | (11,940,438)        | (23,205,030)          | (34,421,781)           | (15,492,788)          | (13,015,997)        | (14,647,427)        |
| Non-departmental and special areas                      | (1,258,089)         | (2,981,758)         | (1,512,564)         | (1,879,547)           | (2,407,906)            | (2,211,016)           | -                   | -                   |
| Interest on long term debt                              | (877,787)           | (815,974)           | (849,244)           | (1,760,155)           | (1,938,828)            | (2,115,040)           | (2,053,147)         | (1,985,372)         |
| Business-type activities                                |                     |                     |                     |                       |                        |                       |                     |                     |
| Water and sewer   | 119,138             | 78,845              | (62,690)            | 303,898               | 215,288                | 115,939               | -                   | -                   |
| Solid waste   | 67,448              | (77,055)            | 85,334              | 38,493                | (49,468)               | (4,924,834)           | (672,247)           | (561,341)           |
| Total primary government net expenses                   | <u>(25,139,169)</u> | <u>(24,509,998)</u> | <u>(27,561,762)</u> | <u>(41,132,633)</u>   | <u>(56,508,748)</u>    | <u>(41,177,808)</u>   | <u>(34,742,939)</u> | <u>(35,719,720)</u> |
| <b>Genreal Revenues and Other Changes in Net Assets</b> |                     |                     |                     |                       |                        |                       |                     |                     |
| Governmental activities:                                |                     |                     |                     |                       |                        |                       |                     |                     |
| Property taxes  | 18,021,577          | 18,366,958          | 19,218,210          | 22,243,741            | 23,410,571             | 26,593,546            | 27,423,928          | 30,260,553          |
| Local option sales tax                                  | 6,832,284           | 8,463,302           | 9,150,914           | 9,636,678             | 10,697,330             | 9,030,075             | 7,712,604           | 5,915,129           |
| Other taxes and licenses                                | 725,801             | 721,619             | 785,834             | 865,181               | 295,200                | 1,019,520             | 666,540             | 523,113             |
| Investment earnings                                     | 353,028             | 211,017             | 574,177             | 1,994,666             | 1,878,138              | 1,317,899             | 536,617             | 182,190             |
| Miscellaneous   | 245,041             | 189,931             | 129,741             | 309,682               | 578,191                | 180,056               | 265,978             | (163,201)           |
| Transfers   | 108,350             | (176,600)           | -                   | 227,150               | (810,551)              | 594,882               | -                   | -                   |
| Total general revenues, special items and transfers     | <u>26,286,081</u>   | <u>27,776,227</u>   | <u>29,858,876</u>   | <u>35,277,098</u>     | <u>36,048,879</u>      | <u>38,735,978</u>     | <u>36,605,667</u>   | <u>36,717,784</u>   |
| <b>Total governmental activities</b>                    | <u>26,286,081</u>   | <u>27,776,227</u>   | <u>29,858,876</u>   | <u>35,277,098</u>     | <u>36,048,879</u>      | <u>38,735,978</u>     | <u>36,605,667</u>   | <u>36,717,784</u>   |
| Business-type activities:                               |                     |                     |                     |                       |                        |                       |                     |                     |
| Investment earnings                                     | 48,132              | 33,463              | 60,065              | 129,052               | 162,654                | 144,531               | 60,025              | 5,522               |
| Miscellaneous   | -                   | -                   | 15,645              | 246,233               | 162,360                | -                     | -                   | -                   |
| Transfers   | (108,350)           | 176,600             | -                   | (227,150)             | 810,551                | (4,278,578)           | -                   | -                   |
| Total general revenues, special items and transfers     | <u>(60,218)</u>     | <u>210,063</u>      | <u>75,710</u>       | <u>148,135</u>        | <u>1,135,565</u>       | <u>(4,134,047)</u>    | <u>60,025</u>       | <u>5,522</u>        |
| <b>Total business-type activities</b>                   | <u>(60,218)</u>     | <u>210,063</u>      | <u>75,710</u>       | <u>148,135</u>        | <u>1,135,565</u>       | <u>(4,134,047)</u>    | <u>60,025</u>       | <u>5,522</u>        |
| <b>Total primary government</b>                         | <u>26,225,863</u>   | <u>27,986,290</u>   | <u>29,934,586</u>   | <u>35,425,233</u>     | <u>37,184,444</u>      | <u>34,601,931</u>     | <u>36,665,692</u>   | <u>36,723,306</u>   |
| <b>Changes in Net Assets</b>                            |                     |                     |                     |                       |                        |                       |                     |                     |
| Governmental activities                                 | 960,326             | 3,264,439           | 2,274,470           | (6,197,926)           | (20,625,689)           | 2,367,065             | 2,534,975           | 1,559,405           |
| Business-type activities                                | 126,368             | 211,853             | 98,354              | 490,526               | 1,301,385              | (8,942,942)           | (612,222)           | (555,819)           |
| <b>Total primary government</b>                         | <u>\$ 1,086,694</u> | <u>\$ 3,476,292</u> | <u>\$ 2,372,824</u> | <u>\$ (5,707,400)</u> | <u>\$ (19,324,304)</u> | <u>\$ (6,575,877)</u> | <u>\$ 1,922,753</u> | <u>\$ 1,003,586</u> |

\* Note: Accrual basis financial statements for the county government as a whole is available back to 2003 only, the year GASB Statement no. 34 was implemented.

TABLE 3

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST EIGHT FISCAL YEARS\***  
**(ACCRUAL BASIS OF ACCOUNTING)**

| <b>Fiscal<br/>Year</b> | <b>Property<br/>Tax</b> | <b>Local Sales<br/>Tax</b> | <b>Alcoholic<br/>Beverage<br/>Tax</b> | <b>Other<br/>Tax</b> | <b>Total</b>  |
|------------------------|-------------------------|----------------------------|---------------------------------------|----------------------|---------------|
| 2003                   | \$ 18,021,577           | \$ 6,832,284               | \$ 10,257                             | \$ 715,544           | \$ 25,579,662 |
| 2004                   | 18,366,958              | 8,463,302                  | 10,581                                | 711,038              | 27,551,879    |
| 2005                   | 19,218,210              | 9,150,914                  | 10,876                                | 774,958              | 29,154,958    |
| 2006                   | 22,243,741              | 9,636,678                  | 11,537                                | 853,644              | 32,745,600    |
| 2007                   | 23,410,571              | 10,697,330                 | 11,428                                | 283,772              | 34,403,101    |
| 2008                   | 26,593,546              | 9,030,075                  | 11,381                                | 1,008,139            | 36,643,141    |
| 2009                   | 27,423,928              | 7,712,604                  | 11,791                                | 654,749              | 35,803,072    |
| 2010                   | \$ 30,260,553           | \$ 5,915,129               | \$ 11,612                             | \$ 511,501           | \$ 36,698,795 |

\* Information prior to 6-30-03 is unavailable.

TABLE 4

**GRANVILLE COUNTY, NORTH CAROLINA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS\***  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|   | Fiscal Year         |                     |                      |                      |                     |                     |                     |                      |
|---|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
|   | 2003                | 2004                | 2005                 | 2006                 | 2007                | 2008                | 2009                | 2010                 |
| General fund                                    |                     |                     |                      |                      |                     |                     |                     |                      |
| Reserved by state statute                       | \$ 2,781,231        | \$ 2,888,196        | \$ 2,369,164         | \$ 2,862,589         | \$ 4,026,907        | \$ 3,109,806        | \$ 3,215,946        | \$ 3,007,806         |
| Reserved For Register of Deeds                  | 47,935              | 76,488              | 107,052              | -                    | -                   | 30,967              | -                   | -                    |
| Unreserved (available for appropriation)        |                     |                     |                      |                      |                     |                     |                     |                      |
| Designated for subsequent year's expenditures   | 385,000             | 1,423,101           | 1,525,000            | 612,000              | 2,259,481           | 724,520             | 492,435             | 870,530              |
| Designated for redundant water line - Oxford    | 532,864             | -                   | -                    | -                    | -                   | -                   | -                   | -                    |
| Designated for repayment of economic incentives | -                   | -                   | -                    | -                    | -                   | -                   | -                   | 1,003,828            |
| Undesignated                                    | 8,543,508           | 9,709,748           | 11,871,907           | 14,332,810           | 11,966,953          | 16,290,833          | 18,146,260          | 18,349,340           |
| Town of Butner Advisory Board                   |                     |                     |                      |                      |                     |                     |                     |                      |
| Recreation                                      | -                   | 58,000              | -                    | -                    | -                   | -                   | -                   | -                    |
| Total general fund                              | <u>12,290,538</u>   | <u>14,155,533</u>   | <u>15,873,123</u>    | <u>17,807,399</u>    | <u>18,253,341</u>   | <u>20,156,126</u>   | <u>21,854,641</u>   | <u>23,231,504</u>    |
| All other governmental funds                    |                     |                     |                      |                      |                     |                     |                     |                      |
| Reserved by state statute                       | 511,438             | 213,190             | 320,894              | 418,445              | 1,074,342           | 471,549             | 504,490             | 423,684              |
| Reserved for Register of Deeds                  | -                   | -                   | -                    | -                    | -                   | -                   | -                   | -                    |
| Reserved for school construction                | -                   | -                   | 23,857,405           | 11,783,531           | -                   | -                   | -                   | -                    |
| Reserved for public improvement construction    | -                   | -                   | 771,360              | 735,887              | 632,366             | -                   | -                   | -                    |
| Unreserved (available for appropriation)        |                     |                     |                      |                      |                     |                     |                     |                      |
| Designated for subsequent year's expenditures   |                     |                     |                      |                      |                     |                     |                     |                      |
| Special revenue funds                           | 376,520             | 58,157              | 911,450              | 896,468              | 132,227             | 229,895             | 1,230,872           | 995,489              |
| Capital Projects                                | 224,338             | 208,900             | 190,700              | 299,700              | (496,053)           | 231,450             | 324,125             | 120,200              |
| Undesignated, reported in nonmajor              |                     |                     |                      |                      |                     |                     |                     |                      |
| Special revenue funds                           | 4,942,243           | 4,259,853           | 4,313,666            | 4,230,627            | 3,262,041           | 4,781,019           | 3,455,655           | 2,771,931            |
| Capital Projects                                | 2,308,764           | 1,910,685           | 1,799,973            | 3,046,881            | 2,823,396           | 1,668,041           | 935,099             | 8,277,854            |
| Total all other governmental funds              | <u>\$ 8,363,303</u> | <u>\$ 6,650,785</u> | <u>\$ 32,165,448</u> | <u>\$ 21,411,539</u> | <u>\$ 7,428,319</u> | <u>\$ 7,381,954</u> | <u>\$ 6,450,241</u> | <u>\$ 12,589,158</u> |

\* Information prior to 6-30-03 is unavailable.

TABLE 5

**GRANVILLE COUNTY, NORTH CAROLINA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS\***  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|  | Fiscal Year    |               |               |                |                 |               |               |               |
|--|----------------|---------------|---------------|----------------|-----------------|---------------|---------------|---------------|
|  | 2003           | 2004          | 2005          | 2006           | 2007            | 2008          | 2009          | 2010          |
| <b>Revenues</b>  |                |               |               |                |                 |               |               |               |
| Ad Valorem taxes   | \$ 17,824,992  | \$ 18,279,180 | \$ 19,165,754 | \$ 21,843,847  | \$ 23,180,548   | \$ 26,674,614 | \$ 27,364,379 | \$ 30,144,926 |
| Sales and other taxes  | 7,490,134      | 9,109,739     | 9,868,620     | 10,419,305     | 10,921,364      | 9,711,264     | 8,256,308     | 6,327,694     |
| Licenses, fees and other revenue   | 2,182,477      | 2,574,991     | 2,577,563     | 3,243,739      | 3,064,839       | 3,220,267     | 3,305,715     | 3,384,135     |
| Unrestricted Intergovernmental Revenues  | 8,945          | 4,376         | -             | 59             | -               | 500           | -             | -             |
| Restricted Intergovernmental Revenues  | 6,516,470      | 7,652,510     | 7,157,237     | 7,801,743      | 7,570,086       | 9,043,073     | 10,009,759    | 8,897,671     |
| Investment earnings  | 355,461        | 211,017       | 530,267       | 2,001,898      | 1,870,843       | 1,361,872     | 536,617       | 182,190       |
| Miscellaneous  | 313,443        | 253,393       | 209,480       | 281,486        | 241,952         | 250,119       | 324,509       | 341,778       |
| Total Revenues   | 34,691,922     | 38,085,206    | 39,508,921    | 45,592,077     | 46,849,632      | 50,261,709    | 49,797,287    | 49,278,394    |
| <b>Expenditures</b>  |                |               |               |                |                 |               |               |               |
| Current:   |                |               |               |                |                 |               |               |               |
| General government   | 1,941,890      | 2,137,375     | 2,303,869     | 2,460,838      | 2,248,000       | 2,504,483     | 2,949,824     | 2,939,723     |
| Public safety  | 6,513,300      | 7,098,716     | 7,402,563     | 8,060,394      | 10,259,786      | 9,739,259     | 10,627,195    | 10,873,165    |
| Community services   | 1,728,271      | 1,851,253     | 1,920,934     | 2,009,635      | 2,256,353       | 2,362,405     | 2,466,093     | 2,267,231     |
| Economic and physical development  | -              | 3,039         | -             | 249,843        | 400             | 317,475       | 78,384        | 74,319        |
| Human Services   | 8,252,753      | 9,221,792     | 9,971,117     | 10,673,809     | 12,648,743      | 11,223,967    | 10,178,787    | 9,204,421     |
| Non-departmental & special areas   | 1,299,630      | 2,981,758     | 1,599,777     | 1,786,621      | 2,486,971       | 2,349,153     | 1,891,782     | 1,879,904     |
| Capital Outlay   | 2,978,167      | 2,546,476     | 1,295,200     | 1,952,219      | 1,534,687       | 2,878,658     | 1,654,172     | 3,431,384     |
| Intergovernmental:   |                |               |               |                |                 |               |               |               |
| Education  | 12,658,956     | 9,862,114     | 12,140,438    | 23,610,030     | 35,180,474      | 16,606,743    | 14,935,997    | 15,247,427    |
| Capital outlay   | -              | -             | -             | -              | -               | -             | -             | -             |
| Debt service:  |                |               |               |                |                 |               |               |               |
| Bond issuance cost   | 7,493          | -             | 54,831        | 7,655          | 32,302          | -             | -             | 42,653        |
| Principal  | 1,991,952      | 1,227,325     | 1,225,284     | 2,048,355      | 2,079,937       | 2,762,535     | 2,916,266     | 3,558,017     |
| Interest   | 888,790        | 826,281       | 770,772       | 1,779,461      | 1,896,828       | 2,115,253     | 2,078,214     | 2,021,963     |
| Total expenditures   | 38,261,202     | 37,756,129    | 38,684,785    | 54,638,860     | 70,624,481      | 52,859,931    | 49,776,714    | 51,540,207    |
| Excess of revenues over (under) expenditures                                     | (3,569,280)    | 329,077       | 824,136       | (9,046,783)    | (23,774,849)    | (2,598,222)   | 20,573        | (2,261,813)   |
| <b>Other financing sources (uses)</b>  |                |               |               |                |                 |               |               |               |
| Debt proceeds  | -              | -             | 26,265,000    | -              | 11,000,000      | 3,859,760     | -             | 19,815,000    |
| Premium on debt  | -              | -             | 143,117       | -              | 48,122          | -             | -             | 463,302       |
| Payments to refunded bond escrow agent   | 756,781        | -             | -             | -              | -               | -             | -             | (10,500,708)  |
| Transfers in from other funds  | 4,033,071      | 3,677,591     | 3,825,456     | 5,248,744      | 6,215,220       | 8,816,162     | 4,607,877     | 5,747,250     |
| Transfers out to other funds   | (3,924,721)    | (3,854,191)   | (3,825,456)   | (5,021,594)    | (7,025,771)     | (8,221,280)   | (4,607,877)   | (5,747,250)   |
| Total other financing sources (uses)   | 865,131        | (176,600)     | 26,408,117    | 227,150        | 10,237,571      | 4,454,642     | -             | 9,777,594     |
| Excess of Revenues and Other Sources Over<br>(Under) Expenditures and Other Uses | (2,704,149)    | 152,477       | 27,232,253    | (8,819,633)    | (13,537,278)    | 1,856,420     | 20,573        | 7,515,781     |
| Net change in fund balances  | \$ (2,704,149) | \$ 152,477    | \$ 27,232,253 | \$ (8,819,633) | \$ (13,537,278) | \$ 1,856,420  | \$ 20,573     | \$ 7,515,781  |
| Debt service as a percentage of noncapital expenditures                          | 7.55%          | 5.44%         | 5.30%         | 7.02%          | 5.68%           | 9.23%         | 10.03%        | 10.91%        |

\* Information prior to 6-30-03 is unavailable.

TABLE 6

**GRANVILLE COUNTY, NORTH CAROLINA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES**  
**LAST EIGHT FISCAL YEARS\***  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

| <b>Fiscal<br/>Year</b> | <b>Property<br/>Tax</b> | <b>Sales<br/>Tax</b> | <b>Alcoholic<br/>Beverage<br/>Tax</b> | <b>Other Taxes</b> | <b>Total</b>  |
|------------------------|-------------------------|----------------------|---------------------------------------|--------------------|---------------|
| 2003                   | \$ 17,824,992           | \$ 6,832,284         | \$ 10,257                             | \$ 410,688         | \$ 25,078,221 |
| 2004                   | 18,279,180              | 8,463,302            | 10,581                                | 428,199            | 27,181,262    |
| 2005                   | 19,165,754              | 9,150,913            | 10,876                                | 481,258            | 28,808,801    |
| 2006                   | 21,843,847              | 9,636,678            | 11,537                                | 549,156            | 32,041,218    |
| 2007                   | 23,180,548              | 10,068,167           | 11,428                                | 617,735            | 33,877,878    |
| 2008                   | 26,674,614              | 9,030,075            | 11,381                                | 558,964            | 36,275,034    |
| 2009                   | 27,364,379              | 7,712,604            | 11,791                                | 531,913            | 35,620,687    |
| 2010                   | \$ 30,144,926           | \$ 5,915,129         | \$ 11,612                             | \$ 400,953         | \$ 36,472,620 |

\* Information prior to 6-30-03 is unavailable.



TABLE 7

**GRANVILLE COUNTY, NORTH CAROLINA  
ASSESSED VALUE OF TAXABLE PROPERTY  
LAST EIGHT FISCAL YEARS\***

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30</b> | <b>Property<br/>Excluding<br/>Registered<br/>Motor Vehicles</b> | <b>Motor<br/>Vehicles</b> | <b>Plus Discoveries</b> | <b>Less<br/>Abatements</b> | <b>Total Taxable<br/>Assessed<br/>Value</b> | <b>Total<br/>Direct<br/>Tax<br/>Rate</b> | <b>Estimated<br/>Actual<br/>Taxable<br/>Value</b> | <b>Estimated<br/>Actual<br/>Taxable/Market<br/>Value</b> | <b>Assessed Value<br/>as a Percentage<br/>of Market<br/>Value</b> |
|--|---|---------------------------|-------------------------|----------------------------|---|--|---|--|---|
| 2003   | \$ 2,573,189,240  | \$ 132,879,429            | \$ 97,419,922           | \$ (6,967,575)             | \$ 2,796,521,016                            | 0.635                                    | \$ 17,997,517                                     | \$ 17,997,517  | 100.00%   |
| 2004   | 2,450,044,327   | 332,944,092               | 95,959,685              | (6,659,843)                | 2,872,288,261                               | 0.635                                    | 18,239,030  | 18,563,899   | 98.25%  |
| 2005   | 2,567,539,769   | 336,260,935               | 100,945,512             | (6,795,906)                | 2,997,950,310                               | 0.635                                    | 19,036,984  | 20,017,860   | 95.10%  |
| 2006   | 3,022,046,199   | 146,147,086               | 105,541,000             | (112,754,714)              | 3,160,979,571                               | 0.700                                    | 22,031,861  | 22,378,731   | 98.45%  |
| 2007   | 2,834,801,060   | 433,685,429               | 126,242,857             | (72,754,857)               | 3,321,974,489                               | 0.700                                    | 23,253,821  | 24,615,032   | 94.47%  |
| 2008   | 2,997,456,552   | 391,436,935               | 123,665,695             | (7,263,444)                | 3,505,295,738                               | 0.755                                    | 26,387,480  | 29,948,337   | 88.11%  |
| 2009   | 3,117,166,533   | 381,288,212               | 129,114,437             | (9,028,382)                | 3,618,540,800                               | 0.755                                    | 27,319,983  | 31,730,526   | 86.10%  |
| 2010   | \$ 3,203,221,864  | \$ 411,796,666            | \$ 119,939,515          | \$ (65,594,788)            | \$ 3,669,363,257                            | 0.825                                    | \$ 30,180,232                                     | \$ 30,727,176  | 98.22%  |

Source: Granville County Tax Department

\* Information prior to 6-30-03 is unavailable.

TABLE 8

**GRANVILLE COUNTY, NORTH CAROLINA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST EIGHT FISCAL YEARS\***

| <b>Fiscal Year</b> | <b>City of Oxford</b> | <b>Town of Stem</b> | <b>Town of Stovall</b> | <b>City of Creedmoor</b> | <b>Town of Butner^</b> | <b>Lyon Station**</b> | <b>Oxford Parking Authority</b> | <b>Oxford Municipal Service District</b> | <b>Oxford Economic Development District</b> | <b>Granville County</b> |
|--------------------|-----------------------|---------------------|------------------------|--------------------------|------------------------|-----------------------|---------------------------------|--|---|-------------------------|
| 2003               | 0.550                 | 0.350               | 0.440                  | 0.660                    | 0.200                  | 0.095                 | 0.100                           | 0.200                                    | 0.100                                       | 0.635                   |
| 2004               | 0.550                 | 0.450               | 0.440                  | 0.650                    | 0.200                  | 0.095                 | 0.100                           | 0.200                                    | 0.100                                       | 0.635                   |
| 2005               | 0.550                 | 0.450               | 0.440                  | 0.650                    | 0.200                  | 0.095                 | 0.100                           | 0.200                                    | 0.100                                       | 0.635                   |
| 2006               | 0.550                 | 0.450               | 0.490                  | 0.690                    | 0.200                  | 0.095                 | 0.100                           | 0.200                                    | 0.100                                       | 0.700                   |
| 2007               | 0.550                 | 0.450               | 0.490                  | 0.700                    | 0.250                  | 0.095                 | 0.100                           | 0.200                                    | 0.100                                       | 0.700                   |
| 2008               | 0.550                 | 0.450               | 0.490                  | 0.725                    | 0.250                  | 0.095                 | 0.100                           | 0.200                                    | 0.100                                       | 0.755                   |
| 2009               | 0.550                 | 0.450               | 0.490                  | 0.725                    | 0.250                  | n/a                   | 0.100                           | 0.200                                    | 0.100                                       | 0.755                   |
| 2010               | 0.600                 | 0.450               | 0.490                  | 0.700                    | 0.250                  | n/a                   | 0.100                           | 0.200                                    | 0.100                                       | 0.795                   |

\* Information prior to 6-30-03 is unavailable.

^ Town of Butner was incorporated in fiscal year 2007-2008, prior to then the tax was levied as the special taxing district named "Butner Police and Fire Protection"

\*\* Lyon Station was turned over to South Granville Water and Sewer Authority and is no longer a taxing district as of January 1, 2008.

TABLE 9

**GRANVILLE COUNTY, NORTH CAROLINA  
PRINCIPAL PROPERTY TAXPAYERS  
JUNE 30, 2010  
CURRENT YEAR AND FIVE YEARS AGO\***

| Taxpayer                        | 2010                   |      |  | 2005                   |      |  |
|---------------------------------|------------------------|------|--|------------------------|------|--|
|                                 | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Revlon                          | \$ 69,025,075          | 1    | 1.91%                                      | \$ 64,701,764          | 1    | 2.25%                                      |
| Certainteed Corporation         | 57,550,223             | 2    | 1.59%                                      | 19,928,727             | 5    | 0.69%                                      |
| CP&L/Progress Energy            | 33,431,510             | 3    | 0.92%                                      | 19,928,727             | 4    | 0.69%                                      |
| Bandag Inc.                     | 23,579,812             | 4    | 0.65%                                      | 21,761,266             | 2    | 0.76%                                      |
| WAKE EMC                        | 23,265,540             | 5    | 0.64%                                      | 16,846,937             | 8    | 0.59%                                      |
| SantaFe Natural Tobacco Company | 21,033,491             | 6    | 0.58%                                      | -                      | -    | 0.00%                                      |
| Cardinal Health 303, LLC        | 19,017,993             | 7    | 0.53%                                      | -                      | -    | 0.00%                                      |
| Butner Acquisition Company      | 18,550,812             | 8    | 0.51%                                      | -                      | -    | 0.00%                                      |
| Central Leasing USA Inc.        | 14,953,888             | 9    | 0.41%                                      | -                      | -    | 0.00%                                      |
| Newton Instrument Company       | 14,416,167             | 10   | 0.40%                                      | 20,791,465             | 3    | 0.72%                                      |
| Goldsboro Properties, Inc.      | 14,383,891             | -    | 0.40%                                      | -                      | -    | 0.00%                                      |
| Universal Leaf North America    | 12,617,193             | -    | 0.35%                                      | 14,473,132             | 10   | 0.50%                                      |
| Georgia Pacific Corp            | 3,605,768              | -    | 0.10%                                      | 17,243,295             | 7    | 0.60%                                      |
| Wilson Boney & Sons, Inc.       | -                      | -    | 0.00%                                      | 18,550,812             | 6    |  |
| Alaris Medical Systems, Inc.    | -                      | -    | 0.00%                                      | 16,340,327             | 9    | 0.57%                                      |
| Totals                          | <u>\$ 325,431,363</u>  |      | <u>8.89%</u>                               | <u>\$ 230,566,452</u>  |      | <u>6.21%</u>                               |

Source: Granville County Tax Department

\* Information prior to 6-30-03 is unavailable.

TABLE 10

**GRANVILLE COUNTY, NORTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST EIGHT FISCAL YEARS\***

| <b>Fiscal Year<br/>Ended<br/>December 31</b> | <b>Total Tax<br/>Levy for<br/>Fiscal Year</b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |                               | <b>Collections in<br/>Subsequent Years</b> | <b>Total Collections to Date</b> |                               |
|--|---|---|-------------------------------|--|----------------------------------|-------------------------------|
|  |   | <b>Amount</b>   | <b>Percentage of<br/>Levy</b> |  | <b>Amount</b>                    | <b>Percentage of<br/>Levy</b> |
| 2003   | \$ 17,997,517                                 | \$ 17,048,343   | 94.73%                        | \$ 890,286                                 | \$ 17,938,629                    | 99.67%                        |
| 2004   | 18,238,111                                    | 17,328,380  | 95.01%                        | 851,099                                    | 18,179,479                       | 99.68%                        |
| 2005   | 19,036,984                                    | 18,176,364  | 95.48%                        | 792,325                                    | 18,968,689                       | 99.64%                        |
| 2006   | 22,031,861                                    | 20,892,320  | 94.83%                        | 1,061,901                                  | 21,954,221                       | 99.65%                        |
| 2007   | 23,253,821                                    | 21,965,301  | 94.46%                        | 993,667                                    | 22,958,968                       | 98.73%                        |
| 2008   | 26,387,480                                    | 25,234,247  | 95.63%                        | 876,043                                    | 26,110,290                       | 98.95%                        |
| 2009   | 27,319,983                                    | 26,261,609  | 96.13%                        | 803,455                                    | 27,065,064                       | 99.07%                        |
| 2010   | \$ 30,180,232                                 | \$ 29,039,361   | 96.22%                        | \$ -                                       | \$ 29,039,361                    | 96.22%                        |

Source: Granville County Tax Department

\* Information prior to 12-31-03 is unavailable.

TABLE 11

**GRANVILLE COUNTY, NORTH CAROLINA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST EIGHT FISCAL YEARS\***

| <b>Fiscal<br/>Year</b> | <b>Governmental Activities</b>          |                                    |                           | <b>Business-type<br/>Activities</b> | <b>Total<br/>Primary<br/>Government</b> | <b>Per<br/>Capita</b> | <b>Percentage<br/>of Personal<br/>Income</b> |
|------------------------|---|------------------------------------|---------------------------|-------------------------------------|---|-----------------------|--|
|                        | <b>General<br/>Obligation<br/>Bonds</b> | <b>Installment<br/>Obligations</b> | <b>Capital<br/>Leases</b> | <b>Capital<br/>Leases</b>           |   |                       |  |
| 2003                   | \$ 17,885,000                           | \$ -                               | \$ 708,091                | \$ 1,003,129                        | \$ 19,596,220                           | 374                   | 1.75%  |
| 2004                   | 16,735,000                              | -                                  | 630,765                   | 893,584                             | 18,259,349                              | 346                   | 1.61%  |
| 2005                   | 41,855,000                              | -                                  | 550,481                   | 779,848                             | 43,185,329                              | 809                   | 3.58%  |
| 2006                   | 39,890,000                              | -                                  | 467,126                   | 661,761                             | 41,018,887                              | 762                   | 3.26%  |
| 2007                   | 47,415,000                              | 1,481,608                          | 380,581                   | 539,157                             | 49,816,346                              | 885                   | 3.60%  |
| 2008                   | 44,965,000                              | 5,118,689                          | 290,725                   | -                                   | 50,374,414                              | 915                   | 3.55%  |
| 2009                   | 42,515,000                              | 4,745,717                          | 197,431                   | -                                   | 47,458,148                              | 844                   | 3.20%  |
| 2010                   | \$ 49,345,000                           | \$ 4,369,561                       | \$ 100,570                | \$ -                                | \$ 53,815,131                           | 957                   | 3.71%  |

\* Information prior to 6-30-03 is unavailable.

Note 1: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

Note 2: Population amounts are as of July 1 of the fiscal year.

N/A Information not available for this period.

TABLE 12

**GRANVILLE COUNTY, NORTH CAROLINA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST EIGHT FISCAL YEARS\***

| <b>Fiscal<br/>Year</b> | <b>General<br/>Obligation<br/>Bonds</b> | <b>Less: Amounts<br/>Available in Debt<br/>Service Fund</b> | <b>Total</b>  | <b>Percentage of<br/>Personal Income</b> | <b>Percentage of<br/>Estimated<br/>Actual Taxable<br/>Value of<br/>Property</b> | <b>Per<br/>Capita</b> |
|------------------------|---|---|---------------|--|---|-----------------------|
| 2003                   | \$ 17,885,000                           | \$ -  | \$ 17,885,000 | 1.60%                                    | 0.64%   | 341                   |
| 2004                   | 16,735,000                              | -   | 16,735,000    | 1.48%                                    | 0.58%   | 317                   |
| 2005                   | 41,855,000                              | -   | 41,855,000    | 3.47%                                    | 1.40%   | 784                   |
| 2006                   | 39,890,000                              | -   | 39,890,000    | 3.17%                                    | 1.26%   | 741                   |
| 2007                   | 47,415,000                              | -   | 47,415,000    | 3.53%                                    | 1.43%   | 868                   |
| 2008                   | 44,965,000                              | -   | 44,965,000    | 3.17%                                    | 1.28%   | 817                   |
| 2009                   | 42,515,000                              | -   | 42,515,000    | 2.87%                                    | 1.17%   | 756                   |
| 2010                   | \$ 49,345,000                           | \$ -  | \$ 49,345,000 | 3.33%                                    | 1.34%   | 859                   |

\* Information prior to 6-30-03 is unavailable.

Note: Population figures are as of July 1 of the fiscal year.

N/A Information not available for this period.

TABLE 13

**GRANVILLE COUNTY, NORTH CAOLINA  
LEGAL DEBT MARGIN INFORMATION  
LAST EIGHT FISCAL YEARS\***

|   | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2003                  | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  |
| Debt limit  | \$ 223,721,681        | \$ 229,783,061        | \$ 239,836,025        | \$ 252,878,366        | \$ 265,757,959        | \$ 280,423,659        | \$ 289,483,264        | \$ 293,549,061        |
| Total net debt applicable to limit                                      | 25,258,794            | 23,810,935            | 48,228,645            | 45,525,754            | 53,785,453            | 55,254,560            | 51,695,353            | 57,390,915            |
| Legal debt margin   | <u>\$ 198,462,887</u> | <u>\$ 205,972,126</u> | <u>\$ 191,607,380</u> | <u>\$ 207,352,612</u> | <u>\$ 211,972,506</u> | <u>\$ 225,169,099</u> | <u>\$ 237,787,911</u> | <u>\$ 236,158,146</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 11.29%                | 10.36%                | 20.11%                | 18.00%                | 20.24%                | 19.70%                | 17.86%                | 19.55%                |
| <b>Legal Debt Margin Calculation for Fiscal Year 2010</b>               |                       |                       |                       |                       |                       |                       |                       |                       |
| Assessed value  |                       |                       |                       |                       |                       |                       |                       | \$ 3,669,363,257      |
| Add back: exempt real property  |                       |                       |                       |                       |                       |                       |                       | -                     |
| Total assessed value  |                       |                       |                       |                       |                       |                       |                       | <u>3,669,363,257</u>  |
| Debt limit (8% of total assessed value)                                 |                       |                       |                       |                       |                       |                       |                       | 293,549,061           |
| Debt applicable to limit:   |                       |                       |                       |                       |                       |                       |                       |                       |
| General obligation bonds  |                       |                       |                       |                       |                       |                       |                       | 49,345,000            |
| Installment Obligations   |                       |                       |                       |                       |                       |                       |                       | 4,369,561             |
| Lease Financing Agreements - Governmental Activities                    |                       |                       |                       |                       |                       |                       |                       | 100,570               |
| Lease Financing Agreements - Business-type Activities                   |                       |                       |                       |                       |                       |                       |                       | -                     |
| Notes Payable-Component Unit  |                       |                       |                       |                       |                       |                       |                       | 3,575,784             |
| Less: Amount set aside for repayment<br>of general obligation debt      |                       |                       |                       |                       |                       |                       |                       | -                     |
| Total net debt applicable to limit                                      |                       |                       |                       |                       |                       |                       |                       | <u>57,390,915</u>     |
| Legal debt margin   |                       |                       |                       |                       |                       |                       |                       | <u>\$ 236,158,146</u> |

\* Information prior to 6-30-03 is unavailable.

TABLE 14

**GRANVILLE COUNTY, NORTH CAROLINA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST EIGHT FISCAL YEARS\***

| <b>Fiscal<br/>Year</b> | <b>Population</b> | <b>Per<br/>Capita<br/>Personal<br/>Income</b> | <b>Percent High<br/>School<br/>Graduate *</b> | <b>Percent<br/>Bachelor's<br/>Degree or<br/>Higher *</b> | <b>School<br/>Enrollment</b> | <b>Unemployment<br/>Rate</b> |
|------------------------|-------------------|---|---|--|------------------------------|------------------------------|
| 2003                   | 52,386            | 21,379  | 72  | 13   | 8,503                        | 8.6%                         |
| 2004                   | 52,824            | 21,443  | 67  | 13   | 8,649                        | 7.4%                         |
| 2005                   | 53,356            | 22,589  | 73  | 13   | 8,677                        | 6.5%                         |
| 2006                   | 53,840            | 23,361  | 72.4  | 13   | 8,704                        | 5.1%                         |
| 2007                   | 54,606            | 24,616  | 66.9  | 13   | 8,756                        | 5.2%                         |
| 2008                   | 55,045            | 25,763  | 60.7  | 13   | 8,831                        | 6.5%                         |
| 2009                   | 56,250            | 26,356  | 58.4  | 13   | 8,786                        | 10.4%                        |
| 2010                   | 57,434            | 25,776  | 65.3  | 14   | 8,637                        | 9.9%                         |

\* Information prior to 6-30-03 is unavailable.

Source 1: Population figures are from the North Carolina Department of the State Demographer

Source 2: Per capita personal income figures are from the Regional Federal Reserve Demographics and Granville County Economic Development Department.

Source 3: Percent high school graduates and percent bachelor's degree or higher are from the North Carolina Department of Commerce files

Source 4: School Enrollment numbers are from the Department of Public Instruction

Source 5: Unemployment rates are from the North Carolina Employment Security Commission



TABLE 15

**GRANVILLE COUNTY, NORTH CAROLINA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND THREE YEARS AGO\***

| <b>2010</b>                       |                  |             |  | <b>2007</b>                       |                  |             |  |
|-----------------------------------|------------------|-------------|--|-----------------------------------|------------------|-------------|--|
| <b>Employer</b>                   | <b>Employees</b> | <b>Rank</b> | <b>Percentage<br/>of Total County<br/>Employment</b> | <b>Employer</b>                   | <b>Employees</b> | <b>Rank</b> | <b>Percentage<br/>of Total County<br/>Employment</b> |
| Revlon                            | 2,000            | 1           | 7.71%  | Revlon                            | 2,000            | 1           | 8.65%  |
| Altec Industries                  | 300              | 2           | 1.16%  | Altec Industries                  | 400              | 2           | 1.73%  |
| Flextronics                       | 325              | 3           | 1.25%  | Flextronics                       | 350              | 3           | 1.51%  |
| Food Lion Distribution            | 300              | 4           | 1.16%  | Food Lion Distribution            | 350              | 4           | 1.51%  |
| Ideal Fastener                    | 300              | 5           | 1.16%  | Certaineed Corporation            | 325              | 5           | 1.40%  |
| Certaineed Corporation            | 300              | 6           | 1.16%  | Ideal Fastener                    | 300              | 6           | 1.30%  |
| Clayton Homes                     | 250              | 7           | 0.96%  | Bandag, Inc.                      | 225              | 7           | 0.97%  |
| Bandag, Inc.                      | 168              | 8           | 0.65%  | Clayton Homes                     | 225              | 8           | 0.97%  |
| Newton Instrument Co.             | 175              | 9           | 0.67%  | Lace Lastics                      | 200              | 9           | 0.86%  |
| PalletOne of North Carolina, Inc. | 175              | 10          | 0.67%  | Newton Instrument Co.             | 175              | 10          | 0.76%  |
| Gate Precast                      | 150              | 11          | 0.58%  | PalletOne of North Carolina, Inc. | 165              | 11          | 0.71%  |
| Dill Air Controls Products, LLC   | 125              | 12          | 0.48%  | Gate Precast                      | 165              | 12          | 0.71%  |
| Hanes Dye & Finishing             | 125              | 13          | 0.48%  | Carolina Sunrock                  | 145              | 13          | 0.63%  |
| Carolina Sunrock                  | 151              | 14          | 0.58%  |                                   |                  |             |  |
| Total                             | <u>4,844</u>     |             | <u>18.67%</u>  | Total                             | <u>5,025</u>     |             | <u>21.71%</u>  |

Source: Information from Granville County Economic Development Commisison

\* Information prior to 6-30-05 is unavailable.

TABLE 16

**GRANVILLE COUNTY, NORTH CAROLINA**  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
**LAST EIGHT FISCAL YEARS\***  
 (UNAUDITED)

|                                  | Fiscal Year |      |      |      |      |      |      |      |
|----------------------------------|-------------|------|------|------|------|------|------|------|
|                                  | 2003        | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Function                         |             |      |      |      |      |      |      |      |
| General Government               | 29          | 31   | 31   | 39   | 39   | 38   | 40   | 34   |
| Human Services                   | 85          | 87   | 90   | 95   | 95   | 98   | 98   | 84   |
| Community Services               | 26.5        | 26.5 | 28.5 | 34.5 | 35.5 | 37   | 37   | 29   |
| Public Safety                    |             |      |      |      |      |      |      |      |
| Sheriff's Dept./Detention Center | 70          | 74   | 77   | 79.5 | 79.5 | 85   | 85   | 89   |
| Emergency Services               | 67          | 71   | 77   | 77.5 | 78.5 | 78.5 | 78.5 | 61   |
| Emergency Management             | 1.5         | 1.5  | 1.5  | 3.5  | 3.5  | 3.5  | 3.5  | 3    |
| Solid Waste                      | 2           | 3    | 3    | 5    | 5    | 5    | 5    | 4    |
| Water & Sewer                    | 3           | 3    | 3    | 3    | 3    | 0    | 0    | 0    |
| Total                            | 284         | 297  | 311  | 337  | 339  | 345  | 347  | 304  |

Source: Granville County Finance Department

\* Information prior to 6-30-03 is unavailable.

TABLE 17

**GRANVILLE COUNTY, NORTH CAROLINA**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST SEVEN FISCAL YEARS\***  
 (UNAUDITED)

| Function  | Fiscal Year |         |         |         |         |         |         |         |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|
|   | 2003        | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    |
| Public Safety/Sheriff   |             |         |         |         |         |         |         |         |
| Incident Reports**  | 2,274       | 1,561   | 1,611   | 2,069   | 1,780   | 2,072   | 7,641   | 8,773   |
| Miscellaneous Incident Reports  | 6,269       | 5,640   | 5,267   | 5,611   | 6,566   | 6,051   | -       | -       |
| Arrests   | 1,492       | 1,420   | 1,327   | 1,795   | 1,238   | 1,251   | 1,117   | 1,023   |
| Court Papers  | 6,473       | 8,599   | 9,138   | 9,195   | 9,194   | 8,824   | 9,096   | 8,221   |
| Public Safety/Emerg Mgmt/Fire   |             |         |         |         |         |         |         |         |
| Number of calls answered (includes fire & medical first response calls)     | 2,600       | 2,414   | 2,915   | 2,963   | 2,403   | 2,749   | 2,755   | 2,475   |
| Inspections   | 125         | 132     | 163     | 167     | 170     | 206     | 141     | 172     |
| Solid Waste   |             |         |         |         |         |         |         |         |
| C & D Landfill Tonnage  | 34,236      | 42,850  | 28,184  | 28,184  | 29,920  | 32,833  | 19,810  | 16,493  |
| Convenience Sites Tonnage   | 6,870       | 7,387   | 7,548   | 7,548   | 8,563   | 8,808   | 8,572   | 8,635   |
| Civil Citations   | 13          | 12      | 5       | 5       | 6       | 3       | 5       | 4       |
| Criminal Citations  | 2           | 2       | 1       | 1       | -       | -       | -       | 1       |
| Community Services/Library  |             |         |         |         |         |         |         |         |
| Items Added to Collection   | 9,401       | 6,467   | 9,886   | 7,931   | 9,060   | 9,465   | 8,231   | 2,429   |
| Circulation   | 138,494     | 144,726 | 156,423 | 155,110 | 154,080 | 159,820 | 165,076 | 178,460 |
| Internet Use  | 18,651      | 14,731  | 19,013  | 28,995  | 31,647  | 42,658  | 68,323  | 36,648  |
| Program Attendance  | 8,451       | 6,121   | 9,951   | 7,762   | 11,803  | 10,564  | 6,347   | 4,378   |
| Community Services/Planning & Inspections                                   |             |         |         |         |         |         |         |         |
| Number of Building Permits Issued   | 321         | 445     | 467     | 613     | 736     | 672     | 612     | 573     |
| Number of Mobile Home Permits Issued  | 210         | 144     | 118     | 105     | 80      | 121     | 69      | 60      |
| Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical) | 841         | 837     | 675     | 848     | 507     | 431     | 466     | 548     |
| Human Services/Social Services  |             |         |         |         |         |         |         |         |
| Average # Adult Medicaid Eligible Cases                                     | 2,135       | 2,127   | 2,167   | 2,253   | 2,300   | 2,327   | 2,317   | 2,293   |
| Average # Family & Child Medicaid Cases                                     | 2,127       | 2,456   | 2,577   | 2,839   | 3,116   | 3,281   | 3,562   | 4,031   |
| Average # Households Receiving Food Stamps                                  | 1,283       | 1,518   | 1,701   | 1,953   | 2,077   | 2,173   | 2,365   | 3,041   |
| Average \$ Fraud Collections per Month                                      | 4,301       | 3,159   | 2,501   | 2,432   | 3,802   | 4,147   | 4,242   | 3,853   |
| Education   |             |         |         |         |         |         |         |         |
| School enrollment   | 8,503       | 8,649   | 8,677   | 8,704   | 8,756   | 8,831   | 8,786   | 8,730   |

Sources: Various county government departments. School enrollment statistics are from the Granville County Finance Office

\* Information prior to 6-30-03 is unavailable.

\*\* Beginning fiscal year 2009, the Granville County Sheriff's Department combines miscellaneous incident reports and individually initiated incident

TABLE 18

**GRANVILLE COUNTY, NORTH CAROLINA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST EIGHT FISCAL YEARS\***  
 (UNAUDITED)

| Function               | Fiscal Year |      |      |      |      |      |      |      |
|------------------------|-------------|------|------|------|------|------|------|------|
|                        | 2003        | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Public Safety          |             |      |      |      |      |      |      |      |
| Sheriff (Stations)     | 2           | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Fire stations          | 14          | 14   | 14   | 14   | 14   | 14   | 14   | 14   |
| Highways and streets   |             |      |      |      |      |      |      |      |
| Streets (miles)        | 848         | 918  | 918  | 918  | 924  | 1508 | 1508 | 1510 |
| Culture and recreation |             |      |      |      |      |      |      |      |
| Parks                  | 1           | 1    | 1    | 1    | 1    | 1    | 2    | 2    |
| Libraries              | 4           | 4    | 4    | 4    | 4    | 4    | 4    | 4    |
| Education              |             |      |      |      |      |      |      |      |
| Schools                | 14          | 14   | 14   | 16   | 18   | 18   | 18   | 18   |

Note: According to the North Carolina Department of Public Instruction, Granville County

\* Information prior to 6-30-03 is unavailable.

## **COMPLIANCE SECTION**

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Thomas F. Edmunds IV, CPA

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

To The Board of County Commissioners  
Granville County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Granville County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprises Granville County's basic financial statements, and have issued our report thereon dated December 8, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Granville Medical Center and the Granville Economic Development Commission, as described in our report on Granville County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Granville County ABC Board, Granville Medical Center, Granville Economic Development Commission, Granville County Tourism Development Authority and South Granville Memorial Gardens were not audited in accordance with Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Granville County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Granville County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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

### **Compliance and Other Matters**

As a part of obtaining reasonable assurance about whether Granville County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as item 10-1.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's response and accordingly, we express no opinion on it.

We noted certain matters that we reported to management of Granville County, in a separate letter dated December 8, 2010.

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

*Winston, Williams, Creech, Evans & Company, LLP*

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
December 8, 2010

# Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



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Thomas F. Edmunds IV, CPA

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

To the Board of County Commissioners  
Granville County, North Carolina

### Compliance

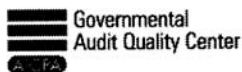
We have audited the Granville County, North Carolina, compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Granville County's major federal programs for the year ended June 30, 2010. Granville County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Granville County's management. Our responsibility is to express an opinion on Granville County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Granville County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Granville County's compliance with those requirements. Our audit does not provide a legal determination of Granville County's compliance with those requirements.

In our opinion, Granville County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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### **Internal Control Over Compliance**

Management of Granville County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Granville County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Granville County's internal control over compliance.

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

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

We noted certain matters that we reported to management of Granville County, in a separate letter dated December 8, 2010.

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

*Winston, Williams, Creech, Evans & Company, LLP*

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
December 8, 2010

# Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



America Counts on CPAs

James P. Winston II, CPA  
Gary L. Williams, CPA  
Leonard R. Creech, CPA  
Carleen P. Evans, CPA

Jennifer T. Reese, CPA  
Curtis G. Van Horne, CPA  
T. Peter Oke-Bello, CPA  
Angela C. Perkins, CPA  
Cathy E. McKinley, CPA  
Thomas F. Edmunds IV, CPA

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

To the Board of County Commissioners  
Granville County, North Carolina

### Compliance

We have audited Granville County, North Carolina, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of its major State programs for the year ended June 30, 2010. Granville County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Granville County's management. Our responsibility is to express an opinion on Granville County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Granville County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Granville County's compliance with those requirements.

In our opinion, Granville County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2010.

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### **Internal Control Over Compliance**

Management of Granville County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Granville County's internal control over compliance with the requirements that could have a direct and material effect on a major State program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Granville County's internal control over compliance.

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

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

We noted certain matters that we reported to management of Granville County, in a separate letter dated December 8, 2010.

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

*Winston, Williams, Creech, Evans & Company, LLP*

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
December 8, 2010

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**I. Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant Deficiency(s) identified that are not considered to be material weaknesses ☐ Yes ☒ None reported

Noncompliance material to financial statements noted ☒ Yes ☐ No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant Deficiency(s) identified that are not considered to be material weaknesses ☐ Yes ☒ None reported

Noncompliance material to federal awards ☐ Yes ☒ No

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 ☐ Yes ☒ No

Identification of major federal programs:

| <u>CFDA Numbers</u>                    | <u>Name of Federal Program or Cluster</u>      |
|--|--|
| 93.778                                 | Medical Assistance Program                     |
| 93.575, 93.596, 93.667, 93.558, 93.713 | Subsidized Child Care Program                  |
| 93.558                                 | Temporary Assistance for Needy Families (TANF) |
| 10.551, 10.561                         | Food and Nutrition Services Cluster            |

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 1,698,552

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

State Awards

Internal Control Over State Programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant Deficiency(s) identified that are not considered to be material weaknesses ☐ Yes ☒ No

Noncompliance material to state awards ☐ Yes ☒ No

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act ☐ Yes ☒ No

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

---

Identification of major state Programs:

Program Name  
Medical Assistance  
Subsidized Child Care  
State/County Special Assistance

II. Financial Statement Findings

10-1 Excess of Expenditures over Appropriations

MATERIAL NONCOMPLIANCE

Criteria: G.S. 159-8(a) states that all moneys received and expended by a local government or public authority should be included in the budget ordinance.

Condition: Granville County expended \$10,500,708 more in total than appropriated in the annual budget ordinance.

Effect: Moneys were spent that had not been properly appropriated.

Cause: The County Board approved the payments to the escrow agent for bond refunding but no specific budget amendment was made to handle this nonroutine transaction.

Recommendation: Debt issues and other nonroutine transactions should be reviewed for budget implications and appropriate budget amendments should be adopted.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Budget implications will be reviewed for nonroutine transactions in the future and budget amendments will be adopted as necessary.

III. Federal Award Findings and Questioned Costs

None reported.

IV. State Award Findings and Questioned Costs

None reported.

**GRANVILLE COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2010**

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**Section II - Financial Statement Findings**

MATERIAL NONCOMPLIANCE

10-1      Excess of Expenditures over Appropriations

Name of Contact Person: Michael Felts, Finance Officer

Corrective Action Plan: The Board members will periodically review a budget-to-actual report prepared by the finance director and an additional review of budget balances will be conducted by the finance director and internal auditor prior to the end of the fiscal year. Budget amendments will be made as seen necessary.

Proposed Completion Date: The Board will implement the above procedure at their upcoming meetings.

**Section III - Federal Award Findings and Questioned Costs**

None reported.

**Section IV - State Award Finding and Questioned Costs**

None reported.

**GRANVILLE COUNTY, NORTH CAROLINA  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010**

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**Prior Year Audit Findings:**

Financial Statement Findings

Finding 09-1

Status: The County continues to try to keep duties separated among personnel as much as possible.

Finding 09-2

Status: The County continues to monitor its expenditures and revenues more closely to determine the possible financial statement impact.

Finding 09-3

Status: The County has implemented control procedures to ensure that child care providers are paid in accordance with State approved rates.

Finding 08-1

Status: The County continues to try to keep duties separated among personnel as much as possible.

Finding 08-2

Status: The Finance Officer has taken additional coursework to obtain additional knowledge concerning financial reporting.

Finding 08-3

Status: The County did a better job of monitoring the expenditures for 08-09. The County had no instances of noncompliance related to this in the current fiscal year.

Finding 07-1

Status: The County continues to try to keep duties separated among personnel as much as possible.

Finding 07-2

Status: The County continues to try to obtain additional knowledge concerning preparation of financial statements.

Finding 07-3

Status: The County continues to monitor its expenditures in accordance with the budget. They will strive to make the appropriate amendments to the budget in the future.

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

| GRANTOR/PASS-THROUGH<br>GRANTOR/PROGRAM TITLE                    | FEDERAL<br>CFDA<br>NUMBER | FEDERAL<br>(DIRECT & PASS-<br>THROUGH)<br>EXPENDITURES | STATE<br>EXPENDITURES |
|--|---------------------------|--|-----------------------|
| <b>FEDERAL AWARDS:</b>   |                           |  |                       |
| <u>U.S. Dept. of Agriculture</u>                                 |                           |  |                       |
| <u>Food and Nutrition Service</u>                                |                           |  |                       |
| Passed-through N.C. Dept. of Agriculture:                        |                           |  |                       |
| Nutrition for the Elderly  | 10.570                    | \$ 22,320  | \$ -                  |
| Passed-through the N.C. Dept. of Health<br>and Human Services:   |                           |  |                       |
| Division of Social Services:                                     |                           |  |                       |
| Administration:  |                           |  |                       |
| <u>Food Stamp Cluster:</u>                                       |                           |  |                       |
| Food Stamp Program - Direct Benefit Payment                      | 10.551                    | 10,071,958   | -                     |
| State Administrative Matching                                    |                           |  |                       |
| <u>ARRA-Grants for the Food Stamp Program</u>                    | 10.561                    | 70,133   | -                     |
| Grants for the Food Stamp Program                                | 10.561                    | 330,595  | -                     |
| Total Food Stamp Cluster   |                           | <u>10,472,686</u>                                      | <u>-</u>              |
| Total U.S. Dept. of Agriculture                                  |                           | <u>10,495,006</u>                                      | <u>-</u>              |
| <u>U.S. Dept of Homeland Security</u>                            |                           |  |                       |
| Passed-through N.C. Dept. of Crime<br>Control and Public Safety: |                           |  |                       |
| Emergency Management Performance Grant                           | 97.042                    | 31,039   | -                     |
| Emergency Food and Shelter                                       | 97.024                    | 8,947  | -                     |
| Total Federal Emergency Management                               |                           | <u>39,986</u>  | <u>-</u>              |
| <u>U. S. Department of Housing and Urban Development</u>         |                           |  |                       |
| Passed-through the NC Department of Commerce:                    |                           |  |                       |
| Communtiy Development Block Grant                                | 14.228                    | <u>824,319</u>   | <u>-</u>              |
| <u>U. S. Dept. of Justice</u>                                    |                           |  |                       |
| <u>Bureau of Justice Assistance</u>                              |                           |  |                       |
| State Criminal Alient Assistance Program                         | 16.606                    | 11,745   | -                     |
| Bullet Proof Vest  | 16.607                    | 1,257  | -                     |
| Total U. S. Dept. of Justice                                     |                           | <u>13,002</u>  | <u>-</u>              |
| <u>Elections Assistance Commission</u>                           |                           |  |                       |
| State Board of Elections   |                           |  |                       |
| HAVA Grant   | 90.401                    | <u>28,758</u>  | <u>-</u>              |



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

| GRANTOR/PASS-THROUGH<br>GRANTOR/PROGRAM TITLE           | FEDERAL<br>CFDA<br>NUMBER | FEDERAL<br>(DIRECT & PASS-<br>THROUGH)<br>EXPENDITURES | STATE<br>EXPENDITURES |
|---|---------------------------|--|-----------------------|
| <u>U.S. Dept. of Health &amp; Human Services</u>        |                           |  |                       |
| <u>Administration on Aging</u>                          |                           |  |                       |
| Passed-through Kerr Tar Council of Governments:         |                           |  |                       |
| <u>Aging Cluster:</u>                                   |                           |  |                       |
| Special Programs for the Aging-Title III F              |                           |  |                       |
| Health Promotion  | 93.043                    | 4,021  | 257                   |
| Family Caregiver Support                                | 93.052                    | 8,361  | 534                   |
| Special Programs for the Aging-Title III B              |                           |  |                       |
| Grants for Supportive Services and Senior Centers       | 93.044                    | 81,967   | 219,263               |
| Special Programs for the Aging-Title III C              |                           |  |                       |
| Nutrition Services                                      | 93.045                    | 30,017   | 1,916                 |
| Nutrition Services ARRA                                 | 93.707                    | 12,352   | 788                   |
| Home Delivered Meals                                    | 93.045                    | 31,967   | 19,592                |
| Home Delivered Meals ARRA                               | 93.705                    | 6,080  | 388                   |
| Total Aging Cluster                                     |                           | <u>174,765</u>   | <u>242,738</u>        |
| <u>Administration for Children and Families</u>         |                           |  |                       |
| Passed-through the N.C. Dept. of Health Human Services: |                           |  |                       |
| Division of Social Services:                            |                           |  |                       |
| <u>Foster Care and Adoption Cluster:</u>                |                           |  |                       |
| Title IV-E Foster Care-Administration                   | 93.658                    | 125,584  | 11,821                |
| Foster Care - Direct Benefit Payments                   | 93.658                    | 186,507  | 37,016                |
| Adoption Assistance - Direct Benefit Payments           | 93.659                    | <u>114,758</u>   | <u>26,768</u>         |
| Total Foster Care and Adoption Cluster                  |                           | <u>426,849</u>   | <u>75,605</u>         |
| Temporary Assistance for Needy Families (TANF)          | 93.558                    | 682,097  | -                     |
| TANF-Direct Benefit Payments                            | 93.558                    | 614,765  | -                     |
| N. C. Child Support Enforcement                         | 93.563                    | 436,882  | -                     |
| <b>ARRA</b> - CSE Incentive                             | 93.563                    | 83,444   | -                     |
| Promoting Safe and Stable Families                      | 93.556                    | 2,619  | -                     |
| Low-Income Home Energy Assistance Block Grant:          |                           |  |                       |
| Energy Assistance Administration                        | 93.568                    | 266,723  | -                     |
| Energy Assistance Payments-Direct Benefit Payments      | 93.568                    | 273,086  | -                     |
| Child Welfare Services                                  | 93.645                    | 19,189   | 5,677                 |
| SSBG-Other Service and Training                         | 93.667                    | 208,730  | 42,598                |
| Independent Living Grant                                | 93.674                    | 9,750  | 2,438                 |
| Total Administration for Children and Families          |                           | <u>3,024,134</u>                                       | <u>126,318</u>        |

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

| GRANTOR/PASS-THROUGH<br>GRANTOR/PROGRAM TITLE                  | FEDERAL<br>CFDA<br>NUMBER | FEDERAL<br>(DIRECT & PASS-<br>THROUGH)<br>EXPENDITURES | STATE<br>EXPENDITURES |
|--|---------------------------|--|-----------------------|
| <u>Administration for Children and Families (cont.)</u>        |                           |  |                       |
| Division of Child Development:                                 |                           |  |                       |
| <u>Subsidized Child Care</u>                                   |                           |  |                       |
| <u>Child Care Development Fund Cluster:</u>                    |                           |  |                       |
| Division of Social Services:                                   |                           |  |                       |
| Child Care Development Fund-Administration                     | 93.596                    | 91,005   | -                     |
| Division of Child Development:                                 |                           |  |                       |
| Child Care and Development Block Grant                         | 93.575                    | 615,970  | -                     |
| Child Care and Development Fund-Mandatory                      | 93.596                    | 178,524  | -                     |
| Child Care and Development Fund-Match                          | 93.596                    | 258,786  | 13,911                |
| Total Child Care Development Fund Cluster                      |                           | 1,144,285  | 13,911                |
| Social Services Block Grant                                    | 93.667                    | 16,311   | -                     |
| TANF   | 93.558                    | 188,036  | -                     |
| Smart Start  |                           | -  | 54,250                |
| TANF-Maintenance of Effort                                     |                           | -  | 219,524               |
| State Appropriations   |                           | -  | 13,465                |
| Total Subsidized Child Care Cluster                            |                           | 1,348,632  | 301,150               |
| <u>Centers for Medicare and Medicaid Services</u>              |                           |  |                       |
| Passed-through the N.C. Dept. of<br>Health and Human Services: |                           |  |                       |
| Division of Medical Assistance:                                |                           |  |                       |
| Direct Benefit Payments:                                       |                           |  |                       |
| Medical Assistance Program                                     | 93.778                    | 40,049,741   | 14,065,512            |
| Division of Social Services:                                   |                           |  |                       |
| Administration:  |                           |  |                       |
| Medical Assistance Program                                     | 93.778                    | 579,709  | 22,143                |
| State Children's Insurance Program-<br>N.C. Health Choice      | 93.767                    | 40,366   | 2,653                 |
| Total U.S. Dept. of Health and Human Services                  |                           | 45,217,347   | 14,760,514            |
| Total federal awards   |                           | 56,618,418   | 14,760,514            |
| <b>STATE AWARDS:</b>   |                           |  |                       |
| <u>N.C. Dept. of Cultural Resources</u>                        |                           |  |                       |
| Division of State Library                                      |                           |  |                       |
| State Aid to Public Libraries                                  |                           | -  | 118,918               |
| Total N.C. Dept. of Cultural Resources                         |                           | -  | 118,918               |

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

| GRANTOR/PASS-THROUGH<br>GRANTOR/PROGRAM TITLE        | FEDERAL<br>CFDA<br>NUMBER | FEDERAL<br>(DIRECT & PASS-<br>THROUGH)<br>EXPENDITURES | STATE<br>EXPENDITURES |
|--|---------------------------|--|-----------------------|
| <u>N.C. Dept. of Health and Human Services</u>       |                           |  |                       |
| Division of Aging and Adult Services:                |                           |  |                       |
| Division of Social Services:                         |                           |  |                       |
| State/County Special Assistance for                  |                           |  |                       |
| Adults-Direct Benefit Payments                       |                           | -  | 424,611               |
| State Foster Care Benefits Program-Direct            |                           | -  | 4,376                 |
| State Foster Care at Risk Max-Direct Program Benefit |                           | -  | 639                   |
| CWS Adoption Subsidy-Direct                          |                           | -  | 16,636                |
| Energy Assistance                                    |                           | -  | 9,784                 |
| SSBG State   |                           | -  | 2,788                 |
| Smart Start  |                           | -  | 30,641                |
| State Foster Home-Direct                             |                           | -  | 51,300                |
| SFHF Maximization-Direct                             |                           | -  | 111,453               |
| Total N.C. Dept. of Health and Human Services        |                           | -  | 652,228               |
| <u>N.C. Department of Public Instruction</u>         |                           |  |                       |
| Public School Building Capital Fund                  |                           | -  | 600,000               |
| Total N.C. Department of Public Instruction          |                           | -  | 600,000               |
| <u>N.C. Dept. of Environmental and</u>               |                           |  |                       |
| <u>Natural Resources</u>                             |                           |  |                       |
| Soil Technician Grant                                |                           | -  | 25,500                |
| Division of Health and Recreation                    |                           |  |                       |
| Scrap Tire Fund                                      |                           | -  | 1,982                 |
| Total N.C. Dept. of Environmental and                |                           |  |                       |
| Natural Resources                                    |                           | -  | 27,482                |
| <u>N.C. Dept. of Transportation</u>                  |                           |  |                       |
| Rural Operating Assistance Program (ROAP)            |                           |  |                       |
| ROAP Elderly and Disabled Transportation             |                           |  |                       |
| Assistance Program                                   |                           | -  | 90,125                |
| ROAP Rural General Public Program                    |                           | -  | 93,750                |
| ROAP Work First Transitional-Employment              |                           | -  | 8,535                 |
| Construction - SR 1133                               |                           | -  | 75,000                |
| Total N.C. Dept of Transportation                    |                           | -  | 267,410               |

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

| GRANTOR/PASS-THROUGH<br>GRANTOR/PROGRAM TITLE                | FEDERAL<br>CFDA<br>NUMBER | FEDERAL<br>(DIRECT & PASS-<br>THROUGH)<br>EXPENDITURES | STATE<br>EXPENDITURES |
|--|---------------------------|--|-----------------------|
| <u>N.C Dept. Juvenile Justice and Delinquency Prevention</u> |                           |  |                       |
| 4-H Best   |                           | -  | 56,974                |
| Gang Prevention  |                           | -  | 15,769                |
| Tri-City & IFCS  |                           | -  | 13,168                |
| Emergency Shelter Care                                       |                           | -  | 19,042                |
| Continuum Bldg Rev   |                           | -  | 47,486                |
| Administration   |                           | -  | 3,430                 |
| Total N.C. Dept of Juvenile Justice & Delinquency Prevention |                           | -  | 155,869               |
| <u>N.C. Dept. of Administration</u>                          |                           |  |                       |
| Grant Veteran Service  |                           | -  | 2,000                 |
| Total State awards   |                           | -  | 1,823,907             |
| Total federal and State awards                               |                           | \$ 56,618,418  | \$ 16,584,421         |

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

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**NOTES TO PRECEDING SCHEDULE OF FEDERAL AND STATE AWARDS:**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Granville County, North Carolina, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133. Audits of State, Local Governments, and Non-Profit Organizations and State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general purpose financial statement. Certain benefit payments are paid directly to recipients and are not included in the county's general purpose financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the county and are included on this schedule.

**2. SUBRECIPIENTS**

Of the federal and state expenditures presented in this schedule, Granville County provided federal and State awards to subrecipients

| <u>Program Title</u>                                      | <u>CFDA #</u> | <u>Federal Expenditures</u> | <u>State Expenditures</u> |
|---|---------------|-----------------------------|---------------------------|
| Public School Building Capital Fund                       | -             | -                           | 600,000                   |
| Rural General Public Program (ROAP)                       | -             | -                           | 93,750                    |
| EDTAP (ROAP)  | -             | -                           | 90,125                    |
| N.C. Dept. of Juvenile Justice and Delinquency Prevention |               |                             |                           |
| Emergency Shelter Care                                    | -             | -                           | 19,042                    |
| Tri-County & IFCS   | -             | -                           | 13,168                    |
| Gang Prevention   | -             | -                           | 15,769                    |
| Administration  | -             | -                           | 3,430                     |